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*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 03382)**

## **CONNECTED TRANSACTION IN RELATION TO THE ASSETS TRANSFER AGREEMENT**

### **THE ASSETS TRANSFER AGREEMENT**

On 29 December 2023, Logistics Development Co, a subsidiary of the Company, entered into the Assets Transfer Agreement with Tianjin Port Group, pursuant to which Logistics Development Co agreed to transfer to Tianjin Port Group and Tianjin Port Group agreed to acquire, the Target Assets at the consideration of RMB30,149,210 (tax inclusive).

### **LISTING RULES IMPLICATIONS**

Tianjin Port Group, the indirect holder of 53.5% of the issued share capital of the Company, is the controlling shareholder of the Company and is therefore a connected person of the Company. Logistics Development Co is a subsidiary of the Company. Accordingly, the Assets Transfer 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 Assets Transfer are more than 0.1% but all of the applicable percentage ratios are less than 5%, the Assets Transfer 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 ASSETS TRANSFER AGREEMENT**

- Date : 29 December 2023
- Parties : (1) Logistics Development Co (as transferor)  
(2) Tianjin Port Group (as transferee)
- Assets to be disposed of : The Target Assets, details of which are set out in the section headed "Information on the Target Assets" of this announcement.

Transfer Consideration : The Transfer Consideration is RMB30,149,210 (tax inclusive).

The Transfer Consideration was arrived at after arm's length negotiations between Logistics Development Co and Tianjin Port Group with reference to the appraised value of the Target Assets as at the Valuation Benchmark Date of approximately RMB30,149,210 according to the Asset Valuation Report.

The Asset Valuation Report, after comparing the common valuation methods including the cost approach, the income approach and the market approach, adopted the cost approach for the following reasons:-

(1) the income approach determines the value of the appraised target by capitalising or discounting its future expected income. Since the Target Assets cannot independently generate income and the related costs cannot be accurately collated, the income approach was considered not to be an applicable method;

(2) the market approach evaluates the current fair market value of the appraised target against a similar reference asset in the current market. Since it is difficult to obtain asset transaction cases and comparative parameters similar to the Target Assets, the market approach was considered not to be an applicable method; and

(3) the cost approach is determined by the total costs required to purchase or construct the appraised target as if it was newly acquired, with the deduction of its depreciation in value, giving rise to the current value of the appraised target. Since the Target Assets are all self-built assets, the replacement cost method was considered the most suitable valuation method.

Subject to that in the valuation process, for the equipment to be scrapped, its appraised value is based on the net income obtained after cleaning and realisation, while for the equipment without recycling value, its appraised value is nil; and the valuation is subject to the certain assumptions, including that (i) the transaction of the Target Assets has already taken place; (ii) the Target Assets are being traded in the public market; (iii) the Target Assets are in use and will continue to be used; and (iv) there are no material changes in all other factors and circumstances, etc.

Payment terms : Within 20 days upon the completion of the transfer of the Target Assets, Tianjin Port Group will pay the Transfer Consideration in full to Logistics Development Co, which is RMB30,149,210.

Completion date : 31 December 2023, being the date on which the Target Assets are transferred from Logistics Development Co to Tianjin Port Group as stipulated under the Assets Transfer Agreement.

## **INFORMATION ON THE TARGET ASSETS**

The Target Assets are the above-ground facilities of the Beijiang 160,000 cargo yard held by Logistics Development Co, which include houses and buildings as well as equipment. For the avoidance of doubt, the land use rights of the Beijiang 160,000 cargo yard belong to Tianjin Port Group and such land use rights do not form part of the Target Assets.

Such houses and buildings encompass houses and buildings, structures and other auxiliary facilities, as well as pipes and trenches. Among these, the houses and buildings mainly consist of complex buildings with a total construction area of 1,368.23 square meters, while structures and other auxiliary facilities mainly include freight yards, freight yard railway, etc., and pipes and trenches mainly include drainage pipes, power supply cables and spraying engineering facilities (including pump rooms, control rooms and generator rooms, clean water tanks, sewage tanks, inclined plate sedimentation tanks, pipelines and spraying facilities), etc. Such equipment encompasses machinery and equipment, mainly including ground source heat pump central air conditioners and monitoring systems, etc.

