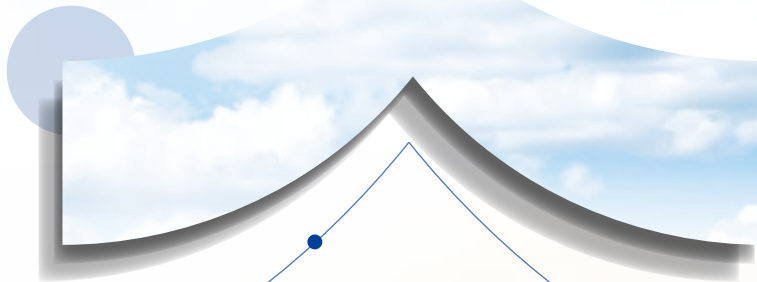




天津港發展控股有限公司
Tianjin Port Development Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 03382



INTERIM REPORT

2022



CORPORATE PROFILE

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

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

The port of Tianjin, located at the juncture of the Beijing-Tianjin city belt and the economic circle of the Bohai Rim Region, is the largest comprehensive port and an important foreign trade port in North China, serving 14 provinces, cities and autonomous regions and a hub connecting Northeast Asia with Midwest Asia. It is one of the coastal ports with the most complete functions in China. In the first half of 2022, 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.



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FINANCIAL HIGHLIGHTS

	For the six months ended	
	30 June	
	2022	2021
Total throughput		
Non-containerised cargo (million tonnes)	120.56	119.71
Container (million TEUs)	10.04	10.30
Consolidated throughput		
Non-containerised cargo (million tonnes)	91.54	89.39
Container (million TEUs)	4.93	6.73

HK\$ million	For the six months ended	
	30 June	
	2022	2021
Revenue	7,114	8,742
Profit before income tax	1,006	1,179
Profit attributable to equity holders of the Company	286	418
Basic earnings per share (HK cents)	4.6	6.8
Net cash inflow from operating activities	1,495	1,402

HK\$ million	As at	As at
	30 June	31 December
	2022	2021
Total assets	44,477	46,302
Total borrowings	9,214	10,333
Equity attributable to equity holders of the Company	13,676	14,436
Total equity	30,133	30,529
Financial ratios		
Gearing ratio (<i>Note 1</i>)	30.6%	33.8%
Current ratio	1.2	1.2
Net assets per share – book value (<i>Note 2</i>) (HK\$)	2.2	2.3

Notes:

- Gearing ratio represents total borrowings divided by total equity.
- Net assets per share – book value represents equity attributable to equity holders of the Company divided by the number of issued shares at the end of reporting period.



MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM RESULTS

In the first half of 2022, total cargo throughput handled by the Group was 222.06 million tonnes (2021: 222.43 million tonnes), a slightly decrease of 0.2% over the same period last year, of which total container throughput was 10.039 million TEUs (2021: 10.297 million TEUs), a decrease of 2.5% over the same period last year.

In the first half of 2022, profit attributable to equity holders of the Company amounted to HK\$286 million and basic earnings per share was HK4.6 cents, a decrease of 31.5% over the same period last year. The decrease was mainly due to an exchange loss arising from the HK\$ denominated liabilities held by the Group resulting from the depreciation of RMB against HK\$ during the period while an exchange gain was recorded in the same period last year.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2022.

REVIEW OF OPERATIONS

According to the National Bureau of Statistics, China's GDP recorded a growth of 2.5% year-on-year in the first half of 2022. Due to the rebound of COVID-19 pandemic in China and the impact of Ukraine crisis, China's GDP growth in the second quarter of 2022 was only 0.4%, which has shown a significant decline compared to the GDP growth of 4.8% in the first quarter of the year. With China's efficient pandemic control measures and the release of the economic stabilisation policies, China's economy has gradually stabilised since June 2022. In the first half of 2022, China's total import and export value increased by 10.3% year-on-year to US\$3.08 trillion. According to the statistics from the Ministry of Transport of the PRC, cargo throughput handled by ports in China in the first half of 2022 was 7.58 billion tonnes, representing a year-on-year decrease of 0.8%, whereas container throughput handled increased by 3.0% year-on-year to 142.31 million TEUs.

The Group has implemented a range of stringent prevention and control measures in response to the COVID-19 outbreak to safeguard and ensure a well-functioning port supply chain. In the first half of 2022, total cargo throughput handled by the Group was 222.06 million tonnes.

Non-containerised Cargo Handling Business

In the first half of 2022, the Group achieved a total non-containerised cargo throughput of 120.56 million tonnes, representing an increase of 0.7% over the same period last year, of which throughput of the subsidiary terminals grew by 2.4% and throughput of the jointly controlled and affiliated terminals fell by 4.3%.

Nature of terminal	Non-containerised cargo throughput			
	First half of 2022 million tonnes	First half of 2021 million tonnes	Change in amount million tonnes	Percentage change
Subsidiary terminals	91.54	89.39	2.15	2.4%
Jointly controlled and affiliated terminals	29.02	30.32	-1.30	-4.3%
Total	120.56	119.71	0.85	0.7%



MANAGEMENT DISCUSSION AND ANALYSIS

Container Handling Business

In the first half of 2022, the Group achieved a total container throughput of 10.039 million TEUs, representing a decrease of 2.5% over the same period last year, of which throughput of the subsidiary terminals dropped by 26.7% and throughput of the jointly controlled and affiliated terminals increased by 43.2%. Due to the completion of acquisition and disposal of subsidiaries in container handling business by the Group in December 2021, it led to the large fluctuation of the throughput between the following two categories.

Nature of terminal	Container throughput			
	First half of 2022	First half of 2021	Change in amount	Percentage change
	'000 TEUs	'000 TEUs	'000 TEUs	
Subsidiary terminals	4,933	6,731	-1,798	-26.7%
Jointly controlled and affiliated terminals	5,106	3,566	1,540	43.2%
Total	10,039	10,297	-258	-2.5%

Sales Business

The Group's sales business mainly engaged in the supply of fuel and sales of materials.

Other Port Ancillary Services Business

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

OUTLOOK

The Russia-Ukraine conflict, the tightened monetary policies adopted by Europe and the United States, the worse-than-expected economic slowdown in China, along with other factors, have brought increased downward risk to the global economy and the threat of long-lasting high inflation. In its report issued in July 2022, the International Monetary Fund (IMF) slashed its global economic growth forecast for 2022 to 3.2%, 0.4 percentage point lower than its projection in April 2022. Furthermore, the Chinese economy is expected to grow by 3.3% in 2022, 1.1 percentage points lower than its projection in April 2022.

