天津港發展控股有限公司

Tianjin Port Development Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 03382

INTERIM REPORT 2008

ONE STOP

NON STOP

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Tianjin Port Development Holdings Limited (the "Company") was listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 24 May 2006 (Stock Code: 03382) and is currently one of the dominant terminal operators in Tianjin, the PRC.

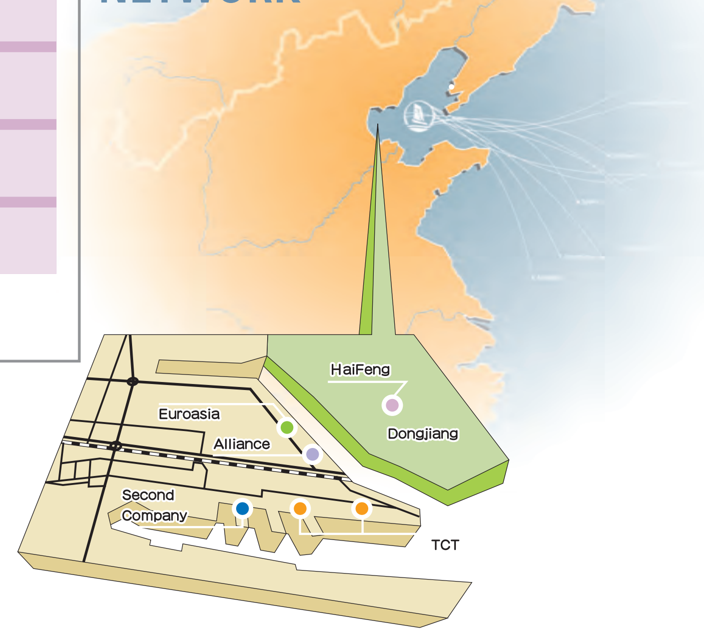
The Company, together with its subsidiaries (collectively known as the "Group") first began operations at the Tianjin port in 1968 as a bulk cargo terminal. The Group later expanded into the container handling business in 1980. Today, the Group's principal business focuses on container handling at the Tianjin port, providing its customers with high quality and efficient port services. Currently, the Group has equity interests at three chief container terminals, namely; wholly-owned Tianjin Port Container Terminal Co., Ltd. ("TCT"), 40% owned Tianjin Port Alliance International Container Terminal Co., Ltd. ("Alliance") and 40% owned Tianjin Port Euroasia International Container Terminal Co., Ltd. ("Euroasia"). At full capacity, these operations are expected to reach a total container handling capacity of over 6 million TEUs by 2010. The Group is also involved in the bulk cargo handling business through Tianjin Harbour Second Stevedoring Co., Ltd. ("Second Company"), a wholly-owned subsidiary of the Company. The Group has also invested in a logistics park, through Tianjin Port HaiFeng Bonded Logistics Co., Ltd. ("HaiFeng"), in the Dongjiang Bonded Free Port ("Dongjiang Port") of the Tianjin port. HaiFeng is expected to become a prominent part of the Group's business in the near future.

The port of Tianjin is strategically located at the locus of the Bohai Bay Rim, the logistics hub of Tianjin Binhai New District. During 2007, the Tianjin port was the fourth largest in China and sixth largest in the world in terms of total throughput. During the same period, the Tianjin port's total container throughput was the sixth highest in China, placing it among the top twenty largest ports in the world. With Tianjin Binhai New District's inclusion in the State's Eleventh Five Year Plan and subsequent approval of the Dongjiang Port's development plan in 2006, the district is designated to become the third pole of Chinese economic growth alongside Shenzhen and Shanghai. The area and neighboring regions benefiting from the development plans will undoubtedly see rapid and accelerated growth. Leveraging the management's broad experience and a team of highly skilled and dedicated staff, the Group will continue to effectively capture the rapidly increasing trade activities stimulated by the progressive development of China's northern and northwestern hinterlands.

	Container				Bulk	Logistics
	TCT	Alliance *(Note 1)*	Euroasia *(Note 2)*	Second Company		HaiFeng
Equity holding	100%	40%	40%	100%		51%
Terminal / land area (m^2)	464,000	700,000	700,000	340,000		715,000
Quay length (m)	1,292	1,100	1,100	1,757		N/A
No. of berths	4	4	3	1	7	N/A
Design capacity (million TEUs / GFA m^2)	1.6	1.7	1.8	0.3	N/A	484,000
Actual throughput (1H08) (million TEUs / Tonnes / GFA m^2)	1.0	0.8	N/A	0.3	6.5	18,000

Notes:
1. Acquisition completed in January 2008
2. Still under construction

INTERNATIONAL NETWORK



HK$ million	Six months ended 30 June 2008	2007	For the year ended 31 December 2007	2006	2005	2004	2003
Throughput							
Container *(million TEUs)*	**1.29**	1.35	2.76	2.49	2.05	1.81	1.49
Container (include Alliance) *(million TEUs)*	**2.07**	1.35	2.76	2.49	2.05	1.81	1.49
Bulk cargo *(million tonnes)*	**6.5**	6.5	13.0	16.6	18.3	18.7	15.2
Revenue	**622**	572	1,194	1,036	898	800	724
Operating profit	**184**	144	290	348	174	100	88
Share of results of associates and jointly controlled entities	**7**	1	1	1	1	2	4
Profit attributable to equity holders of the Company	**141**	118	240	304	147	77	70
Net cash inflow from operations	**164**	157	322	291	227	164	170
Basic earnings per share *(HK cents)*	**7.9**	6.6	13.5	19.9	13	7	6

HK$ million	As at 30 June 2008	2007	As at 31 December 2007	2006	2005	2004	2003
Equity attributable to equity holders of the Company	**3,684**	3,172	3,390	2,998	1,426	1,302	1,224
Minority interests	**5**	4	4	4	4	3	3
Total equity	**3,689**	3,176	3,394	3,002	1,430	1,305	1,227
Total assets	**4,893**	3,402	3,907	3,527	1,786	1,555	1,526
Net assets per share of the Company *(Note 1)*							
Book value *(HK$)*	**2.1**	1.8	1.9	1.7	1.3	1.2	1.1
Consolidated borrowings	**1,022**	41	390	120	135	132	179

Financial Ratio							
Gearing ratio *(Note 2)*	**27.7%**	1.3%	11.5%	4.0%	9.4%	10.1%	14.6%
Current ratio	**3.7**	3.7	4.8	1.9	1.1	1.2	1.3
Return on equity *(Note 3)*	**N/A**	N/A	7.5%	9.3%	10.8%	6.1%	5.9%

Notes:

1. Calculated by dividing the equity attributable to equity holders of the Company by number of issued shares of the Company as at balance sheet date.
2. Gearing ratio represents the ratio of consolidated borrowings to total equity.
3. Calculated by dividing profit attributable to equity holders of the Company (2006: excluding IPO interest income) by average equity attributable to equity holders of the Company.

CONTINUING GROWTH

Tianjin port recorded 15.9% and 21.6% increase in total and container throughput respectively. This encouraging growth was due to a combination of robust domestic consumption and satisfactory rate of economic growth in the Bohai Rim region.

