



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 2011





Beijing ●

Tianjin ●



Global RO-RO

Euroasia

Alliance

Xingang Sinor

Tianjin Port Passenger Transport

No.1 Co.

No.4 Co.

No.2 Co.

No.5 Co.

Petrochemicals Terminal

Coke Terminal

China Coal Huaneng

Yuanhang Ore

Shenhua

Yuanhang Bulk

Haifeng

Haitian

Tianjin Port Pacific

Tianjin Port Ro-Ro

TCT

Tianjin Five Continents

Tianjin Orient

- Operated by Tianjin Port Development
- Operated by Tianjin Port Co (acquisition of which completed in February 2010)



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).

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 and subsequently expanded into the container handling business in 1980. In February 2010, the Group completed the acquisition of 56.81% equity interest in Tianjin Port Holdings Co., Ltd. (“Tianjin Port Co”). In addition to container and non-containerised cargo handling businesses, the Group has expanded the scale of its business to sales business and port ancillary services business. Today, the Group is the leading port operator at the port of Tianjin as well as the largest single-location port operator listed in Hong Kong.

The port of Tianjin is at the prime geographical location situated at the centre of the Bohai Rim Region with vast hinterland, and is the logistics hub of Tianjin Binhai New Area. In the first half of 2011, the port of Tianjin was the third largest port in China in terms of total throughput while its total container throughput was the sixth in China.

During the “Twelfth Five-Year Plan”, the port of Tianjin will actively promote the development of Dongjiang Bonded Free Port to free trade port area, strive to become the core strategic enterprise in Tianjin City and benefit continuously from the future economic development in the hinterland of North and Northwest China.

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Financial Highlights

| HK\$ million | For the six months ended | |
|--|--------------------------|-------|
| | 30 June | |
| | 2011 | 2010 |
| Total Throughput | | |
| Non-containerised cargo (million tonnes) | 114.9 | 111.6 |
| Container (million TEUs) | 5.56 | 4.71 |
| Revenue | 7,501 | 7,064 |
| Operating profit | 1,114 | 903 |
| Profit attributable to equity holders of the Company | 370 | 271 |
| Basic earnings per share (HK cents) | 6.0 | 4.5 |
| Net cash inflow from operations | 1,510 | 791 |



Financial Highlights

| HK\$ million | As at 30 June 2011 | As at 31 December 2010 |
|--|--------------------------|------------------------------|
| Equity attributable to equity holders of the Company | 9,622 | 9,165 |
| Non-controlling interests | 9,383 | 9,045 |
| Total equity | 19,005 | 18,210 |
| Total assets | 32,609 | 31,758 |
| Consolidated borrowings | 9,916 | 10,051 |
| Financial Ratio | | |
| Gearing ratio (<i>Note</i>) | 52.2% | 55.2% |
| Current ratio | 1.4 | 1.5 |

Note: Gearing ratio represents the ratio of consolidated borrowings to total equity.

Review of Operations and Results

RESULTS OVERVIEW

In the first half of 2011, with the recovery of world economy slowing down, further tightening of the macro-control measures in the mainland and increasing inflationary pressure, the Group still managed to leverage on its own advantages and took effective measures to maintain a sustained and stable growth of its operation amidst such complex economic environment. During the period under review, the Group achieved a total throughput of 171.71 million tonnes, representing an increase of 5.3% from the corresponding period last year, of which the container throughput rose 18.1% to 5.6 million TEUs. The Group recorded a consolidated revenue of HK\$7,500.9 million, achieved profit attributable to shareholders of HK\$370.5 million, representing an increase of 36.8% as compared with the corresponding period last year. The basic earnings per share is HK6.0 cents, an increase of 33.3% from the corresponding period last year.

The board of directors of the Company (the "Board") is pleased to declare payment of an interim dividend of HK2.40 cents per share, representing a dividend payout ratio of approximately 40%.

REVIEW OF OPERATIONS

The Group is the major port operator in the port of Tianjin, engaging in non-containerised cargo and container handling business, as well as sales business and other port ancillary services business. During the period under review, the results of the Group's operation are as follows:

| Type of business | First half of 2011 HK\$ million | Revenue | | |
|---|---------------------------------------|---------------------------------------|-------------------------------------|-------------------------|
| | | First half of 2010 HK\$ million | Amount of change HK\$ million | Percentage of change |
| Non-containerised cargo handling business | 2,079.8 | 1,901.8 | 178.0 | 9.4% |
| Container handling business | 846.3 | 692.7 | 153.6 | 22.2% |
| Sales business | 3,533.8 | 3,596.0 | -62.2 | -1.7% |
| Other port ancillary services business | 1,041.0 | 873.6 | 167.4 | 19.2% |
| Total | 7,500.9 | 7,064.1 | 436.8 | 6.2% |



Non-containerised Cargo Handling Business

During the period under review, the Group achieved non-containerised cargo throughput of 114.92 million tonnes, representing an increase of 3.0% from the corresponding period last year, of which throughput of the subsidiary terminals grew by 4.3% whereas throughput of the jointly controlled and affiliated terminals dropped by 7.1%.

| Nature of terminal | Non-containerised cargo throughput | | | |
|---|--------------------------------------|--------------------------------------|------------------------------------|----------------------|
| | First half of 2011 million tonnes | First half of 2010 million tonnes | Amount of change million tonnes | Percentage of change |
| Subsidiary terminals | 102.72 | 98.44 | 4.28 | 4.3% |
| Jointly controlled and affiliated terminals | 12.20 | 13.13 | -0.93 | -7.1% |
| Total | 114.92 | 111.57 | 3.35 | 3.0% |

During the period under review, the Group attained growth in handling major types of cargoes including coal and automobiles. In terms of total throughput, the handling of coal reached 43.81 million tonnes, representing an increase of 27.3% from the corresponding period last year; the handling of automobiles reached 10.62 million tonnes, representing an increase of 3.4% from the corresponding period last year. As for metal ore, due to the high price in the international spot market and the change in logistics in the hinterland area, the handling volume dropped 7.5% to 37.31 million tonnes as compared to the corresponding period last year. In addition, the handling of crude oil was 5.41 million tonnes, and the handling of grains was 2.04 million tonnes, representing a slight drop from the corresponding period last year.



On a consolidated basis, the blended average unit price of the non-containerised cargo handling business of the Group for the period under review was HK\$20.2 per tonne, representing an increase of 4.7% as compared to the corresponding period last year. Revenue from non-containerised cargo handling business amounted to HK\$2,079.8 million, representing an increase of 9.4% over the same period last year.

Container Handling Business

Currently, the Group operates all the container handling businesses at the port of Tianjin. During the period under review, the Group recorded container throughput of 5.6 million TEUs, representing an increase of 0.9 million TEUs or 18.1% from the corresponding period last year, of which throughput of the subsidiary terminals grew by 6.1% and throughput of the jointly controlled and affiliated terminals increased by 34.3%.

| Nature of terminal | First half of 2011 '000 TEUs | Container throughput | | |
|---|------------------------------------|------------------------------------|----------------------------------|-------------------------|
| | | First half of 2010 '000 TEUs | Amount of change '000 TEUs | Percentage of change |
| Subsidiary terminals | 2,878 | 2,712 | 166 | 6.1% |
| Jointly controlled and affiliated terminals | 2,680 | 1,996 | 684 | 34.3% |
| Total | 5,558 | 4,708 | 850 | 18.1% |

On a consolidated basis, due to the adjustment of the container handling fee, the blended average unit price was HK\$294.1 per TEU, an increase of 15.2% over the corresponding period last year.

The growth of the container throughput, together with the increase in the blended average unit price, directly drove the increase in revenue. On a consolidated basis, the Group's revenue of the container handling business for the period under review was HK\$846.3 million, an increase of 22.2% over the corresponding period last year.

Sales Business

The Group's sales business mainly engaged in the supply of fuel to the inbound vessels and the sales of materials. During the period under review, the Group achieved sales revenue HK\$3,533.8 million, basically on par with the corresponding period last year.

