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 2009

Strength & Integrity

Corporate Profile

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 one of the dominant terminal operators in Tianjin, China.

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

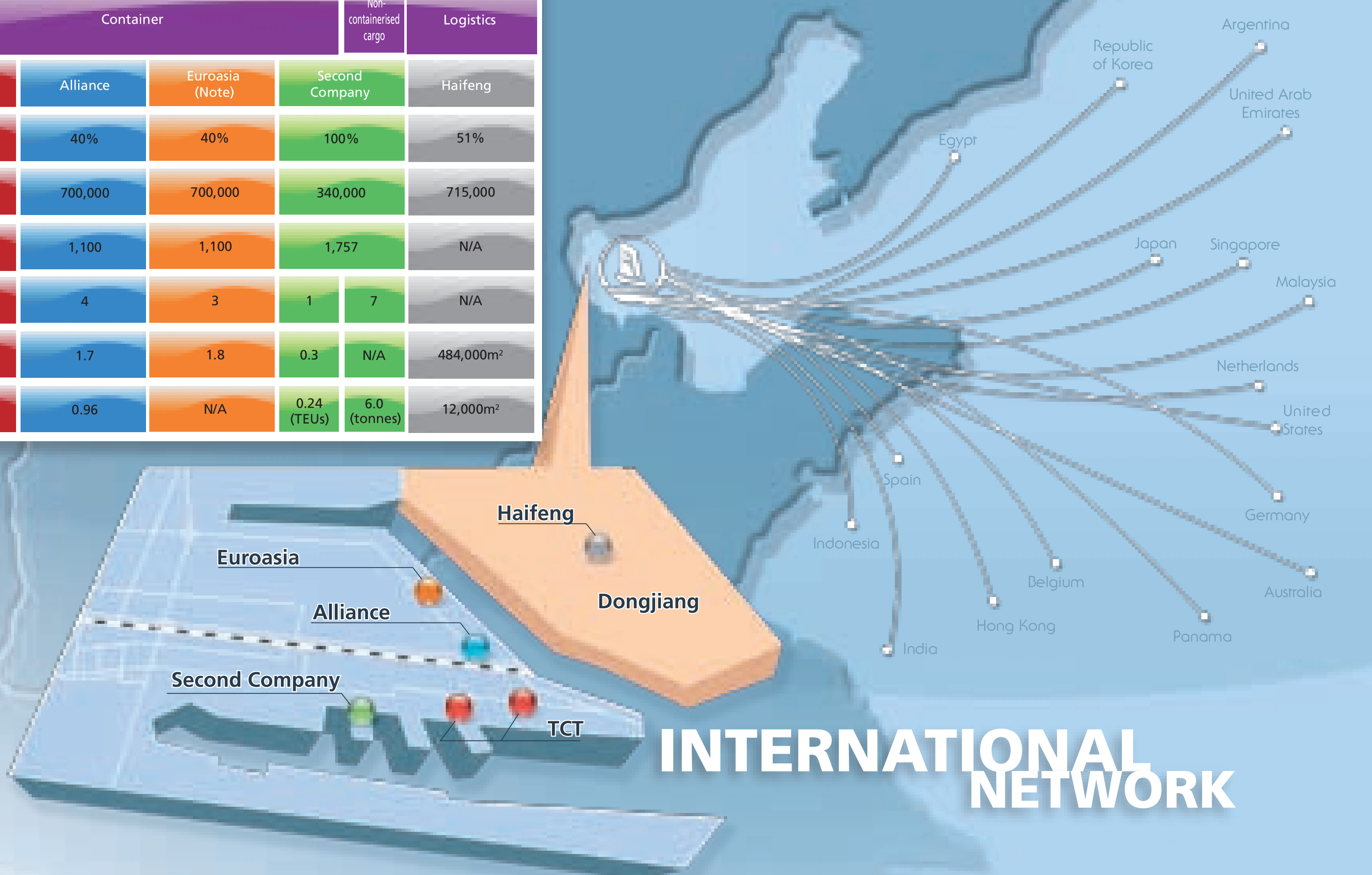
The port of Tianjin is strategically located at the locus of the Bohai Rim Region, the logistics hub of Tianjin Binhai New Area. During the first half of 2009, the port of Tianjin was the third largest in China in terms of total throughput. During the same period, the port of Tianjin's total container throughput was the sixth highest in China, placing it among the top twelfth largest ports in the world. Under the Eleventh Five-Year Plan of the Chinese central government, Tianjin Binhai New Area has been included as part of the State's developmental strategy and is designated to become the third major driver of China's economic growth after Shenzhen and Shanghai. The area and neighboring regions will benefit from the development plans and see rapid and accelerated growth. Leveraging on the management's broad experience and a team of highly skilled and dedicated staff, the Group will continue to effectively capture the economic growth stimulated by the progressive development of China's northern and northwestern hinterlands.

Contents

Corporate Structure

	Container				Non-containerised cargo	Logistics
	TCT	Alliance	Euroasia (Note)	Second Company		Haifeng
Equity holding	100%	40%	40%	100%		51%
Terminal / land area (m²)	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 m²)	1.6	1.7	1.8	0.3	N/A	484,000m²
Actual 1H09 (million TEUs / million Tonnes / m²)	0.97	0.96	N/A	0.24 (TEUs)	6.0 (tonnes)	12,000m²

Note: under construction



Financial Highlights

HK$ million	For the year ended 31 December 2004	2005	2006	2007	2008	For the six month ended 30 June 2008	**2009**
Throughput							
Container *(million TEUs)*	1.81	2.05	2.49	2.76	2.77	1.29	**1.21**
Container (include Alliance) *(million TEUs)*	1.81	2.05	2.49	2.76	4.39	2.07	**2.17**
Non-containerised cargo *(million tonnes)*	18.7	18.3	16.6	13.0	13.1	6.5	**6.0**
Revenue	800	898	1,036	1,194	1,259	622	**571**
Operating profit	100	174	348	290	223	184	**4**
Share of results of associates and jointly controlled entities	2	1	1	1	10	7	**(3)**
Profit/(loss) attributable to equity holders of the Company	77	147	304	240	130	141	**(16)**
Net cash inflow from operations	164	227	291	328	259	171	**75**
Basic earnings/(loss) per share *(HK cents)*	7	13	19.9	13.5	7.3	7.9	**(0.9)**

HK$ million	As at 31 December 2004	2005	2006	2007	2008	As at 30 June 2008	**2009**
Equity attributable to equity holders of the Company	1,302	1,426	2,998	3,390	3,614	3,684	**3,609**
Minority interests	3	4	4	4	5	5	**5**
Total equity	1,305	1,430	3,002	3,394	3,619	3,689	**3,614**
Total assets	1,555	1,786	3,527	3,907	4,903	4,893	**5,021**
Net assets per share of the Company *(Note 1)*							
Book value *(HK$)*	1.2	1.3	1.7	1.9	2.0	2.1	**2.0**
Consolidated borrowings	132	135	120	390	1,140	1,022	**1,200**
Financial Ratio							
Gearing ratio *(Note 2)*	10.1%	9.4%	4.0%	11.5%	31.5%	27.7%	**33.2%**
Current ratio	1.2	1.1	1.9	4.8	5.4	3.7	**4.3**
Return on equity *(Note 3)*	6.1%	10.8%	9.3%	7.5%	3.7%	N/A	**N/A**

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.

