



天津發展控股有限公司

TIANJIN DEVELOPMENT HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 882)

**ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 31ST DECEMBER 2007**

FINANCIAL HIGHLIGHTS

- Turnover amounted to approximately HK\$3,388 million, representing an increase of 26% as compared to 2006.
- Profit attributable to shareholders increased by 25% to approximately HK\$690 million.
- Basic earnings per share increased by 16% to HK67.42 cents.
- Final dividend of HK5.6 cents per share recommended, representing an increase of 22% as compared to 2006.

RESULTS

The board of directors (the “Board”) of Tianjin Development Holdings Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st December 2007, together with the comparative figures for the corresponding period in 2006, are as follows:

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2007**

	<i>Note</i>	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Revenue	2	3,387,663	2,688,457
Cost of sales		(2,417,347)	(1,837,649)
Gross profit		970,316	850,808
Other income	3	84,753	181,166
Other gains, net	4	116,769	64,903
Gain on toll roads restructuring		165,913	–
Gain on deemed disposal of partial interest in subsidiaries		–	109,235
General and administrative expenses		(500,616)	(454,337)
Other operating expenses		(47,756)	(4,837)
Operating profit		789,379	746,938
Finance costs	5	(101,130)	(149,293)
Net loss on convertible bonds		–	(63,847)
Share of profits/(losses) of:			
Associates		220,651	181,215
Jointly controlled entities		(9,831)	(11,779)
Profit before tax		899,069	703,234
Tax expense	6	(71,830)	(66,053)
Profit for the year		827,239	637,181
Attributable to:			
Equity holders of the Company		690,301	552,751
Minority interests		136,938	84,430
		827,239	637,181
Earnings per share	7		
– Basic		HK67.42 cents	HK57.92 cents
– Diluted		HK66.86 cents	HK57.62 cents
		<i>HK\$'000</i>	<i>HK\$'000</i>
Dividends	8	113,918	92,241

**CONSOLIDATED BALANCE SHEET
AS AT 31ST DECEMBER 2007**

	<i>Note</i>	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		4,466,457	5,813,569
Investment property		–	383,085
Goodwill		510,847	586,050
Land use rights		797,549	761,516
Interest in associates		1,377,480	1,150,667
Interest in jointly controlled entities		764,181	91,903
Deferred tax assets		8,899	4,960
Available-for-sale financial assets		107,117	108,161
		<u>8,032,530</u>	<u>8,899,911</u>
Current assets			
Inventories		7,098	12,706
Amounts due from associates		23,325	22,218
Amounts due from jointly controlled entities		3,205	284
Amounts due from related companies		21,748	24,332
Amounts due from a minority shareholder		–	12,382
Amounts due from investee companies		127,738	100,871
Trade receivables	9	714,178	478,692
Other receivables, deposits and prepayments		432,739	198,566
Financial assets at fair value through profit or loss		306,417	177,286
Restricted bank balance		–	28,640
Time deposits with maturity over three months		580,341	424,898
Cash and cash equivalents		2,655,841	2,850,740
		<u>4,872,630</u>	<u>4,331,615</u>
Total assets		<u>12,905,160</u>	<u>13,231,526</u>
EQUITY			
Equity holders			
Share capital		103,562	98,244
Reserves – others		8,062,702	6,762,453
Reserves – proposed final dividend		57,995	45,192
		<u>8,224,259</u>	<u>6,905,889</u>
Minority interests		<u>1,928,264</u>	<u>2,464,540</u>
Total equity		<u>10,152,523</u>	<u>9,370,429</u>

**CONSOLIDATED BALANCE SHEET
AS AT 31ST DECEMBER 2007**

	<i>Note</i>	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Borrowings		1,245,580	1,714,485
Deferred tax liabilities		39,804	93,796
		<u>1,285,384</u>	<u>1,808,281</u>
Current liabilities			
Trade payables	<i>10</i>	186,592	221,123
Other payables and accruals		798,829	632,235
Amounts due to related companies		141,852	336,244
Amounts due to a minority shareholder		16,894	197,480
Borrowings		223,836	563,814
Current tax liabilities		99,250	101,920
		<u>1,467,253</u>	<u>2,052,816</u>
Total liabilities		<u>2,752,637</u>	<u>3,861,097</u>
Total equity and liabilities		<u>12,905,160</u>	<u>13,231,526</u>
Net current assets		<u>3,405,377</u>	<u>2,278,799</u>
Total assets less current liabilities		<u>11,437,907</u>	<u>11,178,710</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Basis of preparation and accounting policies

The financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRS”) and are prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and financial liabilities at fair value through profit or loss and investment properties, which are carried at fair value.