Dear Shareholders,

I am delighted to present the interim results of Tianjin Port Development Holdings Limited (the "Company") and its subsidiaries (the "Group") for the first six months of the year 2008. Despite concerns surrounding a slowing global economy and the Chinese government's own tightened economic policies to combat inflation, Tianjin port still recorded 15.9% and 21.6% increase in total and container throughput respectively. This encouraging growth was due to a combination of robust domestic consumption and satisfactory rate of economic growth in the Bohai Rim region.

As expected, Alliance was a key contributor to the Group's container throughput in the period. For the period, our container throughput (including 40% owned Alliance) market share at Tianjin port increased to 50.7% compared to 38.9% of last year. In addition, the increase in container handling fee in Tianjin port at the beginning of the year has positively contributed the Group's income. We have also further improved the product mix of our bulk cargo business with respectable 14% growth in average handling fee per ton. This healthy growth has allowed the Group to mitigate rising external costs due to inflation pressure, specifically, cost increase due to new legislation regarding employee compensation.

The Group continues to record encouraging results alongside launches of new berths at the Tianjin port despite a tepid and uncertain global economic environment. Broadly speaking, the Group's revenue and profit attributable to shareholders was HK$622 million and HK$141 million respectively, representing an increase of 9% and 19% respectively over same period last year.

The board of directors of the Company (the "Board") is pleased to announce an interim dividend of HK3.1 cents, which represents a payout ratio of approximately 40% and is in line with that of last year.

The Group's newest expansions include HaiFeng and Euroasia. HaiFeng is our newly established logistics park located within the Dongjiang Port. It has commenced operations since early 2008 with 4 out of 10 warehouses built as scheduled. HaiFeng represents the beginning of our strategic plan to develop our logistics business into a major growth driver alongside our firmly established container handling business. The construction of Euroasia is proceeding as planned and is expect to launch in mid 2009.

Looking forward, we will continue our proven strategy of fostering opportunities for sustainable growth with the aim of enhancing return for our shareholders. Finally, on behalf of the Board, 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.

YU Rumin
Chairman
Hong Kong, 10 September 2008

TIANJIN PORT
EASY CONVENIENT

The profit attributable to the Company's shareholders amounted to approximately HK$140.7 million, representing an increase of 19.4% over the prior period.

RESULTS

In the period under review, despite the slowing global economy triggered by the United States' credit crunch, China continued its rapid economic development with GDP growth of 10.4%, only slightly lower than the same period last year. The country's total foreign trade value in the period under review was USD1,234.2 billion, a year-on-year growth of 25.7%, with exports and imports continuing to grow at 21.9% and 30.6% respectively. Tianjin port, located in the locus of the Bohai Rim, is well-positioned to tap into the economic growth of the country. In the period under review, the total throughput achieved by Tianjin port was 182.4 million tonnes, representing a year-on-year growth of 15.9%. This makes Tianjin port the largest in the Bohai Rim and the third largest in the country (trailing just behind Shanghai and Ningbo). In terms of container volume, Tianjin port throughput for the period was 4.1 million TEUs, representing an growth rate of 21.6% and making it the sixth largest container port in the country in this regard. The more than satisfactory growth implies that Tianjin port is fairly resilient to export slowdowns seen at other major ports in China.

For the period under review, the Group's unaudited consolidated revenue amounted to approximately HK$622.2 million, representing an increase of 8.7% over the prior period. The profit attributable to the Company's shareholders amounted to approximately HK$140.7 million, representing an increase of 19.4% over the prior period. Basic earnings per share, on a weighted average basis, were HK7.9 cents compared to HK6.6 cents of same period last year, amounting to an increase of 19.7%.

The Group has continued its efforts to normalize its capital structure in order to lower the Group's weighted average cost of capital. As at the period end, the Group has gross consolidated borrowings of HK$1,022 million. As a direct result of Renminbi ("RMB") appreciation against HKD, the Group recorded an exchange gain of HK$42.7 million. The Group also enjoys lower finance costs by borrowing HKD or USD rather than RMB.

Consolidated operating margin (measured by operating profits divided by revenue) of the Group for the period (excluding exchange gain) was 22.7%, compared to 25.7% (excluding exchange loss) of last year. Despite the 10% tariff rise in container handling fees effective since 1 January 2008, the drop in operating margin was the result of various factors. First, a higher proportion of domestic and empty boxes due to the shifting trade activities of China as a result of slowdown in global economy. Second, cost increases due to general inflationary pressure, especially increased labour costs as a direct result of implementation of New PRC Labour Contract Law, lowered margins. Finally, in order to support the growth of Alliance, our newly acquired container terminal, the growth of the Group's existing terminals was temporarily impacted. This effect is expected to be short lived and growth in existing terminals, TCT in particular, will resume once the new capacity is absorbed. In fact Alliance has already recorded net profits in its second year of operation and the market share of the Group (include Alliance) has increased significantly to 50.7% in the period under review. The management believes the drop in operating margin in the period under review is a short term effect. And given the robust economic growth in Binhai Costal Area, the management is confident that the operating margin will resume its rising trend very rapidly.

PORT
CONTAINER TERMINAL

The Group's container throughput market share, taking into account 100% of Alliance's volume, in Tianjin port for the period under review was 50.7%, representing tremendous growth of 11.8 percentage points compared to 2007.

REVIEW OF OPERATIONS

Container Handling Business

The wholly owned berths, run by TCT and Second Company, recorded a volume of 1.3 million TEUs in the period, representing a slight year-on-year decrease of 4.6%. This was the Group's intention to support the growth of Alliance and therefore the results of our existing terminals were temporarily affected. But given the healthy container volume growth lead by robust economic growth in northern China, we are confident that demand will very quickly meet our expanded capacity and growth at existing terminals will once again resume.

The blended average unit price increased 6.4% to HK$304.7 per TEU compared to that of last year. Despite a tariff rise and RMB appreciation effect in the period, the average unit price was affected by a higher proportion of domestic and empty boxes due to slowing exports growth in China.

Alliance, a joint venture of which the Group holds 40%, has 4 berths with a total quay length of 1,100 meters and a designed capacity of 1.7 million TEUs. The procedures required for acquisition of Alliance were completed in January 2008. In terms of accounting, the results were reported as jointly controlled entities in the Group's consolidated financial statements. Obviously, Alliance is the key contributor to the Group's container throughput. Alliance achieved about 780,000 TEUs in volume and net profits of HK$23 million in the first half of 2008, of which the Group claims a 40% stake.

REVIEW OF OPERATIONS *(Continued)*

Container Handling Business *(Continued)*

The Group's market share, taking into account 100% of Alliance's volume, in Tianjin port for the period under review was 50.7%, representing tremendous growth of 11.8 percentage points compared to 2007.

On the horizon is Euroasia, a joint venture of which the Group holds 40% equity. Its operating capacity will include 3 berths with a total quay length of 1,100 meters and a designed capacity of 1.8 million TEUs. It is still under construction and is expected to commence operations in mid 2009.