RESULTS OVERVIEW

During the six months ended 30 June 2009, the Group's unaudited consolidated revenue amounted to HK$571.1 million, representing a drop of 8.2% over the same period in prior year. The Group incurred a loss attributable to shareholders of HK$15.9 million as compared to a profit of HK$140.7 million over the prior period. Basic loss per share, on a weighted average basis, was HK0.9 cents.

RESULTS OVERVIEW *(Continued)*

Consolidated operating profit margin (measured by the recurring operating profit which excluded exchange gain and professional fees related to the acquisition of Tianjin Port Holdings Co., Ltd. ("Tianjin Port Co") divided by revenue) of the Group for the period under review was 4.6%. As compared to 22.7% of prior period, the consolidated operating profit margin decreased by 18.1 percentage points. The drop in operating profit margin was primarily due to a higher proportion of domestic and empty containers as a result of the global economic downturn and decline in China's import and export trade, which reduced substantially the blended average unit price. In addition, the growth in domestic trade as a result of the implementation of the economic stimulus plan by the Chinese government was more than offset by the drop in foreign trade volume which reduced the overall throughput attained during the period. Besides, the Group commenced the sales business in early 2009. The profit margin of the sales business was much less than the port cargo handling business, which lowered the overall operating profit margin of the Group. By excluding the results of the sales business, the consolidated operating profit margin of the Group during the period under review was 5.1%.

In addition to the factors which caused the drop in operating profit margin as mentioned above, during the period under review, the Group had provided for HK$22.0 million in respect of the professional fees incurred for the proposed acquisition of a 56.81% stake in Tianjin Port Co (details of which please refer to the section "Prospects" on page 9 of this report). As a result of these factors, the Group recorded a loss attributable to shareholders of HK$15.9 million for the six months ended 30 June 2009.

The board of directors of the Company (the "Board") does not recommend payment of an interim dividend this year (2008: HK3.1 cents per share).

The global economic downturn as triggered by the financial crisis last year continued to have a negative impact on China's economy. In such a difficult operating environment, business performance of various industries was adversely affected. The port industry in China was no exception, in particular during the first quarter this year. For the first three months of 2009, the major ports in China recorded total cargo throughput of 1.367 billion tonnes and container throughput of 25.48 million TEUs, representing a decline of 3.3% and 12.8% respectively over the same period last year. The throughput in foreign trade also recorded a 7% negative growth during the same period. Despite overall negative growth in the first half of 2009, the decline had been contracting. During the second quarter, China's 4 trillion Renminbi ("RMB") economic stimulus plan brought positive effects. For the six months ended 30 June 2009, the overall total cargo throughput increased by 2.6% as compared to the same period last year and the container throughput year-on-year decline softened to 11%. The port of Tianjin had demonstrated resilience among the major ports in China in the current challenging environment. Its total cargo throughput and container throughput during the first half of the year increased by 1.2% to 184.57 million tonnes and 1.9% to 4.16 million TEUs respectively. The port of Tianjin continued to stand out as the third largest port in terms of total cargo throughput and the sixth largest container port in the country in this regard.

Alongside with the improvement in the overall economic environment in the second quarter, the performance of the Group was obviously better during the second quarter as compared to the first quarter. The Board will continue its proven strategy of fostering opportunities for sustainable growth with the aim of enhancing return for the Group and for our shareholders as a whole. The Board is confident of the Group's long term development in the forthcoming future.

REVIEW OF OPERATIONS

During the period under review, the Group's terminals (excluding Alliance) achieved a container throughput of 1.21 million TEUs and 5.97 million tonnes of non-containerised cargo throughput, representing a drop of 6.7% and 8.4% respectively.

Container Handling Business

The Group's wholly-owned terminals recorded a decline in throughput volume of 6.7% to 1.21 million TEUs, which was primarily due to the drop of foreign trade container throughput could not be offset by the slim growth in domestic trade volume. As China's foreign trade showed signs of bottoming out in the second quarter, and the improving domestic economy would help maintaining China's import, we expect the container handling business will gradually improve in the second half of the year.

REVIEW OF OPERATIONS *(Continued)*

Container Handling Business *(Continued)*

The blended average unit price decreased 24.9% to HK$228.9 per TEU as compared to the same period last year. The reduction in blended average unit price was attributable to a higher proportion of domestic and empty containers due to the declining import/export trade in China.

Alliance, a joint venture of the Group, continued to be a key contributor to the Group's container handling business. During the period under review, Alliance achieved 0.96 million TEUs in volume and net profit of HK$21.5 million, of which the Group has a 40% stake. After taking into account Alliance's total volume, the Group's market share in the port of Tianjin was 52.1%.

Euroasia, a joint venture of which the Group holds 40% equity, is currently at the final stage of its construction. The facilities are expected to commence operation by end of 2009 or early 2010. Euroasia has 3 berths with a total quay length of 1,100 meters and a designed capacity of 1.8 million TEUs. Upon the completion of Eurosia, the Group is expected to have a total capacity of over 6 million TEUs by 2010 and to maintain over 50% market share in the port of Tianjin.

