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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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2009

FINANCIAL HIGHLIGHTS

- Revenue from continuing operations amounted to approximately HK$1,939 million, representing an increase of 5% as compared to the first half of 2008.
- Profit attributable to equity holders amounted to approximately HK$247 million (2008: approximately HK$308 million excluding a one-off deferred tax credit amounted to approximately HK$105 million), representing a decrease of 20% as compared to the first half of 2008.
- Basic earnings per share decreased by 41% to HK23.14 cents.
- Interim dividend of HK5.2 cents per share declared, representing a decrease of 13% as compared to the first half of 2008.

RESULTS

The board of directors (the "Board") of Tianjin Development Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30th June 2009, together with the comparative figures for the corresponding period in 2008, as follows:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th June 2009

	Note	2009 HK$'000	Restated 2008 HK$'000
Continuing operations:			
Revenue	2	**1,939,467**	1,845,514
Cost of sales		**(1,565,194)**	(1,357,109)
Gross profit		**374,273**	488,405
Other income	3	**57,346**	42,156
Other gains, net	4	**48,492**	141,528
General and administrative expenses		**(325,319)**	(308,801)
Other operating expenses		**(25,238)**	(26,469)
Operating profit	5	**129,554**	336,819
Finance costs	6	**(15,729)**	(27,071)
Share of profits/(losses) of			
Associates		**165,465**	130,804
Jointly controlled entities		**(3,688)**	1,932
Profit before tax		**275,602**	442,484
Tax (expense)/credit	7	**(33,799)**	23,025
Profit for the period from continuing operations		**241,803**	465,509
Discontinued operation:			
Profit for the period from discontinued operation	10	**28,661**	19,824
Profit for the period		**270,464**	485,333
Attributable to:			
Equity holders of the Company		**247,017**	413,038
Minority interests		**23,447**	72,295
		270,464	485,333
		HK cents	*HK cents*
Earnings per share	8		
Basic and diluted			
From continuing operations		**20.81**	37.62
From discontinued operation		**2.33**	1.63
		23.14	39.25
		HK$'000	*HK$'000*
Interim dividend	9	**55,508**	64,048

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June 2009

	Note	2009 HK$'000	Restated 2008 HK$'000
Profit for the period		**270,464**	485,333
Other comprehensive income:			
Currency translation differences		**1,264**	595,938
Release of exchange reserve upon strike off of subsidiaries		**(7,922)**	–
Change in fair value of available-for-sale financial assets	*11(i)*	**132,462**	(6,653)
Total comprehensive income for the period		**396,268**	1,074,618
Attributable to:			
Equity holders of the Company		**369,412**	879,707
Minority interests		**26,856**	194,911
		396,268	1,074,618

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

As at 30th June 2009

	Note	30th June 2009 HK$'000	Restated 31st December 2008 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**3,356,595**	3,390,071
Leasehold land and land use rights		**1,297,406**	1,310,742
Interest in associates		**1,583,679**	1,590,350
Interest in jointly controlled entities		**1,501,943**	1,475,520
Deferred tax assets		**171,654**	147,539
Available-for-sale financial assets	*11*	**288,992**	128,453
		8,200,269	8,042,675
Current assets			
Inventories		**41,642**	10,337
Amounts due from associates		**165,974**	2,553
Amounts due from jointly controlled entities		**15,402**	6,858
Amounts due from related companies		**13,078**	13,000
Amounts due from investee companies		**191,666**	162,036
Trade receivables	*12*	**918,611**	756,029
Other receivables, deposits and prepayments		**147,010**	231,028
Financial assets at fair value through profit or loss		**271,758**	472,703
Restricted bank balance		**246,078**	–
Time deposits with maturity over three months		**1,070,220**	952,815
Cash and cash equivalents		**1,876,618**	1,845,316
		4,958,057	4,452,675
Assets held for sale	*10*	**2,427,972**	2,376,166
		7,386,029	6,828,841
Total assets		**15,586,298**	14,871,516

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

As at 30th June 2009

	Note	30th June 2009 HK$'000	Restated 31st December 2008 HK$'000
EQUITY			
Equity holders			
Share capital		**106,747**	106,747
Reserves – others		**8,827,795**	8,513,692
Reserves – proposed dividend		**55,508**	32,024
		8,990,050	8,652,463
Minority interests		**2,014,655**	2,048,064
Total equity		**11,004,705**	10,700,527
LIABILITIES			
Non-current liabilities			
Borrowings		**2,617,518**	2,557,349
Deferred tax liabilities		**89,564**	90,769
		2,707,082	2,648,118
Current liabilities			
Trade payables	*13*	**280,540**	198,168
Notes payable		**246,078**	–
Other payables and accruals		**732,367**	837,317
Amounts due to related companies		**292,072**	218,329
Amounts due to a minority shareholder		**1,735**	1,079
Amounts due to ultimate holding company		**14,591**	15,051
Borrowings		**56,065**	33,389
Current tax liabilities		**75,521**	67,139
		1,698,969	1,370,472
Liabilities directly associated with assets classified as held for sale	*10*	**175,542**	152,399
		1,874,511	1,522,871
Total liabilities		**4,581,593**	4,170,989
Total equity and liabilities		**15,586,298**	14,871,516
Net current assets		**5,511,518**	5,305,970
Total assets less current liabilities		**13,711,787**	13,348,645

NOTES TO THE INTERIM FINANCIAL INFORMATION

1 Basis of preparation and accounting policies

The unaudited interim financial information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The unaudited interim financial information should be read in conjunction with the audited consolidated annual financial statements for the year ended 31st December 2008.