The Group maintains its previous estimation that by 2010, its total capacity will increase to over 6 million TEUs and its market share in Tianjin port will increase to over 50%.

REVIEW OF OPERATIONS *(Continued)*

Bulk Cargo Handling Business

During the period under review, the Group achieved a throughput volume of 6.5 million tonnes, which is on par with the same period last year. However, revenue climbed for the period to HK$220.4 million, 23.0% above that of same period of last year. The key driver was the encouraging volume growth in imported soya beans compared to the first half of last year. This allowed the average unit price per tonne to rise to HK$33.8, which is HK$4.1 or 13.8% higher than last year's average.

Steel handling remained the Group's flagship product in bulk cargo handling. To this end, we recorded tremendous growth last year, thanks to the establishment of the Steel Distribution Centre in late 2006. However, abolishment of the export rebate for certain steel products has negatively impacted the growth of our steel handling business. In the period under review, the Group recorded a slight retreat in volume of 13.6% compare to same period last year. The revenue generated by steel handling was HK$114.7 million, which was on par with that of the prior period.

Aside from steel, grain is our other principal product in the bulk cargo handling business. In this period, grain achieved strong growth of 92.3% over same period last year. This was triggered by strong domestic demand for importing soya bean due to lowering of import duties by the government since January 2008.

REVIEW OF OPERATIONS *(Continued)*

Logistics Business

HaiFeng, a 51% owned joint venture with a subsidiary of Mapletree Investments Pte Ltd ("Mapletree"), was established in August 2007 to develop a logistics warehouse in the Dongjiang Port. HaiFeng is the first company engaged in developing a logistics warehousing project in Dongjiang Port. According to the latest blueprint, HaiFeng will have a land area of approximately 715,000 square meters, yielding a total Gross Floor Area ("GFA") of approximately 484,000 square meters or 37 blocks of warehouse space. The logistics park will be developed in several phases. Phase 1, with total investment of RMB750 million, of which RMB300 million was contributed by the joint venture partners as capital, entails the building of 10 warehouse blocks; 4 single-storey warehouse blocks and 6 double-storey warehouse blocks with a combined GFA of about 191,000 square meters of warehouse space.

The construction of the 4 single-storey warehouses with GFA of about 46,000 square meters has been completed and operations commenced in April 2008. The rest of phase 1 is expected to be completed before the end of 2008. During the period under review, HaiFeng recorded revenue of HK$1.8 million and a net loss of HK$4.3 million, including one-off pre-operating expenses, which was equity accounted for as jointly controlled entities in the Group's consolidated financial statements according to Hong Kong accounting standards.

We do not expect HaiFeng to have a significant impact on or contribution to the Group's results in the near term. However, given our market share of the logistics warehousing business in the Dongjiang Port, we expect significant contributions from HaiFeng in the not too distant future. The timing of Phases 2 to 4 of the project will be in line with the actual demand and development of the Dongjiang Port.

PROSPECTS

Tianjin Binhai New District

In 2006, the PRC government announced its Eleventh Five Year Plan (the "Plan") which included the Tianjin Binhai New District in the State's development strategies. The Tianjin Binhai New District was designated as the third pole of the PRC's economic growth. Alongside Shenzhen to the south and Shanghai to the east, Tianjin port is to be developed into an international shipping hub and logistics center for northern China.

The Plan will infuse a total of RMB36.6 billion over the next few years to enhance the infrastructure of the port. It is anticipated that container throughputs will reach 12 million TEUs by 2010. At the same time, the Plan accelerates the enhancement of the transportation networks connecting Tianjin to its hinterland, which includes plans for the construction of new railroads and highways. The Plan will spark robust GDP and trade value growth in the region and subsequently spur further throughput growth in the Tianjin port.

As one of the major players in port-related business in Tianjin, the Group will embrace any opportunities arising from the growth of the Binhai New District to enhance value to our shareholders. We are also confident that our business strategies at the Binhai New District region will benefit, directly and indirectly, via the government's incentive policies to boost the economic growth within the Binhai New District.

PROSPECTS *(Continued)*

Dongjiang Port

The establishment of the Dongjiang Port, located in the northeastern part of the Tianjin port, was officially approved by the central government on 31 August 2006. The Dongjiang Port is planned to have 3 major zones; namely (1) port operation, (2) logistics processing and (3) integrated ancillary services. The Dongjiang Port is also expected to provide at least five major types of services covering; (1) container handling, (2) logistics, (3) business support services, (4) accommodations and (5) leisure and travel. According to the master development plan of the Dongjiang Port, an estimated area of about 10 square kilometers in the central part of the peninsula will be designated to provide port logistics services.

On 11 December 2007, the Dongjiang Port officially opened phase 1 of its development, mobilizing an area about 4 square kilometers that includes container terminals, logistics warehousing and integrated inspection and custom centre etc. HaiFeng, our investment with Mapletree in logistics warehousing, is located inside the Dongjiang Port area.

The Group is the longest established operator at the port of Tianjin. The Group primary focuses on its container handling business and possesses significant market share in this arena. From this vantage, we will leverage our experience and ability to negotiate for the best possible outcome in the development and planning stages of the Dongjiang Port. Besides our cargo handling business and logistics business, we will also actively explore the possibility of participating in other opportunities during the course of development of the Dongjiang Port. In addition, the Group is in a prime position to benefit (directly and/or indirectly) from future government incentives in the Dongjiang Port.

Strategic Cooperation with Joint Venture Partners

The Group has had three new joint ventures since our listing in May 2006, namely HaiFeng, Euroasia and Alliance (the joint venture partners of which include internationally renowned companies such as APMT, COSCO, OOCL, PSA and Mapletree). In the long run, management believes that such broad partnerships will have a positive synergistic effect towards the Group’s future development, both in terms of business growth and management expertise.

Cost Control

Inflationary pressure remains a major concern not only for the Group, but also for every other company operating in China. We will continue our policies to monitor head count and control employee costs as well as other costs. Historically, the Group maintained significant overhead costs with an employee head count of 3,269 at the time of our IPO in 2006. As at the period end, the Group’s headcount, excluding associates and jointly controlled entities, has been effectively lowered by 11% to 2,900.

The Group is re-engineering our human resources policies by increasing the portion of outsourced labour. In addition, the Group had acquired an equity stake in two labour service providers, one specializing in bulk cargo handling and the other in container handling. This move enables the Group to secure a stable source of outsourced labour with high service quality and reliability while at the same time reducing the costs of hiring these workers directly.

FINANCIAL REVIEW

Cash Flow

The net cash inflow from operations during the period amounted to HK$164.2 million, 4.6% higher than the same period last year. The increase was attributed to improved revenue, offset by a net increase in working capital mainly as a result of extending the credit period to a few selected customers.

The net cash spending in investing activities amounted to HK$656.7 million. Approximately HK$570.2 million was paid for the acquisition of 40% stake in Alliance, HK$40.0 million for the strategic investment in Tianjin Binhai Teda Logistics (Group) Corporation Limited (listed on the Growth Enterprise Market of the Stock Exchange), and HK$34.9 million as loan to one of the jointly controlled entities. The remainder was used for general replacement and upgrading of facilities and equipment.

