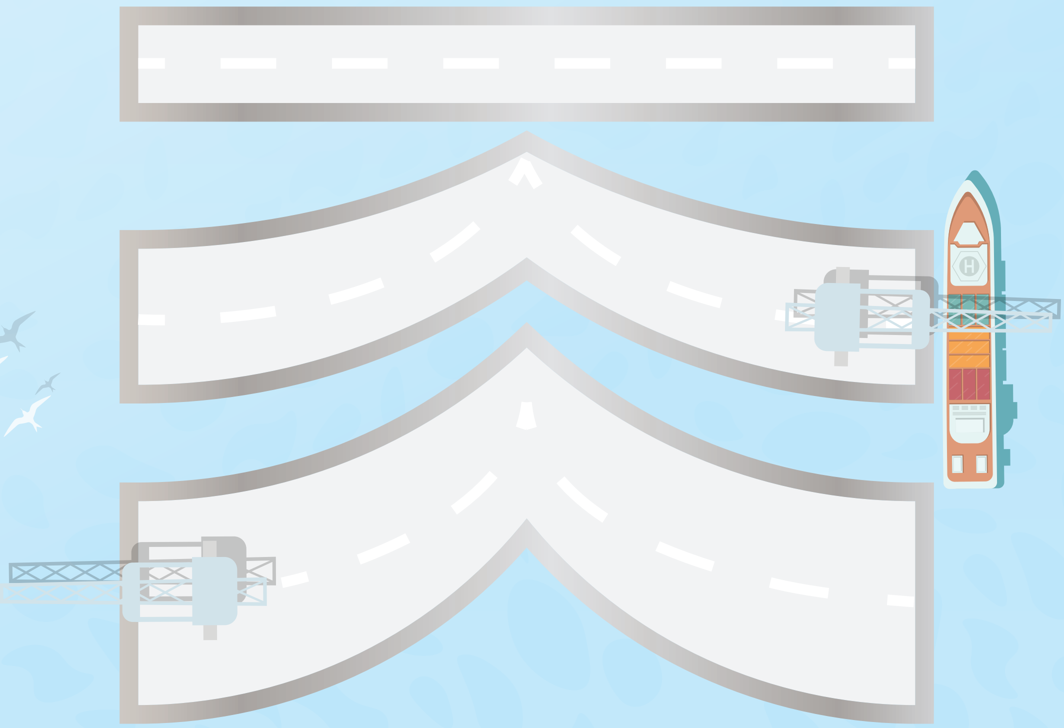
天津港發展控股有限公司
Tianjin Port Development Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 03382



# ANNUAL REPORT 2024

# 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.

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# 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 International 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 International, a container terminal with quay length of 1,100 meters and designed annual handling capacity of 1.7 million TEUs.

## 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 International. Upon completion of acquisition, the Group held 70% equity interest in Euroasia International.

Total container throughput exceeded 20 million TEUs in 2021.

## 2022

Completion of acquisition of 20% equity interest in Alliance International. Upon completion of acquisition, the Group held 60% equity interest in Alliance International.

# FINANCIAL HIGHLIGHTS

| | For the year ended 31 December | |
|---|---|---|
| | **2024** | 2023 |
| Total throughput | | |
| Non-containerised cargo (million tonnes) | **254.97** | 237.80 |
| Container (million TEUs) | **20.47** | 20.02 |
| Consolidated throughput | | |
| Non-containerised cargo (million tonnes) | **196.84** | 176.38 |
| Container (million TEUs) | **12.02** | 11.80 |

| **HK$ million** | For the year ended 31 December | |
|---|---|---|
| | **2024** | 2023 |
| Revenue | **13,721** | 13,484 |
| Profit before income tax | **2,184** | 2,085 |
| Profit attributable to Shareholders | **690** | 729 |
| Basic earnings per share (HK cents) | **11.2** | 11.8 |
| Net cash inflow from operating activities | **3,163** | 2,851 |

| **HK$ million** | As at 31 December | |
|---|---|---|
| | **2024** | 2023 |
| Total assets | **40,674** | 40,620 |
| Total borrowings | **4,861** | 5,707 |
| Shareholders' equity | **13,756** | 13,610 |
| Total equity | **30,657** | 30,284 |
| Financial ratios | | |
| Gearing ratio *(Note 1)* | **15.9%** | 18.8% |
| Current ratio | **1.5** | 1.6 |
| Net assets per share – book value *(Note 2)* (HK$) | **2.2** | 2.2 |

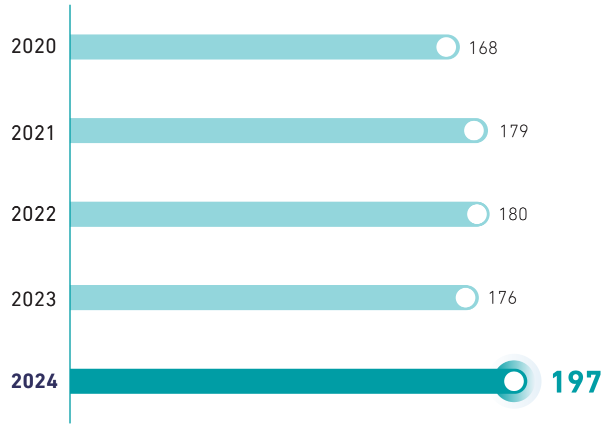
*Notes:*

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

# FINANCIAL HIGHLIGHTS

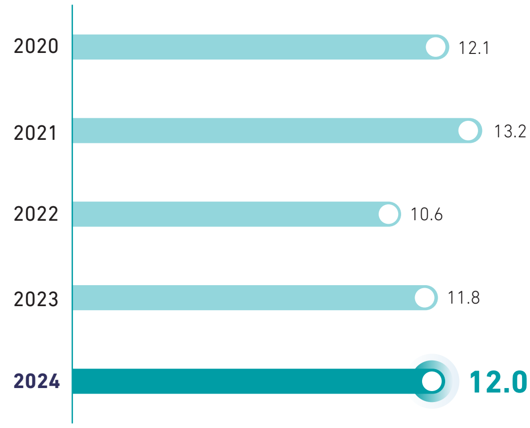
## Consolidated non-containerised cargo throughput

(million tonnes)



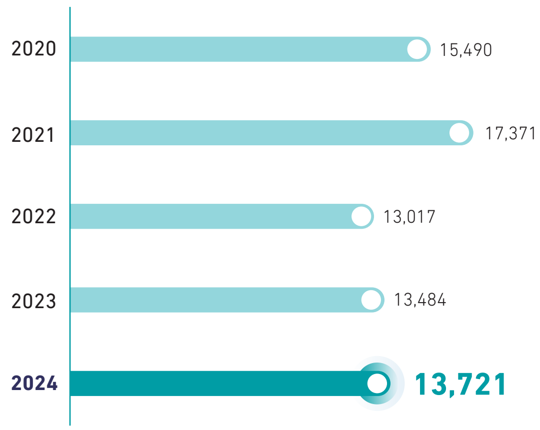

## Consolidated container throughput

(million TEUs)



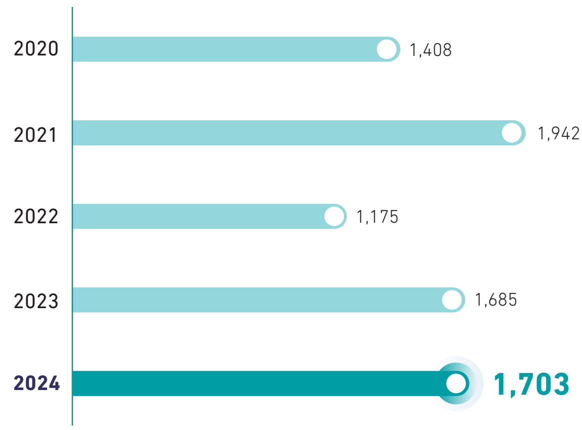

## Revenue

(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 2024.

In 2024, the international environment was intricate and complex, with global economic growth momentum relatively subdued. Despite enduring prolonged geopolitical conflicts and intensified trade protectionism, the global economy exhibited an unexpectedly robust resilience, albeit with a deceleration in growth. Amid multiple challenges, China's economy maintained overall stability and made steady progress. In 2024, China's gross domestic product (GDP) reached RMB134.9 trillion, representing a year-on-year increase of 5.0%, securing its position as the world's second-largest economy; total import and export trade for the year amounted to RMB43.8 trillion, also reflecting a year-on-year increase of 5.0%. The cargo throughput of China's ports continued to grow in 2024. According to data released by the National Bureau of Statistics, the cargo throughput of China's ports was 17.6 billion tonnes in 2024, representing a year-on-year increase of 3.7%; of which the container throughput was 332 million TEUs, representing a year-on-year increase of 7.0%.

In 2024, the Group fully embraced a work rhythm focused on innovation, progress, integration, and excellence while maintaining stability. It steadily advanced production intelligence enhancement and service efficiency upgrades. The Group continuously strengthened its intrinsic safety system, accelerated the development of a green and low-carbon framework, and further improved the clean transportation system. Additionally, it refined its maritime route network and deepened the construction of its land-based logistics system. The Group's total cargo throughput in 2024 was 453 million tonnes, representing a year-on-year increases of 1.9%. The Group completed a container throughput of 20.47 million TEUs, representing a year-on-year increase of 2.2%. Profit attributable to Shareholders for the year ended 31 December 2024 was HK$690 million. Basic earnings per share was HK11.2 cents. The Board is pleased to recommend the payment of a final dividend for the year 2024 of HK4.48 cents per share, representing a pay-out ratio of approximately 40% for the year.

Looking ahead to 2025, despite geopolitical tensions and trade protectionism adding uncertainties to global economic development, we also recognise the tremendous resilience and vast potential of China's economy, with a continued recovery and positive momentum. Policies are consistently releasing positive signals, supporting steady economic growth and the enhancement of both the volume and quality of trade. Tianjin Port, as an international hub port and a major coastal port, serves as a crucial support for the coordinated development of the Beijing-Tianjin-Hebei region and the construction of a world-class port cluster, and a key gateway for deeper integration into the "Belt and Road" and achieving a higher level of opening-up. It will expand new development space for the port leveraging China's "dual circulation" development strategy, which prioritises domestic economic cycle while fostering international trade. The coordinated development of the Beijing-Tianjin-Hebei region, along with the high-quality integration and development of ports, industries, and cities, presents significant strategic opportunities. Additionally, the rise in RCEP trade volume, the integration of domestic and foreign trade, and the cultivation of new productive forces are expected to inject strong momentum into the port's growth.

