

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



天津港發展控股有限公司
Tianjin Port Development Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3382)



天津發展控股有限公司
TIANJIN DEVELOPMENT HOLDINGS LIMITED

(Incorporated in Hong Kong SAR with limited liability under the Companies Ordinance)
(Stock Code: 882)

JOINT ANNOUNCEMENT CONTINUING CONNECTED TRANSACTIONS

THE EXISTING CONTINUING CONNECTED TRANSACTIONS

Reference is made to the Prospectus in relation to certain continuing connected transactions between the Group and Tianjin Port Group.

Tianjin Port now seeks to revise the annual caps of and modify the parties to the Existing Agreements.

REVISION OF ANNUAL CAPS AND CHANGE OF PARTIES TO THE EXISTING AGREEMENTS BY ENTERING INTO THE FRAMEWORK AGREEMENTS

On 8 May 2006, each of Tianjin Container and Tianjin Second Stevedoring entered into the Existing Agreements with certain wholly-owned subsidiaries of Tianjin Port Group in relation to the Existing Continuing Connected Transactions. The Tianjin Port Board has been monitoring the Existing Continuing Connected Transactions and with the continuous development and expansion of the businesses and operation of the Group and based on the internal forecasts of the demand and the operating conditions in respect of the Existing Continuing Connected Transactions, the Tianjin Port Board noted that the existing caps of the Existing Continuing Connected Transactions for the financial years ending 31 December 2007 and 2008 will not be sufficient for the Group's current operational requirements, and therefore proposed that the existing caps for the Existing Continuing Connected Transactions be revised by entering into the Framework Agreements on exactly the same terms as the Existing Agreements.

In order to enable Tianjin Port to monitor and manage the status of the Existing Continuing Connected Transactions more effectively, the Tianjin Port Board also proposed that the Framework Agreements be entered into between Tianjin Port and the relevant wholly-owned subsidiaries of Tianjin Port Group.

THE NEW CONTINUING CONNECTED TRANSACTIONS

The respective Tianjin Development Board and Tianjin Port Board are also pleased to announce that Tianjin Port has entered into the New Framework Agreements with certain subsidiaries or associate of Tianjin Port Group respectively on 12 April 2007 for terms ending on 31 December 2009.

The EDI Services Framework Agreement

Tianjin Port has entered into the EDI Services Framework Agreement in relation to the provision of EDI Services by Tianjin Port Information.

The Container Reconfiguration Storage Services Framework Agreement

Tianjin Port has entered into the Container Reconfiguration Storage Services Framework Agreement in relation to the provision of Container Reconfiguration Storage Services by Tianjin Port Container Freight, Tianjin Port Group Storage Company and Huahan.

The Labour Services Framework Agreement

Tianjin Port has entered into the Labour Services Framework Agreement in relation to the provision of Labour Services by Tianjin Port Labour.

LISTING RULES IMPLICATIONS

As the Stock Exchange has exercised its discretion under Rule 14A.06 of the Listing Rules to deem Tianjin Port Group and its associates as connected persons of Tianjin Development and Tianjin Port, the entering into of the Framework Agreements and the New Framework Agreements constitutes continuing connected transactions for each of Tianjin Development and Tianjin Port.

Since the Continuing Connected Transactions were entered into by the issuer or its subsidiaries with the same connected person or with parties associated with one another, Tianjin Port and Tianjin Development will aggregate the Continuing Connected Transactions in the calculation of the percentage ratios under Rules 14A.25 and 14A.26 of the Listing Rules.

As some of the applicable percentage ratios for the Continuing Connected Transactions on an aggregated and annual basis exceed 2.5% and the aggregated annual consideration is more than HK\$10 million, the entering into of the Continuing Connected Transactions constitutes non-exempt continuing connected transactions for both Tianjin Port and Tianjin Development under Rule 14A.35 of the Listing Rules, and is subject to the reporting and disclosure requirements under Rules 14A.45 to 14A.47 of the Listing Rules, the approval of the Tianjin Port Independent Shareholders and Tianjin Development Independent Shareholders by way of poll under Rule 14A.48 of the Listing Rules at their respective general meetings and the annual review requirements by the respective independent non-executive directors and the respective auditors of Tianjin Port and Tianjin Development under Rules 14A.37 and 14A.38 of the Listing Rules.

The Tianjin Port Independent Board Committee and the Tianjin Development Independent Board Committee have been established to advise the Tianjin Port Independent Shareholders and the Tianjin Development Independent Shareholders respectively as to the terms of the Continuing Connected Transactions and the annual caps on the Continuing Connected Transactions for the three years ending 31 December 2009.

