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**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

**(1) DISCLOSEABLE TRANSACTION  
FOR FORMATION OF A WHOLLY-FOREIGN  
OWNED ENTERPRISE IN THE PRC**

**(2) CONNECTED TRANSACTION  
FOR PURCHASE OF EQUIPMENT**

**(3) PROPOSED CHANGE IN ALLOCATION  
OF USE OF PROCEEDS**

**(1) DISCLOSEABLE TRANSACTION  
FOR FORMATION OF A WHOLLY-FOREIGN  
OWNED ENTERPRISE IN THE PRC**

**(2) *DE MINIMUS* CONNECTED TRANSACTION  
FOR PURCHASE OF EQUIPMENT**

### **(1) DISCLOSEABLE TRANSACTION FOR FORMATION OF A WHOLLY-FOREIGN OWNED ENTERPRISE IN THE PRC**

The respective boards of directors of Tianjin Development and Tianjin Port Development are pleased to announce that on 26 July 2006, Tianjin Port Development International, a direct wholly-owned subsidiary of Tianjin Port Development, entered into the WFOE Agreement with COSCO Ports and APMT for the formation of a wholly-foreign owned enterprise in the PRC. Each of Tianjin Port Development International, COSCO Ports and APMT will be interested in 40%, 30% and 30% of the equity interest in the WFOE respectively.

The WFOE will have a registered capital of RMB1,260 million (equivalent to approximately HK\$1,223 million), which will be contributed by the Joint Venture Parties in accordance with their respective proportional equity interest in the WFOE, and a total investment amount of RMB3,600 million (equivalent to approximately HK\$3,495 million). Pursuant to the terms of the WFOE Agreement, Tianjin Port Development International is required to contribute an amount in cash in HK Dollars equivalent to RMB504 million (equivalent to approximately HK\$489 million) to the registered capital of the WFOE, representing 40% of the registered capital of the WFOE. It is currently expected that the difference between the total investment amount and the amount of the registered capital of the WFOE will be satisfied either by way of the internal financial resources of the WFOE, obtaining banking facilities or the issue of bonds or new shares by the WFOE in such manner as may be approved by the PRC government authorities, subject to such terms and conditions as may be approved by the WFOE Board and the Joint Venture Parties.

As the applicable percentage ratios for the total capital commitment in the form of registered capital only by Tianjin Port Development International to the WFOE exceeds 5% but is less than 25% for each of Tianjin Development and Tianjin Port Development, the formation of the WFOE constitutes a discloseable transaction for each of Tianjin Development and Tianjin Port Development under Chapter 14 of the Listing Rules.

A circular containing, among other things, further details on the formation of the WFOE as well as other information on each of Tianjin Development and Tianjin Port Development will be despatched to the Tianjin Development Shareholders and the Tianjin Port Development Shareholders, respectively, as soon as practicable.

## **(2) CONNECTED TRANSACTION FOR PURCHASE OF EQUIPMENT**

On 26 July 2006, Tianjin Second Stevedoring entered into a sale and purchase agreement with Tianjin Port Group Storage Company, a wholly-owned subsidiary of Tianjin Port Group, for the purchase of the Equipment for use in its daily operations. The consideration for the sale and purchase of the Equipment is RMB3,708,000 (equivalent to approximately HK\$3,600,000). 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 (as defined under the Listing Rules) of Tianjin Development and Tianjin Port Development with effect from the listing date of the Tianjin Port Development Shares, the sale and purchase of the Equipment constitutes a connected transaction for each of Tianjin Development and Tianjin Port Development under the Listing Rules.

### ***De minimus* connected transaction for Tianjin Development**

As the applicable percentage ratio(s) for the sale and purchase of the Equipment for Tianjin Development falls within the *de minimus* threshold under Rule 14A.31(2) of the Listing Rules, the sale and purchase of the Equipment is exempt from all reporting, announcement and independent shareholders' approval requirements for Tianjin Development.

### **Connected transaction for Tianjin Port Development**

As the applicable percentage ratio(s) (other than the profits ratio) for the sale and purchase of the Equipment for Tianjin Port Development exceeds 0.1% but is less than 2.5%, the sale and purchase of the Equipment, according to Rule 14A.32(1) of the Listing Rules, is only subject to the reporting and announcement requirements as set out in Rule 14A.45 to 14A.47 of the Listing Rules for Tianjin Port Development.

