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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 15 December 2022, Yuanhang International, a subsidiary of the Group, entered into the Assets Transfer Agreement with Tianjin Port Group, pursuant to which Yuanhang International agreed to acquire, and Tianjin Port Group agreed to transfer to Yuanhang International, the Target Assets at the consideration of RMB57,614,545.89 (tax inclusive).

### **LISTING RULES IMPLICATIONS**

Tianjin Port Group is the controlling shareholder of the Company, holding of approximately 53.5% of the equity interest in the Company and is therefore a connected person of the Company. Yuanhang International 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 : 15 December 2022
- Parties : (1) Tianjin Port Group (as transferor)  
(2) Yuanhang International (as transferee)
- Assets to be acquired : 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 for the Target Assets is RMB57,614,545.89 (tax inclusive), which was arrived at after arm's length negotiations between Tianjin Port Group and Yuanhang International with reference to (i) the value of the Target Assets as at the Valuation Benchmark Date of approximately RMB54,559,200 based on the Asset Valuation Report; (ii) the related value-added tax of RMB3,055,316.83; and (iii) appropriate rounding adjustment.
- Payment terms : Tianjin Port Group will issue a full value-added tax special invoice to Yuanhang International before 31 December 2022. After the completion of the Assets Transfer, Yuanhang International will pay in full the Transfer Consideration to Tianjin Port Group, being RMB57,614,545.89 (tax inclusive), before 31 January 2023 and after receipt of the full value-added tax special invoice.
- The Transfer Consideration will be funded by internal resources of the Group.
- Completion date : 15 December 2022, being the date on which the Target Assets are transferred from Tianjin Port Group to Yuanhang International as stipulated under the Assets Transfer Agreement.

## **INFORMATION ON THE TARGET ASSETS**

The Target Assets are the foundation treatment engineering assets situated at the lands for the railway loading and unloading line on the south side of the expansion of the ore yard in Nanjiang area of the port of Tianjin; and the railway yard on the south side of the eastern Nanjiang area of the port of Tianjin.

The lands for the railway loading and unloading line on the south side of the expansion of the ore yard in Nanjiang area of the port of Tianjin are situated at the south of Yuanhang South Cargo Yard in Nanjiang Port Area and at the north of the 300,000-ton oil pipeline, and among such lands a total area of approximately 87,635.90 square meters was under asset valuation. The railway yard on the south side of the eastern Nanjiang area of the port of Tianjin is situated at the region south of the bulk cargo yard in the central part of Nanjiang and at the north of Nangang Middle Road, and among such yard, a total area of approximately 15,805.50 square meters was under asset valuation.

Tianjin Port Group has completed the foundation treatment work for the above-mentioned lands. Therefore, prior to the completion date of the Assets Transfer, the Target Assets are owned by Tianjin Port Group. Subsequent to the completion of the Assets Transfer, the Target Assets will be utilised by Yuanhang International for the South Cargo Yard Railway Project. Since before the Valuation Benchmark Date, the Group through Tianjin Port Yuanhang Bulk Cargo Terminal Co., Ltd.\* (天津港遠航散貨碼頭有限公司) has already acquired the right of use of the lands where the Target Assets are situated, the valuation of the Target Assets will not take into account the value of right of use of such lands.

According to the Asset Valuation Report, the original cost of the Target Assets is approximately RMB53,353,400 pursuant to the audit of the book value of the Target Assets under construction in progress as set out in the accounts of Tianjin Port Group; and the value of the Target Assets as at the Valuation Benchmark Date was assessed to be approximately RMB54,559,200 based on the cost approach.

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

Yuanhang International will utilize the Target Assets for the South Cargo Yard Railway Project, conducive to the fulfilment of demand of the foundation reinforcement for the ongoing construction, accelerating the overall construction progress of the South Cargo Yard Railway Project, and thereby facilitating the early commencement of operation of the South Cargo Yard Railway Project, which is in the interests 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 and 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.

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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.

Yuanhang International is principally engaged in non-containerised cargo handling and other port ancillary services.

## DEFINITIONS

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

“Asset Valuation Report”	the valuation report issued by 中通誠（天津）房地產土地資產評估有限公司 (China Tongcheng (Tianjin) Real Estate & Land & Assets Appraisal Co., Ltd.*) dated 17 October 2022 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 Tianjin Port Group to Yuanhang International as contemplated under the Assets Transfer Agreement;
“Assets Transfer Agreement”	the assets transfer agreement dated 15 December 2022 entered into between Tianjin Port Group (as transferor) and Yuanhang International (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;
“PRC”	the People’s Republic of China;

“RMB”	Renminbi, the lawful currency of the PRC;
“South Cargo Yard Railway Project”	Tianjin Port Nanjiang Yuanhang South Cargo Yard Railway Loading Line Engineering Construction Project, the project location of which comprises of two parcels of land ( 交津濱港 ( 掛 ) G2021-3 ) ((G2021-3 in Jiaojin Bin Port (Hanging)*)) and ( 津濱港 ( 掛 ) G2021-4 ) ((G2021-4 in Jinbin Port (Hanging)*)), with a total land area of 105,582 square meters;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Assets”	the foundation treatment engineering assets situated at the lands for the railway loading and unloading line on the south side of the expansion of the ore yard in Nanjiang area of the port of Tianjin; and the railway yard on the south side of the eastern Nanjiang area of the port of Tianjin, 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 RMB57,614,545.89 (tax inclusive) for the Assets Transfer to be paid by Yuanhang International to Tianjin Port Group;
“Valuation Benchmark Date”	31 May 2022;
“Yuanhang International”	天津港遠航國際礦石碼頭有限公司 (Tianjin Port Yuanhang International Ore Terminal Co., Ltd.*), a limited liability company incorporated in the PRC and a subsidiary of the Group; and
“%”	per cent.

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

Hong Kong, 15 December 2022

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

*\* For identification purposes only*