



# 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  
➤ 2018





## CORPORATE PROFILE

Tianjin Port Development Holdings Limited was listed on The Stock Exchange of Hong Kong Limited on 24 May 2006 (Stock Code: 03382).

The Group first operated as a non-containerised cargo terminal at the port of Tianjin in 1968 and subsequently expanded into container handling business in 1980. In February 2010, the Group completed the acquisition of 56.81% equity interest in Tianjin Port Holdings Co., Ltd. Today, the Group is the leading port operator at the port of Tianjin and is principally engaged in container and non-containerised cargo handling businesses, sales business and port ancillary services businesses. The Group has advanced container terminals, specialised terminals in handling of coke, coal, ore, Ro-Ro, and a 300,000-tonne crude oil terminal.

The port of Tianjin, located at the juncture of the Beijing-Tianjin city belt and the economic circle of the Bohai Rim Region, is the largest comprehensive port and an important foreign trade port in North China, serving 14 provinces, cities and autonomous regions and a hub connecting Northeast Asia with Midwest Asia. It is one of the coastal ports with the most complete functions in China. In the first half of 2018, the port of Tianjin was the seventh largest port in terms of total cargo throughput and the sixth in terms of total container throughput in China.

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## FINANCIAL HIGHLIGHTS

	For the six months ended 30 June	
	2018	2017
Total throughput		
Non-containerised cargo (million tonnes)	<b>122.65</b>	141.25
Container (million TEUs)	<b>7.79</b>	7.40
Consolidated throughput		
Non-containerised cargo (million tonnes)	<b>93.17</b>	113.49
Container (million TEUs)	<b>3.76</b>	3.58

HK\$ million	For the six months ended 30 June	
	2018	2017
Revenue	<b>7,496</b>	8,189
Operating profit	<b>869</b>	1,229
Profit before income tax	<b>820</b>	1,194
Profit attributable to Shareholders	<b>406</b>	466
Basic earnings per share (HK cents)	<b>6.6</b>	7.6
Net cash inflow from operating activities	<b>1,627</b>	946

HK\$ million	As at	As at
	30 June 2018	31 December 2017
Shareholders' equity	<b>12,676</b>	12,725
Non-controlling interests	<b>13,939</b>	14,238
Total equity	<b>26,615</b>	26,963
Total assets	<b>46,999</b>	47,447
Total borrowings	<b>15,842</b>	16,409
Financial ratios		
Gearing ratio ( <i>Note 1</i> )	<b>59.5%</b>	60.9%
Current ratio	<b>1.6</b>	1.3
Net assets per share - book value ( <i>Note 2</i> ) (HK\$)	<b>2.1</b>	2.1

Notes:

1. *Gearing ratio represents total borrowings divided by total equity.*
2. *Net assets per share - book value represents shareholders' equity divided by the number of issued shares at the end of reporting period.*

# MANAGEMENT DISCUSSION AND ANALYSIS

## INTERIM RESULTS

In the first half of 2018, total cargo throughput handled by the Group was 206.32 million tonnes (2017: 218.20 million tonnes), representing a decrease of 5.4% over the same period last year, of which total container throughput grew by 5.2% to 7.791 million TEUs (2017: 7.404 million TEUs).

In the first half of 2018, profit attributable to shareholders of the Company amounted to HK\$406 million and basic earnings per share was HK6.6 cents.

## INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2018.

## REVIEW OF OPERATIONS

In the first half of 2018, the global economy continued to strengthen. While the U.S. economy maintained its stable upward trend, the Eurozone economy showed moderate yet slightly slower growth. The Chinese economy remained solid with GDP achieving a 6.8% growth. China's total import and export value rose to US\$2.2 trillion in the first half of 2018, representing a year-on-year increase of 16.0%. The solid performance of global trade led to an increase in cargo throughput at China's ports. According to the statistics from the Ministry of Transport of the PRC, cargo throughput handled by China's ports of significant scale was 6,542 million tonnes, representing a year-on-year growth of 2.4%, lower than the 7.5% of the same period last year, of which container throughput handled increased by 5.4% (2017: 8.8%) on a year-on-year basis to 121.04 million TEUs.

In the first half of 2018, total cargo throughput handled by the Group was 206.32 million tonnes, decreased by 5.4% year-on-year, mainly due to the drop in non-containerised cargo throughput resulting from the adjustment to the coal transportation mode by truck in 2017.

### Non-containerised Cargo Handling Business

In the first half of 2018, the Group handled total non-containerised cargo throughput of 122.65 million tonnes, representing a decrease of 13.2% over the same period last year, of which throughput of subsidiary terminals dropped by 17.9% whereas throughput of jointly controlled and affiliated terminals increased by 6.2%.

Nature of terminal	Non-containerised cargo throughput			
	First half of 2018 million tonnes	First half of 2017 million tonnes	Amount of change million tonnes	Change percentage
Subsidiary terminals	93.17	113.49	-20.32	-17.9%
Jointly controlled and affiliated terminals	29.48	27.76	1.72	6.2%
<b>Total</b>	<b>122.65</b>	141.25	-18.60	-13.2%

In terms of total throughput on a year-on-year basis, coal handling dropped by 20.2% to 37.27 million tonnes (2017: 46.73 million tonnes), steel handling was down by 33.3% to 6.48 million tonnes (2017: 9.71 million tonnes), metal ore handling decreased by 4.6% to 46.88 million tonnes (2017: 49.12 million tonnes), crude oil handling reduced by 2.8% to 11.48 million tonnes (2017: 11.81 million tonnes), and automobiles handling lowered by 10.8% to 12.70 million tonnes (2017: 14.23 million tonnes).

On a consolidated basis, the blended average unit price of the non-containerised cargo handling business was HK\$24.0 per tonne (2017: HK\$22.0 per tonne), an increase of 9.1% over the same period last year. In RMB, the blended average unit price increased by 1.0% over the same period last year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Container Handling Business

Currently, the Group operates all container terminals at the port of Tianjin.

In the first half of 2018, the container handling business maintained a stable growth. The Group achieved total container throughput of 7.791 million TEUs, representing an increase of 5.2% over the same period last year, of which throughput of the subsidiary terminals increased by 5.1% and throughput of jointly controlled and affiliated terminals rose by 5.4%.

Nature of terminal	Container throughput			
	First half of 2018 '000 TEUs	First half of 2017 '000 TEUs	Growth amount '000 TEUs	Growth percentage
Subsidiary terminals	<b>3,758</b>	3,577	181	5.1%
Jointly controlled and affiliated terminals	<b>4,033</b>	3,827	206	5.4%
<b>Total</b>	<b>7,791</b>	7,404	387	5.2%

On a consolidated basis, the blended average unit price of the container handling business increased by 4.4% to HK\$279.6 per TEU (2017: HK\$267.7 per TEU). In RMB, the blended average unit price decreased by 3.5% over the same period last year.

### Sales Business

The Group's sales business mainly engaged in the supply of fuel to the inbound vessels, sales of supplies and other materials.

In the first half of 2018, the Group recorded revenue of HK\$2,961 million from the sales business segment, representing a decrease of 14.0% over the same period last year, which was mainly due to the decrease in sales volume.

### Other Port Ancillary Services Business

Other port ancillary services of the Group mainly include tugboat services, agency services and other services.

In the first half of 2018, cargo agency dropped by 6.2% to 45.23 million tonnes (2017: 48.20 million tonnes); shipping agency decreased by 44.0% to 5,059 vessel calls (2017: 9,042 vessel calls); tallying services increased by 1.1% to 54.55 million tonnes of cargoes (2017: 53.97 million tonnes); and tugboat services decreased by 2.1% to 23,140 vessel calls (2017: 23,639 vessel calls).

## OUTLOOK

Looking ahead to the second half of the year, the escalation of the U.S. trade conflicts with China and other major economies as well as the tightened monetary policies of the U.S. Federal Reserve will pose challenges to the market with more variables and economic uncertainties, thus affecting the global trade volume. The port industry will also be affected by global economic fluctuations.

