



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 2021



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 2021, the port of Tianjin was the seventh largest port in terms of total cargo throughput and ranked the sixth in terms of total container throughput in China.



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FINANCIAL HIGHLIGHTS

	For the six months ended 30 June	
	2021	2020
Total throughput		
Non-containerised cargo (million tonnes)	119.71	107.99
Container (million TEUs)	10.30	8.57
Consolidated throughput		
Non-containerised cargo (million tonnes)	89.39	79.92
Container (million TEUs)	6.73	5.66

HK\$ million	For the six months ended 30 June	
	2021	2020
Revenue	8,742	6,323
Profit before income tax	1,179	806
Profit attributable to Shareholders	418	220
Basic earnings per share (HK cents)	6.8	3.6
Net cash inflow from operating activities	1,402	1,277

HK\$ million	As at 30 June 2021	As at 31 December 2020
	Total assets	47,666
Total borrowings	11,408	12,365
Shareholders' equity	13,735	13,482
Total equity	29,677	29,064
Financial ratios		
Gearing ratio (<i>Note 1</i>)	38.4%	42.5%
Current ratio	1.3	1.2
Net assets per share – book value (<i>Note 2</i>) (HK\$)	2.2	2.2

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 the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM RESULTS

In the first half of 2021, total cargo throughput handled by the Group was 222.43 million tonnes (2020: 200.82 million tonnes), an increase of 10.8% over the same period last year, of which total container throughput was 10.297 million TEUs (2020: 8.572 million TEUs), an increase of 20.1% over the same period last year.

In the first half of 2021, profit attributable to Shareholders amounted to HK\$418 million and basic earnings per share was HK6.8 cents, an increase of 90.0% over the same period last year.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2021.

REVIEW OF OPERATIONS

With China's effective control of the coronavirus (COVID-19) epidemic, China's economy has been recovering steadily. In the first half of 2021, GDP increased by 12.7% over the same period last year. The total value of China's imports and exports increased by 37.4% to US\$2.79 trillion. According to the data from the Ministry of Transport of the PRC, in the first half of 2021, Chinese ports completed a cargo throughput of 7.64 billion tonnes, a year-on-year increase of 13.2%, of which container throughput was 138.18 million TEUs, a year-on-year increase of 15.0%.

Non-containerised Cargo Handling Business

In the first half of 2021, the Group achieved a total non-containerised cargo throughput of 119.71 million tonnes, representing an increase of 10.9% over the same period last year, of which throughput of the subsidiary terminals and the jointly controlled and affiliated terminals grew by 11.9% and 8.0% respectively.

Nature of terminal	Non-containerised cargo throughput			
	First half of 2021 million tonnes	First half of 2020 million tonnes	Change in amount million tonnes	Percentage change
Subsidiary terminals	89.39	79.92	9.47	11.9%
Jointly controlled and affiliated terminals	30.32	28.07	2.25	8.0%
Total	119.71	107.99	11.72	10.9%

In terms of total throughput on a year-on-year basis, metal ore handling grew by 5.9% to 56.01 million tonnes (2020: 52.90 million tonnes), coal handling grew by 14.3% to 32.34 million tonnes (2020: 28.30 million tonnes), crude oil handling increased by 3.4% to 13.63 million tonnes (2020: 13.19 million tonnes), and steel handling was up by 35.2% to 6.95 million tonnes (2020: 5.14 million tonnes).

On a consolidated basis, the blended average unit price of the non-containerised cargo handling business was HK\$27.9 per tonne (2020: HK\$24.5 per tonne), an increase of 13.9% as compared with the same period last year. In RMB, the blended average unit price increased by 4.5% as compared with 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 2021, there was a stable growth in the container handling business. The Group achieved a total container throughput of 10.297 million TEUs, representing an increase of 20.1% over the same period last year, of which throughput of the subsidiary terminals and the jointly controlled and affiliated terminals increased by 18.9% and 22.6% respectively.

Nature of terminal	Container throughput			
	First half of 2021 '000 TEUs	First half of 2020 '000 TEUs	Change in amount '000 TEUs	Percentage change
Subsidiary terminals	6,731	5,663	1,068	18.9%
Jointly controlled and affiliated terminals	3,566	2,909	657	22.6%
Total	10,297	8,572	1,725	20.1%

On a consolidated basis, the blended average unit price of the container handling business was HK\$209.7 per TEU (2020: HK\$218.8 per TEU), a decrease of 4.2% as compared with the same period last year. In RMB, the blended average unit price decreased by 11.9% as compared with the same period last year. The decrease in the blended average unit price was mainly attributable to the impact of the change in cargo mix in the first half of 2021.

Sales Business

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

In the first half of 2021, the Group recorded revenue of HK\$3,552 million from the sales business, representing an increase of 66.9% as compared with the same period last year, which was mainly due to the increase in sales volume.

Other Port Ancillary Services Business

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

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

The global economy has been recovering and the China's economy also continues to recover. The International Monetary Fund predicts that global economic growth is expected to reach 6% in 2021 and China's GDP will achieve a growth of 8.1% in 2021. The positive international and domestic economic environment has created opportunities for port development.

In the second half of the year, the Group will continue to promote the development of the cargo handling business, continue to expand the market, develop more routes, and improve efficiency. On the other hand, the Group will continue to focus on safety and epidemic prevention and regard the safety and health of employees as first priority. In terms of green port development, the Group plans to upgrade traditional equipment to achieve energy-conservation and emission reduction in order to minimise carbon emissions in all aspects and move towards a zero-carbon terminal. Going forward, the Group will strive for its high-quality development, push forward the use of 5G technology, focus on automation in operation, foster port intellectualisation to the highest international standard, and aim at constructing a world-class smart and green port.