Except for described below, the accounting policies adopted are consistent with those used in the audited consolidated annual financial statements for the year ended 31st December 2008.

Change in accounting policy

In previous years, the Group adopted the purchase method of accounting to account for acquisition of subsidiaries including the business combinations under common control. During the restructuring exercise of the port operations early this year, the Directors reviewed the appropriateness and practicality of the change of method of accounting for business combinations under common control taking into account merger accounting as allowed under the Accounting Guideline 5 "Merger Accounting for Common Control Combinations" ("AG 5") issued by the HKICPA. With reference to the accounting policy adopted by certain peer companies listed on main board of The Stock Exchange of Hong Kong Limited ("Stock Exchange"), the Directors consider that the merger accounting is more appropriate and would provide reliable and more relevant information in respect of the Group's business combinations under common control as it can better reflect the underlying economic substance of these transactions. Accordingly, the Group has changed to apply the principle of merger accounting in accordance with the requirements set out in AG 5 to business combinations involving entities under the common control of Tsinlien Group Company Limited, the ultimate holding company of the Group.

Merger accounting for business combinations involving entities under common control

The consolidated financial statements incorporate the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling parties' perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The comparatives amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet date unless they first came under common control at a later date.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting is recognised as an expense in the year in which it is incurred.

The change in accounting policy has been applied retrospectively. The effect of the change in accounting policy is as follows:

	As at 31st December 2008 *HK$'000*
Decrease in goodwill	(510,847)
Decrease in leasehold land	(109,670)
Increase in deferred tax assets	18,144
Decrease in reserves	(602,373)

	For the six months ended 30th June 2008 *HK$'000*
Increase in other income	132
Decrease in excess of fair value of net assets acquired over the cost of acquisition of a subsidiary	(199,751)
Increase in general and administrative expenses	(11,192)
Increase in other operating expense	(766)
Increase in tax credit	104,651
	HK cents
Decrease in basic and diluted earnings per share	(10.16)

The change in accounting policy has no significant impact on the interim financial information for the six months ended 30th June 2009.

Adoption of new standards and amendments to existing standards

In 2009, the Group adopted the new standards and amendments of Hong Kong Financial Reporting Standards ("HKFRS") below, which are relevant to its operations.

HKAS 1 (revised)	Presentation of Financial Statements
HKAS 23 (revised)	Borrowing costs
HKFRS 8	Operating Segments
HKFRS 7 Amendment	Financial Instruments: Disclosures

Annual improvements to HKFRS published in October 2008

HKAS 1 Amendment	Presentation of Financial Statements
HKAS 10 Amendment	Events after the Reporting Period
HKAS 16 Amendment	Property, Plant and Equipment
HKAS 19 Amendment	Employee Benefits
HKAS 23 Amendment	Borrowing Costs
HKAS 27 Amendment	Consolidated and Separate Financial Statements
HKAS 28 Amendment	Investments in Associates
HKAS 31 Amendment	Interests in Joint Ventures
HKAS 34 Amendment	Interim Financial Reporting
HKAS 36 Amendment	Impairment of Assets
HKAS 38 Amendment	Intangible Assets
HKAS 39 Amendment	Financial Instruments: Recognition and Measurement
HKFRS 7 Amendment	Financial Instruments: Disclosures

The Group has assessed the impact of the adoption of these new standards and amendments and considered that there was no significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies and presentation of the accounts except the below.

HKAS 1 (revised), "Presentation of financial statements". The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.

Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has elected to present two statements: an income statement and a statement of comprehensive income. The interim financial information has been prepared under the revised disclosure requirements.

HKFRS 8, "Operating segments". HKFRS 8 replaces HKAS 14, "Segment reporting". It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the steering committee that makes strategic decisions.

Amendment to HKFRS 7, "Financial instruments: disclosures". The amendment increases the disclosure requirements about fair value measurement and amends the disclosure about liquidity risk. The amendment introduces a three-level hierarchy for fair value measurement disclosures about financial instruments and requires some specific quantitative disclosures for those instruments classified in the lowest level in the hierarchy. These disclosures will help to improve comparability between entities about the effects of fair value measurements. In addition, the amendment clarifies and enhances the existing requirements for the disclosure of liquidity risk primarily requiring a separate liquidity risk analysis for derivative and non-derivative financial liabilities. It also requires a maturity analysis for financial assets where the information is needed to understand the nature and context of liquidity risk. The Group will make additional relevant disclosures in its financial statements for the year ending 31st December 2009.

