



# 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  
2019**

## 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 business. 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 2019, 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	
	2019	2018
Total throughput		
Non-containerised cargo (million tonnes)	104.90	110.45
Container (million TEUs)	8.32	7.79
Consolidated throughput		
Non-containerised cargo (million tonnes)	74.31	80.97
Container (million TEUs)	4.12	3.76

HK\$ million	For the six months ended 30 June	
	2019	2018
Revenue	7,086	7,496
Operating profit	946	869
Profit before income tax	874	820
Profit attributable to Shareholders	299	406
Basic earnings per share (HK cents)	4.9	6.6
Net cash inflow from operating activities	1,572	1,627

HK\$ million	As at	
	30 June 2019	31 December 2018
Shareholders' equity	12,359	12,224
Non-controlling interests	14,394	13,665
Total equity	26,753	25,889
Total assets	47,723	45,471
Total borrowings	14,678	15,451
Financial ratios		
Gearing ratio (Note 1)	54.9%	59.7%
Current ratio	1.3	1.4
Net assets per share - book value (Note 2) (HK\$)	2.0	2.0

Following the adoption of HKFRS 16 on 1 January 2019, the Group's results for the six months ended 30 June 2019 are based on HKFRS 16, whereas the comparative amounts for the six months ended 30 June 2018 and as at 31 December 2018 are based on Hong Kong Accounting Standard 17 without restatement.

According to the "Notice on Adjusting the Calculation Method for Ro-Ro Vehicle Throughput in the Ports" (《關於調整港口滾裝汽車吞吐量計算方法的通知》) issued by the Ministry of Transport of the PRC, with effect from January 2019, the Group's ro-ro vehicle throughput used the statistical method of conversion by actual weight rather than by coefficient. For comparison purpose, related figures for the first half of 2018 have been restated on the same basis.

Notes:

- Gearing ratio represents total borrowings divided by total equity.
- 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 2019, total cargo throughput handled by the Group was 198.04 million tonnes (2018: 194.12 million tonnes<sup>+</sup>), representing an increase of 2.0% over the same period last year, of which total container throughput was 8.315 million TEUs (2018: 7.791 million TEUs), an increase of 6.7% over the same period last year.

\* According to the "Notice on Adjusting the Calculation Method for Ro-Ro Vehicle Throughput in the Ports" (《關於調整港口滾裝汽車吞吐量計算方法的通知》) issued by the Ministry of Transport of the PRC, with effect from January 2019, the Group's ro-ro vehicle throughput used the statistical method of conversion by actual weight rather than by coefficient. For comparison purpose, related figures for the first half of 2018 have been restated on the same basis.

In the first half of 2019, profit attributable to shareholders of the Company amounted to HK\$299 million and basic earnings per share was HK4.9 cents.

## INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2019.

## REVIEW OF OPERATIONS

Global economy sustained its growth in the first half of 2019, however, growth momentum was impeded and global trade continued to slow down due to uncertainties over the trade disputes. In the first half of 2019, China's total import and export value fell by 2.0% year-on-year to US\$2.16 trillion. While the U.S. economy grew solidly, the Eurozone economy has slackened. China's economy held steady with GDP grew by 6.3%, which was within a reasonable range. China's ports achieved a stable growth. According to the statistics from the Ministry of Transport of the PRC, cargo throughput handled by China's port was 6,713 million tonnes, representing a year-on-year growth of 4.5% (on a comparable basis), of which container throughput handled increased by 5.1% on a year-on-year basis to 126.99 million TEUs.

In the first half of 2019, total cargo throughput handled by the Group was 198.04 million tonnes, increased by 2.0% year-on-year.

### Non-containerised Cargo Handling Business

In the first half of 2019, the Group achieved total non-containerised cargo throughput of 104.90 million tonnes, representing a decrease of 5.0% over the same period last year, of which throughput of the subsidiary terminals fell by 8.2% and throughput of the jointly controlled and affiliated terminals grew by 3.8%.

Nature of terminal	Non-containerised cargo throughput			
	First half of 2019 million tonnes	First half of 2018 <sup>+</sup> million tonnes	Amount of change million tonnes	Percentage of change
Subsidiary terminals	74.31	80.97	-6.66	-8.2%
Jointly controlled and affiliated terminals	30.59	29.48	1.11	3.8%
Total	104.90	110.45	-5.55	-5.0%

In terms of total throughput on a year-on-year basis, crude oil handling rose by 19.5% to 13.72 million tonnes (2018: 11.48 million tonnes), automobiles handling grew by 52.0% to 0.76 million tonnes (2018: 0.50 million tonnes<sup>+</sup>), metal ore handling decreased by 0.3% to 46.76 million tonnes (2018: 46.88 million tonnes), coal handling dropped by 15.4% to 31.54 million tonnes (2018: 37.27 million tonnes), and steel handling was down by 7.6% to 5.99 million tonnes (2018: 6.48 million tonnes).

On a consolidated basis, the blended average unit price of the non-containerised cargo handling business was HK\$27.2 per tonne (2018: HK\$27.6 per tonne<sup>+</sup>), a decrease of 1.4% over the same period last year. In RMB, the blended average unit price increased by 4.4% over the same period last year.

## Container Handling Business

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

In the first half of 2019, the container handling business experienced a stable growth. The Group achieved total container throughput of 8.315 million TEUs, representing an increase of 6.7% over the same period last year, of which throughput of the subsidiary terminals increased by 9.7% and throughput of the jointly controlled and affiliated terminals rose by 4.0%.

Nature of terminal	First half of 2019 '000 TEUs	Container throughput		
		First half of 2018 '000 TEUs	Amount of change '000 TEUs	Percentage of change
Subsidiary terminals	4,122	3,758	364	9.7%
Jointly controlled and affiliated terminals	4,193	4,033	160	4.0%
<b>Total</b>	<b>8,315</b>	<b>7,791</b>	<b>524</b>	<b>6.7%</b>

On a consolidated basis, the blended average unit price of the container handling business decreased by 2.4% over the same period last year to HK\$273.0 per TEU (2018: HK\$279.6 per TEU). In RMB, the blended average unit price increased by 3.6% 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 2019, the Group recorded revenue of HK\$2,850 million from sales business, representing a decrease of 3.7% over the same period last year.

## 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 2019, cargo agency dropped by 10.4% to 40.52 million tonnes of cargoes (2018: 45.23 million tonnes); shipping agency decreased by 38.7% to 3,102 vessel calls (2018: 5,059 vessel calls); tallying services increased by 0.3% to 54.73 million tonnes of cargoes (2018: 54.55 million tonnes); and tugboat services decreased by 10.1% to 20,810 vessel calls (2018: 23,140 vessel calls) over the same period last year.