Tianjin Port and Tianjin Development will appoint an independent financial adviser to advise the Independent Board Committees in respect of the Continuing Connected Transactions. A circular containing, amongst other things, details of the terms of the Continuing Connected Transactions, letters from the Tianjin Port Independent Board Committee and from the independent financial adviser and a notice to the Tianjin Port Shareholders convening an extraordinary general meeting of Tianjin Port to approve the terms of the Continuing Connected Transactions under the Framework Agreements and the New Framework Agreements and the annual caps for the three years ending 31 December 2009 on the Continuing Connected Transactions will be despatched to the Tianjin Port Shareholders as soon as practicable. Tianjin Development will issue a circular containing the information above to the Tianjin Development Shareholders as well.

BACKGROUND

Reference is made to the Prospectus in relation to certain continuing connected transactions between the Group and Tianjin Port Group.

Tianjin Port now seeks to revise the annual caps of and modify the parties to the Existing Agreements.

REVISION OF ANNUAL CAPS AND CHANGE OF PARTIES TO THE EXISTING AGREEMENTS BY ENTERING INTO THE FRAMEWORK AGREEMENTS

Revision of Annual Caps

On 8 May 2006, each of Tianjin Container and Tianjin Second Stevedoring entered into the Existing Agreements with certain wholly-owned subsidiaries of Tianjin Port Group in relation to the following Existing Continuing Connected Transactions:

Water Supply Services

Pursuant to the respective agreements dated 8 May 2006 entered into between Tianjin Port Facilities and Tianjin Container and Tianjin Second Stevedoring respectively, Tianjin Port Facilities provided water supply services to each of Tianjin Container and Tianjin Second Stevedoring for terms ending on 31 December 2008.

Communications Services

Pursuant to the respective agreements dated 8 May 2006 entered into between Tianjin Communications and Tianjin Container and Tianjin Second Stevedoring respectively, Tianjin Communications provided communications services to each of Tianjin Container and Tianjin Second Stevedoring for terms ending on 31 December 2008.

Electricity Supply Services

Pursuant to the respective agreements dated 8 May 2006 entered into between Tianjin Port Electricity and Tianjin Container and Tianjin Second Stevedoring respectively, Tianjin Port Electricity provided electricity supply services to each of Tianjin Container and Tianjin Second Stevedoring for terms ending on 31 December 2008.

Details of the Existing Continuing Connected Transactions are more particularly set out in the Prospectus.

The Tianjin Port Board has been monitoring the Existing Continuing Connected Transactions and with the continuous development and expansion of the businesses and operation of the Group and based on the internal forecasts of the demand and the operating conditions in respect of the Existing Continuing Connected Transactions, the Tianjin Port Board noted that the existing caps of the Existing Continuing Connected Transactions for the financial years ending 31 December 2007 and 2008 will not be sufficient for the Group's current operational requirements, and therefore proposed that the existing caps for the Existing Continuing Connected Transactions be revised by entering into the Framework Agreements on exactly the same terms as the Existing Agreements. Details of the Framework Agreements are set out below.

Change of Parties to the Existing Agreements

The Existing Agreements were entered into between the wholly-owned subsidiaries of Tianjin Port and the wholly-owned subsidiaries of Tianjin Port Group. In order to enable Tianjin Port to monitor and manage the status of the Existing Continuing Connected Transactions more effectively, the Tianjin Port Board also proposed that the Framework Agreements be entered into between Tianjin Port and the relevant subsidiaries of Tianjin Port Group as more particularly set out below.

THE FRAMEWORK AGREEMENTS

Tianjin Port entered into the Framework Agreements on 12 April 2007 as described below:

1. The Water Services Framework Agreement

- Date : 12 April 2007
- Parties : (i) Tianjin Port
(ii) 天津港設施管理服務公司 (Tianjin Port Facilities Management Company*), formerly known as 天津港修建工程公司 (Tianjin Port Construction and Engineering Company*)
- Term : 12 April 2007 – 31 December 2009 (extension on similar terms subject to mutual agreements)
- Transactions involved : Provision of water supply services by Tianjin Port Facilities to the Group.
- Price determination : The price is determined with reference to applicable PRC State prescribed prices and the actual usage by the Group. Adjustment shall be made to the price if there are any changes in the PRC State prescribed prices.
- Condition : Each of the parties involved has obtained the respective necessary authorization and approval required for the Water Services Framework Agreement, including but not limited to, having obtained the approval as required under the Listing Rules.