FINANCIAL REVIEW

Revenue

The Group's revenue was HK\$8,742 million in the first half of 2021, representing an increase of 38.2% as compared with the same period last year. An analysis of revenue by segment is as follows:

Type of business	Revenue			
	First half of 2021 HK\$ million	First half of 2020 HK\$ million	Change in amount HK\$ million	Percentage change
Non-containerised cargo handling business	2,491	1,955	536	27.4%
Container handling business	1,411	1,239	172	13.9%
Cargo handling business (total)	3,902	3,194	708	22.2%
Sales business	3,552	2,128	1,424	66.9%
Other port ancillary services business	1,288	1,001	287	28.6%
Total	8,742	6,323	2,419	38.2%

Revenue from non-containerised cargo handling business was HK\$2,491 million, 27.4% higher than that in the same period last year. In RMB, revenue increased by 17.1%, which was mainly contributed by the increase in non-containerised cargo throughput.

Revenue from container handling business grew by 13.9% over the same period last year to HK\$1,411 million. In RMB, revenue increased by 4.6%, which was mainly attributable to the growth of the container handling business.

Revenue from sales business was HK\$3,552 million, a 66.9% increase as compared with the same period last year and a 53.3% increase in RMB, which was mainly due to the rise in both sales volume and prices.

Revenue from other port ancillary services business was HK\$1,288 million, a 28.6% increase as compared with the same period last year and a 18.2% increase in RMB.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of Sales

In the first half of 2021, cost of sales of the Group was HK\$6,776 million, representing an increase of 39.6% as compared with the same period last year. An analysis of costs by segment is as follows:

Type of business	Costs			
	First half of 2021 HK\$ million	First half of 2020 HK\$ million	Change in amount HK\$ million	Percentage change
Cargo handling business	2,592	2,110	482	22.8%
Sales business	3,528	2,126	1,402	65.9%
Other port ancillary services business	656	619	37	5.9%
Total	6,776	4,855	1,921	39.6%

Cost of cargo handling business was HK\$2,592 million, 22.8% higher than that in the same period last year. In RMB, cost increased by 12.8%, primarily attributable to the increase in container throughput and non-containerised cargo throughput during the period.

Cost of sales business was HK\$3,528 million, a 65.9% increase as compared with the same period last year. In RMB, cost increased by 52.5% which was mainly due to the increase in sales leading to the corresponding increase in costs of sales.

Cost of other port ancillary services business was HK\$656 million, a 5.9% increase as compared with the same period last year and a 2.7% decrease in RMB.

Gross Profit

Gross profit and gross profit margin for the first half of 2021 were HK\$1,961 million (2020: HK\$1,466 million) and 22.4% (2020: 23.2%) respectively. Gross profit increased by 33.8% over the same period last year and gross profit margin decreased slightly by 0.8 percentage points over the same period last year.

Administrative Expenses

Administrative expenses of the Group increased by 33.0% as compared with the same period last year to HK\$902 million, which was mainly due to the rise in labour cost. The Group will take strict measures in control and management so as to maintain administrative expenses at a reasonable level.

Other Income and Other Gains and Losses

Other income amounted to HK\$118 million, representing a slight decrease of approximately HK\$4 million as compared with the same period last year.

Other gains and losses amounted to HK\$7.80 million, an increase of HK\$43.69 million as compared with the net loss of HK\$35.89 million reported in the same period last year, mainly due to the increase in exchange gain of HK\$63.21 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance Costs

Finance costs (excluding capitalised interest) were HK\$256 million and finance costs (including capitalised interest) were HK\$263 million, a decrease of 11.9% and 12.6% as compared with the same period last year respectively, which was mainly attributable to the decrease in total borrowings 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\$248 million, representing an increase of 7.0% as compared with the same period last year.

Income Tax

The Group's income tax expenses amounted to HK\$261 million, representing an increase of approximately HK\$51 million over the same period last year.

FINANCIAL POSITION

Cash Flow

In the first half of 2021, net decrease in cash and cash equivalents of the Group amounted to HK\$1,607 million.

The Group continued to generate steady cash flow from its operations. Net cash inflow from operating activities amounted to HK\$1,402 million.

Net cash outflow from investing activities amounted to HK\$1,462 million, which included cash outflow of HK\$938 million as a result of an increase in time deposits with maturity over three months, and cash used for capital expenditure of HK\$512 million.

Net cash outflow from financing activities amounted to HK\$1,547 million, which included a net decrease of HK\$734 million in borrowings and lease payment of HK\$375 million.

Capital Structure

The equity attributable to equity holders of the Company as at 30 June 2021 was HK\$13,735 million (31 December 2020: HK\$13,482 million), and the net asset value of the Company was HK\$2.2 per share (31 December 2020: HK\$2.2 per share).

As at 30 June 2021, the Company had an issued share capital of 6,158 million shares and the market capitalisation was approximately HK\$3,756 million (at the closing price of the shares of the Company of HK\$0.61 per share on 30 June 2021).

Assets and Liabilities

As at 30 June 2021, the Group's total assets were HK\$47,666 million (31 December 2020: HK\$47,644 million) and total liabilities were HK\$17,989 million (31 December 2020: HK\$18,580 million). Net current assets as at 30 June 2021 were HK\$3,052 million (31 December 2020: HK\$1,838 million).

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity, Financial Resources and Borrowings

As at 30 June 2021, the Group's cash and deposits (including restricted bank deposits and time deposits with maturity over three months) were HK\$7,903 million (31 December 2020: HK\$8,751 million) and principally denominated in RMB.

The Group's total borrowings as at 30 June 2021 were HK\$11,408 million (31 December 2020: HK\$12,365 million), with HK\$4,791 million repayable within one year, HK\$4,453 million repayable after one year and within five years and HK\$2,164 million repayable after five years. About 19.2% and 80.8% of the Group's borrowings were denominated in HK\$ and RMB respectively.