The following new standards, amendments and interpretations to existing standards have been published and are relevant to the Group's operation. They are mandatory for accounting periods beginning on or after 1st July 2009 or later periods, the Group has not early adopted them:

HKAS 27 (revised)	Consolidated and Separate Financial Statements
HKAS 27 and HKFRS 1 (Amendment)	Consolidated and Separate Financial Statements and First-time adoption of HKFRS – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners

Annual improvements to HKFRS published in May 2009

HKAS 7 Amendment	Statement of Cash Flows
HKAS 17 Amendment	Leases
HKAS 36 Amendment	Impairment of Assets
HKAS 38 Amendment	Intangible Assets
HKFRS 2 Amendment	Share-based payment
HKFRS 5 Amendment	Non-current Assets Held for Sale and Discontinued Operations
HKFRS 8 Amendment	Operating Segments

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, supply of utilities and operation of commercial properties.

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

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions. The chief operating decision-makers assess the performance of the operating segments based on a measure of profit after tax.

The Group has six reportable segments. The segments are managed separately as each business offers different products and services. The accounting policies of the operating segments are the same as those described in the basis of preparation and accounting policies. The following summary describes the operations in each of the Group's reportable segments.

The port services segment derives revenue through the provision of port services in the port of Tianjin by Tianjin Port Development Holdings Limited ("TPD"), a listed non-wholly owned subsidiary of the Group.

The supply of utilities segment derives revenue through the distribution of electricity, water, heat and thermal power to industrial, commercial and residential sectors in the Tianjin Economic-Technological Development Area ("TEDA").

The operation of commercial properties segment currently derives revenue from the hotels operating in Tianjin and Hong Kong.

The result of the winery segment is contributed by a listed associate of the Group, Dynasty Fine Wines Group Limited ("Dynasty"), which manufactures and sells winery products.

The result of the elevator and escalator segment is contributed by an associate of the Group, Otis Elevator (China) Investment Company Limited ("Otis China"), which manufactures and sells elevators and escalators.

The operation of Eastern Outer Ring Road ("EORR") segment presented under discontinued operation derives revenue from the operation of EORR in Tianjin.

For the six months ended 30th June 2009

	Continuing operations						Discontinued operation *(note(ii))*	
	Port services *HK$'000*	Supply of utilities *(note(i))* *HK$'000*	Operation of commercial properties *HK$'000*	Winery *HK$'000*	Elevator and escalator *HK$'000*	Sub-total *HK$'000*	Operation of EORR *HK$'000*	Total operating segments *HK$'000*
Revenue	556,831	1,332,397	50,239	–	–	1,939,467	57,512	1,996,979
Operating (loss)/profit before interest	(5,440)	109,661	(18,322)	–	–	85,899	34,915	120,814
Interest income	9,768	6,606	61	–	–	16,435	2,352	18,787
Finance costs	(6,643)	(2,452)	–	–	–	(9,095)	–	(9,095)
Share of profits/(losses) of								
Associates	(1,704)	–	–	43,384	119,590	161,270	–	161,270
Jointly controlled entities	(1,768)	–	–	–	–	(1,768)	–	(1,768)
(Loss)/profit before tax	(5,787)	113,815	(18,261)	43,384	119,590	252,741	37,267	290,008
Tax (expense)/credit	(9,936)	(26,519)	1,205	–	–	(35,250)	(8,606)	(43,856)
(Loss)/profit for the period	(15,723)	87,296	(17,056)	43,384	119,590	217,491	28,661	246,152
Minority interests	5,049	(6,821)	2,613	–	(20,641)	(19,800)	(3,818)	(23,618)
(Loss)/profit attributable to equity holders	(10,674)	80,475	(14,443)	43,384	98,949	197,691	24,843	222,534
Operating (loss)/profit before interest includes:								
Depreciation and amortisation	68,523	41,578	17,172	–	–	127,273	–	127,273

For the six months ended 30th June 2008

	Continuing operations						Discontinued operation *(note(ii))*	
	Port services *HK$'000*	Supply of utilities *(note(i))* *HK$'000*	Operation of commercial properties *HK$'000*	Winery *HK$'000*	Elevator and escalator *HK$'000*	Sub-total *HK$'000*	Operation of EORR *HK$'000*	Total operating segments *HK$'000*
Revenue	603,246	1,209,231	33,037	–	–	1,845,514	53,700	1,899,214
Operating profit/(loss) before interest	179,075	143,160	(26,581)	–	–	295,654	24,213	319,867
Interest income	4,821	8,352	281	–	–	13,454	1,268	14,722
Finance costs	(10,596)	–	(1,288)	–	–	(11,884)	–	(11,884)
Share of profits/(losses) of								
Associates	126	–	–	55,607	70,985	126,718	–	126,718
Jointly controlled entities	7,049	–	(2,895)	–	–	4,154	–	4,154
Profit/(loss) before tax	180,475	151,512	(30,483)	55,607	70,985	428,096	25,481	453,577
Tax (expense)/credit	(39,524)	(41,284)	106,535	–	–	25,727	(5,657)	20,070
Profit for the period	140,951	110,228	76,052	55,607	70,985	453,823	19,824	473,647
Minority interests	(52,607)	(8,031)	1,974	–	(12,252)	(70,916)	(2,641)	(73,557)
Profit attributable to equity holders	88,344	102,197	78,026	55,607	58,733	382,907	17,183	400,090
Operating profit/(loss) before interest includes:								
Depreciation and amortisation	66,199	36,567	13,704	–	–	116,470	8,166	124,636