Other Port Ancillary Services Business

Other port ancillary services of the Group mainly include tugboat services, agency services and other services. The Group's throughput achieved persistent growth which brought overall positive growth of the other port ancillary services segment of the Group. During the period under review, tugboat grew by 1.1% to 24,686 vessel calls; shipping agency grew by 3.7% to 8,708 vessel calls; cargo agency grew by 8.9% to 42.31 million tonnes. Revenue from other port ancillary services business was HK\$1,041.0 million, representing an increase of 19.2% over the same period last year.

Costs

During the period under review, cost of sales of the Group amounted to HK\$5,645.0 million, of which cost of cargo handling business was HK\$1,504.6 million, representing an increase of 16.7% over the same period last year, primarily due to the increase of direct cost in cargo handling business such as fuel, power and labour costs as a result of the growth in cargo throughput. Cost of sales business amounted to HK\$3,490.9 million, basically on par with the corresponding period last year.

During the period under review, the administrative expenses increased by 5.2% to HK\$757.2 million as compared with corresponding period last year. Staff cost is the key component of the administrative expenses. The Group will continue to take effective measures in cost control and management. In addition to the maintaining of prudent human resources policies which include the outsourcing of its non-core functions so as to maintain an optimal labour force, the Group will carry out technology innovation and operational optimisation measures with an aim of reducing energy consumption and the operating costs of the Group as a whole.

Review of Operations and Results

OUTLOOK AND PROSPECTS

The port of Tianjin is the important gateway to the hinterland of North and Northwest China. The rapid development of Tianjin Binhai New Area facilitates the overall integration and connectivity in the region. Currently, the port of Tianjin has initially formed a logistics network that spreads across 11 provinces and cities in the Three-North region. During the “Twelfth Five-Year Plan”, the port of Tianjin will actively promote the development of Dongjiang Bonded Free Port to free trade port area, and strive to become the core strategic enterprise in the Tianjin City. The Group will actively participate in the construction of key functional area of the international shipping hub in North China, continuously realign its business structure, improve its port functions, and take an active part in the future development of the port of Tianjin as a whole, with an aim to bring even better returns for the shareholders of the Company.

FINANCIAL REVIEW

Capital Structure

As at 30 June 2011, the capital and reserves attributable to the equity holders of the Company was HK\$9,621.7 million.

As at 30 June 2011, the Company had issued 6,158,000,000 shares, and the market capitalisation was HK\$9,113.8 million (at closing market price of HK\$1.48 per share on 30 June 2011).

Cash Flow

For the six months ended 30 June 2011, the net cash inflow of the Group amounted to HK\$248.3 million.

The net cash inflow from operating activities amounted to HK\$1,510.4 million, 91.0% higher than the same period last year.

The net cash spending in investing activities amounted to HK\$462.8 million, mainly used for replacement and enhancement for facilities and equipment. During the same period of last year, the net cash outflow for investing activities amounted to HK\$4,292.0 million, out of which HK\$4,070.2 million was for payment of cash consideration of the acquisition of Tianjin Port Co. The remaining balance was mainly used for replacement and enhancement for facilities and equipment.

The net cash outflow for financing activities amounted to HK\$799.4 million, out of which HK\$520.3 million was used for payment of dividend and interest and the net decrease in borrowings was HK\$279.1 million. During the same period of last year, the net cash inflow from financing activities amounted to HK\$3,895.8 million, the Company issued a total of 4,370.9 million shares of which raised a net proceeds from the placing for cash of HK\$2,622.8 million and a net increase of borrowings of HK\$1,598.6 million and was mainly used for the acquisition of 56.81% equity interest in Tianjin Port Co. The remaining balance was mainly used for payment of interest.

Review of Operations and Results

Liquidity and Financial Resources

As at 30 June 2011, the Group's cash and bank balances was HK\$4,815.2 million (principally denominated in Renminbi ("RMB")), representing an increase of 8.5% compared to the end of 2010. The Group's total borrowings slightly dropped to HK\$9,915.6 million as at 30 June 2011 compared to the end of 2010. The borrowings are denominated in Hong Kong dollars ("HK\$"), RMB and US dollars ("US\$") and are mainly in floating interest rates, of which HK\$2,926.0 million was repayable within one year, HK\$5,557.7 million was repayable after one year and within five years and HK\$1,431.9 million was repayable over 5 years.

During the period under review, the Group's interest expenses amounted to HK\$188.4 million, representing an increase of 4.5% from the corresponding period last year, mainly due to the increase in the interest rate of borrowings.

As at 30 June 2011, the gearing ratio (ratio of total borrowings to total equity) and current ratio (ratio of current assets to current liabilities) of the Group was 52.2% (31 December 2010: 55.2%) and 1.4 (31 December 2010: 1.5) respectively. As at 30 June 2011, none of the Group's assets were pledged.

Financial Management and Policy

The Group's head office in Hong Kong is responsible for the financial risk management and the finance department is responsible for the daily management of the Group. 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 2011, most of the Group's assets and liabilities were denominated in RMB except for certain HK\$ and US\$ borrowings. During the period under review, RMB exchange rate remained strong, the Group recorded an exchange gain of HK\$92.1 million. The Group assesses its foreign exchange rate and interest rate risk exposure from time to time. During the period under review, no hedging arrangement was entered into in respect of foreign currency investment.

INTERIM DIVIDEND

The Board resolved to declare payment of an interim dividend of HK2.40 cents per share for the six months ended 30 June 2011.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 14 September 2011 to 16 September 2011, both days inclusive. In order to qualify for the interim dividend, all the relevant share certificates and the transfer documents must be lodged with the branch share registrar of the Company, Tricor Investor Services Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 12 September 2011. The interim dividend will be paid on or around 14 October 2011 to the shareholders whose names appear on the register of members of the Company on 16 September 2011.

Review of Operations and Results

SIGNIFICANT INVESTMENTS

On 22 March 2011, the Group resolved to acquire a 50% equity interest in Tianjin Port Shihua Crude Oil Terminal Co., Ltd. (“Tianjin Port Shihua”) from Tianjin Port (Group) Co., Ltd. (“Tianjin Port Group”) at a consideration of approximately RMB329.6 million. The acquisition would be funded by internal resources of the Group. Tianjin Port Shihua is a limited company established in the PRC and is principally engaged in port operation, cargo handling, transshipment and tallying at a crude oil terminal with 300,000-tonne capacity at the port of Tianjin. The acquisition could enhance the scale of crude oil handling business of the Group, resolve the competition between the Group and Tianjin Port Group in the same industry and improve the overall profitability of the Group. The acquisition was completed in July 2011.

On 7 July 2011, the Group approved the injection of approximately RMB230.0 million to the capital of Tianjin Port Finance Co., Ltd. (“Tianjin Port Finance”, a 48% owned associate of the Group) and will be funded by internal resources and available bank facilities of the Group. The capital injection is subject to the approval of the Tianjin Regulatory Authority of the China Banking Regulatory Commission. The capital injection reduces the reliance on external financing of Tianjin Port Finance. Upon completion of the capital injection, the shareholding interests of the Group in Tianjin Port Finance will remain unchanged.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 30 June 2011.

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. Accordingly, the Group continues to prepare its financial statements on a going concern basis.

