



I am pleased to present to our shareholders the Company's excellent achievements in 2006, proving the management's persistent efforts.

Dear shareholders,

It is my pleasure to present Tianjin Port Development Holdings Limited's (the "Company") first annual report since its successful listing on the Hong Kong Stock Exchange in May 2006. This past year was remarkable for the Company on a number of fronts, most notably, our well received IPO and continuing announcements by the central government plans to boost development of the Tianjin port region. Additionally, China's robust growth in GDP and foreign trade value alongside optimistic economic forecasts boded well for the Company. These positive factors have allowed the Tianjin port to record all time high total and container handling throughput in 2006 of 258 million tonnes and 5.95 million TEUs respectively, making it the forth largest port in the country in terms of total throughput.



With our strengthened asset base and experienced management, we are uniquely positioned to capture the future development opportunities at the port of Tianjin, especially in the wake of the Eleventh Five Year Plan and the Dongjiang Tax Concession Area Development Plan in 2006.



Within this upbeat environment, the Company achieved delighted results in 2006. Net profits to shareholders surged by 106% to record high of HK\$304 million or on an ex-IPO interest basis by 40% to HK\$207 million. Container handling volume had a year-on-year growth of 21%, while the bulk cargo volume has an expected decline of 9% due to the relocation of our coal handling business. Nevertheless, both business segments recorded growth in revenue and profit margin. These strong numbers reflect management's persistent efforts to improve operational efficiency and quality of service; a key element our customers have come to count on.

In line with the dividend policy outlined in the IPO prospectus, the board has recommended a final dividend for 2006 of HK 2.3 cents that represents a pro-forma annualised payout ratio of 41%.

In the year under review, the Company entered into two important investments; the Euroasia International container terminal and the steel distribution centre. The later has already commenced operation, positively contributing to our results, while the Euroasia International project is proceeding as originally scheduled.

With our strengthened asset base and experienced management, we are uniquely positioned to capture the future development opportunities at the port of Tianjin, especially in the wake of the Eleventh Five Year Plan and the Dongjiang Tax Concession Area Development Plan in 2006. Looking ahead, beside the fruitful container handling business, we are also exploring the possibility of entering into port logistics business. We will maintain our proven strategy of strengthening handling efficiency to maximise profitability. Our goal is to foster opportunities for dynamic and sustainable growth with the aim of enhancing return for our shareholders.

Finally, on behalf of the Board of Directors, I would like to take this opportunity to express my sincere gratitude to a team of devoted staff for their outstanding service and to our shareholders for your continued support.

WANG Guanghao

Chairman

Hong Kong, 18 April 2007