



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

2021
Annual Report



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



CONTENTS

CORPORATE PROFILE	1
MILESTONES	2
FINANCIAL HIGHLIGHTS	4
CHAIRMAN'S STATEMENT	6
MANAGEMENT DISCUSSION AND ANALYSIS	8
CORPORATE GOVERNANCE	
Board of Directors and Senior Management	19
Corporate Governance Report	23
Directors' Report	37
FINANCIALS	
Independent Auditor's Report	61
Consolidated Financial Statements	65
Five Years Financial Summary	138
DEFINITIONS	139
CORPORATE INFORMATION	140



MILESTONES

1997

Tianjin Development was listed on the Main Board of the Stock Exchange. The business engaged by the Company was one of the principal businesses of Tianjin Development.

2001

Renovation of container terminal was completed with designed annual handling capacity raised to 1.6 million TEUs, capable of docking and handling container vessels of 10,000 TEUs.

2004

The second phase of grain terminal construction project was completed, increasing grain storage capacity to 110,000 tonnes.

2006

Successfully listed on the Main Board of the Stock Exchange in May 2006 and raised approximately HK\$1.26 billion.

Establishment of Euroasia with COSCO and APMT, a container terminal with quay length of 1,100 meters and designed annual handling capacity of 1.8 million TEUs.

2007

Establishment of Haifeng, the first logistics warehousing company in Dongjiang Bonded Free Port with a gross floor area of approximately 190,000 square meters.

2008

Completion of acquisition of 40% equity interest in Alliance, a container terminal with quay length of 1,100 meters and designed annual handling capacity of 1.7 million TEUs.



MILESTONES

2010

Completion of acquisition of 56.81% equity interest in Tianjin Port Co. Achieved total container throughput of over 10 million TEUs in 2010.

2011

Completion of acquisition of 50% equity interest in Tianjin Port Shihua, a 300,000-tonne crude oil terminal with quay length of 468 meters and designed annual handling capacity of 20 million tonnes.

2014

Official opening of the 300,000-tonne specialised ore terminal located at Nanjiang Port Area of the port of Tianjin with quay length of 400 meters and designed annual handling capacity of 23 million tonnes.

2019

Completion of acquisition of 11.854% equity interest in Tianjin Five Continents. Upon completion of acquisition and up to completion of the merger, the Group held 51.854% equity interest in Tianjin Five Continents.

Completion of merger of Tianjin Port Container, Tianjin Orient and Tianjin Five Continents. Upon completion of the merger, the Group holds 76.68% equity interest in Tianjin Port Container (as the surviving party). Quay length is 3,543 meters and designed annual handling capacity is 6 million TEUs.

2021

Completion of acquisition of 30% equity interest in Euroasia. Upon completion of acquisition, the Group held 70% equity interest in Euroasia.

Total container throughput exceeded 20 million TEUs in 2021.



FINANCIAL HIGHLIGHTS

	For the year ended 31 December	
	2021	2020
Total throughput		
Non-containerised cargo (million tonnes)	238.63	227.86
Container (million TEUs)	20.20	18.35
Consolidated throughput		
Non-containerised cargo (million tonnes)	178.66	168.32
Container (million TEUs)	13.19	12.12

HK\$ million	For the year ended 31 December	
	2021	2020
Revenue	17,371	15,490
Profit before income tax	2,476	1,797
Profit attributable to Shareholders	923	636
Basic earnings per share (HK cents)	15.0	10.3
Net cash inflow from operating activities	3,535	2,789

HK\$ million	As at 31 December	
	2021	2020
Total assets	46,302	47,644
Total borrowings	10,333	12,365
Shareholders' equity	14,436	13,482
Total equity	30,529	29,064
Financial ratios		
Gearing ratio (<i>Note 1</i>)	33.8%	42.5%
Current ratio	1.2	1.2
Net assets per share — book value (<i>Note 2</i>) (HK\$)	2.3	2.2

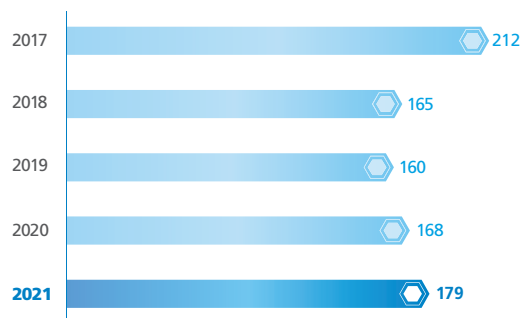
Notes:

- 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 year end.

FINANCIAL HIGHLIGHTS

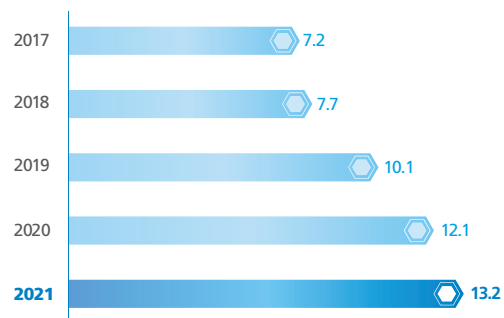
Consolidated non-containerised cargo throughput

(million tonnes)



Consolidated container throughput

(million TEUs)



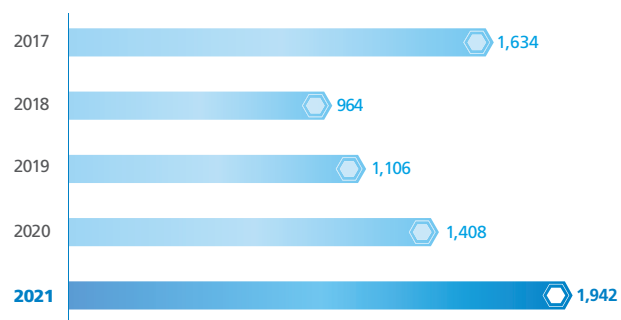
Revenue

(HK\$ million)



Profit for the year

(HK\$ million)



CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to present the annual results of the Group for the year 2021.

As local lockdowns and travel restrictions will stay around in the foreseeable future, the novel coronavirus (COVID-19) pandemic remains a major factor affecting the global economy and will continue to disrupt international trade until it is fully under control. In fact, it has triggered the current supply-demand imbalance in the shipping market by hampering handling efficiency and presents a tremendous challenge.

Meanwhile, as China continued to make all efforts to take intensive actions and effectively control COVID-19, the country's economy was resilient and persevered with sound long-term fundamentals. China's economy has even steadily revived thanks to the measures and stimulus put forward by the authorities, such as a boost for domestic consumption and new infrastructure investments. International orders also returned to China as the nation's processing and trading industries stayed on track while vaccination in emerging economies lagged behind. On the other hand, supply and price stabilisation measures provided some sort of support to import. Cargo throughput at ports in China also maintained steady growth. In 2021, cargo throughput at China's ports was 15.55 billion tonnes, a year-on-year increase of 6.8%. In particular, container throughput was 283 million TEUs, a year-on-year increase of 7.0%. In 2021, the port of Tianjin was the eighth largest port in terms of total cargo throughput and ranked the sixth in terms of total container throughput in China.

The year 2021 was a crucial year which marked the beginning of the [Fourteenth Five-Year] plan. Faced with the impact of the COVID-19 epidemic on global economic and trade development, the global value chain underwent drastic restructuring. The Group proactively expanded its market and continued to innovate and improve its business while controlling COVID-19 and carrying out its operation at the same time. Therefore, the throughput of containers handled by the Group exceeded 20 million TEUs, representing a historic breakthrough.



CHAIRMAN'S STATEMENT

Total cargo throughput handled by the Group for the year increased by 5.0% to 442 million tonnes over last year. Total non-containerised cargo throughput handled by the Group was 239 million tonnes, a year-on-year increase of 4.7%, and total container throughput handled by the Group was 20.20 million TEUs, a year-on-year increase of 10.1%. Profit attributable to shareholders for the year ended 31 December 2021 was HK\$923 million and basic earnings per share was HK15.0 cents. The Board is pleased to recommend the payment of a final dividend for the year 2021 of HK5.99 cents per share, representing a pay-out ratio of approximately 40% for the year. The Group will closely monitor the exchange rate of RMB, devote itself to refining the borrowing structure and take proactive actions to reduce borrowing costs and monitor exchange rate risk.

The "Regulations on Accelerating the Development of Tianjin North International Shipping Hub" released in 2021 indicates that the government authorises Tianjin to develop as the North International Shipping Center and will support its high-quality development on a national basis. The Group proudly shoulders the historic responsibility to serve the nation's strategies and takes the rare development opportunity to achieve major progress and development.

The core competency of the Group stands out since it became the pillar of cargo handling and logistics business at the port of Tianjin. The Group will continue to develop markets and functions simultaneously and to improve, strengthen and optimise its main business, which is the cargo handling and logistics business that will become an important support for the Group's sustainable development. In addition, the Group will fully grasp the opportunities emerging from major policies such as the implementation of the Belt and Road Initiative, the foundation of the Xiong'an New Area, the coordinated development of the Beijing-Tianjin-Hebei region and the establishment of China (Tianjin) Pilot Free Trade Zone. We will scientifically analyse the overall situation and insist on reform and innovation as well as transformation and upgrade while improving quality and efficiency. The Group will advance resource integration and upgrade our capability in capital operation. The delicacy management will also be pushed ahead. We will accelerate the construction of major projects and reinforce the security system while enhancing the overall conservation of the environment. The profitability of the Group has increased constantly. The Group will strive to achieve high-quality, efficient and sustainable development, and generate better returns for our shareholders while creating values for stakeholders and the society.

On behalf of the Board, I would like to thank our staff for their relentless dedication and continuous contribution, and to express my most sincere gratitude to our customers, suppliers, shareholders and business partners for their trust and longstanding support.

Sincerely yours,

Chu Bin

Chairman

Hong Kong, 29 March 2022



MANAGEMENT DISCUSSION AND ANALYSIS



MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION ENVIRONMENT

From the perspective of the global economic situation, the COVID-19 pandemic remains the main factor affecting the economy of the whole world. Partial lockdowns and mobility restrictions will continue to be the main issues for the coming period of time. Without a solution to completely control the pandemic, their impact on global trade will always persist.

At the same time, China's economy remains resilient. The fundamental factors in its positive outlook in the long-term have not changed, even with the pandemic prevention and control efforts still being in force. With the formulation and implementation of decisions such as expanding domestic demand and new infrastructure, the economy is stable and improving. The immunisation progress of emerging economies is relatively lagging behind, global orders are continuing to flow back, domestic processing trades are running smoothly and the introduction of the "guaranteed supply and stable price" measures are being rolled out — all of these contribute to strong demand of imports. China's gross domestic product growth rate in 2021 was 8.1%, which was slightly higher than expected. In 2021, China's total value of export trade was US\$3.36 trillion, representing a year-on-year growth of 29.9% (2020: +3.6%), while the total value of import trade was US\$2.69 trillion, representing a year-on-year increase of 30.1% (2020: -1.1%).

Cargo throughput of ports in China maintains a steady growth. According to the statistics published by the Ministry of Transport of the PRC, cargo throughput handled by ports in China was 15.55 billion tonnes in 2021, representing a year-on-year growth of 6.8%, of which container throughput handled was 283 million TEUs, representing a year-on-year increase of 7.0%.

ANNUAL RESULTS

Total cargo throughput handled by the Group in 2021 was 442 million tonnes (2020: 421 million tonnes), an increase of 5.0% over last year, of which total container throughput was 20.20 million TEUs (2020: 18.35 million TEUs), an increase of 10.1% over last year.

	2021 HK\$ million	2020 HK\$ million	Change amount HK\$ million	Change percentage
Revenue	17,371	15,490	1,881	12.1%
Cost of sales	13,529	12,123	1,406	11.6%
Gross profit	3,831	3,358	473	14.1%
Profit before income tax	2,476	1,797	679	37.8%
Profit attributable to Shareholders	923	636	287	45.1%

The Group's profit before income tax was HK\$2,476 million, which included an exchange gain of HK\$58 million (2020: exchange gain of HK\$130 million). The exchange gain arose mainly from the Group's HK\$ denominated liabilities as a result of the appreciation of RMB against HK\$. Excluding the exchange difference, the Group's profit before income tax was HK\$2,418 million (2020: HK\$1,667 million), representing an increase of 45.1% over last year.

Profit attributable to Shareholders amounted to HK\$923 million, representing an increase of 45.1% year-on-year. Basic earnings per share was HK15.0 cents.

The Board recommends the payment of a final dividend of HK5.99 cents per share for 2021, representing a payout ratio of approximately 40% for the year (2020: 40%).

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

The Group's core businesses remained stable and achieved total cargo throughput of 442 million tonnes in 2021, representing an increase of 5.0% over 2020.

Non-containerised Cargo Handling Business

During the year under review, the Group achieved total non-containerised cargo throughput of 238.63 million tonnes, representing an increase of 4.7% over last year, of which throughput of the subsidiary terminals grew by 6.1% and throughput of the jointly controlled and affiliated terminals grew by 0.7%.

Nature of terminal	Non-containerised cargo throughput			
	2021 million tonnes	2020 million tonnes	Change amount million tonnes	Change percentage
Subsidiary terminals	178.66	168.32	10.34	6.1%
Jointly controlled and affiliated terminals	59.97	59.54	0.43	0.7%
Total	238.63	227.86	10.77	4.7%

On a consolidated basis, the blended average unit price of the non-containerised cargo handling business was HK\$28.9 per tonne (2020: HK\$26.5 per tonne), an increase of 8.8% over last year. In RMB, the blended average unit price increased by 1.5% over last year.

Container Handling Business

In 2021, the container handling business experienced a stable growth. The Group achieved total container throughput of 20.20 million TEUs, representing an increase of 10.1% over last year, of which throughput of the subsidiary terminals increased by 8.8% and throughput of the jointly controlled and affiliated terminals increased by 12.5%.

Nature of terminal	Container throughput			
	2021 million TEUs	2020 million TEUs	Change amount million TEUs	Change percentage
Subsidiary terminals	13.19	12.12	1.07	8.8%
Jointly controlled and affiliated terminals	7.01	6.23	0.78	12.5%
Total	20.20	18.35	1.85	10.1%

On a consolidated basis, the blended average unit price of the container handling business decreased by 10.1% over last year to HK\$197.9 per TEU (2020: HK\$220.1 per TEU). In RMB, the blended average unit price decreased by 16.1% over last year. The decrease in the blended average unit price was mainly attributable to the change in cargo mix in 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Sales Business

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

During the year under review, the Group recorded revenue of HK\$6,775 million from sales business, representing an increase of 12.0% over last year, which was mainly due to the increase in selling prices.

Other Port Ancillary Services Business

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

OUTLOOK

From a global perspective, the recovery of the economy remains uncertain. The level of inflation has been impacted by the continuous spread of the Omicron variant, the increase in geopolitical risk, the rising energy prices and supply disruptions. According to the World Economic Outlook Update released by the International Monetary Fund (IMF), global economic growth is expected to decrease from 5.9% in 2021 to 4.4% in 2022.

China also faces certain pressures amid uncertainty over the outlook for global economic growth. On 5 March 2022, the Premier Li Keqiang of the State Council proposed in the report on the work of the government that the projected GDP growth target in 2022 is around 5.5%, focusing on maintaining stable macroeconomic performance and keeping the major economic indicators within an appropriate range.

Facing the changes of external environments including the economic situation, political condition, and industrial competition, the Group will continue to seize the opportunities of national strategies such as the Belt and Road Initiative, Xiongan New Area Construction and the coordinated development of the Beijing-Tianjin-Hebei region. It will also forge ahead to establish the North International Shipping Center, intensify the efforts to carry out reform and innovation, and accelerate the upgrade of the industrial structure and informatisation, in order to strengthen the status of the port of Tianjin as the hub port for containers, and to achieve the high-quality, efficient and sustainable development of the Group. On the other hand, the Group practices the concept of green and smart development by implementing key work initiatives, targeting at improving quality and efficiency through standardised, refined, scientific, systematic and intelligent management to enhance the port's capacity, improve service efficiency and optimise transportation structure to ensure higher quality and better development of the Group.

In response to the COVID-19 pandemic, the Group has proactively implemented a range of measures to prevent and control the pandemic. It strives to sail through the difficult time by protecting the health and safety of its customers and employees, ensuring stable operation in an orderly manner. The Group will continue to monitor the development of the pandemic, assess and respond actively to its impact on a continuous basis.

In the coming year, the Group will continue to work together to expand its markets and optimise the on-site services to increase its market share and improve operational efficiency. While laying solid foundation and improving systems to strengthen quality, safety and green development, the Group also stays innovative and adopts leading technologies to promote automated operation and intelligent services continuously. Moreover, it will insist on reform and innovation as well as staying abreast of the market in order to strengthen its governance and management, thereby establish a solid foundation for the long-term planning and sustainable development of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

During the year under review, the Group recorded revenue of HK\$17,371 million, representing an increase of 12.1% over last year. An analysis of revenue by segment is as follows:

Type of business	Revenue			
	2021 HK\$ million	2020 HK\$ million	Change amount HK\$ million	Change percentage
Non-containerised cargo handling business	5,158	4,468	690	15.4%
Container handling business	2,610	2,667	-57	-2.1%
Cargo handling business (total)	7,768	7,135	633	8.9%
Sales business	6,775	6,048	727	12.0%
Other port ancillary services business	2,828	2,307	521	22.6%
Total	17,371	15,490	1,881	12.1%

Revenue from non-containerised cargo handling business increased by 15.4% over last year to HK\$5,158 million. In RMB, revenue increased by 7.7%, mainly contributed by the increase in non-containerised cargo throughput.

Revenue from container handling business decreased by 2.1% over last year to HK\$2,610 million. In RMB, revenue decreased by 8.7% which was mainly attributable to the change in cargo mix in 2021 resulting in a decrease in the average unit price.

Revenue from sales business was HK\$6,775 million, a 12.0% increase over last year and a 4.5% increase in RMB, which was mainly due to the rise in selling prices.

Revenue from other port ancillary services business was HK\$2,828 million, a 22.6% increase over last year and a 14.4% increase in RMB, which was mainly due to the increase in port cargo throughput, leading to an increase in revenue of related ancillary services.

Cost of Sales

During the year under review, cost of sales of the Group was HK\$13,529 million, representing an increase of 11.6% over last year. An analysis of costs by segment is as follows:

Type of business	Cost			
	2021 HK\$ million	2020 HK\$ million	Change amount HK\$ million	Change percentage
Cargo handling business	5,341	4,697	644	13.7%
Sales business	6,687	6,063	624	10.3%
Other port ancillary services business	1,501	1,363	138	10.1%
Total	13,529	12,123	1,406	11.6%

Cost of cargo handling business was HK\$5,341 million, a 13.7% increase over last year. In RMB, cost increased by 6.1%, primarily attributable to increase of cost driven by the growth in sales.

Cost of sales business increased by 10.3% over last year to HK\$6,687 million. In RMB, cost increased by 2.9% which was mainly due to the increase in purchase prices.

Cost of other port ancillary services business increased by 10.1% over last year to HK\$1,501 million. In RMB, cost increased by 2.8%, which was mainly due to increase in business turnover driving the increase in the relevant cost.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross Profit

Gross profit and gross profit margin for 2021 were HK\$3,831 million (2020: HK\$3,358 million) and 22.1% (2020: 21.7%) respectively. Gross profit increased by HK\$474 million and gross profit margin slightly increased by 0.4 percentage points over last year, the overall gross profit remains stable.

Administrative Expenses

Administrative expenses of the Group increased by 23.8% over last year to HK\$2,192 million, which was mainly due to the relief measures for pandemic such as reduction or exemption of social security expenses in 2020 while these relief measures were ended this year; in addition, there was an increase of expenses for pandemic prevention and control such as centralised residence. The Group will take strict measures in control and management so as to maintain administrative expenses at a reasonable level.

Other Income

Other income amounted to HK\$327 million, representing an increase of HK\$82 million over last year, which was primarily due to the increase of income from government grants.

Other Gains and Losses

Other gains and losses amounted to HK\$631 million, representing an increase of HK\$507 million over last year, which was mainly due to a profit of HK\$568 million from the gain on disposal of subsidiaries and remeasurement gain on investment in a joint venture accounted for using the equity method in 2021.

Finance Costs

Finance costs (excluding capitalised interest) were HK\$484 million and finance costs (including capitalised interest) were HK\$497 million, a decrease of 12.0% and 12.6% respectively over last year, which was mainly attributable to the decrease in total borrowings during the 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\$411 million, representing a decrease of 5.7% over last year.

Income Tax

The Group's income tax expenses amounted to HK\$534 million, representing an increase of HK\$145 million over last year, which was mainly due to increase in profit before tax.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL POSITION

Cash Flow

In 2021, net decrease in cash and cash equivalents of the Group amounted to HK\$234 million.

The Group continued to generate steady cash flow from its operations. Net cash inflow from operating activities amounted to HK\$3,535 million.

Net cash outflow from investing activities amounted to HK\$721 million, which included receipt of dividends of HK\$446 million, cash outflow of HK\$470 million as a result of increase in time deposits with maturity over three months upon maturity, net cash outflow of HK\$390 million from acquisition of a subsidiary, net cash inflow of HK\$1,079 million from disposal of subsidiaries; capital expenditures of HK\$1,137 million and investment of financial assets at fair value through other comprehensive income of HK\$245 million.

Net cash outflow from financing activities amounted to HK\$3,048 million, which included payment of dividends and interest expenses on borrowings of HK\$1,112 million, net decrease of HK\$1,524 million in borrowings, and lease payment of HK\$412 million.

Capital Structure

The equity attributable to equity holders of the Company as at 31 December 2021 was HK\$14,436 million (31 December 2020: HK\$13,482 million), and the net asset value of the Company was HK\$2.3 per share (31 December 2020: HK\$2.2 per share).

As at 31 December 2021, the Company had an issued share capital of 6,158 million shares and the market capitalisation was HK\$3,818 million (at the closing market price of the shares of the Company of HK\$0.62 per share on 31 December 2021).

Assets and Liabilities

As at 31 December 2021, the Group's total assets were HK\$46,302 million (31 December 2020: HK\$47,644 million) and total liabilities were HK\$15,773 million (31 December 2020: HK\$18,580 million). Net current assets as at 31 December 2021 were HK\$2,206 million (31 December 2020: HK\$1,838 million).

Liquidity, Financial Resources and Borrowings

As at 31 December 2021, the Group's cash and deposits (including restricted bank deposits and time deposits with maturity over three months) were HK\$8,996 million (31 December 2020: HK\$8,751 million), which were principally denominated in RMB.

The Group's total borrowings as at 31 December 2021 were HK\$10,333 million (31 December 2020: HK\$12,365 million), with HK\$5,245 million repayable within one year, HK\$3,510 million repayable after one year and within five years and HK\$1,578 million repayable after five years. About 78.7% and 21.3% of the Group's borrowings were denominated in RMB and HK\$ respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Ratios

As at 31 December 2021, the Group's gearing ratio (total borrowings divided by total equity) was 33.8% (31 December 2020: 42.5%), and current ratio (current assets divided by current liabilities) was 1.2 (31 December 2020: 1.2).

Pledge of Assets

None of the Group's assets were pledged as at 31 December 2021.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 December 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 financial 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 31 December 2021, most of the Group's assets and liabilities were denominated in RMB except for certain bank borrowings denominated in HK\$. RMB exchange rate fluctuated significantly in the beginning of 2021 and it has stabilised and slightly appreciated in the later period of the year. As the exchange rate of RMB at the end of 2021 was approximately 3% higher than that at the end of 2020, an exchange gain of HK\$58 million (2020: exchange gain of HK\$130 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 year 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 31 December 2021, the Group's total borrowings were HK\$10,333 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 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 2021, additions to property, plant and equipment of the Group amounted to HK\$1,122 million, which primarily comprised of renovation of terminals and depots.

As at 31 December 2021, the Group's capital commitments for property, plant and equipment (including authorised but not contracted for) amounted to HK\$2,120 million (31 December 2020: HK\$1,888 million).

MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL ACQUISITION AND DISPOSAL

On 15 December 2020, 中國天津外輪代理有限公司 (China Ocean Shipping Agency Tianjin Co., Ltd.* (a subsidiary of the Group) (as transferee) entered into an assets transfer agreement with the transferor, pursuant to which China Ocean Shipping Agency Tianjin Co., Ltd. agreed to acquire Phase I of Tianjin Port Container Logistics Centre Depot at a consideration of RMB238,624,100. Details of the transaction were set out in the announcement of the Company dated 15 December 2020 and the circular of the Company dated 29 January 2021. The transaction was approved by the independent shareholders at the extraordinary general meeting of the Company held on 3 March 2021.

On 26 February 2021, 天津港股份有限公司 (Tianjin Port Holdings Co., Ltd.*) (“Tianjin Port Co”, a subsidiary of the Group) (as transferor) entered into an equity transfer agreement with the transferee, pursuant to which Tianjin Port Co agreed to dispose of 53% equity interest in 天津中燃船舶燃料有限公司 (CHIMBUSCO Marine Bunker (Tianjin) Co., Ltd.*) at a consideration of RMB14,900,285.28. Details of the equity transfer were set out in the announcement of the Company dated 26 February 2021 and the circular of the Company dated 1 April 2021. The equity transfer was approved by the independent shareholders at the extraordinary general meeting of the Company held on 28 April 2021.

On 26 February 2021, Tianjin Port Co (as transferor) entered into an equity transfer agreement with the transferee, pursuant to which Tianjin Port Co agreed to dispose of 34.99% equity interest in 天津港集裝箱碼頭有限公司 (Tianjin Port Container Terminal Co., Ltd.*), at a consideration of RMB1,348,371,228.15. Details of the equity transfer were set out in the announcement of the Company dated 26 February 2021 and the circular of the Company dated 28 June 2021. The equity transfer was approved by the shareholders at the extraordinary general meeting of the Company held on 13 August 2021.

On 28 April 2021, Tianjin Port Co (as transferee) entered into an agreement with the transferor, pursuant to which Tianjin Port Co agreed to procure its designated subsidiary to acquire all the issued shares of COSCO SHIPPING Ports (Tianjin Euroasia) Limited at the consideration of RMB269,619,801.39. Upon completion of the transaction, COSCO SHIPPING Ports (Tianjin Euroasia) Limited became a wholly-owned subsidiary of the Group, the Group’s indirect equity interest in 天津港歐亞國際集裝箱碼頭有限公司 (Tianjin Port Euroasia International Container Terminal Co., Ltd.*) would increase from 40% to 70%, and 天津港歐亞國際集裝箱碼頭有限公司 (Tianjin Port Euroasia International Container Terminal Co., Ltd.*) has become a subsidiary of the Group. Details of the transaction were set out in the announcement of the Company dated 28 April 2021 and the circular of the Company dated 28 June 2021. The transaction was approved by the shareholders at the extraordinary general meeting of the Company held on 13 August 2021.

On 31 August 2021, Tianjin Port Co entered into a subscription agreement with an A-share company, the shares of which are listed on the Shanghai Stock Exchange, pursuant to which Tianjin Port Co agreed to subscribe for 6,702,412 RMB-denominated ordinary shares (A shares) with a nominal value of RMB1 each to be issued by the A-share company under the Non-public Issuance (“Target Share”) at the subscription price of RMB29.84 per each Target Share with the total subscription amount being RMB199,999,974.08. Details of the transaction were set out in the announcement of the Company dated 31 August 2021.