## OUTLOOK

Going into the second half of the year, economic outlook remains uncertain. Global economic development will continue to face fluctuations created by the further escalation of global trade war, the direction of the U.S. Federal Reserve's monetary policy and Brexit. Uncertainties over the U.S. trade policies will continue to affect the global trading environment, imposing further pressure on trade prospects. The port industry will also be impacted by the trade war.

This year, the Group merged 3 container terminal companies (namely 天津港集裝箱碼頭有限公司 (Tianjin Port Container Terminal Co., Ltd.\*) ("Tianjin Port Container"), 天津東方海陸集裝箱碼頭有限公司 (Tianjin Orient Container Terminals Co., Ltd.\*) ("Tianjin Orient") and 天津五洲國際集裝箱碼頭有限公司 (Tianjin Five Continents International Container Terminal Co., Ltd.\*) ("Tianjin Five Continents")), to centralise the operation and management of container terminals in the Tianjin Port Dongtudi Area, enhancing the operating efficiency and leveraging on the advantages of port consolidation. The Group has also made progress in enhancing the levels of automation and intelligence of our container operations, attaining quay crane automatic control with 5G technology and an intelligent control system that further enhanced the operational efficiency of our container terminals. In promoting the construction of a green port, driverless electric trucks have been put into operation to achieve zero emissions, an intelligent dust suppression sprinkler system has been adopted and the onshore power supply system construction has been expedited to improve environmental quality by reducing pollution. In the second half of the year, the Group will continue to promote innovation and efficiency enhancement with the implementation of technology as our cornerstone, to accomplish our goal of port transformation and upgrades and building an intelligent green port.



## FINANCIAL REVIEW

The Group has adopted HKFRS 16 on 1 January 2019. Under the transitional provisions of HKFRS 16, the comparatives for the first half of 2018 were not restated. Upon adoption of HKFRS 16, lessee's operating leases which meet the definition of leases set out in HKFRS 16 (except for short-term leases with a lease term of 12 months or less and leases of low value assets) are recognised as right-of-use assets and lease liabilities in the consolidated statement of financial position, and the related rental expenses are replaced with the depreciation of right-of-use assets and interest expenses on lease liabilities in the consolidated income statement. Short-term leases with a lease term of 12 months or less and leases of low value assets will continue to be recognised as operating lease rental expenses over the lease period. The adoption of HKFRS 16 has resulted in increased depreciation and finance costs, while decreased operating lease rental expenses.

### Revenue

In the first half of 2019, the Group recorded revenue of HK\$7,086 million, representing a decrease of 5.5% over the same period last year. An analysis of revenue by segment is as follows:

Type of business	Revenue			
	First half of 2019 HK\$ million	First half of 2018 HK\$ million	Amount of change HK\$ million	Percentage of change
Non-containerised cargo handling business	2,023	2,238	-215	-9.6%
Container handling business	1,125	1,051	74	7.1%
Cargo handling business (total)	3,148	3,289	-141	-4.3%
Sales business	2,850	2,961	-111	-3.7%
Other port ancillary services business	1,088	1,246	-158	-12.7%
Total	7,086	7,496	-410	-5.5%

Revenue from non-containerised cargo handling business was HK\$2,023 million, a 9.6% decrease over the same period last year. In RMB, revenue decreased by 4.2%, mainly due to the decrease in non-containerised cargo throughput.

Driven by the increase in container throughput, revenue from container handling business increased by 7.1% over the same period last year to HK\$1,125 million. In RMB, revenue increased by 13.6%.

Revenue from sales business was HK\$2,850 million, a 3.7% decrease over the same period last year. In RMB, revenue increased by 2.1%, mainly contributed by the rise in sales volume.

The lower non-containerised cargo throughput caused the drop in revenue from other port ancillary services business. Revenue from other port ancillary services business was HK\$1,088 million, a 12.7% decrease over the same period last year. In RMB, revenue decreased by 7.4%.

## Cost of Sales

In the first half of 2019, cost of sales of the Group was HK\$5,636 million, representing a decrease of 4.9% over the same period last year. An analysis of costs by segment is as follows:

Type of business	First half of 2019 HK\$ million	Costs		
		First half of 2018 HK\$ million	Amount of change HK\$ million	Percentage of change
Cargo handling business	2,118	2,204	-86	-3.9%
Sales business	2,831	2,898	-67	-2.3%
Other port ancillary services business	687	827	-140	-16.9%
<b>Total</b>	<b>5,636</b>	<b>5,929</b>	<b>-293</b>	<b>-4.9%</b>

Cost of cargo handling business decreased by 3.9% over the same period last year to HK\$2,118 million. In RMB, cost increased by 1.9%, mainly attributable to the increase in cargo reconfiguration costs resulting from the increase in container throughput.

Cost of sales business was HK\$2,831 million, a 2.3% decrease over the same period last year. In RMB, cost increased by 3.6%, mainly due to the increase in sales revenue which led to the corresponding increase in costs of goods sold.

Cost of other port ancillary services business was HK\$687 million, a 16.9% decrease over the same period last year and an 11.8% decrease in RMB, which was due to the decrease in business volume.

The adoption of HKFRS 16 resulted in an increase in depreciation and a decrease in operating lease rental expenses but had no significant impact on the cost of sales.

## Gross Profit

Gross profit and gross profit margin for the first half of 2019 were HK\$1,443 million (2018: HK\$1,558 million) and 20.4% (2018: 20.8%) respectively. Gross profit decreased by HK\$115 million over the same period last year. In RMB, gross profit decreased by 1.8% and gross profit margin decreased by 0.4 percentage points over the same period last year, which was mainly the result of lower gross profit and gross profit margin of sales business.

## Administrative Expenses

Administrative expenses of the Group decreased by 6.3% over the same period last year to HK\$703 million.

## Other Income and Gains and Other Operating Expenses

Other income and gains amounted to HK\$228 million, representing an increase of HK\$99.18 million over the same period last year. The increase was primarily due to the gain of HK\$81.58 million recorded on remeasurement of 40% equity interest in Tianjin Five Continents originally held by the Group in accordance with relevant accounting standards, when Tianjin Five Continents became a subsidiary of the Group upon completion of the acquisition of additional equity interest.

Other operating expenses amounted to HK\$18.72 million, a decrease of HK\$33.70 million compared with HK\$52.42 million reported in the same period last year, mainly due to the decrease in exchange loss of HK\$25.86 million.

## Finance Costs

Finance costs (excluding capitalised interest) amounted to HK\$339 million, which included interest expenses of HK\$25.47 million on lease liabilities upon adoption of HKFRS 16.

Excluding the impact of HKFRS 16, finance costs (excluding capitalised interest) were HK\$313 million and finance costs (including capitalised interest) were HK\$320 million, an increase of 3.2% and 2.0% over the same period last year respectively, which was mainly attributable to the higher average borrowing cost than that of 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\$266 million, representing an increase of 4.8% over the same period last year.