Non-containerised Cargo Handling Business

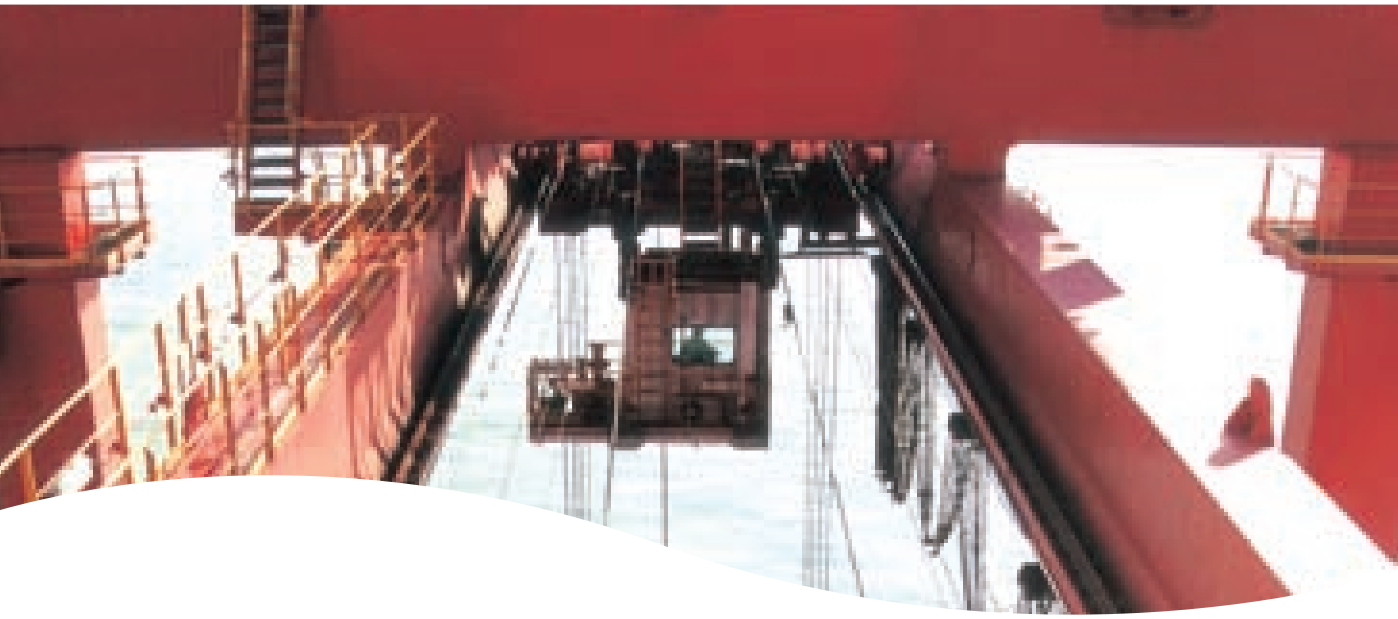
During the first half of 2009, the Group's throughput declined by 8.4% to 5.97 million tonnes whereas the blended average unit price dropped 7.1% to HK$31.4 per tonne. The revenue of non-containerised cargo handling was HK$187.2 million, representing a drop of 15.1% over the same period last year.

Grain is our principal non-containerised cargo during the period under review. For the first six months this year, grain handling nearly doubled in throughput over the same period last year. The increase was triggered by the strong domestic demand for importing 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 during the period. Due to the weakened overseas demand on steel products, the throughput of steel handling slipped by over 33% on a year-on-year basis.

Logistics Business

Haifeng, a 51% owned joint venture, which possesses 10 warehouse blocks – including 4 single-storey warehouse blocks and 6 double-storey warehouse blocks with a combined GFA of about 191,000 square meters of warehouse space in its phase 1 development plan, commenced operation of its 4 single-storey warehouses last year and achieved an average occupancy rate of 26% in the first half of this year. Haifeng incurred a net loss of HK$4.8 million during the period of which the Group equity accounted for 51% of its equity interest.

The rest of phase 1 is expected to commence operation by end of 2009 or early 2010 and we do not expect Haifeng to have a significant contribution to the Group's results in the near term. However, given our market share of the logistics warehousing business in the Dongjiang Bonded Free Port, Haifeng will be a potential contributor to the Group in future.



REVIEW OF OPERATIONS *(Continued)*

Sales Business

With an aim to enhance its value added services in the non-containerised cargo handling operation, the Group commenced its sales business in January this year. Taking advantage of the strong relationship with the major steel suppliers, the Group provided back-to-back sales arrangements to its customers. The arrangement, on one hand, secured the Group with an additional source of income and, on the other hand, enhanced the utilisation rate of its port capacity. During the period under review, the Group achieved a turnover of HK$101 million and earned a profit of HK$2 million. Despite the slim profit margin, the Group believed the sales business would bring positive contribution to the non-containerised cargo handling operation in the long run.

In May 2009, the Group entered into a promoter agreement with various leading nonferrous metal suppliers to establish a joint venture which principally engaged in the provision of a trading platform for metal products and related warehousing and logistics services. The joint venture is expected to enhance the Group's logistics and cargo handling business in metal products as a whole through enhancing its logistic network and channel from its hinterlands to the port of Tianjin.

REVIEW OF OPERATIONS *(Continued)*

Cost Control

The management is committed to control its operating costs at an optimal level. During the period under review, cost of sales and administrative expenses of the Group was HK$364.9 million and HK$198.0 million, representing an increase of 20.5% and 21.5% respectively over the same period last year. The increase was primarily due to the inclusion of the direct costs of the sales business which commenced this year and the recognition of the professional fees in relation to the acquisition of the 56.81% stake in Tianjin Port Co. By excluding the direct costs of the sales business and the professional fees, the Group had in fact effectively managed to reduce its cost of sales by 12.2% on a year-on-year basis. The administrative expenses were up by 8.0%, mainly due to the increase in labour related insurance and welfare expenses.

The Group will continue to actively monitor its operating costs, in particular staff related costs. As at 30 June 2009, the Company and its subsidiaries had 3,076 employees. The Group will maintain its human resources policies to increase the proportion of outsourced labour. The Group's equity stake in the two labour service providers 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. In addition, the Group will carry out a number of facility improvement plans, including diesel to electricity transformation, with an aim to further reduce the operating costs and thus enhance the profit margin as a whole.

PROSPECTS

Acquisition of Tianjin Port Co

On 16 March 2009, the Company and Grand Point Investment Limited ("Grand Point"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Tianjin Port (Group) Co., Ltd. ("Tianjin Port Group"), pursuant to which the Company through Grand Point conditionally agrees to acquire a 56.81% stake in Tianjin Port Co, a company listed on the Shanghai Stock Exchange (stock code: 600717), from Tianjin Port Group at a consideration of HK$10.96 billion. The total consideration shall be satisfied as to HK$7.03 billion by the issuing of new shares of the Company to Tianjin Port Group, and the remaining HK$3.93 billion shall be satisfied by cash which may be financed with internal resources, bank borrowings, proceeds from the placing of new shares of the Company and/or other sources. The acquisition is a key milestone for the Group to participate in the emergence of the port of Tianjin as a comprehensive world-class port. We are confident that the acquisition will greatly enhance the competitiveness of the Group in the Bohai Rim Region as well as in China, and thus improve the overall return to the Group and the shareholders as a whole in the long run.

The acquisition was approved by the independent shareholders of the Company at the extraordinary general meeting on 15 July 2009. Currently the State-owned Assets Supervision and Administration Commission of the State Council has approved the abovementioned transfer of the equity interest in Tianjin Port Co and the Company is expecting other relevant approvals in the near future. We expect that the acquisition will be completed in the fourth quarter of this year.

PROSPECTS *(Continued)*

Tianjin Binhai New Area

The port of Tianjin was designated by the Chinese government as the principal gateway to the hinterland of the northern and north western regions of China. According to the Eleventh Five-Year Plan, a total of RMB36.6 billion is to be invested between 2006 and 2010 to enhance the infrastructure, including the transportation network connecting Tianjin to its hinterland. It is anticipated that the container throughput at the port of Tianjin will reach 10 million TEUs by 2010. Furthermore, the Eleventh Five-Year Plan emphasised the acceleration of the development of the Tianjin Binhai New Area. Under the Three-Year Plan for the Infrastructure and Environment Construction, RMB225.7 billion will be invested in 177 significant projects to establish a comprehensive transportation system to further facilitate regional integration and improve the connectivity of the Tianjin Binhai New Area to the hinterland. Encompassing the port of Tianjin, Tianjin Binhai New Area will be a key driver to advance the regional economy. The goal of the Chinese government is to develop the Tianjin Municipality into an international shipping and logistics centre in the northern regions of China.