On 20 December 2021, Tianjin Port Co and one of its wholly-owned subsidiary (the “Designated Subsidiary”) entered into an equity transfer agreement with an associate of the transferor and the transferor, pursuant to which the Designated Subsidiary agreed to acquire all the issued shares of OOCL Terminal (Tianjin) Limited at the consideration of RMB172,604,258.41. Upon completion of the equity transfer, OOCL Terminal (Tianjin) Limited would become a wholly-owned subsidiary of the Group, the Group’s equity interest in Tianjin Port Alliance International Container Terminal Co., Ltd. would increase from 40% to 60%. Details of the equity transfer were set out in the announcement of the Company dated 20 December 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

EVENTS AFTER THE REPORTING PERIOD

On 21 January 2022, 天津港物流發展有限公司 (Tianjin Port Logistics Development Co., Ltd.*) a subsidiary of the Group, entered into an equity transfer agreement with 天津港經濟技術合作有限公司 (Tianjin Port Economic Technological Cooperation Co., Ltd.*) (a wholly-owned subsidiary of Tianjin Port Group to transfer 49% of the equity interest in 天津港遠達物流有限公司 (Tianjin Port Master Logistics Co., Ltd.*) at the consideration of RMB18,242,300. Following the completion of the transaction, the Group will no longer hold any equity interest in 天津港遠達物流有限公司 (Tianjin Port Master Logistics Co., Ltd.*). Details of equity transfer were set out in the announcement of the Company dated 21 January 2022.

On 25 February 2022, Tianjin Port Co, 天津港第四港埠有限公司 (Tianjin Port No. 4 Stevedoring Co., Ltd.*) (“Fourth Company”), a subsidiary of the Group, and an independent third party investor entered into a capital increase agreement, pursuant to which the investor agreed to make contribution to the registered capital of Fourth Company in the amount of RMB693.70 million. Immediately following the completion of the transaction, the equity interest held by the Group in Fourth Company will decrease from 100% to 65%. Details of which were set out in the announcement of the Company dated 25 February 2022.

APPRECIATION

On behalf of the Board, I would like to express my gratitude to a team of dedicated staff for their unfailing service and to our shareholders for their continuous support to the Group.

By order of the Board

LUO Xunjie

Managing Director

Hong Kong, 29 March 2022

CORPORATE GOVERNANCE



BOARD OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

CHU Bin

Chairman

Aged 53, was appointed as an executive Director and the chairman of the Board on 20 December 2018. Mr. Chu graduated from Shanghai Jiao Tong University with a master's degree in engineering majoring in logistics engineering and is a senior economist. Mr. Chu is currently the secretary of the party committee and the chairman of Tianjin Port Group. Mr. Chu is the vice president of the Eighth China Ports and Harbours Association Council, a standing member of the Fourteenth Tianjin Municipal Committee of the Chinese People's Political Consultative Conference and a member of the Fourth Committee of the Tianjin Binhai New Area of the Communist Party of China. Mr. Chu has worked in the port industry for many years and has extensive experience in port operation and management. Mr. Chu had served as a deputy general manager of Ningbo Zhoushan Port Company Limited* (寧波舟山港股份有限公司), whose shares are listed on the Shanghai Stock Exchange (Stock Code: 601018), a deputy general manager of Ningbo Zhoushan Port Group Co. Ltd.* (寧波舟山港集團有限公司) and a director of Ningbo Zhoushan Port Company Limited* (寧波舟山港股份有限公司). In 2021, Mr. Chu was awarded the titles of "National Excellent Communist Party Member" (全國優秀共產黨員), "Tianjin Excellent Communist Party Member" (天津市優秀共產黨員) and "Tianjin State-owned Asset System Excellent Communist Party Member" (天津市國資系統優秀共產黨員). Mr. Chu was selected as "Celebrity for China's Shipping Industry" (中國航運名人榜) for 2018, 2019, 2020 and 2021 consecutively, and "Top 70 Persons for China's Shipping Industry on the 70th Anniversary of the Foundation of the PRC" (新中國70年航運70人) in 2019.

LUO Xunjie

Managing Director, Member of Nomination Committee

Aged 54, was appointed as an executive Director and the managing director of the Company on 7 February 2020. He is also a member of the Nomination Committee and a director of certain subsidiaries of the Group. Mr. Luo holds a Doctor of Engineering degree and an MBA degree and is a senior engineer. Mr. Luo is currently a director, vice president and the officer of the strategic investment committee of Tianjin Port Group. He was the general manager of the operation and technology department and the senior general manager of the investment management department of the Asia Pacific region of APM Terminals Greater China, a subsidiary of the Danish Maersk Group (and the chief operating officer of Qingdao Qianwan Container Terminal Co., Ltd.); a port manager of P&O Ports Greater China, a subsidiary of P&O of the United Kingdom; a deputy director of the engineering department, the deputy chief commander of the fourth phase of the automated terminal engineering construction department of Shanghai's Yangshan Deepwater Port, and a deputy general manager of the Shangdong branch, of Shanghai International Port (Group) Co., Ltd..

LI Xiaoguang

Aged 49, was appointed as an executive Director on 29 March 2022. Dr. Li is a senior economist, graduated from Tianjin University with a bachelor's degree in engineering in 1995, and obtained a Master of Business Administration degree in 2003 and a doctoral degree in global economics in 2009 from Nankai University. Dr. Li first joined Tianjin Development Holdings Limited ("Tianjin Development"), the substantial Shareholder of the Company and whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 00882), in 2004 and has held various positions including manager of the asset management department of Tianjin Development Assets Management Co., Ltd.* (天津發展資產管理有限公司), a wholly-owned subsidiary of Tianjin Development, and a deputy general manager and general manager of the investment development department of Tsinlien Group Company Limited ("Tsinlien"). During the period from 2008 to 2015, he served in the general office of Tianjin Municipal People's Government* (天津市人民政府辦公廳) and the general office of Guangzhou Municipal Committee of the Communist Party of China* (廣州市委辦公廳). Dr. Li then re-joined Tsinlien as an assistant to the general manager and Tianjin TEDA Industrial Group Co., Ltd.* (天津泰達實業集團有限公司)(Formerly known as Tianjin Tsinlien Investment Holdings Co., Ltd.* (天津津聯投資控股有限公司)) ("TEDA Industrial") as an assistant to the general manager in 2015. He is currently an executive director and the general manager of Tianjin Development, a deputy general manager and the company secretary of Tsinlien, a deputy general manager of TEDA Industrial and the chairman of Tianjin Bohai State-owned Capital Research Institute Co., Ltd.* (天津渤海國有資本研究院有限公司), an associate of TEDA Industrial. Dr. Li has extensive experience in economics, corporate management and public relations.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

SUN Bin

Aged 44, was appointed as an executive Director on 22 January 2019. He was a member of the Remuneration Committee from 22 January 2019 to 29 March 2022. He is also a director of certain subsidiaries of the Group and was a deputy general manager of the Company from 15 December 2017 to 29 March 2022. Mr. Sun obtained a bachelor's degree in international economic law from Shanghai Maritime Institute (上海海運學院) in 2000 and a master's degree in international commercial law and EU laws from the University of Sheffield in the United Kingdom in 2003. He is a senior economist. Mr. Sun joined Tianjin Port Group in 2010 and held a number of positions from November 2010 to November 2017, including an assistant to the head, the deputy head and the head of the corporate development department of Tianjin Port Group, and the chief of the legal department and the secretary of the board of directors of Tianjin Port Group. Before joining Tianjin Port Group, Mr. Sun was the head of the investment promotion department of Tianjin Lingang Chanye Investment Holdings Co., Ltd.* (天津臨港產業投資控股有限公司). Prior to that, Mr. Sun had been working in Sinochem Holdings (中國中化集團公司) and was responsible for legal and compliance control affairs. Mr. Sun has been a director of Tianjin Port Co since April 2016. Mr. Sun is also an arbitrator of China Maritime Arbitration Commission.

YANG Zhengliang

Deputy General Manager, Member of Remuneration Committee

Aged 41, was appointed as a deputy general manager of the Company on 28 August 2021 and as an executive Director and a member of the Remuneration Committee on 29 March 2022. Mr. Yang is also a director of certain subsidiaries of the Group. Mr. Yang obtained a bachelor's degree in financial management from Tianjin University of Science & Technology and a master's and postgraduate degree from Tianjin University. He holds qualifications as a senior accountant, a certified international auditor (CIA), a member of CPA Australia, an accounting consultant in Tianjin and a corporate MPAcc instructor of Tianjin University. From October 2018 to September 2020, he served as a deputy director of the investment department and a deputy general manager of the investment development department of Tianjin Port Group. He has been the chief representative of the Tianjin Representative Office of the Company since October 2020.

XUE Xiaoli

Aged 50, was an executive Director of the Company from 15 December 2020 to 29 March 2022. Ms. Xue holds a master's degree in business administration and is a senior economist. Ms. Xue joined Tianjin Port Group since July 1994. Ms. Xue served as the deputy division chief of the investment management department, the chief of investment promotion in the investment promotion service centre* (招商投資服務中心), the division chief and the deputy head of the investment promotion department, and the deputy head of the investment department of Tianjin Port Group from December 2005 to April 2019. Ms. Xue also served as the chief of the general office of the board of directors, the secretary of the board of directors and the general manager of the investment department of Tianjin Port Co, a non-wholly owned subsidiary of the Company, from April 2019 to September 2020. Ms. Xue was also a director of Tianjin Port Co from December 2020 to July 2021. Ms. Xue is currently the general manager of the investment and development department of Tianjin Port Group, and a director and supervisor of certain subsidiaries of the Group.

SHI Jing

Aged 51, was an executive Director of the Company from 16 September 2014 to 29 March 2022. Ms. Shi graduated from the Tianjin University of Finance and Economics with a bachelor's degree in economics in 1992 and a master's degree in economics in 1995. She has engaged in corporate finance (domestic and foreign) and financial management for many years. Ms. Shi joined Tianjin Development in 2005 and has served various roles including the manager of the finance department of Tianjin Development Assets Management Co., Ltd.* (天津發展資產管理有限公司), a wholly-owned subsidiary of Tianjin Development, and the general manager of the audit and legal affairs department of Tianjin Development. Prior to joining Tianjin Development, she was the head of the finance department of Ting Hsin International Group (頂新國際集團), a vice president of the corporate finance department of Fengyuan Consulting (Shanghai) Co., Ltd. (豐元諮詢(上海)有限公司) and a senior associate of the finance department of Tingyi (Cayman Islands) Holding Corp. Ms. Shi is currently a director of Tsinlien, the deputy secretary of the Party Committee and a director of TEDA Industrial, which together with Tsinlien are controlling shareholders of Tianjin Development, a director of Leadport Holdings Limited, as well as a director of certain subsidiaries of Tianjin Development and Tsinlien.

From April 2017 to February 2022, Ms. Shi served as a director of Tianjin Lisheng Pharmaceutical Co., Ltd. (天津力生製藥股份有限公司) (Stock Code: 002393), a company whose shares are listed on the Shenzhen Stock Exchange; from September 2014 to July 2018, she served as a non-executive director of Binhai Investment Company Limited (Stock Code: 02886), a company whose shares are listed on the Main Board of the Stock Exchange, and from December 2013 to September 2020, she served as a non-executive director of Dynasty Fine Wines Group Limited (Stock Code: 00828), a company whose shares are listed on the Main Board of the Stock Exchange.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS**Japhet Sebastian LAW****Chairman of Remuneration Committee, Member of Audit Committee**

Aged 70, was appointed as an independent non-executive Director of the Company on 8 September 2005. He is also the chairman of the Remuneration Committee and a member of the Audit Committee. Prof. Law obtained his doctorate degree of philosophy in mechanical/industrial engineering from the University of Texas at Austin in 1976. He was a professor in the Department of Decision Sciences and Managerial Economics of the Chinese University of Hong Kong from 1986 until 2012, and the associate dean and consecutively the dean of the Faculty of Business Administration of the Chinese University of Hong Kong from 1993 to 2002. Prior to returning to Hong Kong, Prof. Law was the director of Operations Research at the Cullen College of Engineering and the director of Graduate Studies in Industrial Engineering at the University of Houston, and was also involved in the U.S. Space Program in his career in McDonnell Douglas and Ford Aerospace in the U.S. Prof. Law has acted as a consultant for various corporations in Hong Kong and overseas. He is active in public services, having served as a member of the Provisional Regional Council and various other government advisory committees of The Government of the HKSAR, and is also active in serving on the boards of profit, non-profit, and charitable organisations in Hong Kong and overseas.

Prof. Law is currently an independent supervisor of Beijing Capital International Airport Co., Ltd. (Stock Code: 00694), a company whose shares are listed on the Main Board of the Stock Exchange, and an independent non-executive director of Binhai Investment Company Limited (Stock Code: 02886), Regal Hotels International Holdings Limited (Stock Code: 00078) and Shougang Fushan Resources Group Limited (Stock Code: 00639), companies whose shares are listed on the Main Board of the Stock Exchange, as well as Global Digital Creations Holdings Limited (Stock Code: 08271) and Tianjin Binhai Teda Logistics (Group) Corporation Limited (Stock Code: 08348), companies whose shares are listed on the GEM of the Stock Exchange. Prof. Law also served as an independent non-executive director of Beijing Capital International Airport Co., Ltd. from June 2008 to June 2020.

CHENG Chi Pang, Leslie**Chairman of Audit Committee, Member of Nomination Committee**

Aged 64, was appointed as an independent non-executive Director of the Company on 8 September 2005. He is also the chairman of the Audit Committee and a member of the Nomination Committee. Mr. Cheng obtained his master's degree in Laws (Chinese and Comparative Law) from City University of Hong Kong in July 2009, and a master's degree in business administration from Heriot-Watt University in the United Kingdom in 1997. He also obtained his bachelor's degree in business management from Curtin University of Technology in Australia in 1992. Mr. Cheng is an associate member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Accountants in England and Wales, the CPA Australia and the Taxation Institute of Hong Kong and a fellow member of the Hong Kong Institute of Directors. Mr. Cheng is a Certified Public Accountant practising in Hong Kong and has over 30 years of experience in auditing, business advisory and financial management. Mr. Cheng was the chief executive and group financial controller of NWS Holdings Limited (Stock Code: 00659), a company whose shares are listed on the Main Board of the Stock Exchange, from February 2003 to March 2005. Mr. Cheng is currently the chairman of Vantage Partners CPA Limited and the chief executive officer of L&E Consultants Limited.

Mr. Cheng is currently an independent non-executive director of China Ting Group Holdings Limited (Stock Code: 03398), a company whose shares are listed on the Main Board of the Stock Exchange. Mr. Cheng also served 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, from June 2006 to June 2019.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

ZHANG Weidong

Chairman of Nomination Committee, Member of Audit Committee, Member of Remuneration Committee

Aged 57, was appointed as an independent non-executive Director of the Company on 28 June 2012. He is also the chairman of the Nomination Committee and a member of the Remuneration Committee and the Audit Committee. Mr. Zhang holds a master's degree in economics from Renmin University of China and a diploma of Programme for Management Development of Harvard Business School, and held a fellowship at Columbia University in the city of New York, the U.S.

Mr. Zhang is the founding partner and president of Alpha Win Capital Limited. Mr. Zhang had been an executive director and the deputy chief executive officer of Wealthking Investments Limited (formerly known as OP Financial Limited, Stock Code: 01140), a company whose shares are listed on the Main Board of the Stock Exchange, and a partner of Oriental Patron Financial Group primarily responsible for private equity investments. Mr. Zhang has over 13 years of experience in the operation and management of commercial banks, during which he worked in the international business department of Industrial and Commercial Bank of China Limited ("ICBC") with the final position of deputy general manager of the department, including 3 years in ICBC's Almaty Branch, where he was in charge of treasury, credit lending and office operations. Moreover, Mr. Zhang has 11 years of investment banking experience, served as an executive director of ICEA (the investment banking arm of ICBC) and the managing director of Alpha Alliance Finance Holdings, responsible for corporate finance and sales department respectively.

Mr. Zhang is currently an independent non-executive director of ZZ Technology Group Company Limited (formerly known as Zhongjin Technology Services Group Company Limited, Stock Code: 08295), a company whose shares are listed on the GEM of the Stock Exchange, and an independent non-executive director of China Brilliant Global Limited (Stock Code: 08026), a company whose shares are listed on the GEM of the Stock Exchange.

SENIOR MANAGEMENT

MA Suqin, Susan

Aged 49, was appointed as a deputy general manager of the Company on 28 March 2012. Ms. Ma holds a master of business administration degree (EMBA Program) from the Kellogg School of Management of Northwestern University and the HKUST Business School and a master's degree in economics from Fudan University, and went to the Wharton School of the University of Pennsylvania as a visiting scholar. She is also a CFA charter holder. Ms. Ma is a seasoned investment banker with over 12 years of investment banking experience in Hong Kong and mainland China. Prior to joining the Company, Ms. Ma was the Chief Representative of the Beijing Representative Office of RBS Asia Corporate Finance Limited. Before that, Ms. Ma was engaged in overseas and mainland China investment banking businesses at Citigroup Global Markets Asia Limited, China Merchants Securities (HK) Co., Limited, Everbright Securities Company Limited and China Merchants Securities Co., Ltd. Ms. Ma is also a member of Social Enterprises Subcommittee of New Life Psychiatric Rehabilitation Association.

CHEUNG Wah Lung, Warren

Aged 42, was appointed as the Chief Financial Officer of the Company on 5 October 2020 and was appointed as the Company Secretary of the Company on 5 January 2021. Mr. Cheung graduated from the Simon Fraser University in Canada with a bachelor's degree in business administration. Mr. Cheung is a member of the American Institute of Certified Public Accountants and an associate member of the Hong Kong Institute of Chartered Secretaries. Mr. Cheung has extensive experience in auditing, accounting, financial management and compliance management. Prior to joining the Company, he worked in the assurance and advisory business services department of Ernst & Young and served as the chief financial officer and company secretary of a listed company in Hong Kong.

CORPORATE GOVERNANCE REPORT

The Company is committed to attaining and maintaining high standards of corporate governance as the Board recognises that effective corporate governance can enhance transparency of the Company's business, ensure that the Company is accountable to the Shareholders and meet the expectations of Shareholders and other stakeholders, and lead the Company to ultimate success.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with all code provisions of the CG Code throughout the year ended 31 December 2021.

The following sections set out how the principles in the CG Code have been complied with by the Company.

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 year ended 31 December 2021.

BOARD OF DIRECTORS

Board Composition

As at 31 December 2021, the Board consists of eight Directors, comprising five executive Directors namely CHU Bin (chairman of the Board, "Chairman"), LUO Xunjie (managing Director), SUN Bin, XUE Xiaoli and SHI Jing, and three independent non-executive Directors namely Japhet Sebastian LAW, CHENG Chi Pang, Leslie and ZHANG Weidong.

On 29 March 2022, XUE Xiaoli and SHI Jing resigned as executive Directors due to other job engagements. LI Xiaoguang and YANG Zhengliang were appointed as executive Directors.

The biographical details of current Directors are set out in the section headed "Board of Directors and Senior Management" of this annual report and on the Company's website at www.tianjinportdev.com. In addition, a list containing the names of the Directors and their role and function is published on the Company's website at www.tianjinportdev.com and the HKEXnews website at www.hkexnews.hk.

None of the Directors have any financial, business, family or other material/relevant relationship(s) with each other, in particular, between the Chairman and the managing Director.

In accordance with Article 108 and Article 112 of the Articles of Association, LUO Xunjie, CHENG Chi Pang, LI Xiaoguang and YANG Zhengliang shall retire from office by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Responsibilities of the Board

The Board is responsible for overseeing the businesses, overall strategic directions, corporate governance, risk management and internal control, environmental, social and governance, and operational and financial performances of the Group. Daily operations and administration of the Company are delegated to the management and supervised by the executive Directors.

CORPORATE GOVERNANCE REPORT

Board Meetings

Regular Board meetings are held at least four times a year. At least 14 days' notice of a regular Board meeting is given to all Directors who are given an opportunity to include matters for discussion in the agenda. Reasonable notice is given for holding additional meetings as and when necessary. The company secretary of the Company (the "Company Secretary") assists the Chairman in preparing the agenda for each meeting. The agenda and accompanying Board papers are sent to all Directors at least 3 days before the intended date of a regular Board meeting to enable the Directors to have full and timely access to relevant information. The Board decisions are voted upon at the Board meetings. The Company Secretary records all matters considered and decisions reached by the Board and any concerns raised or dissenting views expressed by the Directors. Minutes of the meetings are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

Attendance at Board Meetings and General Meetings

The Company held ten full Board meetings, an annual general meeting and four extraordinary general meetings in 2021.

The attendance of each Director at the meetings held in 2021 is set out below:

	Attendance/Number of meetings held during Director's tenure		
	Board Meeting	Annual General Meeting	Extraordinary General Meeting
Executive Directors			
CHU Bin	7/10	1/1	1/4
LUO Xunjie	10/10	1/1	4/4
SUN Bin	10/10	1/1	4/4
XUE Xiaoli	9/10	1/1	3/4
SHI Jing	10/10	1/1	4/4
Independent Non-executive Directors			
Japhet Sebastian LAW	10/10	1/1	4/4
CHENG Chi Pang, Leslie	10/10	1/1	4/4
ZHANG Weidong	10/10	1/1	4/4

In addition to Board meetings, a meeting of the Chairman and the independent non-executive Directors without the presence of other Directors and the management was held in 2021.

Appointment, Re-election and Removal of Directors

There is no change in Director during the year ended 31 December 2021.

Each of the executive Directors entered into a service contract or an appointment letter for a specific term of three years and may be terminated by either party to the other giving not less than three months' notice in writing.

The independent non-executive Directors are appointed for a specific term of two years.

According to the Articles of Association, all Directors are subject to retirement by rotation and re-election at the annual general meeting of the Company at least once every three years.

CORPORATE GOVERNANCE REPORT

Induction and Development

Induction programme is arranged for each newly appointed Director upon his/her appointment to ensure that the Director has a proper understanding of the Group's operations and governance policies as well as their associated role and responsibilities.

All Directors are committed to participating in continuous professional development to update and refresh their skills and knowledge necessary for the performance of their duties. The Company from time to time provides information to the Directors on the latest development and changes in the Listing Rules and other applicable regulatory requirements to ensure compliance with the relevant rules and enhance their awareness of good corporate governance practices.

In 2021, the Company provided updates to all Directors on the latest development regarding the Listing Rules and other applicable legal and regulatory requirements. Directors, namely, CHU Bin, LUO Xunjie, SUN Bin, XUE Xiaoli, SHI Jing, Japhet Sebastian LAW, CHENG Chi Pang, Leslie and ZHANG Weidong attended an in-house seminar covering the Listing Rules. Each of the Directors also participated in continuous professional development programmes such as reviewing updates on regulatory requirements, attending conferences and external seminars organised by qualified professionals.

Board Diversity Policy

The Company has adopted a board diversity policy (the "Board Diversity Policy") which sets out the principles and measures to achieve diversity of the Board. The nomination committee of the Company (the "Nomination Committee") is responsible for the review of the implementation and effectiveness of the Board Diversity Policy on annual basis.

As at 31 December 2021, the Board comprises eight Directors, two of which are female. The Company has two senior management, one of which is female. On 29 March 2022, XUE Xiaoli and SHI Jing resigned as executive Directors due to other job engagements. LI Xiaoguang and YANG Zhengliang were appointed as executive Directors. After the change of Directors, the Board comprises eight Directors and all of them are male. Having reviewed the Board composition, the Company endeavours to identify female candidate(s) in accordance with the advice from the Nomination Committee, to enhance the gender diversity among the Board members in compliance with the requirement set out in Rule 13.92 of Listing Rules.

As at 31 December 2021, the age group composition of the Board is as follows: 1 member was in the 40–49 age group; 5 members were in the 50–59 age group; and 2 members were in the 60+ age group.

The Board Diversity Policy is summarised as follows:

- the Company understands the benefits of board diversity and sees it as an important element in maintaining sustainable growth of the Company. The Company will consider the composition of the Board from various aspects including the diversity perspective by taking into account of gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- selection of candidates will be based on a range of diverse perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Board's appointment should be based on meritocracy and diversity of the Board appropriate for the Company's business and specific needs, and the contribution that the candidate will bring to the Board; and
- the Company will make appropriate disclosure of this policy in the Corporate Governance Report of the Company's annual report in accordance with the requirements of the Listing Rules as amended from time to time.

CORPORATE GOVERNANCE REPORT

Board Independence

The Company ensures independent views and input are available to the Board via the below mechanisms:

1. Board composition and independence of independent non-executive Directors — they should be reviewed by the Nomination Committee on an annual basis;
2. Independent professional advice — all members of the Board can seek independent professional advice when necessary to perform their responsibilities in accordance with the company policy;
3. Conflict of Interest — As the Board is independent of the board of directors of Tianjin Port Group (save for Chu Bin and Luo Xunjie who are the common directors in both companies) and Chu Bin and Luo Xunjie have no control over the Board, the Group is capable of carrying on its businesses independently of the businesses of Tianjin Port Group. In view of good corporate governance practices, Chu Bin, Luo Xunjie and Xue Xiaoli, the Directors who are also directors and/or senior management of Tianjin Port Group, abstained from voting in the relevant Board resolutions in relation to the transactions with Tianjin Port Group and/or its associates.
4. Connected transactions — If a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should be dealt with by a physical board meeting rather than a written resolution. Independent non-executive directors who, and whose close associates, have no material interest in the transaction should be present at that board meeting. An independent financial advisor should be appointed, and an independent board committee should be established to give advices to shareholders in accordance to the Listing Rules. The continuing connected transactions have been reviewed annually by independent non-executive Directors and auditors in according to the Listing Rules.
5. Chairman meeting with independent non-executive Directors — it has to be held at least annually.
6. Relationship with the Company's senior management — all directors have independent access to the Company's senior management.

The Board has reviewed the implementation and effectiveness of the above mechanisms for the year ended 31 December 2021.

CHAIRMAN AND MANAGING DIRECTOR

The roles of the Chairman and managing Director of the Company are segregated and the positions are held by separate individuals.

The Chairman of the Company is responsible for leading the Board, ensuring that the Board works effectively and discharges its responsibilities and that all key and relevant issues are discussed in a timely manner. The Chairman should ensure that sound corporate governance practices and procedures are established at the Company and promote the Directors to make effective contribution to the Board.

The managing Director of the Company is responsible for leading the management and daily operation of the Group and implementation of approved business strategies and policies, and should ensure the effective implementation of such strategies and policies so as to achieve the objectives set by the Board.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The three independent non-executive Directors are highly qualified professionals with extensive experiences in areas including accounting, finance and corporate management.

The Company has received an annual confirmation of independence from each of the independent non-executive Directors. The Company is of the view that all of the independent non-executive Directors meet the guidelines for assessing independence as set out in Rule 3.13 of the Listing Rules and considers them to be independent.

CORPORATE GOVERNANCE REPORT

On 31 December 2021, all the independent non-executive Directors have served more than 9 years. In accordance with Rule B.2.4 of Appendix 14 of the Listing Rules, the Company will disclose the length of tenure of each existing independent non-executive Director on a named basis in the circular to shareholders and/or explanatory statement accompanying the notice of the annual general meeting; and appoint a new independent non-executive Director on the board not later than the annual general meeting in 2023.

BOARD COMMITTEES

The Board has established three Board committees, namely the Nomination Committee, the remuneration committee (the "Remuneration Committee") and the audit committee (the "Audit Committee"). The specific terms of reference and list of membership of all the Board committees are published on the Company's website at www.tianjinportdev.com and the HKEXnews website at www.hkexnews.hk.