The Group will continue to actively respond to the adjustments in China's transportation structure, fully enhance the core competitiveness of container business, consolidate the results of fee reduction and efficiency improvement, deepen port-channel connection and sea-rail intermodal transportation, strongly promote route development, strengthen feeder transportation within the Bohai Rim Region and step up the expansion of inland dry ports. While further pushing forward non-containerised cargo business to maintain throughput and improve efficiency, the Group will formulate corresponding measures by cargo types, act proactively to the adjustments in ore transportation structure and reasonably allocate resources for non-ferrous metal ore. With a focus on both domestic and foreign trade, the Group will strive for the stable performance of steel business, stabilise foreign trade and increase domestic trade, maintain the advantages of automobile business, improve the multi-level transportation system, enhance the one-stop logistics services, strive to achieve additional coal throughput, step up the construction of the logistics base, and build a two-way rail transportation mode for various cargo types. Business will be optimised and upgraded to further strengthen the foundation for the Group to develop and face future market changes.

## MANAGEMENT DISCUSSION AND ANALYSIS

Following the adoption of the integrated container terminal operation system, the Group will continue to, in the second half of 2018, actively promote port transformation and upgrades, accelerate the building of intelligent green ports and through the integration of the container terminal operation system, will enhance the connection, share and allocate the resources efficiently, improve the efficiency of port operations and the effectiveness of services, achieve intelligent operation and management, reduce the time of entrance and departure, increase economic efficiency, optimise business environment, further strengthen the core competitiveness, and lay a solid foundation for long-term planning and sustainable development of the Group.

## FINANCIAL REVIEW

### Revenue

In the first half of 2018, the Group recorded revenue of HK\$7,496 million, representing a decrease of 8.5% over the same period last year. An analysis of revenue by segment is as follows:

Type of business	Revenue			
	First half of 2018 HK\$ million	First half of 2017 HK\$ million	Amount of change HK\$ million	Change percentage
Non-containerised cargo handling business	2,238.1	2,493.4	-255.3	-10.2%
Container handling business	1,050.9	957.4	93.5	9.8%
Cargo handling business (total)	3,289.0	3,450.8	-161.8	-4.7%
Sales business	2,960.7	3,442.8	-482.1	-14.0%
Other port ancillary services business	1,245.9	1,295.1	-49.2	-3.8%
Total	7,495.6	8,188.7	-693.1	-8.5%

Revenue from non-containerised cargo handling business decreased by 10.2% to HK\$2,238 million compared to the same period last year. In RMB, revenue decreased by 17.1%. This was mainly due to the decrease in non-containerised cargo throughput.

Driven by the increase in container throughput, revenue from container handling business increased by 9.8% over the same period last year to HK\$1,051 million. In RMB, revenue increased by 1.4%.

Revenue from sales business was HK\$2,961 million, a 14.0% decrease over the same period last year and a 20.6% decrease in RMB. This was mainly resulted from the decrease in sales volume.

Revenue from other port ancillary services business was HK\$1,246 million, a 3.8% decrease over the same period last year and a 11.1% decrease in RMB. This was mainly due to the drop in business volume which caused the decrease in revenue from other port ancillary services business.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Cost of Sales

In the first half of 2018, cost of sales of the Group was HK\$5,929 million, representing a decrease of 7.0% over the same period last year. An analysis of costs by segment is as follows:

Type of business	Costs			
	First half of 2018 HK\$ million	First half of 2017 HK\$ million	Amount of change HK\$ million	Change percentage
Cargo handling business	<b>2,203.9</b>	2,111.8	92.1	4.4%
Sales business	<b>2,897.7</b>	3,365.2	-467.5	-13.9%
Other port ancillary services business	<b>827.4</b>	898.2	-70.8	-7.9%
<b>Total</b>	<b>5,929.0</b>	6,375.2	-446.2	-7.0%

Cost of cargo handling business increased by 4.4% over the same period last year to HK\$2,204 million. In RMB, cost decreased by 3.6%. The decrease in the cost of cargo handling business was mainly attributable to the decrease in wage costs, handling labour costs, storage costs and cargo reconfiguration costs resulting from the decrease in cargo throughput, as well as the strengthened cost management of the Group. The decrease in cargo handling cost was less than that in cargo handling revenue, which was mainly attributable to the fixed costs of cargo handling business.

Cost of sales business was HK\$2,898 million, a 13.9% decrease over the same period last year and a 20.5% decrease in RMB. This was mainly due to the decrease in sales revenue which led to the corresponding decrease in costs of goods sold.

Cost of other port ancillary services business was HK\$827 million, a decrease of 7.9% over the same period last year and a 14.9% decrease in RMB, which was due to the decrease in business volume and the strengthened cost management of the Group.

### Gross Profit

Gross profit and gross profit margin for the first half of 2018 were HK\$1,558 million (2017: HK\$1,804 million) and 20.8% (2017: 22.0%) respectively. Gross profit decreased by 13.6%, primarily due to the decrease in gross profit from cargo handling business resulting from the decrease in non-containerised cargo throughput. Gross profit margin was down by 1.2 percentage points, mainly due to the decrease in non-containerised cargo throughput and cargo handling revenue, and the decrease in cargo handling cost was less than that in cargo handling revenue due to the effect of fixed costs, leading to a drop in the gross profit margin of cargo handling business.

### Administrative Expenses

Administrative expenses of the Group decreased by 3.2% over the same period last year to HK\$751 million. The Group continues to take stringent measures in control and management so as to maintain administrative expenses at a reasonable level.

### Other Income and Gains and Other Operating Expenses

Other income and gains amounted to HK\$129 million, representing a decrease of HK\$78.28 million over the same period last year, which included an exchange gain of HK\$129 million during the same period last year.

Other operating expenses amounted to HK\$52.42 million, which included an exchange loss of HK\$42.53 million, leading to an increase of HK\$46.21 million compared with HK\$6.21 million for the same period last year.





## MANAGEMENT DISCUSSION AND ANALYSIS

### Finance Costs

Finance costs (excluding capitalised interest) were HK\$303 million, an increase of 10.5% over the same period last year. Interest expenses (including capitalised interest) were HK\$314 million, representing an increase of 11.4% over the same period last year. The increase in finance costs was attributable to the increase in average borrowing cost as compared with the same period last year.

### Share of Net Profit of Associates and Joint Ventures accounted for using the Equity Method

The Group's share of net profit of associates and joint ventures accounted for using the equity method was HK\$254 million, representing an increase of HK\$13.92 million over the same period last year.

### Income Tax

The Group's income tax expenses amounted to HK\$46.61 million, representing a decrease of HK\$185 million over the same period last year due to the decrease in deferred tax of the Group.

## FINANCIAL POSITION

### Cash Flow

In the first half of 2018, net cash inflow of the Group amounted to HK\$545 million.

The Group continued to generate steady cash flow from its operations. Net cash inflow from operating activities amounted to HK\$1,627 million.

Net cash inflow from investing activities amounted to HK\$207 million, mainly attributable to proceeds from the disposal of financial assets at fair value through other comprehensive income of HK\$302 million and capital expenditure of HK\$144 million.

Net cash outflow from financing activities amounted to HK\$1,289 million, which included payment of dividends and interest expenses of HK\$834 million and net decrease of HK\$455 million in borrowings.

### Capital Structure

The equity attributable to equity holders of the Company as at 30 June 2018 was HK\$12,676 million, and the net asset value of the Company was HK\$2.1 per share (31 December 2017: HK\$2.1 per share).

As at 30 June 2018, the Company had an issued share capital of 6,158 million shares and the market capitalisation was HK\$5,850 million (at the closing price of the shares of the Company of HK\$0.95 per share on 29 June 2018 (being the last trading day in the first half of 2018)).

### Assets and Liabilities

As at 30 June 2018, the Group's total assets were HK\$46,999 million (31 December 2017: HK\$47,447 million) and total liabilities were HK\$20,384 million (31 December 2017: HK\$20,485 million). Net current assets were HK\$5,771 million (31 December 2017: HK\$3,060 million) as at 30 June 2018.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Liquidity, Financial Resources and Borrowings

As at 30 June 2018, the Group's cash and deposits (including restricted bank deposits and time deposits with maturity over three months) were HK\$11,142 million (31 December 2017: HK\$10,742 million), which were principally denominated in RMB.

The Group's total borrowings as at 30 June 2018 were HK\$15,842 million (31 December 2017: HK\$16,409 million), with HK\$4,921 million repayable within one year, HK\$10,373 million repayable after one year and within five years and HK\$548 million repayable after five years. About 29.3% and 70.7% of the Group's borrowings were denominated in HK\$ and RMB respectively.

### Financial Ratios

As at 30 June 2018, the gearing ratio (total borrowings to total equity) of the Group was 59.5% (31 December 2017: 60.9%), and the current ratio (current assets to current liabilities) was 1.6 (31 December 2017: 1.3).