Faced with complex and dynamic geopolitical and economic developments as well as recurring outbreaks of the COVID-19 pandemic in many parts of China, among other unfavorable factors, the Group has insisted on implementing strict pandemic prevention measures while placing greater effort on the construction of a smart port and maintaining smooth and efficient port operations. Furthermore, the Group has continued to upgrade its traditional equipment and promote the use of shore power equipment to build green terminals, thus helping to conserve energy, reduce emissions and cut carbon discharge.

The Company was awarded with the "Most Leading Port Operating Services" and the "Most Outstanding Cargo Handling Services" in the Dutch online magazine "Finance Derivative" in the first half of 2022. It demonstrates the international recognition of the outstanding innovation and practice of the Company. As the next step, the Group will continue to ensure intrinsic safety and promote green development, improve production automation and intelligent services via innovation and technologies, and enhance corporate governance and management through reform and innovation, so as to lay a solid foundation for the Group to achieve its long-term plan and sustainable development.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue was HK\$7,114 million in the first half of 2022, representing a decrease of 18.6% as compared with the same period last year. An analysis of revenue by segment is as follows:

Type of business	Revenue			
	First half of 2022 HK\$ million	First half of 2021 HK\$ million	Change in amount HK\$ million	Percentage change
Non-containerised cargo handling business	2,637	2,491	146	5.9%
Container handling business	931	1,411	-480	-34.0%
Cargo handling business (total)	3,568	3,902	-334	-8.6%
Sales business	2,264	3,552	-1,288	-36.3%
Other port ancillary services business	1,282	1,288	-6	-0.4%
Total	7,114	8,742	-1,628	-18.6%

Revenue from non-containerised cargo handling business was HK\$2,637 million, 5.9% higher than that in the same period last year. In RMB, revenue increased by 5.6%, mainly contributed by the increase in both the throughput and blended average unit price of the non-containerised cargo handling business.

Revenue from container handling business dropped by 34.0% over the same period last year to HK\$931 million. In RMB, revenue decreased by 34.2%, which was mainly attributable to the drop of the throughput of container handling business and the decrease of blended average unit price of the container handling business.

Revenue from sales business was HK\$2,264 million, a 36.3% decrease as compared with the same period last year and a 36.4% decrease in RMB, which was mainly due to the completion of disposal of a subsidiary which engaged in sales business in August 2021.

Revenue from other port ancillary services business was HK\$1,282 million, a 0.4% slight decrease compared with the same period last year and a 0.7% decrease in RMB.



MANAGEMENT DISCUSSION AND ANALYSIS

Cost of Sales

In the first half of 2022, cost of sales of the Group was HK\$5,390 million, representing a decrease of 20.4% as compared with the same period last year. An analysis of costs by segment is as follows:

Type of business	Costs			
	First half of 2022 HK\$ million	First half of 2021 HK\$ million	Change in amount HK\$ million	Percentage change
Cargo handling business	2,527	2,592	-65	-2.5%
Sales business	2,229	3,528	-1,299	-36.8%
Other port ancillary services business	634	656	-22	-3.3%
Total	5,390	6,776	-1,386	-20.4%

Cost of cargo handling business was HK\$2,527 million, 2.5% lower than that in the same period last year. In RMB, cost decreased by 2.8%, primarily attributable to the decrease in container throughput.

Cost of sales business was HK\$2,229 million, a 36.8% decrease as compared with the same period last year. In RMB, cost decreased by 37.0% which was mainly due to the completion of disposal of a subsidiary which engaged in sales business in August 2021.

Cost of other port ancillary services business was HK\$634 million, a 3.3% decline as compared with the same period last year and a 3.5% decrease in RMB, which was mainly due to the decrease in cost of the services business.

Gross Profit

Gross profit and gross profit margin for the first half of 2022 were HK\$1,717 million (2021: HK\$1,961 million) and 24.1% (2021: 22.4%) respectively. Gross profit decreased by 12.4% over the same period last year and gross profit margin increased by 1.7 percentage points over the same period last year, which was mainly driven by the decrease in the proportion of sales business and its gross profit margin was lower than that of other businesses.

Administrative Expenses

Administrative expenses of the Group decreased by 2.3% as compared with the same period last year to HK\$881 million, mainly due to decrease of labor cost. The Group will continue to take strict measures in control and management so as to maintain administrative expenses at a reasonable level.

Other Income and Other Gains and Losses

Other income amounted to HK\$140 million, representing an increase of HK\$22.29 million as compared with the same period last year, which was primarily due to increase of both the interest income from deposits and dividend income from financial assets at fair value through other comprehensive income.

Other gains and losses amounted to HK\$11.05 million, mainly due to the remeasurement gain of HK\$108.52 million on investment in an associate accounted for using the equity method and the exchange loss of HK\$97.36 million.



MANAGEMENT DISCUSSION AND ANALYSIS

Finance Costs

Finance costs (excluding capitalised interest) were HK\$201 million, a decrease of 21.7% as compared with the same period last year, which was mainly attributable to the decrease in total borrowings compared with the same period last year.

Share of Net Profit of Associates and Joint Ventures Accounted for Using the Equity Method

The Group's share of net profit of associates and joint ventures accounted for using the equity method was HK\$220 million, representing a decrease of 11.3% as compared with the same period last year.

Income Tax

The Group's income tax expenses amounted to HK\$234 million, representing a decrease of HK\$26.18 million over the same period last year.

FINANCIAL POSITION

Cash Flow

In the first half of 2022, net decrease in cash and cash equivalents of the Group amounted to HK\$1,925 million.

The Group continued to generate steady cash flow from its operations. Net cash inflow from operating activities amounted to HK\$1,495 million.

Net cash outflow from investing activities amounted to HK\$2,259 million, which included cash outflow of HK\$1,770 million as a result of increase in time deposits with maturity over three months, and capital expenditure of HK\$541 million.

Net cash outflow from financing activities amounted to HK\$1,161 million, which included a net decrease of HK\$758 million in borrowings, and lease payment of HK\$64 million.

Capital Structure

The equity attributable to equity holders of the Company as at 30 June 2022 was HK\$13,676 million (31 December 2021: HK\$14,436 million), and the net asset value of the Company was HK\$2.2 per share (31 December 2021: HK\$2.3 per share).

As at 30 June 2022, the Company had an issued share capital of 6,158 million shares and the market capitalisation was approximately HK\$4,003 million (at the closing price of the shares of the Company of HK\$0.65 per share on 30 June 2022).

Assets and Liabilities

As at 30 June 2022, the Group's total assets were HK\$44,477 million (31 December 2021: HK\$46,302 million) and total liabilities were HK\$14,345 million (31 December 2021: HK\$15,773 million). Net current assets as at 30 June 2022 were HK\$1,597 million (31 December 2021: HK\$2,206 million).



MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity, Financial Resources and Borrowings

As at 30 June 2022, the Group's cash and deposits (including restricted bank deposits and time deposits with maturity over three months) were HK\$8,460 million (31 December 2021: HK\$8,996 million) and principally denominated in RMB.

The Group's total borrowings as at 30 June 2022 were HK\$9,214 million (31 December 2021: HK\$10,333 million), with HK\$5,265 million repayable within one year, HK\$2,510 million repayable after one year and within five years and HK\$1,439 million repayable after five years. About 23.8% and 76.2% of the Group's borrowings were denominated in HK\$ and RMB respectively.

Financial Ratios

As at 30 June 2022, the Group's gearing ratio (total borrowings divided by total equity) was 30.6% (31 December 2021: 33.8%), and current ratio (current assets divided by current liabilities) was 1.2 (31 December 2021: 1.2).

Pledge of Assets

None of the Group's assets were pledged as at 30 June 2022.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 30 June 2022.

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 30 June 2022, most of the Group's assets and liabilities were denominated in RMB except for certain bank borrowings denominated in HK\$. RMB exchange rate fluctuated in the first half of 2022. In the first quarter of 2022, with the outbreak of the Russia-Ukraine conflict, risk aversion drove RMB to appreciate to a high level. RMB declined rapidly from its high level in the second quarter of the year under the impact of rising COVID-19 cases in China and the strong US\$. As the exchange rate of RMB at the end of June 2022 was approximately 4.6% lower than that at the end of 2021, an exchange loss of approximately HK\$97.36 million (30 June 2021: exchange gain of approximately HK\$26.73 million) arose from the translation of foreign currency denominated liabilities held by the Group. The fluctuations in RMB exchange rate will affect the Group's results reported in HK\$ as the Group operates its business in the PRC and its functional currency is RMB. No hedging arrangement was entered into in respect of foreign exchange risk exposure during the period under review.

The Group's interest rate risk arises primarily from the fluctuation in interest rates of borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk, while borrowings at fixed rates expose the Group to fair value interest rate risk. As at 30 June 2022, the Group's total borrowings were HK\$9,214 million and mainly at floating interest rate, and the average borrowing interest rates for RMB and HK\$ borrowings were 4.4% (31 December 2021: 4.3%) and 1.9% (31 December 2021: 1.3%) respectively.

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 review its treasury strategy continuously, with the aim to be well prepared and to respond quickly and effectively to the rapidly changing conditions in financial market.



MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL EXPENDITURE AND COMMITMENTS

In the first half of 2022, the Group acquired property, plant and equipment amounted to HK\$1,707 million including acquired through acquisition of subsidiaries.

As at 30 June 2022, the Group's capital commitments (including authorised but not contracted for) amounted to HK\$2,100 million (31 December 2021: HK\$2,120 million).

EVENTS AFTER THE REPORTING PERIOD

Subsequent to the six months ended 30 June 2022 and up to the date of this report, no important events affecting the Group has taken place that is required to be disclosed.

EMPLOYEES

As at 30 June 2022, the Group had approximately 6,300 employees. The Group offers remuneration packages for employees based on their position, performance and the labour market conditions. 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 six months ended 30 June 2022, 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. The Group reviews the remuneration policies and packages on a regular basis.

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

APPRECIATION

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

By order of the Board

CHU Bin

Chairman

Hong Kong, 29 August 2022



REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.**德勤****To the Board of Directors of Tianjin Port Development Holdings Limited***(incorporated in the Cayman Islands with limited liability)***INTRODUCTION**

We have reviewed the condensed consolidated financial statements of Tianjin Port Development Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 11 to 31, which comprise the condensed consolidated statement of financial position as of 30 June 2022 and the related condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu*Certified Public Accountants*

Hong Kong

29 August 2022



CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2022

	Notes	Unaudited	
		Six months ended 30 June	
		2022	2021
		HK\$'000	HK\$'000
Revenue	5	7,113,959	8,741,674
Cost of sales		(5,390,464)	(6,775,593)
Taxes and surcharges		(6,855)	(5,405)
Gross profit		1,716,640	1,960,676
Other income	6	140,367	118,074
Other gains and losses	6	11,051	7,796
Administrative expenses		(881,360)	(902,397)
Reversal of impairment on financial assets		1,936	5,942
Other expenses		(1,529)	(2,051)
Finance costs	7	(200,743)	(256,382)
Share of net profit of associates and joint ventures accounted for using the equity method		219,620	247,721
Profit before income tax		1,005,982	1,179,379
Income tax	8	(234,456)	(260,639)
Profit for the period	9	771,526	918,740
Profit attributable to:			
Equity holders of the Company		286,096	417,579
Non-controlling interests		485,430	501,161
		771,526	918,740
Earnings per share	11		
Basic (HK cents)		4.6	6.8
Diluted (HK cents)		4.6	6.8



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	Unaudited	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Profit for the period	771,526	918,740
Other comprehensive (loss)/income		
Items that will not be reclassified to profit or loss:		
Changes in the fair value of financial assets at fair value through other comprehensive income	(69,337)	(195,701)
Income tax relating to the above item	8,345	48,813
Currency translation differences	(1,405,343)	332,430
Other comprehensive (loss)/income for the period, net of tax	(1,466,335)	185,542
Total comprehensive (loss)/income for the period	(694,809)	1,104,282
Total comprehensive (loss)/income attributable to:		
Equity holders of the Company	(391,126)	506,523
Non-controlling interests	(303,683)	597,759
	(694,809)	1,104,282



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Notes	Unaudited 30 June 2022 HK\$'000	Audited 31 December 2021 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	20,111,450	19,953,732
Right-of-use assets	13	6,360,997	6,550,516
Investment properties		777,549	823,624
Intangible assets		84,446	88,063
Investments accounted for using the equity method		5,032,062	5,897,365
Financial assets at fair value through other comprehensive income		607,461	705,558
Deferred income tax assets		23,904	26,216
		32,997,869	34,045,074
Current assets			
Inventories		229,736	81,215
Trade and other receivables and notes receivables	14	2,789,523	3,179,790
Restricted bank deposits		24,790	–
Time deposits with maturity over three months		2,978,171	1,264,192
Cash and cash equivalents		5,457,391	7,731,651
		11,479,611	12,256,848
Total assets		44,477,480	46,301,922
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	15	615,800	615,800
Other reserves	16	4,201,846	4,880,527
Retained earnings		8,858,753	8,940,062
		13,676,399	14,436,389
Non-controlling interests		16,456,337	16,092,474
Total equity		30,132,736	30,528,863