	Six months ended 30th June	
	2009	2008
	HK$'000	*HK$'000*
Reconciliation of profit for the period		
Total operating segments	**246,152**	473,647
Gain on deemed disposal of partial interest in an assoicate	**28,076**	–
Share option expenses	**–**	(28,391)
Corporate and others *(note (iii))*	**(3,764)**	40,077
Profit for the period	**270,464**	485,333

Notes:

(i) 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 Company Limited ("Heat & Power Company").

The Finance Bureau of TEDA has confirmed to grant to Electricity Company, Water Company and Heat & Power Company quantity-based government supplemental income calculated at RMB 0.02 per kWh of electricity supplied, RMB2 per tonne of water supplied and RMB50 per tonne of steam supplied for the year ending 31st December 2009.

Revenue generated from the supply of utilities includes approximately HK$22.5 million (2008: HK$23.4 million), HK$48.8 million (2008: HK$47.3 million) and HK$106.2 million (2008: HK$93.5 million) of quantity-based government supplemental income granted to the Electricity Company, Water Company and Heat & Power Company respectively.

(ii) The results of Tianjin Jin Zheng Transportation Development Company Limited ("Jinzheng"), which operates the EORR in Tianjin, was presented under discontinued operation as actions had been initiated prior to 31st December 2008 to dispose of the Group's interest in it and the transaction is expected to be completed in the second half of 2009 (Note 10).

(iii) The amounts mainly represent corporate level activities including central treasury management and administrative function, dividend income from investee companies, exchange gain or loss at corporate level and results of other businesses not categorised as operating segments.

	Continuing operations					Discontinued operation			
	Port services *HK$'000*	Supply of utilities *HK$'000*	Operation of commercial properties *HK$'000*	Winery *HK$'000*	Elevator and escalator *HK$'000*	Operation of EORR *HK$'000*	Total operating segments *HK$'000*	Corporate and others *(note)* *HK$'000*	Total *HK$'000*
As at 30th June 2009									
Reportable segment assets	**5,021,002**	**3,040,053**	**1,158,979**	**808,138**	**437,817**	**2,427,972**	**12,893,961**	**2,692,337**	**15,586,298**
Reportable segment liabilities	**1,407,148**	**1,315,973**	**147,517**	**–**	**–**	**175,542**	**3,046,180**	**1,535,413**	**4,581,593**
As at 31st December 2008									
Reportable segment assets	4,903,111	2,669,025	1,181,736	775,321	479,521	2,376,166	12,384,880	2,486,636	14,871,516
Reportable segment liabilities	1,284,260	1,032,241	154,200	–	–	152,399	2,623,100	1,547,889	4,170,989

Note: The balances represent assets and liabilities of corporate and other businesses not categorised as operating segments, which principally include cash and cash equivalents, time deposits with maturity over three months, financial assets at fair value through profit or loss, amount due from investee companies, available-for-sale financial assets, interest in certain associates and bank borrowings.

Geographical information

The Group's revenue from external customers by geographical location are detailed below:

	Revenue Six months ended 30th June **2009** ***HK$'000***	Restated 2008 *HK$'000*
PRC mainland	**1,911,634**	1,834,670
Hong Kong	**27,833**	10,844
Continuing operations	**1,939,467**	1,845,514
Discontinued operation – PRC mainland	**57,512**	53,700

The Group's non-current assets (excluding financial assets and deferred tax assets) by geographical location are detailed below:

	30th June 2009 ***HK$'000***	Restated 31st December 2008 *HK$'000*
PRC mainland	**7,144,909**	7,161,461
Hong Kong	**594,714**	605,222
	7,739,623	7,766,683

3 Other income

	Six months ended 30th June **2009** ***HK$'000***	Restated 2008 *HK$'000*
Interest income	**26,779**	25,657
Dividend income from investee companies – unlisted	**29,630**	12,006
Sundries	**937**	4,493
	57,346	42,156

4 Other gains, net

	Six months ended 30th June	
		Restated
	2009	2008
	HK$'000	*HK$'000*
Financial assets at fair value through profit or loss		
– fair value gains – listed (realised and unrealised)	**1,750**	3,695
– fair value gains – unlisted (realised)	**7,132**	13,111
Gain on deemed disposal of partial interest in an associate *(Note 11(i))*	**28,076**	–
Reversal of loan interest payable to a minority shareholder	**–**	19,946
Reversal of over-accrued expenses	**10,161**	–
Net loss on disposal of property, plant and equipment	**(36)**	(346)
Net exchange (loss)/gain	**(352)**	106,136
Sundries	**1,761**	(1,014)
	48,492	141,528

5 Operating profit

Operating profit is arrived at after charging:

	Six months ended 30th June	
		Restated
	2009	2008
	HK$'000	*HK$'000*
Purchase of electricity, water and steam for sale	**1,015,776**	886,165
Depreciation	**115,354**	107,457
Amortisation	**13,608**	11,062
Provision for impairment of trade receivables	**6,075**	5,785
Operating lease expense on		
– Plants, pipelines and networks	**50,061**	54,087
– Land and buildings	**8,387**	3,233
– Others	**2,747**	–
Employee benefit expense (including share option expenses)	**308,055**	334,339

6 Finance costs

	Six months ended 30th June	
	2009	2008
	HK$'000	*HK$'000*
Interest expense:		
– bank borrowings	**15,729**	27,071

7 Tax (expense)/credit

	Six months ended 30th June	
		Restated
	2009	2008
	HK$'000	*HK$'000*
Current taxation		
PRC income tax	**(39,227)**	(82,717)
Deferred tax	**5,428**	105,742
	(33,799)	23,025

No provision for Hong Kong profits tax has been made as there is no estimated assessable profit for the period for the Group (2008: Nil). Provision for the PRC income tax has been made at the applicable rate of taxation on the estimated assessable profit for the period for each of the Group's subsidiaries.

On 16th March 2007, the National People's Congress approved the Corporate Income Tax Law of the People's Republic of China (the "New CIT Law") which was effective from 1st January 2008. Under the New CIT Law, both domestic and foreign invested enterprises will be subject to a single income tax rate of 25%. For those subsidiaries of the Group which previously applied 15% tax rate, namely Tianjin Harbour Second Stevedoring Co., Ltd., Tianjin Port Container Terminal Co., Ltd., Jinzheng, Electricity Company, Water Company and Heat & Power Company, the tax rate will gradually increase to 25% over five years.

8 Earnings per share

The calculation of the basic earnings per share is based on the profit attributable to equity holders and weighted average number of shares as follows:

	Six months ended 30th June			
	2009		Restated 2008	
	Continuing operations	**Discontinued operation**	Continuing operations	Discontinued operation
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Profit attributable to equity holders for the purpose of basic earnings per share	**222,174**	**24,843**	395,855	17,183
Number of shares	***Thousand***	***Thousand***	*Thousand*	*Thousand*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,067,470**	**1,067,470**	1,052,245	1,052,245

The share options have no dilutive effect on basic earnings per share for 2008 and 2009.

9 Dividends

	Six months ended 30th June	
	2009	2008
	HK$'000	*HK$'000*
2008 final, paid, of HK3.0 cents (2007: HK5.6 cents) per share	**32,024**	59,778
2009 interim, declared, of HK5.2 cents (2008: interim, paid, of HK6.0 cents) per share	**55,508**	64,048
	87,532	123,826

At a meeting held on 27th August 2009, the Board declared an interim dividend of HK5.2 cents per ordinary share. This declared dividend is not reflected as a dividend payable in this interim financial information, but will be reflected as an appropriation of retained earnings for the year ending 31st December 2009.

10 Discontinued operation and assets held for sale

The assets and liabilities related to Jinzheng have been presented as held for sale as actions had been initiated prior to the end of last year to dispose of the operation of the EORR. The transaction is expected to be completed in the second half of 2009.

	Six months ended 30th June	
	2009	2008
	HK$'000	*HK$'000*
Discontinued operation		
Revenue	**57,512**	53,700
Cost of sales	**(20,229)**	(27,460)
Gross profit	**37,283**	26,240
Other income	**2,352**	1,268
Other losses	**(1)**	(52)
General and administrative expenses	**(2,367)**	(1,975)
Profit before tax	**37,267**	25,481
Tax expense	**(8,606)**	(5,657)
Profit for the period	**28,661**	19,824
Attributable to:		
Equity holders of the Company	**24,843**	17,183
Minority interests	**3,818**	2,641
	28,661	19,824

	30th June	31st December
	2009	2008
	HK$'000	*HK$'000*
Assets held for sale		
(a) Assets		
Property, plant and equipment	**67,102**	67,103
Toll road operating right	**1,906,679**	1,906,679
Trade receivables	**125,808**	77,665
Other receivables, deposits and prepayments	**40,593**	40,542
Time deposit with maturity over three months	**22,676**	–
Cash and cash equivalents	**265,114**	284,177
Total assets	**2,427,972**	2,376,166

	30th June 2009 HK$'000	31st December 2008 HK$'000
(b) Liabilities		
Deferred tax liabilities	**61,583**	55,931
Other payables and accruals	**44,576**	26,239
Current tax liabilities	**69,383**	70,229
Total liabilities	**175,542**	152,399

11 Available-for-sale financial assets

	30th June 2009 HK$'000	31st December 2008 HK$'000
Listed *(note (i))*	**175,337**	14,800
Unlisted *(note (ii))*	**113,655**	113,653
	288,992	128,453
Market value of listed shares	**175,337**	14,800

Notes:

(i) The listed available-for-sale financial assets as at 30th June 2009 included approximately HK$151,337,000 (31st December 2008: Nil) representing the Group's investment in 8.28% equity interest in Binhai Investment Company Limited ("Binhai Investment") (formerly known as Wah Sang Gas Holdings Limited) which is listed on the GEM Board of the Stock Exchange.