The attendance of each member of the Board committees at the meetings held in 2021 is set out below:

	Attendance/Number of meetings held during Director's tenure		
	Nomination Committee	Remuneration Committee	Audit Committee (Note)
Executive Directors			
LUO Xunjie	1/1	NA	NA
SUN Bin	NA	2/2	NA
Independent Non-executive Directors			
Japhet Sebastian LAW	NA	2/2	4/4
CHENG Chi Pang, Leslie	1/1	NA	4/4
ZHANG Weidong	1/1	2/2	4/4

Note: Representatives of the external auditor participated in 3 Audit Committee meetings held in 2021.

Details of the Board committees, including their members, responsibilities and the work performed during 2021 are set out below.

Nomination Committee

The Nomination Committee comprises two independent non-executive Directors, namely CHENG Chi Pang, Leslie and ZHANG Weidong, and one executive Director, LUO Xunjie. ZHANG Weidong is the chairman of the Nomination Committee.

The Nomination Committee is responsible for, amongst other things, identification of qualified individuals and making recommendations to the Board for directorships, making recommendations on the appointment or re-appointment of Directors and succession planning for Directors, assessing the independence of independent non-executive Directors, reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board, reviewing the implementation and effectiveness of the Board Diversity Policy on an annual basis and review the nomination policy of the Company (the "Nomination Policy"), as and when appropriate.

CORPORATE GOVERNANCE REPORT

The major work performed by the Nomination Committee during the year ended 31 December 2021 included reviewing and, where applicable, making recommendations to the Board on and approving the following matters, in accordance with its responsibilities and authorities:

- structure, size and composition (including the skills, knowledge, experience and diversity) of the Board.
- independence of independent non-executive Directors.
- Directors for re-election at the annual general meeting held in 2021.

Nomination Policy

The Board has adopted the Nomination Policy which sets out the criteria and procedures to evaluate, select and recommend candidate(s) for directorship to the Board. The Nomination Committee is responsible for the review of the Nomination Policy from time to time to ensure its effectiveness.

Selection Criteria

The Nomination Committee shall consider the factors including but not limited to character and reputation, qualifications (including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy), the willingness and ability of the candidate to devote sufficient time to discharge duties as a member of the Board, and the Board Diversity Policy when evaluating the candidate(s) for directorship. For the appointment of independent non-executive Director(s), independence guidelines as set out in the Listing Rules will be considered.

Selection Procedures

- The Nomination Committee reviews the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board annually and make recommendation on any proposed changes to the Board on how to complement the Company's corporate strategy.
- For filling a casual vacancy or appoint additional Director(s), the Nomination Committee shall conduct an assessment on the candidate(s) and make recommendation to the Board for consideration and approval.
- Shareholder(s) may nominate a person as a Director, without the Board's recommendation or the Nomination Committee's nomination, according to the provisions and procedures set out in the section headed "Procedures for putting forward proposals at general meetings of the Company" below.

Remuneration Committee

As at 31 December 2021, the Remuneration Committee comprises two independent non-executive Directors, namely Japhet Sebastian LAW and ZHANG Weidong, and one executive Director, SUN Bin. Japhet Sebastian LAW is the chairman of the Remuneration Committee. Subsequently on 29 March 2022, Sun Bin has ceased to be member of Remuneration Committee and Yang Zhengliang has been appointed as member of the Remuneration Committee.

The Remuneration Committee is responsible for, amongst other things, making recommendations to the Board on the Company's policy and structure for remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy, determining, with delegated responsibilities, the remuneration packages of individual executive Directors and senior management, reviewing and approving performance-based remuneration with reference to corporate goals and objectives resolved by the Board, and recommending to the Board the remuneration of non-executive Directors. No Director is involved in determining his or her own remuneration.

CORPORATE GOVERNANCE REPORT

The major work performed by the Remuneration Committee during the year ended 31 December 2021 included reviewing and, where applicable, making recommendations to the Board on and approving the following matters, in accordance with its responsibilities and authorities:

- remuneration packages for the appointment of executive Directors and senior management.
- terms of Directors' service contracts or appointment letters.
- remuneration policy and remuneration packages for Directors and senior management.
- discretionary bonus for Directors and senior management with reference to their performance and the Group's annual results.

Remuneration Package for Directors and Senior Management

The remuneration package for executive Directors and senior management comprises basic salary, discretionary bonus and pensions. Discretionary bonus is determined with reference to the Group's annual results and the employees' performance.

In order to attract, retain and motivate the best talent, including the Directors, the Company has adopted a Share Option Scheme (as defined in the section headed "Share Option Scheme" in the Directors' Report). The scheme enables eligible persons to obtain ownership interest in the Company and thus serves to motivate continual optimum contributions to the Group. The Share Option Scheme has expired on 25 April 2016.

Details of the Directors' emoluments during the year ended 31 December 2021 are set out in Note 8 to the consolidated financial statements and details of the Share Option Scheme are set out in the Directors' Report and Note 22 to the consolidated financial statements.

Pursuant to the CG Code provision E.1.5, the remuneration of senior management who are not executive Directors by band for the year ended 31 December 2021 is set out below:

Remuneration band	2021 Number of individuals
HK\$1,500,001 – HK\$2,000,000	1
HK\$2,000,001 – HK\$2,500,000	1

Audit Committee

The Audit Committee comprises three independent non-executive Directors, namely CHENG Chi Pang, Leslie, Japhet Sebastian LAW and ZHANG Weidong. CHENG Chi Pang, Leslie is the chairman of the Audit Committee.

The Audit Committee is responsible for, amongst other things, making recommendations to the Board on the appointment, re-appointment and removal of external auditor, and approvals of its terms of engagement, reviewing and monitoring external auditor's independence and effectiveness of audit process, reviewing the financial information of the Group and overseeing the Group's financial reporting system, risk management and internal control systems.

CORPORATE GOVERNANCE REPORT

The major work performed by the Audit Committee during the year ended 31 December 2021 included reviewing and, where applicable, making recommendations to the Board on and approving the following matters, in accordance with its responsibilities and authorities:

- financial statements and continuing connected transactions included in the annual report and audit findings by external auditor.
- interim financial statements included in the interim report and findings by external auditor.
- internal audit plan and reports.
- risk management plan and reports.
- effectiveness of the risk management and internal control systems of the Group.
- re-appointment of external auditor and its remuneration.
- adequacy of resources, staff qualifications and experiences, training programmes and budget of the accounting, internal audit and financial reporting functions of the Company.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for, amongst other things, developing and reviewing the policies and practices on corporate governance of the Company, reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, reviewing and monitoring the training and continuous professional development of Directors and senior management, reviewing the Company's compliance with the CG Code and the disclosure in the annual report.

The major work performed by the Board during the year ended 31 December 2021 included reviewing and, where applicable, approving the following matters:

- the Company's policies and practices on corporate governance.
- training and continuous professional development of Directors and senior management.
- the Company's policies and practices on compliance with legal and regulatory requirements.
- the amendment in the "Employee Manual" to incorporate the anti-corruption principal and practice guidelines.
- compliance with the CG Code and the Corporate Governance Report disclosure.

AUDITOR'S REMUNERATION

For the year ended 31 December 2021, the remuneration paid/payable to the external auditor of the Company in respect of audit services and non-audit services provided was HK\$2,995,000 and HK\$1,766,000 respectively. The non-audit services were in relation to the works for the major transactions and tax advisory services.

CORPORATE GOVERNANCE REPORT

FINANCIAL REPORTING

The Directors acknowledged their responsibility for preparing the consolidated financial statements for each financial year which give a true and fair view of the results and financial position of the Group. In preparing the consolidated financial statements for the year ended 31 December 2021, the Board consistently adopted the appropriate accounting policies and made prudent and reasonable judgements and estimates. On the basis of current financial projections and facilities available, the Group has adequate financial resources to continue its operation in the foreseeable future. Accordingly, the Group continues to prepare its consolidated financial statements on a going concern basis.

The statement by the external auditor of the Company regarding its reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 61 to 64.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the risk management and internal control systems and reviewing their effectiveness on an ongoing basis. The Audit Committee assists the Board to monitor risk management and internal control systems and reports to the Board on a regular basis. The Board should review the effectiveness of the Group's risk management and internal control systems at least annually, and such review should cover all material controls including financial control, operational control and compliance control. The risk management and internal control systems are designed for managing risks rather than eliminating the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

During the year ended 31 December 2021, the Company has conducted an annual review on the risk management and internal control systems of the Group. The Board has reviewed and confirmed the adequacy and effectiveness of the Group's risk management and internal control systems in all material aspects including financial, operational, compliance controls and risk management functions. The report of the review has been reviewed by the Audit Committee and discussed by the Audit Committee with the Board.

Risk Management Structure and Main Responsibilities

Board

- formulates the strategic objectives of risk management, evaluates and determines the nature and extent of risks it is willing to take in achieving the strategic objectives.
- ensures that the Group establishes and maintains appropriate and effective risk management and internal control systems.
- reviews the effectiveness of risk management and internal control systems.

Audit Committee

- assists the Board to monitor risk levels as well as the design and operational effectiveness of risk management and internal control systems.
- discusses the risk management and internal control systems with the management to ensure that the management has performed its responsibility to establish effective systems.
- ensures the adequate resources and appropriate status of the internal audit function, reviews and monitors its effectiveness.

Management

- designs, implements and monitors the risk management and internal control systems.
- assesses major risks and risk response plans.

CORPORATE GOVERNANCE REPORT

Risk Management Department

- responsible for the daily risk management.
- develops policies and practices on identifying, assessing, monitoring and controlling risks.
- designs and implements the risk management and internal control structure, and ensures the consistent implementation and compliance of the structure and related policies and practices.
- continues to monitor risks and reports to the Audit Committee to ensure that the major risks are within the acceptable level of the Company.

Internal Audit

- analyses and evaluates independently the adequacy and effectiveness of the risk management and internal control systems.
- reports directly to the Audit Committee the findings of the review and makes recommendations for improvement.

Business Units

- promote and implement the risk management procedures and internal control measures.
- update on an ongoing basis the risks, risk management and other related progress.
- formulate and implement the risk response plans.
- monitor risks and report the risk information on a timely basis.

Process for Identifying, Assessing and Managing Significant Risks

Risk Identification: Identifies and documents major risks that affect the realisation of the Company's goals.

Risk Assessment: Develops applicable risk assessment criteria, conducts risk analysis based on the degree of impact and the likelihood of occurrence, and assesses the risks identified.

Risk Response: Evaluates the risk response plans and selects suitable risk response measures to prevent, avoid or mitigate the risks.

Risk Control: Evaluates the adequacy of the current internal control measures in response to the major risks and its effectiveness, makes recommendations and enhancement initiatives, so as to ensure that the internal control measures cover the requirements of risk response measures.

Risk Monitoring: Performs ongoing and periodic monitoring of major risks and internal control measures and ensures that appropriate risk management and internal control procedures are in place; monitors changes in both external and internal environment, including revision of risk response measures, risk management and internal control procedures.

Risk Reporting: Reports regularly on risk management, so as to enable the management, the Audit Committee and the Board to effectively gain information on and understand the current major risks in strategic, operational, financial and legal aspects.

Internal Audit Function

The Company has set up the audit department to perform internal audit function, which reports directly to the Audit Committee. The audit department will develop internal audit plan for the year and submit it to the Audit Committee for approval. An audit report will be issued upon completion of each internal audit. In addition, the audit department will attend meetings of the Audit Committee and report regularly to the Audit Committee about the progress of its internal audit work and the follow-ups of audit findings and recommendations to ensure the effectiveness of the internal control system.

CORPORATE GOVERNANCE REPORT

Inside Information Disclosure Policy

The Company has adopted an inside information disclosure policy which sets out procedures for handling and disclosure of inside information, which includes:

- designated reporting channels for different operation units to report potential inside information to designated departments.
- designated persons and departments to determine further escalation and disclosure as required.
- designated persons authorised to act as spokespersons and respond to external enquiries.

The inside information disclosure policy provides guidelines for the employees, so as to ensure compliance with the relevant regulations by the Company and the inside information being dealt with and disclosed in a timely manner.

COMPANY SECRETARY

The Company Secretary is an employee of the Company and reports to the chairman and managing Director of the Company. The Company Secretary is responsible for advising the Board through the Chairman and/or managing Director on governance matters, arranging induction and professional development of Directors, as well as ensuring good information flow among the Directors and the compliance of the Board policies and procedures. All Directors have access to the Company Secretary for advice and services.

Chan Yeuk Kwan Winnie resigned as the Company Secretary with effect from 5 January 2021. Cheung Wah Lung Warren was appointed as the Company Secretary with effect from 5 January 2021 by the Board at a physical Board meeting. His biographical details are set out in the section headed “Board of Directors and Senior Management” of this annual report. Mr. Cheung has taken more than 15 hours of relevant professional training for the year ended 31 December 2021 and complied with the requirement under Rule 3.29 of the Listing Rules.

SHAREHOLDERS’ RIGHTS

Procedures for making enquiries to the Board

The Company encourages Shareholders to maintain direct communication with the Company. Shareholders who have any questions for the Board may send written enquiries by post to the Company’s principal place of business in Hong Kong or by e-mail to ir@tianjinportdev.com for the attention of the Investor Relations Department.

Procedures for convening an extraordinary general meeting by Shareholders

Extraordinary general meetings can be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid-up capital of the Company having the right of voting at general meetings. Relevant Shareholders shall request in writing to the Board or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition.

The signed written requisition should state the purpose of the meeting and be delivered to the Company’s principal place of business in Hong Kong. The meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit, the Board fails to proceed to convene such meeting, the requisitioner(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.

CORPORATE GOVERNANCE REPORT

Procedures for putting forward proposals at general meetings of the Company

Pursuant to Article 113 of the Articles of Association, no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of the Director at any general meeting, unless notice in writing of the intention to propose a person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Company's principal place of business in Hong Kong at Suite 3904–3907, 39/F., Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. The period for lodgment of such notices will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

If a Shareholder wishes to propose a person to stand for election as a Director, the following documents must be lodged at the Company: (i) a notice of intention to propose a person for election as Director at the general meeting, and (ii) a notice executed by the nominated candidate of the candidate's willingness to be elected together with that candidate's biographical details as required by Rule 13.51(2) of the Listing Rules.

The period for lodgment of the above written notices shall commence no earlier than the day after the despatch of the notice of general meeting and end no later than seven days prior to the date of the general meeting. The Company is required under Rule 13.73 of the Listing Rules to provide the information about the proposal in a supplementary circular or by way of an announcement not later than ten business days before the general meeting. If the above notices are received by the Company less than twenty-one days prior to the date of general meeting, the Company may need to consider the adjournment of the general meeting.

INVESTOR RELATIONS

Communications with Shareholders

The Company values highly effective communication with the Shareholders and investors with the objective to enable the Shareholders and investors to gain a better understanding about the Group. The Board endeavours to maintain an on-going dialogue with Shareholders. The Company encourages Shareholders to attend annual general meeting and other general meetings of the Company and welcomes Shareholders to express their views and raise questions thereat.

SHAREHOLDERS' COMMUNICATION POLICY

The Board has adopted a shareholders' communication policy to ensure the effective communication with the Shareholders and investors through different channels. Below is a summary of the policy.

Shareholders' Enquiries

1. Shareholders should direct their questions about their shareholdings to the Company's Hong Kong share registrar, Tricor Investor Services Limited.
2. Shareholders may at any time make a request for the Company's information to the extent such information is publicly available.
3. The Company is required to provide shareholders with a contact person, email address and enquiry channel for them to make any enquiries about the Company.

CORPORATE GOVERNANCE REPORT

Corporate Communication*

4. Corporate communication will be made available to Shareholders in plain language and in both English and Chinese versions to facilitate Shareholders' understanding. Shareholders have the right to choose the language (English or Chinese) or the method of receipt (hard copy or electronic form) of corporate communication.

Corporate Website

5. All information published by the Company on the website of Stock Exchange will be published on the website of Company as soon as possible after publication. Relevant materials include but are not limited to financial statements, announcements, circulars, notices of general meetings and related explanatory documents, etc.
6. The Company's annual general meeting and results announcements will be published on the website of the Company and Stock Exchange as soon as possible after they are released.
7. All press releases and briefing materials issued by the company will be posted on the company website.

Shareholders' Meetings

8. Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings.
9. The process of the Company's general meeting will be monitored and reviewed on a regular basis, and, if necessary, changes will be made to ensure that Shareholders' needs are best served.
10. Representatives of Board members, senior management and external auditors will attend annual general meetings to answer Shareholders' questions. The Chairman of the Independent Board Committee and a representative of the Independent Financial Adviser (if any) will attend the general meeting to answer Shareholders' questions on resolutions for which approval by independent shareholders is proposed at the meeting.

Investment Community Communications

11. After the Company announces its interim and final results, Results briefings may be held by the Company as it considers appropriate, at which the Director(s) and/or senior management who attend such briefings will answer questions about the Group's operations and financial performance.
12. The Company welcomes port visit from fund managers and analysts to deepen their understanding of port operations and the Company's business.
13. To facilitate communication between the Company, Shareholders and the investment community, the Company conduct results briefings, one-on-one-meetings and non-deal roadshows (both domestic and international), conference calls as well as reverse roadshow with Shareholders, investors and analysts from time to time. Representatives from the Company will meet regularly with investors and analysts at investor conferences and forums organised for this purpose by financial institutions.

* "Corporate Communications" means any document that the Company has or will send to any person holding its securities for information or action by the Company, including (but not limited to) the directors' report and annual reports together with the auditor's report, interim reports, notices of meetings, circulars and proxy forms, etc.

CORPORATE GOVERNANCE REPORT

During the year ended 31 December 2021, the respective chairman of the Audit Committee, the Remuneration Committee and the Nomination Committee and the external auditor of the Company had attended the annual general meeting of the Company held on 23 June 2021 to answer questions from the Shareholders. All members of independent board committee, Japhet Sebastian LAW, CHENG Chi Pang, Leslie and ZHANG Weidong, had attended the extraordinary general meeting of the Company held on 3 March 2021, 28 April 2021, 13 August 2021 and 20 December 2021 to approve the connected transactions or continuing connected transactions. The Company had also invited the independent financial adviser to attend the extraordinary general meeting held on 3 March 2021, 28 April 2021, 13 August 2021 and 20 December 2021 to answer questions from the Shareholders.

In view of the availability of different channels to communicate with the Shareholders, the Board has considered the implementation and effectiveness of the shareholders' communication policy to be effective and adequate during the year.

DIVIDEND POLICY

The Board has adopted a dividend policy regarding the declaration and payment of dividends by the Company. In circumstances that the Group is profitable and without affecting the normal operation of the Group, the Company may declare and distribute dividends to the Shareholders. In general, the Company intends to declare and distribute dividends once a year and the total amount of annual dividends shall be between 30% and 50% of the profit attributable to Shareholders for the year. The Company may also declare special dividends from time to time in addition to the annual dividends. In deciding whether to propose any dividend and in determining the dividend amount, the Board shall take into account, among other things, the Group's operations and earnings, development plans, cash flow, financial condition, capital and other reserve requirements and surplus, and any other factors that the Board deems appropriate. The Board will review the dividend policy as appropriate from time to time.

The declaration and payment of dividends by the Company is also subject to any restrictions set out in the Articles of Association, the laws of the Cayman Islands and any other applicable laws, rules and regulations.

CONSTITUTIONAL DOCUMENTS

The memorandum and articles of association of the Company ("M&A") is published on the Company's website at www.tianjinportdev.com and the HKEXnews website at www.hkexnews.hk. During the year ended 31 December 2021, there was no change to the M&A.

DIRECTORS' REPORT

The Directors have pleasure in presenting the annual report together with the audited financial statements of the Group for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of its principal subsidiaries, associates and joint ventures are set out in Note 34 to the consolidated financial statements.

An analysis of the Group's performance by segment for the year ended 31 December 2021 is set out in Note 3 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2021 are set out in the consolidated income statement on page 65.

The Board recommends the payment of a final dividend of HK5.99 cents per share for the year ended 31 December 2021. Subject to the approval of Shareholders at the forthcoming annual general meeting, the final dividend will be payable to the Shareholders whose names appear on the register of members of the Company on 24 June 2022.

BUSINESS REVIEW

The business review of the Group is set out in the sections headed "Chairman's Statement", "Management Discussion and Analysis" and "Corporate Governance Report" of this annual report, which form part of this directors' report.

Risks and Uncertainties

The Group's businesses, financial condition, results of operations and growth prospects may be affected by risks and uncertainties directly or indirectly pertaining to the Group's businesses. The risk factors set out below may result in substantial difference between the Group's businesses, financial condition, results of operations or growth prospects and the expected or historical results. Such factors are by no means exhaustive or comprehensive, and in addition to those shown below, there may be other risks which are not known to the Group or which may not be material now but could turn out to be material in the future.

Risks of Economic Volatility

Port business, which is mainly located in Tianjin, the PRC, is the Group's core business. As a primary industry of the national economy, the development of the port industry is closely related to the national economic development. The macroeconomic situation may have different degree of impact on the Group's results of operations. Cargo throughput at the port is dependent on the economic development of the areas, while the Group's businesses are affected by various factors such as the economic growth rate, level of trade development and industry structure of those areas.

Risks Relating to the Changes in the PRC Policies

Changes in economic condition, regulatory requirements, government policies, development plans and relevant laws and regulations in the PRC may impact the Group's operations.

Risks of Competition from Ports

The Group is situated at a cluster of ports in the Bohai Rim Region, where the density of ports in the region are relatively high and the ports in the scale of 100 million tons are developing rapidly. There are both competition and cooperation with the surrounding ports.

DIRECTORS' REPORT

Financial Risks

The details of the Group's financial risk management are set out in Note 32 to the consolidated financial statements.

Compliance with the Relevant Laws and Regulations

During the year ended 31 December 2021, the Company has complied with the requirements under the Companies Law of the Cayman Islands, the Listing Rules and the SFO for, among other things, the disclosure of information and corporate governance. There was no incidence of non-compliance with the relevant laws and regulations that have a significant impact on the Group's business for the year ended 31 December 2021.

Environmental Policies and Performance

The Group has always been dedicated to reducing the environmental impact of our operation, and implemented policies regarding environmental management and resources conservation. The Group strives to create a green production and living environment, vigorously promotes the use of new, clean and renewable energies, reinforces the construction of energy supply facilities, dust control, energy saving and consumption reduction management as well as sewage treatment and upgrading, promotes the application of environmental-friendly facilities and equipment, enhances ecological environment protection and water environment management at the port, to ensure that environmental indicators such as air and water quality meet the standards, and build a beautiful port with blue sky, green land, clear water and clean environment.

Further details of the Group's environmental policies and performance and compliance with relevant laws and regulations are set out in "Environmental, Social and Governance Report" of the Company which is available on the websites of HKEXnews (<http://www.hkexnews.hk>) and the Company (<http://www.tianjinportdev.com>).

Key Relationships with Employees, Customers and Suppliers

Employees

As at 31 December 2021, the Group had approximately 7,500 employees. The Group offers remuneration packages for employees based on their position, performance and the labour market condition. 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 Group's annual results and the employees' performance. During the year ended 31 December 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 life-long learning and personal development of the employees, and enhances their productivity through provision of training, thereby promoting the business development of the Group. The management proactively communicates with employees to foster the employer-employee relationship.

Further details of the Group's relationship with employees and compliance with relevant laws and regulations are set out in "Environmental, Social and Governance Report" of the Company which is available on the websites of HKEXnews (<http://www.hkexnews.hk>) and the Company (<http://www.tianjinportdev.com>).

Customers

The Group is committed to creating values for our customers by providing quality services to meet their needs. The Group also strives to grow together with our customers and uphold service integrity. On the basis of full investigation and analysis of industry background, scale of operation and credibility of the customers, we have established long-term relationship with our customers. By optimising our services and improving the business environment, engaging in activities such as customer forums, we offer our customers a personalised and refined service.

DIRECTORS' REPORT

Suppliers

To ensure quality and quantity of our performance and minimise cost, the Group conducts full investigation and analysis on the supplier's performance, qualifications and quality, industry background, scale of production, product quality and business integrity of the suppliers, and assesses and selects the suppliers regularly every year. Through sincere cooperation, the Group has set up long-term and win-win cooperation relationship with our suppliers and established a good reputation.

Further details of the Group's relationship with suppliers are set out in "Environmental, Social and Governance Report" of the Company which is available on the websites of HKEXnews (<http://www.hkexnews.hk>) and the Company (<http://www.tianjinportdev.com>).

MAJOR CUSTOMERS AND SUPPLIERS

The revenue attributable to the Group's five largest customers combined accounted for less than 30% of the Group's total revenue for the year.

The purchases attributable to the Group's five largest suppliers combined accounted for approximately 61% of the Group's total purchases for the year and the largest supplier included therein accounted for approximately 28%.

None of the Directors, their close associates, or any Shareholder, which to the knowledge of the Directors owns more than 5% of the Company's issued share capital, had interests in any of the Group's five largest customers or suppliers.

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last 5 financial years is set out on page 138.

SHARE CAPITAL

Movements in share capital of the Company during the year are set out in Note 22 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed "Share Option Scheme" below, no equity-linked agreements were entered into by the Company during the year or subsisted at the end of the year.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 December 2021 are set out in Note 38 to the consolidated financial statements.

BORROWINGS

Particulars of borrowings of the Group as at 31 December 2021 are set out in Note 24 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the laws of Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

DIRECTORS' REPORT

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 year ended 31 December 2021.

CONTINUING DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

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.

On 25 May 2021, Tianjin Port Development Finance Limited, a wholly-owned subsidiary of the Company (the "Borrower") as borrower and the Company as guarantor entered into:

- (1) a facility agreement with a financial institution as lender for a term loan facility of up to HK\$1,200 million. The facility is repayable in full on the date falling 12 months from the date of the facility agreement;
- (2) a facility agreement with a financial institution as lender for a term loan facility of up to HK\$500 million. The facility is repayable in full on the date falling 12 months from the date of the facility agreement; and
- (3) a facility agreement with a financial institution as lender for a term loan facility of up to HK\$500 million. The facility is repayable in full on the date falling 12 months from the date of the facility agreement.

Each of the facility agreements under items (1) to (3) 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 31 December 2021, the aggregate balance of the loan facilities subject to the above obligations was HK\$2,200 million.

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

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.

The purpose of the Share Option Scheme was to provide incentive and recognition to eligible persons for their contribution to the Group. The Board may offer to grant share options to any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; any directors of the Company or any of its subsidiaries; any advisers, consultants, suppliers, customers and agents to the Company or any of its subsidiaries and such other persons who, in the sole opinion of the Board, will contribute or have contributed to the Group.

DIRECTORS' REPORT

Unless approved by the Shareholders in general meeting, the total number of Shares in respect of which share options may be granted (including Shares in respect of which share options, whether exercised or still outstanding, have already been granted) under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue on the date on which the Shares commence listing on the Main Board of the Stock Exchange. The maximum number of Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the Shares in issue from time to time.

Unless approved by the Shareholders in general meeting, the maximum entitlement of each participant (including exercised, outstanding and cancelled share options) in any 12-month period under the Share Option Scheme shall not exceed 1% of the number of Shares in issue on the offer date.

As the Share Option Scheme had expired on 25 April 2016, no further share options of the Company shall be granted under the Share Option Scheme thereafter. As at the date of this report, a total of 2,900,000 Shares (representing approximately 0.05% of the existing issued shares of the Company) may be issued upon exercise of all share options that have been granted but not yet lapsed or exercised under the Share Option Scheme.

HK\$1 by way of consideration for the grant of an option is payable by the grantee to the Company on acceptance of the option within 30 days from the offer date.