The year 2025 marks the conclusion of the "14th Five-Year" Plan and the strategic planning phase of the "15th Five-Year" Plan. The Group will adhere to the principles of upholding integrity while pursuing innovation, maintaining stability while seeking progress, and promoting stability through advancement. We will capitalise on opportunities presented by both domestic circulation and the emerging domestic-international dual circulation model, to further enhance the quality of our core cargo handling and logistics operations. Guided by our core values of "People Focus", "Quality First", and "Customer-Oriented", we will focus on refining management, balancing quality with efficiency, and transforming high production efficiency into high operational effectiveness. The Group is committed to advancing digital and intelligent transformation, automation upgrades, and informatization enhancements to drive high-quality and innovative development. We will comprehensively promote the construction of safe and green ports, continuously strengthen operational security, improve our safety management system, and accelerate green and low-carbon upgrades. At the same time, we will enhance our core competitiveness by expanding markets both by sea and land, refining on-site management, and improving service quality and efficiency to provide a better experience for our customers. The Group will maintain its commitment to continuously enhancing corporate governance, optimising management practices and reinforcing risk control and internal oversight to lay a solid foundation for high-quality development and sustainable future growth. We are committed to creating better returns for shareholders and generating value for society and all stakeholders.

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, 26 March 2025

# MANAGEMENT DISCUSSION AND ANALYSIS

# MANAGEMENT DISCUSSION AND ANALYSIS

## OPERATION ENVIRONMENT

In 2024, the international environment was intricate and complex, with global economic growth momentum relatively subdued. Despite enduring prolonged geopolitical conflicts and intensified trade protectionism, the global economy exhibited an unexpectedly robust resilience, albeit with a deceleration in growth. Amid multiple challenges, China's economy maintained overall stability and made steady progress. In 2024, China's gross domestic product (GDP) reached RMB134.9 trillion, representing a 5.0% year-on-year increase and meeting the expected target. Cargo throughput at Chinese ports continued to grow, with total annual import and export values increasing by 5.0% year-on-year to RMB43.8 trillion. According to statistics from the National Bureau of Statistics of China, cargo throughput handled by ports in China in 2024 was 17.6 billion tonnes, representing a year-on-year increase of 3.7%, and container throughput handled increased by 7.0% year-on-year to 332 million TEUs.

## ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

During the year, the Group accelerated the advancement of port operations towards digitisation, intelligence and low-carbon development. In terms of green and low-carbon development, the Group actively engaged in new energy initiatives in 2024 through more investment in wind power, photovoltaic and other related projects, setting a benchmark for the widespread application of clean energy in the port sector. In addition, we have significantly increased the proportion of electric container transport vehicles in our port. With respect to smart port, the automated container terminal operating system (JTOS), over which the Group has complete and full-stack control, has been continuously enhanced through iterative upgrades; the Tianjingang Portnet (津港通) platform and the Tianjin Port Intelligent Collaborative Transport Platform 2.0 (天津港智能協同調度平台2.0) have been upgraded with more functionalities; and systems such as the general cargo integration platform, the automated and intelligent equipment control system (ECS) for gantry cranes and the Tianjin Port Intelligent Control Platform (TCA), have come into service, achieving a deep integration of digitalisation with operational management.

In 2024, the Group remained committed to a people-oriented approach and continued to strengthen its safety system. Through enhancements in management structures, on-site practices and technological measures, we made concerted efforts to promote safer operations. We also increased our commitment to employee welfare and fully supported their career development, providing a safe, warm and promising work environment. With steadfast commitment, we strived to create a safe, efficient, and green port and shipping ecosystem.

## ANNUAL RESULTS

Total cargo throughput handled by the Group for 2024 was 453 million tonnes (2023: 445 million tonnes), representing an increase of 1.9% over last year, of which total container throughput was 20.47 million TEUs (2023: 20.02 million TEUs), representing an increase of 2.2% over last year.

| | **2024**<br>**HK$ million** | 2023<br>HK$ million | Change amount<br>HK$ million | Change percentage |
|---|---|---|---|---|
| Revenue | **13,721** | 13,484 | 237 | 1.8% |
| Cost of sales | **9,754** | 9,782 | -28 | -0.3% |
| Gross profit | **3,958** | 3,698 | 260 | 7.0% |
| Profit before income tax | **2,184** | 2,085 | 99 | 4.8% |
| Profit attributable to Shareholders | **690** | 729 | -39 | -5.3% |

The Group's profit before income tax was HK$2,184 million, representing an increase of 4.8% over last year. Profit attributable to Shareholders amounted to HK$690 million, representing a decrease of 5.3% over last year. Basic earnings per share was HK11.2 cents. The increase of profit before income tax was driven by the increase of gross profit of the Group in 2024 as compared with 2023, primarily due to increased revenue and profit margin. The overall increase was partially offset by several factors, including a decline in the share of net profit from associates and joint ventures accounted for using the equity method, an increase in administrative expenses, and a decrease in exchange gains.

The Board recommends the payment of a final dividend of HK4.48 cents per share for 2024, representing a payout ratio of approximately 40% for the year (2023: 40%).

## OUTLOOK

Looking ahead to 2025, factors such as geopolitical conflicts and trade protectionism will present significant challenges to global economic development. According to the International Monetary Fund World Economic Outlook released in January 2025, global growth is projected at 3.3% in 2025. Looking forward, China has a solid economic foundation, with numerous strengths, tremendous resilience and vast potential. The dominating trend of long-term improvement and supportive conditions have not changed. Through proactive macroeconomic policies, initiatives to expand domestic demand and efforts to stabilise foreign trade, China's economy is expected to grow steadily, providing robust support for port operations that are closely connected to domestic and international trade.

The Group will adhere to the principles of upholding integrity while pursuing innovation, maintaining stability while seeking progress, and promoting stability through advancement. We will capitalise on opportunities presented by both domestic circulation and the emerging domestic-international dual circulation model, to further enhance the quality of our core cargo handling and logistics operations. Guided by our core values of "People Focus", "Quality First", and "Customer-Oriented", we will focus on refining management, balancing quality with efficiency, and transforming high production efficiency into high operational effectiveness. We remain dedicated to accelerating our green, low-carbon transformation, expediting the shift to renewable energy and clean transportation, and thereby laying a solid foundation for sustainable development. At the same time, we will intensify the construction of safe ports and elevate our safety management practices to continuously enhance operations. Moreover, by driving smart innovation and digital and intelligent transformation, we aim to boost operational efficiency and provide clients with one-stop, seamless, end-to-end services around the clock. We will also expand our presence in the marine and land transportation markets, while refining on-site management and enhancing service quality and efficiency to further elevate the customer experience. We will also expedite the completion of key infrastructure projects and port facility upgrades. Lastly, the Group will maintain its commitment to continuously enhancing corporate governance, optimising management practices and reinforcing risk control and internal oversight to lay a solid foundation for high-quality development. By fully leveraging national strategic initiatives such as the "Belt and Road" and the coordinated development of the Beijing-Tianjin-Hebei Region, we will intensify efforts in building world-class, smart, and green hub ports, striving to deliver better returns to Shareholders and create value for society and all stakeholders.

# OPERATION AND FINANCIAL REVIEW

## Revenue and costs of sales of core business

The Group's core businesses remained stable and achieved total cargo throughput of 453 million tonnes in 2024, representing an increase of 1.9% over 2023.

## Revenue

During the year under review, the Group recorded revenue of HK$13,721 million, representing an increase of 1.8% over last year. An analysis of revenue by segment is as follows:

| Type of business | Revenue | | | |
|---|---|---|---|---|
| | **2024**<br>**HK$ million** | 2023<br>HK$ million | Change amount<br>HK$ million | Change percentage |
| Non-containerised cargo handling business | **5,855** | 5,302 | 553 | 10.4% |
| Container handling business | **2,213** | 2,116 | 97 | 4.6% |
| Cargo handling business (total) | **8,068** | 7,418 | 650 | 8.8% |
| Sales business | **2,807** | 3,471 | -664 | -19.1% |
| Other port ancillary services business | **2,846** | 2,595 | 251 | 9.6% |
| Total | **13,721** | 13,484 | 237 | 1.8% |

## Costs of Sales

During the year under review, cost of sales of the Group was HK$9,754 million, representing a decrease of 0.3% over last year. An analysis of costs by segment is as follows:

| Type of business | Costs | | | |
|---|---|---|---|---|
| | **2024**<br>**HK$ million** | 2023<br>HK$ million | Change amount<br>HK$ million | Change percentage |
| Cargo handling business | **5,400** | 5,028 | 372 | 7.4% |
| Sales business | **2,805** | 3,457 | -652 | -18.8% |
| Other port ancillary services business | **1,549** | 1,297 | 252 | 19.4% |
| Total | **9,754** | 9,782 | -28 | -0.3% |

## Cargo handling business

The Group's cargo handling business includes non-containerised cargo handling business and container handling business.

Total revenue from cargo handling business was HK$8,068 million, representing an increase of 8.8% in HK$ over last year and an increase of 10.1% in RMB over last year, primarily attributable to the increase in both the throughput of non-containerised cargo handling business and the throughput of container handling business.

Total cost of cargo handling business was HK$5,400 million, representing an increase of 7.4% in HK$ over last year and an increase of 8.7% in RMB over last year, mainly due to the increase in the throughput of cargo handling business leading to the corresponding increase in the costs of sales.

### Cargo handling business - Non-containerised Cargo Handling Business

During the year under review, the Group achieved total non-containerised cargo throughput of 254.97 million tonnes, representing an increase of 7.2% over last year, of which throughput of the subsidiary terminals increased by 11.6% and throughput of the jointly controlled and affiliated terminals decreased by 5.4%.

| | **Non-containerised cargo throughput** | | | |
|---|---|---|---|---|
| **Nature of terminal** | **2024 million tonnes** | 2023 million tonnes | Change amount million tonnes | Change percentage |
| Subsidiary terminals | **196.84** | 176.38 | 20.46 | 11.6% |
| Jointly controlled and affiliated terminals | **58.13** | 61.42 | -3.29 | -5.4% |
| Total | **254.97** | 237.80 | 17.17 | 7.2% |

On a consolidated basis, the blended average unit price of the non-containerised cargo handling business was HK$29.7 per tonne (2023: HK$30.1 per tonne), representing a decrease of 1.1% in HK$ over last year. The blended average unit price in RMB remained stable from last year, but the depreciation of RMB resulted in a decrease of the blended average unit price in HK$.

Revenue from non-containerised cargo handling business was HK$5,855 million, representing an increase of 10.4% in HK$ over last year and an increase of 11.8% in RMB over last year, mainly attributable to the increase in the throughput of non-containerised cargo handling business.