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Notes	Unaudited 30 June 2022 HK\$'000	Audited 31 December 2021 HK\$'000
LIABILITIES			
Non-current liabilities			
Borrowings	17	3,949,102	5,087,904
Lease liabilities		303,369	405,903
Deferred income tax liabilities		163,719	184,050
Other long-term liabilities		45,472	43,895
		4,461,662	5,721,752
Current liabilities			
Trade and other payables and contract liabilities	18	4,221,070	4,489,030
Current income tax liabilities		156,695	96,464
Borrowings	17	5,264,635	5,245,219
Lease liabilities		240,682	220,594
		9,883,082	10,051,307
Total liabilities		14,344,744	15,773,059
Total equity and liabilities		44,477,480	46,301,922
Net current assets		1,596,529	2,205,541
Total assets less current liabilities		34,594,398	36,250,615



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Unaudited					
	Equity attributable to equity holders of the Company					
	Share capital HK\$'000	Other reserves HK\$'000 (Note 16)	Retained earnings HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2021	615,800	4,508,658	8,358,000	13,482,458	15,581,769	29,064,227
Total comprehensive income for the period	–	88,944	417,579	506,523	597,759	1,104,282
Dividends	–	–	(254,325)	(254,325)	(237,091)	(491,416)
Lapse of share options	–	(561)	561	–	–	–
At 30 June 2021	615,800	4,597,041	8,521,815	13,734,656	15,942,437	29,677,093
At 1 January 2022	615,800	4,880,527	8,940,062	14,436,389	16,092,474	30,528,863
Total comprehensive (loss)/income for the period	–	(677,222)	286,096	(391,126)	(303,683)	(694,809)
Dividends	–	–	(368,864)	(368,864)	(202,267)	(571,131)
Acquisition of subsidiaries	–	–	–	–	869,813	869,813
Lapse of share options	–	(1,459)	1,459	–	–	–
At 30 June 2022	615,800	4,201,846	8,858,753	13,676,399	16,456,337	30,132,736



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Note	Unaudited	
		Six months ended 30 June	
		2022	2021
		HK\$'000	HK\$'000
Net cash generated from operating activities		1,494,880	1,401,924
Cash flows from investing activities			
Payments for property, plant and equipment and intangible assets		(540,865)	(512,353)
Acquisition of assets through acquisition of a subsidiary		–	(30,756)
Acquisition of subsidiaries	19	(14,098)	–
Dividends received from investments accounted for using the equity method		9,802	1,371
Increase in time deposits with maturity over three months		(1,769,547)	(938,155)
Other investing activities		56,294	17,394
Net cash used in investing activities		(2,258,414)	(1,462,499)
Cash flows from financing activities			
Proceeds from borrowings		2,959,974	3,304,780
Repayments of borrowings		(3,718,183)	(4,038,518)
Principal portion of lease payments		(52,129)	(353,251)
Interest portion of lease payments		(11,933)	(22,036)
Other financing activities		(339,071)	(437,512)
Net cash used in financing activities		(1,161,342)	(1,546,537)
Net decrease in cash and cash equivalents		(1,924,876)	(1,607,112)
Cash and cash equivalents at 1 January		7,731,651	7,722,605
Effects of exchange rate changes		(349,384)	68,971
Cash and cash equivalents classified as assets held for sale		–	(11,613)
Cash and cash equivalents at 30 June		5,457,391	6,172,851

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

1. GENERAL INFORMATION

Tianjin Port Development Holdings Limited (the “Company”) is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office and principal place of business of the Company are disclosed in the corporate information section to the interim 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”).

The condensed consolidated financial statements were approved for issue by the board of directors of the Company (the “Board”) on 29 August 2022.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

The condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2021 which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

3. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied and methods of computation used in the preparation of the condensed consolidated financial statements for the six months ended 30 June 2022 are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2021.

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2022 for the preparation of the Group’s condensed consolidated financial statements:

<i>Amendments to HKAS 16</i>	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
<i>Amendments to HKAS 37</i>	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
<i>Amendments to HKFRS 3</i>	<i>Reference to the Conceptual Framework</i>
<i>Amendment to HKFRS 16</i>	<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>
<i>Amendments to HKFRSs</i>	<i>Annual Improvements to HKFRSs 2018-2020</i>

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



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

For changes in accounting policies on application of Amendments to HKFRS 3 “Reference to the Conceptual Framework”, business combinations in which the acquisition date is on or after 1 January 2022, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the “Conceptual Framework for Financial Reporting 2018” issued in June 2018 (the “Conceptual Framework”) except for transactions and events within the scope of HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets” or HK(IFRIC)-Int 21 “Levies”, in which the Group applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

The Group applies the amendments to business combinations for which the acquisition date is on or after 1 January 2022. The application of the amendments in the current period has had no impact on the condensed consolidated financial statements.

4. FINANCIAL RISK MANAGEMENT

4.1 Fair value estimation

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

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

At 30 June 2022, financial instruments included in level 1 and level 3 comprise listed equity securities and unlisted equity securities, respectively, which were classified as financial assets at fair value through other comprehensive income (“FVOCI”). Fair value of listed equity securities as at 30 June 2022 of HK\$580,285,000 (31 December 2021: HK\$680,773,000) was measured at the quoted price in active market. Fair value of unlisted equity securities as at 30 June 2022 of HK\$27,176,000 (31 December 2021: HK\$24,785,000) has 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.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

4. FINANCIAL RISK MANAGEMENT (continued)**4.1 Fair value estimation** (continued)

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

	Financial assets at FVOCI	
	2022	2021
	HK\$'000	HK\$'000
At 1 January	24,785	50,319
Fair value change recognised in other comprehensive income	3,583	(6,095)
Exchange differences	(1,192)	568
At 30 June	27,176	44,792

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

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

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

5. SEGMENT INFORMATION

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

Principal activities of the three reportable segments are as follows:

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

The Group's major operational activities are carried out in the PRC. The Group's revenue from external customers are mainly generated in the PRC.