Financial Ratios

As at 30 June 2021, the Group's gearing ratio (total borrowings divided by total equity) was 38.4% (31 December 2020: 42.5%), and current ratio (current assets divided by current liabilities) was 1.3 (31 December 2020: 1.2).

Pledge of Assets

None of the Group's assets were pledged as at 30 June 2021.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 30 June 2021.

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 2021, most of the Group's assets and liabilities were denominated in RMB except for certain bank borrowings denominated in HK\$. As the exchange rate of RMB at the end of June 2021 was approximately 1.1% higher than that at the end of 2020, an exchange gain of approximately HK\$26.73 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 and its functional currency is RMB. No hedging arrangement was entered into in respect of foreign exchange risk exposure during the period under review.

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 2021, the Group's total borrowings were HK\$11,408 million and mainly at floating interest rate, and the average borrowing interest rate was 3.8% (31 December 2020: 3.8%).

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 debts in foreign currencies, the Group will continue to 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.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL EXPENDITURE AND COMMITMENTS

In the first half of 2021, additions to property, plant and equipment of the Group amounted to HK\$307 million, which primarily comprised construction of new terminals and depots, and renovation of terminals and depots.

As at 30 June 2021, the Group's capital commitments (including authorised but not contracted for) amounted to HK\$2,293 million (31 December 2020: HK\$1,888 million).

EVENTS AFTER THE REPORTING PERIOD

Details of the events after the reporting period are set out in note 22 to the condensed consolidated financial statements.

EMPLOYEES

As at 30 June 2021, the Group had approximately 8,000 employees. The Group offers remuneration packages to employees based on their positions, performance and the labour market conditions. In addition to basic salary, mandatory provident fund scheme (for Hong Kong employees in accordance with the Mandatory Provident Fund Schemes Ordinance) or the state-managed pension scheme (for PRC employees), discretionary bonus is also awarded to the employees with reference to the Group's annual results and the employees' performance. During the six months ended 30 June 2021, the Group had no forfeited contributions under the retirement benefits scheme that might be used by the Group to reduce the existing level of contributions (for the year ended 31 December 2020: Nil). The Group reviews the remuneration policies and packages on a regular basis.

The Group highly values the life-long learning and personal 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 sincere gratitude to our team of dedicated staff for their unfailing service and to our Shareholders for their continuous support for the Group.

By order of the Board

CHU Bin

Chairman

Hong Kong, 28 August 2021

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.**德勤**

To the Board of Directors of Tianjin Port Development Holdings Limited
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Tianjin Port Development Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 11 to 29, which comprise the condensed consolidated statement of financial position as of 30 June 2021 and the related condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain 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" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements 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 HKICPA. A review of these condensed consolidated financial statements 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

28 August 2021

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2021

	Notes	Unaudited Six months ended 30 June	
		2021 HK\$'000	2020 HK\$'000
Revenue	5	8,741,674	6,323,448
Cost of sales		(6,775,593)	(4,855,259)
Taxes and surcharges		(5,405)	(2,646)
Gross profit		1,960,676	1,465,543
Other income	6	118,074	121,702
Other gains and losses		7,796	(35,894)
Administrative expenses		(902,397)	(678,414)
Reversal of/(provision for) impairment on financial assets		5,942	(4,466)
Other expenses		(2,051)	(3,184)
Finance costs	7	(256,382)	(291,078)
Share of net profit of associates and joint ventures accounted for using the equity method		247,721	231,494
Profit before income tax		1,179,379	805,703
Income tax	8	(260,639)	(209,340)
Profit for the period	9	918,740	596,363
Profit attributable to:			
Equity holders of the Company		417,579	219,770
Non-controlling interests		501,161	376,593
		918,740	596,363
Earnings per share	11		
Basic (HK cents)		6.8	3.6
Diluted (HK cents)		6.8	3.6

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	Unaudited	
	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Profit for the period	918,740	596,363
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	(195,701)	(107,780)
Income tax relating to the above item	48,813	26,795
Items that will not be subsequently reclassified to profit or loss:		
Currency translation differences	332,430	(514,305)
Other comprehensive income/(loss) for the period, net of tax	185,542	(595,290)
Total comprehensive income for the period	1,104,282	1,073
Total comprehensive income/(loss) attributable to:		
Equity holders of the Company	506,523	(44,563)
Non-controlling interests	597,759	45,636
	1,104,282	1,073

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

		Unaudited 30 June 2021 HK\$'000	Audited 31 December 2020 HK\$'000
	Notes		
ASSETS			
Non-current assets			
Property, plant and equipment	12	20,547,741	21,467,926
Right-of-use assets	13	6,869,856	7,068,583
Investment properties		819,418	820,200
Intangible assets		75,930	84,867
Investments accounted for using the equity method		4,953,021	4,806,587
Financial assets at fair value through other comprehensive income		598,422	785,600
Deferred income tax assets		115,757	120,290
		33,980,145	35,154,053
Current assets			
Inventories		135,363	333,765
Trade and other receivables and notes receivables	14	4,113,775	3,405,742
Restricted bank deposits		12,018	256,852
Time deposits with maturity over three months		1,718,077	771,118
Cash and cash equivalents		6,172,851	7,722,605
		12,152,084	12,490,082
Assets classified as held for sale	15	1,533,891	—
		13,685,975	12,490,082
Total assets		47,666,120	47,644,135
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	16	615,800	615,800
Other reserves	17	4,597,041	4,508,658
Retained earnings		8,521,815	8,358,000
		13,734,656	13,482,458
Non-controlling interests		15,942,437	15,581,769
Total equity		29,677,093	29,064,227