To facilitate the Group's expansion plans, the Group has arranged a HK$1.0 billion borrowings facility with several banks in Hong Kong. As at 30 June 2008, the facility has been fully utilised.

During the period under review, the net cash inflow of the Group was HK$91.2 million (2007: net cash outflow HK$243.9 million).

Liquidity and Financial Resources

As at 30 June 2008, the Group's cash on hand was HK$558.9 million, compared to HK$438.8 million at the end of last year. The Group's total borrowings at the period end increased to HK$1,022 million (up from HK$390 million at the end of last year), which represents a gearing ratio (total borrowings divided by total equity) of 27.7%. All borrowings are denominated in HKD with HK$22 million repayable within 1 year and the remaining repayable within 5 years. All borrowings are subject to floating interest rate. In addition, the current ratio (ratio of current assets to current liabilities) was 3.7 compared to 4.8 at the end of last year. As at 30 June 2008, all assets of the Group are free of any charge.

In addition to the HK$1.0 billion banking facilities mentioned above, the Group has a HK$22 million facility that is unsecured and repayable on demand with a floating interest rate. For day-to-day liquidity management, the Group maintains flexibility in funding by obtaining sufficient uncommitted short-term facilities from banks. Given the low gearing ratio, management will consider increasing the proportion of bank borrowings to shareholders' equity if and when demand for additional funds arises. This may be done to lower the weighted average cost of capital of the Company, and hence, improve return to shareholders.

FINANCIAL REVIEW *(Continued)*

Financial Management and Policy

The financial risk management of the Group is the responsibility of the Group's treasury function at our head office in Hong Kong. One of the major objectives of the Group's treasury is to manage its exposure to fluctuations in foreign currency exchange rates and interest rates. It is the Group's policy not to engage in speculative activities.

As at 30 June 2008, most of the Group's assets and liabilities were denominated in RMB, except for the HKD bank borrowings of HK$1,022 million. Owing to appreciation of RMB, the Group recorded HK$42.7 million exchange gain during the period (2007: HK$18.0 million exchange loss). As at 30 June 2008, the Group assessed its foreign exchange rate and interest rate risk exposure and has not entered into any hedging arrangements.

Capital Structure

As at 30 June 2008, the capital and reserves attributable to the equity holders of the Company was HK$3,684.1 million. This represents an increase of HK$294.3 million, 8.7% higher compared to the end of last year. During the period, a final dividend for the year 2007 of HK$48.3 million was paid to shareholders of the Company.

The market capitalisation of the Company as at 30 June 2008 (the last trading day of the period) was HK$5,611.5 million (issued share capital: 1,787,100,000 shares at closing market price: HK$3.14 per share).

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend for the six months ended 30 June 2008 of HK3.1 cents (2007 interim: HK2.7 cents).

CLOSURE OF REGISTER

The interim dividend will be payable on or about 30 October 2008 to shareholders whose names appear on the register of members of the Company on 16 October 2008. The register of members will be closed from 14 October to 16 October 2008, both days inclusive. In order to be eligible for the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with Tricor Investor Services Limited, the branch share registrar of the Company in Hong Kong at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 13 October 2008.

SIGNIFICANT INVESTMENTS

During the period, the Group has completed the acquisition of Alliance in January 2008. A consideration of RMB524.3 million was paid as agreed in the equity interest transfer agreement signed on 26 July 2007. There was no other significant investment in the period.

GOING CONCERN

On the basis of current financial projections and facilities available, the Group has adequate financial resources to continue its operation in the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing financial statements.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 30 June 2008.

EMPLOYEES

As at 30 June 2008, the Group, excluding its associates and jointly controlled entities, had a staff size of approximately 2,900 (31 December 2007: 3,131). Remuneration packages are assessed in accordance with the nature of job duties, individual performance and market trends. Incentives in the management's remuneration package are paid in the form of cash bonuses in addition to share options.

APPRECIATION

On behalf of the Board, I would like to express my heartfelt gratitude to a team of dedicated staff for their unfailing service and to our shareholders for their continuous support to the Company.

By order of the Board
ZHANG Jinming
Managing Director

Hong Kong, 10 September 2008

TO THE BOARD OF DIRECTORS OF
TIANJIN PORT DEVELOPMENT HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 19 to 32, which comprises the condensed consolidated balance sheet of Tianjin Port Development Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2008 and the related condensed consolidated statements of income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review 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 Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 10 September 2008

	Note	Unaudited Six months ended 30 June 2008 HK$'000	2007 HK$'000
Revenue	5	**622,155**	572,418
Business tax		**(18,909)**	(17,471)
Cost of sales		**(302,784)**	(252,037)
Gross profit		**300,462**	302,910
Other income	6	**48,626**	14,669
Administrative expenses		**(162,957)**	(145,800)
Other operating expenses		**(2,235)**	(28,186)
Operating profit	7	**183,896**	143,593
Finance costs	8	**(10,596)**	(1,963)
Share of results of associates		**126**	570
Share of results of jointly controlled entities		**7,049**	–
Profit before income tax		**180,475**	142,200
Income tax	9	**(39,524)**	(24,215)
Profit for the period		**140,951**	117,985
Attributable to:			
Equity holders of the Company		**140,676**	117,839
Minority interests		**275**	146
		140,951	117,985
Dividends	10	**55,400**	48,252
Earnings per share	11		
– Basic and diluted *(HK cents)*		**7.9**	6.6

The notes on pages 23 to 32 are an integral part of these condensed consolidated interim financial statements.

Consolidated Balance Sheet

As at 30 June 2008

	Note	Unaudited 30 June 2008 *HK$'000*	Audited 31 December 2007 *HK$'000*
ASSETS			
Non-current assets			
Land use rights		**804,814**	768,696
Property, plant and equipment	*12*	**1,865,656**	1,802,656
Interests in associates		**27,751**	24,981
Interests in jointly controlled entities	*13*	**1,386,513**	704,467
Available-for-sale financial assets	*14*	**39,489**	5,744
Deferred income tax asset		**9,434**	8,899
		4,133,657	3,315,443
Current assets			
Inventories		**5,270**	4,852
Trade and other receivables	*15*	**189,033**	145,755
Amounts due from associates		**6,069**	2,590
Cash and cash equivalents		**558,899**	438,754
		759,271	591,951
Total assets		**4,892,928**	3,907,394
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	*16*	**178,710**	178,710
Reserves	*17*	**2,644,719**	2,442,864
Retained earnings		**860,648**	768,224
		3,684,077	3,389,798
Minority interests		**4,719**	4,201
Total equity		**3,688,796**	3,393,999
LIABILITIES			
Non-current liabilities			
Borrowings	*18*	**1,000,000**	390,000
Current liabilities			
Other payables		**98,786**	87,763
Amounts due to related companies		**47,877**	22,536
Current income tax liabilities		**35,469**	13,096
Borrowings	*18*	**22,000**	–
		204,132	123,395
Total liabilities		**1,204,132**	513,395
Total equity and liabilities		**4,892,928**	3,907,394
Net current assets		**555,139**	468,556
Total assets less current liabilities		**4,688,796**	3,783,999

The notes on pages 23 to 32 are an integral part of these condensed consolidated interim financial statements.