## Income Tax

The Group's income tax expenses amounted to HK\$207 million, representing an increase of HK\$160 million over the same period last year, which was primarily due to the decrease in deferred tax in the same period last year.

## FINANCIAL POSITION

### Cash Flow

In the first half of 2019, net increase in cash and cash equivalents of the Group amounted to HK\$424 million.

The Group continued to generate steady cash flow from its operations. Net cash inflow from operating activities amounted to HK\$1,572 million.

Net cash inflow from investing activities amounted to HK\$689 million, which included receipt of dividends of HK\$108 million from investments accounted for using the equity method, a decrease of HK\$859 million in time deposits with maturity over three months, and capital expenditure of HK\$396 million.

Net cash outflow from financing activities amounted to HK\$1,836 million, which included payment of dividends and interest expenses on borrowings of HK\$507 million, net decrease of HK\$1,237 million in borrowings, and lease payment of HK\$85.91 million.

### Capital Structure

The equity attributable to equity holders of the Company as at 30 June 2019 was HK\$12,359 million, and the net asset value of the Company was HK\$2.0 per share (31 December 2018: HK\$2.0 per share).

As at 30 June 2019, the Company had an issued share capital of 6,158 million shares and the market capitalisation was HK\$5,050 million (at the closing price of the shares of the Company of HK\$0.82 per share on 28 June 2019 (being the last trading day in the first half of 2019)).

### Assets and Liabilities

As at 30 June 2019, the Group's total assets were HK\$47,723 million (31 December 2018: HK\$45,471 million) and total liabilities were HK\$20,970 million (31 December 2018: HK\$19,582 million). Net current assets as at 30 June 2019 were HK\$2,932 million (31 December 2018: HK\$4,337 million).

The Group has adopted HKFRS 16 on 1 January 2019. Upon adoption of HKFRS 16, the Group's right-of-use assets were HK\$7,001 million (including reclassification of HK\$5,897 million from land use rights) and lease liabilities were HK\$1,136 million (including reclassification of HK\$32.24 million from trade and other payables) on 1 January 2019. As at 30 June 2019, right-of-assets and lease liabilities amounted to HK\$7,021 million and HK\$1,084 million respectively.

### Liquidity, Financial Resources and Borrowings

As at 30 June 2019, the Group's cash and deposits (including restricted bank deposits and time deposits with maturity over three months) were HK\$10,531 million (31 December 2018: HK\$11,002 million), which were principally denominated in RMB.

The Group's total borrowings as at 30 June 2019 were HK\$14,678 million (31 December 2018: HK\$15,451 million), with HK\$6,150 million repayable within one year, HK\$7,773 million repayable after one year and within five years and HK\$755 million repayable after five years. About 25.1% and 74.9% of the Group's borrowings were denominated in HK\$ and RMB respectively.

### Financial Ratios

As at 30 June 2019, the Group's gearing ratio (total borrowings divided by total equity) was 54.9% (31 December 2018: 59.7%), and current ratio (current assets divided by current liabilities) was 1.3 (31 December 2018: 1.4).

### Pledge of Assets

As at 30 June 2019, none of the Group's assets were pledged.

### Contingent Liabilities

The Group did not have any material contingent liabilities as at 30 June 2019.

### Financial Management and Policy

The Group's Hong Kong head office is responsible for financial risk management of the Group and the finance department is responsible for the 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 any 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 2019, most of the Group's assets and liabilities were denominated in RMB except for certain bank borrowings denominated in HK\$. Since the start of the China-U.S. trade war in 2018, RMB was under depreciation pressures and has been volatile during the first half of 2019. As the exchange rate of RMB at the end of June 2019 was approximately 0.4% lower than that at the end of 2018, an exchange loss of HK\$16.68 million (2018: HK\$42.53 million) arose from the translation of foreign currency denominated liabilities held by the Group. The fluctuations in RMB exchange rate will affect the Group's results reported in HK\$ as the Group operates its business in the PRC. During the period under review, the Group did not enter into any hedging arrangement in respect of foreign exchange risk exposure.

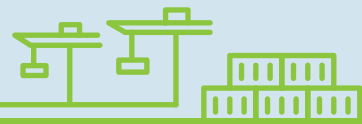
The Group's interest rate risk arises primarily from the fluctuation in interest rates of borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk while borrowings at fixed rates expose the Group to fair value interest rate risk. As at 30 June 2019, the Group's total borrowings were HK\$14,678 million, of which approximately 85.8% were at floating interest rate while the remaining 14.2% were at fixed interest rate, and the average borrowing interest rate was 4.3% (31 December 2018: 4.2%).

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, with the aim to be well prepared and to respond quickly and effectively to the rapidly changing conditions in financial market.

## CAPITAL EXPENDITURE AND COMMITMENTS

In the first half of 2019, additions to property, plant and equipment of the Group were HK\$334 million, primarily comprised construction of new terminals and depots, and renovation of terminals and depots.

As at 30 June 2019, the Group's capital commitments (including authorised but not contracted for) amounted to HK\$3,768 million (31 December 2018: HK\$3,766 million), of which HK\$3,186 million was for property, plant and equipment and HK\$582 million was for investment in an associate.



## MATERIAL INVESTMENTS

During the period under review, material investments of the Group were as follows:

1. On 17 April 2019, Tianjin Port Co (as one of the transferees) entered into an equity transfer agreement with, inter alia, the transferor, pursuant to which Tianjin Port Co agreed to acquire 11.854% equity interest in Tianjin Five Continents at a consideration of RMB173,877,761.86. Details of the equity transfer were set out in the announcement of the Company dated 17 April 2019. The equity transfer was completed in the first half of 2019. Following the completion of equity transfer and up to the completion of the Merger (as defined below), the Group held 51.854% equity interest in Tianjin Five Continents which became a subsidiary of the Group.
2. On 10 June 2019, Tianjin Port Co (as one of the transferees) entered into an equity transfer agreement with, inter alia, the transferor, pursuant to which Tianjin Port Co agreed to acquire 24.5% equity interest in Tianjin Orient at a consideration of RMB102,915,357.23. Details of the equity transfer were set out in the announcement of the Company dated 10 June 2019. The equity transfer was completed in the first half of 2019. Following the completion of equity transfer and up to the completion of the Merger (as defined below), the Group held 75.5% equity interest in Tianjin Orient which continued to be a subsidiary of the Group.
3. On 30 June 2019, Tianjin Port Container, Tianjin Orient and Tianjin Five Continents (all being subsidiaries of the Group) and their shareholders entered into a merger agreement, pursuant to which Tianjin Port Container would, as the surviving party, absorb and merge with Tianjin Orient and Tianjin Five Continents (the "Merger"). Subsequently, Tianjin Orient and Tianjin Five Continents would be dissolved. Details of the Merger were set out in the announcement of the Company dated 1 July 2019.