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Notes	Unaudited 30 June 2021 HK\$'000	Audited 31 December 2020 HK\$'000
LIABILITIES			
Non-current liabilities			
Borrowings	18	6,616,623	6,775,769
Lease liabilities		497,631	846,226
Deferred income tax liabilities		203,168	268,828
Other long-term liabilities		37,439	37,098
		7,354,861	7,927,921
Current liabilities			
Trade and other payables and contract liabilities	19	4,397,638	4,586,410
Current income tax liabilities		159,300	128,328
Borrowings	18	4,791,144	5,588,877
Lease liabilities		338,260	348,372
		9,686,342	10,651,987
Liabilities associated with assets classified as held for sale	15	947,824	—
		10,634,166	10,651,987
Total liabilities		17,989,027	18,579,908
Total equity and liabilities		47,666,120	47,644,135
Net current assets		3,051,809	1,838,095
Total assets less current liabilities		37,031,954	36,992,148

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Unaudited					Total equity HK\$'000
	Equity attributable to equity holders of the Company				Non-controlling interests HK\$'000	
	Share capital HK\$'000	Other reserves HK\$'000 (Note 17)	Retained earnings HK\$'000	Total HK\$'000		
At 1 January 2020	615,800	3,599,796	7,972,628	12,188,224	14,315,361	26,503,585
Total comprehensive (loss)/income for the period	—	(264,333)	219,770	(44,563)	45,636	1,073
Dividends	—	—	—	—	(157,176)	(157,176)
Lapse of share options	—	(2,450)	2,450	—	—	—
At 30 June 2020	615,800	3,333,013	8,194,848	12,143,661	14,203,821	26,347,482
At 1 January 2021	615,800	4,508,658	8,358,000	13,482,458	15,581,769	29,064,227
Total comprehensive income for the period	—	88,944	417,579	506,523	597,759	1,104,282
Dividends	—	—	(254,325)	(254,325)	(237,091)	(491,416)
Lapse of share options	—	(561)	561	—	—	—
At 30 June 2021	615,800	4,597,041	8,521,815	13,734,656	15,942,437	29,677,093

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	Note	Unaudited	
		Six months ended 30 June	
		2021	2020
		HK\$'000	HK\$'000
Net cash generated from operating activities		1,401,924	1,276,990
Cash flows from investing activities			
Payments for property, plant and equipment and intangible assets		(512,353)	(267,656)
Acquisition of assets through acquisition of a subsidiary		(30,756)	—
Dividends received from investments accounted for using the equity method		1,371	8,383
(Increase)/decrease in time deposits with maturity over three months		(938,155)	1,147,163
Other investing activities		17,394	11,172
Net cash (used in)/from investing activities		(1,462,499)	899,062
Cash flows from financing activities			
Proceeds from borrowings		3,304,780	1,672,370
Repayments of borrowings		(4,038,518)	(3,200,897)
Principal portion of lease payments		(353,251)	(40,139)
Interest portion of lease payments		(22,036)	(19,501)
Other financing activities		(437,512)	(372,639)
Net cash used in financing activities		(1,546,537)	(1,960,806)
Net (decrease)/increase in cash and cash equivalents		(1,607,112)	215,246
Cash and cash equivalents at 1 January		7,722,605	7,474,924
Effects of exchange rate changes		68,971	(130,372)
Cash and cash equivalents classified as assets held for sale	15	(11,613)	—
Cash and cash equivalents at 30 June		6,172,851	7,559,798

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

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 (collectively referred to as 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 financial statements were approved for issue by the board of directors of the Company (the “Board”) on 28 August 2021.

2. BASIS OF PREPARATION

The condensed consolidated 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 (the “HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

The condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2020 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 financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2020.

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the Group’s condensed consolidated financial statements:

Amendment to HKFRS 16
Amendments to HKFRS 9, HKAS 39,
HKFRS 7, HKFRS 4 and HKFRS 16

Covid-19-Related Rent Concessions
Interest Rate Benchmark Reform — Phase 2

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

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).

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"). At 30 June 2021, listed equity securities of HK\$553,630,000 (31 December 2020: HK\$735,281,000) were measured at the quoted price in active market. The fair value of unlisted equity securities as at 30 June 2021 of HK\$44,792,000 (31 December 2020: HK\$50,319,000) have been arrived at based on valuation carried out by an independent valuer by adopting market approach with the use of enterprise multiples of comparable companies and marketability discounts.

Reconciliation of assets measured at fair value based on level 3:

	Financial assets at FVOCI	
	2021 HK\$'000	2020 HK\$'000
At 1 January	50,319	44,789
Fair value change recognised in other comprehensive income	(6,095)	—
Exchange differences	568	(863)
At 30 June	44,792	43,926

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

For the six months ended 30 June 2021, there were no significant changes in the business or economic circumstances that affect the fair values of the Group's financial assets and financial liabilities.

4.2 Fair value of financial assets and financial liabilities measured at amortised cost

The carrying amounts of financial assets and financial liabilities measured at amortised cost in the condensed consolidated financial statements approximate their fair values.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

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

The Group's major operational activities are carried out in the PRC. The Group's main revenue from external customers and additions to non-current assets are mainly gained or located in the PRC.