### Pledge of Assets

As at 30 June 2018, none of the Group's assets were pledged.

### Contingent Liabilities

The Group did not have any material contingent liabilities as at 30 June 2018.

### Financial Management and Policy

The Group's head office in Hong Kong is responsible for financial risk management and the finance department is responsible for daily management. One of the major objectives of the Group's treasury policy is to manage its foreign currency exchange rate and interest rate risk exposures. It is the Group's policy not to engage in speculative activities.

The operations of the Group are located in the PRC and its functional currency is RMB. The Group is exposed to foreign exchange risk primarily from the assets and liabilities that are denominated in non-functional currencies. As at 30 June 2018, most of the Group's assets and liabilities were denominated in RMB except for certain bank borrowings denominated in HK\$. RMB exchange rate movement was relatively volatile in the first half of 2018. RMB exchange rate had maintained its trend in last December and continued to strengthen in the first quarter. It weakened from April to the beginning of June and slid sharply since mid-June and remained an upward trend during most of the time in the first half of 2018. However, the RMB exchange rate at the end of June 2018 was lower than that at the end of 2017 and an exchange loss arose from the translation of foreign currency denominated liabilities held by the Group. In the first half of 2018, the Group recorded exchange loss of HK\$42.53 million (2017: exchange gain of HK\$129 million). As the Group's business operations are in Mainland China, the fluctuations in RMB exchange rate will affect the Group's results reported in HK\$. During the period under review, the Group did not enter into any hedging arrangement in respect of foreign exchange risk exposure.

The Group's interest rate risk arises primarily from the fluctuations in interest rates of borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk while borrowings at fixed rates expose the Group to fair value interest rate risk. As at 30 June 2018, the Group's total borrowings were HK\$15,842 million, of which approximately 85.8% were at floating interest rates while the remaining 14.2% were at fixed interest rates. The average interest rate of the Group's borrowings was 4.0% (31 December 2017: 3.9%).

The Group will continue to monitor the risks of exchange rate and interest rate closely. In view of the fluctuations in RMB exchange rate and its debt in foreign currencies, the Group will continuously review its treasury strategy, whilst keeping an eye on the US\$ interest rate hike, with the aim to be well prepared and respond quickly and effectively to the rapidly changing conditions in financial market.



## CAPITAL EXPENDITURE AND COMMITMENTS

In the first half of 2018, additions to property, plant and equipment of the Group amounted to HK\$144 million, primarily used for the construction of new terminals and depots, and the renovation of terminals and depots.

As at 30 June 2018, the Group's capital commitments (including authorised but not contracted for) amounted to HK\$4,309 million (31 December 2017: HK\$4,800 million), among which HK\$3,701 million was for property, plant and equipment and HK\$608 million was for investment in an associate.

## MATERIAL INVESTMENTS

天津港東疆物流園有限公司 (Tianjin Port Dongjiang Logistics Park Co., Ltd.\*) (a wholly-owned subsidiary of the Group) invested in, constructed and operated the Tianjin Port Dongjiang Logistics Park project with a registered capital of RMB230 million. As of 30 June 2018, the cumulative capital contribution made by the Group was RMB187 million.

## EMPLOYEES

As at 30 June 2018, the Group had approximately 9,000 employees. The Group offers remuneration packages for employees based on their position, performance and the labour market conditions. Share options were also granted to the management as remuneration. In addition to basic salary, mandatory provident fund scheme (in accordance with the Mandatory Provident Fund Schemes Ordinance for Hong Kong employees) or the state-managed pension scheme (for PRC employees), discretionary bonus is also awarded to the employees with reference to the annual results and the employees' performance. The Group reviews the remuneration policies and packages on a regular basis.

The Group highly values the life-long learning and individual development of the employees, and enhances their productivity through the provision of training, thereby benefiting the business development of the Group. The management proactively communicates with the employees to foster the employer-employee relationship.

## 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 Group.

By order of the Board  
**ZHANG Ruigang**  
*Chairman*

Hong Kong, 29 August 2018

# REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



羅兵咸永道

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 11 to 29, which comprises the condensed consolidated statement of financial position of Tianjin Port Development Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2018 and the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of 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 of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 29 August 2018

# CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2018

	Note	Unaudited Six months ended 30 June	
		2018 HK\$'000	2017 HK\$'000
Revenue	5	<b>7,495,582</b>	8,188,662
Business tax and surcharge		<b>(8,052)</b>	(9,873)
Cost of sales		<b>(5,929,032)</b>	(6,375,174)
Gross profit		<b>1,558,498</b>	1,803,615
Other income and gains	6	<b>128,644</b>	206,920
Administrative expenses		<b>(750,679)</b>	(775,608)
Net impairment losses on financial assets		<b>(15,061)</b>	–
Other operating expenses		<b>(52,421)</b>	(6,207)
Operating profit		<b>868,981</b>	1,228,720
Finance costs	7	<b>(303,458)</b>	(274,582)
Share of net profit of associates and joint ventures accounted for using the equity method		<b>254,231</b>	240,310
Profit before income tax		<b>819,754</b>	1,194,448
Income tax	9	<b>(46,613)</b>	(232,036)
Profit for the period		<b>773,141</b>	962,412
Profit attributable to:			
Equity holders of the Company		<b>406,072</b>	465,852
Non-controlling interests		<b>367,069</b>	496,560
		<b>773,141</b>	962,412
Earnings per share	11		
Basic (HK cents)		<b>6.6</b>	7.6
Diluted (HK cents)		<b>6.6</b>	7.6

The notes on pages 17 to 29 are an integral part of these condensed consolidated interim financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2018

	Unaudited	
	Six months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
Profit for the period	<b>773,141</b>	962,412
Other comprehensive (loss)/income		
Items that will not be reclassified to profit or loss:		
Changes in the fair value of financial assets at fair value through other comprehensive income	<b>(81,786)</b>	–
Items that may be reclassified subsequently to profit or loss:		
Changes in the fair value of available-for-sale financial assets	–	121,993
Currency translation differences	<b>(238,546)</b>	752,214
Other comprehensive (loss)/income for the period, net of tax	<b>(320,332)</b>	874,207
Total comprehensive income for the period	<b>452,809</b>	1,836,619
Total comprehensive income attributable to:		
Equity holders of the Company	<b>260,992</b>	854,693
Non-controlling interests	<b>191,817</b>	981,926
	<b>452,809</b>	1,836,619

The notes on pages 17 to 29 are an integral part of these condensed consolidated interim financial statements.

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Note	Unaudited 30 June 2018 HK\$'000	Audited 31 December 2017 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Land use rights		6,208,926	6,334,061
Property, plant and equipment	12	19,253,072	19,834,777
Intangible assets		61,409	69,909
Investments accounted for using the equity method		5,911,652	5,972,997
Financial assets at fair value through other comprehensive income		558,082	–
Available-for-sale financial assets		–	958,574
Deferred income tax assets		66,465	63,520
		<b>32,059,606</b>	33,233,838
<b>Current assets</b>			
Inventories		223,745	237,647
Trade and other receivables	13	3,573,003	3,234,034
Restricted bank deposits		54,916	49,742
Time deposits with maturity over three months		559,456	573,860
Cash and cash equivalents		10,527,844	10,118,303
		<b>14,938,964</b>	14,213,586
<b>Total assets</b>		<b>46,998,570</b>	47,447,424
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	14	615,800	615,800
Other reserves	15	4,077,800	4,625,214
Retained earnings		7,982,783	7,484,124
		<b>12,676,383</b>	12,725,138
<b>Non-controlling interests</b>		<b>13,938,679</b>	14,237,699
<b>Total equity</b>		<b>26,615,062</b>	26,962,837

The notes on pages 17 to 29 are an integral part of these condensed consolidated interim financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	<i>Note</i>	Unaudited 30 June 2018 HK\$'000	Audited 31 December 2017 HK\$'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	16	10,920,241	8,823,898
Deferred income tax liabilities		266,647	483,652
Other long-term liabilities		28,745	23,589
		<b>11,215,633</b>	9,331,139
<b>Current liabilities</b>			
Trade and other payables	17	4,143,281	3,447,745
Current income tax liabilities		103,116	120,725
Borrowings	16	4,921,478	7,584,978
		<b>9,167,875</b>	11,153,448
<b>Total liabilities</b>		<b>20,383,508</b>	20,484,587
<b>Total equity and liabilities</b>		<b>46,998,570</b>	47,447,424
<b>Net current assets</b>		<b>5,771,089</b>	3,060,138
<b>Total assets less current liabilities</b>		<b>37,830,695</b>	36,293,976