We are confident that our business strategies take advantage of any opportunities arising at the port of Tianjin via the Chinese government’s incentive policies to boost the economic growth at the Bohai Rim region.

Dongjiang Bonded Free Port

Dongjiang port was located at the northeastern part of the port of Tianjin. Under the development plan approved by the central government in 2006, Dongjiang port will have three major zones providing five major types of services including container handling, logistics services, business support services, living accommodation and leisure and travel. Dongjiang port also has one of the largest bonded free port in China. The development of phase 1 of Dongjiang port, which commenced in 2007 with an approximate area of 4 square kilometers comprising container terminals and logistics warehousing, eastern sightseeing costal line and the core blocks of the cruise liner pier and passenger terminal, will be completed by end of this year.

Haifeng, our logistics warehousing joint venture, is located inside this area. As one of the longest established operator at the port of Tianjin, the Group will leverage on our experience to strive for the best outcome in the upcoming development of Dongjiang port. Besides our cargo handling business and logistics business, we will also proactively explore to participate in other opportunities during the course of development of the Dongjiang port. We are confident that the Group will materialise the benefits arising directly and indirectly from future government incentives in the Dongjiang port.

Strategic Cooperation with Joint Venture Partners

The Group has partnered with internationally renowned companies such as APMT, COSCO, OOCL, PSA and Mapletree to establish various joint ventures. Management believes that such broad partnerships will have a positive synergistic effect towards the Group’s future development in the long run both in terms of business growth and management expertise.

FINANCIAL REVIEW

Cash Flow

The net cash inflow from operations during the period amounted to HK$75.0 million, 56.3% lower than same period last year, primarily due to the decrease of revenue for the period.

The net cash spending in investing activities amounted to HK$64.2 million. Out of which HK$29.6 million was for loan to a jointly controlled entity. The remainder was mainly used for general replacement and upgrading of facilities and equipment.

During the period under review, the net cash inflow of the Group was HK$64.3 million (2008: HK$91.2 million).

Liquidity and Financial Resources

As at 30 June 2009, the Group's cash and bank balances was HK$653.0 million, compared to HK$588.9 million as at 31 December 2008. The Group's total borrowings as at 30 June 2009 increased to HK$1,199.7 million (up from HK$1,140.3 million as at 31 December 2008), which represents a gearing ratio (total borrowings divided by total equity) of 33.2%. All borrowings are denominated in Hong Kong Dollar and US Dollar with a floating interest rate and repayable within 5 years. In addition, the current ratio (ratio of current assets to current liabilities) was 4.3 compared to 5.4 as at 31 December 2008. As at 30 June 2009, all assets of the Group are free of any charge.

For day-to-day liquidity management, the Group maintains flexibility in funding by obtaining sufficient short-term facilities from banks. Given the low gearing ratio, management will consider increasing the proportion of debt to 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 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 2009, most of the Group's assets and liabilities were denominated in RMB, except for the bank borrowings of HK$1,199.7 million. The foreign exchange fluctuation in RMB had no significant impact to the Group's results for the six months ended 30 June 2009 (2008: HK$42.7 million exchange gain). As at 30 June 2009, the Group assessed its foreign exchange rate and interest rate risk exposure and has not entered into any hedging arrangements.

FINANCIAL REVIEW *(Continued)*

Capital Structure

As at 30 June 2009, the capital and reserves attributable to the equity holders of the Company was HK$3,609.3 million. This represents a slight decrease of HK$5.1 million or 0.1% compared to 31 December 2008. During the period, no dividend was paid to shareholders of the Company.

The market capitalisation of the Company as at 30 June 2009 (the last trading day of the period) was HK$6,058.3 million (issued share capital: 1,787,100,000 shares at closing market price: HK$3.39 per share).

Pursuant to the ordinary resolution passed at the extraordinary general meeting of the Company held on 15 July 2009, the authorised capital of the Company increased from 5,000,000,000 shares to 12,000,000,000 shares by the creation of an additional 7,000,000,000 shares of HK$0.10 each, ranking pari passu in all respects with the existing shares.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 30 June 2009.

SIGNIFICANT INVESTMENTS

Save for the proposed acquisition of a 56.81% stake in Tianjin Port Co (details of which please refer to the section "Prospects" on page 9 of this report), the Group had not made any significant investment during 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.

EMPLOYEES

As at 30 June 2009, the Company and its subsidiaries had approximately 3,076 staff. 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 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
YU Rumin
Chairman

Hong Kong, 26 August 2009

Report on Review of Interim Financial Information

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 14 to 31, 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 2009 and the related condensed consolidated statements of income, comprehensive 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, 26 August 2009

Consolidated Income Statement

For the six months ended 30 June 2009

	Note	Unaudited Six months ended 30 June 2009 HK$'000	2008 HK$'000
Revenue	4	**571,129**	622,155
Business tax		**(14,298)**	(18,909)
Cost of sales		**(364,920)**	(302,784)
Gross profit		**191,911**	300,462
Other income	5	**10,563**	48,626
Administrative expenses		**(197,952)**	(162,957)
Other operating expenses		**(194)**	(2,235)
		4,328	183,896
Finance costs	6	**(6,643)**	(10,596)
Share of results of associates		**(1,704)**	126
Share of results of jointly controlled entities		**(1,768)**	7,049
(Loss)/profit before income tax	7	**(5,787)**	180,475
Income tax	8	**(9,936)**	(39,524)
(Loss)/profit for the period		**(15,723)**	140,951
Attributable to:			
Equity holders of the Company		**(15,854)**	140,676
Minority interests		**131**	275
		(15,723)	140,951
Dividends	9	**–**	55,400
(Loss)/earnings per share	10		
– Basic *(HK cents)*		**(0.9)**	7.9
– Diluted *(HK cents)*		**N/A**	7.9

The notes on pages 20 to 31 are an integral part of these condensed consolidated interim financial statements.

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2009

	Unaudited Six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
(Loss)/profit for the period	**(15,723)**	140,951
Other comprehensive income		
Fair value gain/(loss) on available-for sale financial assets	**9,200**	(6,653)
Exchange difference	**1,231**	207,853
Other comprehensive income for the period	**10,431**	201,200
Total comprehensive (loss)/income for the period	**(5,292)**	342,151
Total comprehensive (loss)/income attributable to:		
Equity holders of the Company	**(5,424)**	341,615
Minority interests	**132**	536
	(5,292)	342,151

The notes on pages 20 to 31 are an integral part of these condensed consolidated interim financial statements.