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 2021			
	Cargo handling HK\$'000	Sales HK\$'000	Other port ancillary services HK\$'000	Total HK\$'000
Total segment revenue	3,902,451	3,637,922	1,480,474	9,020,847
Inter-segment revenue	—	(86,381)	(192,792)	(279,173)
Revenue from external customers	3,902,451	3,551,541	1,287,682	8,741,674
Time of revenue recognition				
— At a point in time	3,902,451	3,551,541	1,186,817	8,640,809
— Over time	—	—	100,865	100,865
	3,902,451	3,551,541	1,287,682	8,741,674
Segment results	1,310,182	23,633	632,266	1,966,081
Taxes and surcharges				(5,405)
Other income				118,074
Other gains and losses				7,796
Administrative expenses				(902,397)
Reversal of impairment on financial assets				5,942
Other expenses				(2,051)
Finance costs				(256,382)
Share of net profit of associates and joint ventures accounted for using the equity method				247,721
Profit before income tax				1,179,379

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

5. SEGMENT INFORMATION (continued)

	Unaudited Six months ended 30 June 2020			
	Cargo handling HK\$'000	Sales HK\$'000	Other port ancillary services HK\$'000	Total HK\$'000
Total segment revenue	3,194,080	2,210,162	1,191,253	6,595,495
Inter-segment revenue	—	(81,788)	(190,259)	(272,047)
Revenue from external customers	3,194,080	2,128,374	1,000,994	6,323,448
Timing of revenue recognition				
— At a point in time	3,194,080	2,128,374	876,416	6,198,870
— Over time	—	—	124,578	124,578
	3,194,080	2,128,374	1,000,994	6,323,448
Segment results	1,083,629	2,385	382,175	1,468,189
Taxes and surcharges				(2,646)
Other income				121,702
Other gains and losses				(35,894)
Administrative expenses				(678,414)
Provision for impairment on financial assets				(4,466)
Other expenses				(3,184)
Finance costs				(291,078)
Share of net profit of associates and joint ventures accounted for using the equity method				231,494
Profit before income tax				805,703

6. OTHER INCOME

	Unaudited Six months ended 30 June	
	2021 HK\$'000	2020 HK\$'000
Interest income		
— from deposits	77,595	81,394
— from loan to a joint venture	—	2,351
Dividend income from financial assets at FVOCI	11,840	10,032
Government grants	12,509	14,011
Value-added tax extra deduction	15,191	12,193
Others	939	1,721
	118,074	121,702

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

7. FINANCE COSTS

	Unaudited Six months ended 30 June	
	2021 HK\$'000	2020 HK\$'000
Interest expenses on borrowings	240,885	281,204
Less: Amount capitalised in construction in progress	(6,539)	(9,627)
	234,346	271,577
Interest expenses on lease liabilities	22,036	19,501
	256,382	291,078

8. INCOME TAX

	Unaudited Six months ended 30 June	
	2021 HK\$'000	2020 HK\$'000
PRC income tax expenses		
Current	247,911	204,286
Deferred	12,728	5,054
	260,639	209,340

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits arising in or derived from Hong Kong for the period (2020: 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.

9. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging/(crediting) the following items:

	Unaudited Six months ended 30 June	
	2021 HK\$'000	2020 HK\$'000
Costs of goods sold	3,494,457	2,087,357
Depreciation of property, plant and equipment	587,684	541,098
Depreciation of right-of-use assets	188,135	172,584
Depreciation of investment properties	10,131	—
Amortisation of intangible assets	12,584	9,610
Exchange (gain)/loss, net	(26,727)	36,485

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

10. DIVIDEND

	Unaudited Six months ended 30 June	
	2021 HK\$'000	2020 HK\$'000
2020 final dividend of HK4.13 cents per ordinary share	254,325	—

At the meeting held on 29 March 2021, the Board recommended the payment of a final dividend of HK4.13 cents per ordinary share for the year ended 31 December 2020. The 2020 final dividend was approved at the annual general meeting of the Company held on 23 June 2021.

The 2019 final dividend was approved at the annual general meeting of the Company held on 9 July 2020 and the aggregate amount of the 2019 final dividend was approximately HK\$155,182,000 and recognised after the period ended 30 June 2020.

The Board resolved not to pay an interim dividend for the six months ended 30 June 2021 (2020: 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	
	2021 HK\$'000	2020 HK\$'000
Earnings		
Profit attributable to equity holders of the Company for calculating basic and diluted earnings per share	417,579	219,770

	Unaudited Six months ended 30 June	
	2021 '000	2020 '000
Number of shares		
Weighted average number of ordinary shares for calculating basic and dilutive earnings per share	6,158,000	6,158,000

In both periods, the computation of diluted earnings per share did not assume the exercise of the Company's outstanding share options as the exercise prices of the share options were higher than the average market price of the Company's shares.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2021, additions to the Group's property, plant and equipment amounted to approximately HK\$307,274,000 (six months ended 30 June 2020: HK\$222,671,000).

13. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2021, additions to the Group's right-of-use assets amounted to approximately HK\$326,698,000 (six months ended 30 June 2020: HK\$29,068,000).

14. TRADE AND OTHER RECEIVABLES AND NOTES RECEIVABLES

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

	Unaudited 30 June 2021 HK\$'000	Audited 31 December 2020 HK\$'000
0–90 days	2,303,973	1,817,676
91–180 days	95,313	101,531
Over 180 days	60,601	60,475
	2,459,887	1,979,682

As at 30 June 2021, total notes receivables amounting to approximately HK\$1,007,936,000 (31 December 2020: HK\$822,561,000) were held by the Group for settlement of trade receivables. Notes receivables mainly included bank acceptance notes with a maturity period of within one year. The Group believes that the measured bank acceptance notes do not expose to significant credit risk and will not cause significant losses due to the bank default. The changes in the fair values of the notes receivables are minimal due to its short-term nature.