### Cargo handling business - Container Handling Business

During the year under review, the Group achieved total container throughput of 20.47 million TEUs, representing an increase of 2.2% over last year, of which throughput of the subsidiary terminals increased by 1.9% and throughput of the jointly controlled and affiliated terminals increased by 2.7%.

| | Container throughput | | | |
|---|---|---|---|---|
| Nature of terminal | **2024**<br>**million TEUs** | 2023<br>million TEUs | Change amount<br>million TEUs | Change percentage |
| Subsidiary terminals | **12.02** | 11.80 | 0.22 | 1.9% |
| Jointly controlled and affiliated terminals | **8.45** | 8.22 | 0.23 | 2.7% |
| Total | **20.47** | 20.02 | 0.45 | 2.2% |

On a consolidated basis, the blended average unit price of the container handling business was HK$184.1 per TEU (2023: HK$179.4 per TEU), representing an increase of 2.6% in HK$ over last year and an increase of 3.9% in RMB over last year.

Revenue from container handling business was HK$2,213 million, representing an increase of 4.6% in HK$ over last year and an increase of 5.9% in RMB over last year, mainly attributable to the increase in the throughput of container handling business and the increase of blended average unit price of the container handling business.

## Sales Business

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

During the year under review, revenue from sales business was HK$2,807 million, representing a decrease of 19.1% in HK$ over last year and a decrease of 18.1% in RMB over last year, mainly due to the decrease in the business volume and the average unit price of sales business.

Cost of sales business was HK$2,805 million, representing a decrease of 18.8% in HK$ over last year and a decrease of 17.8% in RMB over last year, mainly due to the decrease in the business volume and the average unit price of sales business leading to the corresponding decrease in the costs of sales.

## Other Port Ancillary Services Business

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

Revenue from other port ancillary services business was HK$2,846 million, representing an increase of 9.6% in HK$ over last year and an increase of 11.0% in RMB over last year, the increase of revenue in RMB was mainly due to increase in the volume of other port ancillary services business.

Cost of other port ancillary services business was HK$1,549 million, representing an increase of 19.4% in HK$ over last year and an increase of 20.9% in RMB over last year, mainly due to the increase in the volume of other port ancillary services business leading to the corresponding increase in the costs of sales.

## Gross Profit

Gross profit and gross profit margin for 2024 were HK$3,958 million (2023: HK$3,698 million) and 28.8% (2023: 27.4%) respectively. Gross profit increased by HK$260 million and gross profit margin increased by 1.4 percentage points over last year, mainly driven by the increase in the gross profit margin of cargo handling business.

## Administrative Expenses

Administrative expenses of the Group amounted to HK$2,092 million (2023: HK$1,997 million), representing an increase of 4.7% over last year mainly due to the increase in staff 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, Gains and Losses

Other income amounted to HK$229 million (2023: HK$169 million), representing an increase of HK$60 million over last year, primarily due to the increase of the government grants and the dividend income from financial assets at fair value through other comprehensive income.

Other gains and losses amounted to a loss of HK$1 million (2023: a gain of HK$72 million), representing a decrease of HK$73 million over last year, mainly due to a foreign exchange gain of HK$45 million was recorded last year while a foreign exchange loss of HK$2 million was recorded in the current year, as well as a gain of HK$29 million was recorded on the disposal of property, plant and equipment last year while only a gain of HK$1 million was recorded in the current year.

## Finance Costs

Finance costs (excluding capitalised interest) were HK$248 million (2023: HK$281 million), representing a decrease of 11.4% over last year, mainly attributable to the decrease in the total borrowings compared with 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$379 million (2023: HK$435 million), representing a decrease of 12.8% over last year.

### Income Tax

The Group's income tax expenses amounted to HK$481 million (2023: HK$400 million), representing an increase of HK$81 million over last year, mainly due to the increase in profit before income tax compared with last year and the decrease in the utilisation of previously unrecognised tax losses compared with last year.

## FINANCIAL POSITION

### Cash Flow

In 2024, net increase in cash and cash equivalents of the Group amounted to HK$672 million.

The Group continued to generate steady cash flow from its operations. Net cash inflow from operating activities amounted to HK$3,163 million.

Net cash outflow from investing activities amounted to HK$588 million, which included cash outflow of capital expenditure of HK$1,070 million, cash inflow from receiving dividends of HK$387 million, cash inflow from disposal of property, plant and equipment of HK$51 million, as well as cash inflow from decrease in time deposits with maturity over three months of HK$44 million.

Net cash outflow from financing activities amounted to HK$1,904 million, which included payment of dividends and interest expenses on borrowings of HK$987 million, net decrease of HK$724 million in borrowings, and principal and interest of lease payments of HK$193 million.

### Capital Structure

The equity attributable to equity holders of the Company as at 31 December 2024 was HK$13,756 million (31 December 2023: HK$13,610 million), and the net asset value of the Company was HK$2.2 per share (31 December 2023: HK$2.2 per share).

As at 31 December 2024, the Company had an issued share capital of 6,158 million shares and the market capitalisation was approximately HK$3,941 million (calculated at the closing market price of the shares of the Company of HK$0.64 per share on 31 December 2024).

### Assets and Liabilities

As at 31 December 2024, the Group's total assets were HK$40,674 million (31 December 2023: HK$40,620 million) and total liabilities were HK$10,016 million (31 December 2023: HK$10,336 million). Net current assets as at 31 December 2024 were HK$3,239 million (31 December 2023: HK$3,205 million).

## Liquidity, Financial Resources and Borrowings

As at 31 December 2024, the Group's cash and deposits (including restricted bank deposits and time deposits with maturity over three months) were HK$6,884 million (31 December 2023: HK$6,428 million), which were principally denominated in RMB.

The Group's total borrowings as at 31 December 2024 were HK$4,861 million (31 December 2023: HK$5,707 million), with HK$1,861 million repayable within one year, HK$643 million repayable after one year and within two years, HK$1,911 million repayable after two year and within five years, and HK$446 million repayable after five years. All of the Group's borrowings were denominated in RMB.

## Financial Ratios

As at 31 December 2024, the Group's gearing ratio (total borrowings divided by total equity) was 15.9% (31 December 2023: 18.8%), and current ratio (current assets divided by current liabilities) was 1.5 (31 December 2023: 1.6).

## Pledge of Assets

None of the Group's assets were pledged as at 31 December 2024.

## Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 December 2024.

## 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 2024, most of the Group's assets and liabilities were denominated in RMB. 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 2024, the Group's total borrowings were HK$4,861 million, mainly at a floating interest rate.

The Group will continue to monitor the risks of exchange rate and interest rate closely. In view of the fluctuations in RMB exchange rate, 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 the financial market.

### Capital Expenditure and Commitments

In 2024, additions to property, plant and equipment of the Group amounted to HK$1,461 million, primarily comprising the construction or renovation of terminals and depots.

As at 31 December 2024, the Group's capital commitments for property, plant and equipment (including authorised but not contracted for) amounted to HK$1,016 million (31 December 2023: HK$986 million).

## EVENTS AFTER REPORTING PERIOD

Subsequent to the year ended 31 December 2024 and up to the date of this report, no important event affecting the Group has taken place that is required to be disclosed.

## 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, 26 March 2025

# CORPORATE GOVERNANCE

# BOARD OF DIRECTORS AND SENIOR MANAGEMENT

## EXECUTIVE DIRECTORS

### CHU Bin

Chairman

Aged 56, 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. Being an ideological and political work researcher and a chief senior economist, he is currently the secretary of the party committee and the chairman of Tianjin Port Group Co. Mr. Chu is a representative of the Twentieth National Congress of the Communist Party of China, a member of the Twelfth Tianjin Municipal Committee of the Communist Party of China, a member of the Fourth Tianjin Binhai New Area Municipal Committee of the Communist Party of China, a member of the Fifteenth Tianjin Municipal Committee of the Chinese People's Political Consultative Conference, the vice president of the Ninth China Ports and Harbours Association Council, and the vice president of Tianjin Enterprise Confederation and Tianjin Entrepreneurs Association. Mr. Chu has worked in the port industry for many years and has extensive experience in port operation and management. He was employed as a consulting expert of the second waterborne transport new think tank of the China Waterborne Transport Research Institute, and an expert talent of the Tianjin Urban Internationalisation Research Think Tank. Mr. Chu had served as the deputy general manager of 寧波舟山港股份有限公司 (Ningbo Zhoushan Port Company Limited*), whose shares are listed on the Shanghai Stock Exchange (Stock Code: 601018), a deputy general manager of 寧波舟山港集團有限公司 (Ningbo Zhoushan Port Group Co., Ltd.*) and a director of 寧波舟山港股份有限公司 (Ningbo Zhoushan Port Company Limited*). 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) and the 2021-2022 "National Outstanding Entrepreneur" (2021至2022年度全國優秀企業家). Mr. Chu was selected as "Celebrity for China's Shipping Industry" (中國航運名人榜) for the years of 2018 to 2024 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 57, 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 a subsidiary of the Company. 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 Co. 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.

## TENG Fei

Aged 46, was appointed as an executive Director on 29 August 2023. Mr. Teng is a senior engineer, graduated from Tianjin University with a Master of Business Administration Degree. Prior to joining the Company, Mr. Teng had served in various roles including assistant to general manager of 天津市中環電子計算機公司 (Tianjin Zhonghuan Electronics Computer Co.*), deputy general manager of 天津市中環華祥電子有限公司 (Tianjin Zhonghuan Huaxiang Electronics Co., Ltd.*), deputy general manager of 三星愛商 (天津)國際物流有限公司 (iMarketChina Co., Ltd.*), general manager of 天津市中環電子計算機有限公司 (Tianjin Zhonghuan Electronics Computer Co., Ltd.*), chairman of 天津環博科技有限公司 (Tianjin Huanbo Science and Technology Co., Ltd.*), as well as the president of Cashway Fintech Co., Ltd. (a company whose shares are listed on the Shanghai Stock Exchange, Stock Code: 603106) and 恒融投資集團有限公司 (Hengrong Investment Holdings Co., Ltd.*). Mr. Teng is currently an executive director and the chairman of the board of Tianjin Development, the director and the general manager of 天津泰達實業集團有限公司 (Tianjin TEDA Industrial Group Co., Ltd.*) and 津聯集團有限公司 (Tsinlien Group Company Limited*), the chairman of the board of and the general manager of 天津渤海國有資產經營管理有限公司 (Tianjin Bohai State-owned Assets Management Co., Ltd.*), all aforesaid companies are the controlling shareholders of Tianjin Development and substantial shareholder of the Company, a non-independent director of Tianjin Lisheng Pharmaceutical Co., Ltd., an indirect non-wholly-owned subsidiary of Tianjin Development and whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 002393), the chairman of 天津泰達電力有限公司 (Tianjin TEDA Electric Power Co., Ltd.*), a director of 渤海證券股份有限公司 (Bohai Securities Co., Ltd.*) as well as a director of other certain subsidiaries of Tianjin Development. Mr. Teng has extensive experience in corporate management, specialising in production and manufacturing enterprises management.