## **(3) PROPOSED CHANGE IN ALLOCATION OF USE OF PROCEEDS**

As disclosed in the Prospectus, it was intended that, among the net proceeds of approximately HK\$930 million (being the mid-point of the indicative offer price as stated in the Prospectus and assuming the over-allotment option granted in connection with the Share Offer is not exercised) obtained from the Share Offer, approximately HK\$577 million and HK\$353 million would be allocated by the Tianjin Port Development Group to satisfy the registered capital of the WFOE and pay for the consideration for the acquisition of the land use rights, berths and railways as more particularly set out in the Prospectus, respectively. Given that the proportional portion of the registered capital to be contributed by Tianjin Port Development International pursuant to the terms of the WFOE Agreement has now been RMB504 million (equivalent to approximately HK\$489 million), instead of the amount set out in the Prospectus being RMB600 million (or approximately HK\$577 million as stated in the Prospectus) and the increasing risk of appreciation of Renminbi against US Dollars and HK Dollars resulting in potential exchange rate loss where the cash reserve of the Tianjin Port Development Group is mainly in HK Dollars, the board of directors of Tianjin Port Development considers that the application of the balance of such sum in the amount of approximately HK\$88 million towards payment of part of the consideration for the acquisition of the land use rights, berths and railways as more particularly set out in the Prospectus is more beneficial for and in the interest of the Tianjin Port Development Shareholders.

## **(1) DISCLOSEABLE TRANSACTION FOR FORMATION OF A WHOLLY-FOREIGN OWNED ENTERPRISE IN THE PRC**

### **WFOE AGREEMENT**

#### **Date**

26 July 2006

#### **The Parties**

- (1) Tianjin Port Development International;
- (2) COSCO Ports (Tianjin North Basin) Limited ("COSCO Ports"), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of COSCO Pacific Limited (stock code: 1199), a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange; and
- (3) APM Terminals Tianjin Company Limited ("APMT"), an investment holding company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of A.P. Møller-Mærsk A/S. A.P. Møller-Mærsk A/S is an international terminal and transportation operator.

To the best of the knowledge, information and belief of the directors of each of Tianjin Development and Tianjin Port Development having made all reasonable enquiry, prior to the formation of the WFOE, each of COSCO Ports and APMT and their respective ultimate beneficial owners were third parties independent of each of Tianjin Development and Tianjin Port Development and not connected with the directors, chief executive and substantial shareholders of either of the Tianjin Development Group and the Tianjin Port Development Group or any of their respective associates.

### Shareholding Structure and Capital Contribution

The WFOE will have a registered capital of RMB1,260 million (equivalent to approximately HK\$1,223 million), which will be contributed by the Joint Venture Parties in accordance with their respective proportionate equity interest in the WFOE and a total investment amount of RMB3,600 million (equivalent to approximately HK\$3,495 million). Details of the holding structure and the capital contribution of the Joint Venture Parties are set out as follows:

Name of Joint Venture Party	Amount of registered capital to be contributed	Percentage shareholding
Tianjin Port Development International	Amount in HK Dollars equivalent to RMB504,000,000 (equivalent to approximately HK\$489,000,000)	40%
COSCO Ports	Amount in HK Dollars or US Dollars equivalent to RMB378,000,000 (equivalent to approximately HK\$367,000,000)	30%
APMT	Amount in US Dollars equivalent to RMB378,000,000 (equivalent to approximately HK\$367,000,000)	30%
Total:	<u>RMB1,260,000,000</u> (equivalent to approximately <u>HK\$1,223,000,000</u> )	<u>100%</u>

As at the date of this announcement, Tianjin Port Development International does not have any other financial commitment towards the WFOE except for its commitment to contribute RMB504,000,000 (equivalent to approximately HK\$489,000,000) towards the registered capital of the WFOE which would be financed out of the net proceeds from the Share Offer. Pursuant to the terms of the WFOE Agreement, each of the Joint Venture Parties shall contribute 15% of their respective portions of the registered capital to the WFOE within three months from the date of issue of the business licence and the remaining 85% of the registered capital to be contributed within 18 months from the date of issue of the business licence, depending on the stage of construction of the Facility and the needs of the WFOE. The funding requirement of such 85% of the registered capital, including the timing for contribution, will be decided by the WFOE Board.