EMPLOYEES

As at 30 June 2011, the Group had approximately 13,000 employees. Remuneration packages are assessed in accordance with the nature of job duties, individual performance, qualifications and market trends, and the remuneration policy will undergo regular reviews. Incentives in the management’s remuneration packages 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 our 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, 25 August 2011

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 12 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 2011 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 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, 25 August 2011

Condensed Consolidated Income Statement

For the six months ended 30 June 2011

| | | Unaudited | |
|---|-------------|---------------------------------|------------------------|
| | | Six months ended 30 June | |
| | <i>Note</i> | 2011 | 2010 |
| | | HK\$'000 | HK\$'000 (restated) |
| Revenue | 5 | 7,500,943 | 7,064,067 |
| Business tax and surcharge | | (153,239) | (125,108) |
| Cost of sales | | (5,644,979) | (5,375,539) |
| Gross profit | | 1,702,725 | 1,563,420 |
| Other income | 6 | 170,289 | 65,546 |
| Administrative expenses | | (757,248) | (719,810) |
| Other operating expenses | | (1,653) | (6,276) |
| Finance costs | 7 | 1,114,113 | 902,880 |
| Share of results of associates | | (188,369) | (180,238) |
| Share of results of jointly controlled entities | | 70,629 | 63,765 |
| | | 24,613 | (4,198) |
| Profit before income tax | 8 | 1,020,986 | 782,209 |
| Income tax | 9 | (174,475) | (141,154) |
| Profit for the period | | 846,511 | 641,055 |
| Attributable to: | | | |
| Equity holders of the Company | | 370,468 | 270,713 |
| Non-controlling interests | | 476,043 | 370,342 |
| | | 846,511 | 641,055 |
| Dividends | | | |
| – Interim | 10 | 147,792 | 108,381 |
| Earnings per share | | | |
| – Basic and diluted (HK cents) | 11 | 6.0 | 4.5 |

The notes on pages 18 to 32 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2011

| | Unaudited | |
|--|---------------------------------|------------------------|
| | Six months ended 30 June | |
| | 2011 | 2010 |
| | HK\$'000 | HK\$'000 (restated) |
| Profit for the period | 846,511 | 641,055 |
| Other comprehensive income | | |
| Fair value loss on available-for-sale financial assets, net of tax | (35,180) | (29,616) |
| Exchange differences | 429,018 | 160,112 |
| Other comprehensive income for the period, net of tax | 393,838 | 130,496 |
| Total comprehensive income for the period | 1,240,349 | 771,551 |
| Total comprehensive income for the period attributable to: | | |
| Equity holders of the Company | 575,265 | 348,586 |
| Non-controlling interests | 665,084 | 422,965 |
| | 1,240,349 | 771,551 |

The notes on pages 18 to 32 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Balance Sheet

As at 30 June 2011

| | Note | Unaudited 30 June 2011 HK\$'000 | Audited 31 December 2010 HK\$'000 |
|---|------|--|--|
| ASSETS | | | |
| Non-current assets | | | |
| Land use rights | | 4,501,248 | 4,436,395 |
| Property, plant and equipment | 12 | 15,079,167 | 14,949,153 |
| Intangible assets | | 28,295 | 30,198 |
| Interests in associates | | 1,853,135 | 1,797,348 |
| Interests in jointly controlled entities | | 1,709,263 | 1,660,189 |
| Available-for-sale financial assets | | 445,614 | 483,050 |
| Deferred income tax assets | | 97,726 | 109,123 |
| | | <u>23,714,448</u> | <u>23,465,456</u> |
| Current assets | | | |
| Inventories | | 555,184 | 561,515 |
| Trade and other receivables | 13 | 3,301,740 | 3,292,777 |
| Short term deposits | | 222,463 | – |
| Cash and cash equivalents | | 4,815,210 | 4,438,366 |
| | | <u>8,894,597</u> | <u>8,292,658</u> |
| Total assets | | <u>32,609,045</u> | <u>31,758,114</u> |
| EQUITY | | | |
| Capital and reserves attributable to equity holders of the Company | | | |
| Share capital | 14 | 615,800 | 615,800 |
| Reserves | 15 | 5,085,050 | 4,998,668 |
| Retained earnings | | 3,920,893 | 3,550,425 |
| | | <u>9,621,743</u> | <u>9,164,893</u> |
| Non-controlling interests | | <u>9,383,623</u> | <u>9,044,911</u> |
| Total equity | | <u>19,005,366</u> | <u>18,209,804</u> |

The notes on pages 18 to 32 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Balance Sheet

As at 30 June 2011

| | <i>Note</i> | Unaudited 30 June 2011 HK\$'000 | Audited 31 December 2010 HK\$'000 |
|--|-------------|--|--|
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Borrowings | 16 | 6,989,563 | 8,002,251 |
| Deferred tax liabilities | | 173,145 | 170,178 |
| Other long term liabilities | | 993 | 971 |
| | | 7,163,701 | 8,173,400 |
| Current liabilities | | | |
| Trade and other payables | 17 | 3,448,376 | 3,288,598 |
| Current income tax liabilities | | 65,571 | 38,043 |
| Borrowings | 16 | 2,926,031 | 2,048,269 |
| | | 6,439,978 | 5,374,910 |
| Total liabilities | | 13,603,679 | 13,548,310 |
| Total equity and liabilities | | 32,609,045 | 31,758,114 |
| Net current assets | | 2,454,619 | 2,917,748 |
| Total assets less current liabilities | | 26,169,067 | 26,383,204 |

The notes on pages 18 to 32 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Statement of Changes In Equity

For the six months ended 30 June 2011

| | Unaudited | | | | | |
|---|---|-------------|-------------------|-------------|---------------------------|-------------|
| | Attributable to equity holders of the Company | | | | Non-controlling interests | Total |
| | Share capital | Reserves | Retained earnings | Total | | |
| HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| Balance at 1 January 2010 | 178,710 | 2,711,785 | 695,875 | 3,586,370 | 4,405 | 3,590,775 |
| Common control business combination (Note 4) | - | 3,759,902 | 2,466,434 | 6,226,336 | 8,376,731 | 14,603,067 |
| Balance at 1 January 2010 (restated) | 178,710 | 6,471,687 | 3,162,309 | 9,812,706 | 8,381,136 | 18,193,842 |
| Total comprehensive income for the period | - | 77,873 | 270,713 | 348,586 | 422,965 | 771,551 |
| Shares issued (Note 14 i) | 107,637 | 2,583,288 | - | 2,690,925 | - | 2,690,925 |
| Shares issue expenses (Note 14 i) | - | (68,100) | - | (68,100) | - | (68,100) |
| Common control business combination (Note 14 ii) | 329,453 | (4,399,665) | - | (4,070,212) | - | (4,070,212) |
| Share-based compensation | - | 2,944 | - | 2,944 | - | 2,944 |
| Dividends paid | - | - | - | - | (341,332) | (341,332) |
| Acquisition of additional interests in subsidiaries | - | 9,722 | - | 9,722 | (23,222) | (13,500) |
| Balance at 30 June 2010 (restated) | 615,800 | 4,677,749 | 3,433,022 | 8,726,571 | 8,439,547 | 17,166,118 |
| Balance at 1 January 2011 | 615,800 | 4,998,668 | 3,550,425 | 9,164,893 | 9,044,911 | 18,209,804 |
| Total comprehensive income for the period | - | 204,797 | 370,468 | 575,265 | 665,084 | 1,240,349 |
| Share-based compensation | - | 1,050 | - | 1,050 | - | 1,050 |
| Dividends paid | - | (119,465) | - | (119,465) | (325,668) | (445,133) |
| Disposal of interest in a subsidiary | - | - | - | - | (704) | (704) |
| Balance at 30 June 2011 | 615,800 | 5,085,050 | 3,920,893 | 9,621,743 | 9,383,623 | 19,005,366 |

The notes on pages 18 to 32 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2011

| | Unaudited | |
|---|---------------------------------|------------------------|
| | Six months ended 30 June | |
| | 2011 | 2010 |
| | HK\$'000 | HK\$'000 (restated) |
| Net cash generated from operating activities | 1,510,440 | 790,734 |
| Net cash used in investing activities | (462,767) | (4,291,963) |
| Net cash (used in)/generated from financing activities | (799,399) | 3,895,821 |
| Net increase in cash and cash equivalents | 248,274 | 394,592 |
| Cash and cash equivalents at 1 January | 4,438,366 | 3,543,204 |
| Effects of changes in exchange rates | 128,570 | 38,137 |
| Cash and cash equivalents at 30 June representing bank balances and cash | 4,815,210 | 3,975,933 |

The notes on pages 18 to 32 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 2011

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 25 August 2011.

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 2010 which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

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 2010, as described in those financial statements.