## LIU Nan

Aged 42, was appointed as an executive Director on 21 January 2025. He also serves as a director of a subsidiary of the Company. Mr. Liu holds a bachelor's degree in agricultural and forestry economics management from the Department of Economics Management of Tianjin Agricultural University. From 2006 to 2022, Mr. Liu worked in the General Office of the Tianjin Municipal People's Government. He had served in various positions including as the officer and the deputy chief officer of the Reception and Liaison Office of the General Office of the Tianjin Municipal People's Government; the deputy section secretary, the chief section secretary, the deputy division secretary and the chief division secretary of the General Office of the Tianjin Municipal People's Government. Mr. Liu joined Tianjin Port Group Co in 2022 and served as the party branch secretary and the chairman of 天津國際郵輪母港有限公司 (Tianjin International Cruise Home Port Co., Ltd.*), which is a subsidiary of Tianjin Port Group Co, from 2022 to 2024. Mr. Liu is currently the general manager of the investment development management department of Tianjin Port Group Co, as well as a director of certain subsidiaries of Tianjin Port Group Co.

## JIANG Wei

Aged 41, was appointed as an executive Director on 21 January 2025. Mr. Jiang holds a master's degree in accounting from Tianjin University of Finance and Economics and is a chief senior accountant. Mr. Jiang joined Tianjin Port Group Co in 2009 and had served in various positions including as the integrated planning and accountability administrator, the deputy chief of financial holdings management section, the chief of fund management section and the chief of capital property rights management section of the planning and finance department, as well as the deputy general manager of the financial management department of Tianjin Port Group Co. Mr. Jiang is currently the general manager of the financial management department of Tianjin Port Group Co, as well as a director of a subsidiary of Tianjin Port Group Co.

## LOU Zhanshan

Deputy General Manager, Member of Remuneration Committee

Aged 51, was appointed as the deputy general manager of the Company on 15 December 2022, and as an executive Director and a member of the Remuneration Committee on 30 January 2023. He also serves as a director of certain subsidiaries of the Company and has been the chief representative of the Tianjin Representative Office of the Company since January 2025. He has been a director of Tianjin Port Co since 27 April 2023. Mr. Lou holds a master degree in business administration with postgraduate research qualification from Tianjin University. Mr. Lou joined Tianjin Port Group Co in 1995. He has been the deputy chief of the securities financing department of Tianjin Port Co. During July 2013 to October 2022, he served as the deputy director of the president's office of Tianjin Port Co, the office director of Tianjin Port Co as well as the deputy director of the general office of the Party Committee of Tianjin Port Group Co.

# INDEPENDENT NON-EXECUTIVE DIRECTORS

## Japhet Sebastian LAW

Chairman of Remuneration Committee, Member of Audit Committee

Aged 73, was appointed as an independent non-executive Director 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 with 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), the shares of which 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 Tong Tong AI Social Group Limited (formerly known as Gome Finance Technology Co., Ltd., Stock Code: 00628), the shares of the above three companies are listed on the Main Board of the Stock Exchange, as well as Tianjin Binhai Teda Logistics (Group) Corporation Limited (Stock Code: 08348), the shares of which are listed on the GEM of the Stock Exchange. Prof. Law also served as an independent non-executive director of Global Digital Creations Holdings Limited (Stock Code: 08271) from September 2008 to May 2024, the shares of which are listed on the GEM of the Stock Exchange, and Shougang Fushan Resources Group Limited (Stock Code: 00639) from September 2013 to May 2024, the shares of which are listed on the Main Board of the Stock Exchange.

## ZHANG Weidong

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

Aged 60, was appointed as an independent non-executive Director on 28 June 2012. He is also the chairman of the Nomination Committee, 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 from 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 was an executive director and the deputy chief executive officer of then known as OP Financial Limited (currently known as Wealthink AI-Innovation Capital 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 the Industrial and Commercial Bank of China Limited ("ICBC") with 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 departments respectively.

Mr. Zhang served as an independent non-executive director of Kingwisoft Technology Group Company Limited (Stock Code: 08295), a company whose shares are listed on the GEM of the Stock Exchange, from July 2016 to August 2024. Mr. Zhang served as 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, from November 2021 to October 2023.

### LUO Laura Ying

Chairman of Audit Committee, Member of Nomination Committee

Aged 60, was appointed as an independent non-executive Director on 28 March 2023. She is also the chairman of the Audit Committee and a member of the Nomination Committee. Ms. Luo obtained a bachelor's degree in international economics from Peking University in 1987 and a Master of Business Administration degree from the University of Toronto in 1991. Ms. Luo is a chartered financial analyst of the CFA Institute and a chartered professional accountant of the Chartered Professional Accountants of British Columbia. Ms. Luo has over 20 years of experience in the investment field. From 1995 to 1999, Ms. Luo worked in various investment banks including Goldman Sachs (Asia) L.L.C. and Morgan Stanley Dean Witter Asia Limited as a research analyst. From November 1999 to July 2001, Ms. Luo was the head of China research of the research department of SG Securities (HK) Limited. From July 2001 to July 2013, Ms. Luo worked in Schroders Investment Management (Hong Kong) Limited, with the last position held as a fund manager. From September 2013 to September 2019, Ms. Luo was the managing director and head of Hong Kong China equities of Barings Asset Management (Asia) Limited.

Ms. Luo is currently an investment director of GL China Equity HK Management Limited. Ms. Luo was previously a consultant of GL Capital Management Limited. Ms. Luo is currently an independent non-executive director of Central China New Life Limited (Stock Code: 09983) and China Medical System Holdings Limited (Stock Code: 00867), both being companies listed on the Main Board of the Stock Exchange. Ms. Luo is currently a director of Pawo Foundation Limited.

## SENIOR MANAGEMENT

### MA Suqin, Susan

Aged 52, 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 a CFA charterholder and she also holds a Certificate in Business Sustainability Management from the University of Cambridge Institute for Sustainability Leadership. 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 45, 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 Chartered Governance Institute. 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 for the year ended 31 December 2024.

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 for the year ended 31 December 2024.

## BOARD OF DIRECTORS

### Board Composition

As at 31 December 2024, the Board consisted of 8 Directors, comprising 5 executive Directors namely CHU Bin (the chairman of the Board, the "Chairman"), LUO Xunjie (managing Director of the Company, the "Managing Director"), TENG Fei, SUN Bin and LOU Zhanshan, and 3 independent non-executive Directors namely Japhet Sebastian LAW, ZHANG Weidong and LUO Laura Ying.

On 21 January 2025, SUN Bin resigned as an executive Director due to his other job arrangement, LIU Nan and JIANG Wei were appointed as the executive Directors on the same day. The dates on which each of LIU Nan and JIANG Wei had obtained the legal advice referred to in Rule 3.09D of the Listing Rules (the "Relevant Date") are shown as follows and both of them had confirmed that he understood his obligations as a Director.

| Name of Director | Position | Appointment Date | Relevant Date |
|---|---|---|---|
| LIU Nan | executive Director | 21 January 2025 | 15 January 2025 |
| JIANG Wei | executive Director | 21 January 2025 | 15 January 2025 |

The biographical details of the current Directors are set out in the section headed "Board of Directors and Senior Management" of this annual report and on the website of the Company at www.tianjinportdev.com. In addition, a list containing the names of the Directors and their role and function is published on the website of the Company at www.tianjinportdev.com and the HKEXnews website of the Stock Exchange 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, LIU Nan, JIANG Wei, Japhet Sebastian LAW, ZHANG Weidong and LUO Laura Ying shall retire from office by rotation at the forthcoming annual general meeting of the Company, and they are all eligible for re-election.

## Responsibilities of the Board and Management

The Group has formalised the functions reserved to the Board and those delegated to management and reviewed such arrangement periodically.

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.

The management is given clear directions as to their powers and is delegated with and is responsible for the daily operations and administration of the Company, which will be supervised by the executive Directors. The management has the obligation to supply the Board and its committees with adequate, complete and reliable information in a timely manner.

## 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 Chairman is responsible for ensuring that all Directors are properly briefed on issues arising at Board meetings with adequate information which are accurate, clear, complete, reliable and provided in a timely manner. The Board decisions are voted upon at the Board meetings. The Company Secretary records in minutes all matters considered and decisions reached by the Board and any concerns raised or dissenting views expressed by the Directors. Draft and final versions of the minutes are sent to all Directors for their comments and records within a reasonable time after the Board meetings or meetings of committees are held. Minutes of the Board meetings and meetings of committees of the Board 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 seven full Board meetings, an annual general meeting and an extraordinary general meeting in 2024.

The attendance of each Director at the meetings held in 2024 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 | 7/7 | 1/1 | 1/1 |
| LUO Xunjie | 7/7 | 1/1 | 1/1 |
| TENG Fei | 7/7 | 1/1 | 1/1 |
| SUN Bin | 7/7 | 1/1 | 0/1 |
| LOU Zhanshan | 7/7 | 1/1 | 1/1 |
| YANG Zhengliang (resigned on 22 July 2024) | 3/4 | 0/1 | 1/1 |
| **Independent Non-executive Directors** | | | |
| Japhet Sebastian LAW | 7/7 | 1/1 | 1/1 |
| CHENG Chi Pang, Leslie (retired on 12 June 2024) | 3/3 | 1/1 | 1/1 |
| ZHANG Weidong | 7/7 | 1/1 | 1/1 |
| LUO Laura Ying | 7/7 | 1/1 | 1/1 |

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 of the Company was held in 2024.

## Appointment, Re-election and Removal of Directors

Changes in Directors for the year ended 31 December 2024 were as follows:

— CHENG Chi Pang, Leslie retired as an independent non-executive Director on 12 June 2024.

— YANG Zhengliang resigned as an executive Director on 22 July 2024.

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.

## 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, business and governance policies as well as are fully aware of their associated roles, functions and responsibilities under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

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.

For the year ended 31 December 2024, the Company provided regular updates to all Directors on the latest information regarding the Listing Rules and other applicable legal and regulatory requirements. Directors, namely, CHU Bin, LUO Xunjie, TENG Fei, SUN Bin, LOU Zhanshan, Japhet Sebastian LAW, ZHANG Weidong and LUO Laura Ying attended an in-house seminar covering the Listing Rules in respect of climate-related disclosures. Each of the Directors also participated in other continuous professional development programmes such as reviewing updates on regulatory requirements, attending conferences, online training and external seminars established by qualified professionals.

