

Logistics hub of Northern China



Complementing the National 11th Five Year Plan to transform the Bohai Coastal Area into the logistics hub and economic powerhouse of Northern China, Tianjin Port Development is fully poised to play a pivotal role to facilitate the development.

The central government designated the port of Tianjin as the principal gateway to serve a vast hinterland covering the North, North-west and Central China.

The port of Tianjin is strategically located at Bohai Bay, approximately 170 kilometers south-east of Beijing, near the mouth of the Hai River and the Company believes the clear policy statements that make the port of Tianjin into the principal international trading hub and logistics center in Northern China will present significant growth opportunities for the Company's future development.

The market response over the prospect of Tianjin Port Development Holdings Limited ("Tianjin Port Development" or "the Company") (Stock code: 3382.HK) is evident in the 1,700 times over-subscription during the IPO period in May 2006, and the share price has increased by nearly 40 percent in less than half a year since its debut.

According to the Tianjin Statistical Year Book, container throughput at the port of Tianjin grew from approximately 700,000 TEUs in 1995 to approximately 3.8 million TEUs in 2004, representing a CAGR of over 20 percent. In 2005, the port of Tianjin recorded the highest growth in container throughput among all international ports in the Bohai Bay rim, including Dalian and the Jiaoding



peninsula port of Qingdao.

Riding on China's booming economy and the inclusion of the Bohai Coastal Area inclusion in the country's 11th Five Year Plan, Tianjin is set to become the principal international hub and logistics center of Northern China, and Tianjin Port

Development will strive to become the leading port operator in the Bohai Bay region, while making every effort to generate the best returns for shareholders.

Strategic partnership

Through one of their wholly owned



subsidiaries, they signed an agreement with COSCO Ports (a wholly owned subsidiary of the COSCO Pacific Limited) and APMT (a wholly owned subsidiary of A.P. Moller Maersk A/S) to form a joint venture (JV) company.

The JV will develop a new container terminal in the Beingangchi area (section B) at the port of Tianjin, which will increase the total container throughput volume of the Company to 4,500,000 tonnes by 2011.

Tianjin Port Development also has established a long-term, stable and diversified customer base with major customers including COSCO Container Lines Co., Ltd., China Shipping Container Lines Company Limited, Sinotrans Limited, Hanjin Shipping Co., Ltd., Swiss Mediterranean Shipping Co., Ltd. and Fu Long Cargo Transportation Co., Ltd.

Tianjin Port Development aims to increase container handling capacity to approximately 4 million TEUs by 2009 and 4.5 million TEUs by 2011 by upgrading existing facilities and investing in new facilities, like the Beingangchi project, which the Company sees as a key business development in the future.

Diversifying the business portfolio, Tianjin Port Development aims at increasing throughput of grain and steel handling businesses, improving product structure to achieve higher unit price per tonne, implementing cost control measures

such as relocation of experienced staff to new investments to boost the profit margin.

Unique edge

The Company has been acknowledged as one of China's five most efficient port operators by the China Ports Association.

Tianjin Port Development has the longest operating history in Tianjin and it is the leading operator at the port of Tianjin with unparalleled competitive strengths.

The quality of service and highly efficient operations have won the trust of many loyal customers, and the Company has an extensive and stable customer base, plus a marked competitive advantage over other players.

Tianjin Port Development is equipped with the world's most advanced super-Panama class cranes, thus capable of handling loading and unloading for the world's largest container ships with capacities of up to 10,000 TEUs.

Since container business brings better returns, the Company will focus on investing in container terminals at the port of Tianjin, either constructing new ones or acquiring existing ones.

Looking ahead

Tianjin Port Development will focus on developing the high margin container business and securing more projects that promise long term growth potential.

Conducive to the larger goal of expanding cargo handling business, the Company will also seek to develop port logistics business and the port of Tianjin will become the largest Tax Concession Zone and logistics center in China and thus see investment in the business area promising good prospects and strong returns to the Company.

Riding on the future opportunities for the port industry in China, Tianjin Port Development will strive to be the leading port operator in the Bohai Bay region and will make every effort to generate the best returns for shareholders.

Company profile

Tianjin Port Development is currently one of the dominant port operators in Tianjin, China. The port of Tianjin was the ninth largest port in the world in 2004 and the fourth largest port in China in 2005 in terms of total throughput. In terms of total container throughput, the port of Tianjin was the fifth largest in China and the eighteenth largest in the world in 2004.

The Company currently owns and operates two terminals, including five containers and seven non-containerised cargo berths, with a combined quay length of 3,049 metres and an actual annual container and non-containerised throughput volume of 2.05 million TEUs and 18 million tonnes respectively in 2005.