

*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.*



**Tianjin Tianbao Energy Co., Ltd. \***  
**天津天保能源股份有限公司**

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 1671)**

**CONTINUING CONNECTED TRANSACTION –  
RENEWED CONSTRUCTION, TECHNICAL SUPPORT AND  
MAINTENANCE SERVICES FRAMEWORK AGREEMENT**

**RENEWED CONSTRUCTION, TECHNICAL SUPPORT AND MAINTENANCE  
SERVICES FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated November 25, 2020 in relation to the Previous Renewed Construction, Technical Support and Maintenance Services Framework Agreement dated November 25, 2020, entered into between the Company and TFIHC.

The Previous Renewed Construction, Technical Support and Maintenance Services Framework Agreement will expire on December 31, 2023. Accordingly, on December 20, 2023, the Company entered into the Renewed Construction, Technical Support and Maintenance Services Framework Agreement with TFIHC.

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, the Company is indirectly held as to 72.29% by TFIHC and TFIHC is a Controlling Shareholder of the Company, thus a connected person of the Company under the Listing Rules. Therefore, the transactions contemplated under the Renewed Construction, Technical Support and Maintenance Services Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the annual caps for the transactions under the Renewed Construction, Technical Support and Maintenance Services Framework Agreement is above 5% but less than 25% and the total consideration is less than HKD10,000,000, such transactions are subject to the reporting, announcement and annual review requirements, but are exempt from the circular and independent shareholders' approval requirements.

## **BACKGROUND**

Reference is made to the announcement of the Company dated November 25, 2020 in relation to the Previous Renewed Construction, Technical Support and Maintenance Services Framework Agreement dated November 25, 2020, entered into between the Company and TFIHC.

The Previous Renewed Construction, Technical Support and Maintenance Services Framework Agreement will expire on December 31, 2023. Accordingly, on December 20, 2023, the Company entered into the Renewed Construction, Technical Support and Maintenance Services Framework Agreement with TFIHC, the principal terms of the agreement are as follows:

### **Renewed Construction, Technical Support and Maintenance Services Framework Agreement**

**Date:** December 20, 2023

**Parties:** The Company and TFIHC

**Term:** From January 1, 2024 to December 31, 2026 (both days inclusive)

**Principal terms:** Pursuant to the Renewed Construction, Technical Support and Maintenance Services Framework Agreement, the Group shall provide certain types of construction, technical support and maintenance services to Tianbao Group, including construction, spare parts services, training, maintenance, operation preparation services, technical studies and expert support services and contract energy management services that reduce the consumption of electricity, heat energy, cooling energy and water.

Separate contracts will be entered into between relevant entities of both parties to set out the specific terms and conditions pursuant to the principles stipulated in the Renewed Construction, Technical Support and Maintenance Services Framework Agreement.

**Pricing policy:** The service fees are agreed and based on actual costs and expenses incurred in providing the relevant services on normal commercial terms after arm's length negotiations and on normal commercial terms between the relevant parties with reference to fees in the open market, which shall be no less favourable than the price for similar transactions between the Company and independent third parties.

## Historical Amounts

The amounts of fees in respect of the construction, technical support and maintenance services received from Tianbao Group for the two years ended December 31, 2021, 2022 and for the six months ended June 30, 2023 are set out below:

	<b>Historical amounts for the year ended December 31,</b>		<b>Historical amount for the six months ended June 30,</b>	<b>Approved annual cap for each of the years ended/ending December 31, 2021, 2022 and 2023</b>
	<b>2021</b>	<b>2022</b>	<b>2023</b>	
	<i>(RMB in thousands)</i>			

Total fees paid to the Group from Tianbao Group	1,718	2,039	1,109	8,000
--	-------	-------	-------	-------

As at the date of this announcement, the actual transaction amount for the year ending December 31, 2023 does not exceed the annual caps for the year ending December 31, 2023. Transaction amounts for 2021 and 2022 were below the respective annual caps for the respective year, which were mainly due to (i) the decrease in demand from Tianbao Group for such services as a result of external economic environment; and (ii) more construction, technical support and maintenance services were provided by the Group to independent external customers in the relevant years than those offered to the Tianbao Group.

