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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03382)

CONNECTED TRANSACTION IN RELATION TO THE COMPENSATION AGREEMENT

THE COMPENSATION AGREEMENT

On 29 October 2021, Haijia Automobile Terminal, a non wholly-owned subsidiary of the Group, entered into the Compensation Agreement with TP International Logistics, pursuant to which Haijia Automobile Terminal agreed to pay to TP International Logistics the Compensation Amount for the Project of Infrastructure Work in the total amount of RMB91,160,700.

LISTING RULES IMPLICATIONS

TP International Logistics is a non wholly-owned subsidiary of Tianjin Port Group (which is the controlling shareholder of the Company) and is therefore a connected person of the Company. Accordingly, the Compensation constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Compensation are more than 0.1% but less than 5%, the Compensation is only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but is exempt from the circular (including independent financial advice) and shareholders' approval requirements.

PRINCIPAL TERMS OF THE COMPENSATION AGREEMENT

Date	:	29 October 2021
Parties	:	Haijia Automobile Terminal (as compensating party) TP International Logistics (as compensated party)
Subject matter	:	Haijia Automobile Terminal agreed to pay to TP International Logistics the Compensation Amount for the Project of Infrastructure Work.

Compensation Amount : The total amount of the Compensation Amount for the Project of Infrastructure Work is RMB91,160,700 (tax inclusive), which was arrived at after arm's length negotiations between Haijia Automobile Terminal and TP International Logistics with reference to the Asset Valuation Report issued by the independent valuer. 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*) carried out the valuation of the market value of the Project of Infrastructure Work as at the valuation reference date of 31 October 2020. The appraised original value of the Project of Infrastructure Work was RMB120,834,707 and the appraised net value of the Project of Infrastructure Work was RMB91,160,700.

Payment terms : TP International Logistics will issue special invoices for value-added tax in three phases, the tax items for which should be "real estate - other real estate compensation" or other tax items acceptable to Haijia Automobile Terminal, and the tax rate will be not less than 5%. Haijia Automobile Terminal will pay the corresponding Compensation Amount to TP International Logistics within 10 working days upon receiving the aforesaid invoices. The specific time for the issuance of invoices and the amount are as follows:

Phase One: After the Compensation Agreement having become effective, TP International Logistics shall issue an invoice, in the amount of RMB27,348,200 (tax inclusive), representing approximately 30% of the Compensation Amount;

Phase Two: After the Project of Ro-Ro Terminal of Haijia Automobile Terminal having been inspected and accepted by the government, TP International Logistics shall issue an invoice in the amount of RMB45,580,400 (tax inclusive), representing approximately 50% of the Compensation Amount; and

Phase Three: One year after the Project of Ro-Ro Terminal of Haijia Automobile Terminal having been inspected and accepted by the government, TP International Logistics shall issue an invoice in the amount of RMB18,232,100 (tax inclusive), representing approximately 20% of the Compensation Amount.

The Compensation Amount will be funded by internal resources of the Group.

INFORMATION ON THE PROJECT OF INFRASTRUCTURE WORK

The plot at the East of Beigang Port East 2nd Road of Tianjin Port Container Logistics Centre Depot is situated at the North of Xingang 6th Road, the East of Beigang Port East 2nd Road, with a total site area of 202,100 square metres.

The Project of Infrastructure Work is situated at the Plot, which is the infrastructure work to the Plot invested and constructed by TP International Logistics, including, in particular, the hydraulic fill sandy soil and plot cushion layer of the plot at the East of Beigang Port East 2nd Road. The land use right of the Plot is currently owned by Haijia Automobile Terminal, and the Project of Infrastructure Work is re-used by Haijia Automobile Terminal for the Project of Ro-Ro Terminal.

REASONS FOR AND BENEFITS OF THE COMPENSATION

Haijia Automobile Terminal re-used the Project of Infrastructure Work for the Project of Ro-Ro Terminal, which contributes to the requirement of the foundation reinforcement and accelerates the overall construction progress of the Project of Ro-Ro Terminal, and therefore promotes early operation of Haijia Automobile Terminal, which is in the interests of the Group as a whole.

The Directors are of the view that the Compensation is on normal commercial terms, and the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

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As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Compensation are more than 0.1% but less than 5%, the Compensation is only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but is exempt from the circular (including independent financial advice) and shareholders' approval requirements.

None of the Directors had a material interest in the Compensation. In view of good corporate governance practices, Chu Bin, Luo Xunjie and Xue Xiaoli, the Directors, abstain from voting on 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 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.

Haijia Automobile Terminal is principally engaged in construction and management of ro-ro terminal and depot, cargo handling and storage services.

TP International Logistics is principally engaged in the development of logistics properties.

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 12 July 2021 in relation to the valuation of the Project of Infrastructure Work as at 31 October 2020 in accordance with the relevant PRC laws, regulations and valuation standards;
“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);
“Compensation”	the payment of the Compensation Amount by Haijia Automobile Terminal to TP International Logistics for the Project of Infrastructure Work in accordance with the appraised value of the Asset Valuation Report and pursuant to the Compensation Agreement;
“Compensation Agreement”	the compensation agreement dated 29 October 2021 entered into between Haijia Automobile Terminal (as compensating party) and TP International Logistics (as compensated party) in relation to the Compensation, details of which are set out in the section headed “Principal terms of the Compensation Agreement” of this announcement;
“Compensation Amount”	the compensation amount in the total amount of RMB91,160,700 (tax inclusive) for the Project of Infrastructure Work to be paid by Haijia Automobile Terminal to TP International Logistics;
“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;

“Haijia Automobile Terminal”	天津港海嘉汽車碼頭有限公司 (Tianjin Port Haijia Automobile Terminal Co., Ltd.*), a limited liability company incorporated in the PRC and a non wholly-owned subsidiary of the Group;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Plot”	the plot at the East of Beigang Port East 2nd Road of Tianjin Port Container Logistics Centre Depot, details of which are set out in the section headed “Information on the Project of Infrastructure Work” of this announcement;
“PRC”	the People’s Republic of China;
“Project of Infrastructure Work”	the Infrastructure Work to the Plot invested and constructed by TP International Logistics, including specifically the hydraulic fill sandy soil and plot cushion layer, details of which are set out in the section headed “Information on the Project of Infrastructure Work” of this announcement;
“Project of Ro-Ro Terminal”	the construction of two Ro-Ro berths by Haijia Automobile Terminal at the landed area located at the south shoreline of the first branch of the North port basin, the west side of which is the planned Beigang East 2nd Road, and the south side of which is Xingang No.6 Road;
“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 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;
“TP International Logistics”	天津港國際物流發展有限公司 (Tianjin Port International Logistics Development Co., Ltd.*), a limited liability company incorporated in the PRC and a non wholly-owned subsidiary of Tianjin Port Group; and

“0%”

per cent.

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

Hong Kong, 29 October 2021

As at the date of this announcement, the Board comprises Mr. Chu Bin, Mr. Luo Xunjie, Mr. Sun Bin, Ms. Xue Xiaoli and Ms. Shi Jing 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*