As Tianjin Port Development International will be interested in 40% of the equity interest in the WFOE, the WFOE becomes an associated company of the Tianjin Development Group and the Tianjin Port Development Group and the results of the WFOE will be accounted for in the consolidated accounts of each of Tianjin Development and Tianjin Port Development by way of equity accounting method.

### Business of the WFOE

Pursuant to the terms of the WFOE Agreement, the business of the WFOE includes, among other things, the investment, construction, management and operation of the Facility. It is proposed that the Facility will have a total quay length of approximately 1,100 metres with three container handling berths and a container stacking yard in excess of 700,000 square metres. Based on the currently anticipated approval timetable, construction of the Facility is currently expected to commence in the fourth quarter of 2006 and the Facility is currently expected to be operational by 2008.

### Composition of the WFOE Board

The WFOE Board shall comprise seven directors. Tianjin Port Development International shall be entitled to appoint three directors, COSCO Ports shall be entitled to appoint two directors and APMT shall also be entitled to appoint two directors. The chairman of the WFOE Board shall be appointed by Tianjin Port Development International.

In the event of a change to the respective percentage interest of the Joint Venture Parties in the WFOE, the composition of directors appointed by each of them to the WFOE Board shall be in proportion to the respective percentage interest of each of them in the WFOE as nearly as possible.

### **Responsibilities of Joint Venture Parties**

Pursuant to the terms of the WFOE Agreement, each of the Joint Venture Parties shall, among other things, be responsible for:

- (1) making its capital contribution to the WFOE in accordance with provisions of the WFOE Agreement and using its best endeavours to maintain the normal operation of the WFOE;
- (2) assisting the WFOE to obtain the required loans from local or foreign banks in the PRC or overseas banks so as to satisfy the working capital and investment needs of the WFOE; and
- (3) under the same conditions, selecting Tianjin port as an important transshipment centre of Northern China for vessels owned or controlled by their respective parent company and contributing to Tianjin port becoming an international shipping centre in Northern China and contributing to the growth of volumes at Tianjin port.

### **Financing**

The total investment amount of the WFOE represents the proposed investment size. Based on the initial capital requirements of the WFOE, the Joint Venture Parties do not intend to pay up the difference between the total investment amount and the amount of the registered capital in the sum of RMB2,340 million at the initial set-up stage of the WFOE. It is currently contemplated under the WFOE Agreement that such difference, if required, will be satisfied either by way of the internal financial resources of the WFOE, obtaining banking facilities or the issue of bonds or new shares by the WFOE in such manner as may be approved by the PRC government, subject to such terms and conditions as may be approved by the WFOE Board and the Joint Venture Parties. If the WFOE is unable to obtain any or sufficient financing from any of the above sources, the Joint Venture Parties may provide such amount in proportion to their respective percentage interests in the WFOE by way of shareholders' loans. However, pursuant to the terms of the WFOE Agreement, none of the Joint Venture Parties shall be obliged to provide such shareholders' loan to the WFOE. Tianjin Development and Tianjin Port Development will aggregate the proportionate shareholders' loan Tianjin Port Development International provided to the WFOE with its proportionate capital contribution to the WFOE in accordance with Rule 14.22 and 14.23 of the Listing Rules in the event that shareholders' loan is required to be provided to the WFOE in future and will re-comply with the relevant requirements in Chapter 14 of the Listing Rules.

### **Duration of the WFOE**

Pursuant to the terms of the WFOE Agreement, the duration of the WFOE shall be thirty (30) years, commencing from the date on which the business licence of the WFOE is issued. The duration of the WFOE may be extended upon obtaining unanimous approval of the Joint Venture Parties not less than one year prior to the original expiry of the duration of the WFOE and subject to the approval of the relevant PRC government authorities.