## Proposed Annual Caps

The maximum aggregate annual transaction amount for the three years ending December 31, 2024, 2025 and 2026 shall not exceed the caps as set out below:

	<b>Proposed annual caps for the year ending December 31,</b>		
	<b>2024</b>	<b>2025</b>	<b>2026</b>
	<i>(RMB in thousands)</i>		
Total fees payable to the Group from Tianbao Group	8,000	8,000	8,000

## **Basis for the Proposed Annual Caps**

In determining the above annual caps, the Directors have considered, among other factors, (i) the historical transaction amounts incurred between the Group and Tianbao Group in respect of the construction, technical support and maintenance services provided/received; (ii) the estimated increase in the average market price for such construction, technical support and maintenance services attributable to anticipated increases in labor and technology costs; (iii) the estimated increase in the needs of such services from Tianbao Group as the economy continues to improve; and (iv) in response to the national new energy industry policy, the Group and Tianbao Group will explore new energy businesses such as solar energy, and establish commercial cooperation in energy-conservation fields including power peak shaving and energy storage.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWED CONSTRUCTION, TECHNICAL SUPPORT AND MAINTENANCE SERVICES FRAMEWORK AGREEMENT**

In relation to the Renewed Construction, Technical Support and Maintenance Services Framework Agreement, the Group has historically been providing certain construction, technical support and maintenance to Tianbao Group in its ordinary and usual course of business in relation to power generation and industrial facility operation. The Group has carried out such transactions with Tianbao Group because: (i) members of the Group and Tianbao Group have established business relationships since their respective establishments; (ii) the Group is a specialist provider in the respective fields, either possessing the requisite license for provision of such services and/or is equipped with experienced and skilled technicians to carry out the specialized work involved; and (iii) the services provided by the Group to Tianbao Group have been on arm's length basis and no more favorable terms, compared with the services the Group provided to other third parties, taking into account the service quality, price, knowledge of each other's business needs and operational requirements, familiarity with each other's projects and value-added contributions that could be offered. The Renewed Construction, Technical Support and Maintenance Services Framework Agreement will allow the Group and Tianbao Group to continue with their established practices and ensure a stable and smooth operation for both.

Based on the above, the Directors (including independent non-executive Directors) believe that the continuing connected transaction set out in this announcement has been entered into in the Company's ordinary and usual course of business on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and the proposed annual caps in respect of such continuing connected transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INTERNAL CONTROL MEASURES**

The Company has adopted the following internal control and corporate governance measures to ensure that the Renewed Construction, Technical Support and Maintenance Services Framework Agreement will comply with the requirements of the Listing Rules going forward:

- (i) as part of the Company's internal control measures, the implementation of the Renewed Construction, Technical Support and Maintenance Services Framework Agreement and the actual number and amount of related materials, products and services will be monitored and reviewed by the Board (including the independent non-executive Directors) and the senior management on a regular basis, with reference to terms of similar transactions with independent third parties;
- (ii) the relevant operational divisions of the Group will report regularly to senior management with respect to the actual performance of the transactions with Tianbao Group;
- (iii) pursuant to the Corporate Governance Code and the Corporate Governance Report in accordance with Appendix 14 of the Listing Rules, the Directors, including the independent non-executive Directors, will be able to seek independent professional advice in respect of the relevant transactions from external parties under appropriate circumstances;
- (iv) the Company will engage auditors to review the connected transactions between the Group and Tianbao Group to ensure that the transactions contemplated under the Renewed Construction, Technical Support and Maintenance Services Framework Agreement have been conducted in accordance with the requirements of the Listing Rules and are in compliance with relevant disclosure requirements; and
- (v) the Company will fully disclose in its annual reports and accounts the transactions with Tianbao Group during each financial period, together with the conclusions (with basis) drawn by the independent non-executive Directors whether the transactions are conducted on normal commercial terms, fair and reasonable, and in the interest of the Shareholders as a whole.

## **INFORMATION ON THE PARTIES**

### **The Company**

The Company is a joint stock company with limited liability incorporated in the PRC on February 28, 2017, and the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1671). It is the sole power operator in Tianjin Port Free Trade Zone (Seaport) and is engaged in cogeneration of steam together with electricity, heating and cooling. The Company is the first state-owned power operator in Tianjin engaging in cogeneration of steam, electricity, heating and cooling listed on the Main Board of the Stock Exchange.