## Board Independence

The Company has established below mechanisms to ensure independent views and input are available to the Board:

1. Board composition and independence of independent non-executive Directors – which 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, at the expense of the Company, in accordance with the Company's policies.

3. Conflict of Interest – as the Board is independent of the board of directors of Tianjin Port Group Co (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 Co. In view of good corporate governance practices, CHU Bin, LUO Xunjie and SUN Bin, the Directors who are also directors and/or senior management of Tianjin Port Group Co, a–stained from voting in the relevant Board resolutions in relation to the transactions with Tianjin Port Group Co and/or its associates for the year ended 31 December 2024.

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/or an independent Board committee should be established to give advice to Shareholders in accordance with the Listing Rules. Besides, the continuing connected transactions have been reviewed annually by independent non-executive Directors and auditors in accordance with the Listing Rules.

5. Chairman meeting with independent non-executive Directors – it has to be held at least once annually without the presence of other Directors.

6. Relationship with the senior management of the Company (the "Senior Management") – the Board and each Director have separate and independent access to the Senior Management.

The Board has reviewed the implementation and effectiveness of the above mechanisms for the year ended 31 December 2024.

# CHAIRMAN AND MANAGING DIRECTOR

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

The Chairman 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 has taken steps to ensure that sound corporate governance practices and procedures are established at the Company, encourage all Directors to make a full and active contribution to the Board's affairs and take the lead to ensure that it acts in the best interests of the Company. The Chairman is also responsible for encouraging Directors with different views to voice their concerns, allow sufficient time for discussion of issues and ensure that Board decisions fairly reflect Board consensus. The Chairman has taken steps to promote a culture of openness and debate by facilitating the effective contribution of independent non-executive Directors and ensuring constructive relations between executive and independent non-executive Directors.

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

## INDEPENDENT NON-EXECUTIVE DIRECTORS

As at 31 December 2024, the Board consists of 8 Directors, 3 of which are independent non-executive Directors. All of the independent non-executive Directors are highly qualified professionals with extensive experiences in areas including accounting, finance and corporate management. The independent non-executive Directors are responsible for making positive contribution to the development of the Group's strategy and policies through independent, constructive and informed comments.

The Company has received an annual confirmation of independence for the year ended 31 December 2024 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.

## DIVERSITY

### 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 is responsible for the review of the implementation and effectiveness of the Board Diversity Policy on annual basis.

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.

The Nomination Committee has reviewed the Board composition with reference to the Board Diversity Policy:

— As at 31 December 2024, the Board comprised of 8 Directors, 7 of which are male and 1 of which is female. The Company has 2 Senior Management, 1 of which is male and 1 of which is female. The gender ratio of the Board and Senior Management is 8 males to 2 females.

— As at 31 December 2024, the Board has 2 members in the 50 or below age group; 5 members in the 50 to 59 age group; and 1 member in the 60 or above age group.

— As at 31 December 2024, the Board has a balanced combination of professional experience, skills and knowledge, including but not limited to port management, engineering, investment, legal and compliance, financial management, etc. They have obtained degrees or qualifications in different professions, including but not limited to economics, engineering, business administration, law and accounting, etc. These skills and experience enable the Board to effectively perform its duties and responsibilities, including leading the Company's business development, establishing a high standard corporate governance framework, and overseeing the Company's risk management and internal controls, etc.

— The Nomination Committee is of the view that the Board has primarily achieved the objectives of the Board Diversity Policy. In the future, in order to promote diversity in the Board composition, the Company will continue to identify suitable director candidates over time after taking into account various factors such as the Company's own business and needs, and diversity aspect (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) from time to time, the director candidate's merit and potential contribution to the Board.

— When recruiting employees, the Group also considers the concept of diversity, including but not limited to gender perspective. As at 31 December 2024, the Group had a total of 5,399 employees. The gender ratio in the workforce (including Senior Management) was 4,065 male to 1,334 female. Further details of the Group's workforce management are set out in "Environmental, Social and Governance Report" of the Company which is available on the HKEXnews website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.tianjinportdev.com.

## BOARD COMMITTEES

The Board has established three Board committees, namely the Nomination Committee, the Remuneration Committee and the Audit Committee. The specific terms of reference and list of membership of all the Board committees are published on the website of the Company at www.tianjinportdev.com and the HKEXnews website of the Stock Exchange at www.hkexnews.hk.

The attendance of each member of the Board committees at the meetings held in 2024 is set out below:

| | Attendance/Number of meetings held during such member's tenure as a Director | | |
|---|---|---|---|
| | **Nomination Committee** | **Remuneration Committee** | **Audit Committee** *(Note 1)* |
| **Executive Directors** | | | |
| LUO Xunjie | 2/2 | NA | NA |
| LOU Zhanshan | NA | 3/3 | NA |
| **Independent Non-executive Directors** | | | |
| Japhet Sebastian LAW | NA | 3/3 | 5/5 |
| CHENG Chi Pang, Leslie *(Note 2)* | 1/1 | NA | 2/3 |
| ZHANG Weidong | 2/2 | 3/3 | 5/5 |
| LUO Laura Ying *(Note 2)* | 1/1 | NA | 5/5 |

*Notes:*

1. Representatives of the external auditor participated in 3 Audit Committee meetings held in 2024.

2. With effect from 12 June 2024, CHENG Chi Pang, Leslie has ceased to act as the chairman of the Audit Committee and a member of the Nomination Committee and LUO Laura Ying has been appointed as the chairman of the Audit Committee (previously as a member of the Audit Committee) and a member of the Nomination Committee.

Details of the Board committees, including their members, responsibilities and the work performed in 2024 are set out below.

## Nomination Committee

As at 31 December 2024, the Nomination Committee comprises 2 independent non-executive Directors, namely ZHANG Weidong and LUO Laura Ying, and 1 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 for directorships and making recommendations to the Board, making recommendations to the Board 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.

The major work performed by the Nomination Committee for the year ended 31 December 2024 included reviewing and, where applicable, making recommendations to the Board on and approving the following matters, in accordance with its responsibilities and authorities:

— retirement of Director and change in members of Board committees.

— resignation of Director and change of authorised representative of the Company.

— structure, size and composition (including the skills, knowledge, experience and diversity) of the Board.

— independence and annual performance of independent non-executive Directors.

— Directors for re-election at the annual general meeting held in 2024.

— the implementation and effectiveness of the Board Diversity Policy.

## 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 the candidate's 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. 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 recommendations 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 2024, the Remuneration Committee comprises 2 independent non-executive Directors, namely Japhet Sebastian LAW and ZHANG Weidong, and 1 executive Director, LOU Zhanshan. Japhet Sebastian LAW is the chairman of the Remuneration Committee.

The Remuneration Committee is responsible for, amongst other things, making recommendations to the Board on the Company's policies 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, recommending to the Board on the remuneration of non-executive Directors, and considering salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group. No Director is involved in determining his or her own remuneration.

The major work performed by the Remuneration Committee for the year ended 31 December 2024 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 change in members of Board committees

— 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 Policy and 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.

Details of the Directors' emoluments for the year ended 31 December 2024 are set out in Note 8 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 2024 is set out below:

| Remuneration band | 2024 Number of individuals |
|---|---|
| HK$2,000,001 – HK$2,500,000 | 2 |

## Audit Committee

As at 31 December 2024, the Audit Committee comprises 3 independent non-executive Directors, namely Japhet Sebastian LAW, ZHANG Weidong and LUO Laura Ying. LUO Laura Ying 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 remuneration and terms of engagement, and any questions of its resignation or dismissal (if any). The Audit Committee is also responsible for reviewing and monitoring external auditor's independence, objectivity and effectiveness of audit process, reviewing the financial information of the Group and overseeing the Group's financial reporting system as well as the risk management and internal control systems. The Audit Committee acted as the key representative body for overseeing the Group's relations with the external auditor.

The major work performed by the Audit Committee for the year ended 31 December 2024 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, as well as those relating to the Company's Environmental, Social and Governance (ESG) performance and reporting.

— nature and scope of the external auditor's audit and reporting obligations and policy on engaging external auditor to provide non-audit services.

# 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 for the year ended 31 December 2024 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 Company's compliance with the CG Code and the Corporate Governance Report disclosure.

## AUDITOR'S REMUNERATION

For the year ended 31 December 2024, the remuneration paid/payable to the external auditor of the Company in respect of audit services and other services provided was HK$2,050,000 and HK$1,225,000 respectively. The other services provided mainly included major transaction project services, review services and tax advisory services.

## 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 2024, 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 management provided all members of the Board with sufficient explanation and information and monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail.

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 69 to 72.

## RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the Group's 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 report to Shareholders. 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.

For the year ended 31 December 2024, 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 Board has also reviewed and confirmed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, financial reporting functions, as well as those relating to the Company's ESG performance and reporting. 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.

### 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 to the Audit Committee.

## Process for Identifying, Evaluating 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. |

## Main Features of the Risk Management and Internal Control Systems

The risk management and internal control systems are designed to identify, assess and mitigate risks that may impact the achievement of the Company's objectives. Key features include a clear risk management framework with defined responsibilities, structured risk identification and assessment processes, and ongoing risk monitoring mechanisms to ensure the reliability of financial reporting, compliance with laws and regulations, and the effectiveness of operations. The Company regularly reviews the risk management and internal control system to adapt to the evolving business environment and emerging risks.

## Process used to Review the Effectiveness of the Risk management and Internal Control Systems and to Resolve Material Internal Control Defects

The Company regularly reviews the effectiveness of its risk management and internal control systems through internal audit. The specific process includes: examining the establishment and implementation of relevant management systems and procedures, assessing the quality of such systems and procedures against established policies, procedures, and standards, and evaluating the adequacy and effectiveness of controls.

## 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 risk management and internal control system, and to ensure that actions are taken to resolve the identified material internal control defects, if any.

### 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 selected and appointed by the Board and reports to the Chairman and Managing Director. 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 to ensure that Board procedures, and all applicable law, rules and regulations, are followed.

The biographical details of the Company Secretary are set out in the section headed "Board of Directors and Senior Management" of this annual report. The Company Secretary has taken more than 15 hours of relevant professional training for the year ended 31 December 2024 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 at Suite 3904-3907, 39/F., Tower Two, Times Square, 1 Matheson Street, Causeway Bay, 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 10% of the voting rights (on a one vote per Share basis) in the issued share capital of the Company. 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 at Suite 3904-3907, 39/F., Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. The meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

### 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 that 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'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: (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 less 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

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 meetings and other general meetings of the Company and welcomes Shareholders to express their views and raise questions thereat.