The Merger has been completed as at the date of this report. Upon completion of the Merger, Tianjin Orient and Tianjin Five Continents were dissolved, and the Group holds 76.68% equity interest in Tianjin Port Container being the surviving party which continues to be a subsidiary of the Group.

## EMPLOYEES

As at 30 June 2019, the Group had approximately 8,500 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 benefits business development of the Group. The management proactively communicates with 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 unflinching service and to our shareholders for their continuous support to the Group.

By order of the Board

**CHU Bin**  
*Chairman*

Hong Kong, 28 August 2019



# 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 2019 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, 28 August 2019

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*PricewaterhouseCoopers, 22/F Prince’s Building, Central, Hong Kong*  
*T: +852 2289 8888, F: +852 2810 9888, [www.pwchk.com](http://www.pwchk.com)*



## CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2019

	Note	Unaudited Six months ended 30 June	
		2019 HK\$'000	2018 HK\$'000
Revenue	5	7,085,540	7,495,582
Business tax and surcharge		(5,610)	(8,052)
Cost of sales		(5,636,479)	(5,929,032)
Gross profit		1,443,451	1,558,498
Other income and gains	6	227,828	128,644
Administrative expenses		(703,185)	(750,679)
Net impairment losses on financial assets		(3,518)	(15,061)
Other operating expenses		(18,715)	(52,421)
Operating profit		945,861	868,981
Finance costs	7	(338,637)	(303,458)
Share of net profit of associates and joint ventures accounted for using the equity method		266,354	254,231
Profit before income tax		873,578	819,754
Income tax	9	(206,881)	(46,613)
Profit for the period		666,697	773,141
Profit attributable to:			
Equity holders of the Company		298,911	406,072
Non-controlling interests		367,786	367,069
		666,697	773,141
Earnings per share	11		
Basic (HK cents)		4.9	6.6
Diluted (HK cents)		4.9	6.6

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 2019

	Unaudited Six months ended 30 June	
	2019 HK\$'000	2018 HK\$'000
Profit for the period	666,697	773,141
Other comprehensive income/(loss)		
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	261,161	(106,648)
Income tax relating to these items	(65,491)	24,862
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	(114,365)	(238,546)
Other comprehensive income/(loss) for the period, net of tax	81,305	(320,332)
Total comprehensive income for the period	748,002	452,809
Total comprehensive income attributable to:		
Equity holders of the Company	312,006	260,992
Non-controlling interests	435,996	191,817
	748,002	452,809

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 2019

	Note	Unaudited 30 June 2019 HK\$'000	Audited 31 December 2018 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Land use rights	3(a)	–	5,897,291
Property, plant and equipment	12	20,538,436	18,803,723
Right-of-use assets	13	7,020,860	–
Intangible assets		59,387	60,069
Investments accounted for using the equity method		4,987,796	5,524,722
Financial assets at fair value through other comprehensive income		763,675	509,111
Deferred income tax assets		52,879	54,091
		<b>33,423,033</b>	30,849,007
<b>Current assets</b>			
Inventories		300,707	318,441
Trade and other receivables	14	3,468,630	3,301,211
Restricted bank deposits		45,920	19,193
Time deposits with maturity over three months		251,222	1,115,043
Cash and cash equivalents		10,233,773	9,868,107
		<b>14,300,252</b>	14,621,995
<b>Total assets</b>		<b>47,723,285</b>	45,471,002
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	15	615,800	615,800
Other reserves	16	3,705,285	3,702,402
Retained earnings		8,037,419	7,906,069
		<b>12,358,504</b>	12,224,271
<b>Non-controlling interests</b>		<b>14,394,659</b>	13,665,161
<b>Total equity</b>		<b>26,753,163</b>	25,889,432

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 2019

	<i>Note</i>	<b>Unaudited 30 June 2019 HK\$'000</b>	Audited 31 December 2018 HK\$'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	17	<b>8,528,348</b>	9,050,608
Lease liabilities	3(c)	<b>775,318</b>	–
Deferred income tax liabilities		<b>273,317</b>	220,084
Other long-term liabilities		<b>24,415</b>	25,533
		<b>9,601,398</b>	9,296,225
<b>Current liabilities</b>			
Trade and other payables	18	<b>4,776,303</b>	3,785,951
Current income tax liabilities		<b>134,412</b>	99,150
Borrowings	17	<b>6,149,805</b>	6,400,244
Lease liabilities	3(c)	<b>308,204</b>	–
		<b>11,368,724</b>	10,285,345
<b>Total liabilities</b>		<b>20,970,122</b>	19,581,570
<b>Total equity and liabilities</b>		<b>47,723,285</b>	45,471,002
<b>Net current assets</b>		<b>2,931,528</b>	4,336,650
<b>Total assets less current liabilities</b>		<b>36,354,561</b>	35,185,657

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 2019

	Unaudited					
	Equity attributable to equity holders of the Company					
	Share capital HK\$'000	Other reserves HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2018	615,800	4,625,214	7,484,124	12,725,138	14,237,699	26,962,837
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	–	–	–
At 30 June 2018	615,800	4,077,800	7,982,783	12,676,383	13,938,679	26,615,062
<b>At 1 January 2019</b>	<b>615,800</b>	<b>3,702,402</b>	<b>7,906,069</b>	<b>12,224,271</b>	<b>13,665,161</b>	<b>25,889,432</b>
Total comprehensive income for the period	–	13,095	298,911	312,006	435,996	748,002
Dividends	–	–	(171,808)	(171,808)	(389,468)	(561,276)
Deregistration of subsidiaries	–	(195)	193	(2)	(5,917)	(5,919)
Acquisition of a subsidiary (Note 19)	–	–	–	–	794,376	794,376
Acquisition of non-controlling interests	–	(5,963)	–	(5,963)	(105,489)	(111,452)
Lapse of share options	–	(4,054)	4,054	–	–	–
At 30 June 2019	615,800	3,705,285	8,037,419	12,358,504	14,394,659	26,753,163

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 2019

	Note	Unaudited Six months ended 30 June	
		2019 HK\$'000	2018 HK\$'000
<b>Net cash generated from operating activities</b>		<b>1,571,761</b>	1,627,094
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment, land use rights and intangible assets		(396,024)	(144,343)
Proceeds from sale of financial assets at fair value through other comprehensive income		–	301,658
Acquisition of a subsidiary	19	96,336	–
Dividends received from investments accounted for using the equity method		107,727	19,145
Decrease in time deposits with maturity over three months		859,385	9,503
Other investing activities		21,171	21,259
Net cash from investing activities		<b>688,595</b>	207,222
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		2,013,129	6,640,300
Repayments of borrowings		(3,250,526)	(7,095,008)
Lease payments		(85,910)	–
Other financing activities		(512,996)	(834,123)
Net cash used in financing activities		<b>(1,836,303)</b>	(1,288,831)
<b>Net increase in cash and cash equivalents</b>		<b>424,053</b>	545,485
Cash and cash equivalents at 1 January		9,868,107	10,118,303
Effects of exchange rate changes		(58,387)	(135,944)
<b>Cash and cash equivalents at 30 June</b>		<b>10,233,773</b>	10,527,844

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 2019

## 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 28 August 2019.

## 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 2018 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 2018.