The exercise period of the share options is determinable by the Directors and shall not exceed a period of 10 years commencing on the date upon which the option is deemed to be granted and accepted in accordance with the Share Option Scheme.

Unless otherwise determined by the Board, there is no minimum period for which an option must be held before it can be exercised.

The exercise price in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of (i) the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the offer date; (ii) the average of the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the offer date; and (iii) the nominal value of a Share.

Movements of the outstanding share options under the Share Option Scheme during the year ended 31 December 2021 were as follows:

	Date of grant	Exercise price HK\$	Number of share options				Exercise period
			As at 01/01/2021	Exercised	Lapsed	As at 31/12/2021	
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	–	(350,000)	1,050,000	28/12/2012–27/06/2022
Total			3,950,000	–	(1,050,000)	2,900,000	

The accounting policy adopted for the share options is set out in Note 2 to the consolidated financial statements.

DIRECTORS' REPORT

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Other than the Share Option Scheme, during the year ended 31 December 2021 or at the end of the year, 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

The Directors during the year and up to the date of this report were:

Executive Directors

CHU Bin (<i>Chairman</i>)	
LUO Xunjie (<i>Managing Director</i>)	
LI Xiaoguang	(appointed on 29 March 2022)
SUN Bin	
YANG Zhengliang	(appointed on 29 March 2022)
XUE Xiaoli	(resigned on 29 March 2022)
SHI Jing	(resigned on 29 March 2022)

Independent Non-executive Directors

Japhet Sebastian LAW
 CHENG Chi Pang, Leslie
 ZHANG Weidong

In accordance with Article 108 of the Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every 3 years. A retiring Director shall be eligible for re-election.

In accordance with Article 112 of the Articles of Association, a Director appointed by the Board either to fill a casual vacancy or as an additional Director shall hold office only until the next general meeting of the Company and shall then be eligible for re-election at the meeting.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the current Directors and senior management of the Company are set out on pages 19 to 22.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors entered into a service contract or an appointment letter for a specific term of three years, which shall continue for further successive periods. Each of these contracts may be terminated by either party to the other giving not less than three months' notice in writing.

The independent non-executive Directors are appointed for a specific term of two years in accordance with their respective appointment letters, which shall continue for further successive periods.

None of the Directors has entered into any service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REPORT

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, every Director is entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. The Company has maintained directors' and officers' liability insurance for the Directors.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

There were no transactions, arrangements or contracts of significance in relation to the business of the Group to which the Company or its holding companies or any of its subsidiaries or fellow subsidiaries was a party and in which a Director or his or her connected entity had a material interest, either directly or indirectly, subsisted during or at the end of the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company or the Group were entered into or existed during the year.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 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 31 December 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 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.

DIRECTORS' REPORT

INTERESTS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 31 December 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 Beneficial owner	1,303,010,000 (L) 35,976 (L)	21.2% 0.0%
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%
天津泰達實業集團有限公司 (Tianjin TEDA Industrial Group Co., Ltd.*) (Formerly known as 天津津聯投資控股有限公司 (Tianjin Tsinlien Investment Holdings Co., Ltd. *)) ("TEDA Industrial") (Note 4) (Note 5)	Interest of controlled corporations	1,303,045,976 (L)	21.2%
Tianjin TEDA Investment Holding Co., Ltd. ("TEDA Holding") (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.

DIRECTORS' REPORT

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 31 December 2021, 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 Bohai, which is in turn a wholly-owned subsidiary of TEDA Industrial. TEDA Industrial is a wholly-owned subsidiary of TEDA Holding. By virtue of the SFO, Tsinlien, Bohai, TEDA Industrial and TEDA Holding are deemed to be interested in all the Shares held by each of Tianjin Development, Tianjin Investment Holdings Limited and Tsinlien Investment Limited.
5. 天津津聯投資控股有限公司 (Tianjin Tsinlien Investment Holdings Co., Ltd.*) has changed its name into 天津泰達實業集團有限公司 (Tianjin TEDA Industrial Group Co., Ltd.*) with effect from 19 January 2022.

Save as disclosed above, as at 31 December 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.

CONNECTED TRANSACTIONS

During the year, the Group entered into a number of connected transactions and continuing connected transactions with connected persons as defined in the Listing Rules.

Tianjin Port Group is the controlling shareholder of the Company indirectly interested in 53.5% of the issued share capital of the Company. Hence, Tianjin Port Group and/or its associates are connected persons of the Company as defined in the Listing Rules. Accordingly, transactions with Tianjin Port Group and/or its associates constitute connected transactions or continuing connected transactions of the Company.

Connected Transactions

Pursuant to Chapter 14A of the Listing Rules, details of the connected transactions for the year ended 31 December 2021 required to be disclosed in the annual report are as follows:

1. On 15 December 2020, 中國天津外輪代理有限公司 (China Ocean Shipping Agency Tianjin Co., Ltd.*) a subsidiary of the Group, entered into the assets transfer agreement with 天津港國際物流發展有限公司 (Tianjin Port International Logistics Development Co., Ltd.*) ("TP International Logistics") for the purchase of Phase I of Tianjin Port Container Logistics Centre Depot. The consideration was RMB238,624,100 and should be payable in full on 30 April 2021.

TP International Logistics is a subsidiary of Tianjin Port Group, and is therefore a connected person of the Company. Accordingly, the transaction contemplated under the agreement constitutes a connected transaction of the Company. Details of the above connected transaction were disclosed in the announcement of the Company dated 15 December 2020 and the circular of the Company dated 29 January 2021. The agreement and the transactions contemplated thereunder were approved by the independent Shareholders at the extraordinary general meeting of the Company held on 3 March 2021.

2. On 26 February 2021, Tianjin Port Co entered into an agreement with COSCO SHIPPING Ports (Tianjin) Limited and COSCO SHIPPING Ports Limited to transfer 34.99% of the equity interest in 天津港集裝箱碼頭有限公司 (Tianjin Port Container Terminal Co., Ltd.*), at the consideration of RMB1,348,371,228.15 (subject to adjustment). The final consideration was confirmed to be RMB1,247,710,223.53 (subsequently disclosed in the announcement of the Company dated 28 July 2021). The consideration was settled in one lump in cash within 15 business days from the completion date of the transaction.

DIRECTORS' REPORT

COSCO SHIPPING Ports (Tianjin) Limited is the substantial shareholder of 天津港集裝箱碼頭有限公司 (Tianjin Port Container Terminal Co., Ltd.*), a subsidiary of the Group, and COSCO SHIPPING Ports Limited is the holding company of COSCO SHIPPING Ports (Tianjin) Limited. Each of COSCO SHIPPING Ports Limited and COSCO SHIPPING Ports (Tianjin) Limited is therefore a connected person of the Company at the subsidiary level. Accordingly, the transaction contemplated under the agreement constitutes a connected transaction of the Company. Details of the above connected transaction were disclosed in the announcement of the Company dated 26 February 2021 and 28 July 2021, and the circular of the Company dated 28 June 2021. The agreement and the transactions contemplated thereunder were approved by the independent Shareholders at the extraordinary general meeting of the Company held on 13 August 2021.

3. On 26 February 2021, Tianjin Port Co entered into the equity transfer agreement with 天津港經濟技術合作有限公司 (Tianjin Port Economic Technological Cooperation Co., Ltd.*) ("Economic-Technological Co") to transfer 53% of the equity interest in 天津中燃船舶燃料有限公司 (CHIMBUSCO Marine Bunker (Tianjin) Co., Ltd.*) at the consideration of RMB14,900,285.28. The final consideration shall be paid by Economic-Technological Co in one lump sum in cash within 60 days after the date of completion of the transaction.

Economic-Technological Co is a wholly-owned subsidiary of Tianjin Port Group (which is the controlling shareholder of the Company) and is therefore a connected person of the Company. Accordingly, the transaction contemplated under the agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Details of the above connected transaction were disclosed in the announcement of the Company dated 26 February 2021, and the circular of the Company dated 1 April 2021. The agreement and the transactions contemplated thereunder were approved by the independent Shareholders at the extraordinary general meeting of the Company held on 28 April 2021.

4. On 28 April 2021, Tianjin Port Co entered into an agreement with COSCO SHIPPING Ports Limited, to procure its subsidiary to acquire all the issued shares of COSCO SHIPPING Ports (Tianjin Euroasia) Limited at the consideration of RMB269,619,801.39. The final consideration should be paid in one lump sum within 15 business days after the completion date of the transaction. The consideration shall be settled in US Dollars, and the exchange rate shall be the central parity rate of RMB against US Dollars on the date of payment as published by the People's Bank of China.

COSCO SHIPPING Ports (Tianjin) Limited is the substantial shareholder of 天津港集裝箱碼頭有限公司 (Tianjin Port Container Terminal Co., Ltd.*), a subsidiary of the Group, and COSCO SHIPPING Ports Limited is the holding company of COSCO SHIPPING Ports (Tianjin) Limited. COSCO SHIPPING Ports Limited is therefore a connected person of the Company at the subsidiary level. Accordingly, the transaction contemplated under the agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Details of the above connected transaction were disclosed in the announcement of the Company dated 28 April 2021, and the circular of the Company dated 28 June 2021. The agreement and the transactions contemplated thereunder were approved by the independent Shareholders at the extraordinary general meeting of the Company held on 13 August 2021.

5. On 13 July 2021, 天津港第四港埠有限公司 (Tianjin Port No. 4 Stevedoring Co., Ltd.*), a subsidiary of the Group, entered into a sale and purchase Agreements with 天津金岸重工有限公司 (Tianjin Jinan Heavy Equipment Co., Ltd.*) for the purchase of two sets of 25-tonne portal cranes and one set of 40-tonne portal crane respectively, at the aggregate consideration of RMB41.68 million. The consideration is payable by instalments in accordance with the progress of the delivery and installation of the portal cranes.

天津金岸重工有限公司 (Tianjin Jinan Heavy Equipment Co., Ltd.*) is a subsidiary of Tianjin Port Group and is therefore a connected person of the Company. Accordingly, the transaction contemplated under the agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules. Details of the above connected transaction were disclosed in the announcement of the Company dated 13 July 2021.

DIRECTORS' REPORT

6. On 29 October 2021, 天津港海嘉汽車碼頭有限公司 (Tianjin Port Haijia Automobile Terminal Co., Ltd.*), a subsidiary of the Group, entered into a compensation agreement with 天津港國際物流發展有限公司 (Tianjin Port International Logistics Development Co., Ltd.*) to pay a compensation amount for a project in the total amount of RMB91,160,700. The compensation amount should be settled in 3 phases and the 3rd phase is one year after the related project having been inspected and accepted by the government.

天津港國際物流發展有限公司 (Tianjin Port International Logistics Development Co., Ltd.*) is a non wholly-owned subsidiary of Tianjin Port Group and is therefore a connected person of the Company. Accordingly, the transaction contemplated under the agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Details of the above connected transaction were disclosed in the announcement of the Company dated 29 October 2021.

7. On 20 December 2021, 天津港物流發展有限公司 (Tianjin Port Logistics Development Co., Ltd.*) a subsidiary of the Group, entered into an agreement with Economic-Technological Co to transfer 49% of the equity interest in 天津港中谷物流發展有限公司 (Tianjin Port Zhonggu Logistics Development Co., Ltd.*) at the consideration of RMB8,352,000. The consideration should be paid in one lump sum in cash within 2 days after the date of completion of the transaction.

Economic-Technological Co is a wholly-owned subsidiary of Tianjin Port Group and is therefore a connected person of the Company. Accordingly, the transaction contemplated under the agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Details of the above connected transaction were disclosed in the announcement of the Company dated 20 December 2021.

8. On 20 December 2021, 天津港遠航散貨碼頭有限公司 (Tianjin Port Yuanhang Bulk Cargo Terminal Co., Ltd.*), a non-wholly owned subsidiary of the Group entered into a contract with some contractors, in which 天津港航工程有限公司 (Tianjin Port & Channel Engineering Co., Ltd.*) is one of the contractors, in respect of the engineering, procurement and construction of the Tianjin Port Yuanhang South Freight Yard Railway loading line project at the aggregate consideration of approximately RMB190,866,510 (tax inclusive). The consideration shall be settled with advance payments, progress payment and quality assurance fund in accordance to the terms of the contract.

天津港航工程有限公司 (Tianjin Port & Channel Engineering Co., Ltd.*) is a non wholly-owned subsidiary of Tianjin Port Group, is therefore a connected person of the Company. The transaction contemplated under the agreement accordingly constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Details of the above connected transaction were disclosed in the announcement of the Company dated 20 December 2021 and the circular of the Company dated 14 March 2022. The agreement and the transactions contemplated thereunder were approved by the independent Shareholders at the extraordinary general meeting of the Company held on 31 March 2022.

Continuing Connected Transactions

Non-exempt Continuing Connected Transactions

The independent non-executive Directors have reviewed the continuing connected transactions and confirmed that the transactions have been entered into: (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

DIRECTORS' REPORT

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 48 to 58 in accordance with Rule 14A.56 of the Listing Rules. The Company has provided a copy of the auditor's letter to the Stock Exchange.

A summary of the non-exempt continuing connected transactions for the year ended 31 December 2021 is set out as follows:

	Annual cap	Actual amount	
	RMB'000	RMB'000	equivalent to approximately HK\$'000
With Tianjin Port Group and/or its associates			
Property and assets lease framework agreement			
– Right-of-use Assets Leases	225,000	70,453	86,171
– Short-term Leases	54,000	38,671	46,631
Integrated services framework agreement	1,512,000	1,296,892	1,563,840
Procurement framework agreement	140,000	31,739	38,273
Sales framework agreement	58,000	45,198	54,502
Freight yard, warehousing and assets lease framework agreement	3,850	2,280	2,750
Cargo reconfiguration, storage and logistics services framework agreement	120,000	65,039	78,427
Labour framework agreement	16,000	4,767	5,749
Financial services framework agreement			
– Maximum daily outstanding balance of deposits (including accrued interest) placed for deposit services (category (1) of the financial services mentioned below)	8,000,000	3,471,713	4,246,225
Land lease agreements	42,432	39,639	47,799
With 天津開發區聚泰工貿有限公司 (Tianjin Development Zone Jutai Gongmao Co., Ltd.*) ("Jutai Gongmao")			
Jutai Gongmao coal sales agreement	50,000	–	–
Jutai Gongmao coal purchase agreement	58,000	–	–

Pursuant to Chapter 14A of the Listing Rules, details of the continuing connected transactions for the year ended 31 December 2021 required to be disclosed in the annual report are as follows:

- On 28 September 2020, the Company entered into the following framework agreements with Tianjin Port Group, each for a term of three years from 1 January 2021 to 31 December 2023. As Tianjin Port Group is the controlling shareholder of the Company and is therefore a connected person of the Company, the transactions contemplated under the following agreements constitute continuing connected transactions of the Company.

Property and assets lease framework agreement

Nature of the transactions: Leasing of freight yards, warehouses, office buildings, facilities and equipment in Tianjin Binhai New Area from the Tianjin Port Group and/or its associates to the Group.

DIRECTORS' REPORT

Pricing determination: Prices for the leases are determined with reference to (1) actual content of the leases, area and number under the leases, and the term of the leases; and (2) market price of similar leasing services.

- (1) Prices of the lease of freight yards and warehouses: Through obtaining market price information by various means (including enquiring users or lessors of the neighbouring freight yards and warehouses about the recent rent, conducting research on the auction price in the sale of neighbouring land with similar usage on government websites), the prices for the leases are determined with reference to the market price, the lease term, the historical prices, the location and the degree of usage of freight yards and warehouses to be leased, and the demand and supply of the market.
- (2) Prices of the lease of office buildings: Through obtaining market price information by various means (including enquiring tenants or lessors of the neighbouring office buildings about the recent rent, enquiring agents about the rent of the neighbouring commercial properties), the prices for the leases are determined with reference to the market price, the lease term, the historical prices, the location and the degree of usage of office buildings to be leased, and the demand and supply of the market.
- (3) Prices of the lease of facilities and equipment: Through obtaining market price information by various means (including enquiring users or lessors of the neighbouring facilities and equipment about the recent rent), the prices for the leases are determined with reference to the market price, the lease term, the historical prices, the condition and the degree of usage of facilities and equipment to be leased, and the demand and supply of the market.

The terms of the transactions for the leasing services provided by the Tianjin Port Group and/or its associates to the Group shall be no less favourable to the Group than those for the leasing services provided by independent third-parties to the Group.

Payment terms: Payments are made by the Group to Tianjin Port Group and/or its associates based on normal commercial terms on a monthly, quarterly, half-yearly or annual basis, or in accordance with the payment terms agreed by the relevant parties in the contracts to be entered into pursuant to such framework agreement. In general,

- (1) Freight yards and warehouses: payment on a monthly, quarterly or half-yearly basis.
- (2) Office buildings: payment on a half-yearly or annual basis.
- (3) Facilities and equipment: payment on a monthly, quarterly, half-yearly or annual basis, depending on the type of facilities and equipment.

DIRECTORS' REPORT

Details of the above continuing connected transactions were disclosed in the announcements of the Company dated 28 September 2020 and the circular of the Company dated 25 November 2020 and approved by the independent Shareholders at the extraordinary general meeting of the Company held on 15 December 2020.

Integrated services framework agreement

- Nature of the transactions: The Tianjin Port Group and/or its associates provide utilities and supporting services for the daily operations of the Group at the port of Tianjin, including but not limited to water supply services; electricity supply services; communication services (including but not limited to telephone services, internet services, and rental services for optical fibre); IT support services (including but not limited to repair and maintenance of electronic data information system, and hardware and software of the information network in respect of port operations); repair and maintenance of port facilities and equipment (including but not limited to repair and maintenance of cargo handling machineries, general facilities and equipment, and dredging); project management services (including but not limited to tendering agency, management, design, supervision, and project consultancy services for repair and maintenance projects); labour services (including but not limited to the provision of on-site operation personnel for cargo handling and logistics operation such as cargo reconfiguration and storage, and on-site statistical personnel for basic management services); and general administrative services (including but not limited to office support services, general maintenance services, cleaning services, and catering services).
- Pricing determination: The mechanisms for determining the prices for each category of services are as follow:
- (1) Water supply services: (i) the relevant PRC State Prescribed Prices; and (ii) the quantity of the water to be provided to the Group.
 - (2) Electricity supply services: (i) the relevant PRC State Prescribed Prices; and (ii) the quantity of electricity to be provided to the Group.
 - (3) Communication services: (i) the market prices (the service charge standards by other major carriers) of the relevant similar services with reference to the content of the services (such as the demand for telephones and internet); and (ii) the number of technical support personnel or quantity of services to be provided to the Group.
 - (4) IT support services: (i) the market prices of the relevant similar services with reference to the content of the services (such as types, qualities and quantities); and (ii) the quantities of the specific maintenance items to be provided to the Group.
 - (5) Repair and maintenance of port facilities and equipment: (i) the market prices of the relevant similar services with reference to the content of the services (such as types, qualities and quantities); and (ii) the quantities of repair and maintenance items to be provided to the Group.

DIRECTORS' REPORT

- (6) Project management services: (i) the relevant service charge rates determined with reference to the content of the services (such as the service type of the repair and maintenance projects (tendering agency, management, design, supervision, and project consultancy services), the scope and the size of the repair and maintenance projects); and (ii) the costs of the relevant repair and maintenance projects.
- (7) Labour services: Labour services related to cargo handling: (i) the service charges determined with reference to the type of cargo handled; and (ii) the quantity of cargo handled.

Labour services related to outdoor works (including but not limited to at berths and depots) (except for labour services related to cargo handling): (i) the relevant labour service charges determined with reference to the content of the services (such as the position, type, skills, expertise and experience of the labour required); and (ii) the number of labour or the quantity of services to be provided to the Group.

- (8) General administrative services: (i) the market prices of the relevant similar services with reference to the content of the services (such as the position, type, skills, expertise, experience and number of the labour required); and (ii) the number of labour or the quantity of services to be provided to the Group.

The terms of the transactions for the provision of services by the Tianjin Port Group and/or its associates to the Group shall be no less favourable to the Group than those for the provision of services by independent third-party service providers to the Group.

Payment terms:

Payments will be made by the Group to the Tianjin Port Group and/or its associates on a one-off, monthly, quarterly, half-yearly or annual basis (subject to the category of services), or in accordance with the payment terms agreed by the relevant parties in the contracts to be entered into pursuant to such framework agreement.

Details of the above continuing connected transactions were disclosed in the announcements of the Company dated 28 September 2020 and the circular of the Company dated 25 November 2020 and approved by the independent Shareholders at the extraordinary general meeting of the Company held on 15 December 2020.

DIRECTORS' REPORT

Procurement framework agreement

Nature of the transactions: The Group purchases products from the Tianjin Port Group and/or its associates, including port machinery, equipment and working tools, materials, software, office equipment and such products as required by the Group from time to time.

Pricing determination: Prices are determined with reference to (1) the types and qualities of the products, the relevant comparable market prices of the similar products; and (2) the quantities of the products.

The terms of the transactions for the purchase of products by the Group from the Tianjin Port Group and/or its associates shall be no less favourable to the Group than those for the purchase of products by the Group from independent third-party suppliers.

Payment terms: Payments are made by the Group to Tianjin Port Group and/or its associates on a one-off or monthly basis, or in accordance with the payment terms agreed by the relevant parties in the contracts to be entered into pursuant to such framework agreement.

Details of the above continuing connected transactions were disclosed in the announcements of the Company dated 28 September 2020 and 28 April 2021.

Sales framework agreement

Nature of the transactions: The Group sells products to the Tianjin Port Group and/or its associates, including spare parts, fuel, construction materials, labour protection products, daily sundries and such products as required by the Tianjin Port Group and/or its associates from time to time.

Pricing determination: Prices are determined with reference to (1) the types and qualities of the products, the relevant comparable market prices of the similar products; and (2) the quantities of the products.

(1) Prices of fuel: Determined by a group comprising personnel from marketing department and senior management of the relevant subsidiary(ies), with reference to the comparable market prices in the relevant market and the market sale price on the relevant transaction day.

(2) Prices of products other than fuel: Determined based on the purchase prices and with reference to the general rate charged within the industry, market research, supply and demand of products, costs of transportation and storage, financing cost and other related costs.

The price determination mechanism adopted by the Group for the connected persons is the same as that for independent third parties.

Payment terms: Payments are made by Tianjin Port Group and/or its associates to the Group on a one-off or monthly basis or in accordance with the payment terms agreed by the relevant parties in the contracts to be entered into pursuant to such framework agreement.

DIRECTORS' REPORT

Details of the above continuing connected transactions were disclosed in the announcement of the Company dated 28 September 2020.

Freight yard, warehousing and assets lease framework agreement

Nature of the transactions: The Group leases the freight yards, warehouses, office buildings, facilities and equipment in Tianjin Binhai New Area to the Tianjin Port Group and/or its associates.

Pricing determination: Prices are determined with reference to (1) actual content of the leases, area of the leases, number of the leases, and the term of the leases; and (2) market price of similar leasing services.

- (1) Prices of the lease of freight yards and warehouses: Through obtaining market price information by various means (including enquiring users or lessors of the neighbouring freight yards and warehouses about the recent rent, conducting research on the auction price in the sale of neighbouring land with similar usage on government websites), the prices for the leases are determined with reference to the market price, the lease term, the location and the degree of usage of freight yards and warehouses to be leased, and the demand and supply of the market.
- (2) Prices of the lease of office buildings: Through obtaining market price information by various means (including enquiring tenants or lessors of the neighbouring office buildings about the recent rent, enquiring agents about the rent of the neighbouring commercial properties), the prices for the leases are determined with reference to the market price, the lease term, the location and the degree of usage of office buildings to be leased, and the demand and supply of the market.
- (3) Prices of the lease of facilities and equipment: Through obtaining market price information by various means (including enquiring users or lessors of the neighbouring facilities and equipment about the recent rent), the prices for the leases are determined with reference to the market price, the lease term, the condition and the degree of usage of facilities and equipment to be leased, and the demand and supply of the market.

The price determination mechanism adopted by the Group for the connected persons is the same as that for independent third parties.

Payment terms: Payments are made by Tianjin Port Group and/or its associates to the Group on a monthly or half-yearly basis, or in accordance with the payment terms agreed by the relevant parties in the contracts to be entered into pursuant to such framework agreement.

Details of the above continuing connected transactions were disclosed in the announcements of the Company dated 28 September 2020, 28 September 2021 and 25 February 2022.

DIRECTORS' REPORT

Cargo reconfiguration, storage and logistics services framework agreement

Nature of the transactions: The Group provides cargo reconfiguration services (transportation using vehicles and other transportation means), storage services (custody and storage for cargoes), logistics services (including but not limited to tugboat related services), tallying services and such services as required by Tianjin Port Group and/or its associates from time to time to Tianjin Port Group and/or its associates.

Pricing determination: Prices are determined with reference to (1) actual content of the services, volume of cargo handled, volume of cargo stored and duration of storage, quantities of services; and (2) market price of similar services.

- (1) Prices of cargo reconfiguration services: Determined with reference to price quotations obtained from reconfiguration fleet providing same or similar services, the cost of providing such services, the general fee charged within the industry, as well as the distance of reconfiguration and complexity of transport.
- (2) Prices of storage services: Determined with reference to the storage prices obtained by enquiring other clients or storage services providers in the port of Tianjin, the cost of providing such services, the general fee charged within the industry, as well as prices comparison of commercial or logistic storage in the port of Tianjin.
- (3) Prices of logistics services: Determined with reference to, among other things, the type, content and complexity of the logistics services and the cost of providing the personnel involved, as well as a cost plus reasonable profit margin.

The price determination mechanism adopted by the Group for the connected persons is the same as that for independent third parties.

Payment terms: Payments are made by Tianjin Port Group and/or its associates to the Group on a one-off, monthly or annual basis, or in accordance with the payment terms agreed by the relevant parties in the contracts to be entered into pursuant to such framework agreement.

Details of the above continuing connected transactions were disclosed in the announcement of the Company dated 28 September 2020.

DIRECTORS' REPORT

Labour framework agreement

Nature of the transactions: The Group provides labour of various positions to the Tianjin Port Group and/or its associates to perform various services. Positions of labour mainly include routine and mid-level management staff for the provision of management expertise for equipment, safety management and integrated management services; technical operation staff for the provision of maintenance services and delivery services; and such other labour services as required by the Tianjin Port Group and/or its associates from time to time.

Pricing determination: Prices are determined with reference to (1) the type, content and complexity of the services provided; (2) the cost of labour according to, among other things, the position of labour, the level of techniques required, years of experience and their experience; and (3) the labour market price at the port of Tianjin.

The price determination mechanism adopted by the Group for the connected persons is the same as that for independent third parties.

Payment terms: Payments are made by Tianjin Port Group and/or its associates to the Group on a monthly, half-yearly or annual basis, or in accordance with the payment terms agreed by the relevant parties in the contracts to be entered into pursuant to such framework agreement.

Details of the above continuing connected transactions were disclosed in the announcement of the Company dated 28 September 2020.

DIRECTORS' REPORT

2. On 21 September 2018, the Company entered into the following agreement with 天津港財務有限公司 (Tianjin Port Finance Co., Ltd.*) ("Tianjin Port Finance") and Tianjin Port Group for a term of three years from 1 January 2019 to 31 December 2021. Tianjin Port Finance is a subsidiary of Tianjin Port Group. Hence, Tianjin Port Group and Tianjin Port Finance are connected persons of the Company. Accordingly, the transactions contemplated under the agreement constitute continuing connected transactions of the Company, of which deposit services (category (1) of the financial services mentioned below) constitute non-exempt continuing connected transactions of the Company.