As at 30 June 2021, the Group endorsed notes receivables amounting to approximately HK\$626,197,000 (31 December 2020: HK\$755,611,000) to suppliers to settle trade and other payables. The majority of endorsed notes receivables had a maturity of within six months at the end of the reporting period. In accordance with the relevant laws in the PRC, holders of notes receivables have a right of recourse against the Group if the issuing parties default payment. In the opinion of the directors of the Company, the Group has transferred substantially all risks and rewards of ownership relating to these endorsed notes receivables, and accordingly derecognised the full carrying amounts of these endorsed notes receivables and the associated trade and other payables.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

15. ASSETS CLASSIFIED AS HELD FOR SALE/LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

On 26 February 2021, Tianjin Port Holdings Co., Ltd (“Tianjin Port Co”), a subsidiary of the Group, entered into an agreement with Tianjin Port Economic Technological Cooperation Co., Ltd., a subsidiary of Tianjin Port (Group) Co., Ltd (“Tianjin Port Group”, the Company’s ultimate holding company), to transfer 53% equity interest in CHIMBUSCO Marine Bunker (Tianjin) Co., Ltd. (“CHIMBUSCO Tianjin”) at the consideration of RMB14,900,285.28 (the “Disposal”). The consideration would be adjusted by 53% of the net profit or loss of CHIMBUSCO Tianjin for the period from the day following 30 November 2020 to the last day of the month of the completion date of the Disposal, provided that the final consideration will not be less than RMB0. All loans provided by Tianjin Port Co and its subsidiaries and outstanding interest, and all dividend payables to Tianjin Port Co have been repaid in full by CHIMBUSCO Tianjin before the date of completion of the Disposal.

At the end of the reporting period, the Group expected that no further impairment losses would be recognised after it was classified to assets held for sale. The Disposal was completed in August 2021 and CHIMBUSCO Tianjin had ceased to be a subsidiary of the Group since then.

The assets and liabilities of CHIMBUSCO Tianjin excluding net intergroup payables of HK\$579,156,000 classified as held for sale as at 30 June 2021 are as follows:

	HK\$'000
Property, plant and equipment	855,023
Right-of-use assets	136,212
Intangible assets	132
Investments accounted for using the equity method	79,868
Financial assets at fair value through other comprehensive income	12,230
Deferred income tax assets	940
Inventories	156,835
Trade and other receivables and notes receivables	281,038
Cash and cash equivalents	11,613
Total assets classified as held for sale	1,533,891
Trade and other payables and contract liabilities	581,342
Borrowings	332,893
Lease liabilities	33,539
Deferred income tax liabilities	50
Total liabilities associated with assets classified as held for sale	947,824

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

16. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Ordinary shares of HK\$0.10 each		
Authorised:		
At 1 January 2020, 31 December 2020 and 30 June 2021	12,000,000	1,200,000
Issued and fully paid:		
At 1 January 2020, 31 December 2020 and 30 June 2021	6,158,000	615,800

17. 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 2020	10,291,605	(9,111,447)	169,975	4,648	131,532	1,698,557	414,926	3,599,796
Other comprehensive loss for the period	—	—	(28,029)	—	(236,304)	—	—	(264,333)
Lapse of share options	—	—	—	(2,450)	—	—	—	(2,450)
At 30 June 2020	10,291,605	(9,111,447)	141,946	2,198	(104,772)	1,698,557	414,926	3,333,013
At 1 January 2021	10,291,605	(9,111,447)	173,128	2,198	941,692	1,796,614	414,868	4,508,658
Other comprehensive (loss)/income for the period	—	—	(51,678)	—	140,622	—	—	88,944
Lapse of share options	—	—	—	(561)	—	—	—	(561)
At 30 June 2021	10,291,605	(9,111,447)	121,450	1,637	1,082,314	1,796,614	414,868	4,597,041

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 FINANCIAL STATEMENTS

For the six months ended 30 June 2021

18. BORROWINGS

	Unaudited 30 June 2021 HK\$'000	Audited 31 December 2020 HK\$'000
Unsecured borrowings:		
Non-current		
Long-term borrowings	6,616,623	6,775,769
Current		
Short-term borrowings	3,250,196	1,586,561
Current portion of long-term borrowings	1,540,948	4,002,316
	4,791,144	5,588,877
	11,407,767	12,364,646
Repayable:		
Within 1 year	4,791,144	5,588,877
Between 1 and 2 years	2,488,462	2,095,006
Between 2 and 5 years	1,964,320	2,404,886
Over 5 years	2,163,841	2,275,877
	11,407,767	12,364,646
Carrying amounts are denominated in the following currencies:		
Renminbi	9,213,934	10,031,399
HK dollars	2,193,833	2,197,709
US dollars	—	135,538
	11,407,767	12,364,646
Weighted average interest rates per annum:		
Renminbi	4.4%	4.4%
HK dollars	1.2%	1.5%
US dollars	N/A	2.5%

19. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

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

	Unaudited 30 June 2021 HK\$'000	Audited 31 December 2020 HK\$'000
0–90 days	1,597,211	1,674,365
91–180 days	193,752	233,984
181–365 days	235,478	120,709
Over 365 days	90,126	95,430
	2,116,567	2,124,488

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

20. COMMITMENTS

	Unaudited 30 June 2021 HK\$'000	Audited 31 December 2020 HK\$'000
Contracted but not provided for		
Property, plant and equipment	305,866	325,649
Authorised but not contracted for		
Property, plant and equipment	1,987,304	1,562,233

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:

(a) Transactions with related parties of the Group

	Unaudited Six months ended 30 June	
	2021 HK\$'000	2020 HK\$'000
With Tianjin Port Group and its subsidiaries, associates and joint ventures		
Sales of goods and services	26,833	25,187
Purchases of goods and services	367,280	290,800
Payments for rental of land, property, plant and equipment (Note)	110,029	87,297
Acquisition of land use right, property, plant and equipment	339,722	18,637
With associates		
Sales of goods and services	35,771	25,229
Purchases of goods and services	361,977	349,324
Income from rental of property, plant and equipment	963	7,127
Payments for rental of property, plant and equipment (Note)	2,507	5,751
Interest income	20,798	32,838
Interest expenses on borrowings	92,863	87,437
With joint ventures		
Sales of goods and services	41,488	36,669
Purchases of goods and services	47,883	59,276
Interest income	—	2,351