## SHAREHOLDERS' COMMUNICATION POLICY

The Company is committed to enhancing long-term shareholder value through regular communication with the Shareholders. In order to ensure that Shareholders and investors can maintain continuous dialogue with the Company, and can obtain Company's information in a timely manner, the Company has formulated the shareholders' communication policy and will regularly review it to ensure its effectiveness. Below is a summary of the policy.

### 1. Shareholders' Enquiries

— Shareholders may at any time make a request for the Company's information to the extent such information is publicly available. Shareholders are also encouraged to direct their questions or provide their comments to the Company. Such requests, questions and/or comments shall be addressed to the Investor Relations Manager by mail to the Company's office address in Hong Kong at Suite 3904–3907, 39/F., Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong, or by email to ir@tianjinportdev.com.

— Shareholders should direct their questions about their shareholdings to the Company's Hong Kong share registrar, Tricor Investor Services Limited.

## 2. Corporate Communication

— Corporate communication (has the meaning ascribed to it under the Listing Rules) 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 (in English only, in Chinese only or in both languages) and the means of receipt (in printed form or by electronic means) of corporate communication.

## 3. Corporate Website

— The website of the Company (www.tianjinportdev.com) provides information on the Company, including communication to Shareholders.

— Information released by the Company to the HKEXnews website of the Stock Exchange is posted on the Company website (www.tianjinportdev.com) as soon as practicable thereafter. Such information includes financial statements, results announcements, Environmental, Social and Governance (ESG) report, circulars and notices of general meetings and associated explanatory documents etc.

## 4. Shareholders' Meetings

— 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.

— 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.

— Representatives of Board members, Senior Management and external auditors of the Company 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 proposed at the meeting seeking approval of independent Shareholders.

— Notices of general meetings and accompanying papers are provided within a prescribed period of time prior to the meetings on the website of the Company and HKEXnews website of the Stock Exchange.

## 5. Investment Community Communications

— 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.

— The Company welcomes fund managers and analysts to visit the ports operated by the Group to deepen their understanding of port operations and the Group's business.

— To facilitate communication between the Company, Shareholders and the investment community, the Company conducts 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.

### 6. Shareholders' Privacy

— The Company recognises the importance of the Shareholders' privacy. The Company will protect their personal data in compliance with applicable data protection laws and its privacy policy, and will not disclose Shareholders' information without their consent, unless required to do so by law.

### 7. Publication and Review of the Shareholders' Communication Policy

— The shareholders' communication policy is available on the website of the Company. This policy is reviewed at least annually and may be updated from time to time by the Board to ensure its effectiveness in upholding high standards of communication with Shareholders and to reflect current best practice.

For the year ended 31 December 2024, the respective chairman of the Audit Committee, Remuneration Committee and the Nomination Committee, as well as the external auditor of the Company had attended the annual general meeting of the Company held on 12 June 2024 (the "2024 AGM") to answer questions from the Shareholders. All members of independent board committee, Japhet Sebastian LAW, ZHANG Weidong and LUO Laura Ying had attended the extraordinary general meeting of the Company held on 31 July 2024 to approve the continuing connected transactions. The Company has also invited the independent financial advisor to attend the aforesaid extraordinary general meeting to address inquiries from the Shareholders.

In view of the availability of different channels to communicate with the Shareholders, the Board has reviewed and 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 distribution of 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.

## WHISTLEBLOWING POLICY

The Board has adopted procedures for handling reports of potential misconduct related to financial reporting, internal controls, or other matters ("Whistleblowing Policy"). The Whistleblowing Policy provides formal channels and guidance for employees of the Group and individuals with business dealings with the Group (such as customers, contractors, and suppliers) (collectively referred to as "Whistleblowers") to raise concerns confidentially without fear of retaliation. Whistleblowers may report suspected misconduct related to the Group directly to the Audit Committee and the Company Secretary by mailing to the Company's Hong Kong office address at Room 3904-3907, 39/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong, or by email to improperconduct@tianjinportdev.com. The Audit Committee is responsible for overseeing the handling of reported matters and ensuring the completion of investigations and feedback.

## ANTI-CORRUPTION POLICY

The Board has adopted the Company's employee handbook, which includes the Company's anti-corruption policy and regulations ("Anti-Corruption Policy"). This policy strictly prohibits all forms of bribery and corrupt practices. All Directors and employees are prohibited from soliciting, accepting, or offering bribes or benefits to any individual while conducting the Company's affairs, must avoid conflicts of interest to the greatest extent possible, must not abuse their authority for personal gain, and must perform their duties with integrity, diligence, and in full compliance with all applicable laws and regulations. The Anti-Corruption Policy demonstrates the Company's commitment to ethical business practices and compliance with all applicable laws and regulations related to anti-corruption and anti-bribery.

## CONSTITUTIONAL DOCUMENTS

The Company has adopted the amended and restated memorandum and articles of association of the Company (the "M&A") by a special resolution, to (i) update and bring it in line with the latest legal and regulatory requirements in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers, as well as the relevant amendments made to the Listing Rules which took effect from 31 December 2023; and (ii) incorporate other housekeeping amendments, passed at the 2024 AGM and effective on the same day. Details of the amendments to the M&A has been disclosed in the circular of the Company dated 29 April 2024. The M&A is available on the website of the Company at www.tianjinportdev.com and the HKEXnews website of the Stock Exchange at www.hkexnews.hk.

# 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 2024.

## 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 33 to the consolidated financial statements.

An analysis of the Group's performance by segment for the year ended 31 December 2024 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 2024 are set out in the consolidated income statement on page 73.

The Board recommends the payment of a final dividend of HK4.48 cents per share for the year ended 31 December 2024. 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 27 June 2025.

## 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 a 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 degrees 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.

### Financial Risks

The details of the Group's financial risk management are set out in Note 31 to the consolidated financial statements.

### Climate-related Risks

The increasingly severe climate change may have a significant impact on the Group's business operation. Further details of the Group's climate-related risks and opportunities management are set out in "Environmental, Social and Governance Report" of the Company which is available on the HKEXnews website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.tianjinportdev.com.

## Compliance with the Relevant Laws and Regulations

During the year ended 31 December 2024, 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 2024.

## Environmental Policies and Performance

The Group has always been dedicated to reducing the environmental impact of our operation, and has 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 HKEXnews website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.tianjinportdev.com.

## Key Relationships with Employees, Customers and Suppliers

### Employees

As at 31 December 2024, the Group had approximately 5,399 employees. The Group determines and offers remuneration packages for employees based on their position, performance and the labour market condition. In addition to basic salary, mandatory provident fund scheme (established under the Mandatory Provident Fund Schemes Ordinance for Hong Kong employees) or the state-managed pension scheme (established 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 2024, the Group did not forfeit any contributions under the retirement benefits scheme that might be used to reduce the existing level of contributions (for the year ended 31 December 2023: Nil). The Group reviews the remuneration polices 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 business development of the Group. The management proactively engages and 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 HKEXnews website of the Stock Exchange at www.hkexnews.hk and the website of the Company at 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 relationships 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.

### Suppliers

To ensure quality and quantity of our performance and minimise cost, the Group conducts full investigation and analysis on the suppliers' performance, qualifications and quality, industry background, scale of production, product quality and business integrity, and assesses and selects the suppliers regularly every year. Through sincere cooperation, the Group has set up long-term and "win-win" cooperation relationships 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 HKEXnews website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.tianjinportdev.com.

## MAJOR CUSTOMERS AND SUPPLIERS

The revenue attributable to the Group's five largest customers combined accounted for less than 22% of the Group's total revenue for the year ended 31 December 2024.

The purchases attributable to the Group's five largest suppliers combined accounted for approximately 39% of the Group's total purchases for the year ended 31 December 2024 and the largest supplier included therein accounted for approximately 18%.

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 five financial years is set out on page 141.

## SHARE CAPITAL

Movements in share capital of the Company during the year ended 31 December 2024 are set out in Note 23 to the consolidated financial statements.

## EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Company during the year or subsisted at the end of the year ended 31 December 2024.

## DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 December 2024 are set out in Note 24 to the consolidated financial statements.

## BORROWINGS

Particulars of borrowings of the Group as at 31 December 2024 are set out in Note 25 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.

## 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 2024.

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

On 5 June 2018, 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 letter with a financial institution as lender (the "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 Co, 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. As at 31 December 2024, the aggregate balance of the loan facilities subject to the above obligations was nil.

## THE SHARE SCHEMES

During the year ended 31 December 2024, the Company did not and does not have any share scheme in place.

## DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

During the year ended 31 December 2024 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 ended 31 December 2024 and up to the date of this report were:

## Executive Directors

| | |
|---|---|
| CHU Bin *(Chairman)* | |
| LUO Xunjie *(Managing Director)* | |
| TENG Fei | |
| LIU Nan | (appointed on 21 January 2025) |
| JIANG Wei | (appointed on 21 January 2025) |
| LOU Zhanshan | |
| SUN Bin | (resigned on 21 January 2025) |
| YANG Zhengliang | (resigned on 22 July 2024) |

## Independent Non-executive Directors

| | |
|---|---|
| Japhet Sebastian LAW | |
| ZHANG Weidong | |
| LUO Laura Ying | |
| CHENG Chi Pang, Leslie | (retired on 12 June 2024) |

Mr. Yang Zhengliang has resigned as executive Director and deputy general manager of the Company, and ceased to be an authorised representative of the Company, effective on 22 July 2024, due to other work commitments. Mr. Sun Bin has resigned as an executive Director effective on 21 January 2025 due to his other job engagement. Both Mr. Yang Zhengliang and Mr. Sun Bin have no disagreement with the Board and there is no matter relating to their resignation that needs to be brought to the attention of the Shareholders and the Stock Exchange.

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 annual general meeting of the Company and shall then be eligible for re-election at that annual general 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 23.

# DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors entered into a service contract with the Company for a specific term of three years, which could be renewed for further successive periods subject to the relevant provisions in the Articles of Association. 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 service contracts, which could be renewed for further successive periods subject to the relevant provisions in the Articles of Association.

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.

## 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/her connected entity had a material interest, either directly or indirectly, subsisted during or at the end of the year ended 31 December 2024.

## 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 ended 31 December 2024.

## DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, 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 31 December 2024, none of the Directors or chief executive of the Company or their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## INTERESTS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 31 December 2024, 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 Co *(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 *(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 | 1,293,180,000 (L) | 21.0% |
| | Beneficial owner | 6,820,000 (L) | 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 | 1,303,010,000 (L) | 21.2% |
| | Beneficial owner | 35,976 (L) | 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.*) ("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

*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 Co is deemed to be interested in all the Shares held by Tianjin Port Overseas Holding Limited, a wholly-owned subsidiary of Tianjin Port Group Co.