Financial services framework agreement

Nature of the transactions: Provision of financial services by Tianjin Port Finance to the Group, including: (1) deposit services; (2) provision of loans (excluding entrustment loans referred to in category (5) below); (3) commercial notes acceptance and discounting services; (4) settlement services; (5) arrangement of entrustment loans between members of the Group, whereby Tianjin Port Finance serves as a financial agency through which funds of any member of the Group may be channelled for use by other members of the Group; and (6) certification of financial position, insurance agency services, financial advisory services and other advisory services.

Fees and charges: Fees and charges payable by the Group to Tianjin Port Finance are on terms no less favourable than the benchmark rates set by the People's Bank of China (if applicable) as well as those available to the Group from other major state-owned commercial banks in the PRC.

Details of the above continuing connected transactions were disclosed in the announcement of the Company dated 21 September 2018 and the circular of the Company dated 2 November 2018 and approved by the independent Shareholders at the extraordinary general meeting of the Company held on 6 December 2018.

As the above financial services framework agreement dated 21 September 2018 had expired on 31 December 2021, the Company had on 28 September 2021 entered into a new financial services framework agreement, for a term of three years from 1 January 2022 to 31 December 2024, with Tianjin Port Finance and Tianjin Port Group to continue the transactions. Details of the transactions were set out in the announcement of the Company dated 28 September 2021 and the circular of the Company dated 23 November 2021. The new financial services framework agreement, deposit services (category (1) of the financial services mentioned above) and the related proposed annual caps for the years ending 31 December 2022, 2023 and 2024 were approved by the independent Shareholders at the extraordinary general meeting of the Company held on 20 December 2021.

DIRECTORS' REPORT

3. On 28 September 2020, 天津中鐵儲運有限公司 (Tianjin Zhongtie Storage & Transportation Co., Ltd.*) ("Tianjin Zhongtie"), a subsidiary of the Group, entered into the following agreements with Jutai Gongmao for a term from 1 January 2021 to 31 December 2023. Jutai Gongmao holds 40% equity interest in Tianjin Zhongtie and is therefore a connected person of the Company as defined in the Listing Rules. Accordingly, the transactions contemplated under the agreements constitute continuing connected transactions of the Company.

Jutai Gongmao coal sales agreement

Nature of the transactions:	Sale of coal by Tianjin Zhongtie to Jutai Gongmao.
Pricing determination:	Prices are determined with reference to the price as published on coal exchange website for coals of the same category and comparable quality and are calculated based on RMB/tonne and the actual weight. The price determination mechanism adopted by Tianjin Zhongtie for Jutai Gongmao is the same as that for independent third parties.
Payment terms:	Delivery upon payment.

Jutai Gongmao coal purchase agreement

Nature of the transactions:	Purchase of coal by Tianjin Zhongtie from Jutai Gongmao.
Pricing determination:	Prices are determined with reference to the price as published on coal exchange website for coals of the same category and comparable quality and are calculated based on RMB/tonne and the actual weight. The terms of the transactions for the purchase of coal by Tianjin Zhongtie from Jutai Gongmao shall be no less favourable than those for the purchase of coal by Tianjin Zhongtie from independent third-party coal suppliers.
Payment terms:	Delivery upon payment.

Details of the above continuing connected transactions were disclosed in the announcement of the Company dated 28 September 2020.

DIRECTORS' REPORT

4. Tianjin Port Co (a subsidiary of the Group) and/or its subsidiaries had entered into eight land lease agreements on various dates from April 2004 to July 2008 with Tianjin Port Group and/or its associates. As Tianjin Port Group is the controlling shareholder of the Company, Tianjin Port Group and its associates are connected persons of the Company. Accordingly, the transactions contemplated under the agreements constitute continuing connected transactions of the Company.

Land lease agreements

Nature of the transactions:	Long-term leases of various pieces of land in the port of Tianjin from Tianjin Port Group and/or its associates to the Group.
Pricing determination:	Prices for the long-term land leases are determined with reference to (1) the transfer value of the land as appraised by an independent qualified property valuer in the PRC and approved by the relevant PRC government departments; (2) the yield for one-year PRC government bonds; (3) relevant PRC tax; and (4) the number of years of usage.
Payment terms:	Payments are made by the Group to Tianjin Port Group and/or its associates on a quarterly basis.

Historically, the Tianjin Port Authority, the business of which was subsequently reorganised into Tianjin Port Group, owned the land and operated the port business in the port of Tianjin. As such, Tianjin Port Group is the only owner and provider of land in the port of Tianjin. In addition, usage of land for port operations is of a long-term nature and can only be changed with significant investment. Therefore, the lease of land must be of a long duration in order to justify the investment made by the Group. The terms of 19 to 50 years under the land lease agreements are similar to those in comparable ports in the PRC.

Details of the above continuing connected transactions were disclosed in the announcement of the Company dated 15 June 2009 and the circular of the Company dated 19 June 2009.

Exempt Continuing Connected Transactions

During the year ended 31 December 2021, the Group had entered into the following continuing connected transactions which are exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, the disclosure of which is on a voluntary basis in order to enhance the transparency of the Group's transactions with Tianjin Port Group:

Fee collection services

Various fees, including but not limited to port management fees, are collected by the Group from its customers and forwarded to Tianjin Port Group. No service fee will be charged to Tianjin Port Group by the Group. For the year ended 31 December 2021, the fees collected by the Group on behalf of Tianjin Port Group amounted to RMB475,041,000 (equivalent to approximately HK\$581,019,000).

DIRECTORS' REPORT

RELATED PARTY TRANSACTIONS

The Group entered into certain transactions with parties regarded as "related parties" under the applicable accounting standards. Details of the significant related party transactions for the year ended 31 December 2021 are disclosed in Note 31 to the consolidated financial statements. A summary is set out as follows:

	Notes	2021 HK\$'000
With Tianjin Port Group and its subsidiaries, associates and joint ventures		
Sales of goods and services	1	102,555
Purchases of goods and services		920,108
Payments for rental of land, property, plant and equipment		253,305
Acquisition of property, plant and equipment		470,937
With associates of the Group		
Sales of goods and services	2	75,620
Purchases of goods and services		742,568
Income from rental of property, plant and equipment		28,792
Payments for rental of property, plant and equipment		8,837
Interest income		54,087
Interest expenses on borrowings		180,644
With joint ventures of the Group		
Sales of goods and services	2	72,817
Purchases of goods and services		69,044
Interest income		4,046

Notes:

- The transactions between the Group and Tianjin Port Group and/or its subsidiaries, associates and joint ventures (with the meaning ascribed to them under the applicable accounting standards) constituted connected transactions or continuing connected transactions of the Company (as defined in Chapter 14A of the Listing Rules).
- Certain associates and joint ventures (with the meaning ascribed to them under the applicable accounting standards) of the Group are also the associates of Tianjin Port Group as defined under the Listing Rules. The transactions between the Group and these associates and joint ventures constituted connected transactions or continuing connected transactions of the Company (as defined in Chapter 14A of the Listing Rules).

In relation to the related party transactions which also constituted connected transactions or continuing connected transactions of the Company under the Listing Rules, the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules, the information of which are required to be disclosed in the annual report have been set out in the section headed "Connected Transactions" above.

DIRECTORS' REPORT

INTERESTS IN COMPETITORS

CHU Bin and LUO Xunjie are directors of Tianjin Port Group during the year. The principal business of Tianjin Port Group includes port handling and stevedoring services, warehousing, logistics, and port land development at the port of Tianjin in the PRC through its group companies.

As the Board is independent from the board of directors of Tianjin Port Group (save for Mr. Chu and Mr. Luo who are the only common directors in the Company and Tianjin Port Group) and Mr. Chu and Mr. Luo have no control over the Board, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of Tianjin Port Group.

Save as disclosed above and within the knowledge of the Directors, none of the Directors and their respective associates had any interest in a business which competes or is likely to compete, either directly or indirectly, with business of the Group throughout the year ended 31 December 2021 pursuant to the Listing Rules.

CORPORATE GOVERNANCE

The Company's corporate governance practices are set out in the Corporate Governance Report on pages 23 to 36.

PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained the prescribed public float under the Listing Rules.

AUDITOR

The financial statements for the year have been audited by Deloitte Touche Tohmatsu who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the Board

CHU Bin
Chairman

Hong Kong, 29 March 2022

INDEPENDENT AUDITOR'S REPORT

Deloitte.

德勤

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

OPINION

We have audited the consolidated financial statements of Tianjin Port Development Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 65 to 137, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTER *(continued)*

Key audit matter	How our audit addressed the key audit matter
------------------	--

Impairment assessment of the Identified Long-term Assets (as defined below)

We identified the impairment assessment of long-term assets relating to the Group's business of cargo handling, sales and other port ancillary services (the "Identified Long-term Assets") as a key audit matter due to the significant degree of judgement by management of the Group associated with their underlying assumptions in the determination of the recoverable amounts and their significance to the consolidated financial statements as a whole.

As disclosed in note 33 to the consolidated financial statements, the market capitalisation of the Group as at 31 December 2021 was below its net asset value on the same date and the management of the Group therefore considered there was an impairment indicator of the Identified Long-term Assets, comprising property, plant and equipment, right-of-use assets, investment properties, intangible assets and deferred income tax assets and their carrying amounts were HK\$19,953,732,000, HK\$6,550,516,000, HK\$823,624,000, HK\$88,063,000 and HK\$26,216,000, respectively.

As set out in note 33 to the consolidated financial statements, for the purpose of impairment assessment, the recoverable amount of each cash-generating unit of the Group has been determined based on value-in-use calculations. Financial budgets with reference to past performance and the expectation of market development of the management of the Group have been used in the value-in-use calculations, where the key inputs parameters include growth rates of business volume, unit price and cost of sales, and discount rates.

Based on the assessment prepared by the management of the Group, no impairment loss of the Identified Long-term Assets has been recognised in profit or loss for the year ended 31 December 2021 and as at 31 December 2021.

Our procedures in relation to management's impairment assessment of the Identified Long-term Assets included:

- Understanding the key controls over the Group's impairment assessment, including impairment assessment models adopted and assumptions used by the management of the Group;
- Assessing the reasonableness of the growth rates of business volume, unit price and cost of sales estimated by the management of the Group in determining the value-in-use with reference to the Group's historical performance and the expectation of the market development of the management of the Group;
- Involving our internal valuation specialists to assess the reasonableness of the discount rates used by the management of the Group in determining the value-in-use with reference to the current market risk-free rate of interest and the industry specific risk factors;
- Comparing the actual results in the current year with the cash flow projections prepared in the previous year by the management of the Group, on a sample basis, to evaluate their reliability and understanding the causes of any significant variances; and
- Challenging the sensitivity analysis on the significant assumptions prepared by the management of the Group to evaluate their impact on the current headroom.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Chung Chi Man.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
29 March 2022

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2021

	Notes	2021 HK\$'000	2020 HK\$'000
Revenue	3	17,370,544	15,490,177
Cost of sales		(13,528,544)	(12,123,230)
Business tax and surcharge		(10,534)	(9,073)
Gross profit		3,831,466	3,357,874
Other income	4	326,814	244,570
Other gains and losses	4	630,871	124,166
Administrative expenses		(2,191,709)	(1,770,862)
Net impairment losses on financial assets		(1,147)	(26,588)
Other expenses		(46,941)	(17,927)
Finance costs	5	(484,159)	(550,117)
Share of net profit of associates and joint ventures accounted for using the equity method		411,101	435,843
Profit before income tax		2,476,296	1,796,959
Income tax	6	(533,987)	(389,433)
Profit for the year	7	1,942,309	1,407,526
Profit attributable to:			
Equity holders of the Company		923,116	636,161
Non-controlling interests		1,019,193	771,365
		1,942,309	1,407,526
Earnings per share	10		
Basic (HK cents)		15.0	10.3
Diluted (HK cents)		15.0	10.3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	2021 HK\$'000	2020 HK\$'000
Profit for the year	1,942,309	1,407,526
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Changes in the fair value of financial assets at fair value through other comprehensive income	(343,614)	13,604
Income tax relating to the above item	78,957	(3,676)
Currency translation differences	864,717	1,768,443
Other comprehensive income for the year, net of tax	600,060	1,778,371
Total comprehensive income for the year	2,542,369	3,185,897
Total comprehensive income attributable to:		
Equity holders of the Company	1,208,268	1,449,474
Non-controlling interests	1,334,101	1,736,423
	2,542,369	3,185,897

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	2021 HK\$'000	2020 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	19,953,732	21,467,926
Right-of-use assets	12(a)	6,550,516	7,068,583
Investment properties	13	823,624	820,200
Intangible assets	14	88,063	84,867
Investments accounted for using the equity method	16	5,897,365	4,806,587
Financial assets at fair value through other comprehensive income	17	705,558	785,600
Deferred income tax assets	18	26,216	120,290
		34,045,074	35,154,053
Current assets			
Inventories	19	81,215	333,765
Trade and other receivables and notes receivables	20	3,179,790	3,405,742
Restricted bank deposits	21	—	256,852
Time deposits with maturity over three months	21	1,264,192	771,118
Cash and cash equivalents	21	7,731,651	7,722,605
		12,256,848	12,490,082
Total assets		46,301,922	47,644,135
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	22	615,800	615,800
Other reserves	23	4,880,527	4,508,658
Retained earnings		8,940,062	8,358,000
		14,436,389	13,482,458
Non-controlling interests		16,092,474	15,581,769
Total equity		30,528,863	29,064,227

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	2021 HK\$'000	2020 HK\$'000
LIABILITIES			
Non-current liabilities			
Borrowings	24	5,087,904	6,775,769
Lease liabilities	12(b)	405,903	846,226
Deferred income tax liabilities	18	184,050	268,828
Other long-term liabilities		43,895	37,098
		5,721,752	7,927,921
Current liabilities			
Trade and other payables and contract liabilities	25	4,489,030	4,586,410
Current income tax liabilities		96,464	128,328
Borrowings	24	5,245,219	5,588,877
Lease liabilities	12(b)	220,594	348,372
		10,051,307	10,651,987
Total liabilities		15,773,059	18,579,908
Total equity and liabilities		46,301,922	47,644,135
Net current assets		2,205,541	1,838,095
Total assets less current liabilities		36,250,615	36,992,148

The consolidated financial statements on pages 65 to 137 were approved and authorised for issue by the Board of Directors on 29 March 2022 and are signed on its behalf by:

CHU Bin
Director

LUO Xunjie
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Equity attributable to equity holders of the Company					
	Share capital HK\$'000	Other reserves HK\$'000 (Note 23)	Retained earnings HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity 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 income for the year	—	813,313	636,161	1,449,474	1,736,423	3,185,897
Transfers	—	98,057	(98,057)	—	—	—
Dividends	—	—	(155,182)	(155,182)	(450,558)	(605,740)
Deregistration of subsidiaries	—	(58)	—	(58)	(7,232)	(7,290)
Acquisition of a subsidiary	—	—	—	—	(12,225)	(12,225)
Lapse of share options	—	(2,450)	2,450	—	—	—
At 31 December 2020	615,800	4,508,658	8,358,000	13,482,458	15,581,769	29,064,227
Total comprehensive income for the year	—	285,152	923,116	1,208,268	1,334,101	2,542,369
Transfers	—	87,644	(87,644)	—	—	—
Dividends	—	—	(254,325)	(254,325)	(529,982)	(784,307)
Disposal of subsidiaries	—	(188)	176	(12)	(954,289)	(954,301)
Acquisition of a subsidiary	—	—	—	—	662,940	662,940
Deregistration of a subsidiary	—	—	—	—	(2,065)	(2,065)
Lapse of share options	—	(739)	739	—	—	—
At 31 December 2021	615,800	4,880,527	8,940,062	14,436,389	16,092,474	30,528,863

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	Notes	2021 HK\$'000	2020 HK\$'000
Cash flows from operating activities			
Cash generated from operations	26(a)	3,865,524	3,071,398
Interest received		171,859	158,631
PRC income tax paid		(502,646)	(440,703)
Net cash generated from operating activities		3,534,737	2,789,326
Cash flows from investing activities			
Payments for property, plant and equipment and intangible assets		(928,494)	(771,696)
Payments for right-of-use assets		(208,271)	—
Acquisition of assets through acquisition of a subsidiary	27	(31,302)	(205,387)
Acquisition of subsidiaries	28	(389,894)	6
Disposal of subsidiaries	29	1,079,119	—
Disposal of an associate	26(b)	10,006	—
Payments for investment in financial assets at fair value through other comprehensive income		(244,618)	—
Proceeds from disposal of property, plant and equipment and intangible assets		19,383	8,227
Proceeds from deregistration of associates and joint ventures		—	4,540
Payment for deregistration of subsidiaries		(2,065)	—
Dividends received from investments accounted for using the equity method		425,413	452,689
Dividends received from financial assets at fair value through other comprehensive income		20,106	18,175
Interest received from a joint venture		—	19,446
(Increase)/decrease in time deposits with maturity over three months		(470,438)	473,914
Net cash used in investing activities		(721,055)	(86)
Cash flows from financing activities			
Proceeds from borrowings		5,364,167	4,140,741
Repayments of borrowings		(6,887,694)	(6,078,348)
Principal portion of lease payments		(389,932)	(111,432)
Interest portion of lease payments		(22,036)	(38,177)
Interest paid		(452,291)	(511,793)
Dividends paid to equity holders of the Company		(118,384)	(72,160)
Dividends paid to non-controlling interests		(541,695)	(449,188)
Payments to non-controlling interests upon deregistration of subsidiaries		—	(135)
Net cash used in financing activities		(3,047,865)	(3,120,492)
Net decrease in cash and cash equivalents			
Cash and cash equivalents at 1 January		7,722,605	7,474,924
Effects of exchange rate changes		243,229	578,933
Cash and cash equivalents at 31 December		7,731,651	7,722,605

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 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 addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

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”).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) and disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial assets measured at fair value at the end of each reporting period.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 33.

(a) Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on 1 January 2021 for the preparation of the 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 year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.1 Basis of preparation** (continued)**(b) New and amendments to HKFRSs in issue but not yet effective**

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

<i>Amendments to HKAS 1</i>	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)³</i>
<i>Amendments to HKAS 1 and HKFRS Practice Statement 2</i>	<i>Disclosure of Accounting Policies³</i>
<i>Amendments to HKAS 8</i>	<i>Definition of Accounting Estimates³</i>
<i>Amendments to HKAS 12</i>	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transactions³</i>
<i>Amendments to HKAS 16</i>	<i>Property, Plant and Equipment — Proceeds before Intended Use²</i>
<i>Amendments to HKAS 37</i>	<i>Onerous Contracts — Cost of Fulfilling a Contract²</i>
<i>Amendments to HKFRS 3</i>	<i>Reference to the Conceptual Framework²</i>
<i>Amendments to HKFRS 10 and HKAS 28</i>	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴</i>
<i>Amendment to HKFRS 16</i>	<i>Covid-19-Related Rent Concessions beyond 30 June 2021¹</i>
<i>HKFRS 17</i>	<i>Insurance Contracts and the related Amendments³</i>
<i>Amendments to HKFRSs</i>	<i>Annual Improvements to HKFRSs 2018–2020²</i>

¹ Effective for annual periods beginning on or after 1 April 2021

² Effective for annual periods beginning on or after 1 January 2022

³ Effective for annual periods beginning on or after 1 January 2023

⁴ Effective for annual periods beginning on or after a date to be determined

The Group is in the process of making an assessment of what the impact of this new standard and these amendments is expected to be in the period of initial application. So far it has anticipated that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2021***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)***2.2 Principles of consolidation and equity accounting****(a) Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (d) below), after initially being recognised at cost.

(c) Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Investments in joint ventures are accounted for using the equity method of accounting (see (d) below), after initially being recognised at cost in the consolidated statement of financial position.

(d) Equity accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the income statement, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as reduction in the carrying amount of the investment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Principles of consolidation and equity accounting *(continued)*

(d) Equity accounting *(continued)*

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.10.

(e) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with the equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to equity holders of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in the consolidated income statement. The fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the consolidated income statement or transferred to another category of equity as specified/permitted by applicable HKFRSs.

If the ownership interest in an associate or a joint venture is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to the consolidated income statement where appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***2.3 Business combinations and asset acquisitions****(a) Asset acquisitions**

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred income tax assets, and goodwill resulting from the effects of deferred income tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to non-financial assets, financial assets and/or financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

(b) Other acquisitions

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Framework for the Preparation and Presentation of Financial Statements (replaced by the Conceptual Framework for Financial Reporting issued in October 2010).

The Group applies the acquisition method of accounting to account for the acquisition of businesses except for those under common control by the Group. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred to the former owners of the acquired business, the equity interests issued by the Group, the fair value of any asset or liability resulting from a contingent consideration arrangement, and the fair value of any pre-existing equity interest in the subsidiary. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired business on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquired entity and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amount are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the consolidated income statement as a bargain purchase.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.4 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment losses. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the information used for the purposes of assessing performance and allocating resources between segments.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company is Renminbi ("RMB"). The financial statements are presented in Hong Kong dollars ("HK\$").

Exchange differences relating to the retranslation of the Group's net assets in RMB to the Group's presentation currency in HK\$ are recognised directly in other comprehensive income and accumulated in exchange reserve. Such exchange differences accumulated in the exchange reserve are not reclassified to income statement subsequently.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the income statement.

Changes in the fair value of monetary securities denominated in foreign currency classified as financial assets at fair value through other comprehensive income ("FVOCI") are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in the income statement, and other changes in the carrying amount are recognised in other comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss ("FVPL") are recognised in the income statement as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as financial assets at FVOCI are included in other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***2.6 Foreign currency translation** *(continued)***(c) Group companies**

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign operations, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to the income statement, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.7 Property, plant and equipment

Buildings comprise mainly office premises and warehouses. All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Construction in progress represents property, plant and equipment under construction and pending installation and is stated at cost less accumulated impairment losses. Cost includes all direct costs relating to the construction of the assets and acquisition.

No depreciation is provided for construction in progress until such time as the relevant assets are completed and ready for intended use. Construction in progress is transferred to relevant categories of property, plant and equipment upon the completion of their respective construction/installation.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised in the income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.8 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the period in which the property is derecognised.

2.9 Intangible assets

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

2.10 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.11 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

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

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

For assets measured at fair value, gains and losses will either be recorded in the income statement or other comprehensive income.

For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the financial assets at FVOCI.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***2.11 Investments and other financial assets** *(continued)***(b) Measurement**

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Debt instruments

Debt instruments held by the Group are classified into one of the following measurement categories:

Amortised cost: Financial assets measured at amortised cost comprise 'trade and other receivables' (Note 2.14), 'restricted bank deposits', 'time deposits with maturity over three months' and 'cash and cash equivalents' (Note 2.15) in the statement of financial position, are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by loss allowance for expected credit losses. Interest income, exchange gains and losses and impairment are recognised in the income statement. Any gains and losses on derecognition is recognised in the income statement.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and exchange gains/(losses) which are recognised in the income statement. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income statement and recognised in other gains and losses. Interest income from these financial assets is included in other income using the effective interest rate method. Exchange gains and losses are presented in other gains and losses, and impairment expenses are presented as separate line item in the income statement.

FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the income statement and presented net within other gains and losses in the period in which it arises.

Equity instruments

The Group subsequently measured all equity investments at fair value.

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

Changes in the fair value of financial assets at FVPL are recognised in other gains and losses in the income statement as applicable.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.11 Investments and other financial assets *(continued)*

(c) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the income statement.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVOCI, the cumulative gain or loss previously accumulated in the revaluation reserve is not reclassified to income statement, but is transferred to retained earnings.

2.12 Impairment of financial assets

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

ECLs are measured on either of the following bases:

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

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. Loss allowances for all other financial assets equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial assets since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward-looking information that is available without undue cost or effort.

ECLs are updated at each reporting date to reflect changes in credit risk since initial recognition. Any change in ECLs is recognised in the income statement.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***2.12 Impairment of financial assets** *(continued)****Significant increase in credit risk*** *(continued)*

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers that default has occurred when the financial assets is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.12 Impairment of financial assets *(continued)*

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in the income statement.

2.13 Inventories

Inventories, mainly comprising bunker and other fuel oil, consumable and other materials, are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method and represents purchase costs. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

2.14 Trade and other receivables and notes receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. See Note 2.11(b) for further information about the Group's accounting for trade receivables and Note 2.12 for the description of the Group's impairment policies.

Notes receivables are recognised initially at fair value and subsequently measured at FVOCI.

2.15 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with banks and other financial institutions, and other short-term highly liquid investments that are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

2.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.17 Trade and other payables and contract liabilities

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

2.18 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.19 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Any specific borrowing that remains outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are recognised in the income statement in the period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.20 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries, associates and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax liabilities are provided on taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint ventures only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 “Income Taxes” requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities results in net deductible temporary differences.

2.21 Employee benefits

(a) Pension obligations

The employees of the Group’s subsidiaries in the PRC are members of a state-managed employee pension scheme operated by the Tianjin Municipal People’s Government which undertakes to assume the retirement benefit obligations of all existing and future retired employees. The Group’s obligation is to make the required contributions under the scheme. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

In addition, the Group also contributes to a mandatory provident fund scheme for all Hong Kong employees. All these contributions are based on a certain percentage of the employee’s salary and are charged to the income statement as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***2.21 Employee benefits** *(continued)***(b) Share-based payments**

The Group operates an equity-settled share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share prices);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- excluding the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.22 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.23 Revenue from contracts with customers

Revenue is recognised when (or as) it satisfies a performance obligation by transferring a promised goods or service to a customer (which is when the customer obtains control of that good or service). A performance obligation is a promise to transfer a distinct goods or service to a customer.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

The amount of revenue recognised is the amount allocated to the satisfied performance obligation. Revenue is shown net of value-added tax and discounts and after eliminating sales within the Group and is recognised as follows:

(a) Provision of services

Revenue from the provision of services is recognised when the performance obligation is completed by transferring a promised service to the customer.

(b) Sale of goods

Revenue from the sale of goods is recognised when control of goods has transferred. A receivable is recognised when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

(c) Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***2.23 Revenue from contracts with customers** *(continued)***(c) Principal versus agent** *(continued)*

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Revenue is recognised at a point in time when cargo handling services and other port ancillary services are delivered to the customers. Revenue from sale of goods is recognised when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Other revenue from other port ancillary services is recognised on a time proportion basis over the contract terms.

Revenue is recognised for these services based on the contract prices, net of discounts, if any. Refund liabilities are recognised at the end of each reporting period for expected discounts payable to customers in relation to sales.

2.24 Interest income

Interest income is recognised using the effective interest method and included in other income in the income statement.

2.25 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.26 Government grants

Government grants are recognised at fair value when there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions, if any.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in the income statement in the period in which they become receivable. Such grants are presented under "other income".

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.27 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- where no recent third party financing is available, uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) when the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***2.27 Leases** *(continued)*

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- an estimate of restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less.

Lease income from operating leases where the Group is a lessor is recognised as income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated statement of financial position based on their nature.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.28 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

3. 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 revenue from external customers and non-current assets are mainly generated or located in the PRC. The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 2.