Consolidated Balance Sheet

As at 30 June 2009

	Note	Unaudited 30 June 2009 HK$'000	Audited 31 December 2008 HK$'000
ASSETS			
Non-current assets			
Land use rights		**782,476**	792,437
Property, plant and equipment	*11*	**1,820,030**	1,842,794
Interests in jointly controlled entities	*12*	**1,458,380**	1,430,037
Interests in associates		**26,533**	28,513
Available-for-sale financial assets	*13*	**30,075**	20,873
Deferred income tax assets		**9,413**	9,410
		4,126,907	4,124,064
Current assets			
Inventories		**32,442**	5,295
Trade and other receivables	*14*	**194,664**	175,476
Amounts due from jointly controlled entities		**9,336**	6,858
Amounts due from associates		**4,680**	2,552
Cash and cash equivalents		**652,973**	588,866
		894,095	779,047
Total assets		**5,021,002**	4,903,111
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	*15*	**178,710**	178,710
Reserves	*16*	**2,690,537**	2,679,812
Retained earnings		**740,042**	755,896
		3,609,289	3,614,418
Minority interests		**4,565**	4,433
Total equity		**3,613,854**	3,618,851

The notes on pages 20 to 31 are an integral part of these condensed consolidated interim financial statements.

Consolidated Balance Sheet

As at 30 June 2009

	Note	Unaudited 30 June 2009 HK$'000	Audited 31 December 2008 HK$'000
LIABILITIES			
Non-current liabilities			
Borrowings	*17*	**1,199,662**	1,140,250
Current liabilities			
Trade and other payables	*18*	**164,384**	127,900
Amounts due to related companies		**34,721**	12,586
Current income tax liabilities		**8,381**	3,524
		207,486	144,010
Total liabilities		**1,407,148**	1,284,260
Total equity and liabilities		**5,021,002**	4,903,111
Net current assets		**686,609**	635,037
Total assets less current liabilities		**4,813,516**	4,759,101

The notes on pages 20 to 31 are an integral part of these condensed consolidated interim financial statements.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2009

	Unaudited				
	Attributable to equity holders of the Company				
	Share capital HK$'000	Reserves HK$'000	Retained earnings HK$'000	Minority interests HK$'000	Total HK$'000
Balance at 1 January 2008	178,710	2,442,864	768,224	4,201	3,393,999
Profit for the period	–	–	140,676	275	140,951
Other comprehensive income:					
Fair value loss on available-for-sale financial assets	–	(6,653)	–	–	(6,653)
Exchange differences	–	207,592	–	261	207,853
Total comprehensive income for the period	–	200,939	140,676	536	342,151
Share-based compensation	–	916	–	–	916
Dividends paid	–	–	(48,252)	(18)	(48,270)
Balance at 30 June 2008	178,710	2,644,719	860,648	4,719	3,688,796
Balance at 1 January 2009	178,710	2,679,812	755,896	4,433	3,618,851
Loss for the period	–	–	(15,854)	131	(15,723)
Other comprehensive income:					
Fair value gain on available-for-sale financial assets	–	9,200	–	–	9,200
Exchange differences	–	1,230	–	1	1,231
Total comprehensive loss for the period	–	10,430	(15,854)	132	(5,292)
Share-based compensation	–	295	–	–	295
Balance at 30 June 2009	178,710	2,690,537	740,042	4,565	3,613,854

The notes on pages 20 to 31 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2009

	Unaudited	
	Six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
Net cash generated from operating activities	**74,986**	171,430
Net cash used in investing activities	**(64,216)**	(653,242)
Net cash generated from financing activities	**53,525**	573,035
Net increase in cash and cash equivalents	**64,295**	91,223
Cash and cash equivalents at 1 January	**588,866**	438,754
Effects of changes in exchange rates	**(188)**	28,922
Cash and cash equivalents at 30 June representing bank balances and cash	**652,973**	558,899

The notes on pages 20 to 31 are an integral part of these condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2009

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 (the “Stock Exchange”). Its principal address is Suite 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 26 August 2009.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements have 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”) and Appendix 16 to the Rules Governing the Listing Securities on the Stock Exchange.

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

3. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2008, as disclosed in those financial statements.

The following standards, amendments and interpretations are mandatory for the financial year beginning 1 January 2009:

HKFRSs (Amendments)	*Improvements to Hong Kong Financial Reporting Standards (“HKFRSs”)*
HKAS 1 (Revised)	*Presentation of Financial Statements*
HKAS 23 (Revised)	*Borrowing Costs*
HKAS 32 & HKAS 1 (Amendments)	*Financial Instruments: Presentation & Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
HKFRS 1 & HKAS 27 (Amendments)	*First-time Adoption of HKFRSs & Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
HKFRS 2 (Amendments)	*Share-based Payment – Vesting Conditions and Cancellations*
HKFRS 7 (Amendments)	*Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
HKFRS 8	*Operating Segments*
HK(IFRIC) – Int 13	*Customer Loyalty Programmes*
HK(IFRIC) – Int 15	*Agreements for the Construction of Real Estate*
HK(IFRIC) – Int 16	*Hedges of a Net Investment in a Foreign Operation*
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	*Reassessment of Embedded Derivatives & Financial Instruments: Recognition and Measurement – Embedded Derivatives*

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

The following standards, amendments and interpretations have been issued are effective for accounting periods beginning on or after 1 July 2009 or later periods and have not been early adopted by the Group:

HKFRS (Amendments)	*Improvements to HKFRSs*
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*
HKAS 39 (Amendment)	*Financial Instruments: Recognition and Measurement – Eligible Hedged Items*
HKFRS 1 (Revised)	*First-time Adoption of HKFRSs*
HKFRS 1 (Amendments)	*First-time Adoption of HKFRSs – Additional Exemptions for First-time Adopters*
HKFRS 2 (Amendments)	*Share-based Payment – Group Cash-settled Share-based Payment Transactions*
HKFRS 3 (Revised)	*Business Combinations*
HK(IFRIC) – Int 17	*Distributions of Non-cash Assets to Owners*
HK(IFRIC) – Int 18	*Transfer of Assets from Customers*

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.

4. REVENUE AND SEGMENT INFORMATION

Segment information has been prepared in a manner consistent with the information used for the purposes of assessing the performance and allocating resources between segments.

The Group has two reportable segments: port cargo handling and sales. The port cargo handling segment is related to container and non-containerised cargo handling and related services. The sales segment is related to sales of materials.

Revenue information

	Unaudited	
	Six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
Container handling	**275,804**	393,378
Non-containerised cargo handling	**187,247**	220,422
Storage and agency fees	**7,072**	8,355
Port cargo handling	**470,123**	622,155
Sales	**101,006**	–
	571,129	622,155

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2009

4. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment information

	Unaudited					
	Port cargo handling		Sales		Total	
Six months ended 30 June	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment revenue	**470,123**	622,155	**101,006**	–	**571,129**	622,155
Segment results	**25,551**	123,971	**2,019**	–	**27,570**	123,971
Unallocated income/(expenses):						
– Other income					**2,672**	42,723
– Head office and corporate expenses					**(40,058)**	(15,766)
– Finance costs					**(6,038)**	(10,252)
(Loss)/profit attributable to equity holders of the Company					**(15,854)**	140,676

All segment revenue is from external customers.