The notes on pages 17 to 29 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 2018

	Unaudited					
	Attributable to equity holders of the Company				Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Other reserves HK\$'000	Retained earnings HK\$'000	Total HK\$'000		
At 1 January 2017	615,800	3,680,926	6,840,676	11,137,402	12,978,991	24,116,393
Total comprehensive income for the period	–	388,841	465,852	854,693	981,926	1,836,619
Dividends	–	(211,835)	–	(211,835)	(610,402)	(822,237)
Deregistration of a subsidiary	–	(176)	176	–	(445)	(445)
Capital contributions from non-controlling interests	–	–	–	–	119,630	119,630
At 30 June 2017	615,800	3,857,756	7,306,704	11,780,260	13,469,700	25,249,960
<b>At 1 January 2018</b>	<b>615,800</b>	<b>4,625,214</b>	<b>7,484,124</b>	<b>12,725,138</b>	<b>14,237,699</b>	<b>26,962,837</b>
Total comprehensive (loss)/income for the period	–	(145,080)	406,072	260,992	191,817	452,809
Dividends	–	(309,747)	–	(309,747)	(490,837)	(800,584)
Disposal of financial assets at fair value through other comprehensive income	–	(73,408)	73,408	–	–	–
Lapse of share options	–	(19,179)	19,179	–	–	–
<b>At 30 June 2018</b>	<b>615,800</b>	<b>4,077,800</b>	<b>7,982,783</b>	<b>12,676,383</b>	<b>13,938,679</b>	<b>26,615,062</b>

The notes on pages 17 to 29 are an integral part of these condensed consolidated interim financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2018

	Unaudited	
	Six months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
<b>Net cash generated from operating activities</b>	<b>1,627,094</b>	946,337
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment, land use rights and intangible assets	(144,343)	(470,786)
Proceeds from sale of financial assets at fair value through other comprehensive income	301,658	–
Receipt of loans receivable	–	576,103
Decrease in time deposits with maturity over three months	9,503	921,765
Other investing activities	40,404	161,068
Net cash from investing activities	207,222	1,188,150
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	6,640,300	2,988,550
Repayments of borrowings	(7,095,008)	(2,175,060)
Other financing activities	(834,123)	(718,152)
Net cash (used in)/from financing activities	(1,288,831)	95,338
<b>Net increase in cash and cash equivalents</b>	<b>545,485</b>	2,229,825
Cash and cash equivalents at 1 January	10,118,303	6,537,380
Effects of exchange rate changes	(135,944)	212,926
<b>Cash and cash equivalents at 30 June</b>	<b>10,527,844</b>	8,980,131

The notes on pages 17 to 29 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 2018

## 1. GENERAL INFORMATION

Tianjin Port Development Holdings Limited (the "Company") is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its principal address is Suite 3904-3907, 39/F., Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

The Company and its subsidiaries (together the "Group") are principally engaged in the provision of containerised and non-containerised cargo handling services, sales and other port ancillary services at the port of Tianjin in the People's Republic of China (the "PRC").

The condensed consolidated interim financial statements were approved for issue by the board of directors of the Company (the "Board") on 29 August 2018.

## 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 and Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2017 which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

## 3. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied and methods of computation used in the preparation of the condensed consolidated interim financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2017.

### (a) Adoption of new / revised HKFRSs

The Group has adopted the following new standards, amendments and interpretations for the accounting period beginning on 1 January 2018:

<i>HKFRSs (Amendments)</i>	<i>Annual Improvements to HKFRSs 2014-2016 Cycle except HKFRS 12 (Amendment)</i>
<i>HKAS 40 (Amendment)</i>	<i>Investment Property – Transfer of Investment Property</i>
<i>HKFRS 2 (Amendment)</i>	<i>Share-based Payment – Classification and Measurement of Share-based Payment Transactions</i>
<i>HKFRS 4 (Amendment)</i>	<i>Insurance Contracts – Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i>
<i>HKFRS 9 (2014)</i>	<i>Financial Instruments</i>
<i>HKFRS 15</i>	<i>Revenue from Contracts with Customers and the related Amendments</i>
<i>HK(IFRIC)-Int 22</i>	<i>Foreign Currency Transactions and Advance Consideration</i>

HKFRS 15 is based on the principle that revenue is recognised when control of goods or services is transferred to customers. The adoption of HKFRS 15, other amendments and interpretations has no significant impact on the results and financial position of the Group for the current or prior periods. The impact of the adoption of HKFRS 9 is disclosed below.

HKFRS 9 replaces HKAS 39 that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2018

### 3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(a) Adoption of new / revised HKFRSs *(continued)*

HKFRS 9 categorises financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL). These supersede HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

On 1 January 2018 (the date of initial application of HKFRS 9), the Group made an election to designate its equity investments previously classified as available-for-sale financial assets to financial assets at FVOCI such that subsequent changes in fair value are recognised in other comprehensive income (OCI). There is no subsequent reclassification of fair value gains and losses to profit or loss at disposal, and the cumulative gain and loss recognised in the revaluation reserve is transferred to retained earnings. Dividends from such investments continue to be recognised in profit or loss as other income.

(b) New / revised HKFRSs issued but not yet effective and not early adopted

The Group has not early adopted the following new standards, amendments and interpretations which have been issued but are not yet effective:

<i>HKFRSs (Amendments)</i>	<i>Annual Improvements to HKFRSs 2015-2017 Cycle<sup>1</sup></i>
<i>HKAS 28 (Amendment)</i>	<i>Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures<sup>1</sup></i>
<i>HKAS 19 (Amendment)</i>	<i>Employee Benefits – Plan Amendments, Curtailment or Settlement<sup>1</sup></i>
<i>HKFRS 9 (Amendment)</i>	<i>Financial Instruments – Prepayment Features with Negative Compensation<sup>1</sup></i>
<i>HKFRS 10 (Amendment) and HKAS 28 (2011) (Amendment)</i>	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>3</sup></i>
<i>HKFRS 16</i>	<i>Leases<sup>1</sup></i>
<i>HKFRS 17</i>	<i>Insurance Contracts<sup>2</sup></i>
<i>HK(IFRIC)-Int 23</i>	<i>Uncertainty over Income Tax Treatments<sup>1</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2019

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2021

<sup>3</sup> Effective date is to be determined

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.

HKFRS 16 will primarily affect the accounting for the Group's operating leases. At 30 June 2018, the Group had non-cancellable operating lease commitments of approximately HK\$1.46 billion. The Group has not yet quantified to what extent these changes will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows on adoption of HKFRS 16. The quantitative effect will depend on, inter alia, the transition method chosen, the extent to which the Group uses the practical expedients and recognition exemptions, and any additional leases that the Group enters into.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2018

**3. SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

(c) Accounting policies applied from 1 January 2018

**HKFRS 9 Financial Instruments**

Investments and other financial assets

(i) Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the financial assets at FVOCI.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

The Group subsequently measures all equity investments at fair value.

Changes in the fair value of financial assets at FVOCI are recognised in OCI except for exchange gains and losses which are recognised in profit or loss. There is no subsequent reclassification of fair value gains and losses to profit or loss at disposal, the amount accumulated in the revaluation reserve is transferred to retained earnings. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Changes in the fair value of financial assets at FVPL are recognised in other gain or losses in the statement of profit or loss as applicable.

Dividends from investments in equity instruments (either through OCI, or through profit or loss) are recognised in profit or loss as other income.

(iii) Impairment

HKFRS 9 replaces the “incurred loss” impairment model in HKAS 39 with a forward-looking “expected credit loss” (“ECL”) model.

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2018

### 3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

- (c) Accounting policies applied from 1 January 2018 *(continued)*

#### HKFRS 9 Financial Instruments *(continued)*

Investments and other financial assets *(continued)*

- (iii) Impairment *(continued)*

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. Loss allowances for all other financial instruments equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are updated at each reporting date to reflect changes in credit risk since initial recognition. Any change in ECLs is recognised in profit or loss.