- (a) The following standards, amendments and interpretations are mandatory for the accounting period beginning 1 January 2011:

| | |
|---------------------------------------|--|
| <i>HKFRS (Amendments)</i> | <i>Improvements to HKFRS issued in 2010</i> |
| <i>HKAS 32 (Amendment)</i> | <i>Financial Instruments: Presentation – Classification of Rights Issues</i> |
| <i>HK(IFRIC) – Int 14 (Amendment)</i> | <i>HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Prepayments of a Minimum Funding Requirement</i> |
| <i>HK(IFRIC) – Int 19</i> | <i>Extinguishing Financial Liabilities with Equity Instruments</i> |

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

The Group has early adopted HKAS 24 (Revised) “Related Party Disclosures” for the year ended 31 December 2010.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

- (b) The following standards and amendments which have been issued but are not yet effective and have not been early adopted by the Group:

| | |
|-----------------------------|--|
| <i>HKAS 1 (Amendments)</i> | <i>Amendments to HKAS 1 (Revised) Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income</i> |
| <i>HKAS 12 (Amendments)</i> | <i>Income Taxes – Deferred Tax: Recovery of Underlying Assets</i> |
| <i>HKAS 19 (2011)</i> | <i>Employee Benefits</i> |
| <i>HKAS 27 (2011)</i> | <i>Separate Financial Statements</i> |
| <i>HKAS 28 (2011)</i> | <i>Investments in Associates and Joint Ventures</i> |
| <i>HKFRS 7 (Amendments)</i> | <i>Financial Instruments: Disclosures – Transfers of Financial Assets</i> |
| <i>HKFRS 9</i> | <i>Financial Instruments</i> |
| <i>HKFRS 10</i> | <i>Consolidated Financial Statements</i> |
| <i>HKFRS 11</i> | <i>Joint Arrangements</i> |
| <i>HKFRS 12</i> | <i>Disclosure of Interests in Other Entities</i> |
| <i>HKFRS 13</i> | <i>Fair Value Measurement</i> |

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

4. BUSINESS COMBINATION

- (a) 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, pursuant to which the Company, through 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. (“Tianjin Port Co”), which is listed on the Shanghai Stock Exchange (stock code: 600717) at a consideration of approximately HK\$10.96 billion.

The acquisition was completed on 4 February 2010. The acquisition was settled by way of issue of 3,294,530,000 new shares of the Company (Note 14 ii) and payment of approximately HK\$4,070 million of cash from internal resources, bank borrowings and placing of new shares (Note 14 i). The Company ceased to be a subsidiary of Tianjin Development Holdings Limited and Tianjin Port Group became the ultimate shareholder of the Company upon completion of the acquisition.

The acquisition has been accounted for as a common control combination for which the Company applies the principles of merger accounting, as prescribed in Hong Kong Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the HKICPA in preparing the consolidated financial statements. The condensed consolidated interim financial statements for the six months ended 30 June 2010, has been prepared on the basis as if the current group structure had been in existence throughout the period presented.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2011

4. BUSINESS COMBINATION *(continued)*

- (b) The Group acquired an additional of 25% equity interest in Tianjin Agency Logistics Co., Ltd., a then associate of the Group at a consideration of RMB5 million in November 2010. Upon completion of the transaction, Tianjin Agency Logistics Co., Ltd. became a subsidiary of the Group and has been accounted for as common control combination. The condensed consolidated interim financial statements for the six months ended 30 June 2010 have been prepared on the basis as if the current group structure had been in existence throughout the period presented.
- (c) The following is a reconciliation of the effect arising from the common control combination on the consolidated balance sheet as at 31 December 2010:

| | The Group before the acquisition HK\$'000 | Tianjin Port Co and its subsidiaries HK\$'000 | Adjustments HK\$'000 <i>(Note)</i> | Consolidated HK\$'000 |
|--------------------------------------|---|--|--|--------------------------|
| Net assets | 15,592,389 | 15,962,679 | (13,345,264) | 18,209,804 |
| Share capital | 615,800 | 1,898,831 | (1,898,831) | 615,800 |
| Merger reserve | 820,962 | (1,343,102) | (8,589,307) | (9,111,447) |
| Retained earnings and other reserves | 14,149,571 | 11,631,979 | (8,121,010) | 17,660,540 |
| Non-controlling interests | 6,056 | 3,774,971 | 5,263,884 | 9,044,911 |
| | 15,592,389 | 15,962,679 | (13,345,264) | 18,209,804 |

Note: The above adjustments represent elimination of investment in the combining entities against share capital, reserves and retained earnings.

No other significant adjustments were made to the net assets and net profit or loss of any entities as a result of the common control combination to achieve consistency of accounting policies.

5. SEGMENT INFORMATION

Segment information has been prepared in a manner consistent with the information which is regularly reviewed by the management and used for the purposes of assessing the performance and allocating resources between segments.

Principal activities of the three reportable segments are as follows:

- | | | |
|-------------------------------|---|--|
| Cargo handling | – | Provision of container handling and non-containerised cargo handling |
| Sales | – | Supply of fuel and sales of materials |
| Other port ancillary services | – | Tugboat services, agency services, tallying and other services |

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2011

5. SEGMENT INFORMATION *(continued)*

The segment information for the reportable segments is as follows:

| | Unaudited | | | Total HK\$'000 |
|--|-------------------------------|-------------------|---|-------------------|
| | Cargo handling HK\$'000 | Sales HK\$'000 | Other port ancillary services HK\$'000 | |
| Six months ended 30 June 2011 | | | | |
| Total segment revenue | 2,926,117 | 3,919,585 | 1,273,539 | 8,119,241 |
| Inter-segment revenue | – | (385,754) | (232,544) | (618,298) |
| Revenue from external customers | <u>2,926,117</u> | <u>3,533,831</u> | <u>1,040,995</u> | <u>7,500,943</u> |
| Segment results | <u>1,421,522</u> | <u>42,887</u> | <u>391,555</u> | <u>1,855,964</u> |
| Business tax and surcharge | | | | (153,239) |
| Other income | | | | 170,289 |
| Administrative expenses | | | | (757,248) |
| Other operating expenses | | | | (1,653) |
| Finance costs | | | | (188,369) |
| Share of results of associates | | | | 70,629 |
| Share of results of jointly controlled entities | | | | <u>24,613</u> |
| Profit before income tax | | | | <u>1,020,986</u> |

| | Unaudited | | | Total HK\$'000 |
|--|-------------------------------|-------------------|---|-------------------|
| | Cargo handling HK\$'000 | Sales HK\$'000 | Other port ancillary services HK\$'000 | |
| Six months ended 30 June 2010 (restated) | | | | |
| Total segment revenue | 2,594,456 | 3,903,891 | 1,046,662 | 7,545,009 |
| Inter-segment revenue | – | (307,932) | (173,010) | (480,942) |
| Revenue from external customers | <u>2,594,456</u> | <u>3,595,959</u> | <u>873,652</u> | <u>7,064,067</u> |
| Segment results | <u>1,304,662</u> | <u>95,572</u> | <u>288,294</u> | <u>1,688,528</u> |
| Business tax and surcharge | | | | (125,108) |
| Other income | | | | 65,546 |
| Administrative expenses | | | | (719,810) |
| Other operating expenses | | | | (6,276) |
| Finance costs | | | | (180,238) |
| Share of results of associates | | | | 63,765 |
| Share of results of jointly controlled entities | | | | <u>(4,198)</u> |
| Profit before income tax | | | | <u>782,209</u> |

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2011

6. OTHER INCOME

| | Unaudited Six months ended 30 June | |
|--|---------------------------------------|--------------------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 (restated) |
| Exchange gain, net | 92,121 | 26,750 |
| Interest income | | |
| – from deposits | 27,371 | 24,930 |
| – from loan to a jointly controlled entity | 2,206 | 3,013 |
| Dividends from available-for-sale financial assets | 4,309 | 3,585 |
| Gain on disposal of property, plant and equipment | 28,927 | – |
| Government subsidies | 12,236 | 13 |
| Others | 3,119 | 7,255 |
| | <u>170,289</u> | <u>65,546</u> |

7. FINANCE COSTS

| | Unaudited Six months ended 30 June | |
|--------------------------------|---------------------------------------|--------------------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 (restated) |
| Interest expense on borrowings | 188,369 | 180,238 |