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

The Group has adopted the following new standards, amendments and interpretation for the accounting period beginning on 1 January 2019:

<i>HKFRSs (Amendments)</i>	<i>Annual Improvements to HKFRSs 2015-2017 Cycle</i>
<i>HKAS 19 (Amendment)</i>	<i>Employee Benefits – Plan Amendment, Curtailment or Settlement</i>
<i>HKAS 28 (Amendment)</i>	<i>Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures</i>
<i>HKFRS 9 (Amendment)</i>	<i>Financial Instruments – Prepayment Features with Negative Compensation</i>
<i>HKFRS 16</i>	<i>Leases</i>
<i>HK(IFRIC)-Int 23</i>	<i>Uncertainty over Income Tax Treatments</i>

Saved as the impact of the adoption of HKFRS 16 disclosed below, the adoption of other amendments and interpretation has no significant impact on the results and financial position of the Group.

Prior to the adoption of HKFRS 16, leases where substantially all the rewards and risks of ownership of assets remained with the lessor were accounted for as operating leases. Operating lease rentals were recognised in the consolidated income statement on a straight-line basis over the lease term. Commitments under operating leases for future periods were not recognised as liabilities.

Upon adoption of HKFRS 16, the majority of operating leases (except for short-term leases with a lease term of 12 months or less and leases of low value assets) are recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

The Group has adopted HKFRS 16 on 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening consolidated statement of financial position as at 1 January 2019.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2019

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

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

On transition to HKFRS 16, the Group has applied the practical expedients permitted by the standard as follows:

- the accounting for operating leases with a remaining lease term of less than 12 months of the date of initial application as short-term leases; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Group relied on its assessment made applying HKAS 17 “Leases” and HK(IFRIC)-Int 4 “Determining whether an Arrangement contains a Lease”.

Upon adoption of HKFRS 16, the Group reclassified the land use rights to right-of-use assets for presentation purpose.

The table below summarises the impact of the adoption of HKFRS 16 on the opening condensed consolidated statement of financial position as at 1 January 2019:

	HK\$'000
Decrease in land use rights	(5,897,291)
Increase in right-of-use assets	7,001,322
Decrease in trade and other payables	(32,235)
Increase in lease liabilities (current)	272,319
Increase in lease liabilities (non-current)	863,947

The table below shows the reconciliation from operating lease commitments disclosed under HKAS 17 “Leases” as at 31 December 2018 to lease liabilities upon adoption of HKFRS 16 as at 1 January 2019:

	HK\$'000
Operating lease commitments disclosed as at 31 December 2018	1,266,093
Add: Exercise of extension option of leases	216,812
Less: Recognition exemption for short-term leases and leases of low value assets	(3,422)
Contracts reassessed as service agreements	(9,010)
Operating lease commitments before discounting	1,470,473
Discount arising from conversion into present value by discounting cash flows using the lessee’s incremental borrowing rate at 1 January 2019 (weighted average: 4.9%)	(366,442)
Reclassification of trade and other payables	32,235
Lease liabilities recognised as at 1 January 2019	1,136,266



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2019

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

<i>HKAS 1 and HKAS 8 (Amendments)</i>	<i>Definition of Material<sup>1</sup></i>
<i>HKFRS 3 (Amendment)</i>	<i>Business Combinations – Definition of a Business<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 17</i>	<i>Insurance Contracts<sup>2</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2020

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

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

#### (c) Leases: Accounting policy applicable from 1 January 2019

For lessees, a right-of-use asset and a lease liability are recognised at the lease commencement date, except for leases with a lease term of 12 months or less, or those low value assets, which are recognised as expenses on a straight-line basis over the lease terms.

Right-of-use asset is initially measured at cost, and subsequently at cost less accumulated depreciation and any impairment losses, and adjusted for certain remeasurements of the lease liability. Depreciation is calculated using the straight-line basis over the shorter of the lease term or the estimated useful life of the underlying asset.

Lease liability is initially measured at the present value of future lease payments with reference to an expected lease term, which includes optional lease periods when the lessee is reasonably certain to exercise the option to extend or not to terminate the lease. Future lease payments are discounted using the interest rate implicit in the lease, if this cannot be readily determined, an incremental borrowing rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment, over a similar term and with a similar security. Lease liability is subsequently measured by increasing its carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing its carrying amount to reflect the lease payments made. Lease liability is remeasured (with a corresponding adjustment made to the related right-of-use asset) when there is a change in future lease payments in case of renegotiation or in case of reassessment of options.

## 4. FINANCIAL RISK MANAGEMENT

### 4.1 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).

At 30 June 2019, financial instruments included in level 1 and level 3 comprise listed equity securities and unlisted equity securities respectively which were classified as financial assets at fair value through other comprehensive income ("FVOCI"). Listed equity securities of HK\$718,065,000 (31 December 2018: HK\$463,320,000) were measured at the quoted price and unlisted equity securities of HK\$45,610,000 (31 December 2018: HK\$45,791,000) were measured by using marketability discount rate derived from management's judgement to estimate their fair value.

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

For the six months ended 30 June 2019, 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 2019

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

#### 4.2 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, borrowings and lease liabilities, 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 2019			
	Cargo handling HK\$'000	Sales HK\$'000	Other port ancillary services HK\$'000	Total HK\$'000
Total segment revenue	3,147,366	2,943,718	1,280,685	7,371,769
Inter-segment revenue	–	(93,584)	(192,645)	(286,229)
Revenue from external customers	3,147,366	2,850,134	1,088,040	7,085,540
Segment results	1,029,454	19,315	400,292	1,449,061
Business tax and surcharge				(5,610)
Other income and gains				227,828
Administrative expenses				(703,185)
Net impairment losses on financial assets				(3,518)
Other operating expenses				(18,715)
Finance costs				(338,637)
Share of net profit of associates and joint ventures accounted for using the equity method				266,354
Profit before income tax				873,578