The following standards, amendments and interpretations to existing standards are relevant to the Group and are mandatory for the financial year ended 31st December 2007:

HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) – Int 8	Scope of HKFRS 2
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment

The adoption of these new standards, amendments and interpretations has no significant impact on the Group’s financial statements and financial position nor any substantial changes in the Group’s accounting policies, except for new disclosures relating to financial instruments made in the financial statements.

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group’s accounting periods beginning on or after 1st March 2007 or later periods, but the Group has not early adopted them:

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 2 (Amendment)	Share-based Payment Vesting Conditions and Cancellations
HKFRS 3 (Revised)	Business Combinations
HKFRS 8	Operating Segments
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The Group has already commenced an assessment of the impact of these new standards, amendments and interpretations but is not yet in a position to state whether they would have a significant impact on its results of operations and financial position.

2 Segment information

The Group is principally engaged in provision of port services, operation of toll roads and supply of utilities.

The associates of the Group are principally engaged in the manufacturing and sales of winery products, escalators and elevators.

Primary reporting format – business segments

	For the year ended 31st December 2007						
	Port	Operation	Supply of	Winery	Elevator	Others	Group
	services	of toll	utilities		and		
	roads	(Note)		escalator			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	<u>1,157,430</u>	<u>177,156</u>	<u>2,053,077</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>3,387,663</u>
Segment results	<u>269,820</u>	<u>93,477</u>	<u>198,579</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>561,876</u>
Gain on toll roads restructuring	–	165,913	–	–	–	–	165,913
Provision for impairment of investment in an associate	–	–	–	–	–	(38,261)	(38,261)
Gain/(loss) on disposal of subsidiaries, associates and jointly controlled entities	139	–	–	–	–	(18,817)	(18,678)
Interest income							53,352
Net corporate income							<u>65,177</u>
Operating profit							789,379
Finance costs							(101,130)
Share of profits/(losses) of Associates	790	(2,149)	–	56,576	159,293	6,141	220,651
Jointly controlled entities	–	–	–	–	–	(9,831)	(9,831)
Profit before tax							899,069
Tax expense							(71,830)
Profit for the year							<u>827,239</u>
Capital expenditure	49,142	62	75,032	–	–	6,170	130,406
Depreciation and amortisation	121,463	42,261	63,242	–	–	4,626	231,592
(Reversal of)/provision for impairment of trade receivables	(5,812)	–	22,101	–	–	103	16,392

	For the year ended 31st December 2006						
	Port services	Operation of toll roads	Supply of utilities <i>(Note)</i>	Winery	Elevator and escalator	Others	Group
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	1,005,001	207,101	1,467,672	–	–	8,683	2,688,457
Segment results	230,761	91,675	160,973	–	–	1,161	484,570
Gain on deemed disposal of partial interest in subsidiaries	109,235	–	–	–	–	–	109,235
Gain on disposal of subsidiaries	–	–	–	–	–	22,993	22,993
Interest income							148,727
Net corporate expenses							(18,587)
Operating profit							746,938
Finance costs							(149,293)
Net loss on convertible bonds							(63,847)
Share of profits/(losses) of							
Associates	983	–	–	52,618	129,071	(1,457)	181,215
Jointly controlled entities	–	–	–	53	–	(11,832)	(11,779)
Profit before tax							703,234
Tax expense							(66,053)
Profit for the year							637,181
Capital expenditure	1,175,851	36,125	116,684	–	–	2,196	1,330,856
Depreciation and amortisation	97,328	45,580	73,823	–	–	4,166	220,897
(Reversal of)/provision for impairment of trade receivables	(4,349)	–	1,761	–	–	–	(2,588)

Note:

The utilities supply business is carried out by Tianjin TEDA Tsinlien Electric Power Company Limited (“Electricity Company”), Tianjin TEDA Tsinlien Water Supply Company Limited (“Water Company”) and Tianjin TEDA Tsinlien Heat & Power Co., Ltd. (“Heat & Power Company”).