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

Additions to non-current assets (other than financial instruments and deferred income tax assets) comprise property, plant and equipment, right-of-use assets, intangible assets and other non-current assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

3. SEGMENT INFORMATION (continued)

The segment information for the reportable segments is as follows:

	For the year ended 31 December 2021			
	Cargo handling HK\$'000	Sales HK\$'000	Other port ancillary services HK\$'000	Total HK\$'000
Total segment revenue	7,767,750	6,954,023	3,175,476	17,897,249
Inter-segment revenue	—	(179,246)	(347,459)	(526,705)
Revenue from external customers	7,767,750	6,774,777	2,828,017	17,370,544
Timing of revenue recognition				
At a point in time	7,767,750	6,774,777	2,674,953	17,217,480
Over time	—	—	153,064	153,064
	7,767,750	6,774,777	2,828,017	17,370,544
Segment results	2,427,313	87,329	1,327,358	3,842,000
Business tax and surcharge				(10,534)
Other income				326,814
Other gains and losses				630,871
Administrative expenses				(2,191,709)
Net impairment losses on financial assets				(1,147)
Other expenses				(46,941)
Finance costs				(484,159)
Share of net profit of associates and joint ventures accounted for using the equity method				411,101
Profit before income tax				2,476,296
Other information:				
Depreciation and amortisation	1,274,400	34,260	276,755	1,585,415
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method	240,059	(922)	38,357	277,494

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

3. SEGMENT INFORMATION (continued)

The segment information for the reportable segments is as follows: (continued)

	For the year ended 31 December 2020			
	Cargo handling HK\$'000	Sales HK\$'000	Other port ancillary services HK\$'000	Total HK\$'000
Total segment revenue	7,134,661	6,203,354	2,747,469	16,085,484
Inter-segment revenue	—	(155,068)	(440,239)	(595,307)
Revenue from external customers	7,134,661	6,048,286	2,307,230	15,490,177
Timing of revenue recognition				
At a point in time	7,134,661	6,048,286	2,047,039	15,229,986
Over time	—	—	260,191	260,191
	7,134,661	6,048,286	2,307,230	15,490,177
Segment results	2,437,981	(15,409)	944,375	3,366,947
Business tax and surcharge				(9,073)
Other income				244,570
Other gains and losses				124,166
Administrative expenses				(1,770,862)
Net impairment losses on financial assets				(26,588)
Other expenses				(17,927)
Finance costs				(550,117)
Share of net profit of associates and joint ventures accounted for using the equity method				435,843
Profit before income tax				1,796,959
Other information:				
Depreciation and amortisation	1,180,765	34,388	245,125	1,460,278
Share of net profit of associates and joint ventures accounted for using the equity method	293,021	5,829	48,800	347,650

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

3. SEGMENT INFORMATION (continued)

The segment information for the reportable segments is as follows: (continued)

	At 31 December 2021			
	Cargo handling HK\$'000	Sales HK\$'000	Other port ancillary services HK\$'000	Total HK\$'000
Segment assets	29,699,262	563,378	10,897,878	41,160,518
Unallocated assets:				
Interest in an associate				1,480,719
Financial assets at FVOCI				705,558
Deferred income tax assets				26,216
Head office and corporate assets				2,928,911
Total assets				46,301,922
Total assets include:				
Interests in associates and joint ventures	4,092,584	107,788	216,274	4,416,646
Additions to non-current assets	971,531	2,830	509,084	1,483,445
	At 31 December 2020			
	Cargo handling HK\$'000	Sales HK\$'000	Other port ancillary services HK\$'000	Total HK\$'000
Segment assets	30,175,227	2,005,674	10,161,324	42,342,225
Unallocated assets:				
Interest in an associate				1,438,704
Financial assets at FVOCI				785,600
Deferred income tax assets				120,290
Head office and corporate assets				2,957,316
Total assets				47,644,135
Total assets include:				
Interests in associates and joint ventures	3,009,436	122,603	235,844	3,367,883
Additions to non-current assets	812,786	4,875	434,720	1,252,381

Revenue in sales segment of HK\$2,469,754,000 from a customer contributed over 10% of the total revenue of the Group for the year ended 31 December 2021. There was no customer who individually accounted for over 10% of the total revenue during the year ended 31 December 2020.

All of the Group's goods and services are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

3. SEGMENT INFORMATION (continued)

Analysis of revenue by segment:

	2021 HK\$'000	2020 HK\$'000
Non-containerised cargo handling business	5,157,690	4,468,100
Container handling business	2,610,060	2,666,561
Cargo handling business	7,767,750	7,134,661
Sales business	6,774,777	6,048,286
Other port ancillary services business	2,828,017	2,307,230
	17,370,544	15,490,177

4. OTHER INCOME, GAINS AND LOSSES

Other income comprises of the following items:

	2021 HK\$'000	2020 HK\$'000
Interest income		
from deposits	172,636	163,789
from loan to a joint venture	—	4,046
Dividend income from financial assets at FVOCI	20,137	17,937
Government grants (Note)	97,193	19,944
Value-added tax ("VAT") extra deduction	28,884	29,793
Others	7,964	9,061
	326,814	244,570

Note: Amount recognised for the year ended 31 December 2021 primarily represents subsidies received from a local government authority as financial supports for various projects in optimising port efficiency, among others, where no future related cost is expected to be incurred nor related to any assets.

Other gains/(losses) comprises of the following items:

	2021 HK\$'000	2020 HK\$'000
Remeasurement gain on investments in joint ventures accounted for using the equity method (Note 28)	128,850	5,922
Gain on disposal of subsidiaries (Note 29)	439,198	—
Exchange gain, net	58,471	129,755
Gain/(loss) on disposal of property, plant and equipment	4,275	(12,408)
Others	77	897
	630,871	124,166

5. FINANCE COSTS

	2021 HK\$'000	2020 HK\$'000
Interest expenses on borrowings	459,680	530,092
Less: Amount capitalised in construction in progress	(12,618)	(18,152)
	447,062	511,940
Interest expenses on lease liabilities	37,097	38,177
	484,159	550,117

Borrowing costs were capitalised at the weighted average rate of 3.8% (2020: 4.3%) per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

6. INCOME TAX

	2021 HK\$'000	2020 HK\$'000
PRC income tax expense/(credit)		
Current	424,375	437,239
Deferred	109,612	(47,806)
	533,987	389,433

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 year (2020: nil).

PRC income tax has been provided based on the estimated assessable profits for the year at the prevailing income tax rates. The standard PRC corporate income tax rate is 25%. A subsidiary is entitled to an exemption for the first three years and followed by a 50% relief rate of 12.5% for the next three years from 2019.

The PRC Enterprise Income Tax Law imposes a withholding income tax at 10% on dividends distributed by a PRC resident enterprise to its holding company outside Mainland China for earnings generated beginning on 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempt from such withholding tax. Such income tax rate may be further reduced to 5% in the case where the holding company is a Hong Kong resident enterprise holding 25% or more equity interests in such PRC resident enterprise pursuant to the Arrangement between Mainland China and Hong Kong for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income.

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average income tax rate applicable to profit of the consolidated entities as follows:

	2021 HK\$'000	2020 HK\$'000
Profit before income tax	2,476,296	1,796,959
Less: Share of net profit of associates and joint ventures accounted for using the equity method	(411,101)	(435,843)
	2,065,195	1,361,116
Tax calculated at statutory tax rate	499,289	329,752
Income not subject to income tax	(136,205)	(42,648)
Expenses not deductible for tax purposes	29,064	45,610
Tax losses for which no deferred income tax assets were recognised	164,764	102,996
Utilisation of previously unrecognised tax losses	(3,083)	(18,922)
Withholding income tax on undistributed profits of PRC subsidiaries, associates and joint ventures	15,045	10,756
Tax exemptions and concessions	(34,887)	(38,111)
Income tax	533,987	389,433

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

7. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging the following items:

	2021 HK\$'000	2020 HK\$'000
Costs of goods sold (Note 19)	6,602,355	6,027,884
Employee benefit expenses, including directors' emoluments (Note 8)	2,352,730	2,012,577
Depreciation of property, plant and equipment (Note 11)	1,172,471	1,099,994
Depreciation of right-of-use assets (Note 12(a))	376,912	343,965
Depreciation of investment properties (Note 13)	20,361	—
Amortisation of intangible assets (Note 14)	24,406	20,473
Expenses relating to short-term leases	92,707	76,087
Auditor's remuneration		
audit services	2,995	2,992
non-audit services	1,766	68

8. EMPLOYEE BENEFIT EXPENSES

	2021 HK\$'000	2020 HK\$'000
Wages and salaries, social security costs and other benefits	2,064,423	1,919,944
Employer's contributions to retirement benefits schemes	288,307	92,633
	2,352,730	2,012,577

(a) Directors' emoluments

Name of director	For the year ended 31 December 2021				
	Fees HK\$'000	Salaries HK\$'000	Other benefits HK\$'000	Employer's contributions to retirement benefits schemes HK\$'000	Total HK\$'000
Executive directors					
Chu Bin (Chairman)	—	—	—	—	—
Luo Xunjie (Managing Director) (Note i)	—	—	—	—	—
Sun Bin (Note v)	—	1,653	270	111	2,034
Xue Xiaoli (Note iii)	—	—	—	—	—
Shi Jing	—	—	—	—	—
Independent non-executive directors (Note vi)					
Japhet Sebastian Law	441	—	134	—	575
Cheng Chi Pang, Leslie	441	—	134	—	575
Zhang Weidong	441	—	134	—	575
	1,323	1,653	672	111	3,759

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

8. EMPLOYEE BENEFIT EXPENSES (continued)

(a) Directors' emoluments (continued)

Name of director	For the year ended 31 December 2020				
	Fees HK\$'000	Salaries HK\$'000	Other benefits HK\$'000	Employer's contributions to retirement benefits schemes HK\$'000	Total HK\$'000
Executive directors					
Chu Bin (Chairman)	—	—	—	—	—
Luo Xunjie (Managing Director) (Note i)	—	—	—	—	—
Li Quanyong (Managing Director) (Note ii)	—	—	—	—	—
Sun Bin (Note v)	—	1,338	85	64	1,487
Xue Xiaoli (Note iii)	—	—	—	—	—
Wang Junzhong (Notes iv and v)	—	90	84	—	174
Shi Jing	—	—	—	—	—
Independent non-executive directors (Note vi)					
Japhet Sebastian Law	441	—	134	—	575
Cheng Chi Pang, Leslie	441	—	134	—	575
Zhang Weidong	441	—	134	—	575
	1,323	1,428	571	64	3,386

Notes:

- i. Appointed on 7 February 2020
- ii. Resigned on 7 February 2020
- iii. Appointed on 15 December 2020
- iv. Resigned on 15 December 2020
- v. The directors' total emoluments were for their services in connection with the management of the affairs of the Group.
- vi. The directors' total emoluments were for their services as directors of the Company.

The emolument of Mr. Wang Junzhong received was being a director of a subsidiary of the Company during the year ended 31 December 2020.

During the year, there are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities (2020: nil).

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2020: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

8. EMPLOYEE BENEFIT EXPENSES (continued)**(b) Five highest paid individuals**

The five individuals whose emoluments were the highest in the Group for the year include one (2020: one) director whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining four (2020: four) individuals are as follows:

	2021 HK\$'000	2020 HK\$'000
Salaries and other benefits	3,695	4,761
Discretionary bonus	4,520	1,979
Employer's contributions to retirement benefits schemes	251	267
	8,466	7,007

	2021 Number of individuals	2020 Number of individuals
The emoluments fell within the following bands:		
Nil–HK\$1,000,000	—	1
HK\$1,000,001–HK\$1,500,000	—	1
HK\$1,500,001–HK\$2,000,000	1	—
HK\$2,000,001–HK\$2,500,000	3	2
	4	4

9. DIVIDEND

	2021 HK\$'000	2020 HK\$'000
Proposed final dividend of HK5.99 cents per ordinary share (2020: HK4.13 cents per ordinary share)	368,864	254,325

The board of directors of the Company proposed the payment of a final dividend of HK5.99 cents per ordinary share for the year ended 31 December 2021 (2020: HK4.13 cents). These consolidated financial statements do not reflect this dividend payable.

Dividends for ordinary shareholders of the Company recognised as distribution during the year, representing final dividend of 2020, amounted to HK\$254,325,000 (2020: final dividend of 2019 amounted to HK\$155,182,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

10. EARNINGS PER SHARE

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

	2021 HK\$'000	2020 HK\$'000
Earnings		
Profit attributable to equity holders of the Company for calculating basic and diluted earnings per share	923,116	636,161
	2021 '000	2020 '000
Number of shares		
Weighted average number of ordinary shares for calculating basic and diluted earnings per share	6,158,000	6,158,000

In both years, 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 CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

11. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK\$'000	Port facilities HK\$'000	Plant, machinery and vessels HK\$'000	Leasehold improvements, furniture and equipment HK\$'000	Motor vehicles HK\$'000	Construction in progress HK\$'000	Total HK\$'000
Cost							
At 1 January 2020	9,381,700	9,971,450	9,509,216	594,407	296,272	1,743,434	31,496,479
Exchange differences	604,193	642,173	612,404	38,280	19,080	112,279	2,028,409
Acquisition of assets through acquisition of a subsidiary (Note 27)	—	—	864	151	32	—	1,047
Acquisition of a subsidiary	22,936	26,033	1,621	3	15	—	50,608
Additions	—	—	—	1,937	—	969,242	971,179
Disposals	(8,770)	(429)	(120,358)	(25,722)	(21,100)	—	(176,379)
Transfers to construction in progress	(165,287)	—	(266,481)	—	—	349,210	(82,558)
Transfers	800,952	344,642	819,702	59,530	28,868	(2,083,603)	(29,909)
At 31 December 2020	10,635,724	10,983,869	10,556,968	668,586	323,167	1,090,562	34,258,876
Exchange differences	305,142	315,503	305,802	19,347	9,443	31,942	987,179
Acquisition of subsidiaries (Note 28)	479,802	1,124,601	516,462	32,266	100	63,691	2,216,922
Additions	—	—	—	3,926	—	1,117,825	1,121,751
Disposals	(69,914)	(69,256)	(183,785)	(13,402)	(7,284)	(2,654)	(346,295)
Disposal of subsidiaries (Note 29)	(1,358,316)	(2,382,826)	(2,161,362)	(247,841)	(11,018)	(202,225)	(6,363,588)
Transfers to construction in progress	—	—	(381,953)	—	—	164,014	(217,939)
Transfers	864,209	483,742	411,667	43,183	49,261	(1,869,171)	(17,109)
At 31 December 2021	10,856,647	10,455,633	9,063,799	506,065	363,669	393,984	31,639,797
Accumulated depreciation							
At 1 January 2020	2,994,272	2,071,346	5,548,023	316,991	214,287	—	11,144,919
Exchange differences	209,750	146,696	386,813	21,978	14,607	—	779,844
Charge for the year	302,254	228,020	527,368	27,949	14,403	—	1,099,994
Disposals	(4,437)	—	(106,502)	(21,774)	(18,536)	—	(151,249)
Transfers to construction in progress	(8,053)	—	(74,505)	—	—	—	(82,558)
At 31 December 2020	3,493,786	2,446,062	6,281,197	345,144	224,761	—	12,790,950
Exchange differences	106,350	74,199	189,957	10,519	6,786	—	387,811
Charge for the year	343,142	243,659	536,621	34,272	14,777	—	1,172,471
Disposals	(66,001)	(68,617)	(173,915)	(12,542)	(6,829)	—	(327,904)
Disposal of subsidiaries (Note 29)	(323,910)	(484,442)	(1,253,237)	(53,083)	(4,652)	—	(2,119,324)
Transfers to construction in progress	—	—	(217,939)	—	—	—	(217,939)
At 31 December 2021	3,553,367	2,210,861	5,362,684	324,310	234,843	—	11,686,065
Net book values							
At 31 December 2020	7,141,938	8,537,807	4,275,771	323,442	98,406	1,090,562	21,467,926
At 31 December 2021	7,303,280	8,244,772	3,701,115	181,755	128,826	393,984	19,953,732

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

11. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Depreciation is calculated using the straight-line method to allocate their costs, net of their residual values, over their estimated useful lives, as follows:

Buildings	5–40 years
Port facilities	35–50 years
Plant, machinery and vessels	8–35 years
Leasehold improvements, furniture and equipment	5–10 years
Motor vehicles	5–12 years

The Group is in the process of applying the title documents of certain buildings with carrying value of approximately HK\$171,144,000 (2020: HK\$179,662,000). The directors of the Company believe that title documents will be obtained in due course without significant additional costs and would not affect the Group's rights to use the buildings.

12. LEASES**(a) Right-of-use assets**

	Land use rights HK\$'000	Leasehold lands HK\$'000	Leased buildings HK\$'000	Leased machinery and vehicles HK\$'000	Total HK\$'000
At 1 January 2020	5,898,554	333,678	489,220	15,891	6,737,343
Exchange differences	370,567	19,478	22,597	486	413,128
Additions	—	—	275,506	10,204	285,710
Acquisition of a subsidiary	3,475	—	—	—	3,475
Derecognition	—	—	(24,170)	(2,938)	(27,108)
Depreciation for the year	(166,320)	(35,940)	(135,032)	(6,673)	(343,965)
At 31 December 2020	6,106,276	317,216	628,121	16,970	7,068,583
Exchange differences	174,844	8,456	16,282	255	199,837
Additions	239,497	—	83,801	21,140	344,438
Acquisition of subsidiaries (Note 28)	408,748	—	—	—	408,748
Disposal of a subsidiary (Note 29)	(767,395)	(19,904)	(1,801)	(18,576)	(807,676)
Derecognition	—	—	(286,502)	—	(286,502)
Depreciation for the year	(181,277)	(37,505)	(148,664)	(9,466)	(376,912)
At 31 December 2021	5,980,693	268,263	291,237	10,323	6,550,516

All land use rights and leasehold lands are located in Tianjin, the PRC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

12. LEASES

(b) Lease liabilities

	2021 HK\$'000	2020 HK\$'000
Within 1 year	220,594	348,372
Between 1 and 2 years	185,321	149,095
Between 2 and 5 years	116,478	61,823
Over 5 years	104,104	635,308
	626,497	1,194,598

Total cash outflows for leases for the year ended 31 December 2021 amounted to HK\$504,675,000 (2020: HK\$255,002,000).

Lease terms entered into for fixed term of between 1 to 50 years (2020: between 1 to 50 years) are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

13. INVESTMENT PROPERTIES

	2021 HK\$'000	2020 HK\$'000
Cost		
At 1 January	820,200	—
Acquisition of assets through acquisition of a subsidiary (Note 27)	—	820,200
Exchange differences	24,076	—
At 31 December	844,276	820,200
Accumulated depreciation		
At 1 January	—	—
Charge for the year	20,361	—
Exchange differences	291	—
At 31 December	20,652	—
Net book values		
At 31 December	823,624	820,200

The investment properties represent land and buildings in the PRC which are initially measured at cost.

Depreciation is calculated using the straight-line method to allocate their costs, net of their residual values, over their estimated useful lives, as follows:

Leasehold properties over the term of the lease

The Group leases out the investment properties above under operating leases with rentals payable monthly or quarterly. The period of lease is mainly within 1 year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

13. INVESTMENT PROPERTIES *(continued)*

The fair value of the investment properties as at 31 December 2021 was HK\$861,141,000. The fair value has been arrived at based on valuation carried out by an independent valuer not related to the Group. The valuation method is based on market approach method.

The fair value of the investment properties as at 31 December 2020 was HK\$820,200,000 which had been determined based on the fair value less cost of disposal of the same properties near 31 December 2020. The consideration of the transaction in 2020 was determined with reference to the appraised value assessed by the independent valuer.

In estimating the fair value of the investment properties as at 31 December 2021 and 2020, the highest and best use of the investment properties is their current use. The fair value measurement of the investment properties is included in level 3.

Significant unobservable inputs include current costs of replacements of similar properties adjusted for nature, location and conditions of the Group's properties, and land costs.

14. INTANGIBLE ASSETS**Computer software**

	2021 HK\$'000	2020 HK\$'000
Cost		
At 1 January	219,181	195,094
Exchange differences	6,415	12,564
Additions	17,402	4,049
Acquisition of subsidiaries <i>(Note 28)</i>	1,976	592
Disposals	(1,894)	(23,027)
Disposal of subsidiaries <i>(Note 29)</i>	(24,614)	—
Transfers	17,109	29,909
At 31 December	235,575	219,181
Accumulated amortisation		
At 1 January	134,314	126,951
Exchange differences	4,278	9,321
Charge for the year	24,406	20,473
Disposals	(1,894)	(22,431)
Disposal of subsidiaries <i>(Note 29)</i>	(13,592)	—
At 31 December	147,512	134,314
Net book values		
At 31 December	88,063	84,867

Cost of the above intangible assets are amortised over their estimated useful lives of 5–10 years on a straight-line basis. Amortisation is included in administrative expenses in the income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

15. SUBSIDIARIES

Particulars of principal subsidiaries are set out in Note 34(a).

Summarised financial information of subsidiaries with material non-controlling interests

Set out below are the summarised financial information of the subsidiaries that have material non-controlling interests. The Group's interests in these subsidiaries are held through Tianjin Port Holdings Co., Ltd. ("Tianjin Port Co."). The summarised financial information below represents amounts before inter-company eliminations.

	Tianjin Port China Coal Hua'neng Coal Terminal Co., Ltd.		Tianjin Port Pacific International Container Terminal Co., Ltd.		Tianjin Port Yuanhang Bulk Cargo Terminal Co., Ltd.	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Summarised assets and liabilities						
Current assets	180,528	263,953	249,282	219,680	162,769	205,239
Non-current assets	1,697,490	1,603,233	4,995,844	4,950,547	1,900,620	1,864,669
Current liabilities	(416,702)	(509,485)	(609,156)	(485,275)	(366,248)	(370,261)
Non-current liabilities	(219,602)	(130,445)	(843,309)	(1,157,304)	(250,875)	(290,097)
Net assets	1,241,714	1,227,256	3,792,661	3,527,648	1,446,266	1,409,550
Net assets attributable to non-controlling interests	881,951	871,681	2,693,810	2,505,580	1,027,238	1,001,160
Summarised profit or loss and other comprehensive income						
Revenue	738,458	649,949	1,346,319	1,276,452	489,554	458,647
(Loss)/profit for the year	(21,266)	10,752	364,263	339,094	55,816	63,691
Total comprehensive income for the year	14,455	84,902	473,027	559,985	97,991	150,785
(Loss)/profit for the year attributable to non-controlling interests	(15,104)	7,637	258,725	240,848	39,645	45,238
Dividends paid to non-controlling interests	—	—	101,884	87,334	29,998	18,534
Summarised cash flows						
Net cash from operating activities	183,399	83,932	661,112	684,652	183,474	177,309
Net cash used in investing activities	(12,284)	(9,691)	(143,354)	(103,458)	(21,962)	(13,485)
Net cash (used in)/from financing activities	(193,626)	6,572	(494,335)	(649,475)	(161,889)	(177,782)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

15. SUBSIDIARIES (continued)

Summarised financial information of subsidiaries with material non-controlling interests (continued)

	Tianjin Port Container Terminal Co., Ltd. ("Tianjin Port Container")		Tianjin Port Yuanhang International Ore Terminal Co., Ltd.		Tianjin Port Euroasia International Container Terminal Co., Ltd. ("Euroasia International")	
	2021 HK\$'000 (Note)	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000 (Note 28)
Summarised assets and liabilities						
Current assets	N/A	989,216	440,987	484,263	286,442	N/A
Non-current assets	N/A	4,278,656	3,966,553	3,991,846	2,666,945	N/A
Current liabilities	N/A	(592,873)	(569,343)	(432,367)	(550,302)	N/A
Non-current liabilities	N/A	(535,016)	(1,746,894)	(2,017,433)	(180,945)	N/A
Net assets	N/A	4,139,983	2,091,303	2,026,309	2,222,140	N/A
Net assets attributable to non-controlling interests	N/A	2,336,527	1,485,388	1,439,224	1,843,421	N/A
Summarised profit or loss and other comprehensive income						
Revenue	1,397,862	1,556,331	918,439	922,024	58,790	N/A
Profit for the year	174,013	343,018	160,882	175,794	11,368	N/A
Total comprehensive income for the year	174,013	598,175	222,664	303,234	12,341	N/A
Profit for the year attributable to non-controlling interests	123,596	193,593	114,269	124,861	9,431	N/A
Dividends paid to non-controlling interests	76,341	29,056	77,177	49,959	—	N/A
Summarised cash flows						
Net cash from operating activities	481,133	493,384	507,072	364,135	4,241	N/A
Net cash from/(used in) investing activities	196,888	(894,756)	(1,872)	(37,492)	72,343	N/A
Net cash (used in)/from financing activities	(547,533)	138,857	(477,085)	(339,011)	(41,553)	N/A

Note: Summarised information of profit or loss and other comprehensive income and cash flows of Tianjin Port Container for 2021 included relevant information for and up to the date of disposal as set out in Note 29(b). Tianjin Port Container became an associate of the Group thereafter and the relevant summarised financial information is set out in Note 16.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2021 HK\$'000	2020 HK\$'000
Investments in associates and joint ventures	5,897,365	4,806,587

At 31 December 2021, there are no contingent liabilities relating to the Group's interests in associates and joint ventures. Associates and joint ventures themselves do not have any contingent liabilities (2020: nil).

Particulars of principal associates and joint ventures are set out in Notes 34(b) and 34(c) respectively.

Summarised financial information of material associates and joint ventures

Set out below are the summarised financial information of the associates and joint ventures which are material to the Group and accounted for using the equity method in the consolidated financial statements. The Group's interests in these entities are mainly held through Tianjin Port Co.

	Tianjin Port Finance Co., Ltd. ("Tianjin Port Finance")		Guo Neng (Tianjin) Port Affairs Co., Ltd.*		Tianjin Port Alliance International Container Terminal Co., Ltd.	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Summarised assets and liabilities						
Current assets	6,986,609	4,735,730	333,305	326,059	502,987	448,430
Non-current assets	7,458,099	6,980,016	2,440,218	2,301,067	1,427,552	1,481,890
Current liabilities	(11,211,563)	(8,717,455)	(311,667)	(240,357)	(104,947)	(94,905)
Non-current liabilities	(1,967)	(991)	(9,772)	(10,473)	(2,585)	(3,633)
Net assets	3,231,178	2,997,300	2,452,084	2,376,296	1,823,007	1,831,782
Included in the above assets and liabilities:						
Cash and cash equivalents	4,549,431	3,386,013	1	4	406,595	356,988
Current financial liabilities (excluding trade and other payables and provisions)	11,174,361	8,681,290	159,002	118,821	—	—
Non-current financial liabilities (excluding trade and other payables and provisions)	—	—	—	—	—	—
Summarised profit or loss and other comprehensive income						
Revenue	515,719	414,590	1,138,702	1,032,738	586,868	547,533
Profit for the year	282,506	183,736	388,552	391,292	95,574	117,112
Other comprehensive income	92,028	188,161	75,314	163,715	55,138	120,762
Total comprehensive income	374,534	371,897	463,866	555,007	150,712	237,874
Included in the above profit for the year:						
Depreciation and amortisation	242	234	86,419	73,261	139,133	124,380
Interest income	435,710	405,122	76	82	3,354	4,944
Interest expense	118,801	106,804	—	—	75	65
Income tax expense	81,320	74,722	132,801	131,858	31,485	38,782
Dividends received from the associate and joint venture	67,515	65,589	174,635	171,361	63,601	71,293

* Guo Neng (Tianjin) Port Affairs Co., Ltd. formerly named as Shenhua Tianjin Coal Terminal Co., Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Summarised financial information of material associates and joint ventures (continued)

	Tianjin Port Shihua Crude Oil					
	Euroasia International		Terminal Co., Ltd.		Tianjin Port Container	
	2021 HK\$'000 (Note)	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Summarised assets and liabilities						
Current assets	344,005	205,163	112,930	121,176	492,232	N/A
Non-current assets	2,306,381	2,334,445	759,451	792,289	4,372,652	N/A
Current liabilities	(371,488)	(354,705)	(75,359)	(76,197)	(307,275)	N/A
Non-current liabilities	(390,534)	(423,954)	(122)	(876)	(575,889)	N/A
Net assets	1,888,364	1,760,949	796,900	836,392	3,981,720	N/A
Included in the above assets and liabilities:						
Cash and cash equivalents	273,045	138,735	56,103	68,812	314,668	N/A
Current financial liabilities (excluding trade and other payables and provisions)	287,128	302,044	—	—	—	N/A
Non-current financial liabilities (excluding trade and other payables and provisions)	390,391	423,954	—	—	452,544	N/A
Summarised profit or loss and other comprehensive income						
Revenue	540,967	530,450	229,380	213,575	115,061	N/A
Profit/(loss) for the year	75,507	79,436	81,559	81,154	(100,936)	N/A
Other comprehensive income	52,771	108,110	25,719	60,027	51	N/A
Total comprehensive income/(expense)	128,278	187,546	107,278	141,181	(100,885)	N/A
Included in the above profit for the year:						
Depreciation and amortisation	118,781	121,258	55,315	51,605	21,933	N/A
Interest income	855	1,525	2,044	2,615	1,152	N/A
Interest expense	27,179	35,380	11	9	2,284	N/A
Income tax expense/(credit)	25,229	26,971	27,202	27,064	(13,142)	N/A
Dividends received from the associate and joint venture	—	14,259	73,386	83,175	—	N/A

Note: Summarised information of profit or loss and other comprehensive income of Euroasia International for 2021 included relevant information for and up to the date of Euroasia International become a subsidiary of the Group as set out in Note 28. The relevant summarised financial information thereafter is set out in Note 15.