2. The Communications Services Framework Agreement

- Date : 12 April 2007
- Parties : (i) Tianjin Port
(ii) 天津港通信導航公司 (Tianjin Communications Navigation Company Limited*)
- Term : 12 April 2007 – 31 December 2009 (extension on similar terms subject to mutual agreements)
- Transactions involved : Provision of various communications services by Tianjin Communications to the Group.
- Price determination : The price is determined with reference to applicable PRC State prescribed prices and the actual usage by the Group. Adjustment shall be made to the price if there are any changes in the PRC State prescribed prices.
- Condition : Each of the parties involved has obtained the respective necessary authorization and approval required for the Communications Services Framework Agreement, including but not limited to, having obtained the approval as required under the Listing Rules.

3. The Electricity Services Framework Agreement

Date	:	12 April 2007
Parties	:	(i) Tianjin Port (ii) 天津港電力有限公司 (Tianjin Port Electricity Company Limited*), formerly known as 天津港電力公司 (Tianjin Port Electricity Company*)
Term	:	12 April 2007 – 31 December 2009 (extension on similar terms subject to mutual agreements)
Transactions involved	:	Provision of electricity services by Tianjin Port Electricity to the Group.
Price determination	:	The price is determined with reference to applicable PRC State prescribed prices and the actual usage by the Group. Adjustment shall be made to the price if there are any changes in the PRC State prescribed prices.
Condition	:	Each of the parties involved has obtained the respective necessary authorization and approval required for the Electricity Services Framework Agreement, including but not limited to, having obtained the approval as required under the Listing Rules.

Historical Figures

The table below sets forth a summary of the historical transaction amounts for each of the Existing Continuing Connected Transactions for the three financial years ended 31 December 2006:

Existing Continuing Connected Transactions	Historical figures (in approximate thousand) for the years ended 31 December		
	2004	2005	2006
(1) Water Supply Services	RMB3,300 (equivalent to approximately HK\$3,330)	RMB3,800 (equivalent to approximately HK\$3,840)	RMB4,800 (equivalent to approximately HK\$4,850)
(2) Communications Services	RMB800 (equivalent to approximately HK\$810)	RMB1,000 (equivalent to approximately HK\$1,010)	RMB880 (equivalent to approximately HK\$890)
(3) Electricity Supply Services	RMB22,600 (equivalent to approximately HK\$22,830)	RMB23,800 (equivalent to approximately HK\$24,040)	RMB26,200 (equivalent to approximately HK\$26,460)

Existing Caps

The table below sets forth a summary of the existing caps for each of the Existing Continuing Connected Transactions for the three financial years ending 31 December 2008:

Existing Continuing Connected Transactions	Existing caps (in thousand) for the years ending 31 December		
	2006	2007	2008
(1) Water Supply Services	RMB5,000 (equivalent to approximately HK\$5,050)	RMB5,700 (equivalent to approximately HK\$5,760)	RMB6,500 (equivalent to approximately HK\$6,570)
(2) Communications Services	RMB1,300 (equivalent to approximately HK\$1,310)	RMB1,500 (equivalent to approximately HK\$1,520)	RMB 1,800 (equivalent to approximately HK\$1,820)
(3) Electricity Supply Services	RMB28,600 (equivalent to approximately HK\$28,890)	RMB36,000 (equivalent to approximately HK\$36,360)	RMB43,900 (equivalent to approximately HK\$44,340)

Proposed Revised Annual Caps

The table below sets forth the proposed revised annual caps under each of the Existing Continuing Connected Transactions for the three financial years ending 31 December 2009 under the Framework Agreements:

Existing Continuing Connected Transactions under the Framework Agreements	Proposed revised annual caps (in thousand) for the years ending 31 December		
	2007	2008	2009
(1) Water Supply Services	RMB6,900 (equivalent to approximately HK\$6,970)	RMB7,860 (equivalent to approximately HK\$7,940)	RMB8,920 (equivalent to approximately HK\$9,010)
(2) Communications Services	RMB2,090 (equivalent to approximately HK\$2,110)	RMB2,390 (equivalent to approximately HK\$2,410)	RMB2,710 (equivalent to approximately HK\$2,740)
(3) Electricity Supply Services	RMB37,850 (equivalent to approximately HK\$38,230)	RMB46,100 (equivalent to approximately HK\$46,570)	RMB52,900 (equivalent to approximately HK\$53,430)

Bases of Proposed Revised Annual Caps

The bases of the proposed revised annual caps for each of the Existing Continuing Connected Transactions under the Framework Agreements are as follows:

1. Water Supply Services

- (a) Tianjin Port's estimate of its continuous increase in usage of water by the Group;
- (b) Tianjin Port's record of an increase of water charge in the second half of 2006;
- (c) Tianjin Port's expectation on the increase of water charge; and
- (d) the previous transactions conducted and the historical transaction amounts.