The Finance Bureau of Tianjin Economic and Technological Development Area (“TEDA”) has confirmed to grant to Electricity Company and Water Company quantity-based government supplemental income calculated at RMB0.02 per kWh of electricity supplied and RMB2 per tonne of water supplied for five years to 31st December 2007 and subsequently extended for a year to 31st December 2008. Also, the Finance Bureau of TEDA has confirmed to grant to Heat & Power Company quantity-based government supplemental income calculated at RMB50 per tonne of steam supplied for a period of five years up to 31st December 2008.

In addition, Heat & Power Company is entitled to additional cost-based government supplemental income calculated at the difference between the purchase price per tonne of steam purchased from Tianjin Binhai Energy & Development Co., Ltd., the major supplier of steam, and the selling price per tonne of steam sold to the customers.

Revenue generated from the supply of utilities includes approximately HK\$41.1 million (2006: HK\$56.6 million), HK\$80.9 million (2006: HK\$74.9 million) and HK\$137.9 million (2006: HK\$59.6 million) of quantity-based government supplemental income granted to the Electricity Company, Water Company and Heat & Power Company respectively. It also includes approximately HK\$13.7 million (2006: HK\$19.0 million) of cost-based government supplemental income granted to Heat & Power Company.

As at 31st December 2007								
	Port services	Operation of toll roads	Supply of utilities	Winery	Elevator and escalator	Others	Unallocated	Group
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Assets	2,721,959	2,088,477	1,945,707	–	–	301,346	3,706,010	10,763,499
Associates	24,980	192,638	–	697,187	462,675	–	–	1,377,480
Jointly controlled entities	704,467	–	–	–	–	59,714	–	764,181
Total assets	<u>3,451,406</u>	<u>2,281,115</u>	<u>1,945,707</u>	<u>697,187</u>	<u>462,675</u>	<u>361,060</u>	<u>3,706,010</u>	<u>12,905,160</u>
Liabilities	<u>87,763</u>	<u>31,494</u>	<u>796,822</u>	<u>–</u>	<u>–</u>	<u>75,546</u>	<u>1,761,012</u>	<u>2,752,637</u>
As at 31st December 2006								
	Port services	Operation of toll roads	Supply of utilities	Winery	Elevator and escalator	Others	Unallocated	Group
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Assets	2,556,136	3,571,212	1,670,611	–	–	537,094	3,653,903	11,988,956
Associates	23,847	–	–	625,365	463,265	38,190	–	1,150,667
Jointly controlled entities	–	–	–	–	–	91,903	–	91,903
Total assets	<u>2,579,983</u>	<u>3,571,212</u>	<u>1,670,611</u>	<u>625,365</u>	<u>463,265</u>	<u>667,187</u>	<u>3,653,903</u>	<u>13,231,526</u>
Liabilities	<u>159,655</u>	<u>55,860</u>	<u>565,065</u>	<u>–</u>	<u>–</u>	<u>76,101</u>	<u>3,004,416</u>	<u>3,861,097</u>

Unallocated assets under business segment reporting primarily include available-for-sale financial assets, deferred tax assets, financial assets at fair value through profit or loss, restricted cash, time deposits with maturity over three months and cash and cash equivalents. Unallocated liabilities include borrowings, current and deferred tax liabilities.