The information above reflects the amounts presented in the financial statements of the associates and joint ventures, adjusted for differences in accounting policies between the Group and the associates and joint ventures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)**Summarised financial information of material associates and joint ventures** (continued)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interests in these associates and joint ventures:

	Tianjin Port Finance		Guo Neng (Tianjin) Port Affairs Co., Ltd.		Tianjin Port Alliance International Container Terminal Co., Ltd. (Note)	
	2021	2020	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Net assets of the associate or joint venture	3,231,178	2,997,300	2,452,084	2,376,296	1,823,007	1,831,782
Proportion of the Group's ownership interest	46%	48%	45%	45%	40%	40%
Group's share of net assets of the associate or joint venture	1,480,719	1,438,704	1,103,438	1,069,333	729,203	732,713
Goodwill	—	—	5,166	5,018	5,336	5,184
Carrying amount	1,480,719	1,438,704	1,108,604	1,074,351	734,539	737,897

	Euroasia International		Tianjin Port Shihua Crude Oil Terminal Co., Ltd.		Tianjin Port Container	
	2021	2020	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Net assets of the associate or joint venture	N/A	1,760,949	796,900	836,392	3,981,720	N/A
Proportion of the Group's ownership interest	N/A	40%	50%	50%	42%	N/A
Group's share of net assets of the associate or joint venture	N/A	704,380	398,450	418,196	1,659,979	N/A
Goodwill	N/A	—	59,300	57,609	115,322	N/A
Carrying amount	N/A	704,380	457,750	475,805	1,775,301	N/A

Note: On 20 December 2021, Tianjin Port Co (a subsidiary of the Group) and its subsidiary, entered into an agreement with another shareholder of Tianjin Port Alliance International Container Terminal Co., Ltd. to transfer 20% equity interest in Tianjin Port Alliance International Container Terminal Co., Ltd. at the consideration of RMB172,604,258.41. Following the completion of the transaction, the Group will hold 60% equity interest in Tianjin Port Alliance International Container Terminal Co., Ltd. The agreement was effective after the year ended 31 December 2021. As at the date of this report, the transaction has not been completed yet and is subject to fulfillment of certain conditions precedent.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD *(continued)***Individually immaterial associates and joint ventures**

In addition to the interests in associates and joint ventures disclosed above, the Group also has interests in a number of individually immaterial associates and joint ventures that are accounted for using the equity method.

	2021 HK\$'000	2020 HK\$'000
Aggregate carrying amount of individually immaterial associates and joint ventures	340,452	375,450
Aggregate amount of the Group's share of:		
Profit for the year	35,870	52,372
Other comprehensive (expenses)/income	(26,454)	31,959
Total comprehensive income	9,416	84,331

17. FINANCIAL ASSETS AT FVOCI

	2021 HK\$'000	2020 HK\$'000
Equity securities listed in the PRC	674,173	728,581
Equity securities listed in Hong Kong	6,600	6,700
Unlisted equity investments	24,785	50,319
	705,558	785,600

The carrying amounts of financial assets at FVOCI are denominated in the following currencies:

	2021 HK\$'000	2020 HK\$'000
RMB	698,958	778,900
HK\$	6,600	6,700
	705,558	785,600

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

18. DEFERRED INCOME TAX

Deferred income tax assets

	Unrealised profit on inter-company transfer of property, plant and equipment HK\$'000	Provisions for impairment HK\$'000	Others HK\$'000	Total HK\$'000
At 1 January 2020	19,816	23,653	11,445	54,914
Exchange differences	4,457	1,652	705	6,814
Credited/(charged) to consolidated income statement	56,830	2,300	(568)	58,562
At 31 December 2020	81,103	27,605	11,582	120,290
Exchange differences	1,449	509	222	2,180
Acquisition of subsidiaries (Note 28)	—	16	—	16
Disposal of subsidiaries (Note 29)	(230)	(217)	(1,255)	(1,702)
Charged to consolidated income statement	(65,144)	(21,115)	(8,309)	(94,568)
At 31 December 2021	17,178	6,798	2,240	26,216

Deferred income tax assets are recognised more than 12 months after the end of the respective reporting period.

The Group had unused tax losses of approximately HK\$2,296,876,000 (2020: HK\$1,808,454,000) available to offset future profits. No deferred income tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. Losses of approximately HK\$2,296,876,000 will expire from 2022 to 2026 (2020: HK\$1,808,454,000 will expire from 2021 to 2025).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

18. DEFERRED INCOME TAX (continued)

Deferred income tax liabilities

	Financial assets at FVOCI revaluation HK\$'000	Withholding tax on undistributed profits HK\$'000	Total HK\$'000
At 1 January 2020	166,251	95,638	261,889
Exchange differences	10,913	5,343	16,256
Tax paid	—	(17,644)	(17,644)
Transfer to current income tax liabilities	—	(6,105)	(6,105)
Charged to consolidated income statement	—	10,756	10,756
Charged to other comprehensive income	3,676	—	3,676
At 31 December 2020	180,840	87,988	268,828
Exchange differences	4,181	2,386	6,567
Tax paid	—	(20,445)	(20,445)
Transfer to current income tax liabilities	—	(7,206)	(7,206)
Disposal of subsidiaries (Note 29)	219	—	219
Charged to consolidated income statement	—	15,044	15,044
Credited to other comprehensive income	(78,957)	—	(78,957)
At 31 December 2021	106,283	77,767	184,050

Deferred income tax liabilities are realisable more than 12 months after the end of the respective reporting period.

In accordance with the PRC income tax law, withholding income tax is imposed on dividends declared in respect of profits earned by foreign-invested companies after 1 January 2008 to foreign investors. Deferred taxation has been provided on the undistributed profits of the PRC subsidiaries, associates and joint ventures since 1 January 2008.

19. INVENTORIES

	2021 HK\$'000	2020 HK\$'000
Bunker and other fuel oil	12,161	246,313
Consumable and other materials	69,054	87,452
	81,215	333,765

The costs of inventories recognised as expense and included in costs of sales were HK\$7,089,295,000 (2020: HK\$6,482,561,000), of which costs of goods sold amounted to HK\$6,602,355,000 (2020: HK\$6,027,884,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

20. TRADE AND OTHER RECEIVABLES AND NOTES RECEIVABLES

	2021 HK\$'000	2020 HK\$'000
Trade receivables at amortised cost	1,991,675	2,102,367
Less: Provision for impairment	(109,044)	(122,685)
Trade receivables at amortised cost, net	1,882,631	1,979,682
Purchase deposits paid for inventories	216,156	316,675
VAT and other tax receivables	189,108	191,287
Prepayments	33,501	33,061
Dividend receivables	338	1,446
Other receivables	65,919	61,030
	2,387,653	2,583,181
Notes receivables at FVOCI	792,137	822,561
	3,179,790	3,405,742

As at 1 January 2020, trade receivables from contracts with customers amounted to HK\$1,894,414,000. The carrying amounts of trade and other receivables and notes receivables approximate their fair values and are mainly denominated in RMB.

Notes receivables mainly included bank acceptance notes. The Group believes that 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 31 December 2021, the Group endorsed notes receivables amounting to approximately HK\$734,256,000 (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.

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:

	2021 HK\$'000	2020 HK\$'000
0–90 days	1,771,953	1,817,676
91–180 days	71,658	101,531
Over 180 days	39,020	60,475
	1,882,631	1,979,682

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

20. TRADE AND OTHER RECEIVABLES AND NOTES RECEIVABLES (continued)

The Group measured ECL which uses a lifetime expected loss to make provision for impairment of trade receivables. Movements in the provision for impairment of trade receivables are as follows:

	2021 HK\$'000	2020 HK\$'000
At 1 January	122,685	90,726
Exchange differences	3,593	7,394
Disposal of subsidiaries	(3,065)	—
Provision for impairment	1,482	27,715
Reversal upon written off	(15,651)	(3,150)
At 31 December	109,044	122,685

21. RESTRICTED BANK DEPOSITS, TIME DEPOSITS WITH MATURITY OVER THREE MONTHS AND CASH AND CASH EQUIVALENTS

	2021 HK\$'000	2020 HK\$'000
Restricted bank deposits (Note)	—	256,852
Time deposits with maturity over three months	1,264,192	771,118
Cash and cash equivalents	7,731,651	7,722,605
Total deposits and cash and cash equivalents	8,995,843	8,750,575

Note: As at 31 December 2020, restricted bank deposits mainly represented guarantee deposits for bank notes payables and cash consideration payable for acquisition of assets through acquisition of a subsidiary of HK\$250,912,000 (Note 27).

The carrying amounts of restricted bank deposits, time deposits with maturity over three months and cash and cash equivalents are denominated in the following currencies:

	2021 HK\$'000	2020 HK\$'000
RMB	8,182,698	8,516,835
US dollars (US\$)	805,697	220,336
HK\$	7,448	13,404
	8,995,843	8,750,575

The maximum exposure to credit risk at the end of the reporting period is the fair value of each class of deposits mentioned above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

22. 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 31 December 2021	12,000,000	1,200,000
Issued and fully paid:		
At 1 January 2020, 31 December 2020 and 31 December 2021	6,158,000	615,800

Share option

Pursuant to the written resolutions passed by the sole shareholder of the Company on 26 April 2006, a share option scheme (the "Share Option Scheme") was adopted. The Share Option Scheme was effective for a period of 10 years and expired on 25 April 2016, no further share options shall be granted thereafter. 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. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

- (a) Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2021		2020	
	Average exercise price HK\$	Number of share options '000	Average exercise price HK\$	Number of share options '000
At 1 January	1.23	3,950	1.51	7,100
Lapsed	1.52	(1,050)	1.86	(3,150)
At 31 December	1.13	2,900	1.23	3,950
Exercisable 31 December		2,900		3,950

- (b) Share options outstanding at the end of the reporting period and their remaining contractual lives are as follows:

	2021		2020	
	Remaining contractual life No. of years	Number of share options '000	Remaining contractual life No. of years	Number of share options '000
Exercise price				
HK\$1.828	—	—	0.33	700
HK\$0.896	0.50	1,800	1.50	2,150
HK\$1.514	2.72	1,100	3.72	1,100
At 31 December		2,900		3,950

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

23. OTHER RESERVES

	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	Total 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 income for the year	—	—	3,153	—	810,160	—	—	813,313
Transfers	—	—	—	—	—	98,057	—	98,057
Deregistration of subsidiaries	—	—	—	—	—	—	(58)	(58)
Lapse of share options	—	—	—	(2,450)	—	—	—	(2,450)
At 31 December 2020	10,291,605	(9,111,447)	173,128	2,198	941,692	1,796,614	414,868	4,508,658
Other comprehensive (expenses)/ income for the year	—	—	(98,484)	—	383,636	—	—	285,152
Transfers	—	—	—	—	—	87,644	—	87,644
Disposal of subsidiaries	—	—	170	—	—	—	(358)	(188)
Lapse of share options	—	—	—	(739)	—	—	—	(739)
At 31 December 2021	10,291,605	(9,111,447)	74,814	1,459	1,325,328	1,884,258	414,510	4,880,527

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 CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

24. BORROWINGS

	2021 HK\$'000	2020 HK\$'000
Unsecured borrowings:		
Non-current		
Long-term borrowings	5,087,904	6,775,769
Current		
Short-term borrowings	3,240,620	1,586,561
Current portion of long-term borrowings	2,004,599	4,002,316
	5,245,219	5,588,877
	10,333,123	12,364,646
Repayable:		
Within 1 year	5,245,219	5,588,877
Between 1 and 2 years	1,747,392	2,095,006
Between 2 and 5 years	1,762,981	2,404,886
Over 5 years	1,577,531	2,275,877
	10,333,123	12,364,646
Carrying amounts are denominated in the following currencies:		
RMB	8,135,590	10,031,399
HK\$	2,197,533	2,197,709
US\$	—	135,538
	10,333,123	12,364,646
Weighted average interest rates per annum:		
RMB	4.3%	4.4%
HK\$	1.3%	1.5%
US\$	N/A	2.5%

The carrying amounts of borrowings approximate their fair values. Borrowings of HK\$2,038,467,000 (2020: HK\$1,704,551,000) are arranged at fixed interest rates and expose the Group to fair value interest rate risk. Other borrowings are arranged at floating interest rates, thus exposing the Group to cash flow interest rate risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

25. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	2021 HK\$'000	2020 HK\$'000
Trade payables	2,287,965	1,807,272
Notes payables	70,516	317,216
Trade and notes payables	2,358,481	2,124,488
Receipts in advance	618,677	599,570
Contract liabilities	260,606	307,159
Dividend payables to non-controlling interests	23,908	54,682
Dividend payable to an immediate holding company	218,963	83,022
Cash consideration payable for acquisition of assets through acquisition of a subsidiary (Note 27)	—	284,451
Construction payables	593,777	579,459
Staff salaries and benefits payables	134,162	143,915
Other non-trade payables	280,456	409,664
	4,489,030	4,586,410

The carrying amounts of trade and other payables and contract liabilities approximate their fair values and are mainly denominated in RMB.

Credit periods are granted by certain suppliers to the Group for up to 180 days. The ageing analysis of trade and notes payables based on the invoice date is as follows:

	2021 HK\$'000	2020 HK\$'000
0–90 days	2,032,141	1,674,365
91–180 days	123,405	233,984
181–365 days	96,631	120,709
Over 365 days	106,304	95,430
	2,358,481	2,124,488

Balance of contract liabilities as at 31 December 2021 and 2020 related to the following businesses of the Group:

	2021 HK\$'000	2020 HK\$'000
Cargo handling business	125,597	198,536
Sales business	129,618	106,103
Other port ancillary services business	5,391	2,520
	260,606	307,159

As at 1 January 2020, contract liabilities amounted to HK\$274,264,000 and revenue related to such amount has been fully recognised in the year ended 31 December 2020. For contract liabilities as at 31 December 2020 as shown above, revenue related to such amount has also been fully recognised in the year ended 31 December 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

26. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash generated from operations

	2021 HK\$'000	2020 HK\$'000
Profit before income tax	2,476,296	1,796,959
Adjustments for:		
— Interest income	(172,636)	(167,835)
— Finance costs	484,159	550,117
— Share of net profit of associates and joint ventures accounted for using the equity method	(411,101)	(435,843)
— Dividend income from financial assets at FVOCI	(20,137)	(17,937)
— (Gain)/loss on disposal of property, plant and equipment	(4,275)	12,408
— Gain on derecognition of right-of-use assets	—	(1,106)
— Remeasurement gain on investments in joint ventures accounted for using the equity method (Note 28)	(128,850)	(5,922)
— Gain on disposal of investment in an associate	(77)	—
— Gain on disposal of subsidiaries (Note 29)	(439,198)	—
— Loss on deregistration of subsidiaries	—	209
— Depreciation of property, plant and equipment	1,172,471	1,099,994
— Depreciation of right-of-use assets	376,912	343,965
— Depreciation of investment properties	20,361	—
— Amortisation of intangible assets	24,406	20,473
— Net impairment losses on financial assets	1,147	26,588
— Written off of trade receivables	(731)	—
— Exchange gain, net	(58,471)	(129,755)
Changes in working capital:		
— Inventories	158,778	(87,604)
— Trade and other receivables and notes receivables	(481,206)	(521,972)
— Restricted bank deposits	—	31,377
— Trade and other payables and contract liabilities	856,648	548,800
— Other long-term liabilities	11,028	8,482
Cash generated from operations	3,865,524	3,071,398

(b) Disposal of an associate

On 20 December 2021, Tianjin Port Logistics Development Co., Ltd., a subsidiary of the Group, entered into an agreement with Tianjin Port Economic-Technological Cooperation Co., Ltd. ("Economic-Technological Co"), a subsidiary of Tianjin Port (Group) Co., Ltd ("Tianjin Port Group"), to transfer 49% of the equity interest in Tianjin Port Zhonggu Logistics Development Co., Ltd. ("Zhonggu Logistics"), an associate of the Group, for a consideration of RMB8,352,000 (equivalent to HK\$10,006,000). The disposal was completed on December 2021 and the Group would no longer hold any equity interest in Zhonggu Logistics after the disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

26. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows used in financing activities.

	Borrowings HK\$'000	Interest payables HK\$'000	Other payables HK\$'000	Lease liabilities HK\$'000	Dividend payables to equity holders of the Company HK\$'000	Dividend payables to non- controlling interests HK\$'000	Total HK\$'000
At 1 January 2020	13,433,002	892	—	984,970	—	43,329	14,462,193
Financing cash flows	(1,937,607)	(511,793)	(135)	(149,609)	(72,160)	(449,188)	(3,120,492)
Non-cash items:							
Interest expenses	6,105	505,835	—	38,177	—	—	550,117
New lease contracts entered into	—	—	—	257,496	—	—	257,496
Acquisition of assets through acquisition of a subsidiary (Note 27)	135,539	4,140	—	—	—	—	139,679
Acquisition of a subsidiary	61,609	5,357	—	—	—	—	66,966
Deregistration of subsidiaries	—	—	135	—	—	—	135
Withholding tax	—	—	—	—	—	7,193	7,193
Declaration of dividends	—	—	—	—	155,182	450,558	605,740
Exchange differences	665,998	4,498	—	63,564	—	2,790	736,850
At 31 December 2020	12,364,646	8,929	—	1,194,598	83,022	54,682	13,705,877
Financing cash flows	(1,523,527)	(452,291)	—	(411,968)	(118,384)	(541,695)	(3,047,865)
Non-cash items:							
Interest expenses	(176)	447,238	—	37,097	—	—	484,159
New lease contracts entered into	—	—	—	104,941	—	—	104,941
Acquisition of a subsidiary	669,764	7,754	—	—	—	—	677,518
Deregistration of subsidiaries	—	—	—	(286,502)	—	—	(286,502)
Disposal of subsidiaries	(1,461,921)	(16,738)	—	(46,542)	—	(22,651)	(1,547,852)
Withholding tax	—	—	—	—	—	5,195	5,195
Declaration of dividends	—	—	—	—	254,325	529,982	784,307
Exchange differences	284,337	21,077	—	34,873	—	(1,605)	338,682
At 31 December 2021	10,333,123	15,969	—	626,497	218,963	23,908	11,218,460

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

27. ACQUISITION OF ASSETS THROUGH ACQUISITION OF A SUBSIDIARY

On 15 December 2020, Tianjin Port Co, a subsidiary of the Group, entered into an agreement with other shareholder of Tianjin Port Haifeng Bonded Logistics Co., Ltd. ("Haifeng Logistics"), a joint venture of the Group (in which the Group held 51% equity interest prior to the acquisition), to acquire 49% equity interest in Haifeng Logistics. Following the completion of the acquisition, the Group held 100% issued shares of Haifeng Logistics which became a subsidiary of the Group. The transaction was accounted for as acquisition of assets by the end of December 2020.

The Group elected to apply the optional concentration test in accordance with HKFRS 3 "Business Combinations" and concluded that the investment properties were considered as a single identifiable asset.

Consequently, the Group determined that substantially all of the fair value of the gross assets (excluding cash and cash equivalents) acquired was concentrated in investment properties and concluded that the acquired set of activities and assets was not a business. The acquisition was accounted for as an acquisition of assets.

Assets and liabilities recognised at the date of acquisition were as follows:

	2020 HK\$'000
Property, plant and equipment (<i>Note 11</i>)	1,047
Investment properties (<i>Note 13</i>)	820,200
Trade and other receivables and notes receivables	3,804
Cash and cash equivalents	45,525
Trade and other payables and contract liabilities	(13,454)
Loan from the Group	(141,071)
Borrowings (<i>Note 26(c)</i>)	(135,539)
Net assets acquired	580,512
Satisfied by:	
Fair value of 51% equity interest in Haifeng Logistics	296,061
Cash consideration	284,451
	580,512
Fair value of 51% equity interest in Haifeng Logistics	296,061
Less: Investment in a joint venture accounted for using the equity method	(277,914)
Remeasurement gain on investment in a joint venture accounted for using the equity method	18,147
Cash consideration	284,451
Less: Cash consideration payable (<i>Note 25</i>)	(284,451)
Cash consideration paid	—
Cash consideration paid to restricted bank account (<i>Note 21</i>)	(250,912)
Cash and cash equivalents acquired	45,525
Net cash outflow arising on acquisition	(205,387)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

28. ACQUISITION OF SUBSIDIARIES

On 28 April 2021, Tianjin Port Co, a subsidiary of the Group, entered into an agreement with other shareholder of COSCO SHIPPING Ports (Tianjin Euroasia) Limited ("COSCO SHIPPING Ports Euroasia") to acquire all the issued shares of COSCO SHIPPING Ports Euroasia (which held 30% equity interest in Euroasia International). Following the completion of the acquisition, COSCO SHIPPING Ports Euroasia became a wholly-owned subsidiary of the Group and the issued shares of Euroasia International held by the Group increased from 40% to 70%, and Euroasia International became a subsidiary of the Group. The acquisition was completed on 3 December 2021. Euroasia International is principally engaged in container handling and other port ancillary services.

Details of the aggregate fair values of consolidated identifiable assets and liabilities of COSCO SHIPPING Ports Euroasia as at the date of acquisition were as follows:

	2021 HK\$'000
Property, plant and equipment (Note 11)	2,216,922
Right-of-use assets (Note 12(a))	408,748
Intangible assets (Note 14)	1,976
Deferred income tax assets (Note 18)	16
Inventories	5,855
Trade and other receivables and notes receivables	64,979
Cash and cash equivalents	273,069
Trade and other payables and contract liabilities	(414,196)
Borrowings	(669,764)
Current income tax liabilities	(3,607)
Net assets acquired	1,883,998
Less: Non-controlling interests determined by fair value	(662,940)
	1,221,058
Cash consideration paid	337,139
Fair value of investment in a joint venture	883,919
	1,221,058
Fair value of investment in a joint venture	883,919
Less: Investment in a joint venture	(755,069)
Remeasurement gain on investment in a joint venture accounted for using the equity method	128,850
Cash consideration	337,139
Settlement of amount due to an original shareholder of COSCO SHIPPING Ports Euroasia by the Group (Note)	325,824
Cash and cash equivalent obtained	(273,069)
Net cash outflow of acquisition	389,894

Note: The amount of HK\$325,824,000 due to an original shareholder of the acquiree was included in trade and other payables and contract liabilities above. Pursuant to the agreement, the Group has to settle such sum as part of the transaction.

If the acquisition had been completed on 1 January 2021, total Group revenue for the year would have been HK\$17,899,085,000, and profit for the year would have been HK\$1,994,838,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2021, nor is intended to be a projection of future results.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

29. DISPOSAL OF SUBSIDIARIES

- (a) On 26 February 2021, Tianjin Port Co, a subsidiary of the Group, entered into an agreement with Economic-Technological Co to transfer 53% equity interest in CHIMBUSCO Marine Bunker (Tianjin) Co., Ltd. ("CHIMBUSCO Tianjin"). The disposal was completed in August 2021 and CHIMBUSCO Tianjin has ceased to be a subsidiary of the Group.

Net assets at the date of disposal were as follows:

	2021 HK\$'000
Property, plant and equipment	848,550
Right-of-use assets	135,223
Intangible assets	126
Investments accounted for using the equity method	80,737
Financial assets at fair value through other comprehensive income	11,172
Inventories	69,451
Trade and other receivables and notes receivables	497,682
Cash and cash equivalents	14,649
Trade and other payables and contract liabilities	(740,888)
Lease liabilities	(33,461)
Deferred income tax liabilities	219
Borrowings	(882,388)
Other long-term liabilities	(419)
	653
Less: Non-controlling interests	(2,060)
Net liabilities disposed of	(1,407)
Cash consideration	—
Less: Net liabilities disposed of	1,407
Gain on disposal of a subsidiary	1,407
Net cash outflow arising on disposal:	
Cash and cash equivalents disposed of	(14,649)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

29. DISPOSAL OF SUBSIDIARIES *(continued)*

- (b) On 26 February 2021, Tianjin Port Co, a subsidiary of the Group, entered into an agreement with other shareholder of Tianjin Port Container to transfer 34.99% of the issued capital of Tianjin Port Container (in which the Group held 76.68% of the issued capital prior to the disposal), a subsidiary of the Group. Following the completion of the disposal, the Group held 41.69% of the issued capital of Tianjin Port Container and Tianjin Port Container become an associate of the Group. The disposal was completed on 3 December 2021.

Net assets at the date of disposal were as follows:

	2021 HK\$'000
Property, plant and equipment	3,395,714
Right-of-use assets	672,453
Intangible assets	10,896
Investments accounted for using the equity method	10,952
Deferred income tax assets	1,702
Inventories	30,176
Trade and other receivables and notes receivables	141,499
Cash and cash equivalents	431,737
Trade and other payables and contract liabilities	(241,054)
Lease liabilities	(13,081)
Borrowings	(579,533)
Other long-term liabilities	(3,931)
	3,857,530
Less: Non-controlling interests	(952,229)
Net assets disposed of	2,905,301
Fair value of investment in an associate	1,817,587
Cash consideration	1,525,505
Less: Net assets disposed of	(2,905,301)
Gain on disposal of a subsidiary	437,791
Cash consideration received	1,525,505
Cash and cash equivalents disposed of	(431,737)
Net cash inflow arising on disposal	1,093,768

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

30. COMMITMENTS

	2021 HK\$'000	2020 HK\$'000
Contracted but not provided for		
Property, plant and equipment	543,595	325,649
Authorised but not contracted for		
Property, plant and equipment	1,576,733	1,562,233

31. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to those mentioned elsewhere in the consolidated financial statements, 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

	2021 HK\$'000	2020 HK\$'000
With Tianjin Port Group and its subsidiaries, associates and joint ventures		
Sales of goods and services	102,555	54,324
Purchases of goods and services	920,108	747,451
Payments for rental of land, property, plant and equipment (Note)	253,305	167,508
Acquisition of property, plant and equipment	470,937	69,991
With associates		
Sales of goods and services	75,620	58,311
Purchases of goods and services	742,568	741,278
Income from rental of property, plant and equipment	28,792	27,070
Payments for rental of property, plant and equipment (Note)	8,837	11,756
Interest income	54,087	63,983
Interest expenses on borrowings	180,644	176,202
With joint ventures		
Sales of goods and services	72,817	81,995
Purchases of goods and services	69,044	114,448
Interest income	4,046	4,046

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

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

	2021 HK\$'000	2020 HK\$'000
With Tianjin Port Group and its subsidiaries, associates and joint ventures		
Trade and other receivables and notes receivables (Note i)	50,210	43,315
Trade and other payables and contract liabilities (Note i)	447,075	374,225
Lease payables	29,610	104,342
With associates		
Trade and other receivables and notes receivables (Note i)	1,165	4,076
Trade and other payables and contract liabilities (Note i)	63,315	79,456
Deposits (Note ii)	3,750,844	3,977,489
Borrowings (Note iii)	3,758,478	3,992,182
With joint ventures		
Trade and other receivables and notes receivables (Note i)	2,054	2,811
Trade and other payables and contract liabilities (Note i)	2,229	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.
- ii. Deposits placed with Tianjin Port Finance, a 45.83% (2020: 48.00%) 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.
- iii. As at 31 December 2021, borrowings from Tianjin Port Finance amounted to HK\$3,758,478,000 (2020: HK\$3,992,182,000), in which HK\$3,151,212,000 (2020: HK\$3,503,232,000) are repayable within 5 years and the remaining HK\$607,266,000 (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% (2020: from 3.9% to 4.9%) per annum.