#### HKFRS 15 Revenue from Contracts with Customers

Under HKFRS 15, the Group recognises revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). A performance obligation is a promise to transfer a distinct good or service to a customer. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

## 4. FINANCIAL RISK MANAGEMENT

### 4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2017.

Compared to 31 December 2017, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

### 4.2 Fair value estimation

Financial instruments measured at fair value are analysed into the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As at 30 June 2018, financial instruments included in level 1 comprise listed equity securities with fair value of HK\$508,043,000 (31 December 2017: HK\$908,103,000), which are classified as financial assets at FVOCI (2017: available-for-sale financial assets) and measured at the quoted bid prices in active markets.

There were no transfers between different levels of the fair value hierarchy during the period.

For the six months ended 30 June 2018, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2018

**4. FINANCIAL RISK MANAGEMENT** *(continued)*

**4.3 Fair value of financial assets and financial liabilities measured at amortised cost**

The carrying amounts of financial assets measured at amortised cost, including trade and other receivables, restricted bank deposits, time deposits with maturity over three months, cash and cash equivalents and loan to a joint venture, and financial liabilities measured at amortised cost, including trade and other payables and borrowings, approximate their fair values.

**5. SEGMENT INFORMATION**

Segment information has been prepared in a manner consistent with the information which is regularly reviewed by the chief operating decision maker and used for the purposes of assessing 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

Inter-segment transactions are carried out at arm's length.

The segment information for the reportable segments is as follows:

	Unaudited Six months ended 30 June 2018			Total HK\$'000
	Cargo handling HK\$'000	Sales HK\$'000	Other port ancillary services HK\$'000	
Total segment revenue	3,288,964	3,135,605	1,454,155	7,878,724
Inter-segment revenue	–	(174,872)	(208,270)	(383,142)
Revenue from external customers	3,288,964	2,960,733	1,245,885	7,495,582
Segment results	1,084,995	63,061	418,494	1,566,550
Business tax and surcharge				(8,052)
Other income and gains				128,644
Administrative expenses				(750,679)
Net impairment losses on financial assets				(15,061)
Other operating expenses				(52,421)
Finance costs				(303,458)
Share of net profit of associates and joint ventures accounted for using the equity method				254,231
Profit before income tax				819,754

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2018

### 5. SEGMENT INFORMATION (continued)

	Unaudited Six months ended 30 June 2017			
	Cargo handling HK\$'000	Sales HK\$'000	Other port ancillary services HK\$'000	Total HK\$'000
Total segment revenue	3,450,762	3,634,448	1,528,875	8,614,085
Inter-segment revenue	–	(191,611)	(233,812)	(425,423)
Revenue from external customers	3,450,762	3,442,837	1,295,063	8,188,662
Segment results	1,338,931	77,686	396,871	1,813,488
Business tax and surcharge				(9,873)
Other income and gains				206,920
Administrative expenses				(775,608)
Other operating expenses				(6,207)
Finance costs				(274,582)
Share of net profit of associates and joint ventures accounted for using the equity method				240,310
Profit before income tax				1,194,448

### 6. OTHER INCOME AND GAINS

	Unaudited Six months ended 30 June	
	2018 HK\$'000	2017 HK\$'000
Exchange gain, net	–	129,494
Interest income		
– from deposits	110,871	47,108
– from loan to a joint venture	2,312	1,681
– from loans receivable	–	13,633
Dividend income from financial assets at FVOCI	10,647	–
Dividend income from available-for-sale financial assets	–	9,207
Government grants	3,573	2,250
Others	1,241	3,547
	128,644	206,920

### 7. FINANCE COSTS

	Unaudited Six months ended 30 June	
	2018 HK\$'000	2017 HK\$'000
Interest expenses on borrowings	313,772	281,560
Less: Amount capitalised in construction in progress	(10,314)	(6,978)
	303,458	274,582



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2018

**8. EXPENSES BY NATURE**

	Unaudited Six months ended 30 June	
	2018 HK\$'000	2017 HK\$'000
Costs of goods sold	<b>2,848,371</b>	3,333,874
Depreciation of property, plant and equipment	<b>554,704</b>	492,407
Amortisation of land use rights	<b>82,901</b>	72,650
Amortisation of intangible assets	<b>9,339</b>	8,323
Exchange loss, net	<b>42,532</b>	–

**9. INCOME TAX**

	Unaudited Six months ended 30 June	
	2018 HK\$'000	2017 HK\$'000
PRC income tax		
– Current	<b>171,365</b>	220,853
– Deferred	<b>(124,752)</b>	11,183
	<b>46,613</b>	232,036

No Hong Kong profits tax has been provided for as the Group has no estimated assessable profit arising in or derived from Hong Kong for the period (2017: Nil).

PRC income tax has been provided based on the estimated assessable profit for the period at the prevailing income tax rates applicable to the subsidiaries located in the PRC.

The PRC Enterprise Income Tax law imposes a withholding income tax at 10% on dividends distributed by a PRC resident enterprise to its holding company outside Mainland China for earnings generated beginning on 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempt from such withholding tax. Such income tax rate may be further reduced to 5% in the case where the holding company is a Hong Kong resident enterprise holding 25% or more equity interests in such PRC resident enterprise pursuant to the Arrangement between Mainland China and Hong Kong for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income. Upon completion of tax filing and settlement procedures by one of the Group's PRC subsidiaries with the respective tax authority in April 2018, the Group considered that it qualified for the preferential tax rate of 5% on dividends paid by the respective PRC subsidiary and recognised the effect of the change of the respective tax rate during the six months ended 30 June 2018.

**10. DIVIDENDS**

	Unaudited Six months ended 30 June	
	2018 HK\$'000	2017 HK\$'000
2017 final dividend of HK5.03 cents per ordinary share (2017: 2016 final dividend of HK3.44 cents per ordinary share)	<b>309,747</b>	211,835

At the meeting held on 27 March 2018, the Board recommended the payment of a final dividend of HK5.03 cents per ordinary share for the year ended 31 December 2017. The 2017 final dividend was approved at the annual general meeting of the Company held on 5 June 2018.

The Board resolved not to pay an interim dividend for the six months ended 30 June 2018 (2017: Nil).

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2018

### 11. EARNINGS PER SHARE

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

	Unaudited Six months ended 30 June	
	2018 HK\$'000	2017 HK\$'000
<b>Earnings</b>		
Profit attributable to equity holders of the Company for calculating basic and diluted earnings per share	<b>406,072</b>	465,852

	Unaudited Six months ended 30 June	
	2018 '000	2017 '000
<b>Number of shares</b>		
Weighted average number of ordinary shares for calculating basic earnings per share	<b>6,158,000</b>	6,158,000
Effect of dilutive potential ordinary shares: – Share options	<b>830</b>	1,572
Weighted average number of ordinary shares for calculating diluted earnings per share	<b>6,158,830</b>	6,159,572

Diluted earnings per share for the six months ended 30 June 2018 and 30 June 2017 assumed the effect of exercise of certain of the Company's outstanding share options since they would have a dilutive effect.

### 12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2018, additions to the Group's property, plant and equipment amounted to HK\$144 million (30 June 2017: HK\$523 million).

### 13. TRADE AND OTHER RECEIVABLES

In general, the Group grants a credit period of about 30 to 180 days to its customers. The ageing analysis of trade and notes receivables (net of provision for impairment) based on the invoice date is as follows:

	Unaudited 30 June 2018 HK\$'000	Audited 31 December 2017 HK\$'000
0 – 90 days	<b>2,495,406</b>	2,610,415
91 – 180 days	<b>150,957</b>	134,212
Over 180 days	<b>77,782</b>	64,930
	<b>2,724,145</b>	2,809,557

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2018

## 14. SHARE CAPITAL

	Number of Shares '000	Share capital HK\$'000
Ordinary shares of HK\$0.10 each		
<b>Authorised:</b>		
At 31 December 2017 and 30 June 2018	<b>12,000,000</b>	1,200,000
<b>Issued and fully paid:</b>		
At 31 December 2017 and 30 June 2018	<b>6,158,000</b>	615,800