Secondary reporting format – geographical segments

	Revenue		Operating results	
	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
PRC mainland	<u>3,387,663</u>	<u>2,688,457</u>	<u>561,876</u>	<u>484,570</u>
			2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Total assets:				
PRC mainland			10,537,424	11,802,170
Hong Kong			<u>226,075</u>	<u>186,786</u>
			10,763,499	11,988,956
Associates			1,377,480	1,150,667
Jointly controlled entities			<u>764,181</u>	<u>91,903</u>
			<u>12,905,160</u>	<u>13,231,526</u>
Capital expenditure:				
PRC mainland			129,209	1,329,303
Hong Kong			<u>1,197</u>	<u>1,553</u>
			<u>130,406</u>	<u>1,330,856</u>
3 Other income				
			2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Interest income				
– bank deposits			53,352	51,392
– proceeds from initial public offer of a subsidiary			–	97,335
Dividend income from investee companies – unlisted			18,750	18,028
Sundries			<u>12,651</u>	<u>14,411</u>
			<u>84,753</u>	<u>181,166</u>

4 Other gains, net

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Financial assets at fair value through profit or loss		
– fair value gains – listed	72,089	13,390
– fair value gains – unlisted	9,151	3,049
Gain on disposal of investment property	10,309	–
Gain on disposal of available-for-sale investment	10,429	–
Net (loss)/gain on disposal of subsidiaries, associates and jointly controlled entities	(18,678)	22,993
Loss on disposal of property, plant and equipment	(14,202)	(12,062)
Net exchange gain	47,671	37,533
	<u>116,769</u>	<u>64,903</u>

5 Finance costs

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Interest expenses:		
– bank borrowings	88,777	104,490
– loans from a minority shareholder	9,447	14,639
– convertible bonds (notional charge)	2,906	30,164
	<u>101,130</u>	<u>149,293</u>

6 Tax expense

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Current taxation		
– PRC income tax	92,212	55,201
Deferred tax	(20,382)	10,852
	<u>71,830</u>	<u>66,053</u>

No provision for Hong Kong profits tax has been made as there is no estimated assessable profit for the year for the Group (2006: Nil). Provision for the PRC income tax has been made at the applicable rate of taxation on the estimated assessable profit for the year for each of the Group's subsidiaries.

7 Earnings per share

The calculation of the basic earnings per share is based on profit attributable to equity holders of HK\$690,301,000 (2006: HK\$552,751,000) and the weighted average number of 1,023,825,000 shares in issue (2006: 954,330,000 shares) during the year.

The calculation of the diluted earnings per share is based on adjusted profit attributable to equity holders of HK\$693,207,000 (2006: HK\$552,751,000) and 1,036,748,000 shares (2006: 959,382,000 shares) which is the weighted average number of 1,023,825,000 shares (2006: 954,330,000 shares) in issue during the year, plus the weighted average number of 12,923,000 shares (2006: 5,052,000 shares) deemed to be issued at no consideration if all outstanding employee share options have been exercised and all outstanding convertible bonds have been converted.

8 Dividends

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
2007 final, proposed, of HK5.6 cents (2006: final, paid, of HK4.6 cents) per share	57,995	47,639
2007 interim, paid, of HK5.4 cents (2006: HK4.6 cents) per share	55,923	44,602
	<hr/> 113,918 <hr/>	<hr/> 92,241 <hr/>

At a meeting of the Board held on 17th April 2008, the directors proposed a final dividend of HK5.6 cents per ordinary share. This proposed dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31st December 2008.

9 Trade receivables

The ageing analysis of the Group's trade receivables (net of provisions) is as follows:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Within 30 days	503,446	366,557
31 to 90 days	32,768	18,329
91 to 180 days	14,814	10,031
Over 180 days	163,150	83,775
	<hr/> 714,178 <hr/>	<hr/> 478,692 <hr/>

The various group companies have different credit policies which are dependent on the requirements of the markets and the businesses which they operate. In general, credit periods of about 30 to 90 days are granted to customers of the segment of port services. No credit terms are granted to customers of the segments of supply of utilities and operation of toll roads.

As at 31st December 2007, the Group was entitled to government supplemental income of HK\$285,288,000 (2006: HK\$200,626,000) which is receivable from the Finance Bureau of TEDA. Annual supplemental income receivable does not have credit terms and the amount of which is finalised subject to the checking of quantity sold performed by the Finance Bureau subsequent to each year end. Continuous settlements have been received by the Group throughout the years.