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 2024, 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 in turn is a wholly-owned subsidiary of TEDA Industrial. TEDA Industrial is a 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 31 December 2024, 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 ended 31 December 2024, 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 Co is the controlling shareholder of the Company, indirectly interested in 53.5% of the issued share capital of the Company. Hence, Tianjin Port Group Co Associates are connected persons of the Company as defined in the Listing Rules. Accordingly, transactions with Tianjin Port Group Co 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 2024 required to be disclosed in the annual report are as follows:

1. On 22 July 2024, 天津津港基礎設施養護運營工程管理有限公司 (Tianjin Jingang Infrastructure Maintenance Operation Engineering Management Co., Ltd.*) ("Infrastructure Co") and 天津東方石油有限公司 (Tianjin Dongfang Petroleum Co., Ltd.*) ("Dongfang Petroleum Co"), a subsidiary of the Company, entered into an occupation compensation agreement in respect of the occupation of the 16 out-of-service storage tanks and the corresponding storage areas belonging to Dongfang Petroleum Co ("Dongfang Petroleum Storage Tanks and Storage Areas"), with a total compensation of RMB40,000,000, and entered into a repair and renovation agreement, pursuant to which both parties agreed to cooperate and facilitate the repair and renovation project for the construction of accident fluid storage facilities through the renovation and transformation of Dongfang Petroleum Storage Tanks and Storage Areas, as well as the ancillary facilities and equipment therein, with the total expenditure of the repair and renovation project estimated to be approximately RMB60,025,700, all of which will be borne by Infrastructure Co.

   Infrastructure Co is a subsidiary of Tianjin Port Group Co and is therefore a connected person of the Company. Accordingly, the transactions contemplated under the occupation compensation agreement and the repair and renovation agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules. Details of the above connected transactions were disclosed in the announcement of the Company dated 22 July 2024.

2. On 28 August 2024, 天津港第一港埠有限公司 (Tianjin Port No. 1 Stevedoring Co., Ltd.*), a subsidiary of the Company, entered into a sale and purchase agreement with 天津金岸重工有限公司 (Tianjin Jinan Heavy Equipment Co., Ltd.*) ("Jinan Heavy Equipment Co") for the purchase of one set of portal crane. The consideration was RMB15,880,000 (inclusive of tax), and was payable by instalments in accordance with the progress of the delivery and installation of the portal crane with reference to the terms of the sale and purchase agreement.

   Jinan Heavy Equipment Co is a subsidiary of Tianjin Port Group Co 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 28 August 2024.

3. On 28 August 2024, 天津港第四港埠有限公司 (Tianjin Port No. 4 Stevedoring Co., Ltd.*) ("Fourth Company"), a subsidiary of the Company, entered into a sale and purchase agreement with Jinan Heavy Equipment Co for the purchase of three sets of portal cranes. The consideration was RMB50,880,000 (inclusive of tax), and was payable by instalments in accordance with the progress of the delivery and installation of the portal cranes with reference to the terms of the sale and purchase agreement.

   Jinan Heavy Equipment Co is a subsidiary of Tianjin Port Group Co 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 28 August 2024.

4. On 24 October 2024, 天津港歐亞國際集裝箱碼頭有限公司 (Tianjin Port Euroasia International Container Terminal Co., Ltd.*) ("Euroasia International Co"), a subsidiary of the Company, entered into a renovation agreement with Jinan Heavy Equipment Co in respect of the renovation project of heightening modification of Euroasia International Co's three quay cranes. The consideration was RMB19,176,778 (inclusive of tax) and was payable by instalments in accordance with the progress of the renovation project with reference to the terms of the renovation agreement.

   Jinan Heavy Equipment Co is a subsidiary of Tianjin Port Group Co 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 24 October 2024.

5. On 24 October 2024, 天津港遠航國際礦石碼頭有限公司 (Tianjin Port Yuanhang International Ore Terminal Co., Ltd.*), a subsidiary of the Company, entered into a sale and purchase agreement with Jinan Heavy Equipment Co for the purchase of four sets of portal cranes. The consideration was RMB71,899,600 (inclusive of tax) and was payable by instalments in accordance with the progress of the delivery and installation of the portal cranes with reference to the terms of the sale and purchase agreement.

   Jinan Heavy Equipment Co is a subsidiary of Tianjin Port Group Co 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 24 October 2024.

6. On 10 December 2024, 天津港聯盟國際集裝箱碼頭有限公司 (Tianjin Port Alliance International Container Terminal Co., Ltd.*) ("Alliance International Co"), a subsidiary of the Company, entered into a renovation agreement with Jinan Heavy Equipment Co in respect of the renovation project of the performance improvement of Alliance International Co's two quay cranes. The consideration was RMB14,345,000 (inclusive of tax) and was payable by instalments in accordance with the progress of the renovation project with reference to the terms of the renovation agreement.

   Jinan Heavy Equipment Co is a subsidiary of Tianjin Port Group Co 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 10 December 2024.

7. On 10 December 2024, 天津港物流發展有限公司 (Tianjin Port Logistics Development Co., Ltd.*) ("Logistics Development Co"), a subsidiary of the Company, entered into a sale and purchase agreement (the "Logistics Development Co Agreement") with Jinan Heavy Equipment Co for the purchase of eighteen sets of ART intelligent transport flatbed trucks. The consideration was RMB45,540,000 (inclusive of tax) and was payable by instalments with reference to the terms of the Logistics Development Co Agreement.

   On 10 December 2024, 天津港興東物流有限公司 (Tianjin Port Xingdong Logistics Co., Ltd.*), a subsidiary of the Logistics Development Co and the Company, entered into a sale and purchase agreement (the "Xingdong Logistics Co Agreement") with Jinan Heavy Equipment Co for the purchase of twenty-four sets of ART intelligent transport flatbed trucks. The consideration was RMB60,720,000 (inclusive of tax) and was payable by instalments with reference to the terms of the Xingdong Logistics Co Agreement.

   Jinan Heavy Equipment Co is a subsidiary of Tianjin Port Group Co and is therefore a connected person of the Company. Accordingly, the transactions contemplated under the Logistics Development Co Agreement and Xingdong Logistics Co Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules. Details of the above two connected transactions were disclosed in the announcement of the Company dated 10 December 2024.

## 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. The Company confirms that it has followed its pricing policies when determining the price and terms of the continuing connected transactions during the year ended 31 December 2024.

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 51 to 65 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 2024 is set out as follows:

| | Annual cap RMB'000 | Actual amount RMB'000 | Actual amount equivalent to approximately HK$'000 |
|---|---|---|---|
| **With Tianjin Port Group Co Associates** | | | |
| Property lease (right-of-use assets) framework agreement | 85,000 | 45,056 | 49,393 |
| Short-term Leases framework agreement | 110,000 | 94,754 | 103,873 |
| Integrated services framework agreement | 2,450,000 | 1,652,304 | 1,811,321 |
| Procurement framework agreement | 319,000 | 211,825 | 232,212 |
| Sales framework agreement | 26,000 | 17,980 | 19,711 |
| Freight yard, warehousing and assets lease framework agreement | 50,000 | 40,093 | 43,951 |
| Cargo reconfiguration, storage and logistics services framework agreement | 100,000 | 68,394 | 74,976 |
| Labour framework agreement | 10,000 | 7,606 | 8,339 |
| Financial services framework agreement | 8,000,000 | 3,415,023 | 3,687,771 |
| – Maximum daily outstanding balance of deposits (including accrued interest) placed for deposit services (category (1) of the financial services mentioned below) | | | |
| Land lease agreements | 37,033 | 37,033 | 40,598 |
| **With Shanghai Zhonggu Logistics Co., Ltd. ("Zhonggu Logistics", together with its subsidiaries, branches and associates from time to time but excluding the Fourth Company, "Zhonggu Logistics Group")** | | | |
| Zhonggu Logistics framework agreement | | | |
| – Provision of services by members of the Group to members of the Zhonggu Logistics Group | 189,726 | 141,950 | 155,611 |
| – Provision of services by members of the Zhonggu Logistics Group to members of the Group | 13,000 | 10,231 | 11,216 |

Pursuant to Chapter 14A of the Listing Rules, details of the continuing connected transactions for the year ended 31 December 2024 required to be disclosed in the annual report are as follows:

1. On 25 September 2023, the Company entered into the following framework agreements with Tianjin Port Group Co, each for a term of three years from 1 January 2024 to 31 December 2026. As Tianjin Port Group Co 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 lease (right-of-use assets) framework agreement***

Nature of the transactions: The right-of-use assets leases pursuant to which Tianjin Port Group Co Associates lease the freight yards, warehouses, office buildings, facilities and equipment in Tianjin Binhai New Area to the Group.

Pricing basis: Prices are generally determined with reference to (i) actual content of the leases, area and number under the leases, and the term of the leases; and (ii) market price of similar leasing services, and are more particularly determined as follows.

(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, inquiring 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 and the historical prices of similar transactions, the location and the degree of usage of freight yards and warehouses to be leased, and the demand and supply conditions 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 and the historical prices of similar transactions, the location and the degree of usage of the present office buildings to be leased, and the demand and supply conditions 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 and the historical prices of similar transactions, 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 Co Associates to the Group shall be no less favourable than those for the leasing services provided by independent third-parties to the Group.

Payment terms: Payments are made by the Group to the Tianjin Port Group Co 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 entered into pursuant to this 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.

Details of the above continuing connected transactions were disclosed in the announcement of the Company dated 25 September 2023 and the circular of the Company dated 13 November 2023. This property lease (right-of-use assets) framework agreement and the transactions thereunder were approved by the independent Shareholders at the extraordinary general meeting of the Company held on 1 December 2023.

### *Short-term Leases framework agreement*

Nature of the transactions: The short-term leases pursuant to which the Tianjin Port Group Co Associates lease the freight yards, warehouses, office buildings, facilities and equipment in Tianjin Binhai New Area to the Group.

Pricing basis: Prices are generally determined with reference to (i) actual content of the leases, area and number under the leases, and the term of the leases; and (ii) market price of similar leasing services, and are more particularly determined as follows.

(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, inquiring 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 and the historical prices of similar transactions, the location and the degree of usage of freight yards and warehouses to be leased, and the demand and supply conditions 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 and the historical prices of similar transactions, the location and the degree of usage of the present office buildings to be leased, and the demand and supply conditions 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 and the historical prices of similar transactions, 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 Co Associates to the Group shall be no less favourable than those for the leasing services provided by independent third-parties to the Group.