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2011

8. PROFIT BEFORE INCOME TAX

Profit before income tax is stated after charging:

| | Unaudited | |
|---|---------------------------------|------------------------|
| | Six months ended 30 June | |
| | 2011 | 2010 |
| | HK\$'000 | HK\$'000 (restated) |
| Cost of goods sold | 3,457,022 | 3,478,578 |
| Depreciation of property, plant and equipment | 424,667 | 392,662 |
| Amortisation of prepaid lease payments | 52,999 | 49,839 |
| Amortisation of intangible assets | 4,249 | 2,824 |
| Loss of disposal of property, plant and equipment | – | 270 |
| Provision of impairment of trade receivables | – | 1,062 |
| | 3,948,937 | 3,925,135 |

9. INCOME TAX

| | Unaudited | |
|----------------|---------------------------------|------------------------|
| | Six months ended 30 June | |
| | 2011 | 2010 |
| | HK\$'000 | HK\$'000 (restated) |
| PRC income tax | | |
| – Current | 149,449 | 133,568 |
| – Deferred | 25,026 | 7,586 |
| | 174,475 | 141,154 |

No Hong Kong profits tax has been provided for as the Group has no estimated assessable profits for the period (2010: 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 applicable to the subsidiaries located in the PRC.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2011

10. DIVIDENDS

| | Unaudited Six months ended 30 June | |
|--|---------------------------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Paid 2010 final dividend: HK1.94 cents (2010: nil) per ordinary share | <u>119,465</u> | – |
| Declared 2011 interim dividend: HK2.40 cents (2010: HK1.76 cents) per ordinary share | <u>147,792</u> | 108,381 |

The Board declared an interim dividend of HK2.40 cents per ordinary share for the six months ended 30 June 2011. These financial statements do not reflect this dividend payable.

11. EARNINGS PER SHARE

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

| | Unaudited Six months ended 30 June | |
|---|---------------------------------------|--------------------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 (restated) |
| Earnings | | |
| Profit attributable to equity holders of the Company for the purposes of calculating basic and diluted earnings per share | <u>370,468</u> | 270,713 |

| | Unaudited Six months ended 30 June | |
|--|---------------------------------------|----------------|
| | 2011 | 2010 (Note) |
| Number of shares (thousands) | | |
| Weighted average number of ordinary shares for the purposes of calculating basic earnings per share | <u>6,158,000</u> | 6,045,011 |
| Effect of dilutive potential ordinary shares: | | |
| – Share options | <u>5</u> | – |
| Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share | <u>6,158,005</u> | 6,045,011 |

Note: The weighted average number of ordinary shares for the six months ended 30 June 2010 has been adjusted for the 3,294,530,000 consideration shares issued for the acquisition of Tianjin Port Co under common control combination (Note 4) as if these consideration shares had been in issue throughout the relevant period.

12. CAPITAL EXPENDITURE

During the six months ended 30 June 2011, the Group acquired property, plant and equipment amounting to HK\$223 million (30 June 2010: HK\$110 million).

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2011

13. TRADE AND OTHER RECEIVABLES

In general, the Group grants a credit period of about 30 to 180 days to its trade customers. Included in trade and other receivables of HK\$3,302 million (31 December 2010: HK\$3,293 million) are trade and bank notes receivables (net of provision of impairment) of HK\$2,906 million (31 December 2010: HK\$3,109 million), the ageing analysis of which is as follows:

| | Unaudited 30 June 2011 HK\$'000 | Audited 31 December 2010 HK\$'000 |
|----------------|--|--|
| 0 – 90 days | 2,520,633 | 2,789,247 |
| 91 – 180 days | 111,936 | 302,578 |
| 181 – 365 days | 271,800 | 15,003 |
| Over 365 days | 2,043 | 1,995 |
| | <u>2,906,412</u> | <u>3,108,823</u> |

14. SHARE CAPITAL

| | 2011 | | 2010 | |
|--|------------------------------|-----------------------------|-----------------------|----------------------|
| | Number of shares | HK\$ | Number of shares | HK\$ |
| Ordinary shares of HK\$0.10 each: | | | | |
| Authorised: | | | | |
| At 30 June 2011 and 31 December 2010 | <u>12,000,000,000</u> | <u>1,200,000,000</u> | <u>12,000,000,000</u> | <u>1,200,000,000</u> |
| Issued and fully paid: | | | | |
| At 1 January | 6,158,000,000 | 615,800,000 | 1,787,100,000 | 178,710,000 |
| Shares issued upon placing of new shares (<i>Note i</i>) | – | – | 1,076,370,000 | 107,637,000 |
| Shares issued upon acquisition of subsidiaries under common control (<i>Note ii</i>) | – | – | <u>3,294,530,000</u> | <u>329,453,000</u> |
| At 30 June 2011 and 31 December 2010 | <u>6,158,000,000</u> | <u>615,800,000</u> | <u>6,158,000,000</u> | <u>615,800,000</u> |

Notes:

- i. On 19 January 2010, the Company issued 1,076,370,000 new shares with nominal value of HK\$0.10 each, at a price of HK\$2.50 per share via placing. The placing proceeds, net of share issue expenses of approximately HK\$2,623 million, was for financing the acquisition of Tianjin Port Co (Note 4).
- ii. On 20 January 2010, the Company issued 3,294,530,000 new shares with nominal value of HK\$0.10 each, for settling part of the consideration for the acquisition of Tianjin Port Co (Note 4). At the date of share issue, the closing market price of the Company's share was HK\$2.68 per share. The fair value of the issued shares was approximately HK\$8,829 million.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2011

14. 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 | 29 April 2011 | 28 March 2011 | 8 April 2010 |
| Exercise price | HK\$1.828 | HK\$1.904 | HK\$2.34 |
| Expected volatility | 61% | 62% | 66% |
| Expected option life | 5.1 years | 4.3 years | 4.2 & 3.9 years |
| Risk free interest rate | 2.56% | 2.73% | 2.82% |
| Dividend yield | 1.20% (annual) | 1.20% (annual) | 0.47% (semi-annual) |
| Fair value | HK\$0.80 | HK\$0.79 | HK\$0.98 & HK\$0.84 |

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 historical volatility of shares of the Company.

15. RESERVES

| | Unaudited | | | | | | | Total HK\$'000 |
|---|--|-------------------------------|------------------------------------|--|---------------------------------|---|-------------------------------|-------------------------|
| | Share premium HK\$'000 (Note i) | Merger reserve HK\$'000 | Revaluation reserve HK\$'000 | Employee share-based compensation reserve HK\$'000 | Exchange reserve HK\$'000 | Statutory reserve HK\$'000 (Note ii) | Other reserves HK\$'000 | |
| Balance at 1 January 2010 | 1,096,834 | 820,962 | 9,800 | 11,349 | 542,749 | 230,091 | - | 2,711,785 |
| Common control business combination (Note 4) | - | 2,967,143 | 81,551 | - | 12,344 | 429,986 | 268,878 | 3,759,902 |
| Balance at 1 January 2010 (restated) | 1,096,834 | 3,788,105 | 91,351 | 11,349 | 555,093 | 660,077 | 268,878 | 6,471,687 |
| Total comprehensive income for the period | - | - | (5,348) | - | 83,221 | - | - | 77,873 |
| Shares issued (Note 14 i) | 2,583,288 | - | - | - | - | - | - | 2,583,288 |
| Shares issue expenses (Note 14 i) | (68,100) | - | - | - | - | - | - | (68,100) |
| Common control business combination (Note 14 ii) | 8,499,887 | (12,899,552) | - | - | - | - | - | (4,399,665) |
| Share-based compensation | - | - | - | 2,944 | - | - | - | 2,944 |
| Acquisition of additional interests in subsidiaries | - | - | - | - | - | - | 9,722 | 9,722 |
| Balance at 30 June 2010 (restated) | <u>12,111,909</u> | <u>(9,111,447)</u> | <u>86,003</u> | <u>14,293</u> | <u>638,314</u> | <u>660,077</u> | <u>278,600</u> | <u>4,677,749</u> |
| Balance at 1 January 2011 | 12,111,909 | (9,111,447) | 104,787 | 17,232 | 863,173 | 734,166 | 278,848 | 4,998,668 |
| Total comprehensive income for the period | - | - | (11,069) | - | 215,866 | - | - | 204,797 |
| Share-based compensation | - | - | - | 1,050 | - | - | - | 1,050 |
| Dividend paid | (119,465) | - | - | - | - | - | - | (119,465) |
| Balance at 30 June 2011 | <u>11,992,444</u> | <u>(9,111,447)</u> | <u>93,718</u> | <u>18,282</u> | <u>1,079,039</u> | <u>734,166</u> | <u>278,848</u> | <u>5,085,050</u> |

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2011

15. RESERVES (continued)

Notes:

- i. Under the Companies Law of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business of the Company.
- ii. In accordance with the PRC laws and regulations, companies established in the PRC are required to transfer a percentage of profit attributable to equity holders to reserves. The percentage of appropriation may be determined at the discretion of the board of directors of these companies. The reserves can be used to set off accumulated losses, capitalisation into capital and expansion of production.