The trading of the shares of Binhai Investment resumed on 12th May 2009. Following the completion of the restructuring of Binhai Investment, the Group's interest in Binhai Investment was diluted from approximately 22.79% to approximately 8.28% after the completion of the open offer and the injection of new capital of Binhai Investment on 12th June 2009.

With the loss of significant influence over Binhai Investment, Binhai Investment was no longer an associate of the Group. The Group's investment in Binhai Investment was reclassified to available-for-sale financial assets at the carrying value of approximately HK$28 million. Since the Group's investment in Binhai Investment was fully written off in prior years, a gain on deemed disposal of approximately HK$28 million was recognised.

As at 30th June 2009, the market value of the Group's investment in Binhai Investment amounted to approximately HK$151,337,000, and the unrealised fair value gain of approximately HK$123,261,000 was recognised in equity.

(ii) The unlisted available-for-sale financial assets were principally equity in certain entities established and operating in the PRC.

12 Trade receivables

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

	30th June 2009	31st December 2008
	HK$'000	*HK$'000*
Within 30 days	**543,230**	505,666
31 to 90 days	**101,608**	54,637
91 to 180 days	**41,038**	18,447
Over 180 days	**232,735**	177,279
	918,611	756,029

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 and credit periods of 30 to 180 days are granted to corporate customers of the Group's hotels in the segment of commercial properties. No credit terms are granted to customers of the segments of supply of utilities and operation of EORR.

As at 30th June 2009, the Group was entitled to government supplemental income of HK$350,949,000 (31st December 2008: HK$321,125,000) receivable from the Finance Bureau of TEDA as referred to in Note 2. Annual supplemental income receivable does not have credit terms and the amount of which is to be finalised by the Finance Bureau after year end. Continuous settlements have been received by the Group in the past years.

13 Trade payables

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

	30th June 2009	31st December 2008
	HK$'000	*HK$'000*
Within 30 days	**114,077**	22,479
31 to 90 days	**29,317**	74,272
91 to 180 days	**36,366**	356
Over 180 days	**100,780**	101,061
	280,540	198,168

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

Infrastructure Operations

Port Services

The revenue of TPD (stock code: 3382) has decreased by 8% to approximately HK$556.8 million in the first half of 2009. Loss for the period of approximately HK$15.7 million was recorded after taking account of the professional and other expenses in relation to a transaction, as compared to profit for the period of approximately HK$141.0 million for 2008.

TPD's wholly-owned terminals recorded a decline in container throughput of 7% to 1,205,000 TEUs in the period under review, primarily due to the drop of foreign trade container throughput which could not be offset by the slim growth in domestic trade volume. Due to a higher proportion of domestic and empty boxes as a result of the global economic downturn and decline in China's import and export trade, the blended average unit price was reduced.

Tianjin Port Alliance International Container Terminal Co., Ltd. ("Alliance"), a 40% joint venture of TPD, continued to be a key contributor to TPD's container handling business. During the period under review, Alliance has handled 961,000 TEUs. After taking account of Alliance's total container volume, TPD's market share in the port of Tianjin was 52%.

Total throughput of non-containerised cargoes has decreased by 8% to 6.0 million tonnes in the first half of 2009 whereas the throughput of grain was more than double that of the same period last year. The increase was triggered by the strong domestic demand for imported soya bean as the Chinese government's grain reserve policy drove up the market price of domestic soya bean. Despite the encouraging volume growth in grain handling, the performance of steel handling was unsatisfactory. Due to the weak overseas demand for steel products, its throughput slipped significantly on a year-on-year basis.

Road Operation

The results of Jinzheng, which operates the EORR in Tianjin, was presented under discontinued operation as actions had been initiated prior to 31st December 2008 to dispose of the Group's interest in it.

During the period ended 30th June 2009, the EORR achieved toll revenue of approximately HK$57.5 million and profit for the period of approximately HK$28.7 million, representing increase of 7% and 45% over the corresponding period last year. The surge in profit for the period was attributed to the absence of provision for depreciation for EORR according to the accounting standard governing the treatment of assets held for sale. If such effect is excluded for comparison purpose, profit for the period would have increased by 10% which was in line with the increase in toll revenue.

The average daily traffic flow on the EORR has improved by 4% to 17,415 vehicles during the period.

The decrease in import and export of Tianjin had an impact on the Jinbin Expressway connecting to the port of Tianjin as the number of large vehicles traveling on it has decreased. As a result, the average daily traffic flow has only increased by 1% to 34,423 vehicles and toll revenue of approximately HK$66.3 million was generated.

Utility Operations

The Group's utility businesses are mainly operating in the 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 528,680 kVA.