According to the Asset Valuation Report, the original book value and the net book value of the Target Assets at the Valuation Benchmark Date in the accounts of Logistics Development Co are approximately RMB19,471,861 and RMB5,041,422 respectively whereas the value of the Target Assets as at the Valuation Benchmark Date was assessed to be approximately RMB30,149,210 based on the cost approach.

For the financial years ended 31 December 2021 and 2022, Logistics Development Co held the Target Assets for leasing purposes. The net loss before tax and after tax attributable to the Target Assets for the financial year ended 31 December 2021 were approximately RMB2.79 million and RMB2.79 million respectively, and the net profits before tax and after tax attributable to the Target Assets for the financial year ended 31 December 2022 were approximately RMB1.68 million and RMB1.68 million respectively.

## **FINANCIAL EFFECT OF THE ASSETS TRANSFER AND USE OF PROCEEDS**

Upon the completion of the Assets Transfer, the Board expects that the Group will record a one-off gain of approximately RMB22.78 million in respect of the Assets Transfer, based on the difference between the Transfer Consideration and the net book value of the Target Assets, and after deducting of relevant taxes.

The proceeds of the Assets Transfer will mainly be used to optimise Logistics Development Co's structure of assets and liabilities, daily operations, or other use(s) approved by the directors' and/or shareholders' meeting(s) of Logistics Development Co.

## **REASONS FOR AND BENEFITS OF THE ASSETS TRANSFER**

Logistics Development Co is principally engaged in port logistics operating businesses. The Assets Transfer can improve the cashflow of Logistics Development Co, and the funds released can be used in its main business, optimising its structure of assets and liabilities, thereby enhancing the strength and profitability of the Group as a whole.

The Directors (including the independent non-executive Directors) are of the view that the Assets Transfer is conducted in the ordinary and usual course of business of the Group on normal commercial terms, and the terms of the Assets Transfer Agreement are 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, the indirect holder of 53.5% of the issued share capital of the Company, is the controlling shareholder of the Company and is therefore a connected person of the Company. Logistics Development Co is a subsidiary of the Company. Accordingly, the Assets Transfer 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 Assets Transfer are more than 0.1% but all of the applicable percentage ratios are less than 5%, the Assets Transfer 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 Assets Transfer. 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.

Logistics Development Co is principally engaged in port logistics operating businesses.

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

|                             |  |
|-----------------------------|--|
| “Asset Valuation Report”    | the valuation report dated 12 December 2023 issued by the independent valuer, 北京天健興業資產評估有限公司(Beijing Pan-China Appraisal Co., Ltd.*) in relation to the valuation of the Target Assets as at the Valuation Benchmark Date in accordance with the relevant PRC laws, regulations and valuation standards;                           |
| “Assets Transfer”           | the transfer of the Target Assets from Logistics Development Co to Tianjin Port Group as contemplated under the Assets Transfer Agreement;   |
| “Assets Transfer Agreement” | the assets transfer agreement dated 29 December 2023 entered into between Logistics Development Co (as transferor) and Tianjin Port Group (as transferee) in relation to the Assets Transfer, details of which are set out in the section headed “ <i>Principal terms of the Assets Transfer Agreement</i> ” of this announcement; |
| “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;   |

|                            |   |
|----------------------------|---|
| “Logistics Development Co” | 天津港物流發展有限公司 (Tianjin Port Logistics Development Co., Ltd.*), a limited liability company incorporated in the PRC and a subsidiary of the Company as at the date of this announcement;   |
| “PRC”                      | the People’s Republic of China;   |
| “RMB”                      | Renminbi, the lawful currency of the PRC;   |
| “Stock Exchange”           | The Stock Exchange of Hong Kong Limited;  |
| “Target Assets”            | the above-ground facilities of the Beijiang 160,000 cargo yard, including the buildings, structures and equipment listed in the Asset Valuation Report, which are held by Logistics Development Co, details of which are set out in the section headed “ <i>Information on the Target Assets</i> ” 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 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; |
| “Transfer Consideration”   | the consideration of the Assets Transfer to be paid by Tianjin Port Group to Logistics Development Co, being RMB30,149,210 (tax inclusive);   |
| “Valuation Benchmark Date” | 31 May 2023; and  |
| “%”                        | per cent.   |

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

Hong Kong, 29 December 2023

*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.*

\* *For identification purposes only*