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

21. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)**(b) Balances with related parties of the Group**

	Unaudited 30 June 2021 HK\$'000	Audited 31 December 2020 HK\$'000
With Tianjin Port Group and its subsidiaries, associates and joint ventures		
Trade and other receivables and notes receivables (Note i)	39,398	43,315
Trade and other payables and contract liabilities (Note i)	248,448	374,225
Lease payables	156,628	104,342
With associates		
Trade and other receivables and notes receivables (Note i)	38,425	4,076
Trade and other payables and contract liabilities (Note i)	68,816	79,456
Deposits (Note ii)	3,866,881	3,977,489
Borrowings (Note iii)	3,884,173	3,992,182
With joint ventures		
Trade and other receivables and notes receivables (Note i)	12,207	2,811
Trade and other payables and contract liabilities (Note i)	4,516	6,379

Notes:

- i. Trade and other receivables and notes receivables, and trade and other payables and contract liabilities are unsecured, interest-free and due within 1 year. As at 30 June 2021, the amount of HK\$2,200,000 in trade and other receivables and notes receivables and the amount of HK\$14,552,000 in trade and other payables and contract liabilities were classified as assets held for sale and liabilities associated with assets classified as held for sale respectively.
- 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. Tianjin Port Finance is a non-bank financial institution with limited liability established under PRC law. The business activities of Tianjin Port Finance are regulated and supervised by the People's Bank of China and the China Banking and Insurance Regulatory Commission. As at 30 June 2021, the amount of HK\$8,491,000 in deposits was classified as assets held for sale.
- iii. As at 30 June 2021, borrowings from Tianjin Port Finance amounted to HK\$3,884,173,000 (31 December 2020: HK\$3,992,182,000), in which HK\$3,433,806,000 (31 December 2020: HK\$3,503,232,000) are repayable within 5 years and the remaining HK\$450,367,000 (31 December 2020: HK\$488,950,000) 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 2020: 3.9% to 4.9%) per annum. As at 30 June 2021, the amount of HK\$332,893,000 in borrowings which are repayable within 5 years was classified as liabilities associated with assets classified as held for sales.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

21. SIGNIFICANT RELATED PARTY TRANSACTIONS *(continued)*

(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 2021, 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) “Related Party Disclosures”, 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 financial statements.

22. EVENTS AFTER THE REPORTING PERIOD

In addition to the event after the reporting period disclosed elsewhere, on 26 February 2021, Tianjin Port Co, a subsidiary of the Group, entered into an agreement with COSCO SHIPPING Ports Limited (“COSCO SHIPPING Ports”) and COSCO SHIPPING Ports (Tianjin) Limited to transfer 34.99% equity interest in Tianjin Port Container Terminal Co., Ltd. (“Tianjin Port Container”) at the consideration of RMB1,348,371,228.15. Upon completion of the transaction, the Group will hold 41.69% equity interest in Tianjin Port Container, and Tianjin Port Container will cease to be a subsidiary of the Group, and will become an associate of the Group.

On 28 April 2021, Tianjin Port Co entered into another agreement with COSCO SHIPPING Ports pursuant to which Tianjin Port Co agreed to procure a designated subsidiary to acquire, and COSCO SHIPPING Ports agreed to transfer all the issued shares of COSCO SHIPPING Ports (Tianjin Euroasia) Limited (“COSCO SHIPPING Ports Euroasia”) at the consideration of RMB269,619,801.39. Since COSCO SHIPPING Ports Euroasia holds 30% of the equity interest in Tianjin Port Euroasia International Container Terminal Co., Ltd (“Euroasia International”), upon completion of the transaction, COSCO SHIPPING Ports Euroasia will become a subsidiary of the Group and the Group’s indirect equity interest in Euroasia International will increase from 40% to 70%, and Euroasia International will become a subsidiary of the Group.

The above transactions have been approved by the shareholders of the Company at an extraordinary general meeting held on 13 August 2021. As at the date of this report, the transactions have not been completed yet and are subject to fulfillment of other conditions precedent.

OTHER INFORMATION

REVIEW OF INTERIM RESULTS

The unaudited condensed consolidated financial statements for the six months ended 30 June 2021 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 2021.

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 2021.

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 2021.

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 2021.

CONTINUING DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

On 25 May 2021, 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 of up to HK\$1,200,000,000. The loan facility is unsecured, interest bearing and repayable in full on the date falling 12 months from the date of the facility agreement.

On 25 May 2021, the Borrower and the Company as guarantor entered into a facility agreement with a financial institution as lender for a term loan facility of up to HK\$500,000,000. The loan facility is unsecured, interest bearing and repayable in full on the date falling 12 months from the date of the facility agreement.

On 25 May 2021, the Borrower and the Company as guarantor entered into a facility agreement with a financial institution as lender for a term loan facility of up to HK\$500,000,000. The loan facility is unsecured, interest bearing and repayable in full on the date falling 12 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 controlling shareholder of the Company. If Tianjin Port Group, together with its subsidiaries, (1) ceases to have the single largest shareholding interest in the Company in aggregate, or (2) ceases to 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 2021, the aggregate balance of the loan facilities subject to the above obligations was HK\$2,200 million.

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.

OTHER INFORMATION

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 2020 annual report of the Company pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

SHI Jing, an executive Director, was appointed as a supervisor 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 28 April 2021.

XUE Xiaoli, an executive Director, resigned as a director of Tianjin Port Co with effect from 28 July 2021.