	Unaudited				
	Attributable to equity holders of the Company				
	Share capital	Reserves	Retained earnings	Minority interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1 January 2007	178,670	2,153,431	666,119	3,788	3,002,008
Exchange differences	–	93,581	–	116	93,697
Profit for the period	–	–	117,839	146	117,985
Issue of shares upon exercise of share option	40	872	–	–	912
Dividends paid	–	–	(41,103)	(115)	(41,218)
Share-based compensation	–	2,617	–	–	2,617
Balance at 30 June 2007	178,710	2,250,501	742,855	3,935	3,176,001
Balance at 1 January 2008	178,710	2,442,864	768,224	4,201	3,393,999
Exchange differences	–	207,592	–	261	207,853
Profit for the period	–	–	140,676	275	140,951
Dividends paid	–	–	(48,252)	(18)	(48,270)
Changes in fair value of available-for-sale financial assets	–	(6,653)	–	–	(6,653)
Share-based compensation	–	916	–	–	916
Balance at 30 June 2008	178,710	2,644,719	860,648	4,719	3,688,796

The notes on pages 23 to 32 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2008

	Unaudited	
	Six months ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
Net cash generated from operating activities	**164,214**	156,984
Net cash used in investing activities	**(656,721)**	(278,435)
Net cash from/(used in) financing activities	**583,730**	(122,442)
Net increase/(decrease) in cash and cash equivalents	**91,223**	(243,893)
Cash and cash equivalents at 1 January	**438,754**	926,395
Effects of changes in exchange rates	**28,922**	9,500
Cash and cash equivalents at 30 June representing bank balances and cash	**558,899**	692,002

The notes on pages 23 to 32 are an integral part of these condensed consolidated interim financial statements.

1. GENERAL INFORMATION

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and is listed on The Stock Exchange of Hong Kong Limited. Its principal address is Suites 3301-3302, 33/F., One Exchange Square, 8 Connaught Place, Central, Hong Kong.

The condensed consolidated interim financial statements were approved by the board of directors of the Company (the "Board") on 10 September 2008.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2007.

Except as described below, the accounting policies and methods of computation used in the preparation of the condensed consolidated interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2007.

The following new interpretations are mandatory for the financial year beginning 1 January 2008:

HK(IFRIC)-Int 11	*HKFRS 2 – Group and treasury share transactions*
HK(IFRIC)-Int 12	*Service concession arrangements*
HK(IFRIC)-Int 14	*HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction*

The adoption of these new interpretations had no significant impact on the results and financial position of the Group.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

The following new standards, amendments to the existing standards and interpretations have been issued but not yet effective and have not been early adopted by the Group:

HKAS 1 (Revised)	*Presentation of financial statements (effective from 1 January 2009)*
HKAS 23 (Revised)	*Borrowing costs (effective from 1 January 2009)*
HKAS 27 (Revised)	*Consolidated and separate financial statements (effective from 1 July 2009)*
HKAS 32 and HKAS 1 (Amendments)	*Puttable financial instruments and obligations arising on liquidation (effective from 1 January 2009)*
HKFRS 2 (Amendment)	*Share-based payment – Vesting conditions and cancellations (effective from 1 January 2009)*
HKFRS 3 (Revised)	*Business combinations (effective from 1 July 2009)*
HKFRS 8	*Operating segments (effective from 1 January 2009)*
HK(IFRIC)-Int 13	*Customer loyalty programmes (effective from 1 July 2008)*
HK(IFRIC)-Int 15	*Agreements for the construction of real estate (effective from 1 January 2009)*
HK(IFRIC)-Int 16	*Hedges of a net investment in a foreign operation (effective from 1 October 2008)*

The Group is in the process of making an assessment of the impact of these standards, amendments and interpretations on the financial statements of the Group in the initial application.

3. FINANCIAL RISK MANAGEMENT

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended 31 December 2007.

4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgements used are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal to the related actual results.

The estimates and assumptions applied in the condensed consolidated interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2007.

5. REVENUE AND SEGMENT INFORMATION

Provision of port services is the Group's only business segment throughout the period and all of its assets, operations and customers are located in the PRC. Accordingly, no separate business or geographical segment information is presented.

The Group's revenue, all of which are related to port services, is analysed below:

	Unaudited Six months ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
Container handling	**393,378**	385,437
Non-containerised goods stevedoring	**220,422**	179,209
Storage and agency fees	**8,355**	7,772
	622,155	572,418

6. OTHER INCOME

	Unaudited Six months ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
Exchange gain	**42,655**	–
Interest income from bank deposits	**4,821**	13,383
Others	**1,150**	1,286
	48,626	14,669

7. OPERATING PROFIT

Operating profit is stated after (crediting)/charging:

	Unaudited Six months ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**56,370**	50,219
Amortisation of prepaid lease payments	**9,829**	8,983
Loss on disposal of property, plant and equipment	**264**	10,174
Exchange loss	**–**	18,003
Reversal of trade receivables provision of impairment	**–**	(3,312)

8. FINANCE COSTS

	Unaudited Six months ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
Interest expense on bank borrowings wholly repayable within five years	**10,596**	1,963

9. INCOME TAX

	Unaudited Six months ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
PRC income tax		
– Current tax	**39,524**	24,215

No Hong Kong profits tax has been provided for as the Group has no estimated assessable profits for the period (2007: Nil).

Provision for the PRC income tax has been calculated based on the estimated assessable profit for the period at the prevailing income tax rates.

On 16 March 2007, the National People's Congress approved the China's new Corporate Income Tax Law (the "new CIT Law"). The new CIT Law revised the corporate income tax rate which ranges from 15% to 33% to 25% with effect from 1 January 2008.

Under the new CIT Law, the Group's two principal subsidiaries are currently subjected to the income tax rate of 18%. The income tax rates of the Group's other subsidiaries range from 18% to 25%.

10. DIVIDENDS

	Unaudited Six months ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
Paid 2007 final dividend of HK2.7 cents (2007: paid 2006 final dividend of HK2.3 cents) per ordinary share	**48,252**	41,103
Declared 2008 interim dividend of HK3.1 cents (2007: HK2.7 cents) per ordinary share	**55,400**	48,252

At the meeting of the Board held on 10 September 2008, the Board declared an interim dividend of HK3.1 cents per ordinary share. These financial statements do not reflect this dividend payable.

11. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	Unaudited Six months ended 30 June 2008 HK$'000	2007 HK$'000
Earnings		
Profit attributable to equity holders of the Company	**140,676**	117,839
Number of shares *(thousands)*		
Weighted average number of ordinary shares	**1,787,100**	1,786,791

The exercise of share options would have no material dilutive effect of earnings per share for the six months ended 30 June 2008 (2007: As for 2008).

12. CAPITAL EXPENDITURE

During the six months ended 30 June 2008, the Group acquired property, plant and equipment amounting to HK$14 million (30 June 2007: HK$29 million).