### **Condition Precedent for the Formation of the WFOE**

The formation of the WFOE is subject to the approval of the relevant authorities in the PRC (including the Ministry of Commerce and the State Industry and Commerce Administration Bureau).

### **REASONS FOR AND BENEFITS OF THE DISCLOSEABLE TRANSACTION**

The Tianjin Port Development Group aims to maintain and further develop its position as a leading terminal operator at the port of Tianjin, with a strong emphasis on capturing the opportunity presented by the anticipated ongoing growth in container throughput. In order to build on the existing container handling capability, and with a view to maintaining a double digit annual container handling volume growth rate, the Tianjin Port Development Group has adopted a two-fold strategy of upgrading its existing facilities and investing in new facilities. The business of the WFOE will involve, among other things, the investment, construction, management and operation of the Facility, which is in line with its strategy in increasing the designed container handling capacity to approximately 4.0 million TEUs by 2009 and 4.5 million TEUs by 2011.

The respective boards of directors of Tianjin Development and Tianjin Port Development (including their respective independent non-executive directors) consider that the WFOE Agreement was entered into on normal commercial terms in the ordinary and usual course of business of the Tianjin Development Group and the Tianjin Port Development Group, respectively, and believe that the terms of the WFOE Agreement are fair and reasonable and in the interests of the Tianjin Development Shareholders and the Tianjin Port Development Shareholders as a whole.

## **LISTING RULES REQUIREMENTS**

As the applicable percentage ratios for the total capital commitment in the form of registered capital only by Tianjin Port Development International to the WFOE exceeds 5% but is less than 25% for each of Tianjin Development and Tianjin Port Development, the formation of the WFOE constitutes a discloseable transaction for each of Tianjin Development and Tianjin Port Development under Chapter 14 of the Listing Rules.

A circular containing, among other things, further details on the formation of the WFOE as well as other information on each of Tianjin Development and Tianjin Port Development will be despatched to the Tianjin Development Shareholders and the Tianjin Port Development Shareholders, respectively, as soon as practicable.

## **(2) CONNECTED TRANSACTION FOR PURCHASE OF EQUIPMENT EQUIPMENT SALE AND PURCHASE AGREEMENT**

### **Date**

26 July 2006

### **The Parties**

- (1) Tianjin Port Group Storage Company as vendor. Tianjin Port Group Storage Company is principally engaged in the provision of storage and transportation services and a wholly-owned subsidiary of Tianjin Port Group. 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 person(s) (as defined under the Listing Rules) of Tianjin Development and Tianjin Port Development with effect from the listing date of the Tianjin Port Development Shares; and
- (2) Tianjin Second Stevedoring as purchaser. Tianjin Second Stevedoring is principally engaged in the non-containerised cargo handling businesses of the Tianjin Port Development Group.

### **Asset to be acquired**

Two sets of transtainers.

### **Consideration**

The consideration for the sale and purchase of the Equipment of approximately RMB3,708,000 (equivalent to approximately HK\$3,600,000) is based on the net book value of the Equipment as at 31 May 2006 which is a commercial decision and arrived at after arm's length negotiation with Tianjin Port Group Storage Company. An independent valuation has been conducted on the value of the Equipment by 天津中聯有限責任會計師事務所 (Tianjin Zhonglian Certified Public Accountants Co, Ltd.\*) which is a qualified domestic appraisal firm. According to the valuation report issued by 天津中聯有限責任會計師事務所 (Tianjin Zhonglian Certified Public Accountants Co, Ltd.\*) on 12 July 2006, the net book value of the Equipment as at 31 May 2006 (which represents the consideration for the sale and purchase of the Equipment) and the valuation of the Equipment, which has been conducted based on the replacement cost method, as at 31 May 2006 were approximately RMB3,708,000 (or equivalent to approximately HK\$3,600,000) and RMB3,806,000 (or equivalent to approximately HK\$3,695,000) respectively. The consideration will be paid by Tianjin Second Stevedoring to Tianjin Port Group Storage Company upon delivery of the Equipment out of the internal resources of the Tianjin Port Development Group.