	Unaudited					
	Port cargo handling		Sales		Total	
As at	**30 June**	31 December	**30 June**	31 December	**30 June**	31 December
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment assets	**4,942,167**	4,871,002	**26,676**	–	**4,968,843**	4,871,002
Unallocated assets:						
– Available-for-sale financial assets					**24,000**	14,800
– Head office and corporate assets					**28,159**	17,309
Total assets					**5,021,002**	4,903,111

5. OTHER INCOME

	Unaudited Six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
Exchange gain	**176**	42,655
Interest income		
– from bank deposits	**7,274**	4,821
– from loan to a jointly controlled entity	**2,494**	–
Others	**619**	1,150
	10,563	48,626

6. FINANCE COSTS

	Unaudited Six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
Interest expense on bank borrowings wholly repayable within five years	**6,643**	10,596

7. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax is stated after charging:

	Unaudited Six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
Depreciation of property, plant and equipment	**58,290**	56,370
Amortisation of prepaid lease payments	**10,233**	9,829

8. INCOME TAX

	Unaudited Six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
PRC income tax		
– Current tax	**9,936**	39,524

No Hong Kong profits tax has been provided for as the Group has no estimated assessable profits for the period (2008: 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.

9. DIVIDENDS

No dividend was paid or proposed during the period (2008: paid 2007 final dividend HK2.7 cents per ordinary share amounting to HK$48,252,000).

The Board does not recommend the payment of an interim dividend for 2009 (2008: HK3.1 cents per ordinary share amounting to HK$55,400,000).

10. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per share is based on the following data:

	Unaudited Six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
(Loss)/earnings		
(Loss)/profit attributable to equity holders of the Company	**(15,854)**	140,676

	Unaudited Six months ended 30 June	
	2009	2008
Number of shares (thousands)		
Weighted average number of ordinary shares	**1,787,100**	1,787,100

No diluted loss per share has been presented for the six months ended 30 June 2009 because the potential ordinary shares in issue during the period would result in decrease in loss per share.

For the six months ended 30 June 2008, the exercise of share options would have no material dilutive effect to earnings per share.

11. CAPITAL EXPENDITURE

During the six months ended 30 June 2009, the Group acquired property, plant and equipment amounting to HK$35,000,000 (30 June 2008: HK$14,000,000).

12. INTERESTS IN JOINTLY CONTROLLED ENTITIES

	Unaudited 30 June 2009 HK$'000	Audited 31 December 2008 HK$'000
Share of net assets	**1,348,383**	1,349,691
Loan to a jointly controlled entity *(Note)*	**109,997**	80,346
	1,458,380	1,430,037

Note: The loan is unsecured, interest bearing at the London InterBank Offered Rate plus1.5% and repayable in 2013.

13. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Unaudited 30 June 2009 HK$'000	Audited 31 December 2008 HK$'000
Available-for-sale financial assets comprise:		
Equity securities listed in Hong Kong *(Note i)*	**24,000**	14,800
Unlisted equity investments *(Note ii)*	**6,075**	6,073
	30,075	20,873

Notes:

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

ii 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 their fair values cannot be reliably measured.

14. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables of HK$194,664,000 (31 December 2008: HK$175,476,000) are trade receivables of HK$173,877,000 (31 December 2008: HK$98,800,000). 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 2009 HK$'000	Audited 31 December 2008 HK$'000
0 – 30 days	**102,717**	78,694
31 – 90 days	**71,160**	20,106
	173,877	98,800

15. SHARE CAPITAL

	Number of shares	**HK$**
Ordinary shares of HK$0.10 each:		
Authorised:		
At 31 December 2008 and 30 June 2009	5,000,000,000	500,000,000
Issued and fully paid:		
At 31 December 2008 and 30 June 2009	1,787,100,000	178,710,000

Pursuant to the ordinary resolution passed at the extraordinary general meeting of the Company held on 15 July 2009, the authorised capital of the Company increased from 5,000,000,000 shares to 12,000,000,000 shares by the creation of an additional 7,000,000,000 shares of HK$0.10 each, ranking pari passu in all respects with the existing shares.

15. 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	**1 June 2009**	25 January 2008
Exercise price	**HK$2.53**	HK$4.24
Expected volatility	**64%**	41%
Expected option life	**4.5 & 3.5 years**	1.9 & 1.7 years
Risk free interest rate	**2.715%**	1.527%
Dividend yield (semi annual)	**0.613%**	0.47%
Fair value	**HK$1.08 & HK$0.87**	HK$0.86 & HK$0.79

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 shares of companies in similar industry.

16. RESERVES

	Unaudited						
	Share premium HK$'000	Merger Reserve HK$'000	Revaluation Reserve HK$'000	Employee share-based compensation reserve HK$'000	Exchange reserve HK$'000	Statutory reserve HK$'000	Total HK$'000
Balance at 1 January 2008	1,096,834	820,962	–	6,710	339,439	178,919	2,442,864
Other comprehensive income:							
Fair value loss on available-for-sale financial assets	–	–	(6,653)	–	–	–	(6,653)
Exchange differences	–	–	–	–	207,592	–	207,592
	–	–	(6,653)	–	207,592	–	200,939
Share-based compensation	–	–	–	916	–	–	916
Balance at 30 June 2008	1,096,834	820,962	(6,653)	7,626	547,031	178,919	2,644,719
Balance at 1 January 2009	1,096,834	820,962	–	8,753	535,379	217,884	2,679,812
Other comprehensive income:							
Fair value gain on available-for-sale financial assets	–	–	9,200	–	–	–	9,200
Exchange differences	–	–	–	–	1,230	–	1,230
	–	–	9,200	–	1,230	–	10,430
Share-based compensation	–	–	–	295	–	–	295
Balance at 30 June 2009	1,096,834	820,962	9,200	9,048	536,609	217,884	2,690,537

17. BORROWINGS

	Unaudited 30 June 2009 HK$'000	Audited 31 December 2008 HK$'000
Bank borrowings, unsecured and repayable between 2 to 5 years	**1,199,662**	1,140,250

The bank borrowings above contains specific performance obligation whereby Tianjin Development Holdings Limited ("Tianjin Development") has to maintain its shareholding interest of at least 35% or remains as the single largest shareholder of the Company or the borrower, a wholly-owned subsidiary of the Company. The completion of the proposed acquisition disclosed in note 19(d) will result in Tianjin Development's shareholding be diluted to below 35% and cease to be the single largest shareholder. The proposed acquisition has not been completed as at the date of this interim report.