The Group is in the process of applying to obtain title to certain land use rights with carrying value of approximately RMB668 million. The directors believe that title documents will be obtained in due course without significant additional costs.

13. INTERESTS IN JOINTLY CONTROLLED ENTITIES

	Unaudited 30 June 2008 *HK$'000*	Audited 31 December 2007 *HK$'000*
Share of net assets *(Note i)*	**1,351,624**	704,467
Loan to a jointly controlled entity *(Note ii)*	**34,889**	–
	1,386,513	704,467

Notes:

i. On 26 July 2007, the Company entered into a conditional equity interest transfer agreement with Tianjin Port (Group) Co., Ltd. to acquire a 40% equity interest in Tianjin Port Alliance International Container Terminal Co., Ltd. ("Alliance") for a consideration of RMB524,343,000. During the current period, all the conditions of the agreement were fulfilled and the acquisition was completed. The Group's 40% interest in Alliance is accounted as an investment in a jointly controlled entity.

ii. The loan is unsecured, interest bearing at LIBOR+1.5% and repayable in 2013.

14. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Unaudited 30 June 2008 *HK$'000*	Audited 31 December 2007 *HK$'000*
Available-for-sale financial assets comprise:		
Equity securities listed in Hong Kong	**33,400**	–
Unlisted equity investments	**6,089**	5,744
	39,489	5,744

The fair value of the listed equity securities is based on the quoted market price.

The unlisted equity investments are stated at cost less any accumulated impairment losses rather than fair value as they do not have quoted market prices in an active market and hence their fair values cannot be reliably measured.

15. TRADE AND OTHER RECEIVABLES

In general, the Group grants a credit period of about 30 to 90 days to its trade customers. The ageing analysis of the trade receivables (net of provision of impairment) is as follows:

	Unaudited 30 June 2008 *HK$'000*	Audited 31 December 2007 *HK$'000*
0-30 days	**136,684**	113,596
31-90 days	**28,280**	11,790
	164,964	125,386

16. SHARE CAPITAL

	Number of shares	***HK$***
Ordinary shares of HK$0.10 each:		
Authorised:		
At 31 December 2007 and 30 June 2008	5,000,000,000	500,000,000
Issued and fully paid:		
At 31 December 2007 and 30 June 2008	1,787,100,000	178,710,000

16. SHARE CAPITAL *(Continued)*

Share option

The fair value of share options determined at the date of grant using the Binomial model and the significant inputs are as follows:

Date of grant	**25 January 2008**	3 February 2007
Exercise price	**HK$4.24**	HK$2.74
Expected volatility	**41%**	34%
Expected option life	**1.9 & 1.7 years**	2 years
Risk free interest rate	**1.527%**	4.06%
Dividend pay out ratio	**40%**	40%
Fair value	**HK$0.86 & HK$0.79**	HK$0.54

The Binomial model requires input of certain subjective assumptions thus the fair value calculated varies with different assumptions.

The expected volatility measured at the standard deviation is based on statistical analysis of the volatility of companies' shares of similar industry.

17. RESERVES

	Unaudited						
	Share premium	**Merger reserve**	**Revaluation reserve**	**Employee share-based compensation reserve**	**Exchange reserve**	**Statutory reserve**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2007	1,095,962	820,962	–	3,786	102,736	129,985	2,153,431
Exchange differences	–	–	–	–	93,581	–	93,581
Issue of shares upon exercise of share options	872	–	–	–	–	–	872
Share-based compensation	–	–	–	2,617	–	–	2,617
At 30 June 2007	1,096,834	820,962	–	6,403	196,317	129,985	2,250,501
At 1 January 2008	1,096,834	820,962	–	6,710	339,439	178,919	2,442,864
Exchange differences	–	–	–	–	207,592	–	207,592
Changes in fair value of available-for-sale financial assets	–	–	(6,653)	–	–	–	(6,653)
Share-based compensation	–	–	–	916	–	–	916
At 30 June 2008	1,096,834	820,962	(6,653)	7,626	547,031	178,919	2,644,719

18. BORROWINGS

	Unaudited 30 June 2008 HK$'000	Audited 31 December 2007 HK$'000
Bank borrowings, unsecured:		
Non-current	**1,000,000**	390,000
Current	**22,000**	–
	1,022,000	390,000
Maturity of the bank borrowings:		
Within one year	**22,000**	–
Between 1 and 2 years	**–**	–
Between 2 and 5 years	**1,000,000**	390,000
	1,022,000	390,000

19. COMMITMENTS

(a) Capital commitments

	Unaudited 30 June 2008 HK$'000	Audited 31 December 2007 HK$'000
Contracted but not provided for		
– Property, plant and equipment	**14,727**	3,247
– Investment in a joint venture	**–**	562,226
	14,727	565,473
Authorised but not provided for		
– Property, plant and equipment	**–**	12,569

(b) Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Unaudited 30 June 2008 HK$'000	Audited 31 December 2007 HK$'000
Within one year	**2,011**	2,239
In the second to fifth year inclusive	**408**	407
	2,419	2,646

19. COMMITMENTS *(Continued)*

(c) Other commitments

	Unaudited 30 June 2008 *HK$'000*	Audited 31 December 2007 *HK$'000*
Loan to a jointly controlled entity	**117,632**	–

20. RELATED-PARTY TRANSACTIONS

The ultimate holding company of the Group is Tsinlien Group Company Limited, a company which is ultimately controlled by the PRC government and hence a state-owned enterprise. In accordance with HKAS 24, "Related Party Disclosures" issued by the HKICPA, state-owned enterprises and their subsidiaries, directly and indirectly controlled by the PRC government are also deemed as related parties of the Group ("other state-owned enterprises").

There are business activities of the Group which are conducted with other state-owned enterprises. For the purposes of the related parties disclosure in accordance with HKAS 24, the Group has established procedures to determine, to the extent practicable, the identification of the ownership structure of its customers and suppliers as to whether they are state-owned enterprises. Nevertheless, management believes that all material related party transactions and balances have been adequately disclosed.

In addition to those mentioned elsewhere in these condensed consolidated interim financial statements, the following are the significant related party transactions entered into in the normal course of business between the Group and its related parties:

(a) Transactions and balances with associates of the Group

	Unaudited	
	Six months ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
Non-containerised goods stevedoring income received from associates *(Note i)*	**29,616**	25,617
Wharf cargo handling service charges paid to associates *(Note ii)*	**14,269**	7,101
Labour services paid to associates	**19,959**	–

	Unaudited 30 June 2008 *HK$'000*	Audited 31 December 2007 *HK$'000*
Amounts due from associates *(Note iii)*	**6,069**	2,590

20. RELATED-PARTY TRANSACTIONS *(Continued)*

(a) Transactions and balances with associates of the Group *(Continued)*

Notes:

i. Non-containerised goods stevedoring income is calculated based on contracted unit price and volume of goods handled.

ii. Wharf cargo handling services charges are calculated based on contracted monthly/annual rates.

iii. The amounts due from associates arise mainly from sale transactions with normal business terms. The balances are unsecured and interest free.