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2019

### 5. SEGMENT INFORMATION (continued)

	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

### 6. OTHER INCOME AND GAINS

	Unaudited Six months ended 30 June	
	2019 HK\$'000	2018 HK\$'000
Interest income:		
from deposits	115,200	110,871
from loan to a joint venture	2,855	2,312
Dividend income from financial assets at FVOCI	12,242	10,647
Government grants	3,742	3,573
Remeasurement gain on investment in an associate accounted for using the equity method (Note 19)	81,581	–
Others	12,208	1,241
	227,828	128,644

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2019

### 7. FINANCE COSTS

	Unaudited Six months ended 30 June	
	2019 HK\$'000	2018 HK\$'000
Interest expenses on borrowings	320,123	313,772
Less: Amount capitalised in construction in progress	(6,957)	(10,314)
	313,166	303,458
Interest expenses on lease liabilities	25,471	–
	338,637	303,458

### 8. EXPENSES BY NATURE

	Unaudited Six months ended 30 June	
	2019 HK\$'000	2018 HK\$'000
Costs of goods sold	2,799,000	2,848,371
Depreciation of property, plant and equipment	491,246	554,704
Depreciation of right-of-use assets	184,014	–
Amortisation of land use rights	–	82,901
Amortisation of intangible assets	8,415	9,339
Exchange loss, net	16,675	42,532

### 9. INCOME TAX

	Unaudited Six months ended 30 June	
	2019 HK\$'000	2018 HK\$'000
PRC income tax		
Current	199,320	171,365
Deferred	7,561	(124,752)
	206,881	46,613

No Hong Kong profits tax has been provided for as the Group has no estimated assessable profits arising in or derived from Hong Kong for the period (2018: nil).

PRC income tax has been provided based on the estimated assessable profits 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 interest 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.





## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2019

### 10. DIVIDEND

	Unaudited Six months ended 30 June	
	2019 HK\$'000	2018 HK\$'000
2018 final dividend of HK2.79 cents per ordinary share (2018: 2017 final dividend of HK5.03 cents per ordinary share)	171,808	309,747

At the meeting held on 27 March 2019, the Board recommended the payment of a final dividend of HK2.79 cents per ordinary share for the year ended 31 December 2018. The 2018 final dividend was approved at the annual general meeting of the Company held on 29 May 2019.

The Board resolved not to pay an interim dividend for the six months ended 30 June 2019 (2018: nil).

### 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	
	2019 HK\$'000	2018 HK\$'000
<b>Earnings</b>		
Profit attributable to equity holders of the Company for calculating basic and diluted earnings per share	298,911	406,072

	Unaudited Six months ended 30 June	
	2019 '000	2018 '000
<b>Number of shares</b>		
Weighted average number of ordinary shares for calculating basic earnings per share	6,158,000	6,158,000
Effect of dilutive potential ordinary shares:		
Share options	–	830
Weighted average number of ordinary shares for calculating diluted earnings per share	6,158,000	6,158,830

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2019

### 12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2019, additions to the Group's property, plant and equipment amounted to HK\$334 million (30 June 2018: HK\$144 million).

### 13. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2019, additions to the Group's right-of-use assets amounted to HK\$13 million (30 June 2018: nil).

### 14. 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 2019 HK\$'000	Audited 31 December 2018 HK\$'000
0 - 90 days	2,321,252	2,443,401
91 - 180 days	154,256	170,644
Over 180 days	88,004	31,648
	<b>2,563,512</b>	2,645,693

### 15. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Ordinary shares of HK\$0.10 each		
<b>Authorised:</b> At 31 December 2018 and 30 June 2019	<b>12,000,000</b>	<b>1,200,000</b>
<b>Issued and fully paid:</b> At 31 December 2018 and 30 June 2019	<b>6,158,000</b>	<b>615,800</b>



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2019

### 16. OTHER RESERVES

	Unaudited							Total HK\$'000
	Share premium HK\$'000 <i>(Note i)</i>	Merger reserve HK\$'000	Revaluation reserve HK\$'000	Employee share-based compensation reserve HK\$'000	Exchange reserve HK\$'000	Statutory reserves HK\$'000 <i>(Note ii)</i>	Others HK\$'000	
At 1 January 2018	10,601,352	(9,111,447)	229,780	27,881	979,575	1,498,684	399,389	4,625,214
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)
At 30 June 2018	10,291,605	(9,111,447)	123,291	8,702	867,576	1,498,684	399,389	4,077,800
<b>At 1 January 2019</b>	<b>10,291,605</b>	<b>(9,111,447)</b>	<b>113,225</b>	<b>8,702</b>	<b>400,184</b>	<b>1,601,615</b>	<b>398,518</b>	<b>3,702,402</b>
Other comprehensive income/(loss) for the period	-	-	66,574	-	(53,479)	-	-	13,095
Deregistration of subsidiaries	-	-	-	-	-	-	(195)	(195)
Acquisition of non-controlling interests	-	-	-	-	-	-	(5,963)	(5,963)
Lapse of share options	-	-	-	(4,054)	-	-	-	(4,054)
At 30 June 2019	10,291,605	(9,111,447)	179,799	4,648	346,705	1,601,615	392,360	3,705,285

*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 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 2019

## 17. BORROWINGS

	<b>Unaudited 30 June 2019 HK\$'000</b>	Audited 31 December 2018 HK\$'000
<b>Unsecured borrowings:</b>		
<b>Non-current</b>		
Long-term borrowings	<b>8,528,348</b>	9,050,608
<b>Current</b>		
Short-term borrowings	<b>1,254,916</b>	1,422,396
Current portion of long-term borrowings	<b>4,894,889</b>	4,977,848
	<b>6,149,805</b>	6,400,244
	<b>14,678,153</b>	15,450,852
<b>Repayable:</b>		
Within 1 year	<b>6,149,805</b>	6,400,244
Between 1 and 2 years	<b>4,676,303</b>	3,102,578
Between 2 and 5 years	<b>3,097,069</b>	5,430,443
Over 5 years	<b>754,976</b>	517,587
	<b>14,678,153</b>	15,450,852
<b>Carrying amounts are denominated in the following currencies:</b>		
Renminbi	<b>10,990,754</b>	10,804,832
HK dollars	<b>3,687,399</b>	4,646,020
	<b>14,678,153</b>	15,450,852
<b>Effective interest rates per annum:</b>		
Renminbi	<b>2.9% - 4.9%</b>	2.4% - 5.0%
HK dollars	<b>3.7% - 3.9%</b>	3.2% - 3.6%

## 18. TRADE AND OTHER PAYABLES

	<b>Unaudited 30 June 2019 HK\$'000</b>	Audited 31 December 2018 HK\$'000
Trade payables	<b>1,704,890</b>	1,738,265
Notes payables	<b>241,403</b>	195,563
Trade and notes payables	<b>1,946,293</b>	1,933,828
Advance from customers	<b>1,027,160</b>	848,506
Dividends payable to:		
Equity holders of the Company	<b>171,808</b>	–
Non-controlling interests	<b>233,700</b>	46,512
Cash consideration payable for acquisition of a subsidiary ( <i>Note 19</i> )	<b>195,583</b>	–
Other non-trade payables	<b>1,201,759</b>	957,105
	<b>4,776,303</b>	3,785,951