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



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

5. SEGMENT INFORMATION (continued)

The segment information for the reportable segments is as follows:

	Unaudited			
	Six months ended 30 June 2022			
	Cargo handling	Sales	Other port ancillary services	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Total segment revenue	3,568,169	2,323,787	1,483,188	7,375,144
Inter-segment revenue	–	(60,226)	(200,959)	(261,185)
Revenue from external customers	3,568,169	2,263,561	1,282,229	7,113,959
Timing of revenue recognition				
At a point in time	3,568,169	2,263,561	1,233,085	7,064,815
Over time	–	–	49,144	49,144
	3,568,169	2,263,561	1,282,229	7,113,959
Segment results	1,040,374	34,958	648,163	1,723,495
Taxes and surcharges				(6,855)
Other income				140,367
Other gains and losses				11,051
Administrative expenses				(881,360)
Reversal of impairment on financial assets				1,936
Other expenses				(1,529)
Finance costs				(200,743)
Share of net profit of associates and joint ventures accounted for using the equity method				219,620
Profit before income tax				1,005,982

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

5. SEGMENT INFORMATION (continued)

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

	Unaudited			Total HK\$'000
	Six months ended 30 June 2021			
	Cargo handling HK\$'000	Sales HK\$'000	Other port ancillary services HK\$'000	
Total segment revenue	3,902,451	3,637,922	1,480,474	9,020,847
Inter-segment revenue	–	(86,381)	(192,792)	(279,173)
Revenue from external customers	3,902,451	3,551,541	1,287,682	8,741,674
Timing of revenue recognition				
At a point in time	3,902,451	3,551,541	1,186,817	8,640,809
Over time	–	–	100,865	100,865
	3,902,451	3,551,541	1,287,682	8,741,674
Segment results	1,310,182	23,633	632,266	1,966,081
Taxes and surcharges				(5,405)
Other income				118,074
Other gains and losses				7,796
Administrative expenses				(902,397)
Reversal of impairment on financial assets				5,942
Other expenses				(2,051)
Finance costs				(256,382)
Share of net profit of associates and joint ventures accounted for using the equity method				247,721
Profit before income tax				1,179,379

Analysis of revenue by segment:

	Unaudited	
	Six months ended 30 June	
	2022 HK\$'000	2021 HK\$'000
Non-containerised cargo handling business	2,636,720	2,490,841
Container handling business	931,449	1,411,610
Cargo handling business	3,568,169	3,902,451
Sales business	2,263,561	3,551,541
Other port ancillary services business	1,282,229	1,287,682
	7,113,959	8,741,674

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

6. OTHER INCOME, GAINS AND LOSSES

Other income comprises of the following items:

	Unaudited	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Interest income	82,931	77,595
Dividend income from financial assets at FVOCI	25,174	11,840
Government grants	12,156	12,509
Value-added tax extra deduction	19,193	15,191
Others	913	939
	140,367	118,074

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

	Unaudited	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Remeasurement gain on investment in an associate accounted for using the equity method (Note 19)	108,524	–
Exchange (loss)/gain, net	(97,364)	26,727
Others	(109)	(18,931)
	11,051	7,796

7. FINANCE COSTS

	Unaudited	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Interest expenses on borrowings	188,810	240,885
Less: Amount capitalised in construction in progress	–	(6,539)
	188,810	234,346
Interest expenses on lease liabilities	11,933	22,036
	200,743	256,382

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

8. INCOME TAX

	Unaudited	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
PRC income tax expense		
Current	223,425	247,911
Deferred	11,031	12,728
	234,456	260,639

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits arising in or derived from Hong Kong for the period (2021: nil).

PRC income tax has been calculated based on applicable tax rates in accordance with the relevant laws and regulations in the PRC.

9. PROFIT FOR THE PERIOD

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

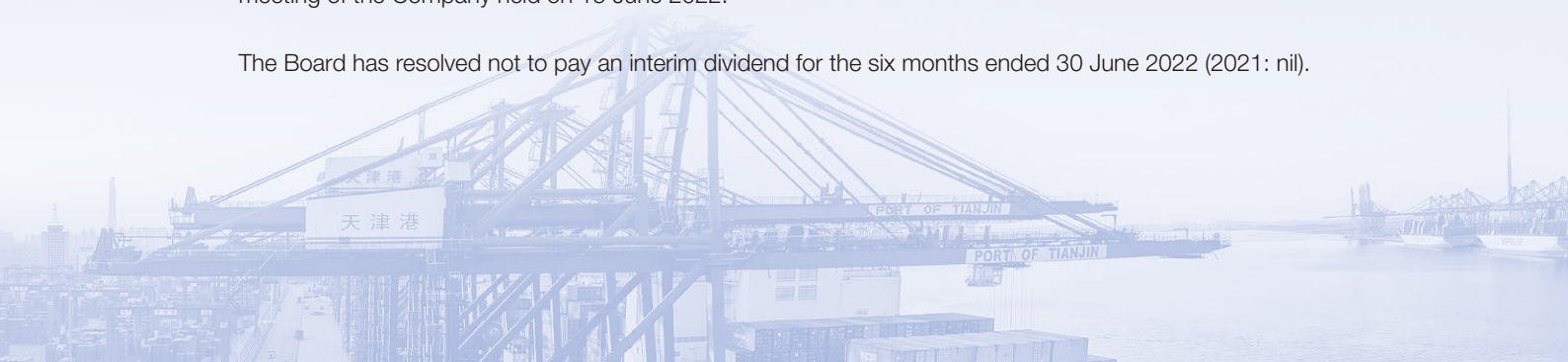
	Unaudited	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Costs of goods sold	2,230,529	3,494,457
Depreciation of property, plant and equipment	599,030	587,684
Depreciation of right-of-use assets	190,423	188,135
Depreciation of investment properties	10,161	10,131
Amortisation of intangible assets	16,791	12,584

10. DIVIDEND

	Unaudited	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
2021 final dividend of HK5.99 cents per ordinary share (2021: 2020 final dividend of HK4.13 cents per ordinary share)	368,864	254,325

At the meeting held on 29 March 2022, the Board recommended the payment of a final dividend of HK5.99 cents per ordinary share for the year ended 31 December 2021. The 2021 final dividend was approved at the annual general meeting of the Company held on 15 June 2022.

The Board has resolved not to pay an interim dividend for the six months ended 30 June 2022 (2021: nil).



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

11. EARNINGS PER SHARE

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

	Unaudited Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Earnings		
Profit attributable to equity holders of the Company for calculating basic and diluted earnings per share	286,096	417,579
	<hr/>	
	Unaudited Six months ended 30 June	
	2022	2021
	'000	'000
Number of shares		
Weighted average number of ordinary shares for calculating basic and diluted earnings per share	6,158,000	6,158,000
	<hr/>	

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

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2022, the Group acquired property, plant and equipment amounted to approximately HK\$1,706,695,000 (six months ended 30 June 2021: HK\$307,274,000) including acquired through acquisition of subsidiaries in Note 19.

13. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2022, the Group acquired right-of-use assets amounted to approximately HK\$299,024,000 (six months ended 30 June 2021: HK\$326,698,000) including acquired through acquisition of subsidiaries in Note 19.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

14. TRADE AND OTHER RECEIVABLES AND NOTES RECEIVABLES

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

	Unaudited 30 June 2022 HK\$'000	Audited 31 December 2021 HK\$'000
0–90 days	1,841,089	1,771,953
91–180 days	95,215	71,658
Over 180 days	66,272	39,020
	2,002,576	1,882,631

Notes receivables mainly included bank acceptance notes. The Group believes that the measured bank acceptance notes do not expose to significant credit risk due to bank default and will not cause significant losses. The changes in the fair values of the notes receivables are minimal due to its short-term nature.

As at 30 June 2022, the Group endorsed and discounted notes receivables to suppliers (the “Relevant Notes”) to settle trade and other payables or to bank for early cash receipt, the total amount of the Relevant Notes amounted to approximately HK\$872,183,000 (31 December 2021: HK\$734,256,000), in aggregate. The majority of the Relevant Notes 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 the Relevant Notes receivables have a right of recourse against the Group if the Relevant Notes receivables defaulted. In the opinion of the Board, the Group has transferred substantially all risks and rewards of ownership relating to the Relevant Notes since the probabilities on default is limited, and accordingly derecognised the full carrying amounts of the Relevant Notes and the associated trade and other payables.

15. SHARE CAPITAL

	Number of Shares '000	Share capital HK\$'000
Ordinary shares of HK\$0.10 each		
Authorised:		
At 1 January 2021, 31 December 2021 and 30 June 2022	12,000,000	1,200,000
Issued and fully paid:		
At 1 January 2021, 31 December 2021 and 30 June 2022	6,158,000	615,800



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

16. OTHER RESERVES

	Unaudited							
	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 2021	10,291,605	(9,111,447)	173,128	2,198	941,692	1,796,614	414,868	4,508,658
Other comprehensive (loss)/income for the period	-	-	(51,678)	-	140,622	-	-	88,944
Lapse of share options	-	-	-	(561)	-	-	-	(561)
At 30 June 2021	10,291,605	(9,111,447)	121,450	1,637	1,082,314	1,796,614	414,868	4,597,041
At 1 January 2022	10,291,605	(9,111,447)	74,814	1,459	1,325,328	1,884,258	414,510	4,880,527
Other comprehensive loss for the period	-	-	(29,331)	-	(647,891)	-	-	(677,222)
Lapse of share options	-	-	-	(1,459)	-	-	-	(1,459)
At 30 June 2022	10,291,605	(9,111,447)	45,483	-	677,437	1,884,258	414,510	4,201,846

Notes:

- i. Under the Companies Law of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business of the Company.
- ii. In accordance with the PRC laws and regulations, companies established in the PRC are required to transfer at least 10% of their net profit for the year, as determined under the PRC accounting standards, to relevant reserves until the reserve balance reaches 50% of their registered capital. Such reserves can be used to offset accumulated losses, capitalisation into capital and expansion of production.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

17. BORROWINGS

	Unaudited 30 June 2022 HK\$'000	Audited 31 December 2021 HK\$'000
Unsecured borrowings:		
Non-current		
Long-term borrowings	3,949,102	5,087,904
Current		
Short-term borrowings	3,342,189	3,240,620
Current portion of long-term borrowings	1,922,446	2,004,599
	5,264,635	5,245,219
	9,213,737	10,333,123
Repayable:		
Within 1 year	5,264,635	5,245,219
Between 1 and 2 years	962,327	1,747,392
Between 2 and 5 years	1,547,315	1,762,981
Over 5 years	1,439,460	1,577,531
	9,213,737	10,333,123
Carrying amounts are denominated in the following currencies:		
RMB	7,019,779	8,135,590
HK\$	2,193,958	2,197,533
	9,213,737	10,333,123
Weighted average interest rates per annum:		
RMB	4.4%	4.3%
HK\$	1.9%	1.3%

18. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

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

	Unaudited 30 June 2022 HK\$'000	Audited 31 December 2021 HK\$'000
0–90 days	1,443,167	2,032,141
91–180 days	164,627	123,405
181–365 days	178,765	96,631
Over 365 days	89,008	106,304
	1,875,567	2,358,481

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

19. ACQUISITION OF SUBSIDIARIES

On 20 December 2021, Tianjin Port Holdings Co., Ltd. (“Tianjin Port Co”) and Tianjin Port Highwater Limited (“Tianjin Port Highwater”), subsidiaries of the Group, OOCL Terminal Tianjin (B.V.I.) Limited (“OOCL (BVI)”) and its shareholder entered into a share transfer agreement (the “Agreement”). Pursuant to the Agreement, Tianjin Port Highwater agreed to acquire all the issued shares of OOCL Terminal (Tianjin) Limited (“OOCL Terminal (Tianjin)”), a subsidiary of OOCL (BVI), which held 20% equity interest in Tianjin Port Alliance International Container Terminal Co., Ltd (“Alliance International”), an associate of the Group in which the Group owned 40% equity interest of Alliance International before the completion of the acquisition. Following the completion of the acquisition, Alliance International (in which the Group then held 60% equity interest in) and OOCL Terminal (Tianjin) became a subsidiary of the Group. Details of which were set out in the announcement of the Company at the Agreement date. The acquisition was completed during the period ended 30 June 2022. OOCL Terminal (Tianjin) is principally an investment holding while Alliance International is principally engaged in container handling and ancillary services which classified as cargo handling reporting segment.

Details of the aggregate fair values of consolidated identifiable assets and liabilities of OOCL Terminal (Tianjin) as at the date of acquisition were determined on a provisional basis as follows:

	HK\$'000
Property, plant and equipment	1,435,824
Right of use assets	288,655
Intangible assets	4,181
Inventories	8,342
Trade and other receivables and notes receivables	116,753
Cash and cash equivalents	420,808
Trade and other payables and contract liabilities	(314,952)
Current income tax liabilities	(4,393)
Other long-term liabilities	(2,766)
Net assets acquired	1,952,452
Less: Non-controlling interests determined by fair value	(869,813)
	1,082,639
Cash consideration paid	212,826
Fair value of investment in an associate	869,813
	1,082,639
Fair value of investment in an associate	869,813
Less: Investment in an associate	(761,289)
Remeasurement gain on investment in an associate accounted for using the equity method	108,524
Cash consideration	212,826
Settlement of amount due to an original shareholder (Note)	222,080
Cash and cash equivalent obtained	(420,808)
Net cash outflow of acquisition	14,098

Note: The amount of HK\$222,080,000 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

19. ACQUISITION OF SUBSIDIARIES *(continued)*

If the acquisition had been completed on 1 January 2022, total Group revenue for the period would have been HK\$7,224,077,000, and profit for the period would have been HK\$777,835,000. 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 2022, nor is intended to be a projection of future results.