## 15. OTHER 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 reserves HK\$'000 (Note ii)	Others HK\$'000	
At 1 January 2017	10,813,187	(9,111,447)	128,612	27,881	176,593	1,367,540	278,560	3,680,926
Other comprehensive income for the period	-	-	40,122	-	348,719	-	-	388,841
Dividends	(211,835)	-	-	-	-	-	-	(211,835)
Deregistration of a subsidiary	-	-	-	-	-	(176)	-	(176)
At 30 June 2017	10,601,352	(9,111,447)	168,734	27,881	525,312	1,367,364	278,560	3,857,756
<b>At 1 January 2018</b>	<b>10,601,352</b>	<b>(9,111,447)</b>	<b>229,780</b>	<b>27,881</b>	<b>979,575</b>	<b>1,498,684</b>	<b>399,389</b>	<b>4,625,214</b>
Other comprehensive loss for the period	-	-	(33,081)	-	(111,999)	-	-	(145,080)
Dividends	(309,747)	-	-	-	-	-	-	(309,747)
Disposal of financial assets at FVOCI	-	-	(73,408)	-	-	-	-	(73,408)
Lapse of share options	-	-	-	(19,179)	-	-	-	(19,179)
<b>At 30 June 2018</b>	<b>10,291,605</b>	<b>(9,111,447)</b>	<b>123,291</b>	<b>8,702</b>	<b>867,576</b>	<b>1,498,684</b>	<b>399,389</b>	<b>4,077,800</b>

## Notes:

- Under the Companies Law of the Cayman Islands, the share premium 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.
- In accordance with the PRC laws and regulations, companies established in the PRC are required to transfer at least 10% of their net profit for the year, as determined under the PRC accounting standards, to relevant reserves until the reserve balance reaches 50% of their registered capital. Such reserves can be used to offset accumulated losses, capitalisation into capital and expansion of production.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**
*For the six months ended 30 June 2018*
**16. BORROWINGS**

	Unaudited 30 June 2018 HK\$'000	Audited 31 December 2017 HK\$'000
<b>Unsecured borrowings:</b>		
<b>Non-current</b>		
Long-term borrowings	<b>10,920,241</b>	8,823,898
<b>Current</b>		
Short-term borrowings	<b>1,625,035</b>	1,848,367
Current portion of long-term borrowings	<b>3,296,443</b>	5,736,611
	<b>4,921,478</b>	7,584,978
	<b>15,841,719</b>	16,408,876
<b>Repayable:</b>		
Borrowings		
Within 1 year	<b>4,921,478</b>	5,192,347
Between 1 and 2 years	<b>4,476,528</b>	4,819,995
Between 2 and 5 years	<b>5,895,551</b>	3,386,591
Over 5 years	<b>548,162</b>	617,312
	<b>15,841,719</b>	14,016,245
Medium-term notes due within 1 year	–	2,392,631
	<b>15,841,719</b>	16,408,876
<b>Carrying amounts are denominated in the following currencies:</b>		
Renminbi	<b>11,196,997</b>	11,822,670
HK dollars	<b>4,644,722</b>	4,586,206
	<b>15,841,719</b>	16,408,876
<b>Effective interest rates per annum:</b>		
Renminbi	<b>2.4% – 4.9%</b>	2.4% – 5.3%
HK dollars	<b>2.6% – 3.3%</b>	2.4% – 2.6%

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2018

**17. TRADE AND OTHER PAYABLES**

	Unaudited 30 June 2018 HK\$'000	Audited 31 December 2017 HK\$'000
Trade payables	1,517,675	1,369,736
Notes payables	194,609	134,577
Trade and notes payables	1,712,284	1,504,313
Advance from customers	1,004,025	814,203
Dividend payable to:		
– equity holders of the Company	309,747	113,332
– non-controlling interests	202,026	39,256
Other non-trade payables	915,199	976,641
	<b>4,143,281</b>	3,447,745

The ageing analysis of trade and notes payables based on the invoice date is as follows:

	Unaudited 30 June 2018 HK\$'000	Audited 31 December 2017 HK\$'000
0 – 90 days	1,473,177	1,309,441
91 – 180 days	65,082	126,142
181 – 365 days	157,538	44,747
Over 365 days	16,487	23,983
	<b>1,712,284</b>	1,504,313

**18. CAPITAL COMMITMENTS**

	Unaudited 30 June 2018 HK\$'000	Audited 31 December 2017 HK\$'000
<b>Contracted but not provided for</b>		
– Property, plant and equipment	673,702	809,242
– Investment in an associate	607,691	612,925
<b>Authorised but not contracted for</b>		
– Property, plant and equipment	3,028,021	3,378,111

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2018

**18. CAPITAL COMMITMENTS** *(continued)*

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

On 18 August 2008, the board of directors of Tianjin Port Holdings Co., Ltd. ("Tianjin Port Co"), a subsidiary of the Group, resolved that Tianjin Port Co will set up a company, Tianjin Port Shenghua International Container Terminal Co., Ltd., with Grand Asia International Shipping Ltd. and Terminal Link Tianjin Limited and invest in the construction project of container terminals at Beigangchi berth no. 8-10 at the port of Tianjin. Total investment of the construction project will be approximately RMB4.20 billion and the registered capital will be RMB1.47 billion. Tianjin Port Co will hold 60% equity interest in it. As at 30 June 2018, the formation of the company and the preparatory work of the construction project were still in progress.

**19. SIGNIFICANT RELATED PARTY TRANSACTIONS**

The followings are the significant related party transactions entered into between the Group and its related parties in the normal course of business and on normal commercial terms:

**(a) Transactions with related parties of the Group**

	Unaudited	
	Six months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
<b>With Tianjin Port (Group) Co., Ltd. ("Tianjin Port Group") and its subsidiaries, associates and joint ventures</b>		
Sales of goods and services	31,236	28,833
Purchases of goods and services	350,150	327,786
Expenses for rental of land, property, plant and equipment	84,928	87,560
Acquisition of property, plant and equipment	39,038	49,150
<b>With associates</b>		
Sales of goods and services	55,203	28,038
Purchases of goods and services	377,767	418,966
Income from rental of property, plant and equipment	4,773	1,677
Expenses for rental of property, plant and equipment	10,104	5,971
Interest income	12,539	18,961
Interest expenses	76,798	69,426
<b>With joint ventures</b>		
Sales of goods and services	26,883	69,152
Purchases of goods and services	57,096	43,776
Interest income	2,312	1,681
Investment in a joint venture	–	20,164

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2018

19. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Balances with related parties of the Group

	Unaudited 30 June 2018 HK\$'000	Audited 31 December 2017 HK\$'000
<b>With Tianjin Port Group and its subsidiaries, associates and joint ventures</b>		
Trade and other receivables (Note i)	28,570	29,958
Trade and other payables (Note i)	318,521	280,833
<b>With associates</b>		
Trade and other receivables (Note i)	8,187	5,214
Trade and other payables (Note i)	71,494	62,208
Deposits (Note ii)	3,413,125	3,696,394
Borrowings (Note iii)	3,461,416	3,732,420
<b>With joint ventures</b>		
Trade and other receivables (Note i)	21,760	11,785
Trade and other payables (Note i)	18,849	13,376
Loan to a joint venture (Note iv)	142,800	142,236

Notes:

- i. Trade and other receivables and trade and other payables are unsecured, interest-free and due within 1 year.
- ii. Deposits placed with Tianjin Port Finance Co., Ltd. ("Tianjin Port Finance"), a 48% owned associate of the Group, carry interests at prevailing market rates.
- iii. As at 30 June 2018, borrowings from Tianjin Port Finance amounted to HK\$3,461,416,000 (31 December 2017: HK\$3,732,420,000), of which HK\$3,322,702,000 (31 December 2017: HK\$3,528,926,000) are repayable within 5 years and the remaining HK\$138,714,000 (31 December 2017: HK\$203,494,000) are repayable over 5 years. Borrowings from Tianjin Port Finance are unsecured and bear interests at market rates ranging from 3.9% to 4.9% (31 December 2017: from 3.9% to 4.4%) per annum.
- iv. Loan to a joint venture is unsecured, interest bearing at LIBOR plus 1.5% per annum and repayable in 2019.

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

In addition to those disclosed above, as at 30 June 2018, the majority of the Group's cash and deposits and borrowings held by subsidiaries in the PRC are with state-owned banks and financial institutions.

In accordance with HKAS 24 (Revised), certain transactions with other state-owned entities in the PRC, which are individually or collectively not significant, are exempted from disclosure. The Group is of the opinion that it has provided, in the best of its knowledge, adequate and appropriate disclosure of significant related party transactions in the condensed consolidated interim financial statements.

## OTHER INFORMATION

### REVIEW OF INTERIM RESULTS

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2018 have been reviewed by the independent auditor of the Company 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. The audit committee of the Company has reviewed the interim report for the six months ended 30 June 2018.

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with all code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2018, except for Code Provision E.1.2.