(b) Transactions and balances with other state-owned enterprises

	Unaudited Six months ended 30 June 2008 *HK$'000*	2007 *HK$'000*
Income		
Container handling and non-containerised goods stevedoring income	**157,431**	174,199
Interest income	**4,777**	692
Expenses		
Electricity supply services	**14,728**	12,817
Container reconfiguration storage services	**4,314**	249
Water supply services	**2,873**	2,640
Interest expenses	**344**	1,856
Labour services	**–**	3,973
Dredging fees paid	**–**	1,820
Acquisition/Disposal		
Acquisition of equity interests in an associate	**1,428**	–
Disposal of equity interests in an associate	**–**	1,702

	Unaudited 30 June 2008 *HK$'000*	Audited 31 December 2007 *HK$'000*
Assets		
Trade receivables	**121,947**	96,587
Deposits with state-owned banks	**497,954**	415,317
Liabilities		
Amounts due to related companies	**47,877**	22,536

The amounts due to related companies are unsecured, interest free and repayable on demand.

SHARE OPTION SCHEME

By a written resolution passed by the sole shareholder of the Company on 26 April 2006, a share option scheme (the "Share Option Scheme") was approved and adopted by the Company. Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption, i.e. 26 April 2006.

Details of the share options granted, exercised, lapsed and cancelled during the six months ended 30 June 2008 are as follows:

	Date of grant	Exercise price HK$	As at 1 January 2008	Granted (Note)	Exercised	Lapsed	Cancelled	As at 30 June 2008	Exercise period
Directors									
Mr. Yu Rumin	03/02/2007	2.74	1,900,000	–	–	–	–	1,900,000	03/08/2007-03/02/2017
	25/01/2008	4.24	–	400,000	–	–	–	400,000	25/07/2008-24/01/2018
Mr. Nie Jiansheng	01/08/2006	2.28	2,100,000	–	–	–	–	2,100,000	01/02/2007-01/08/2016
Mr. Zhang Jinming	01/08/2006	2.28	2,000,000	–	–	–	–	2,000,000	01/02/2007-01/08/2016
Mr. Xue Lingsen	01/08/2006	2.28	1,100,000	–	–	–	–	1,100,000	01/02/2007-01/08/2016
Mr. Jiao Hongxun	01/08/2006	2.28	1,100,000	–	–	–	–	1,100,000	01/02/2007-01/08/2016
Mr. Wang Guanghao	01/08/2006	2.28	2,300,000	–	–	–	–	2,300,000	01/02/2007-01/08/2016
Dr. Cheng Chi Pang, Leslie	25/01/2008	4.24	–	300,000	–	–	–	300,000	25/07/2008-24/01/2018
Mr. Kwan Hung Sang, Francis	25/01/2008	4.24	–	300,000	–	–	–	300,000	25/07/2008-24/01/2018
Prof. Japhet Sebastian Law	25/01/2008	4.24	–	300,000	–	–	–	300,000	25/07/2008-24/01/2018
Employees	01/08/2006	2.28	1,400,000	–	–	–	–	1,400,000	01/02/2007-01/08/2016
Total			11,900,000	1,300,000	–	–	–	13,200,000	

Notes:

1. The closing price of the shares of the Company (the "Shares") immediately before the date on which the share options were granted was HK$3.81.

2. All share options granted are subject to a vesting period of six months from the date of grant.

Details of the value of options granted under the Share Option Scheme during the six months ended 30 June 2008 is set out in Note 16 to the condensed consolidated interim financial statements.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Other than the Share Option Scheme, at no time during the six months ended 30 June 2008 was the Company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company (the "Directors") or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2008, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange were as follows:

(i) The Company

Name of Director	Capacity	Number of Shares	Number of underlying shares *(Note)*	Approximate percentage of issued share capital of the Company
Mr. Yu Rumin	Beneficial owner	–	2,300,000(L)	0.13%(L)
Mr. Nie Jiansheng	Beneficial owner	–	2,100,000(L)	0.12%(L)
Mr. Zhang Jinming	Beneficial owner	–	2,000,000(L)	0.11%(L)
Mr. Xue Lingsen	Beneficial owner	–	1,100,000(L)	0.06%(L)
Mr. Jiao Hongxun	Beneficial owner	–	1,100,000(L)	0.06%(L)
Mr. Wang Guanghao	Beneficial owner	–	2,300,000(L)	0.13%(L)
Dr. Cheng Chi Pang, Leslie	Beneficial owner	–	300,000(L)	0.02%(L)
Mr. Kwan Hung Sang, Francis	Beneficial owner	520,000(L)	300,000(L)	0.05%(L)
Prof. Japhet Sebastian Law	Beneficial owner	–	300,000(L)	0.02%(L)

(L) denotes a long position

Note:

The interests in underlying shares of unlisted equity derivatives of the Company represented interests in share options granted to the Directors to subscribe for Shares, further details of which are set out in the section headed "Share Option Scheme" above.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(Continued)*

(ii) Associated Corporation – Tianjin Development Holdings Limited ("Tianjin Development")

Name of Director	Capacity	Number of shares	Number of underlying shares *(Note)*	Approximate percentage of issued share capital of Tianjin Development
Mr. Yu Rumin	Beneficial owner	–	1,000,000(L)	0.09%(L)
Mr. Nie Jiansheng	Beneficial owner	–	900,000(L)	0.08%(L)

(L) denotes a long position

Notes:

1. The interests in underlying shares of unlisted equity derivatives of Tianjin Development represented interests in share options granted to the Directors to subscribe for shares in Tianjin Development.

2. The share options were granted on 19 December 2007 and accepted by the Directors on 17 January 2008, with an exercise price of HK$8.04 and are exercisable from 17 January 2008 to 24 May 2017.

Save as disclosed above, as at 30 June 2008, none of the Directors or chief executive or their respective associates had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 June 2008, the following persons, other than the Directors or chief executive of the Company who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholder	*Note*	Capacity	Number of Shares interested	Approximate percentage of issued share capital of the Company
Leadport Holdings Limited	*1*	Beneficial owner	1,122,000,000(L)	62.78%(L)
Tianjin Development Holdings Limited ("Tianjin Development")	*1*	Interest of a controlled corporation	1,122,000,000(L)	62.78%(L)
Tsinlien Group Company Limited ("Tsinlien")	*2*	Interest of controlled corporations	1,128,820,000(L)	63.16%(L)

(L) denotes a long position

Notes:

1. Leadport Holdings Limited is a wholly-owned subsidiary of Tianjin Development. By virtue of the SFO, Tianjin Development is deemed to be interested in all the Shares held by Leadport Holdings Limited.