20. COMMITMENTS

	Unaudited 30 June 2022 HK\$'000	Audited 31 December 2021 HK\$'000
Contracted but not provided for		
Property, plant and equipment	435,674	543,595
Authorised but not contracted for		
Property, plant and equipment	1,663,992	1,576,733

21. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

(a) Transactions with related parties of the Group

	Unaudited Six months ended 30 June 2022 HK\$'000	2021 HK\$'000
With Tianjin Port (Group) Co., Ltd (“Tianjin Port Group”) and its subsidiaries, associates and joint ventures		
Sales of goods and services	31,554	26,833
Purchases of goods and services	432,341	367,280
Payments for rental of land, property, plant and equipment (Note)	119,731	110,029
Acquisition of land, property, plant and equipment	6,282	339,722



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

21. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

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

	Unaudited	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
With associates		
Sales of goods and services	15,044	35,771
Purchases of goods and services	366,982	361,977
Payments for rental of property, plant and equipment (Note)	2,103	2,507
Interest income	22,788	20,798
Interest expenses on borrowings	91,030	92,863
With joint ventures		
Sales of goods and services	9,305	41,488
Purchases of goods and services	14,008	47,883

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

(b) Balances with related parties of the Group

	Unaudited	Audited
	30 June	31 December
	2022	2021
	HK\$'000	HK\$'000
With Tianjin Port Group and its subsidiaries, associates and joint ventures		
Trade and other receivables and notes receivables (Note i)	69,702	50,210
Trade and other payables and contract liabilities (Note i)	742,934	447,075
Lease payables	53,896	29,610
With associates		
Trade and other receivables and notes receivables (Note i)	2,320	1,165
Trade and other payables and contract liabilities (Note i)	72,374	63,315
Deposits (Note ii)	3,742,510	3,750,844
Borrowings (Note iii)	3,598,931	3,758,478



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

21. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Balances with related parties of the Group (continued)

	Unaudited 30 June 2022 HK\$'000	Audited 31 December 2021 HK\$'000
With joint ventures		
Trade and other receivables and notes receivables (Note i)	2,124	2,054
Trade and other payables and contract liabilities (Note i)	1,788	2,229

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 Co., Ltd. ("Tianjin Port Finance"), a 45.83% 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 30 June 2022, borrowings from Tianjin Port Finance amounted to HK\$3,598,931,000 (31 December 2021: HK\$3,758,478,000), in which HK\$2,992,224,000 (31 December 2021: HK\$3,151,212,000) are repayable within 5 years and the remaining HK\$606,707,000 (31 December 2021: HK\$607,266,000) are repayable over 5 years. Borrowings from Tianjin Port Finance are unsecured and bear interests at market rates ranging from 3.5% to 4.9% (31 December 2021: 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 30 June 2022, the majority of the Group's cash and deposits and borrowings held by subsidiaries in the PRC are with state-owned banks and financial institutions.

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



OTHER INFORMATION

REVIEW OF INTERIM RESULTS

The unaudited condensed consolidated financial statements for the six months ended 30 June 2022 have been reviewed by the independent auditor of the Company in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. The audit committee of the Company has reviewed the interim report for the six months ended 30 June 2022.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with all code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2022, except for Code Provision F.2.2.

Code Provision F.2.2 stipulates that the chairman of the Board should attend the annual general meeting. Due to other important business commitment at the relevant time, the chairman of the Board was unable to attend the annual general meeting of the Company held on 15 June 2022 (“AGM”). In his absence, LUO Xunjie, an executive Director chaired the AGM and the chairmen of the audit, remuneration and nomination committees of the Board also attended the AGM to answer questions of Shareholders at the AGM.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with the Directors, all Directors confirmed that they have complied with the Model Code at all applicable times throughout the six months ended 30 June 2022.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2022.

CONTINUING DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

On 19 May 2022, Tianjin Port Development Finance Limited, a wholly-owned subsidiary of the Company, as borrower (the “Borrower”) and the Company as guarantor entered into a facility agreement with a financial institution as lender for a term loan facility of up to HK\$1,200 million. The loan facility is unsecured, interest bearing and repayable in full on the date falling 12 months from the date of the facility agreement.

On 19 May 2022, the Borrower and the Company as guarantor entered into a facility agreement with a financial institution as lender for a term loan facility of up to HK\$500 million. The loan facility is unsecured, interest bearing and repayable in full on the date falling 12 months from the date of the facility agreement.



OTHER INFORMATION

On 19 May 2022, the Borrower and the Company as guarantor entered into a facility agreement with a financial institution as lender for a term loan facility of up to HK\$500 million. The loan facility is unsecured, interest bearing and repayable in full on the date falling 12 months from the date of the facility agreement.

Each of the above facility agreements includes a condition imposing specific performance obligations on Tianjin Port Group, the controlling shareholder of the Company. If Tianjin Port Group, together with its subsidiaries, in aggregate, (1) ceases to have the single largest shareholding interest (directly or indirectly) in the Company, or (2) ceases to hold no less than 35% (directly or indirectly) of the shareholding interest in the Company, the relevant financial institutions may demand immediate repayment of the loan facilities. As at 30 June 2022, the aggregate balance of the loan facilities subject to the above obligations was HK\$2,200 million.

On 5 June 2018, the Borrower and the Company as guarantor entered into a facility letter with a financial institution as lender for an uncommitted revolving loan facility of up to HK\$100 million. 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, in aggregate, shall (1) have the single largest shareholding interest in the Company, and (2) hold no less than 35% (directly or indirectly) of the shareholding interest in the Company. Any breach of the undertaking may result in the relevant financial institution exercising its right to demand repayment.

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

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

The changes in the Directors' information since the date of the 2021 annual report of the Company pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

CHU Bin, an executive Director and the chairman of the Board, is currently a chief senior economist; and he has been a member of the twelfth Tianjin Municipal Committee of the Communist Party of China since 20 June 2022.

SUN Bin, an executive Director, resigned as a director of Tianjin Port Co with effect from 28 April 2022; and has been appointed as a general manager of the investment and development department of Tianjin Port Group, and a director and general manager of certain subsidiaries of the Tianjin Port Group since 29 March 2022.

YANG Zhengliang, an executive Director, is currently a chief senior accountant and has been appointed as a director of Tianjin Port Co since 28 April 2022.



OTHER INFORMATION

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 would continue to be valid and exercisable in accordance with the provisions of the Share Option Scheme.