The carrying amounts of trade receivables approximate their fair value and are mainly denominated in Renminbi. The maximum exposure to credit risk at the reporting date is the fair value of the receivable mentioned above. The Group has no significant concentrations of credit risk and does not hold any collateral as security.

10 Trade payables

The ageing analysis of the Group's trade payables is as follows:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Within 30 days	18,354	24,738
31 to 90 days	24,081	14,142
91 to 180 days	7,419	13,931
Over 180 days	136,738	168,312
	186,592	221,123

The carrying amounts of trade payables approximate their fair value and are mainly denominated in Renminbi.

REVIEW OF OPERATIONS

	Revenue		Segment results	
	2007	2006	2007	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Provision of port services	1,157,430	1,005,001	269,820	230,761
Operation of toll roads	177,156	207,101	93,477	91,675
Supply of utilities	2,053,077	1,467,672	198,579	160,973
Sales of properties (<i>Note 1</i>)	–	8,683	–	1,161
	<u>3,387,663</u>	<u>2,688,457</u>	<u>561,876</u>	<u>484,570</u>
Gain on toll roads restructuring			165,913	–
Gain on deemed disposal of partial interest in subsidiaries			–	109,235
Gain on disposal of subsidiaries			–	22,993
Provision for impairment of investment in an associate			(38,261)	–
Interest income			53,352	148,727
Net corporate income/(expenses)			<u>46,499</u>	<u>(18,587)</u>
Operating profit			789,379	746,938
Finance costs			(101,130)	(149,293)
Net loss on convertible bonds			–	(63,847)
Share of profits/(losses) of Associates (<i>Note 2</i>)			220,651	181,215
Jointly controlled entities			(9,831)	(11,779)
Profit before tax			<u>899,069</u>	<u>703,234</u>
Tax expense			(71,830)	(66,053)
Profit for the year			<u>827,239</u>	<u>637,181</u>

Notes:

- Property development is no longer considered as a business segment of the Group in 2007 but the comparatives were not adjusted for this change.
- Share of profits/(losses) of associates

Manufacturing and sales of winery products	56,576	52,618
Elevator and escalator	159,293	129,071
Others	4,782	(474)
	<u>220,651</u>	<u>181,215</u>

Infrastructure Operations

Port services

The revenue of Tianjin Port Development Holdings Limited (“TPD”) (stock code: 3382) increased by 15% from approximately HK\$1,005.0 million in 2006 to approximately HK\$1,157.4 million in 2007. The growth in revenue was driven by an 11% increase in our container throughput from 2,490,000 TEUs in 2006 to 2,762,000 TEUs in 2007. For the same period, the total throughput of bulk cargo decreased by 22% from 16.6 million tonnes to 13.0 million tonnes.

The segment profit increased by 17% from approximately HK\$230.8 million for 2006 to approximately HK\$269.8 million for 2007. The encouraging results of TPD in 2007 was brought about by enhanced handling efficiency, improved product mix and effective cost controls. The synergy of these internal improvements alongside the favorable external market environment of robust GDP growth and expanding trade volumes in China, especially in the Bohai region, have greatly benefited TPD.

Road Operations

In 2007, road operations achieved a toll revenue of approximately HK\$177.2 million and realised a segment profit of approximately HK\$93.5 million, representing a decrease of 14% and an increase of 2% over last year.

During the year, the Group has undergone a restructuring of its road operations (“Restructuring”). The effective interest in Eastern Outer Ring Road increased from approximately 65.5% to approximately 83.9%. At the same time, the effective interest in Jinbin Expressway was reduced from approximately 46.8% to approximately 24% and Jinbin Expressway, previously accounted for as a subsidiary of the Group, became an associate. The Group realised a one-off gain of approximately HK\$165.9 million on this exercise. This also explained the decrease in revenue as Jinbin Expressway ceased its contribution to the Group’s revenue since September 2007.