2. Tianjin Development is a subsidiary of Tianjin Investment Holdings Limited which in turn is a wholly-owned subsidiary of Tsinlien. As at 30 June 2008, Tianjin Investment Holdings Limited was directly interested in 6,820,000 Shares, representing approximately 0.38% of the issued share capital of the Company. Tsinlien Venture Capital Company Limited is a wholly-owned subsidiary of Tsinlien and a shareholder of Tianjin Development. By virtue of the SFO, Tsinlien is deemed to be interested in all the Shares held by or deemed to be interested in by each of Tianjin Development, Tianjin Investment Holdings Limited and Tsinlien Venture Capital Company Limited. As at 30 June 2008, Mr. Yu Rumin and Mr. Nie Jiansheng were directors of Tianjin Development. As at 30 June 2008, Mr. Nie Jiansheng was a director of Tsinlien.

Save as disclosed above, as at 30 June 2008, the Company had not been notified by any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company applied the principles of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules. In the opinion of the Directors, the Company has complied with all the code provisions of the Code throughout the six months ended 30 June 2008.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry of the Directors, all the Directors confirmed that they have complied with the required standards as set out in the Model Code during the six months ended 30 June 2008.

LOAN AGREEMENT WITH SPECIFIC PERFORMANCE COVENANT

On 10 December 2007, Tianjin Port Development Finance Limited, a wholly-owned subsidiary of the Company as borrower (the "Borrower") entered into a facility agreement (the "Facility Agreement") with six financial institutions as lenders (the "Lenders"), pursuant to which a facility in an aggregate amount of HK$1 billion (the "Facility") is made available by the Lenders to the Borrower on the terms and conditions stated therein. The Facility is a revolving loan facility with a term of 12 months from the date of the Facility Agreement (which will after the facility termination date be converted into a term loan facility with a term of 60 months from the date of the Facility Agreement). The Facility Agreement includes a condition imposing specific performance obligations on Tianjin Development, the controlling shareholder of the Company. It will be an event of default if Tianjin Development ceases to remain (directly or indirectly) as the single largest shareholder of the Borrower or the Company, or ceases to maintain shareholding interest of at least 35% (directly or indirectly) in the Borrower or the Company and in such event the Lenders may demand immediate repayment of the loans. Such obligation continues to exist as at the date of this interim report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its listed securities during the six months ended 30 June 2008. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the six months ended 30 June 2008.

REVIEW OF INTERIM RESULTS

The condensed consolidated interim financial statements for the six months ended 30 June 2008 have not been audited but have been reviewed by the independent auditors of the Company. The audit committee of the Company has reviewed the interim report for the six months ended 30 June 2008.

CONSOLIDATED INCOME STATEMENT

					Unaudited Six months ended 30 June	
	2004	2005	2006	2007	2007	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Revenue	799,837	898,223	1,036,495	1,193,777	572,418	**622,155**
Business tax	(24,237)	(27,295)	(31,494)	(36,347)	(17,471)	**(18,909)**
Cost of sales	(431,624)	(448,891)	(484,163)	(561,701)	(252,037)	**(302,784)**
Gross profit	343,976	422,037	520,838	595,729	302,910	**300,462**
Other income	1,586	3,465	123,077	35,615	14,669	**48,626**
Administrative expenses	(239,344)	(242,916)	(277,812)	(309,808)	(145,800)	**(162,957)**
Other operating expenses	(6,266)	(8,676)	(17,676)	(31,204)	(28,186)	**(2,235)**
Operating profit	99,952	173,910	348,427	290,332	143,593	**183,896**
Finance costs	(8,912)	(7,095)	(8,199)	(3,329)	(1,963)	**(10,596)**
Share of results of associates	2,226	1,020	983	790	570	**126**
Share of results of jointly controlled entities	–	–	–	–	–	**7,049**
Gain on disposal of associates	–	4,986	–	–	–	**–**
Profit before income tax	93,266	172,821	341,211	287,793	142,200	**180,475**
Income tax	(15,412)	(25,056)	(36,938)	(47,151)	(24,215)	**(39,524)**
Profit for the year/period	77,854	147,765	304,273	240,642	117,985	**140,951**
Attributable to:						
Equity holders of the Company	77,465	147,275	304,037	240,394	117,839	**140,676**
Minority interests	389	490	236	248	146	**275**
	77,854	147,765	304,273	240,642	117,985	**140,951**

CONSOLIDATED BALANCE SHEET

					Unaudited 30 June	
	2004	2005	2006	2007	2007	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Land use rights	–	40,351	731,855	768,696	745,266	**804,814**
Property, plant and equipment	1,262,353	1,320,889	1,742,992	1,802,656	1,764,033	**1,865,656**
Interest in associates	19,450	18,571	23,847	24,981	27,796	**27,751**
Interest in jointly controlled entities	–	–	–	704,467	–	**1,386,513**
Available-for-sale financial assets	16,381	16,706	13,748	5,744	14,172	**39,489**
Deferred income tax asset	4,695	4,788	4,960	8,899	5,113	**9,434**
Other long term assets	14,154	34,962	–	–	–	**–**
Net current assets	44,711	22,539	484,606	468,556	619,621	**555,139**
Employment of capital	1,361,744	1,458,806	3,002,008	3,783,999	3,176,001	**4,688,796**
Share capital	112,200	112,200	178,670	178,710	178,710	**178,710**
Reserves	894,725	943,239	2,153,431	2,442,864	2,250,501	**2,644,719**
Retained earnings	294,921	370,886	666,119	768,224	742,855	**860,648**
Shareholders funds	1,301,846	1,426,325	2,998,220	3,389,798	3,172,066	**3,684,077**
Minority interests	3,326	3,635	3,788	4,201	3,935	**4,719**
Long term liabilities	56,572	28,846	–	390,000	–	**1,000,000**
Capital employed	1,361,744	1,458,806	3,002,008	3,783,999	3,176,001	**4,688,796**

The financial summary of the Group for the year ended 31 December 2004, 2005 and 2006 have been prepared on the basis that the structure and business activities of the Group immediately after a reorganisation took place in May 2006 had been in existence throughout the years presented.

Executive Directors

Mr. YU Rumin *(Chairman)*
Mr. NIE Jiansheng *(Vice Chairman)*+
Mr. ZHANG Jinming *(Managing Director)*
Mr. XUE Lingsen
Mr. JIAO Hongxun

Non-Executive Director

Mr. WANG Guanghao *(Vice Chairman)*

Independent Non-Executive Directors

Mr. KWAN Hung Sang, Francis*+
Prof. Japhet Sebastian LAW*+
Dr. CHENG Chi Pang, Leslie*

Chief Financial Officer and Company Secretary

Mr. LAI Chin Man, Daniel

Auditors

PricewaterhouseCoopers
Certified Public Accountants

Principal Legal Advisors

Woo Kwan Lee & Lo, as to Hong Kong law
Appleby, as to Cayman Islands law

Principal Bankers

ABN AMRO Bank N.V.
Bank of China (Hong Kong) Limited
Barclays Bank PLC
China Development Bank
The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited

Principal Share Registrar

Appleby Trust (Cayman) Ltd.
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Hong Kong Branch Share Registrar

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Wanchai, Hong Kong

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Stock Code

Hong Kong Stock Exchange: 03382

+ Members of Remuneration Committee, Prof. Law is the Chairman of the committee
* Members of Audit Committee, Dr. Cheng is the Chairman of the committee

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