18. TRADE AND OTHER PAYABLES

Included in trade and other payables of HK$164,384,000 (31 December 2008: HK$127,900,000) are trade payables of HK$68,252,000 (31 December 2008: HK$56,791,000). The ageing analysis of the trade payables is as follows:

	Unaudited 30 June 2009 HK$'000	Audited 31 December 2008 HK$'000
0 – 90 days	**68,252**	56,791

19. COMMITMENTS

(a) Capital commitments

	Unaudited 30 June 2009 HK$'000	Audited 31 December 2008 HK$'000
Contracted but not provided for		
– Property, plant and equipment	**25,891**	26,827
– Investment in available-for-sale financial assets	**11,342**	–
	37,233	26,827

(b) Operating lease commitments

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

	Unaudited 30 June 2009 HK$'000	Audited 31 December 2008 HK$'000
Within one year	**5,382**	5,536
In the second to fifth year inclusive	**6,243**	8,585
	11,625	14,121

(c) Other commitments

	Unaudited 30 June 2009 HK$'000	Audited 31 December 2008 HK$'000
Loan to a jointly controlled entity	**34,604**	64,222

19. COMMITMENTS *(Continued)*

(d) Acquisition of Tianjin Port Holdings Co., Ltd.

On 16 March 2009, the Company, its wholly-owned subsidiary Grand Point Investment Limited ("Grand Point") and Tianjin Port (Group) Co., Ltd. ("Tianjin Port Group") entered into a sale and purchase agreement ("Sale and Purchase Agreement"), pursuant to which the Company, through its wholly-owned subsidiary Grand Point, conditionally agreed to acquire from Tianjin Port Group its 56.81% interest in the registered share capital of Tianjin Port Holdings Co., Ltd., which is listed on the Shanghai Stock Exchange (stock code: 600717) for a total consideration of HK$10,961 million (the "Proposed Acquisition").

The total consideration of HK$10,961 million shall be satisfied:

(1) as to approximately HK$7,031 million by the issue of new shares of the Company to the wholly-owned subsidiary of Tianjin Port Group, and

(2) as to approximately HK$3,930 million by cash (subject to adjustment) to the wholly-owned subsidiary of Tianjin Port Group, which may be financed with the following:

    (i) as to approximately HK$400 million, by cash from internal resources;

    (ii) as to maximum of HK$1,700 million, by bank borrowings; and

    (iii) as to the remaining balance, by proceeds from issue of new shares of the Company by way of a placing, and/or other sources.

On 15 June 2009, the Company, Tianjin Development, a substantial shareholder of the Company and Leadport Holdings Limited ("Leadport"), a wholly-owned subsidiary of Tianjin Development, entered into the option agreement ("Option Agreement"), pursuant to which the Company granted Leadport a right to subscribe for new shares of the Company at the same time at a proposed private placing to professional and independent investors.

At the extraordinary general meeting held on 15 July 2009, the Sale and Purchase Agreement, the Option Agreement and Proposed Acquisition were approved by the independent shareholders of the Company.

20. SIGNIFICANT 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").

In addition to those mentioned elsewhere in the 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 with associates of the Group

	Unaudited Six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
Non-containerised cargo handling income received from associates	**34,576**	29,616
Wharf cargo handling service charges paid to associates	**2,461**	14,269
Labour services paid to associates	**22,685**	19,959

(b) Balances with associates, jointly controlled entities and related parties of the Group

The amounts due from associates and jointly controlled entities and the amounts due to related parties as included in the consolidated balance sheet 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 2009 are as follows:

	Date of grant	Exercise price HK$	As at 01/01/2009	Granted *(Note 1)*	Exercised	Lapsed	Cancelled	As at 30/06/2009	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 *(Note 2)*	01/08/2006	2.28	1,100,000	–	–	(1,100,000)	–	–	01/02/2007-01/08/2016
Liu Qingshan	01/06/2009	2.53	–	1,100,000	–	–	–	1,100,000	01/12/2009-31/05/2019
Mr. Wang Guanghao	01/08/2006	2.28	2,300,000	–	–	–	–	2,300,000	01/02/2007-01/08/2016
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
Dr. Cheng Chi Pang, Leslie	25/01/2008	4.24	300,000	–	–	–	–	300,000	25/07/2008-24/01/2018
Employees	01/08/2006	2.28	1,400,000	–	–	(400,000)	–	1,000,000	01/02/2007-01/08/2016
	21/07/2008	3.45	1,000,000	–	–	–	–	1,000,000	21/01/2009-20/07/2018
	01/06/2009	2.53	–	700,000	–	–	–	700,000	01/12/2009-31/05/2019
Total			14,200,000	1,800,000	–	(1,500,000)	–	14,500,000	

Notes:

1. The closing price of the shares of the Company (the "Shares") immediately before 1 June 2009, the date on which the share options were granted was HK$2.50. All share options granted are subject to a vesting period of six months from the date of grant.

2. Mr. Jiao Hongxun resigned on 23 April 2009.

Details of the value of share options granted under the Share Option Scheme during the six months ended 30 June 2009 is set out in Note 15 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 2009 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' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2009, 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 (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 on the Stock Exchange (the "Listing Rules") 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. Liu Qingshan	Beneficial owner	–	1,100,000(L)	0.06%(L)
Mr. Wang Guanghao	Beneficial owner	–	2,300,000(L)	0.13%(L)
Mr. Kwan Hung Sang, Francis	Beneficial owner	250,000(L)	300,000(L)	0.03%(L)
Prof. Japhet Sebastian Law	Beneficial owner	2,700,000(L)	300,000(L)	0.17%(L)
Dr. Cheng Chi Pang, Leslie	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' INTERESTS 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 2009, none of the Directors or chief executive or their respective associates had or was deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

INTERESTS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 June 2009, 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:

Name of shareholder	Capacity	Number of Shares interested	Approximate percentage of issued share capital of the Company
Leadport Holdings Limited *(Note 1)*	Beneficial owner	1,203,162,000(L)	67.32%(L)
Tianjin Development *(Note 1)*	Interest of controlled corporations	1,203,312,000(L)	67.33%(L)
Tsinlien Group Company Limited ("Tsinlien") *(Note 2)*	Interest of controlled corporations	1,215,562,000(L)	68.02%(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 2009, Tianjin Investment Holdings Limited was directly interested in 12,250,000 Shares, representing approximately 0.69% 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 each of Tianjin Development, Tianjin Investment Holdings Limited and Tsinlien Venture Capital Company Limited. As at 30 June 2009, Mr. Yu Rumin and Mr. Nie Jiansheng were directors of Tianjin Development. As at 30 June 2009, Mr. Nie Jiansheng was a director of Tsinlien.

Save as disclosed above, as at 30 June 2009, 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.

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

The Company had not redeemed any of its securities during the six months ended 30 June 2009. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's securities during the six months ended 30 June 2009.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company had complied with the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2009.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted the Model Code as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with the Directors, all the Directors confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2009.