2. Communications Services

- (a) Tianjin Port's estimate of the accelerated growth in business, especially in the container handling volume; and
- (b) the previous transactions conducted and the historical transaction amounts.

3. Electricity Supply Services

- (a) Tianjin Port's estimate of its continuous increase in usage of electricity by the Group;
- (b) Tianjin Port's growth of business especially the container business which leads to the increase in demand of electricity;
- (c) Tianjin Port's expectation on the increase of electricity charge; and
- (d) the previous transactions conducted and the historical transaction amounts.

In computing the proposed revised annual caps for the Water Supply Services, the Communications Services and the Electricity Supply Services, the Tianjin Port Board has also taken into account the usage of services by certain subsidiaries of Tianjin Port which had not been included in the calculation of the existing annual caps.

THE NEW CONTINUING CONNECTED TRANSACTIONS

The respective Tianjin Development Board and Tianjin Port Board are also pleased to announce that Tianjin Port has entered into the New Framework Agreements with certain subsidiaries or associate of Tianjin Port Group respectively on 12 April 2007 for terms ending on 31 December 2009.

The EDI Services Framework Agreement

Tianjin Port has entered into the EDI Services Framework Agreement in relation to the provision of EDI Services by Tianjin Port Information.

The Container Reconfiguration Storage Services Framework Agreement

Tianjin Port has entered into the Container Reconfiguration Storage Services Framework Agreement in relation to the provision of Container Reconfiguration Storage Services by Tianjin Port Container Freight, Tianjin Port Group Storage Company and Huahan.

The Labour Services Framework Agreement

Tianjin Port has entered into the Labour Services Framework Agreement in relation to the provision of Labour Services by Tianjin Port Labour.

THE NEW FRAMEWORK AGREEMENTS

Tianjin Port entered into the New Framework Agreements on 12 April 2007 as described below:

1. The EDI Services Framework Agreement

- Date : 12 April 2007
- Parties : (i) Tianjin Port
(ii) 天津港信息中心 (Tianjin Port Information Centre*)
- Term : 12 April 2007 – 31 December 2009 (extension on similar terms subject to mutual agreements)
- Transactions involved : Provision of services relating to electronic data information, software utility, computer maintenance and repair, electronic transmission and similar services by Tianjin Port Information to the Group.
- Price determination : The price is determined with reference to applicable PRC State prescribed prices or at a level not higher than the market price. Adjustment shall be made to the price if there are any changes in the PRC State prescribed prices.
- Condition : Each of the parties involved has obtained the respective necessary authorization and approval required for the EDI Services Framework Agreement, including but not limited to, having obtained the approval as required under the Listing Rules.

2. The Container Reconfiguration Storage Services Framework Agreement

- Date : 12 April 2007
- Parties : (i) Tianjin Port
(ii) 天津港集裝箱貨運有限公司 (Tianjin Port Container Freight Company Limited*)
(iii) 天津港股份有限公司儲運分公司 (Tianjin Port Limited Storage and Transportation Branch Company*)
(iv) 華韓(天津)貨箱有限公司 (Huahan (Tianjin) Container Company Limited*)
(ii), (iii) and (iv) collectively, the "Service Companies")
- Term : 12 April 2007 – 31 December 2009 (extension on similar terms subject to mutual agreements)
- Transactions involved : Provision of stacking yards and warehouses located at Tianjin Port Area for temporary storage of containers by the Service Companies to the Group.
- Price determination : The price is determined with reference to the actual number of containers stored for a period of seven days and shall not be higher than the applicable PRC State prescribed prices. Adjustment shall be made to the price if there are any changes in the PRC State prescribed prices.

Condition : Each of the parties involved has obtained the respective necessary authorization and approval required for the Container Reconfiguration Storage Services Framework Agreement, including but not limited to, having obtained the approval as required under the Listing Rules.

3. The Labour Services Framework Agreement

Date : 12 April 2007

Parties : (i) Tianjin Port
(ii) 天津益港勞務有限公司 (Tianjin Port Labour Services Company Limited*)

Term : 12 April 2007 – 31 December 2009 (extension on similar terms subject to mutual agreements)

Transactions involved : Provision of labour of various positions to perform various services by Tianjin Port Labour to the Group.

Price determination : The service fee is determined with reference to factors such as applicable PRC State prescribed price, position and types of labour provided, market prices and standard wages rate (if any). Adjustment shall be made to the price if there are any changes in the PRC State prescribed prices.