### **TFIHC**

Tianjin Free Trade Zone Investment Holdings Group Co., Ltd.\* (天津保稅區投資控股集團有限公司) is a limited liability company established in the PRC. It is principally engaged in the regional services function of Tianjin Port Free Trade Zone, Tianjin Airport Economic Zone and Tianjin Airport International Logistics Zone, and is responsible for fundamental facilities construction and operation of the three zones above, initially formed major business segments including transportation, real estate development, public utilities, financial and other businesses. It is held by Tianjin Port Free Trade Zone Finance Bureau\* (天津港保稅區財政局) (Tianjin Port Free Trade Zone State-owned Assets Supervision and Administration Bureau\* (天津港保稅區國有資產監督管理局)) and Tianjin Zhonglian Real Estate Co., Ltd.\* (天津中聯置業有限公司) as to approximately 90.55% and 9.45%, respectively. Tianjin Zhonglian Real Estate Co., Ltd.\* (天津中聯置業有限公司), a company established in the PRC, is principally engaged in real estate development and commodity housing sales, and it is wholly owned by Tianjin Finance Bureau\* (天津市財政局).

## LISTING RULES IMPLICATIONS

As at the date of this announcement, the Company is indirectly held as to 72.29% by TFIHC and TFIHC is a Controlling Shareholder of the Company, thus a connected person of the Company under the Listing Rules. Therefore, the transactions contemplated under the Renewed Construction, Technical Support and Maintenance Services Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the annual caps for the transactions under the Renewed Construction, Technical Support and Maintenance Services Framework Agreement is above 5% but less than 25% and the total consideration is less than HKD10,000,000, such transactions are subject to the reporting, announcement and annual review requirements, but are exempt from the circular and independent shareholders' approval requirements.

As at the date of this announcement, as Mr. Wang Xiaotong and Ms. Dong Guangpei are regarded as having a material interest in the transactions contemplated under the Renewed Construction, Technical Support and Maintenance Services Framework Agreement, they have accordingly abstained from voting on the Board resolutions approving the agreement and its annual caps. Save as disclosed in this announcement, there is no other Director who has a material interest in the transactions contemplated under the Renewed Construction, Technical Support and Maintenance Services Framework Agreement.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the same meanings as set out below:

“Board”	the board of directors of the Company
“Company”	Tianjin Tianbao Energy Co., Ltd.* (天津天保能源股份有限公司)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and in this announcement refers to Tianbao Holdings and TFIHC
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKD”	Hong Kong dollars, the current lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“independent third party(ies)”	the person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, are third parties independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“PRC”	the People's Republic of China

“Previous Renewed Construction, Technical Support and Maintenance Services Framework Agreement”	the renewed construction, technical support and maintenance services framework agreement dated November 25, 2020 entered into between the Company and TFIHC, pursuant to which the Group shall provide certain types of construction, technical support and maintenance services to Tianbao Group, including construction, spare parts services, training, maintenance, operation preparation services, technical studies and expert support services
“Renewed Construction, Technical Support and Maintenance Services Framework Agreement”	the renewed construction, technical support and maintenance services framework agreement dated December 20, 2023 entered into between the Company and TFIHC
“RMB”	the lawful currency of the PRC
“Share(s)”	the ordinary shares in the capital of the Company
“Shareholders”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TFIHC”	Tianjin Free Trade Zone Investment Holdings Group Co., Ltd.* (天津保稅區投資控股集團有限公司), a limited liability company established in the PRC on December 17, 2008 and a non-wholly-owned holding company of Tianjin Port Free Trade Zone Finance Bureau* (天津港保稅區財政局) (Tianjin Port Free Trade Zone State-owned Assets Supervision and Administration Bureau* (天津港保稅區國有資產監督管理局)) and it is one of the Controlling Shareholders of the Company
“Tianbao Group”	TFIHC and its subsidiaries (excluding the Group)
“Tianbao Holdings”	Tianjin Tianbao Holdings Limited* (天津天保控股有限公司), a limited liability company established in the PRC on January 28, 1999, a wholly-owned subsidiary of TFIHC and it is one of the Controlling Shareholders of the Company
“%”	per cent

By order of the Board  
**Tianjin Tianbao Energy Co., Ltd.\***  
**Zhou Shanzhong**  
*Chairman*

Tianjin, the People’s Republic of China, December 20, 2023

*As of the date of this announcement, the Board comprises Mr. Zhou Shanzhong, Mr. Wang Geng, Mr. Mao Yongming and Mr. Yao Shen as executive Directors; Mr. Wang Xiaotong and Ms. Dong Guangpei as non-executive Directors; and Mr. Chan Wai Dune, and Mr. You Shijun and Ms. Yang Ying as independent non-executive Directors.*

\* For identification purpose only