Code Provision E.1.2 stipulates that the Chairman of the Board should attend the annual general meeting. Due to other important business engagements at the relevant time, the Chairman did not attend the annual general meeting of the Company held on 5 June 2018.

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with the Directors, all Directors confirmed that they have complied with the Model Code throughout the six months ended 30 June 2018.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2018.

### CONTINUING DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

On 29 June 2016, Tianjin Port Development Finance Limited, a wholly-owned subsidiary of the Company as borrower (the "Borrower"), and the Company as guarantor entered into a facility agreement with a financial institution as lender for a term loan facility in an aggregate amount of HK\$900,000,000. The loan facility is unsecured, interest bearing and repayable in full on the date falling 36 months from the date of first drawdown.

On 26 August 2016, the Borrower and the Company as guarantor entered into a facility agreement with a financial institution as lender for a term loan facility in an aggregate amount of HK\$600,000,000. The loan facility is unsecured, interest bearing and repayable in full on the date falling 36 months from the date of first drawdown.

On 24 March 2017, the Borrower and the Company as guarantor entered into a facility agreement with a financial institution as lender for a term loan facility in an aggregate amount of HK\$600,000,000. The loan facility is unsecured, interest bearing and repayable in full on the date falling 36 months from the date of the facility agreement.

On 27 March 2017, the Borrower and the Company as guarantor entered into a facility agreement with a financial institution as lender for a term loan facility in an aggregate amount of HK\$300,000,000. The loan facility is unsecured, interest bearing and repayable in full on the date falling 36 months from the date of the facility agreement.

On 31 May 2018, the Borrower and the Company as guarantor entered into a facility agreement with a financial institution as lender for a term loan facility in an aggregate amount of HK\$300,000,000. The loan facility is unsecured, interest bearing and repayable in full on the date falling 36 months from the date of the facility agreement.

On 31 May 2018, the Borrower and the Company as guarantor entered into a facility agreement with a financial institution as lender for a term loan facility in an aggregate amount of HK\$700,000,000. The loan facility is unsecured, interest bearing and repayable in full on the date falling 36 months from the date of the facility agreement.

On 31 May 2018, the Borrower and the Company as guarantor entered into a facility agreement with several financial institutions as lenders for a term loan facility in an aggregate amount of HK\$1,200,000,000. The loan facility is unsecured, interest bearing and repayable in full on the date falling 36 months from the date of the facility agreement.



Each of the above facility agreements includes a condition imposing specific performance obligations on Tianjin Port Group, the Company's controlling shareholder. If Tianjin Port Group, together with its subsidiaries, ceases to (1) have 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, the relevant financial institutions may demand immediate repayment of the loan facilities. As at 30 June 2018, the aggregate balance of the loan facilities subject to the above obligations was HK\$4,600,000,000.

On 5 June 2018, the Borrower and the Company as guarantor entered into a facility letter with a financial institution as lender for an uncommitted revolving loan facility of up to HK\$100,000,000. The loan facility is unsecured, interest bearing and subject to annual review by the lender. Pursuant to the facility letter, the Borrower and the Company undertakes that Tianjin Port Group together with its subsidiaries, shall (1) have the single largest shareholding interest in the Company in aggregate, and (2) hold no less than 35% (directly or indirectly) of the shareholding interest in the Company in aggregate. Any breach of the undertaking may result in the relevant financial institution exercising its right to demand repayment.

The above specific performance obligations and undertaking continue to exist as at the date of this report.

## UPDATES ON DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

The changes in the Directors' information since the date of the 2017 annual report of the Company pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

Shi Jing, an executive Director, resigned as a non-executive director of Binhai Investment Company Limited (Stock Code: 02886), a company whose shares are listed on the Main Board of the Stock Exchange, with effect from 26 July 2018.

## SHARE OPTION SCHEME

By a written resolution passed by the sole shareholder of the Company on 26 April 2006, the Share Option Scheme was adopted by the Company. The Share Option Scheme was effective for a period of 10 years and expired on 25 April 2016. All outstanding share options granted under the Share Option Scheme will continue to be valid and exercisable in accordance with the provisions of the Share Option Scheme.

Movements of the outstanding share options under the Share Option Scheme during the six months ended 30 June 2018 were as follows:

	Date of grant	Exercise price HK\$	Number of share options			As at 30/06/2018	Exercise period
			As at 01/01/2018	Exercised	Lapsed		
<b>Directors</b>							
Zhang Ruigang	22/04/2016	1.244	3,450,000	–	–	3,450,000	22/10/2016 – 21/04/2026
Li Quanyong	08/04/2010	2.34	2,100,000	–	–	2,100,000	08/10/2010 – 07/04/2020
	28/06/2012	0.896	1,050,000	–	–	1,050,000	28/12/2012 – 27/06/2022
Wang Rui	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
	28/06/2012	0.896	1,000,000	–	–	1,000,000	28/12/2012 – 27/06/2022
Yu Houxin	09/12/2015	1.21	1,100,000	–	–	1,100,000	09/06/2016 – 08/12/2025
Shi Jing	16/09/2014	1.514	1,100,000	–	–	1,100,000	16/03/2015 – 15/09/2024
Japhet Sebastian Law	25/01/2008	4.24	300,000	–	(300,000)	–	25/07/2008 – 24/01/2018
	28/06/2012	0.896	150,000	–	–	150,000	28/12/2012 – 27/06/2022
Cheng Chi Pang, Leslie	25/01/2008	4.24	300,000	–	(300,000)	–	25/07/2008 – 24/01/2018
	28/06/2012	0.896	150,000	–	–	150,000	28/12/2012 – 27/06/2022
Zhang Weidong	28/06/2012	0.896	450,000	–	–	450,000	28/12/2012 – 27/06/2022
<b>Employees</b>							
	29/04/2011	1.828	700,000	–	–	700,000	29/10/2011 – 28/04/2021
	28/06/2012	0.896	1,400,000	–	–	1,400,000	28/12/2012 – 27/06/2022
<b>Total</b>			15,250,000	–	(600,000)	14,650,000	

## OTHER INFORMATION

## DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Other than the Share Option Scheme, during the six months ended 30 June 2018 or at the end of the period, the Company or any of its subsidiaries, its fellow subsidiaries or its holding companies was not a party to any arrangements to enable 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 2018, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company 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, were as follows:

Name of Director	Capacity	Number of Shares	Number of underlying shares <i>(Note)</i>	Percentage of issued share capital of the Company
Zhang Ruigang	Beneficial owner	–	3,450,000 (L)	0.06%
Li Quanyong	Beneficial owner	–	3,150,000 (L)	0.05%
Wang Rui	Beneficial owner	–	3,000,000 (L)	0.05%
Yu Houxin	Beneficial owner	–	1,100,000 (L)	0.02%
Shi Jing	Beneficial owner	–	1,100,000 (L)	0.02%
Japhet Sebastian Law	Beneficial owner	2,700,000 (L)	150,000 (L)	0.05%
Cheng Chi Pang, Leslie	Beneficial owner	–	150,000 (L)	0.00%
Zhang Weidong	Beneficial owner	–	450,000 (L)	0.01%

(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 the Shares, further details of which are set out in the section headed "Share Option Scheme" above.

Save as disclosed above, as at 30 June 2018, none of the Directors or chief executive of the Company or their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of 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.