Condition : Each of the parties involved has obtained the respective necessary authorization and approval required for the Labour Services Framework Agreement, including but not limited to, having obtained the approval as required under the Listing Rules.

Historical Figures

Tianjin Port had entered into similar container reconfiguration storage services agreement with the subsidiaries of Tianjin Port Group in 2004 which was subsequently terminated on 31 March 2006. Tianjin Port then engaged independent third parties to provide similar container reconfiguration storage services. The table below sets forth the historical transaction amounts for such services for the three financial years ended 31 December 2006:

Transaction	Historical figures (in approximate thousand)			
	for the year ended 31 December 2004	for the year ended 31 December 2005	for the 3 months ended 31 March 2006	for the 9 months from 1 April to 31 December 2006
Container Reconfiguration Storage Services	RMB20,400 (equivalent to approximately HK\$20,610)	RMB18,010 (equivalent to approximately HK\$18,190)	RMB5,360 (equivalent to approximately HK\$5,410)	RMB13,520 (equivalent to approximately HK\$13,660)

As the EDI Services and the Labour Services are entirely new transactions of Tianjin Port, no historical transaction amounts are available.

Proposed Annual Caps

The table below sets forth the proposed annual caps under each of the New Continuing Connected Transactions for the three financial years ending 31 December 2009 under the New Framework Agreements:

New Continuing Connected Transactions under the New Framework Agreements	Proposed annual caps (in thousand) for the years ending 31 December		
	2007	2008	2009
(1) EDI Services	RMB2,810 (equivalent to approximately HK\$2,840)	RMB3,200 (equivalent to approximately HK\$3,230)	RMB3,630 (equivalent to approximately HK\$3,670)
(2) Container Reconfiguration Storage Services	RMB18,590 (equivalent to approximately HK\$18,780)	RMB30,060 (equivalent to approximately HK\$30,360)	RMB35,480 (equivalent to approximately HK\$35,840)
(3) Labour Services	RMB4,900 (equivalent to approximately HK\$4,950)	RMB7,850 (equivalent to approximately HK\$7,930)	RMB9,030 (equivalent to approximately HK\$9,120)

Bases of the Proposed Annual Caps

The bases of the proposed annual caps for each of the New Continuing Connected Transactions under the New Framework Agreements are as follows:

1. *EDI Services*

- (a) Tianjin Port's estimate of its continuous increase in data transfer by the Group;
- (b) Tianjin Port's estimate of the growth in its container business which leads to the increase in demand of EDI Services; and
- (c) Tianjin Port's estimate of the increase in the number of containers being handled.

2. *Container Reconfiguration Storage Services*

- (a) Tianjin Port's estimate of its continuous increase in the number of containers handled; and
- (b) the previous transactions conducted and the historical transaction amounts.

3. *Labour Services*

- (a) Tianjin Port's expectation of the increased number of labour required by the Group; and
- (b) Tianjin Port's estimate on the increase of labour wages.

REASONS FOR ENTERING INTO THE NEW CONTINUING CONNECTED TRANSACTIONS

1. EDI Services

The provision of EDI Services serves the purpose of improving the efficiency and competitiveness of the Group in the container handling business. The main function of the EDI Services is to speed up the monitoring of the shipping vessels location and to utilize electronic data transfer to confirm information in relation to the arrival and departure schedules of shipping vessels and cargos. The system provided in the EDI Services also allows the sharing of the above information with the customs, port enterprises, agents and cargo owners which will improve the efficiency of port operations substantially.

2. Container Reconfiguration Storage Services

Due to the shift from coal-related business to steel-related cargo business since 2006, the Group's demand for storage spaces increases accordingly. Since the storage capacity and distance will directly affect the Group's cargo handling capacity and efficiency which in turn affects the cargo throughput, the Group requires the storage services provided by the Service Companies. Being subsidiaries or associate of Tianjin Port Group, which is a long established and experienced port operator, the Service Companies are able to provide stacking yard and warehouses which are located nearer to the terminal of the Group and high-quality auxiliary services at a price not higher than other service providers.

3. Labour Services

The Group is experiencing an increase in demand of labour due to various factors which include:

- (1) the shift from handling coke and coal related cargos to handling iron and steel related cargos leads to a greater demand of labour for stevedoring;
- (2) vacancies of retired labour not being filled up due to the Group's strategy to reduce head count and tighten cost control.

The Tianjin Port Board is of the view that given Tianjin Port Group's extensive experience in port operation business, Tianjin Port Labour can provide skilled and high-quality labour with necessary and extensive technical, operational and cargo handling skills to meet the Group's growth in business as well as to accommodate the Group's strategy on cost reduction.