Since the opening of other expressways in the city, diversion of traffic from the Eastern Outer Ring Road continued. The average daily traffic flow on the Eastern Outer Ring Road has declined by 39% to 18,111 vehicles during the year. However, more larger/heavier vehicles returned after the major repairs and maintenance last year. As a result, there was an improvement of vehicle mix and the toll revenue decreased by only 7% to approximately HK\$119.7 million as a result of the change in vehicle mix.

The Jinbin Expressway operated with satisfactory performance in 2007 as evidenced by an average daily traffic flow of 24,810 vehicles and toll revenue of approximately HK\$93.8 million (with contribution of approximately HK\$57.5 million to the Group’s revenue as a subsidiary before the Restructuring), representing respective increases of 17% and 19% over last year.

Utility operations

The Group’s utility businesses are operating in TEDA, supplying electricity, water, heat and thermal power to industrial, commercial and residential sectors.

Electricity Operation

Electricity Company is principally engaged in the supply of electricity in the TEDA. It also provides services in relation to maintenance of power supply equipment and electric power related technological consulting. Currently, the installed capacity of electricity transmission of Electricity Company is approximately 470,000 kVA.

In 2007, the Group's electricity operation reported a revenue of approximately HK\$1,308.4 million and a segment profit of approximately HK\$105.9 million, representing an increase of 28% and 29% over last year respectively. The increase in segment profit was mainly attributable to the increase in quantity sold and effective control over indirect costs. The total quantity of electricity sold for the year was approximately 1,992,803,000 kWh, representing an increase of 17% over last year.

Water Operation

Water Company is principally engaged in the supply of tap water in the TEDA. It is also engaged in installation and maintenance of water pipes, tap water related technological consulting, and retail and wholesale of water pipes and related parts. The daily water supply capacity of the Water Company has reached approximately 220,000 tonnes.

In 2007, the Group's water operation reported a revenue of approximately HK\$258.5 million and a segment profit of approximately HK\$68.8 million, resulted in the respective increase of 19% and a decrease of 12% over the corresponding period last year. The total quantity of water sold for this year was approximately 39,236,000 tonnes, representing an increase of 1% over last year. In order to ensure water supply capability, a new source of supply was secured from a supplier of underground water. Part of the purchase was made from this supplier in 2007. Since underground water cost more than self-produced water, it resulted in a decrease of segment profit.

Heat and Thermal Operation

Heat & Power Company is principally engaged in the production and distribution of steam for industrial users and heating for commercial and residential purposes within the TEDA. The Heat & Power Company has currently made a connection to a total of approximately 300 kilometers steam transmission pipelines and more than 60 processing stations in the TEDA, with a daily distribution capacity reaching approximately 21,400 tonnes of steam.

In 2007, the Group's heat and thermal power operation reported a revenue of approximately HK\$486.2 million and a segment profit of approximately HK\$23.8 million. Since the acquisition of Heat & Power Company was completed in late April 2006, the Heat & Power Company only contributed 8 months' results in 2006. Nevertheless, the increase in segment profit was driven by the increase in quantity sold. The total quantity of steam sold for the year was approximately 2,675,000 tonnes, representing an increase of 11% over last year.

Locating at the TEDA with a planned site area of 33 square kilometers in the east area and 48 square kilometers in the west area, Electricity Company, Water Company and Heat & Power Company have

been benefiting from the prosperous growth of consumption in TEDA. Leveraging on their well-established supply network, management expertise and customer base, the Group believes that the utility operations will continue to be one of the growth drivers of the Group.

Strategic Investments

Winery Operation

Sales volume of Dynasty Fine Wines Group Limited (“DFWGL”) (stock code: 828) remained basically stable at approximately 48.8 million bottles in 2007 as compared to 49.5 million bottles in 2006 because of keen competition in the market. Red wine contributed over 91% of total sales volume. The revenue and profit attributable to equity holders of DFWGL amounted to approximately HK\$1,123.3 million and HK\$126.3 million respectively, which represented a corresponding increase of 1% and 10% over last year. The increase in the profit was mainly attributable to the decrease in distribution costs as the management had taken strong measures to control advertising and promotion expenses. Gross profit margin improved slightly due to declining purchase cost of grape juice as compared to 2006.

