

**TIANJIN PORT DEVELOPMENT HOLDINGS LTD:
FOR WHAT (REAL) REASON DID THIS COMPANY GO PUBLIC ?**

The economic growth of the People's Republic of China (PRC) is highly unlikely to slow down, substantially, in the near future, with the country's coffers, obviously continuing to swell to overflowing, during the next 5 years, at least.

And, yet, the country continues to float off a substantial part of the country's infrastructural '*jewels*', from equity interests in State-owned airlines, to toll roads, shipping companies, ports, banks, insurance companies, food purveyors, etc, etc, etc.

In most cases, these infrastructural jewels are well received by the investing public of the Hongkong Special Administrative Region (HKSAR) of the PRC and by international institutions, for one reason or another, but some people are wondering as to the reason that the flotations of minority interests in these PRC, State-owned corporations are so well received.

To be sure, any and all future dividend payments by companies, under the control of PRC, State-run companies, will be subject to the whims of officials at the State-owned enterprises which have control of these infrastructural entities.

Further, the financial and political requirements of the PRC State will, always, take precedence over the interests of the minority shareholders, whoever they may be.

Tianjin Port Development Holdings Ltd () (Code: 3382, Main Board, The Stock Exchange of Hongkong Ltd) is one example of an infrastructural jewel in the crown of the PRC State, one which appears to have gone public in the HKSAR – for no logical or apparent reason.

Unless, of course, one takes the position that it is better to use somebody else's money than one's own when embarking on an expansion programme.

The share price of Tianjin Port Development is, today, about \$HK2.24, that share price, having appreciated by 36 cents, or about 19 percent, since the flotation in May, this year.

Are The Shares Worth \$HK2.24, Each?

Tianjin Port Development, which is 64.30 percent owned by Tsinlien Group Company Ltd (), which, in turn, is controlled by the Tianjin Municipal Government of the PRC (), went public on the Main Board of The Stock Exchange of Hongkong Ltd on May 12, 2006, when it Offered 578 million, 10-cent Shares at \$HK1.88 per Share.

The flotation, insofar as the PRC Government was concerned, was a big success with the applications for the HKSAR tranche of 57.80 million Shares, being oversubscribed by about 1,703 times, equivalent to a demand for 98,461,490,000 Shares.

Some juggling of the International Placing Share tranche (originally, being 459 million Shares) resulted in the Hongkong Offer Share tranche, being raised to 289 million Shares while the International Placing Share tranche was reduced to 243,633,407 Shares.

The Over-Allotment tranche of 86.70 million Shares was exercised in full by Global Coordinator, CLSA Ltd (), on June 2, 2006, also at \$HK1.88 per Share.

All in all, the flotation brought in about \$HK1.18 billion (\$HK1,023 million from the Placing and Public Offer and \$HK159 million from the Over-Allotment Share tranche).

Tianjin Port Development ... [CLICK TO ORDER FULL ARTICLE](#)

*While **TARGET** makes every attempt to ensure accuracy of all data published, **TARGET** cannot be held responsible for any errors and/or omissions.*

*If readers feel that they would like to voice their opinions about that which they have read in **TARGET**, please feel free to e-mail your views to editor@targetnewspapers.com. **TARGET** does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*