16. BORROWINGS

| | Unaudited 30 June 2011 HK\$'000 | Audited 31 December 2010 HK\$'000 |
|---|--|--|
| (a) Unsecured borrowings: | | |
| Non-current | | |
| Long-term borrowings | 6,989,563 | 8,002,251 |
| Current | | |
| Short-term borrowings | 1,467,980 | 1,796,771 |
| Current portion of long-term borrowings | 1,458,051 | 251,498 |
| | 2,926,031 | 2,048,269 |
| | 9,915,594 | 10,050,520 |
| (b) Repayable: | | |
| Within 1 year | 2,926,031 | 2,048,269 |
| Between 1 to 2 years | 4,072,422 | 2,170,478 |
| Between 2 to 5 years | 1,485,264 | 3,207,560 |
| Over 5 years | 1,431,877 | 2,624,213 |
| | 9,915,594 | 10,050,520 |
| (c) Carrying amounts are denominated in the following currencies: | | |
| Renminbi | 5,881,662 | 6,216,465 |
| HK dollars | 3,026,726 | 2,826,726 |
| US dollars | 1,007,206 | 1,007,329 |
| | 9,915,594 | 10,050,520 |

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2011

17. TRADE AND OTHER PAYABLES

Included in trade and other payables of HK\$3,448 million (31 December 2010: HK\$3,289 million) are trade and bank notes payables of HK\$2,052 million (31 December 2010: HK\$2,047 million), the ageing analysis of which is as follows:

| | Unaudited 30 June 2011 HK\$'000 | Audited 31 December 2010 HK\$'000 |
|----------------|--|--|
| 0 – 90 days | 1,795,461 | 1,653,148 |
| 91 – 180 days | 94,260 | 257,866 |
| 181 – 365 days | 117,295 | 83,079 |
| Over 365 days | 44,862 | 52,780 |
| | <u>2,051,878</u> | <u>2,046,873</u> |

18. COMMITMENTS

(a) Capital commitments

| | Unaudited 30 June 2011 HK\$'000 | Audited 31 December 2010 HK\$'000 |
|--|--|--|
| Contracted but not provided for | | |
| – Property, plant and equipment | 304,651 | 176,842 |
| – Acquisition of a jointly controlled entity | 396,330 | – |
| | <u>700,981</u> | <u>176,842</u> |
| Authorised but not contracted for | | |
| – Property, plant and equipment | 1,597,445 | 1,285,792 |
| – Formation of a subsidiary | 91,991 | – |
| | <u>1,689,436</u> | <u>1,285,792</u> |

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2011

18. COMMITMENTS *(continued)*

(a) Capital commitments *(continued)*

In addition to the above, the following is the progress of other construction project investment plans:

- (1) On 18 August 2008, the board of Tianjin Port Co resolved that Tianjin Port Co will set up a joint venture company, Tianjin Port Shenghua International Container Terminal Co., Ltd (“Shenghua International”), with Grand Asia International Shipping Ltd. and Terminal Link Tianjin Limited. Shenghua International will invest in the construction project of container terminals at Beigangchi berth no. 8-10. Total investment of the construction project amounted to approximately RMB4.20 billion. The joint venture will have a registered capital of RMB1.47 billion and Tianjin Port Co will be interested in 60% of the equity interest in the joint venture. As at 30 June 2011, the formation of the joint venture and the preparatory work of the construction project are in progress.
- (2) On 23 December 2008, the board of Tianjin Port Co resolved that Tianjin Port Co will set up a joint venture company, Tianjin Port Yuan Hang International Ore Terminal Co., Ltd (“Yuan Hang International”), with Ocean Line Holdings Ltd.. Yuan Hang International will invest in the construction project of specialised ore terminals at Tianjin Port Nanjiang berth no. 26. Total investment of the construction project amounted to approximately RMB2.94 billion. The joint venture will have a registered capital of RMB1.03 billion and Tianjin Port Co will be interested in 51% of the equity interest in the joint venture. As at 30 June 2011, the formation of the joint venture and the preparatory work of the construction project are in progress.

(b) Operating lease commitments

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

| | Unaudited 30 June 2011 HK\$'000 | Audited 31 December 2010 HK\$'000 |
|---------------------------------------|--|--|
| Within one year | 136,784 | 117,442 |
| In the second to fifth year inclusive | 228,457 | 256,571 |
| More than five years | 690,751 | 704,480 |
| | 1,055,992 | 1,078,493 |

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2011

19. SIGNIFICANT RELATED PARTY TRANSACTIONS

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 related parties of the Group

| | Unaudited | |
|--|---------------------------------|------------|
| | Six months ended 30 June | |
| | 2011 | 2010 |
| | HK\$'000 | HK\$'000 |
| | | (restated) |
| (1) With Tianjin Port Group and fellow subsidiaries: | | |
| Sales of goods and services | 19,446 | 18,633 |
| Purchases of goods and services | 261,010 | 191,191 |
| Expenses paid for rental of land, property, plant and equipment | 78,604 | 53,846 |
| Acquisition of property, plant and equipment | 13,228 | 10,741 |
| | <hr/> | <hr/> |
| (2) With associates: | | |
| Sales of goods and services | 36,483 | 50,460 |
| Purchases of goods and services | 253,037 | 232,698 |
| Expenses paid for rental of property, plant and equipment | 9,002 | 7,778 |
| Income received for rental of property, plant and equipment | 12,738 | 6,702 |
| Interest income | 7,344 | – |
| Interest expenses | 56,112 | 49,720 |
| | <hr/> | <hr/> |
| (3) With jointly controlled entities: | | |
| Sales of goods and services | 46,997 | 44,514 |
| Purchases of goods and services | 66,205 | 25,686 |
| Interest income | 2,206 | 3,013 |
| | <hr/> | <hr/> |

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2011

19. SIGNIFICANT RELATED PARTY TRANSACTIONS *(continued)*

(b) Balances with related parties of the Group

| | Unaudited 30 June 2011 HK\$'000 | Audited 31 December 2010 HK\$'000 |
|--|--|--|
| (1) With Tianjin Port Group and fellow subsidiaries: | | |
| Trade and other receivables | 16,172 | 14,505 |
| Trade and other payables | 236,483 | 293,666 |
| Borrowings <i>(Note i)</i> | – | 29,381 |
| | <hr/> | <hr/> |
| (2) With associates: | | |
| Trade and other receivables | 23,596 | 13,236 |
| Trade and other payables | 26,301 | 36,826 |
| Deposits <i>(Note ii)</i> | 1,931,863 | 1,017,291 |
| Borrowings <i>(Note iii)</i> | 1,941,438 | 2,109,531 |
| | <hr/> | <hr/> |
| (3) With jointly controlled entities: | | |
| Trade and other receivables | 40,898 | 19,497 |
| Trade and other payables | 14,871 | 16,235 |
| Loan to a jointly controlled entity <i>(Note iv)</i> | 141,645 | 141,623 |
| | <hr/> | <hr/> |

Notes:

- i. Borrowings from Tianjin Port Group are unsecured, bear interest rates at prevailing market rates and repayable in 2011.
- ii. Deposits placed with Tianjin Port Finance Co., Ltd. ("Tianjin Port Finance"), a 48% owned associate, bear interest rates at prevailing market rates.
- iii. Borrowings from Tianjin Port Finance are unsecured, bear interest rates ranged from 4.8% to 5.8% per annum and are repayable within 5 years.
- iv. The loan is unsecured, interest bearing at LIBOR plus 1.5% and repayable in 2013.