LISTING RULES IMPLICATIONS

As the Stock Exchange has exercised its discretion under Rule 14A.06 of the Listing Rules to deem Tianjin Port Group and its associates as connected persons of Tianjin Development and Tianjin Port, the entering into of the Framework Agreements and the New Framework Agreements constitutes continuing connected transactions for each of Tianjin Development and Tianjin Port.

Since the Continuing Connected Transactions were entered into by the issuer or its subsidiaries with the same connected person or with parties associated with one another, Tianjin Port and Tianjin Development will aggregate the Continuing Connected Transactions in the calculation of the percentage ratios under Rules 14A.25 and 14A.26 of the Listing Rules.

As some of the applicable percentage ratios for the Continuing Connected Transactions on an aggregated and annual basis exceed 2.5% and the aggregated annual consideration is more than HK\$10 million, the entering into of the Continuing Connected Transactions constitutes non-exempt continuing connected transactions for both Tianjin Port and Tianjin Development under Rule 14A.35 of the Listing Rules, and is subject to the reporting and disclosure requirements under Rules 14A.45 to 14A.47 of the Listing Rules, the approval of the Tianjin Port Independent Shareholders and Tianjin Development Independent Shareholders by way of poll under Rule 14A.48 of the Listing Rules at their respective general meetings and the annual review requirements by the respective independent non-executive directors and the respective auditors of Tianjin Port and Tianjin Development under Rules 14A.37 and 14A.38 of the Listing Rules.

REQUIREMENTS UNDER THE LISTING RULES

The respective Tianjin Development Board and the Tianjin Port Board (including the independent non-executive directors of the respective Tianjin Development Board and the Tianjin Port Board) consider that the revised annual caps of the Existing Continuing Connected Transactions, the Framework Agreements, the New Continuing Connected Transactions, the annual caps of the New Continuing Connected Transactions and the New Framework Agreements are fair and reasonable, on normal commercial terms and are entered into in the usual and ordinary course of business of the Group and that the entering into of the Existing Continuing Connected Transactions, the Framework Agreements, the New Continuing Connected Transactions and the New Framework Agreements are in the interests of Tianjin Port, Tianjin Development and their respective shareholders as a whole.

Both Tianjin Port and Tianjin Development will seek the Tianjin Port Independent Shareholders' and the Tianjin Development Independent Shareholders' approvals of the Continuing Connected Transactions under the terms of the Framework Agreements and the New Framework Agreements, as well as the annual caps for the three years ending 31 December 2009 on the Continuing Connected Transactions.

Pursuant to Rule 14A.54 of the Listing Rules, any connected person and any shareholder and their associates with a material interest in the Continuing Connected Transactions are required to abstain from voting on the resolution at the extraordinary general meetings to be held to approve the same. Tianjin Development and its associates are required to abstain from voting on the resolution approving the Continuing Connected Transactions in the extraordinary general meeting of Tianjin Port, and Tsinlien and its associates are required to abstain from voting on the resolution approving the Continuing Connected Transactions in the extraordinary general meeting of Tianjin Development.

The Tianjin Port Independent Board Committee and the Tianjin Development Independent Board Committee have been established to advise the Tianjin Port Independent Shareholders and the Tianjin Development Independent Shareholders respectively as to the terms of the Continuing Connected Transactions and the annual caps on the Continuing Connected Transactions for the three years ending 31 December 2009.

Tianjin Port and Tianjin Development will appoint an independent financial adviser to advise the Independent Board Committees in respect of the Continuing Connected Transactions. Tianjin Port will issue a circular containing, amongst other things, details of the terms of the Continuing Connected Transactions, letters from the Tianjin Port Independent Board Committee and from the independent financial adviser and a notice to the Tianjin Port Shareholders convening an extraordinary general meeting of Tianjin Port to approve the terms of the Continuing Connected Transactions under the Framework Agreements and the New Framework Agreements and the annual caps for the three years ending 31 December 2009 on the Continuing Connected Transactions to the Tianjin Port Shareholders as soon as practicable. Tianjin Development will issue a circular containing the information above to the Tianjin Development Shareholders as well.

GENERAL

The Group is principally engaged in the provision of ports services including the loading and unloading of containerised and non-containerised cargoes from shipping vessels, the stacking and warehousing of containers and cargoes, as well as various ancillary services in Tianjin, the PRC.