The original purchase cost of the Equipment is approximately RMB5,943,000 (equivalent to approximately HK\$5,770,000). The book value of the Equipment to Tianjin Port Group Storage Company as at 30 June 2006 was RMB3,661,000 (equivalent to approximately HK\$3,554,000). The difference between the net book value of the Equipment as at 31 May 2006 and 30 June 2006 is due to depreciation.

## **REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTION**

The transtainers are used to move containers within a container yard by positioning itself over stacks of containers and lifting which is crucial to the daily operations of container handling business. The Equipment has been in use by Tianjin Port Group Storage Company since 1985 and has undergone appropriate mechanical reformation to improve its capacity over the years. The remaining useful life of the Equipment is estimated to be 10 to 15 years. It is estimated that a new set of transtainer will cost approximately RMB8 million and will take several months from ordering to delivery. In view of the increasing container handling capacity in the second half of 2006, the insufficient number of transtainers to cope with the projected needs and the economic value in acquiring the Equipment, the directors of Tianjin Port Development consider that the purchase of the Equipment will enable the Tianjin Port Development Group to improve its overall container handling capacity.

The directors of Tianjin Port Development (including its independent non-executive directors) consider that the terms of the Equipment Sale and Purchase Agreement were entered into on normal commercial terms and are fair and reasonable and in the interest of Tianjin Port Development and the Tianjin Port Development Shareholders as a whole.

## **LISTING RULES REQUIREMENTS**

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 (as defined under the Listing Rules) of Tianjin Development and Tianjin Port Development with effect from the listing date of the Tianjin Port Development Shares, the sale and purchase of the Equipment constitutes a connected transaction for each of Tianjin Development and Tianjin Port Development under the Listing Rules.

### ***De minimus* connected transaction for Tianjin Development**

As the applicable percentage ratio(s) for the sale and purchase of the Equipment for Tianjin Development falls within the *de minimus* threshold under Rule 14A.31(2) of the Listing Rules, the sale and purchase of the Equipment is exempt from all reporting, announcement and independent shareholders' approval requirements for Tianjin Development.

### **Connected transaction for Tianjin Port Development**

As the applicable percentage ratio(s) (other than the profits ratio) for the sale and purchase of the Equipment for Tianjin Port Development exceeds 0.1% but is less than 2.5%, the sale and purchase of the Equipment, according to Rule 14A.32(1) of the Listing Rules, is only subject to the reporting and announcement requirements as set out in Rules 14A.45 to 14A.47 of the Listing Rules for Tianjin Port Development.

## **(3) PROPOSED CHANGE IN ALLOCATION OF USE OF PROCEEDS**

As disclosed in the Prospectus, it was intended that, among the net proceeds of approximately HK\$930 million (being the mid-point of the indicative offer price as stated in the Prospectus and assuming the over-allotment option granted in connection with the Share Offer is not exercised) obtained from the Share Offer, approximately HK\$577 million and HK\$353 million would be allocated by the Tianjin Port Development Group to satisfy the registered capital of the WFOE and to pay for the consideration for the acquisition of the land use rights, berths and railways as more particularly set out in the Prospectus, respectively. Given that the proportional portion of the registered capital to be contributed by Tianjin Port Development International pursuant to the terms of the WFOE Agreement has now been RMB504 million (equivalent to approximately HK\$489 million), instead of the amount set out in the Prospectus being RMB600 million (or approximately HK\$577 million as stated in the Prospectus) and the increasing risk of appreciation of Renminbi against US Dollars and HK Dollars resulting in potential exchange rate loss where the cash reserve of the Tianjin Port Development Group is mainly in HK Dollars, the board of directors of Tianjin Port Development considers that the application of the balance of such sum in the amount of approximately HK\$88 million towards payment of part of the consideration for the acquisition of the land use rights, berths and railways as more particularly set out in the Prospectus is more beneficial for and in the interest of the Tianjin Port Development Shareholders.

## **GENERAL**

### **Tianjin Development**

Tianjin Development (stock code: 882) is listed on the main board of the Stock Exchange. The principal operations of the Tianjin Development Group (excluding the Tianjin Port Development 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 Development**

Tianjin Port Development (stock code: 3382) is listed on the main board of the Stock Exchange. The Tianjin Port Development Group is principally engaged in the provision of ports services including the loading and unloading of containerised and non-containerised cargo from shipping vessels, the stacking and warehousing of containers and cargo, as well as various ancillary services such as container repair and maintenance, container transportation and shipping agency services in the PRC.