(c) Transactions and balances with other state-owned entities in the PRC

The Group operates in an economic environment currently predominated by enterprises directly or indirectly owned or controlled by the PRC government (hereinafter collectively referred to as "state-owned entities". The directors of the Company consider those state-owned entities are independent third parties so far as the Group's business transactions with them are concerned.

The ultimate holding company, Tianjin Port Group, is a state-owned entity whilst most of the associates and jointly controlled entities of the Group are also owned or controlled by the PRC government, the transactions and balances of which are disclosed in note (a) and (b) above.

In addition to those disclosed above, as at 30 June 2011, majority of the Group's cash and deposits and borrowings held by subsidiaries in the PRC are with state-owned banks and financial institutions.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2011

20. EVENTS AFTER BALANCE SHEET DATE

(a) Acquisition of 50% equity interest in Tianjin Port Shihua Crude Oil Terminal Co., Ltd. (“Tianjin Port Shihua”)

On 22 March 2011, the board of Tianjin Port Co, a subsidiary of the Group approved the entering into an acquisition agreement with Tianjin Port Group to acquire the 50% equity interest in Tianjin Port Shihua at a consideration of approximately RMB329.6 million and will be funded by internal resources of the Group. Tianjin Port Shihua is principally engaged in port operation, cargo handling, transshipment and tallying at a crude oil terminal with 300,000-tonne capacity at the port of Tianjin. The transaction was completed in July 2011.

(b) Capital injection into Tianjin Port Finance

On 7 July 2011, the board of Tianjin Port Co, a subsidiary of the Group approved the injection of approximately RMB230.0 million to the capital of Tianjin Port Finance (a 48% owned associate of the Group) and will be funded by internal resources and available bank facilities of the Group. The capital injection is subject to the approval of the Tianjin Regulatory Authority of the China Banking Regulatory Commission. Upon completion of the capital injection, the shareholding interests of the Group in Tianjin Port Finance will remain unchanged.

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 2011 are as follows:

| | Date of grant | Exercise price HK\$ | As at 01/01/2011 | Granted (Note 1) | Exercised | Lapsed | Cancelled | As at 30/06/2011 | 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. Tian Changsong | 08/04/2010 | 2.34 | 2,200,000 | - | - | - | - | 2,200,000 | 08/10/2010-07/04/2020 |
| Mr. Li Quanyong | 08/04/2010 | 2.34 | 2,100,000 | - | - | - | - | 2,100,000 | 08/10/2010-07/04/2020 |
| Mr. Zhang Jinming (Note 2) | 01/08/2006 | 2.28 | 2,000,000 | - | - | - | - | 2,000,000 | 01/02/2007-27/10/2011 |
| Mr. Wang Rui (Note 3) | 15/10/2010 | 1.846 | 1,000,000 | - | - | - | - | 1,000,000 | 15/04/2011-14/10/2020 |
| | 28/03/2011 | 1.904 | - | 1,000,000 | - | - | - | 1,000,000 | 28/09/2011-27/03/2021 |
| Mr. Dai Yan | 01/09/2009 | 3.036 | 1,100,000 | - | - | - | - | 1,100,000 | 01/03/2010-31/08/2019 |
| 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 |
| Other eligible persons | | | | | | | | | |
| | 01/08/2006 | 2.28 | 1,100,000 | - | - | - | - | 1,100,000 | 01/02/2007-01/08/2016 |
| | 21/07/2008 | 3.45 | 1,000,000 | - | - | - | - | 1,000,000 | 21/01/2009-14/10/2011 |
| | 01/06/2009 | 2.53 | 1,100,000 | - | - | - | - | 1,100,000 | 01/12/2009-31/05/2019 |
| | 01/06/2009 | 2.53 | 700,000 | - | - | - | - | 700,000 | 01/12/2009-30/11/2011 |
| | 08/04/2010 | 2.34 | 1,000,000 | - | - | - | - | 1,000,000 | 08/10/2010-07/04/2020 |
| | 29/04/2011 | 1.828 | - | 700,000 | - | - | - | 700,000 | 29/10/2011-28/04/2021 |
| Total | | | 16,500,000 | 1,700,000 | - | - | - | 18,200,000 | |

Other Information

SHARE OPTION SCHEME *(continued)*

Notes:

1. The closing price of each share of the Company (the “Shares”) immediately before 28 March 2011 and 29 April 2011, the date on which the share options were granted was HK\$1.87 and HK\$1.80 respectively. All share options granted are subject to a vesting period of six months from the date of grant.
2. Mr. Zhang Jinming resigned on 28 March 2011.
3. Mr. Wang Rui was appointed on 28 March 2011.

Details of the value of share options granted under the Share Option Scheme during the six months ended 30 June 2011 is set out in Note 14 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 2011 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 2011, 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:

| Name of Director | Capacity | Number of Shares | Number of underlying shares <i>(Note)</i> | Approximate percentage of issued share capital of the Company |
|-----------------------------|------------------|------------------|--|---|
| Mr. Yu Rumin | Beneficial owner | – | 2,300,000 (L) | 0.04% (L) |
| Mr. Tian Changsong | Beneficial owner | – | 2,200,000 (L) | 0.04% (L) |
| Mr. Li Quanyong | Beneficial owner | – | 2,100,000 (L) | 0.03% (L) |
| Mr. Wang Rui | Beneficial owner | – | 2,000,000 (L) | 0.03% (L) |
| Mr. Dai Yan | Beneficial owner | – | 1,100,000 (L) | 0.02% (L) |
| Mr. Kwan Hung Sang, Francis | Beneficial owner | 250,000 (L) | 300,000 (L) | 0.01% (L) |
| Prof. Japhet Sebastian Law | Beneficial owner | 2,700,000 (L) | 300,000 (L) | 0.05% (L) |
| Dr. Cheng Chi Pang, Leslie | Beneficial owner | – | 300,000 (L) | 0.00% (L) |

(L) denotes a long position

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(continued)*

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.

Save as disclosed above, as at 30 June 2011, 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 2011, 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 |
|---|--------------------------------------|-----------------------------|---|
| Tianjin Port Overseas Holding Limited <i>(Note 1)</i> | Beneficial owner | 3,294,530,000 (L) | 53.5% (L) |
| Tianjin Port (Group) Co., Ltd. (“Tianjin Port Group”) <i>(Note 1)</i> | Interest of a controlled corporation | 3,294,530,000 (L) | 53.5% (L) |
| Leadport Holdings Limited <i>(Note 2)</i> | Beneficial owner | 1,293,030,000 (L) | 21.0% (L) |
| Tianjin Development Holdings Limited (“Tianjin Development”) <i>(Note 2)</i> | Interest of controlled corporations | 1,293,180,000 (L) | 21.0% (L) |
| Tsinlien Group Company Limited (“Tsinlien”) <i>(Note 3)</i> | Interest of controlled corporations | 1,305,430,000 (L) | 21.2% (L) |

(L) denotes a long position

Notes:

- Tianjin Port Overseas Holding Limited is a wholly-owned subsidiary of Tianjin Port Group. By virtue of the SFO, Tianjin Port Group is deemed to be interested in all the Shares held by Tianjin Port Overseas Holding Limited.
- 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.
- Tianjin Development is a subsidiary of Tianjin Investment Holdings Limited which in turn is a wholly-owned subsidiary of Tsinlien. As at 30 June 2011, Tianjin Investment Holdings Limited was directly interested in 12,250,000 Shares, representing approximately 0.2% 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 2011, Mr. Yu Rumin and Mr. Dai Yan were directors of Tianjin Development.

Save as disclosed above, as at 30 June 2011, 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.

Other Information

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 2011. 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 2011.

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 2011.

DIRECTORS' SECURITIES TRANSACTIONS

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 2011.

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, as supplemented by an agreement dated 9 December 2009, includes a condition imposing specific performance obligations on Tianjin Port Group, the controlling shareholder of the Company. The loan facility is unsecured, interest bearing and repayable in full on the date falling 60 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, as supplemented by an agreement dated 9 December 2009, includes a condition imposing specific performance obligations on Tianjin Port Group, the controlling shareholder of the Company. The loan facility is unsecured, interest bearing and repayable in full on the date falling 60 months from the date of the 2nd Facility Agreement.