For the period under review, the Group's electricity operation reported revenue of approximately HK$762.7 million and profit for the period of approximately HK$28.0 million, representing an increase of 3% and a decrease of 51% over the corresponding period last year respectively. The decrease in profit for the period was mainly attributable to the decrease in quantity sold to the industrial sector in 2009 and there was a one-off gain on waiver of interest on loans from a minority shareholder in 2008. The total quantity of electricity sold for the period was approximately 1,016,408,000 kWh, representing a decrease of 8% over the corresponding period 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 reaches approximately 250,000 tonnes.

For the period under review, the Group's water operation reported revenue of approximately HK$147.0 million and profit for the period of approximately HK$27.3 million, representing decrease of 1% and 21% respectively over the corresponding period last year. The total quantity of water sold for the period was approximately 21,353,000 tonnes, representing a decrease of 1% over the corresponding period last year. The decrease in profit for the period was primarily due to the increase in the purchase cost of water.

Heat and Thermal Power Operation

Heat & Power Company is principally engaged in the distribution of steam and heating for industrial, 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 22,200 tonnes of steam.

For the period under review, the Group's heat and thermal power operation reported revenue of approximately HK$422.7 million and profit for the period of approximately HK$32.0 million, representing increase of 32% and 71% respectively over the corresponding period last year. The surge in the profit for the current period was driven by additional demand from new industrial customers and the improvement of gross profit margin. The total quantity of steam sold for the first half of 2009 was approximately 1,874,000 tonnes, representing an increase of 10% over the corresponding period 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 in 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.

Commercial Properties Operations

Courtyard by Marriott Hong Kong ("Courtyard")

In late March 2008, the Group completed the acquisition of Courtyard, a 4-star hotel with 245 guest rooms situated in a prime location on the Hong Kong Island. It is positioned as the upper moderate lodging tier for business individuals and leisure travelers. It commenced its operation in April 2008.

For the six months ended 30th June 2009, Courtyard reported revenue of approximately HK$27.8 million and loss for the period of approximately HK$6.4 million. Although the local hospitality market was deeply affected by the financial turmoil since the fourth quarter of 2008, Courtyard has achieved satisfactory results in the first half of 2009, generating a positive operating profit before depreciation and amortisation. The average occupancy rate for the period was approximately 66%.

Hyatt Regency Tianjin Hotel ("Hyatt")

The Group completed the acquisition of a total of 75% interest in Hyatt in March 2008. Hyatt is a 5-star hotel with 428 guest rooms situated in a prime location in the city centre of Tianjin. Hyatt was closed down in mid-July 2009 preparing for a major renovation.

For the six months ended 30th June 2009, Hyatt reported revenue of approximately HK$22.4 million and loss for the period of approximately HK$10.7 million. The average occupancy rate for the first half of 2009 was approximately 33%.

Strategic and Other Investments

Winery Operation

During the period under review, sales volume of Dynasty (stock code: 828) decreased by 8% to approximately 27.3 million bottles in 2009. Red wine accounted for approximately 83% of total sales revenue. The revenue and profit attributable to the equity holders of Dynasty amounted to approximately HK$687.4 million and HK$96.8 million respectively, representing decrease of 5% and 19% over the same period in last year. The earnings decline in the first half of 2009 was primarily attributable to the drop in sales volume and the gross profit margin pushed down by the increase in average cost of grape juice.

Dynasty contributed to the Group a profit of approximately HK$43.4 million in the first half of 2009, representing a decrease of 22%.

Elevator and Escalator Operation

Otis China, the associate of the Group, has recorded continuous satisfactory results during the period under review. The revenue of Otis China for the first half of 2009 amounted to approximately HK$4,854.6 million, representing a 7% decrease over the same period in 2008.

For the six months ended 30th June 2009, the profit contribution of the elevator and escalator operation (after minority interests) amounted to approximately HK$98.9 million, representing a 68% increase over the same period of last year. The growth was contributed by improvement of gross profit margin driven by the decrease in material purchase cost. The Group believes that the investment in Otis China will continue to bring in sustainable earnings in the future.

Investment in Binhai Investment Company Limited ("Binhai Investment") (formerly known as Wah Sang Gas Holdings Limited)

The trading of the shares of Binhai Investment (stock code: 8035) resumed on 12th May 2009. Following the completion of the restructuring of Binhai Investment, the Group's interest in Binhai Investment was diluted from approximately 22.79% to approximately 8.28% on 12th June 2009. With the loss of significant influence over Binhai Investment, Binhai Investment was no longer an associate of the Group. The Group's investment in Binhai Investment was reclassified to available-for-sale financial assets at the carrying value of approximately HK$28 million.

Since the Group's investment in Binhai Investment was fully written off in prior years, a gain on deemed disposal of approximately HK$28 million was recognised. As at 30th June 2009, the market value of the Group's investment in Binhai Investment amounted to approximately HK$151,337,000 and the unrealised fair value gain of approximately HK$123,261,000 was recognised in equity.

PROSPECTS

As affected by the subprime mortgage crisis of the United States, the economic development of the Mainland was slowing down towards the end of 2008. As mentioned in our annual report earlier this year, China is well positioned to recover at a faster pace than other countries given its solid fundamentals and the easing economic policies and measures to stimulate its economic development. From the recent economic data, there were signs of economic recovery in the Mainland. Accordingly, we are cautiously optimistic about the performance of our businesses in the second half of this year.