The principal operations of Tianjin Development and its subsidiaries (excluding the Group) and its associated companies can be categorised into three sectors, namely, (i) infrastructure operations; (ii) utilities operations and (iii) strategic and other investments. Infrastructure operations consist of toll road operations; utilities operations consist of supply of water, electricity and thermal power; and strategic and other investments include investments in the production, sale and distribution of winery products, gas fuel operations and elevator and escalator operations.

Tianjin Port Group is the holding company of the businesses owned and operated by the former Tianjin Port Authority.

DEFINITIONS

“associate”	has the meaning given to it by the Listing Rules
“Communications Services”	the provision of communications services by Tianjin Communications to the Group
“Communications Services Framework Agreement”	a framework agreement dated 12 April 2007 entered into between Tianjin Port and Tianjin Communications in relation to the Communications Services
“connected person”	has the meaning given to it by the Listing Rules
“Continuing Connected Transactions”	the Existing Continuing Connected Transactions and the New Continuing Connected Transactions
“Container Reconfiguration Storage Services”	the provision of container reconfiguration storage services by Tianjin Port Container Freight, Tianjin Port Group Storage Company and Huahan to the Group
“Container Reconfiguration Storage Services Framework Agreement”	a framework agreement dated 12 April 2007 entered into between Tianjin Port, Tianjin Port Container Freight, Tianjin Port Group Storage Company and Huahan in relation to the Container Reconfiguration Storage Services
“EDI Services”	the provision of EDI services by Tianjin Port Information to the Group
“EDI Services Framework Agreement”	a framework agreement dated 12 April 2007 entered into between Tianjin Port and Tianjin Port Information in relation to the EDI Services
“Electricity Services Framework Agreement”	a framework agreement dated 12 April 2007 entered into between Tianjin Port and Tianjin Port Electricity in relation to the Electricity Supply Services
“Electricity Supply Services”	the provision of electricity services by Tianjin Port Electricity to the Group
“Existing Agreements”	the agreements governing the Existing Continuing Connected Transactions

“Existing Continuing Connected Transactions”	the continuing connected transactions listed under the section “Revision of Annual Caps and Change of Parties to the Existing Agreements by Entering into the Framework Agreements” in this announcement in relation to the Water Supply Services, the Communications Services and the Electricity Supply Services
“Framework Agreements”	the Water Services Framework Agreement, the Communications Services Framework Agreement and the Electricity Services Framework Agreement
“Group”	Tianjin Port and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Huahan”	華韓(天津)貨箱有限公司 (Huahan (Tianjin) Container Company Limited*), a company incorporated in the PRC and an associate of Tianjin Port Group
“Independent Board Committees”	the Tianjin Port Independent Board Committee and the Tianjin Development Independent Board Committee
“Labour Services”	the provision of labour services by Tianjin Port Labour to the Group
“Labour Services Framework Agreement”	a framework agreement dated 12 April 2007 entered into between Tianjin Port and Tianjin Port Labour in relation to the Labour Services
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Continuing Connected Transactions”	the continuing connected transactions listed under the section “The New Continuing Connected Transactions” in this announcement in relation to the EDI Services, the Container Reconfiguration Storage Services and the Labour Services
“New Framework Agreements”	the EDI Services Framework Agreement, the Container Reconfiguration Storage Services Framework Agreement and the Labour Services Framework Agreement
“Prospectus”	the prospectus of Tianjin Port dated 12 May 2006 in relation to the listing of Tianjin Port
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Service Companies”	Tianjin Port Container Freight, Tianjin Port Group Storage Company and Huahan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin Communications”	天津港通信導航公司 (Tianjin Communications Navigation Company Limited*), a company incorporated in the PRC and a wholly-owned subsidiary of Tianjin Port Group