LOAN AGREEMENTS WITH SPECIFIC PERFORMANCE COVENANT

On 10 December 2007, Tianjin Port Development Finance Limited, a wholly-owned subsidiary of the Company as borrower (the "Borrower"), the Company as guarantor, entered into a facility agreement (the "1st Facility Agreement") with several financial institutions as lenders (the "1st Lenders"), pursuant to which a 5-year revolving/term loan facility in an aggregate amount of HK$1,000,000,000 is made available by the 1st Lenders to the Borrower. The 1st Facility Agreement includes a condition imposing specific performance obligations on Tianjin Development, the controlling shareholder of the Company. The loan facility is unsecured, interest bearing and repayable in full on the date falling sixty months from the date of the 1st Facility Agreement.

On 4 September 2008, the Borrower, the Company as guarantor, entered into a facility agreement (the "2nd Facility Agreement") with a financial institution as lender (the "2nd Lender"), pursuant to which a 5-year revolving/term loan facility in an aggregate amount of HK$200,000,000 is made available by the 2nd Lender to the Borrower. The 2nd Facility Agreement includes a condition imposing specific performance obligations on Tianjin Development, the controlling shareholder of the Company. The loan facility is unsecured, interest bearing and repayable in full on the date falling sixty months from the date of the 2nd Facility Agreement.

LOAN AGREEMENTS WITH SPECIFIC PERFORMANCE COVENANT

(Continued)

In respect of the 1st Facility Agreement and 2nd Facility Agreement, 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 1st Lenders and the 2nd Lender may demand immediate repayment of the loans. Such obligation continues to exist as at the date of this interim report.

On 16 March 2009, the Company and Grand Point entered into a sale and purchase agreement with Tianjin Port Group, pursuant to which the Company through Grand Point conditionally agreed to acquire a 56.81% stake in Tianjin Port Co from Tianjin Port Group. Upon completion of the acquisition, Tianjin Development will cease to be the single largest shareholder of the Company and will cease to maintain shareholding interest of at least 35% (directly or indirectly) in the Borrower or the Company. The 1st Lenders and the 2nd Lender have conditionally agreed to waive the above obligation under the 1st Facility Agreement and the 2nd Facility Agreement.

REVIEW OF INTERIM RESULTS

The condensed consolidated interim financial statements for the six months ended 30 June 2009 have not been audited but have been reviewed by the independent auditor of the Company. The audit committee of the Company has reviewed the interim report for the six months ended 30 June 2009.

Financial Summary

CONSOLIDATED INCOME STATEMENT

	Audited				**Unaudited**	
					Six months ended	
	Year ended 31 December				**30 June**	
	2005	2006	2007	2008	2008	**2009**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
Revenue	898,223	1,036,495	1,193,777	1,258,991	622,155	**571,129**
Business tax	(27,295)	(31,494)	(36,347)	(38,415)	(18,909)	**(14,298)**
Cost of sales	(448,891)	(484,163)	(561,701)	(689,691)	(302,784)	**(364,920)**
Gross profit	422,037	520,838	595,729	530,885	300,462	**191,911**
Other income	3,465	123,077	35,615	57,956	48,626	**10,563**
Administrative expenses	(242,916)	(277,812)	(309,808)	(363,600)	(162,957)	**(197,952)**
Other operating expenses	(8,676)	(17,676)	(31,204)	(2,675)	(2,235)	**(194)**
	173,910	348,427	290,332	222,566	183,896	**4,328**
Provision for impairment losses on available-for-sale financial assets	–	–	–	(25,253)	–	**–**
Finance costs	(7,095)	(8,199)	(3,329)	(26,529)	(10,596)	**(6,643)**
Share of results of associates	1,020	983	790	1,495	126	**(1,704)**
Share of results of jointly controlled entities	–	–	–	8,755	7,049	**(1,768)**
Gain on disposal of associates	4,986	–	–	–	–	**–**
Profit/(loss) before income tax	172,821	341,211	287,793	181,034	180,475	**(5,787)**
Income tax	(25,056)	(36,938)	(47,151)	(50,414)	(39,524)	**(9,936)**
Profit/(loss) for the year/period	147,765	304,273	240,642	130,620	140,951	**(15,723)**
Attributable to:						
Equity holders of the Company	147,275	304,037	240,394	130,289	140,676	**(15,854)**
Minority interests	490	236	248	331	275	**131**
	147,765	304,273	240,642	130,620	140,951	**(15,723)**

CONSOLIDATED BALANCE SHEET

	Audited				Unaudited	
	As at 31 December				As at 30 June	
	2005	2006	2007	2008	2008	**2009**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
Land use rights	40,351	731,855	768,696	792,437	804,814	**782,476**
Property, plant and equipment	1,320,889	1,742,992	1,802,656	1,842,794	1,865,656	**1,820,030**
Interests in jointly controlled entities	–	–	704,467	1,430,037	1,386,513	**1,458,380**
Interests in associates	18,571	23,847	24,981	28,513	27,751	**26,533**
Available-for-sale financial assets	16,706	13,748	5,744	20,873	39,489	**30,075**
Deferred income tax assets	4,788	4,960	8,899	9,410	9,434	**9,413**
Other long term assets	34,962	–	–	–	–	**–**
Net current assets	22,539	484,606	468,556	635,037	555,139	**686,609**
Employment of capital	1,458,806	3,002,008	3,783,999	4,759,101	4,688,796	**4,813,516**
Share capital	112,200	178,670	178,710	178,710	178,710	**178,710**
Reserves	943,239	2,153,431	2,442,864	2,679,812	2,644,719	**2,690,537**
Retained earnings	370,886	666,119	768,224	755,896	860,648	**740,042**
Shareholders funds	1,426,325	2,998,220	3,389,798	3,614,418	3,684,077	**3,609,289**
Minority interests	3,635	3,788	4,201	4,433	4,719	**4,565**
Long term liabilities	28,846	–	390,000	1,140,250	1,000,000	**1,199,662**
Capital employed	1,458,806	3,002,008	3,783,999	4,759,101	4,688,796	**4,813,516**

The financial summary of the Group for the year ended 31 December 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.

Corporate Information

EXECUTIVE DIRECTORS

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

NON-EXECUTIVE DIRECTOR

Mr. WANG Guanghao

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. Yam Pui Hung, Robert

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

PRINCIPAL LEGAL ADVISORS

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

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
China Development Bank
The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Nanyang Commercial Bank, Limited

PRINCIPAL SHARE REGISTRAR

Appleby Trust (Cayman) Ltd.
Clifton House, 75 Fort Street,
P.O. Box 1350, Grand Cayman, KY1-1108,
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
26/F., Tesbury Centre,
28 Queen's Road East,
Wanchai, Hong Kong

REGISTERED OFFICE

Clifton House, 75 Fort Street,
P.O. Box 1350, Grand Cayman, KY1-1108,
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 3301-3302, 33/F.,
One Exchange Square,
8 Connaught Place,
Central,
Hong Kong

INVESTOR RELATIONS

Email: ir@tianjinportdev.com
Tel: (852) 2847 8888
Fax: (852) 2899 2086

WEBSITE

www.tianjinportdev.com

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

Suite 3301-3302, 33/F., One Exchange Square,
8 Connaught Place, Central, Hong Kong
Tel : (852) 2847 8888
Fax : (852) 2899 2086