(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 31 December 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 consolidated financial statements.

(d) Key management compensation

The key management of the Group comprises solely the directors of the Company, details of their remuneration are disclosed in Note 8.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

32. FINANCIAL RISK MANAGEMENT

The categories of financial instruments of the Group are as follows:

	2021 HK\$'000	2020 HK\$'000
Financial assets at FVOCI	1,497,695	1,608,161
Financial assets at amortised costs	11,133,839	10,984,020
Financial liabilities at amortised costs	14,665,831	17,367,253

32.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's financial risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. As at 31 December 2021, the Group did not use any derivative financial instruments to hedge against its financial risk exposures.

Market risk**(1) Foreign exchange risk**

Foreign exchange risk arises when future commercial transactions and recognised assets or liabilities are denominated in currency that is not the functional currency of the entity.

The operations and customers of the Group's subsidiaries are located in the PRC with most of the assets/liabilities and transactions denominated and settled in RMB.

At 31 December 2021, if RMB had weakened/strengthened by 5% (2020: 8%) against non-functional currencies with all other variables held constant, the Group's profit for the year would have been approximately HK\$109,304,000 (2020: HK\$172,369,000) lower/higher, mainly as a result of exchange losses/gains on translation of the outstanding non-functional currency denominated monetary items including deposits, receivables, payables and borrowings of the Group.

(2) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from deposits and borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's borrowings are issued at variable rates and fixed rates.

At 31 December 2021, if interest rates on borrowings had been 50 (2020: 50) basis points higher/lower with all other variables held constant, the Group's profit for the year would have been approximately HK\$33,542,000 (2020: HK\$41,074,000) lower/higher, mainly as a result of higher/lower interest expenses on floating rate borrowings.

(3) Price risk

The Group is exposed to equity securities price risk because certain of the Group's investments classified as financial assets at FVOCI are stated at fair value.

At 31 December 2021, if the price of the listed equity investments had been 10% (2020: 10%) higher/lower with all other variables held constant, the Group's total equity would have increased/decreased by approximately HK\$51,235,000 (2020: HK\$55,336,000) as a result of changes in fair value of the listed equity investments classified as financial assets at FVOCI.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

32. FINANCIAL RISK MANAGEMENT (continued)**32.1 Financial risk factors****Credit risk**

Credit risk arises from trade and other receivables and notes receivables, deposits with banks and non-bank financial institutions. The carrying amounts of these balances substantially represent the Group's maximum exposure to credit risk at the end of the reporting period. The credit risk for deposits with banks and financial institutions is limited because the majority of the Group's deposits are placed in banks in Hong Kong and top tier state-owned/listed banks and financial institutions in the PRC with high credit rating. For trade receivables, the Group has no significant concentrations of credit risk. The Group assesses the credit quality of the customers, taking into account their financial position, past settlement history and trading relationships. The utilisation of credit limits is regularly monitored.

The Group measured ECL of financial instruments in different stages as follows:

- Stage 1: financial instruments that have not had a significant increase in credit risk since initial recognition. For trade receivables, impairments are provided at lifetime ECL without credit-impaired. For other financial assets, impairments are provided at 12-month ECL.
- Stage 2: financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment. For trade receivables, impairments are provided at lifetime ECL without credit-impaired. For other financial assets, impairments are provided at lifetime ECL.
- Stage 3: financial instruments that have objective evidence of impairment. For these assets, lifetime ECL are recognised.
- Stage 4 (write-off): financial instruments that have indicated evidence that the debtor is in severe financial difficulty and the Group has no realistic prospect recovery. The amount of assets is written off.

	Internal credit rating	12-month ECL or lifetime ECL	Gross amount	
			2021 HK\$'000	2020 HK\$'000
Restricted bank balances	N/A	12-month ECL	—	256,852
Time deposits with maturity over three months	N/A	12-month ECL	1,264,192	771,118
Cash and cash equivalents	N/A	12-month ECL	7,731,651	7,722,605
Purchase deposits paid for inventories	N/A	12-month ECL	216,156	316,675
Prepayments	N/A	12-month ECL	33,501	33,061
VAT and other taxes receivables	Note (i)	12-month ECL	189,108	191,287
Other receivables	Note (i)	12-month ECL	65,919	61,030
Dividend receivables	Note (i)	12-month ECL	338	1,446
Notes receivables	N/A	12-month ECL	792,137	822,561
Trade receivables	Note (ii)	Lifetime ECL (not credit-impaired)	1,974,027	2,070,977
		Lifetime ECL (credit-impaired)	17,648	31,390

Notes:

- For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition. As at 31 December 2021 and 2020, the Group considers that the credit loss from these balances are not significant.
- For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the provision at lifetime ECL. Except for credit-impaired balances, the Group determines the ECL on these items group by past due status.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

32. FINANCIAL RISK MANAGEMENT (continued)**32.1 Financial risk factors** (continued)**Credit risk** (continued)

Movement in lifetime ECL that has been recognised for trade receivables under the simplified approach is as follows:

	Lifetime ECL (not credit- impaired) HK\$'000	Lifetime ECL (credit- impaired) HK\$'000	Total HK\$'000
At 1 January 2020	74,864	15,862	90,726
Impairment losses recognised	13,977	13,738	27,715
Reversal upon written off	(3,150)	—	(3,150)
Exchange differences	5,604	1,790	7,394
At 31 December 2020	91,295	31,390	122,685
Impairment losses recognised	15,938	(14,456)	1,482
Disposal of subsidiaries	(3,065)	—	(3,065)
Reversal upon written off	(15,651)	—	(15,651)
Exchange differences	2,879	714	3,593
At 31 December 2021	91,396	17,648	109,044

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and availability of funding from an adequate amount of committed credit facilities. The Group maintains flexibility in funding by keeping credit lines available.

Management monitors the Group's liquidity reserve which comprises undrawn borrowing facilities and cash and cash equivalents to meet its liquidity requirement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

32. FINANCIAL RISK MANAGEMENT (continued)**32.1 Financial risk factors** (continued)**Liquidity risk** (continued)

The financial liabilities are analysed into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date, using the contractual undiscounted cash flows, as follows:

	Less than 1 year HK\$'000	Between 1 and 2 years HK\$'000	Between 2 and 5 years HK\$'000	Over 5 years HK\$'000
At 31 December 2021				
Financial liabilities included in trade and other payables and contract liabilities	3,706,211	—	—	—
Borrowings	5,598,053	1,947,748	2,096,578	1,774,477
Lease liabilities	242,793	198,986	139,029	145,868
	9,547,057	2,146,734	2,235,607	1,920,345
At 31 December 2020				
Financial liabilities included in trade and other payables and contract liabilities	3,808,009	—	—	—
Borrowings	5,961,342	2,381,994	2,868,407	2,605,922
Lease liabilities	384,631	181,650	350,436	551,541
	10,153,982	2,563,644	3,218,843	3,157,463

32.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital structure using the gearing ratio (ratio of total borrowings to total equity). The Group's gearing ratio at 31 December 2021 was 33.8% (2020: 42.5%).

Management reviews the capital structure on a regular basis and considers the cost of capital and the risks associated with each class of capital. In order to maintain or balance the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or debts or redeem existing debts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

32. FINANCIAL RISK MANAGEMENT *(continued)***32.3 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).

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

At 31 December 2021, 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 FVOCI. Listed equity securities of HK\$680,773,000 (2020: HK\$735,281,000) were measured at the quoted price in active market.

The fair values of unlisted equity securities as at 31 December 2021 of HK\$24,785,000 (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. Discount for lack of marketability of 15.8% (2020: 20.6%) is the key unobservable input used in the valuation. A slight decrease in discount for lack of marketability used in valuation would result in a significant increase in the fair value measurement of the unlisted equity securities, and vice versa. A 3% (2020: 3%) decrease in the discount for lack of marketability holding all other variables constant would increase the carrying amount of the unlisted equity securities by HK\$847,000 (2020: HK\$1,864,000).

The Group's notes receivables at FVOCI is stated at level 2 fair value measurement based on discounted cash flow valuation technique where future cash flows are estimated with reference to expected settlement and discounted at rates that reflect the credit risk of the counterparties.

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	(26,630)	2,507
Exchange differences	1,096	3,023
At 31 December	24,785	50,319

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

33. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment assessment of certain long-term assets

At 31 December 2021, the market capitalisation of the Group was below its net asset value. This is an impairment indicator of certain long-term assets, including all of the Group's property, plant and equipment, right-of-use assets, investment properties, intangible assets and deferred income tax assets on the consolidated statement of financial position (the "Identified Long-term Assets").

Management of the Group performed impairment assessment for the Identified Long-term Assets. Each type of business is identified as a cash-generating unit. Management reviews the business performance on individual cash-generating unit basis. The recoverable amounts of cash-generating units are determined either using value-in-use model or fair value less cost of disposal.

The recoverable amounts of cash-generating units are determined based on value-in-use model. Management of the Group prepared cash flow forecasts for a five-year period based on the assumptions including the estimations of growth rates of business volume, unit price and cost of sales, and the discount rates. The growth rates are estimated based on past performance and management's expectations of the market development. The discount rates used reflect the cost of capital of each cash-generating unit and the industry specific factors. As a result of the impairment assessment of the Identified Long-term Assets, no impairment provision was made.

Management of the Group considered that there was no impairment indicator of other non-current assets other than the Identified Long-term Assets as at 31 December 2021 as they are either accounted for using equity method or stated at fair value at the end of the reporting period.

Provision for impairment of receivables

The management of the Group determines the provision for impairment of receivables (including trade and other receivables). This estimate is based on the credit risk of receivables and performed using a provision matrix.

In addition, the Group uses practical expedient in estimating ECL on trade receivables which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

34. PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

At 31 December 2021, the Group had the following principal subsidiaries, associates and joint ventures which, in the opinion of the directors of the Company, materially affect the results and/or assets of the Group.

(a) Subsidiaries

The followings are principal subsidiaries in which the Company has interest at 31 December 2021 and 2020:

Name	Registered capital/ Issued share capital	Interest held		Principal activities
		2021 (%)	2020 (%)	
Listed, indirectly held by the Company, established and operating in the PRC				
Tianjin Port Holdings Co., Ltd.#	RMB2,894,001,038 (2020: RMB2,411,667,532)	56.81	56.81	Cargo handling, agency and ancillary services
Unlisted, indirectly held by the Company through Tianjin Port Holdings Co., Ltd., established and operating in the PRC				
Tianjin Port No. 1 Stevedoring Co., Ltd.**	RMB1,118,259,100	100	100	Container handling, non-containerised cargo handling and ancillary services
Tianjin Port No. 4 Stevedoring Co., Ltd.**	RMB1,143,713,800 (2020: RMB808,278,000)	100	100	Non-containerised cargo handling and ancillary services
Tianjin Port Coke Terminals Co., Ltd.**	RMB600,000,000	100	100	Non-containerised cargo handling and ancillary services
Tianjin Port Goods and Materials Supplying Co., Ltd.**	RMB98,396,000	100	100	Sales of supplies and materials
Tianjin Port Logistics Development Co., Ltd.**	RMB1,090,730,000	100	100	Agency and port ancillary services
Tianjin Port Petrochemicals Terminal Company Limited**	RMB110,700,000	100	100	Non-containerised cargo handling and ancillary services
Tianjin Port Tugboat Lighter Co., Ltd.***	RMB286,709,000	100	100	Tugboat services
Tianjin Port Xingdong Logistics Co., Ltd.**	RMB444,000,000	100	100	Port ancillary services
Tianjin Ocean Shipping Tally Co., Ltd.**	RMB20,000,000	84	84	Tallying services
Tianjin Port Container Terminal Co., Ltd.** (Note 29(b))	RMB2,408,312,700	N/A	76.68	Container handling and ancillary services
China Ocean Shipping Agency Tianjin Co., Ltd.**	RMB101,220,000	60	60	Agency services
Tianjin Zhongtie Storage and Transportation Co., Ltd.**	RMB10,000,000	60	60	Sales of other materials
TPG Global RO-RO Terminal Co., Ltd.*	RMB264,460,000	56.17	56.17	Non-containerised cargo handling and ancillary services
Tianjin Port Ro-Ro Terminal Co., Ltd.*	US\$23,500,000	56.17	56.17	Non-containerised cargo handling and ancillary services

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

34. PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (continued)

(a) Subsidiaries (continued)

Name	Registered capital/ Issued share capital	Interest held		Principal activities
		2021 (%)	2020 (%)	
Unlisted, indirectly held by the Company through				
Tianjin Port Holdings Co., Ltd., established and				
operating in the PRC (continued)				
CHIMBUSCO Marine Bunker (Tianjin) Co., Ltd. (Note 29(a))	RMB200,000,000	N/A	53	Sales of fuel oil
Tianjin Port China Coal Hua'neng Coal Terminal Co., Ltd.**	RMB1,125,000,000	51	51	Non-containerised cargo handling and ancillary services
Tianjin Port Pacific International Container Terminal Co., Ltd.*	RMB2,303,350,000	51	51	Container handling and ancillary services
Tianjin Port Yuanhang Ore Terminal Co., Ltd.*	US\$58,895,400	51	51	Non-containerised cargo handling and ancillary services
Tianjin Port Yuanhang Bulk Cargo Terminal Co., Ltd.*	US\$115,110,000	51	51	Non-containerised cargo handling and ancillary services
Tianjin Port Yuanhang International Ore Terminal Co., Ltd.*	RMB1,470,283,000	51	51	Non-containerised cargo handling and ancillary services
Tianjin Haitian Bonded Logistics Co., Ltd.*	RMB210,000,000	51	51	Warehousing, logistics and ancillary services
Tianjin Port CNAF Terminal Co., Ltd.**	RMB149,000,000	51	51	Non-containerised cargo handling and ancillary services
Tianjin Port Haifeng Bonded Logistics Co., Ltd.**	RMB645,600,000	100	100	Warehousing, logistics and ancillary services
Tianjin Dongfang Petroleum Co., Ltd.** (Note)	RMB50,000,000	50	50	Ancillary services
Tianjin Port Euroasia International Container Terminal Co., Ltd. (Note 28)	RMB1,260,000,000	70	N/A	Container handling and ancillary services
Unlisted, indirectly held by the Company, incorporated and				
operating in Hong Kong				
Champion Sky Enterprises Limited	HK\$2	100	100	Investment holding
Tianjin Port Highwater Limited ^a	HK\$10,000	100	N/A	Investment holding
Unlisted, directly held by the Company, incorporated and				
operating in Hong Kong				
Grand Point Investment Limited	HK\$1	100	100	Investment holding
Unlisted, directly held by the Company, incorporated in				
the British Virgin Islands and operating in Hong Kong				
Ace Advantage Investments Limited	US\$100	100	100	Investment holding
Tianjin Port Development Finance Limited	US\$1	100	100	Treasury services
Win Many Investments Limited ^a	US\$1	N/A	100	Investment holding

Note: The entity is considered to be subsidiary of the Group despite that the Group holds 50% of its issued share capital as the Group has the power to appoint and remove the majority of the board of directors of the entity and holds more than half of the voting rights at the board of directors' and shareholders' meetings of the entity by virtue of shareholders' agreement entered into during the year ended 31 December 2020. The net liabilities of the entity were HK\$24,450,000 on deemed acquisition date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

34. PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (continued)

(a) Subsidiaries (continued)

Name	Registered capital/ Issued share capital	Interest held		Principal activities
		2021 (%)	2020 (%)	
Unlisted, indirectly held by the Company through Tianjin Port Holdings Co., Ltd., incorporated in the British Virgin Islands and operating in the PRC				
COSCO SHIPPING Ports (Tianjin Euroasia) Limited (Note 28)	US\$1	100	N/A	Investment holding

Joint stock company with limited liability

* Sino-foreign joint venture

** Limited liability company

*** Wholly-foreign owned enterprise

^ Deregistered during the year ended 31 December 2021

+ Incorporated during the year ended 31 December 2021

(b) Associates

The followings are principal associates at 31 December 2021 and 2020, all of which are unlisted, established and operating in the PRC:

Name	Registered capital	Interest held		Principal activities
		2021 (%)	2020 (%)	
Tianjin Yuanhang Ore Logistics Co., Ltd.	RMB45,000,000	49	49	Logistics and ancillary services
Tianjin Port Finance Co., Ltd.	RMB1,150,000,000	45.83	48	Financial services
Guo Neng (Tianjin) Port Affairs Co., Ltd. (formerly named as Shenhua Tianjin Coal Terminal Co., Ltd.)	RMB1,524,988,500	45	45	Non-containerised cargo handling and ancillary services
Tianjin Port Alliance International Container Terminal Co., Ltd.	US\$160,000,000	40	40	Container handling and ancillary services
Tianjin Port Container Terminal Co., Ltd.** (Note 29(b))	RMB2,408,312,700	41.69	N/A	Container handling and ancillary services

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

34. PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES *(continued)***(c) Joint ventures**

The followings are principal joint ventures at 31 December 2021 and 2020, all of which are unlisted, established and operating in the PRC:

Name	Registered capital	Interest held		Principal activities
		2021 (%)	2020 (%)	
Tianjin Port Euroasia International Container Terminal Co., Ltd. <i>(Note 28)</i>	RMB1,260,000,000	N/A	40	Container handling and ancillary services
Tianjin Port Shihua Crude Oil Terminal Co., Ltd.	RMB482,660,000	50	50	Non-containerised cargo handling and ancillary services
Tianjin Dehai Petroleum Products Sales Co., Ltd.	RMB42,000,000	50	50	Sales of fuel
Vopak Nanjiang Petrochemical Terminal Tianjin Company Limited	US\$8,460,000	50	50	Warehousing, logistics and ancillary services

None of the investors in the above entities have unilateral control of their respective economic activities, resulting in joint control over these entities by the respective investors.

35. IMMEDIATE AND ULTIMATE HOLDING COMPANIES

The directors of the Company consider Tianjin Port Overseas Holding Limited, a company established in Hong Kong, as the immediate holding company and Tianjin Port (Group) Co., Ltd., a company established in the PRC, as the ultimate holding company.

36. EVENTS AFTER THE REPORTING PERIOD

On 21 January 2022, Tianjin Port Logistics Development Co., Ltd., a subsidiary of the Group, entered into an equity transfer agreement with Economic-Technological Co (a subsidiary of Tianjin Port Group) to transfer 49% of the equity interest in Tianjin Port Master Logistics Co., Ltd. at the consideration of RMB18,242,300. Following the completion of the transaction, the Group will no longer hold any equity interest in Tianjin Port Master Logistics Co., Ltd. Details of which were set out in the announcement of the Company dated 21 January 2022. The transaction has been completed as the date of this report.

On 25 February 2022, Tianjin Port Co, Tianjin Port No. 4 Stevedoring Co., Ltd. ("Fourth Company"), a subsidiary of the Group, and an independent third party investor entered into a capital increase agreement, pursuant to which the investor agreed to make contribution to the registered capital of Fourth Company in the amount of RMB693.70 million. Immediately following the completion of the transaction, the equity interest held by the Group in Fourth Company will decrease from 100% to 65%. Details of which were set out in the announcement of the Company dated 25 February 2022. As at the date of this report, the transaction has not been completed yet and is subject to fulfillment of other conditions precedent.

37. IMPACT OF COVID-19 PANDEMIC

The outbreak of the COVID-19 and the subsequent quarantine measures as well as the travel restrictions imposed by many countries have had negative impacts on the global economy and business environment, and may directly and indirectly affect the operations of the Group. In response to the COVID-19 pandemic, the Group has implemented a range of preventive measures and the operation remained stable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	As at 31 December	
	2021 HK\$'000	2020 HK\$'000
ASSETS		
Non-current assets		
Property, plant and equipment	3,018	3,052
Right-of-use assets	2,939	7,138
Interests in subsidiaries	14,869,827	14,785,854
Financial assets at FVOCI	6,600	6,700
	14,882,384	14,802,744
Current assets		
Other receivables	26,064	26,866
Amounts due from subsidiaries	432,107	164,017
Loan to a subsidiary	244,618	—
Time deposits with maturity over three months	1,251,961	771,118
Cash and cash equivalents	1,645,108	2,149,138
	3,599,858	3,111,139
Total assets	18,482,242	17,913,883
EQUITY		
Equity attributable to equity holders of the Company		
Share capital	615,800	615,800
Other reserves (Note i)	13,418,837	12,937,328
Retained earnings (Note ii)	3,003,938	3,026,433
Total equity	17,038,575	16,579,561
LIABILITIES		
Non-current liabilities		
Lease liabilities	—	2,721
Other non-current liabilities	—	345
	—	3,066
Current liabilities		
Lease liabilities	2,721	3,915
Dividend payable to the immediate holding company	218,963	83,022
Tax payables	187	—
Other payables	30,415	23,830
Amounts due to subsidiaries	1,191,381	1,220,489
	1,443,667	1,331,256
Total liabilities	1,443,667	1,334,322
Total equity and liabilities	18,482,242	17,913,883

The statement of financial position of the Company was approved by the Board of Directors on 29 March 2022 and was signed on its behalf by:

CHU Bin
Director

LUO Xunjie
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Notes:

i. Other reserves of the Company

	Share premium HK\$'000	Capital reserve HK\$'000	Revaluation reserve HK\$'000	Employee share-based compensation reserve HK\$'000	Exchange reserve HK\$'000	Total HK\$'000
At 1 January 2020	10,291,605	1,450,909	(7,000)	4,648	213,811	11,953,973
Currency translation differences	—	—	—	—	986,905	986,905
Fair value loss on financial assets at FVOCI	—	—	(1,100)	—	—	(1,100)
Lapse of share options	—	—	—	(2,450)	—	(2,450)
At 31 December 2020	10,291,605	1,450,909	(8,100)	2,198	1,200,716	12,937,328
Currency translation differences	—	—	—	—	482,348	482,348
Fair value loss on financial assets at FVOCI	—	—	(100)	—	—	(100)
Lapse of share options	—	—	—	(739)	—	(739)
At 31 December 2021	10,291,605	1,450,909	(8,200)	1,459	1,683,064	13,418,837

ii. Retained earnings of the Company

	HK\$'000
At 1 January 2020	2,830,898
Profit for the year	348,267
Dividend	(155,182)
Lapse of share options	2,450
At 31 December 2020	3,026,433
Profit for the year	231,091
Dividend	(254,325)
Lapse of share options	739
At 31 December 2021	3,003,938

FIVE YEARS FINANCIAL SUMMARY

	2017	2018	2019	2020	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Consolidated Income Statement					
Revenue	16,621,811	15,871,075	15,077,403	15,490,177	17,370,544
Cost of sales	(12,961,777)	(12,675,629)	(11,843,819)	(12,123,230)	(13,528,544)
Business tax and surcharge	(18,318)	(14,800)	(10,452)	(9,073)	(10,534)
Gross profit	3,641,716	3,180,646	3,223,132	3,357,874	3,831,466
Other income and expenses, other gains and losses	445,717	19,147	196,728	324,221	909,597
Administrative expenses	(1,912,589)	(1,804,583)	(1,674,496)	(1,770,862)	(2,191,709)
Finance costs	(571,887)	(616,065)	(657,187)	(550,117)	(484,159)
Share of net profit of associates and joint ventures accounted for using the equity method	502,577	448,394	427,960	435,843	411,101
Profit before income tax	2,105,534	1,227,539	1,516,137	1,796,959	2,476,296
Income tax	(471,273)	(263,324)	(410,633)	(389,433)	(533,987)
Profit for the year	1,634,261	964,215	1,105,504	1,407,526	1,942,309
Profit attributable to:					
Equity holders of the Company	763,000	387,745	388,491	636,161	923,116
Non-controlling interests	871,261	576,470	717,013	771,365	1,019,193
	1,634,261	964,215	1,105,504	1,407,526	1,942,309
Consolidated Statement of Financial Position					
Land use rights	6,334,061	5,897,291	—	—	—
Property, plant and equipment	19,834,777	18,803,723	20,351,560	21,467,926	19,953,732
Right-of-use assets	—	—	6,737,343	7,068,583	6,550,516
Investment properties	—	—	—	820,200	823,624
Intangible assets	69,909	60,069	68,143	84,867	88,063
Investments accounted for using the equity method	5,972,997	5,524,722	4,773,800	4,806,587	5,897,365
Financial assets at FVOCI	—	509,111	723,781	785,600	705,558
Available-for-sale financial assets	958,574	—	—	—	—
Deferred income tax assets	63,520	54,091	54,914	120,290	26,216
Current assets	14,186,968	14,523,844	12,103,737	12,490,082	12,256,848
Total assets	47,420,806	45,372,851	44,813,278	47,644,135	46,301,922
Total liabilities	(20,484,587)	(19,581,570)	(18,309,693)	(18,579,908)	(15,773,059)
Non-controlling interests	(14,226,202)	(13,622,769)	(14,315,361)	(15,581,769)	(16,092,474)
Shareholders' equity	12,710,017	12,168,512	12,188,224	13,482,458	14,436,389

DEFINITIONS

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

“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors of the Company
“CG Code”	the Corporate Governance Code, Appendix 14 to the Listing Rules
“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*)[△]
 LI Xiaoguang
 SUN Bin
 YANG Zhengliang⁺

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
 Registered Public Interest Entity Auditor

PRINCIPAL LEGAL ADVISORS

Woo Kwan Lee & Lo, as to Hong Kong law
 Ocorian Law (Cayman) Limited, as to
 Cayman Islands law

PRINCIPAL BANKERS

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

PRINCIPAL SHARE REGISTRAR

Ocorian Trust (Cayman) Limited
 Windward 3, Regatta Office Park
 PO Box 1350
 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

Windward 3, Regatta Office Park
 PO Box 1350
 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
 Tel: (852) 2847 8888
 Fax: (852) 2899 2086

WEBSITE

www.tianjinportdev.com

STOCK CODE

Hong Kong Stock Exchange: 03382

[△] Members of Nomination Committee, ZHANG Weidong is the chairman of the committee

⁺ Members of Remuneration Committee, Japhet Sebastian LAW is the chairman of the committee

^{*} Members of Audit Committee, CHENG Chi Pang, Leslie is the chairman of the committee

Tianjin Port Development Holdings Limited

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