“Tianjin Container”	Tianjin Port Container Terminal Co., Limited (天津港集裝箱碼頭有限公司), a company incorporated in the PRC in April 1980 as a state-owned enterprise and converted to a foreign-owned enterprise on 25 October 1997 and a wholly-owned subsidiary of Tianjin Port
“Tianjin Development”	Tianjin Development Holdings Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange and which is the indirect controlling shareholder of Tianjin Port
“Tianjin Development Board”	the board of directors of Tianjin Development
“Tianjin Development Independent Board Committee”	the committee of independent non-executive directors of Tianjin Development, consisting of Mr. Kwong Che Keung, Gordon, Mr. Lau Wai Kit and Dr. Cheng Hon Kwan formed to advise the Tianjin Development Independent Shareholders in respect of the terms of the Continuing Connected Transactions and the annual caps for the three years ending 31 December 2009 on the Continuing Connected Transactions
“Tianjin Development Independent Shareholders”	the Tianjin Development Shareholders other than Tsinlien and its associates
“Tianjin Development Shareholders”	the shareholders of Tianjin Development
“Tianjin Port”	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
“Tianjin Port Board”	the board of directors of Tianjin Port
“Tianjin Port Container Freight”	天津港集裝箱貨運有限公司 (Tianjin Port Container Freight Company Limited*), a company incorporated in the PRC and a 90.5% owned subsidiary of Tianjin Port Group
“Tianjin Port Electricity”	天津港電力有限公司 (Tianjin Port Electricity Company Limited*), formerly known as 天津港電力公司 (Tianjin Port Electricity Company*), a company incorporated in the PRC and a wholly-owned subsidiary of Tianjin Port Group
“Tianjin Port Facilities”	天津港設施管理服務公司 (Tianjin Port Facilities Management Company*), formerly known as 天津港修建工程公司 (Tianjin Port Construction and Engineering Company*), a company incorporated in the PRC and a wholly-owned subsidiary of Tianjin Port Group
“Tianjin Port Group”	Tianjin Port (Group) Co., Ltd. (天津港(集團)有限公司), an entity reorganized as a wholly state-owned company in the PRC on 29 July 2004 and the holding company of the businesses owned and operated by the former Tianjin Port Authority

“Tianjin Port Group Storage Company”	天津港股份有限公司儲運分公司 (Tianjin Port Limited Storage and Transportation Branch Company*), a company incorporated in the PRC and a subsidiary of Tianjin Port Group
“Tianjin Port Independent Board Committee”	the committee of independent non-executive directors of Tianjin Port, consisting of Mr. Kwan Hung Sang, Francis, Professor Japhet Sebastian Law and Dr. Cheng Chi Pang, Leslie formed to advise the Tianjin Port Independent Shareholders in respect of the terms of the Continuing Connected Transactions and the annual caps for the three years ending 31 December 2009 on the Continuing Connected Transactions
“Tianjin Port Independent Shareholders”	the Tianjin Port Shareholders other than Tianjin Development and its associates
“Tianjin Port Information”	天津港信息中心 (Tianjin Port Information Centre*), a department under Tianjin Port Group
“Tianjin Port Labour”	天津益港勞務有限公司 (Tianjin Port Labour Services Company Limited*), a company incorporated in the PRC and a subsidiary of Tianjin Port Group
“Tianjin Port Shareholders”	the shareholders of Tianjin Port
“Tianjin Second Stevedoring”	Tianjin Harbour Second Stevedoring Co., Limited (天津港第二港埠有限公司), a state-owned company which was converted into a foreign-invested enterprise on 25 October 1997, and a wholly-owned subsidiary of Tianjin Port
“Tsinlien”	Tsinlien Group Company Limited, a company incorporated in Hong Kong with limited liability on 19 October 1979 which is controlled by the Tianjin Government and the controlling shareholder of Tianjin Development
“Water Services Framework Agreement”	a framework agreement dated 12 April 2007 entered into between Tianjin Port and Tianjin Port Facilities in relation to the Water Supply Services
“Water Supply Services”	the provision of water services by Tianjin Port Facilities to the Group

By Order of the Board
Tianjin Port Development Holdings Limited
Wang Guanghao
Chairman

By Order of the Board
Tianjin Development Holdings Limited
Wang Guanghao
Chairman

Hong Kong, 12 April 2007

As at the date of this announcement, the Tianjin Port Board consists of Mr. Nie Jiansheng, Mr. Zhang Jinming, Mr. Yu Rumin, Mr. Xue Lingsen and Mr. Jiao Hongxun as executive directors; Mr. Wang Guanghao as non-executive director; Mr. Kwan Hung Sang, Francis, Professor Japhet Sebastian Law and Dr. Cheng Chi Pang, Leslie as independent non-executive directors.

As at the date of this announcement, the Tianjin Development Board consists of Mr. Wang Guanghao, Dr. Ren Xuefeng, Mr. Yu Rumin, Mr. Nie Jiansheng, Mr. Dai Yan, Mr. Hu Chengli, Dr. Wang Jiandong, Mr. Bai Zhisheng, Mr. Zhang Wenli, Mr. Sun Zengyin, Dr. Zong Guoying and Mr. Zheng Daoquan as executive directors, Mr. Cheung Wing Yui as non-executive director and Mr. Kwong Che Keung, Gordon, Mr. Lau Wai Kit and Dr. Cheng Hon Kwan as independent non-executive directors.

Unless otherwise stated, amounts in RMB have been translated into HK\$ at an exchange rate of HK\$1.00 to RMB0.99 for illustration purposes only.

** For identification only*

“Please also refer to the published version of this announcement in The Standard”