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2019

### 18. TRADE AND OTHER PAYABLES (continued)

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

	Unaudited 30 June 2019 HK\$'000	Audited 31 December 2018 HK\$'000
0 - 90 days	1,502,526	1,718,074
91 - 180 days	291,094	129,199
181 - 365 days	113,742	40,019
Over 365 days	38,931	46,536
	<b>1,946,293</b>	1,933,828

### 19. ACQUISITION OF A SUBSIDIARY

On 17 April 2019, Tianjin Port Holdings Co., Ltd., a non wholly-owned subsidiary of the Group, entered into an agreement with other shareholders of Tianjin Five Continents International Container Terminal Co., Ltd. ("Tianjin Five Continents"), an associate of the Group in which the Group held 40% equity interest prior to the acquisition, to acquire 11.854% equity interest in Tianjin Five Continents. Following the completion of the acquisition, the Group held 51.854% equity interest in Tianjin Five Continents which becomes a subsidiary of the Group. Tianjin Five Continents is principally engaged in container handling and other port ancillary services. The acquisition was completed during the six months ended 30 June 2019.

Details of the aggregate fair values of identifiable assets and liabilities of Tianjin Five Continents as at the date of acquisition are as follows:

	HK\$'000
Property, plant and equipment	1,969,143
Right-of-use assets	215,497
Intangible assets	6,069
Inventories	12,275
Trade and other receivables	91,998
Cash and cash equivalents	96,336
Trade and other payables	(229,763)
Current income tax liabilities	(10,317)
Borrowings	(501,307)
Net assets acquired	1,649,931
Less: Non-controlling interests	(794,376)
	<b>855,555</b>
Satisfied by:	
Fair value of 40% equity interest in Tianjin Five Continents	659,972
Cash consideration	195,583
	<b>855,555</b>
Fair value of 40% equity interest in Tianjin Five Continents	659,972
Less: Investment in an associate accounted for using the equity method	(578,391)
Remeasurement gain on investment in an associate accounted for using the equity method (Note 6)	81,581
Cash consideration	195,583
Less: Cash consideration payable (Note 18)	(195,583)
Cash consideration paid	-
Cash and cash equivalents acquired	96,336
Net cash inflow arising on acquisition	<b>96,336</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2019

### 20. CAPITAL COMMITMENTS

	Unaudited 30 June 2019 HK\$'000	Audited 31 December 2018 HK\$'000
<b>Contracted but not provided for</b>		
Property, plant and equipment	595,074	542,246
Investment in an associate	582,407	584,734
<b>Authorised but not contracted for</b>		
Property, plant and equipment	2,591,123	2,638,917

### 21. 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:

#### Transactions with related parties of the Group

	Unaudited Six months ended 30 June	
	2019 HK\$'000	2018 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	29,607	31,236
Purchases of goods and services	283,371	350,150
Lease payments for rental of land, property, plant and equipment (Note)	103,898	84,928
Acquisition of property, plant and equipment	90,006	39,038
<b>With associates</b>		
Sales of goods and services	72,247	55,203
Purchases of goods and services	330,731	377,767
Income from rental of property, plant and equipment	159	4,773
Lease payments for rental of property, plant and equipment (Note)	6,817	10,104
Interest income	17,076	12,539
Interest expenses on borrowings	90,335	76,798
<b>With joint ventures</b>		
Sales of goods and services	41,277	26,883
Purchases of goods and services	44,526	57,096
Interest income	2,855	2,312

Note: Lease payments represent rental paid or payable in respect of leases of land, property, plant and equipment.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2019

### 21. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

#### Balances with related parties of the Group

	Unaudited 30 June 2019 HK\$'000	Audited 31 December 2018 HK\$'000
<b>With Tianjin Port Group and its subsidiaries, associates and joint ventures</b>		
Trade and other receivables (Note i)	38,365	27,085
Trade and other payables (Note i)	433,610	330,632
Lease payables (Note v)	59,627	–
<b>With associates</b>		
Trade and other receivables (Note i)	613	4,785
Trade and other payables (Note i)	84,224	58,617
Deposits (Note ii)	4,156,793	3,502,308
Borrowings (Note iii)	4,317,859	3,574,208
<b>With joint ventures</b>		
Trade and other receivables (Note i)	19,632	13,970
Trade and other payables (Note i)	15,569	14,896
Loan to a joint venture (Note iv)	142,197	142,526

#### 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 2019, borrowings from Tianjin Port Finance amounted to HK\$4,317,859,000 (31 December 2018: HK\$3,574,208,000), in which the aggregate principal amount of HK\$3,766,535,000 (31 December 2018: HK\$3,307,317,000) are repayable within 5 years and the remaining HK\$551,324,000 (31 December 2018: HK\$266,891,000) are repayable over 5 years. Borrowings from Tianjin Port Finance are unsecured and bear interests at market rates ranging from 4.1% to 4.9% (31 December 2018: from 2.7% to 4.9%) per annum.
- iv. Loan to a joint venture is unsecured, interest bearing at LIBOR plus 1.5% per annum and repayable in 2019.
- v. Prior to the adoption of HKFRS 16, lease payables were included in trade and other payables. Upon adoption of HKFRS 16, these payables were included in lease liabilities.

#### 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 above.

In addition to those disclosed above, as at 30 June 2019, 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 2019 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 2019.

### 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 2019.

### 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 at all applicable times throughout the six months ended 30 June 2019.

### 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 2019.

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

On 26 August 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\$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 2019, the aggregate balance of the loan facilities subject to the above obligations was HK\$3,700,000,000.





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 undertake 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 2018 annual report of the Company pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

WANG Junzhong, an executive Director, was appointed as a director of Tianjin Port Co with effect from 29 April 2019.

SHI Jing, an executive Director, was appointed as a director of 天津津聯投資控股有限公司 (Tianjin Tsinlien Investment Holdings Co., Ltd.\*), a controlling shareholder of Tianjin Development Holdings Limited, with effect from 27 June 2019.

CHENG Chi Pang, Leslie, an independent non-executive Director, resigned as an independent non-executive director of Fortune Sun (China) Holdings Limited (Stock Code: 00352), a company whose shares are listed on the Main Board of the Stock Exchange, with effect from 21 June 2019.