DFWGL contributed to the Group a profit of approximately HK\$56.6 million in 2007, as compared to approximately HK\$52.6 million in 2006, representing an increase of 8%.

Elevator and Escalator Operation

OTIS China, an associate of the Group, has recorded continuous satisfactory growth during the year. The revenue of OTIS China for 2007 amounted to approximately HK\$9,337.2 million, achieving a 25% increase over last year.

For 2007, the contribution of OTIS China to the profit of the Company amounted to approximately HK\$159.3 million, representing a 23% increase over last year. The growth was contributed by strong demand in both domestic and overseas markets. Demand in both domestic and overseas markets remained solid and OTIS China has increased its marketing efforts to expand the business. The Group believes that the investment in OTIS China will continue to bring in sustainable earnings in the future.

PROSPECTS

Given the focus of the “11th Five Year Plan (2006-2010)” on infrastructure development, the Group will continue to increase investment in our core businesses including port services and utilities operations.

The Group will continue to expand its port operations through TPD. This is evidenced by its investments in joint ventures engaging in the construction, management and operation of container handling terminals at the Beigangchi area of the port of Tianjin. In addition, TPD has formed a joint venture which is principally engaged in the provision of logistics services in the Dongjiang Port. The long term strategic goal is to integrate container handling and port logistics as drivers of future growth.

TEDA, being one of the key districts in the Tianjin Binhai New Area (“TBNA”) and having enjoyed double digit annual growth since 1998, has huge development potential. The Group will increase investment in our core utilities operations to capture the robust economic growth of TEDA.

In view of the potential economic development of Tianjin, it is expected that more and more investors would set up their offices and more business travelers will be visiting and working in Tianjin. This would definitely lead to huge demand for commercial property including hotels and offices. Around the year end of 2007, the Group has successfully acquired a majority stake in the Hyatt Regency Tianjin Hotel and is actively exploring the opportunities in the commercial property market in Tianjin.

2007 was the tenth anniversary of the Company’s listing on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in Hong Kong. Looking forward, our staff will together devote their best efforts to grasp the business opportunities arising from TBNA – the third engine of the economic development in the PRC, in order to pursue higher return to shareholders.

LIQUIDITY AND CAPITAL RESOURCES ANALYSIS

As at 31st December 2007, the Group’s total cash on hand and total bank borrowings stood at about approximately HK\$3,236 million and approximately HK\$1,304 million respectively (2006: HK\$3,304 million and HK\$1,807 million respectively) of which approximately HK\$58 million bank borrowings will be matured within one year. Convertible bonds were fully converted during the year (outstanding amount as at 31st December 2006: HK\$212 million). Loan from a minority shareholder of a subsidiary amounted to approximately HK\$165 million (2006: HK\$260 million) which bore interest at the rate of 6.4% per annum and have no fixed terms of repayment.

The gearing ratio as measured by total borrowings to shareholders’ funds is approximately 18% at the end of 2007, compared to approximately 33% at the end of 2006.

All of the total HK\$1,304 million bank borrowings outstanding at the end of 2007 were subject to floating rates with spread of 0.44% to 0.47% over HIBOR (or LIBOR where applicable) of relevant interest periods.

As at the end of 2007, 100% of the Group’s total bank borrowings was denominated in HK dollars (2006: 55% of the Group’s total bank borrowings was denominated in HK dollars, 42% was denominated in Renminbi and 3% was denominated in US dollars).

EMPLOYEES AND REMUNERATION POLICIES

The Company and its subsidiary companies had a total of approximately 3,100 employees at the end of the period, of which approximately 910 were management and technical staff, with the balance being production workers.

The Group contributes to an employee pension scheme established by the PRC Government which undertakes to assume the retirement benefit obligations of all existing and future retired employees of the

Group in the PRC. The Group also contributes to a mandatory provident fund scheme for all Hong Kong employees. The contributions are based on a fixed percentage of the members' salaries.

DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Directors have resolved to recommend the payment of a final dividend of HK5.6 cents per share to the shareholders of the Company. The proposed final dividend of HK5.6 cents per share and the payment of which is subject to approval of the shareholders at the forthcoming annual general meeting of the Company to be held on 30th May 2008. The final dividend will be paid to shareholders whose names appear on the register of members of the Company on 30th May 2008 and the payment date will be on or about Wednesday, 25th June 2008.