In July, our proposed restructuring exercise of TPD to acquire the controlling interest in Tianjin Port Holdings Co., Ltd. ("TPH") was overwhelmingly supported by our shareholders in the general meeting. The transfer of the equity in TPH as contemplated under the transaction has been approved by SASAC. In the meantime, we are actively seeking approvals from the other relevant PRC regulatory authorities. It is expected that the transaction will be completed in the second half of 2009. Upon completion of the transaction, all commercially operating port assets within the Port of Tianjin will be consolidated under TPD, enhancing the competitiveness of the Port of Tianjin in the Bohai Bay Region and China. In the long run, the Group will enjoy the growth of and return from this significantly larger port operator with huge development potential.

As the Chinese economy is recovering, we believe that the utility businesses would be gradually gathering momentum and there is sustainable development potential. The Group is committed to increasing investment in our core utility operations in order to capture the robust growth of TEDA.

Looking ahead, given the preferential policies towards the Tianjin Binhai New Area under the "11th Five Year Plan", we are confident in the future prospects of the Group.

LIQUIDITY AND CAPITAL RESOURCES ANALYSIS

As at 30th June 2009, the Group's total cash on hand and total bank borrowings stood at approximately HK$3,481 million and approximately HK$2,674 million respectively (31st December 2008: HK$3,082 million and HK$2,591 million respectively) of which approximately HK$56 million bank borrowings will be matured within one year.

The gearing ratio as measured by total borrowings to shareholders' funds maintained at approximately 30% as at 30th June 2009 and 31st December 2008.

Of the total HK$2,674 million bank borrowings outstanding at 30th June 2009, HK$2,651 million were subject to floating rates with spread of 0.45% to 1.55% over HIBOR and 1.55% over LIBOR of relevant interest periods. The remaining HK$23 million of bank borrowing was fixed rate debt with annual interest rate of 4.86%.

As at 30th June 2009, 97% (31st December 2008: 99%) of the Group's total bank borrowings was denominated in HK dollars, 2% (31st December 2008: 1%) was denominated in US dollars and 1% (31st December 2008: Nil) was denominated in Renminbi.

For the period under review, the Group has not entered into any derivative contracts or hedging transactions.

EMPLOYEES AND REMUNERATION POLICIES

The Company and its subsidiary companies had a total of approximately 4,600 employees at the end of the period, of which approximately 1,000 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.

CHARGE ON ASSETS

As at 30th June 2009, restricted bank balance of approximately HK$246 million was pledged against notes payable of the same amount.

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 period.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

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

Code Provision A.2.1

As disclosed in the 2008 annual report of the Company, the position of general manager of the Company has been vacant since the resignation of Dr. Ren Xuefeng on 31st January 2008. The position of general manager of the Company remained vacant at 30th June 2009.

On 3rd August 2009, Mr. Wu Xuemin, an executive director of the Company, was appointed as general manager of the Company to fill up such vacancy. Since then, the roles of chairman and general manager of the Company are performed by Mr. Yu Rumin (as acting chairman) and Mr. Wu Xuemin respectively.

NON-COMPLIANCE WITH RULE 3.10(1) AND RULE 3.21 OF THE LISTING RULES

As announced by the Company on 3rd August 2009, Mr. Lau Wai Kit resigned as independent non-executive director and member of the audit committee of the Company with effect from 4th August 2009. Following the resignation of Mr. Lau, the Company has only two independent non-executive directors and two audit committee members, the number of which falls below the minimum number required under Rule 3.10(1) and Rule 3.21 of the Listing Rules. The Company is looking for a suitable candidate to fill the vacancy of an independent non-executive director to meet the minimum required number of independent non-executive directors and audit committee members under Rule 3.10(1) and Rule 3.21 of the Listing Rules.

REVIEW BY AUDIT COMMITTEE

At the request of the Audit Committee of the Company, the Group's auditor has carried out a review of the unaudited interim financial information in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim financial information.

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 of 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 the directors, all the directors confirmed that they have complied with the required standard as set out in the Model Code throughout the period.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK5.2 cents per share in cash for the six months ended 30th June 2009 to shareholders whose names appear on the Register of Members of the Company on 29th September 2009. The interim dividend will be paid on or about Wednesday, 21st October 2009.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 28th September 2009 to Tuesday, 29th September 2009, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim 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 Friday, 25th September 2009.

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

Hong Kong, 27th August 2009

As at the date of this announcement, the Board consists of Mr. Yu Rumin, Mr. Wu Xuemin, Mr. Nie Jiansheng, Mr. Dai Yan, Mr. Zheng Daoquan, Dr. Wang Jiandong, Mr. Bai Zhisheng, Mr. Zhang Wenli, Mr. Sun Zengyin and Dr. Gong Jing as executive directors; Mr. Cheung Wing Yui as non-executive director; and Mr. Kwong Che Keung, Gordon and Dr. Cheng Hon Kwan as independent non-executive directors.