## 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 2019 were as follows:

	Date of grant	Exercise price HK\$	Number of share options			Exercise period	
			As at 01/01/2019	Exercised	Lapsed		As at 30/06/2019
<b>Directors</b>							
ZHANG Ruigang ( <i>Note 1</i> )	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 ( <i>Note 2</i> )	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 ( <i>Note 2</i> )	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	28/06/2012	0.896	150,000	–	–	150,000	28/12/2012 – 27/06/2022
CHENG Chi Pang, Leslie	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>			14,650,000	–	(7,550,000)	7,100,000	

Notes:

- ZHANG Ruigang resigned as an executive Director on 20 December 2018.
- WANG Rui and YU Houxin resigned as executive Directors on 22 January 2019.

## DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Other than the Share Option Scheme, during the six months ended 30 June 2019 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 2019, 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 (Note)	Percentage of issued share capital of the Company
LI Quanyong	Beneficial owner	–	3,150,000 (L)	0.05%
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 2019, 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 2019, 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%
	Beneficial owner	35,976 (L)	0.0%
天津市醫藥集團有限公司 (Tianjin Pharmaceutical Group Co., Ltd. *) ("Tianjin Pharmaceutical") (Note 4)	Interest of controlled corporations	1,303,045,976 (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	1,303,045,976 (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	1,303,045,976 (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 2019, 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 2019, 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	
	2014 HK\$'000	2015 HK\$'000	2016 HK\$'000	2017 HK\$'000	2018 HK\$'000	2018 HK\$'000	2019 HK\$'000
Revenue	33,559,969	20,541,760	16,456,982	16,621,811	15,871,075	7,495,582	<b>7,085,540</b>
Business tax and surcharge	(74,357)	(65,583)	(39,105)	(18,318)	(14,800)	(8,052)	<b>(5,610)</b>
Cost of sales	(28,917,206)	(15,817,854)	(11,848,641)	(12,961,777)	(12,675,629)	(5,929,032)	<b>(5,636,479)</b>
Gross profit	4,568,406	4,658,323	4,569,236	3,641,716	3,180,646	1,558,498	<b>1,443,451</b>
Other income and gains	292,439	324,539	226,382	516,882	372,925	128,644	<b>227,828</b>
Administrative expenses	(2,183,040)	(2,068,313)	(1,979,661)	(1,912,589)	(1,804,583)	(750,679)	<b>(703,185)</b>
Net impairment losses on financial assets and other operating expenses	(35,220)	(336,423)	(320,216)	(50,760)	(278,459)	(67,482)	<b>(22,233)</b>
Operating profit	2,642,585	2,578,126	2,495,741	2,195,249	1,470,529	868,981	<b>945,861</b>
Finance costs	(478,915)	(611,479)	(584,608)	(571,887)	(616,065)	(303,458)	<b>(338,637)</b>
Share of net profit of associates and joint ventures accounted for using the equity method	501,463	527,502	448,108	502,577	448,394	254,231	<b>266,354</b>
Profit before income tax	2,665,133	2,494,149	2,359,241	2,125,939	1,302,858	819,754	<b>873,578</b>
Income tax	(601,496)	(632,142)	(571,717)	(471,273)	(263,324)	(46,613)	<b>(206,881)</b>
Profit for the year/period	2,063,637	1,862,007	1,787,524	1,654,666	1,039,534	773,141	<b>666,697</b>
Profit attributable to:							
Equity holders of the Company	819,125	639,387	530,479	774,592	430,534	406,072	<b>298,911</b>
Non-controlling interests	1,244,512	1,222,620	1,257,045	880,074	609,000	367,069	<b>367,786</b>
	2,063,637	1,862,007	1,787,524	1,654,666	1,039,534	773,141	<b>666,697</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December					As at 30 June
	2014 HK\$'000	2015 HK\$'000	2016 HK\$'000	2017 HK\$'000	2018 HK\$'000	2019 HK\$'000
Land use rights	5,834,689	5,759,693	5,686,092	6,334,061	5,897,291	–
Property, plant and equipment	21,895,298	20,493,102	18,960,072	19,834,777	18,803,723	<b>20,538,436</b>
Right-of-use assets	–	–	–	–	–	<b>7,020,860</b>
Intangible assets	51,115	48,977	65,043	69,909	60,069	<b>59,387</b>
Investments accounted for using the equity method	5,745,904	5,603,976	5,421,257	5,972,997	5,524,722	<b>4,987,796</b>
Financial assets at FVOCI	–	–	–	–	509,111	<b>763,675</b>
Available-for-sale financial assets	601,279	565,065	518,458	958,574	–	–
Deferred income tax assets	132,587	98,890	91,491	63,520	54,091	<b>52,879</b>
Other non-current assets	–	596,801	–	–	–	–
Current assets	14,854,505	13,285,419	11,594,094	14,213,586	14,621,995	<b>14,300,252</b>
Total assets	49,115,377	46,451,923	42,336,507	47,447,424	45,471,002	<b>47,723,285</b>
Total liabilities	(23,587,820)	(21,830,331)	(18,220,114)	(20,484,587)	(19,581,570)	<b>(20,970,122)</b>
Non-controlling interests	(13,521,761)	(13,010,871)	(12,978,991)	(14,237,699)	(13,665,161)	<b>(14,394,659)</b>
Shareholders' equity	12,005,796	11,610,721	11,137,402	12,725,138	12,224,271	<b>12,358,504</b>

Following the adoption of HKFRS 16 on 1 January 2019, the Group's results for the six months ended 30 June 2019 are based on HKFRS 16, whereas the comparative amounts for the prior years/period are based on HKAS 17 without restatement.



## 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
"HKFRS 16"	Hong Kong Financial Reporting Standard 16 "Leases"
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"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"	People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"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
"US\$"	United States dollars, the lawful currency of the U.S.
"%"	per cent

\* for identification purposes only



## CORPORATE INFORMATION

### EXECUTIVE DIRECTORS

CHU Bin (*Chairman*)  
LI Quanyong (*Managing Director*)<sup>△</sup>  
SUN Bin<sup>+</sup>  
WANG Junzhong  
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 54, Hopewell Centre  
183 Queen's Road East, Hong Kong

### REGISTERED OFFICE

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

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

Suite 3904-3907, 39/F., Tower Two  
Times Square, 1 Matheson Street  
Causeway Bay, Hong Kong

### INVESTOR RELATIONS

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

### WEBSITE

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

### STOCK CODE

Hong Kong Stock Exchange: 03382

<sup>△</sup> Members of Nomination Committee, ZHANG Weidong is the chairman of the committee  
<sup>+</sup> Members of Remuneration Committee, Japhet Sebastian LAW is the chairman of the committee  
<sup>\*</sup> Members of Audit Committee, CHENG Chi Pang, Leslie is the chairman of the committee



## Tianjin Port Development Holdings Limited

Suite 3904-3907, 39/F., Tower Two, Times Square

1 Matheson Street, Causeway Bay, Hong Kong

Tel : (852) 2847 8888

Fax : (852) 2899 2086

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