The register of members of the Company will be closed from Wednesday, 28th May 2008 to Friday, 30th May 2008, both days inclusive, during which no transfer of shares will be registered. In order to qualify for the proposed final dividend, all share certificates with completed transfer forms either overleaf or separately, must be lodged with the Company's share registrar, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 27th May 2008.

CHARGE ON ASSETS

None of the Group's assets are charged or subject to any encumbrance.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the year.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the year, except for the following deviations:

Code Provision A.2.1

The code provision A.2.1 of the Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

On 21st September 2007, Mr. Wang Guanghao, due to retirement, resigned as Chairman of the Board of the Company and was re-designated as a non-executive Director of the Company. Dr. Ren Xuefeng, the then vice chairman of the Board and general manager of the Company was appointed as Chairman of the Board with effect from 21st September 2007. Consequently, the positions of Chairman of the Board and general manager of the Company were held by Dr. Ren Xuefeng.

On 31st January 2008, due to job re-arrangement, Dr. Ren Xuefeng resigned as Chairman of the Board, executive director and general manager of the Company; Mr. Yu Rumin, the vice chairman of the Company, was appointed as acting Chairman of the Company. The position of general manager would be filled up in due course.

Code Provision A.4.2

The code provision A.4.2 of the Code provides that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

As disclosed in the Company's 2006 Annual Report, the Directors have not been required by the Company's articles of association (the "Articles of Association") to retire by rotation at least once every three years. However, in accordance with the Articles of Association, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office by rotation at each annual general meeting. It is therefore considered that code provision A.4.2 has been followed in practice. Nevertheless, the Board opined that in order to ensure better compliance with the Code, appropriate amendment of certain articles should be made in the Articles of Association. At the annual general meeting of the Company on 25th May 2007 (the "last AGM"), the resolution approving the aforesaid was approved by shareholders of the Company to provide that at each annual general meeting one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years.

Code Provision E.1.2

The code provision E.1.2 of the Code provides that the Chairman of the Board shall attend the annual general meeting of the Company. Due to business reason, Mr. Wang Guanghao, the former Chairman of the Board, was unable to attend the last AGM. Dr. Ren Xuefeng, the then vice chairman of the Board, was elected to take the chair at the last AGM pursuant to the Articles of Association.

AUDIT COMMITTEE

An audit committee currently comprising three independent non-executive directors, namely Mr. Kwong Che Keung, Gordon, Mr. Lau Wai Kit and Dr. Cheng Hon Kwan was established in 1998.

By reference to "A Guide for The Formation of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), written terms of reference which describe the authority and duties of the audit committee were prepared and adopted by the Board of the Company. The Audit Committee held two meetings during the year.

The annual results have been reviewed by the audit committee of the Company. The figures in respect of the preliminary announcement of the Group's results for the year ended 31st December 2007 have been agreed by the Group's auditors, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in

this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

COMPLIANCE WITH THE MODEL CODE OF THE LISTING RULES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 to the Listing Rules as the Company’s code of conduct governing dealings by all directors in the securities of the Company. Having made specific enquiries with all directors, all the directors confirmed that they have complied with the required standard as set out in the Model Code throughout the year.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the website of the Company at <http://www.finance.thestandard.com.hk/en/0882tianjindev/> and the website of the Stock Exchange at www.hkexnews.hk. The 2007 Annual Report will be available at the websites of Company and the Stock Exchange and despatched to shareholders of the Company in late April 2008.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at East & West Room, 23rd Floor, Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong on Friday, 30th May 2008 at 3:30 p.m. and the notice of Annual General Meeting will be published on the websites of the Company and the Stock Exchange and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

By Order of the Board
Tianjin Development Holdings Limited
Yu Rumin
Acting Chairman

Hong Kong, 17th April 2008

As at the date of this announcement, the Board of the Company consists of Mr. Yu Rumin, Mr. Wu Xuemin, 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.