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 2021 were as follows:

	Date of grant	Exercise price HK\$	Number of share options			As at 30/06/2021	Exercise period
			As at 01/01/2021	Exercised	Lapsed		
Directors							
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
Employees							
	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
Total			3,950,000	–	(700,000)	3,250,000	

OTHER INFORMATION

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Other than the Share Option Scheme, during the six months ended 30 June 2021 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 in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2021, 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
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 2021, 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 or 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.

OTHER INFORMATION

INTERESTS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 June 2021, 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)	Beneficial owner	35,976 (L)	0.0%
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%
Tianjin TEDA Investment Holding Co., Ltd. ("TEDA") (Note 4)	Interest of controlled corporations	1,303,045,976 (L)	21.2%

(L) denotes a long position

Notes:

- 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.
- 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.
- 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.
- Tianjin Development is a subsidiary of Tianjin Investment Holdings Limited which in turn is a wholly-owned subsidiary of Tsinlien. As at 30 June 2021, Tianjin Investment Holdings Limited and Tsinlien Investment Limited, the wholly-owned subsidiaries 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 Bohai, which in turn is a wholly-owned subsidiary of Tsinlien Investment Holdings. Tsinlien Investment Holdings is a wholly-owned subsidiary of TEDA. By virtue of the SFO, Tsinlien, Bohai, Tsinlien Investment Holdings and TEDA 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 2021, 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

	For the year ended 31 December					For the six months ended 30 June	
	2016	2017	2018	2019	2020	2020	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Consolidated Income Statement							
Revenue	16,456,982	16,621,811	15,871,075	15,077,403	15,490,177	6,323,448	8,741,674
Cost of sales	(11,848,641)	(12,961,777)	(12,675,629)	(11,843,819)	(12,123,230)	(4,855,259)	(6,775,593)
Taxes and surcharges	(39,105)	(18,318)	(14,800)	(10,452)	(9,073)	(2,646)	(5,405)
Gross profit	4,569,236	3,641,716	3,180,646	3,223,132	3,357,874	1,465,543	1,960,676
Other income and expenses, other gains and losses	(99,200)	445,717	19,147	196,728	324,221	78,158	129,761
Administrative expenses	(1,979,661)	(1,912,589)	(1,804,583)	(1,674,496)	(1,770,862)	(678,414)	(902,397)
Finance costs	(584,608)	(571,887)	(616,065)	(657,187)	(550,117)	(291,078)	(256,382)
Share of net profit of associates and joint ventures accounted for using the equity method	448,108	502,577	448,394	427,960	435,843	231,494	247,721
Profit before income tax	2,353,875	2,105,534	1,227,539	1,516,137	1,796,959	805,703	1,179,379
Income tax	(571,717)	(471,273)	(263,324)	(410,633)	(389,433)	(209,340)	(260,639)
Profit for the year/period	1,782,158	1,634,261	964,215	1,105,504	1,407,526	596,363	918,740
Profit attributable to:							
Equity holders of the Company	527,431	763,000	387,745	388,491	636,161	219,770	417,579
Non-controlling interests	1,254,727	871,261	576,470	717,013	771,365	376,593	501,161
	1,782,158	1,634,261	964,215	1,105,504	1,407,526	596,363	918,740

	As at 31 December					As at 30 June	
	2016	2017	2018	2019	2020	2021	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Consolidated Statement of Financial Position							
Land use rights	5,686,092	6,334,061	5,897,291	—	—	—	—
Property, plant and equipment	18,960,072	19,834,777	18,803,723	20,351,560	21,467,926	20,547,741	20,547,741
Right-of-use assets	—	—	—	6,737,343	7,068,583	6,869,856	6,869,856
Investment properties	—	—	—	—	820,200	819,418	819,418
Intangible assets	65,043	69,909	60,069	68,143	84,867	75,930	75,930
Investments accounted for using the equity method	5,421,257	5,972,997	5,524,722	4,773,800	4,806,587	4,953,021	4,953,021
Financial assets at FVOCI	—	—	509,111	723,781	785,600	598,422	598,422
Available-for-sale financial assets	518,458	958,574	—	—	—	—	—
Deferred income tax assets	91,491	63,520	54,091	54,914	120,290	115,757	115,757
Current assets	11,588,951	14,186,968	14,523,844	12,103,737	12,490,082	13,685,975	13,685,975
Total assets	42,331,364	47,420,806	45,372,851	44,813,278	47,644,135	47,666,120	47,666,120
Total liabilities	(18,220,114)	(20,484,587)	(19,581,570)	(18,309,693)	(18,579,908)	(17,989,027)	(17,989,027)
Non-controlling interests	(12,976,770)	(14,226,202)	(13,622,769)	(14,315,361)	(15,581,769)	(15,942,437)	(15,942,437)
Shareholders' equity	11,134,480	12,710,017	12,168,512	12,188,224	13,482,458	13,734,656	13,734,656

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
“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”	the 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, 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*)
 LUO Xunjie (*Managing Director*)[△]
 SUN Bin⁺
 XUE Xiaoli
 SHI Jing

INDEPENDENT NON-EXECUTIVE DIRECTORS

Japhet Sebastian LAW^{*+}
 CHENG Chi Pang, Leslie^{*△}
 ZHANG Weidong ^{*+△}

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

CHEUNG Wah Lung, Warren

AUDITOR

Deloitte Touche Tohmatsu
 Certified Public Accountants
 Registered Public Interest Entity Auditor

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 (Hong Kong) Ltd.
 Industrial and Commercial Bank of China (Asia) Limited

PRINCIPAL SHARE REGISTRAR

Ocorian Trust (Cayman) Limited
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 Grand Cayman KY1-1108
 Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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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

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