## INTERESTS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 June 2018, the following persons, other than the Directors or chief executive of the Company, had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name of Shareholder	Capacity	Number of Shares Interested (Note 1)	Percentage of issued share capital of the Company
Tianjin Port Overseas Holding Limited (Note 2)	Beneficial owner	3,294,530,000 (L)	53.5%
Tianjin Port Group (Note 2)	Interest of a controlled corporation	3,294,530,000 (L)	53.5%
Leadport Holdings Limited (Note 3)	Beneficial owner	1,293,030,000 (L)	21.0%
Tianjin Development Holdings Limited ("Tianjin Development") (Note 3)	Interest of controlled corporations	1,293,180,000 (L)	21.0%
Tsinlien Group Company Limited ("Tsinlien") (Note 4)	Interest of controlled corporations	1,303,010,000 (L)	21.2%
天津市醫藥集團有限公司 (Tianjin Pharmaceutical Group Co., Ltd. *) ("Tianjin Pharmaceutical") (Note 4)	Interest of controlled corporations	1,303,010,000 (L)	21.2%
天津渤海國有資產經營管理有限公司 (Tianjin Bohai State-owned Assets Management Co., Ltd. *) ("Bohai") (Note 4)	Interest of controlled corporations	1,303,010,000 (L)	21.2%
天津津聯投資控股有限公司 (Tianjin Tsinlien Investment Holdings Co., Ltd. *) ("Tsinlien Investment Holdings") (Note 4)	Interest of controlled corporations	1,303,010,000 (L)	21.2%

(L) denotes a long position

### Notes:

1. According to Section 336 of the SFO, when the shareholdings of the shareholders in the company change, it is not necessary for the shareholders to notify the company and the Stock Exchange unless certain criteria are fulfilled. Therefore, the latest shareholdings of the Shareholders may be different from the shareholdings filed with the Stock Exchange.
2. By virtue of the SFO, Tianjin Port Group is deemed to be interested in all the Shares held by Tianjin Port Overseas Holding Limited, a wholly-owned subsidiary of Tianjin Port Group.
3. By virtue of the SFO, Tianjin Development is deemed to be interested in all the Shares held by Leadport Holdings Limited, a wholly-owned subsidiary of Tianjin Development.
4. Tianjin Development is a subsidiary of Tianjin Investment Holdings Limited which in turn is a wholly-owned subsidiary of Tsinlien. As at 30 June 2018, Tianjin Investment Holdings Limited and Tsinlien Investment Limited, a wholly-owned subsidiary of Tsinlien, were beneficially interested in 6,820,000 Shares and 3,010,000 Shares respectively, representing an aggregate of approximately 0.2% of the issued share capital of the Company. Tsinlien is a wholly-owned subsidiary of Tianjin Pharmaceutical, which in turn is a wholly-owned subsidiary of Bohai. Bohai is a wholly-owned subsidiary of Tsinlien Investment Holdings. By virtue of the SFO, Tsinlien, Tianjin Pharmaceutical, Bohai and Tsinlien Investment Holdings are deemed to be interested in all the Shares held by each of Tianjin Development, Tianjin Investment Holdings Limited and Tsinlien Investment Limited.

Save as disclosed above, as at 30 June 2018, there are no other 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 under Section 336 of the SFO.

## FINANCIAL SUMMARY

### CONSOLIDATED INCOME STATEMENT

	For the year ended 31 December					For the six months ended 30 June	
	2013	2014	2015	2016	2017	2017	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	22,108,849	33,559,969	20,541,760	16,456,982	16,621,811	8,188,662	<b>7,495,582</b>
Business tax and surcharge	(67,560)	(74,357)	(65,583)	(39,105)	(18,318)	(9,873)	<b>(8,052)</b>
Cost of sales	(17,985,873)	(28,917,206)	(15,817,854)	(11,848,641)	(12,961,777)	(6,375,174)	<b>(5,929,032)</b>
Gross profit	4,055,416	4,568,406	4,658,323	4,569,236	3,641,716	1,803,615	<b>1,558,498</b>
Other income and gains	396,820	292,439	324,539	226,382	516,882	206,920	<b>128,644</b>
Administrative expenses	(2,017,083)	(2,183,040)	(2,068,313)	(1,979,661)	(1,912,589)	(775,608)	<b>(750,679)</b>
Net impairment losses on financial assets and other operating expenses	(9,929)	(35,220)	(336,423)	(320,216)	(50,760)	(6,207)	<b>(67,482)</b>
Operating profit	2,425,224	2,642,585	2,578,126	2,495,741	2,195,249	1,228,720	<b>868,981</b>
Finance costs	(427,670)	(478,915)	(611,479)	(584,608)	(571,887)	(274,582)	<b>(303,458)</b>
Share of net profit of associates and joint ventures accounted for using the equity method	401,690	501,463	527,502	448,108	502,577	240,310	<b>254,231</b>
Profit before income tax	2,399,244	2,665,133	2,494,149	2,359,241	2,125,939	1,194,448	<b>819,754</b>
Income tax	(466,645)	(601,496)	(632,142)	(571,717)	(471,273)	(232,036)	<b>(46,613)</b>
Profit for the year/period	1,932,599	2,063,637	1,862,007	1,787,524	1,654,666	962,412	<b>773,141</b>
Profit attributable to:							
Equity holders of the Company	811,047	819,125	639,387	530,479	774,592	465,852	<b>406,072</b>
Non-controlling interests	1,121,552	1,244,512	1,222,620	1,257,045	880,074	496,560	<b>367,069</b>
	1,932,599	2,063,637	1,862,007	1,787,524	1,654,666	962,412	<b>773,141</b>

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December					As at 30 June
	2013	2014	2015	2016	2017	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Land use rights	5,423,843	5,834,689	5,759,693	5,686,092	6,334,061	<b>6,208,926</b>
Property, plant and equipment	21,682,171	21,895,298	20,493,102	18,960,072	19,834,777	<b>19,253,072</b>
Intangible assets	47,121	51,115	48,977	65,043	69,909	<b>61,409</b>
Investments accounted for using the equity method	4,995,467	5,745,904	5,603,976	5,421,257	5,972,997	<b>5,911,652</b>
Financial assets at FVOCI	–	–	–	–	–	<b>558,082</b>
Available-for-sale financial assets	385,297	601,279	565,065	518,458	958,574	–
Deferred income tax assets	170,757	132,587	98,890	91,491	63,520	<b>66,465</b>
Other non-current assets	–	–	596,801	–	–	–
Current assets	11,366,231	14,854,505	13,285,419	11,594,094	14,213,586	<b>14,938,964</b>
Total assets	44,070,887	49,115,377	46,451,923	42,336,507	47,447,424	<b>46,998,570</b>
Total liabilities	(20,071,795)	(23,587,820)	(21,830,331)	(18,220,114)	(20,484,587)	<b>(20,383,508)</b>
Non-controlling interests	(12,510,022)	(13,521,761)	(13,010,871)	(12,978,991)	(14,237,699)	<b>(13,938,679)</b>
Shareholders' equity	11,489,070	12,005,796	11,610,721	11,137,402	12,725,138	<b>12,676,383</b>

## DEFINITIONS

In this report, unless the context requires otherwise, the following expressions shall have the following meanings:

“Board”	the board of Directors of the Company
“Company”	Tianjin Port Development Holdings Limited
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers, Appendix 10 to the Listing Rules
“PRC” or “China”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on 26 April 2006
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin Port Co”	天津港股份有限公司 (Tianjin Port Holdings Co., Ltd.*), a limited liability company incorporated in the PRC and the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600717), and a non wholly-owned subsidiary of the Group
“Tianjin Port Group”	天津港(集團)有限公司 (Tianjin Port (Group) Co., Ltd.*), a limited liability company incorporated in the PRC and the Company’s ultimate holding company
“U.S.”	the United States of America
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

\* for identification purposes only

## CORPORATE INFORMATION

### EXECUTIVE DIRECTORS

ZHANG Ruigang (*Chairman*)  
 LI Quanyong (*Managing Director*)<sup>△</sup>  
 WANG Rui<sup>+</sup>  
 YU Houxin  
 SHI Jing

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Japhet Sebastian LAW<sup>\*\*</sup>  
 CHENG Chi Pang, Leslie<sup>\*△</sup>  
 ZHANG Weidong <sup>\*\*△</sup>

### CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

CHAN Yeuk Kwan, Winnie

### AUDITOR

PricewaterhouseCoopers

### PRINCIPAL LEGAL ADVISORS

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

### PRINCIPAL BANKERS

Agricultural Bank of China Limited  
 Bank of China (Hong Kong) Limited  
 Bank of Communications Co., Ltd.  
 DBS Bank Ltd.  
 Industrial and Commercial Bank of China (Asia) Limited  
 Nanyang Commercial Bank, Limited

### PRINCIPAL SHARE REGISTRAR

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

### HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited  
 Level 22, Hopewell Centre  
 183 Queen's Road East, Hong Kong

### REGISTERED OFFICE

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 75 Fort Street, Grand Cayman KY1-1108  
 Cayman Islands

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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### INVESTOR RELATIONS

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 Tel: (852) 2847 8888  
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### WEBSITE

[www.tianjinportdev.com](http://www.tianjinportdev.com)

### STOCK CODE

Hong Kong Stock Exchange: 03382

△ Members of Nomination Committee, Zhang Weidong is the chairman of the committee  
 + Members of Remuneration Committee, Japhet Sebastian Law is the chairman of the committee  
 \* Members of Audit Committee, Cheng Chi Pang, Leslie is the chairman of the committee

## Tianjin Port Development Holdings Limited

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