On 15 January 2010, the Borrower, the Company as guarantor, entered into a facility agreement (the "3rd Facility Agreement") with several financial institutions as lender (the "3rd Lenders"), pursuant to which a 3-year term loan facility in an aggregate amount of HK\$1,600,000,000 is made available by the 3rd Lenders to the Borrower. The 3rd Facility Agreement includes a condition imposing specific performance obligations on Tianjin Port Group, the controlling shareholder of the Company. The loan facility is unsecured, interest bearing and repayable in full on the date falling 36 months from the date of the 3rd Facility Agreement.

LOAN AGREEMENTS WITH SPECIFIC PERFORMANCE COVENANT *(continued)*

Pursuant to the terms of the 1st Facility Agreement, 2nd Facility Agreement and 3rd Facility Agreement, it will be an event of default if Tianjin Port Group ceases to (1) have (directly or indirectly) the single largest shareholding interest in the Company in aggregate, or (2) hold no less than 35% (directly or indirectly) of the shareholding interest in the Company in aggregate and in such event the 1st Lenders, 2nd Lender and 3rd Lenders may demand immediate repayment of the loans. Such obligation continues to exist as at the date of this report.

REVIEW OF INTERIM RESULTS

The condensed consolidated interim financial statements for the six months ended 30 June 2011 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 2011.

Financial Summary

CONSOLIDATED INCOME STATEMENT

| | For the year ended 31 December | | | | | For the six months ended 30 June | |
|--|--------------------------------|------------------|------------------|------------------------------|------------------|----------------------------------|--------------------|
| | 2006 HK\$'000 (Note 1) | 2007 HK\$'000 | 2008 HK\$'000 | 2009 HK\$'000 (Note 2) | 2010 HK\$'000 | 2010 HK\$'000 | 2011 HK\$'000 |
| Revenue | 1,036,495 | 1,193,777 | 1,258,991 | 12,507,534 | 15,052,720 | 7,064,067 | 7,500,943 |
| Business tax and surcharge | (31,494) | (36,347) | (38,415) | (236,578) | (267,696) | (125,108) | (153,239) |
| Cost of sales | (484,163) | (561,701) | (689,691) | (9,434,508) | (11,576,885) | (5,375,539) | (5,644,979) |
| Gross profit | 520,838 | 595,729 | 530,885 | 2,836,448 | 3,208,139 | 1,563,420 | 1,702,725 |
| Other income | 123,077 | 35,615 | 57,956 | 129,515 | 204,618 | 65,546 | 170,289 |
| Administrative expenses | (277,812) | (309,808) | (363,600) | (1,602,132) | (1,568,180) | (719,810) | (757,248) |
| Other operating expenses | (17,676) | (31,204) | (2,675) | (2,084) | (9,142) | (6,276) | (1,653) |
| | 348,427 | 290,332 | 222,566 | 1,361,747 | 1,835,435 | 902,880 | 1,114,113 |
| Provision for impairment losses on available-for-sale financial assets | - | - | (25,253) | - | - | - | - |
| Finance costs | (8,199) | (3,329) | (26,529) | (315,878) | (367,464) | (180,238) | (188,369) |
| Share of results of associates | 983 | 790 | 1,495 | 78,616 | 118,593 | 63,765 | 70,629 |
| Share of results of jointly controlled entities | - | - | 8,755 | 16,678 | (4,315) | (4,198) | 24,613 |
| Profit before income tax | 341,211 | 287,793 | 181,034 | 1,141,163 | 1,582,249 | 782,209 | 1,020,986 |
| Income tax | (36,938) | (47,151) | (50,414) | (229,388) | (283,672) | (141,154) | (174,475) |
| Profit for the year/period | 304,273 | 240,642 | 130,620 | 911,775 | 1,298,577 | 641,055 | 846,511 |
| Attributable to: | | | | | | | |
| Equity holders of the Company | 304,037 | 240,394 | 130,289 | 370,383 | 570,586 | 270,713 | 370,468 |
| Non-controlling interests | 236 | 248 | 331 | 541,392 | 727,991 | 370,342 | 476,043 |
| | 304,273 | 240,642 | 130,620 | 911,775 | 1,298,577 | 641,055 | 846,511 |

CONSOLIDATED BALANCE SHEET

| | As at 31 December | | | | | As at 30 June |
|--|------------------------------|------------------|------------------|------------------------------|-------------------|--------------------------|
| | 2006 HK\$'000 (Note 1) | 2007 HK\$'000 | 2008 HK\$'000 | 2009 HK\$'000 (Note 2) | 2010 HK\$'000 | 2011 HK\$'000 |
| Land use rights | 731,855 | 768,696 | 792,437 | 4,312,788 | 4,436,395 | 4,501,248 |
| Property, plant and equipment | 1,742,992 | 1,802,656 | 1,842,794 | 14,800,738 | 14,949,153 | 15,079,167 |
| Intangible assets | – | – | – | 23,230 | 30,198 | 28,295 |
| Interests in associates | 23,847 | 24,981 | 28,513 | 1,680,024 | 1,797,348 | 1,853,135 |
| Interests in jointly controlled entities | – | 704,467 | 1,430,037 | 1,630,301 | 1,660,189 | 1,709,263 |
| Available-for-sale financial assets | 13,748 | 5,744 | 20,873 | 450,051 | 483,050 | 445,614 |
| Deferred income tax assets | 4,960 | 8,899 | 9,410 | 106,682 | 109,123 | 97,726 |
| Net current assets | <u>484,606</u> | <u>468,556</u> | <u>635,037</u> | <u>1,317,708</u> | <u>2,917,748</u> | <u>2,454,619</u> |
| Employment of capital | <u>3,002,008</u> | <u>3,783,999</u> | <u>4,759,101</u> | <u>24,321,522</u> | <u>26,383,204</u> | <u>26,169,067</u> |
| Share capital | 178,670 | 178,710 | 178,710 | 178,710 | 615,800 | 615,800 |
| Reserves | 2,153,431 | 2,442,864 | 2,679,812 | 6,471,687 | 4,998,668 | 5,085,050 |
| Retained earnings | <u>666,119</u> | <u>768,224</u> | <u>755,896</u> | <u>3,162,309</u> | <u>3,550,425</u> | <u>3,920,893</u> |
| Shareholders funds | 2,998,220 | 3,389,798 | 3,614,418 | 9,812,706 | 9,164,893 | 9,621,743 |
| Non-controlling interests | 3,788 | 4,201 | 4,433 | 8,381,136 | 9,044,911 | 9,383,623 |
| Long term liabilities | <u>–</u> | <u>390,000</u> | <u>1,140,250</u> | <u>6,127,680</u> | <u>8,173,400</u> | <u>7,163,701</u> |
| Capital employed | <u>3,002,008</u> | <u>3,783,999</u> | <u>4,759,101</u> | <u>24,321,522</u> | <u>26,383,204</u> | <u>26,169,067</u> |

Notes:

- The financial information of the Group for the year ended 31 December 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 year presented.
- The financial information of the Group for the year ended 31 December 2009 and as at 31 December 2009 have been restated on the basis that the structure and business activities of the Group immediately after the acquisition of Tianjin Port Co completed in 2010 had been in existence throughout the year presented. The financial information of the Group prior to 2009 are not restated.

Corporate Information

EXECUTIVE DIRECTORS

Mr. YU Rumin (*Chairman*)
Mr. TIAN Changsong (*Vice Chairman*)
Mr. LI Quanyong (*Managing Director*)
Mr. WANG Rui⁺
Mr. DAI Yan

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Mdm. CHAN Yeuk Kwan, Winnie

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
DBS Bank Ltd.
The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Nanyang Commercial Bank, Limited

PRINCIPAL SHARE REGISTRAR

Appleby Trust (Cayman) Ltd.
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⁺ Members of Remuneration Committee, Prof. Law is the chairman of the committee

^{*} Members of Audit Committee, Dr. Cheng is the chairman of the committee