Movements of the outstanding share options under the Share Option Scheme during the six months ended 30 June 2022 were as follows:

	Date of grant	Exercise price HK\$	Number of share options				Exercise period
			As at 01/01/2022	Exercised	Lapsed	As at 30/06/2022	
Directors							
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
SHI Jing (Note)	16/09/2014	1.514	1,100,000	-	(1,100,000)	-	16/03/2015-15/09/2024
Employees							
	28/06/2012	0.896	1,050,000	-	(1,050,000)	-	28/12/2012-27/06/2022
Total			2,900,000	-	(2,900,000)	-	

Note: SHI Jing resigned as an executive Director with effect from 29 March 2022. According to the Share Option Scheme, her outstanding share options were expired one month after her resignation.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Other than the Share Option Scheme, during the six months ended 30 June 2022 or at the end of the period, the Company or any of its subsidiaries, its fellow subsidiaries or its holding companies was not a party to any arrangements to enable the Directors or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

OTHER INFORMATION

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2022, 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	Percentage of issued share capital of the Company
Japhet Sebastian LAW	Beneficial owner	2,700,000 (L)	0.04%

(L) denotes a long position

Save as disclosed above, as at 30 June 2022, none of the Directors or chief executive of the Company or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



OTHER INFORMATION

INTERESTS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 June 2022, 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%
天津投資控股有限公司 (Tianjin Investment Holdings Limited*) (Note 4)	Interest of controlled corporations Beneficial owner	1,293,180,000 (L) 6,820,000 (L)	21.0% 0.1%
Tsinlien Investment Limited (Note 4)	Beneficial owner	3,010,000 (L)	0.0%
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)	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



OTHER INFORMATION

Notes:

1. According to Section 336 of the SFO, when the shareholdings of the Shareholders in the Company change, it is not necessary for the Shareholders to notify the Company and the Stock Exchange unless certain criteria are fulfilled. Therefore, the latest shareholdings of the Shareholders may be different from the shareholdings filed with the Stock Exchange.
2. By virtue of the SFO, Tianjin Port Group is deemed to be interested in all the Shares held by Tianjin Port Overseas Holding Limited, a wholly-owned subsidiary of Tianjin Port Group.
3. By virtue of the SFO, Tianjin Development is deemed to be interested in all the Shares held by Leadport Holdings Limited, a wholly-owned subsidiary of Tianjin Development.
4. Tianjin Development is a subsidiary of Tianjin Investment Holdings Limited which in turn is a wholly-owned subsidiary of Tsinlien. As at 30 June 2022, Tianjin Investment Holdings Limited and Tsinlien Investment Limited, the wholly-owned subsidiaries of Tsinlien, were beneficially interested in 6,820,000 Shares and 3,010,000 Shares respectively, representing an aggregate of approximately 0.2% of the issued share capital of the Company. Tsinlien is a wholly-owned subsidiary of Bohai, which in turn is a wholly-owned subsidiary of 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.

Save as disclosed above, as at 30 June 2022, there are no other persons, other than the Directors or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.



FINANCIAL SUMMARY

	For the year ended 31 December					For the six months ended 30 June	
	2017	2018	2019	2020	2021	2021	2022
	HK\$'000	HK\$'000	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	8,741,674	7,113,959
Cost of sales	(12,961,777)	(12,675,629)	(11,843,819)	(12,123,230)	(13,528,544)	(6,775,593)	(5,390,464)
Taxes and surcharges	(18,318)	(14,800)	(10,452)	(9,073)	(10,534)	(5,405)	(6,855)
Gross profit	3,641,716	3,180,646	3,223,132	3,357,874	3,831,466	1,960,676	1,716,640
Other income and expenses, other gains and losses	445,717	19,147	196,728	324,221	909,597	129,761	151,825
Administrative expenses	(1,912,589)	(1,804,583)	(1,674,496)	(1,770,862)	(2,191,709)	(902,397)	(881,360)
Finance costs	(571,887)	(616,065)	(657,187)	(550,117)	(484,159)	(256,382)	(200,743)
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	247,721	219,620
Profit before income tax	2,105,534	1,227,539	1,516,137	1,796,959	2,476,296	1,179,379	1,005,982
Income tax	(471,273)	(263,324)	(410,633)	(389,433)	(533,987)	(260,639)	(234,456)
Profit for the year/period	1,634,261	964,215	1,105,504	1,407,526	1,942,309	918,740	771,526
Profit attributable to:							
Equity holders of the Company	763,000	387,745	388,491	636,161	923,116	417,579	286,096
Non-controlling interests	871,261	576,470	717,013	771,365	1,019,193	501,161	485,430
	1,634,261	964,215	1,105,504	1,407,526	1,942,309	918,740	771,526

	As at 31 December					As at 30 June	
	2017	2018	2019	2020	2021	2022	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
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	20,111,450	20,111,450
Right-of-use assets	–	–	6,737,343	7,068,583	6,550,516	6,360,997	6,360,997
Investment properties	–	–	–	820,200	823,624	777,549	777,549
Intangible assets	69,909	60,069	68,143	84,867	88,063	84,446	84,446
Investments accounted for using the equity method	5,972,997	5,524,722	4,773,800	4,806,587	5,897,365	5,032,062	5,032,062
Financial assets at FVOCI	–	509,111	723,781	785,600	705,558	607,461	607,461
Available-for-sale financial assets	958,574	–	–	–	–	–	–
Deferred income tax assets	63,520	54,091	54,914	120,290	26,216	23,904	23,904
Current assets	14,186,968	14,523,844	12,103,737	12,490,082	12,256,848	11,479,611	11,479,611
Total assets	47,420,806	45,372,851	44,813,278	47,644,135	46,301,922	44,477,480	44,477,480
Total liabilities	(20,484,587)	(19,581,570)	(18,309,693)	(18,579,908)	(15,773,059)	(14,344,744)	(14,344,744)
Non-controlling interests	(14,226,202)	(13,622,769)	(14,315,361)	(15,581,769)	(16,092,474)	(16,456,337)	(16,456,337)
Equity attributable to equity holders of the Company	12,710,017	12,168,512	12,188,224	13,482,458	14,436,389	13,676,399	13,676,399

DEFINITIONS

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

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

* for identification purposes only



CORPORATE INFORMATION

EXECUTIVE DIRECTORS

CHU Bin (*Chairman*)
 LUO Xunjie (*Managing Director*)^Δ
 LI Xiaoguang
 SUN Bin
 YANG Zhengliang⁺

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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) Ltd.
 DBS Bank Ltd.

PRINCIPAL SHARE REGISTRAR

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HONG KONG BRANCH SHARE REGISTRAR

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STOCK CODE

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^Δ Members of Nomination Committee, ZHANG Weidong is the chairman of the committee

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

^{*} Members of Audit Committee, CHENG Chi Pang, Leslie is the chairman of the committee





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