## DEFINITIONS

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

“APMT”	APM Terminals Tianjin Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of A.P. Møller-Mærsk A/S. A.P. Møller-Mærsk A/S is an international terminal and transportation operator
“associates”	has the meaning ascribed to it under the Listing Rules
“COSCO Ports”	COSCO Ports (Tianjin North Basin) Limited (中遠碼頭(天津北港池)有限公司), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of COSCO Pacific Limited (stock code: 1199), a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Equipment”	two sets of transtainers (場橋). A transtainer is a crane-like piece of equipment used to move containers within a container yard by positioning itself over stacks of containers and lifting
“Equipment Sale and Purchase Agreement”	the sale and purchase agreement dated 26 July 2006 entered into between Tianjin Port Group Storage Company and Tianjin Second Stevedoring for the sale and purchase of the Equipment
“Facility”	the container handling terminal to be constructed by the WFOE at the Beigangchi (北港池) area of the port of Tianjin with total quay length of 1,100 metres and water depth alongside the terminal of 15.5 metres and up to 18 metres and has three container handling berths and a container stacking yard in excess of 700,000 square metres
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Venture Parties”	Tianjin Port Development International, COSCO Ports and APMT
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region and Taiwan
“Prospectus”	the prospectus dated 12 May 2006 issued by Tianjin Port Development in connection with the Share Offer
“Share Offer”	the offer of Tianjin Port Development Shares to the public in Hong Kong and other investors for subscription, the preferential offer of the Tianjin Port Development Shares to the qualifying Tianjin Development Shareholders and the placing of the Tianjin Port Development Shares with certain professional, institutional and other investors in May 2006
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TEUs”	container size standard of twenty feet and is frequently used to refer to container vessel capacity and port throughput capacity
“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 Development
“Tianjin Development Group”	Tianjin Development and its subsidiaries, including the Tianjin Port Development Group
“Tianjin Development Shareholder(s)”	shareholder(s) of Tianjin Development
“Tianjin Port Development”	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 Development Group”	Tianjin Port Development and its subsidiaries
“Tianjin Port Development International”	Tianjin Port Development International Limited (天津港發展國際有限公司), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Tianjin Port Development
“Tianjin Port Development Shares”	ordinary share(s) of HK\$0.10 each in the capital of Tianjin Port Development

“Tianjin Port Development Shareholder(s)”	shareholder(s) of Tianjin Port Development
“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”	Tianjin Port Limited Storage and Transportation Branch Company* (天津港股份有限公司儲運分公司), a wholly-owned subsidiary of Tianjin Port Group
“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-owned enterprise on 25 October 1997 and a wholly-owned subsidiary of Tianjin Port Development
“WFOE”	天津港歐亞國際集裝箱碼頭有限公司(Tianjin Port Euroasia International Container Terminal Co., Ltd.), a wholly-foreign owned enterprise to be established in the PRC by Tianjin Port Development International, COSCO Ports and APMT as to 40%, 30% and 30% respectively
“WFOE Agreement”	the agreement dated 26 July 2006 entered into by Tianjin Port Development International, COSCO Ports and APMT in relation to the formation of the WFOE
“WFOE Board”	the board of directors of the WFOE
“%”	percentage
“HK\$” or “HK Dollars”	the lawful currency of Hong Kong
“RMB” or “Renminbi”	the lawful currency of the PRC
“US\$” or “US Dollars”	the lawful currency of the United States of America

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 26 July 2006

*As at the date of this announcement, the board of directors of Tianjin Development 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 and Dr. Zong Guoying 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.*

*As at the date of this announcement, the board of directors of Tianjin Port Development consists of Mr. Nie Jiansheng, Mr. Zhang Jinming, Mr. Xue Lingsen, Mr. Yuan Baotong 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.*

Unless otherwise stated, amounts in RMB have been translated into HK\$ at an exchange rate of HK\$1.00 to RMB1.03 for illustration purposes only.

\* *For identification only*

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