Payment terms: Payments are made by the Group to the Tianjin Port Group Co 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 entered into pursuant to this framework agreement.

Details of the above continuing connected transactions were disclosed in the announcements of the Company dated 25 September 2023 and 28 August 2024.

***Integrated services framework agreement***

Nature of the transactions: The Tianjin Port Group Co Associates provide public utilities and supporting services to the Group 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 hardware and software of electronic data information system and 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, and general facilities and equipment, and dredging); project management services (including but not limited to tendering agency, project consultancy, design, supervision, and engineering consulting services for repair and maintenance projects); labour services (including but not limited to the on-site operation personnel dispatch services for cargo handling and logistics operation such as reshipment and storage, and personnel dispatch services required for basic management services such as onsite statistical personnel); and general administrative services and logistics services (including but not limited to office support services, general maintenance services, safety production management, training services, publicity and culture, medical health, cleaning services, catering services, and greening and cleaning).

Pricing basis: The prices are determined with reference to the specific services such as the actual service content, quantity and quality, and the price of similar services paid by the Group in the past and the price determination mechanism according to each category of services as follows:

(1) Water supply services: (i) the relevant PRC State Prescribed Prices published from time to time; and (ii) the quantity of the water to be provided to the Group.

(2) Electricity supply services: (i) the relevant PRC State Prescribed Prices published from time to time; and (ii) the quantity of electricity to be provided to the Group.

(3) Communication services: (i) with reference to the market prices (the service charge standards by other major carriers) of the relevant similar services based on 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) with reference to the market prices of the relevant similar services based on 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) with reference to the market prices of the relevant similar services based on 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.

(6) Project management services: (i) the relevant service charge rates determined based on the content of the services (such as the service type of the repair and maintenance projects (tendering agency, construction agency, 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:

(a) Labour services related to cargo handling: (i) the service charges determined based on the type of cargo handled; and (ii) the quantity of cargo handled.

(b) 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 based on the content of the services (such as the position, type, skills, expertise and experience of the labour required); and (ii) the quantity of labour or services to be provided to the Group.

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

The terms of the transactions for the provision of services by the Tianjin Port Group Co Associates to the Group shall be no less favourable than those for the provision of services by independent third-party service providers to the Group.

Payment terms:

Payments are made by the Group to the Tianjin Port Group Co Associates based on normal commercial terms 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 entered into pursuant to this framework agreement. In general,

(1) Water supply services: payment on a monthly basis;

(2) Electricity supply services: payment on a monthly basis;

(3) Communication services: payment on a monthly or quarterly basis, depending on the services nature;

(4) IT support services: payment on a quarterly basis;

(5) Repair and maintenance of port facilities and equipment:

  (i) for contracts on a project basis: payment on a one-off basis; and

  (ii) for contracts on an annual basis: payment on a quarterly basis;

(6) Project management services: payment on a one-off basis;

(7) Labour services: payment on a monthly basis; and

(8) General administrative services: payment on a monthly basis.

Details of the above continuing connected transactions were disclosed in the announcement of the Company dated 25 September 2023 and the circular of the Company dated 13 November 2023. The integrated services framework agreement and the transactions thereunder were approved by the independent Shareholders at the extraordinary general meeting of the Company held on 1 December 2023.

### *Procurement framework agreement*

Nature of the transactions:

The Group purchases products from the Tianjin Port Group Co 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 basis:

Prices are determined with reference to (i) the types and qualities of the products, the relevant comparable market prices of the similar products; (ii) the quantities of the products; and (iii) the Group’s purchase cost of similar products in the past.

The terms of the transactions for the purchase of products by the Group from the Tianjin Port Group Co 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 the Tianjin Port Group Co Associates based normal commercial terms on a one-off or monthly basis, or in accordance with the payment terms agreed by the relevant parties in the contracts entered into pursuant to this framework agreement.

Details of the above continuing connected transactions were disclosed in the announcement of the Company dated 25 September 2023 and the circular of the Company dated 13 November 2023. This procurement framework agreement and the transactions thereunder were approved by the independent Shareholders at the extraordinary general meeting of the Company held on 1 December 2023.

***Sales framework agreement***

| | |
|---|---|
| Nature of the transactions: | The Group sells products to the Tianjin Port Group Co Associates, including spare parts, fuel, construction materials, labour protection products, daily sundries and such products as required by the Tianjin Port Group Co Associates from time to time. |
| Pricing basis: | Prices are determined with reference to (i) the types and qualities of the products, the relevant comparable market prices of the similar products; and (ii) the quantities of the products.<br>(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.<br>(2) Prices of products other than fuel: Determined based on the purchase prices and with reference to the factors including general rate charged within the industry, market research, supply and demand of products, costs of transportation and storage, financing cost and other related costs.<br>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 Co Associates to the Group based on normal commercial terms on a one-off or monthly basis or in accordance with the payment terms agreed by the relevant parties in the contracts entered into pursuant to this framework agreement. |

Details of the above continuing connected transactions were disclosed in the announcement of the Company dated 25 September 2023.

### *Freight yard, warehousing and assets lease framework agreement*

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|---|---|
| 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 Co Associates. |
| Pricing basis: | Prices are determined with reference to (i) actual content of the leasing services, area of the leases, number of the leases, and the term of the leases; and (ii) market price of similar leasing services, demand and supply, and cost, and are more particularly determined as follows.<br><br>(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, inquiring 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 conditions of the market and costs.<br><br>(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 conditions of the market and costs.<br><br>(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 conditions of the market and costs.<br><br>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 Co Associates to the Group based on normal commercial terms on a monthly, quarterly or half-yearly basis, or in accordance with the payment terms agreed by the relevant parties in the contracts entered into pursuant to this framework agreement. |

Details of the above continuing connected transactions were disclosed in the announcements of the Company dated 25 September 2023 and 28 August 2024.

***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 the Tianjin Port Group Co Associates from time to time to the Tianjin Port Group Co Associates.

Pricing basis: Prices are determined with reference to (i) actual content of the services, volume of cargo handled, volume of cargo stored and duration of storage, quantities of services; and (ii) market price of similar services, demand and supply, and costs.

(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 Co Associates to the Group based on normal commercial terms on a one-off, monthly, quarterly or annual basis, or in accordance with the payment terms agreed by the relevant parties in the contracts entered into pursuant to this framework agreement.

Details of the above continuing connected transactions were disclosed in the announcement of the Company dated 25 September 2023.

***Labour framework agreement***

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| Nature of the transactions: | The Group provides labour of various positions to the Tianjin Port Group Co 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 Co Associates from time to time. |
| Pricing basis: | Prices are determined with reference to (i) the specific type, content and complexity of the services provided; (ii) 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 (iii) the labour market price at the Port of Tianjin or the similar labour prices in the Group.<br><br>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 the Tianjin Port Group Co Associates to the Group 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 entered into pursuant to this framework agreement. |

Details of the above continuing connected transactions were disclosed in the announcement of the Company dated 25 September 2023.

2. On 28 September 2021, 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") as services provider and Tianjin Port Group Co as guarantor for a term of three years from 1 January 2022 to 31 December 2024. Tianjin Port Finance is a subsidiary of Tianjin Port Group Co. Hence, Tianjin Port Group Co 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***

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| Nature of the transactions: | Provision of financial services by Tianjin Port Finance to members of 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 are 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. The Group is not under any obligation to utilise the financial services provided by Tianjin Port Finance, and has the right to decide whether to maintain its collaboration with Tianjin Port Finance with respect to financial 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) and/or those available to the Group from other major state-owned commercial banks in the PRC and are determined on other bases specific to each financial service. |

Details of the above continuing connected transactions were disclosed in the announcement of the Company dated 28 September 2021 and the circular of the Company dated 23 November 2021 and approved by the independent Shareholders at the extraordinary general meetings of the Company held on 20 December 2021.

As the above financial services framework agreement dated 28 September 2021 had expired on 31 December 2024, the Company had on 30 April 2024, entered into a new financial services framework agreement with Tianjin Port Finance and Tianjin Port Group Co for a term of three years from 1 January 2025 to 31 December 2027 to continue the transactions. Details of which were disclosed in the announcement of the Company dated 30 April 2024 and the circular of the Company dated 24 June 2024 and approved by the independent Shareholders at the extraordinary general meetings of the Company held on 31 July 2024.

3. Certain subsidiaries of the Company had entered into various land lease agreements on various dates between April 2004 to July 2008 with Tianjin Port Group Co Associates. As Tianjin Port Group Co is the controlling shareholder of the Company, Tianjin Port Group Co Associates are connected persons of the Company. Accordingly, the transactions contemplated under the agreements constitute continuing connected transactions of the Company.

***Land lease agreements***

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| Nature of the transactions: | Long-term leases of various pieces of land in the Port of Tianjin from Tianjin Port Group Co Associates to the Group. |
| Pricing basis: | 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 Co Associates on a quarterly basis. |

Historically, the Tianjin Port Authority, the business of which was subsequently reorganised into Tianjin Port Group Co, owned the land and operated the port business in the Port of Tianjin. As such, Tianjin Port Group Co 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.

On 27 October 2022, one of the land lease agreements was amended as the municipal government of the Tianjin Binhai New Area proposed to resume part of the land under such lease agreement. The Company has complied with all applicable connected transaction requirements in accordance with Rule 14A.60 of the Listing Rules for the variation of the terms of the agreement. Details of the above were disclosed in the announcement of the Company dated 27 October 2022.

4. On 29 August 2023, the Company had entered into the following agreement with Zhonggu Logistics in relation to (1) the provision of services by the members of the Group to the members of the Zhonggu Logistics Group; and (2) the provision of services by the members of the Zhonggu Logistics Group to the members of the Group, covering such transactions commencing from 1 January 2023 and ending on 31 December 2025 (both days inclusive). As Zhonggu Logistics holds 35% equity interest in Fourth Company, a subsidiary of the Company, and is therefore a connected person of the Company at the subsidiary level as defined in the Listing Rules. Accordingly, the transactions contemplated under the agreement constitute continuing connected transactions of the Company.

***Zhonggu Logistics framework agreement***

Nature of the transactions:

(1) the provision of services by the members of the Group to members of the Zhonggu Logistics Group from time to time for their usual operation needs, which include:

(a) port services (including but not limited to providing port berthing, loading and unloading, lightering, storage and other operation items for operation);

(b) labour services (including but not limited to the provision of container operation labour services, provision of labour services for dispatched personnel, provision of other labour services);

(c) storage or rental services (including but not limited to the provision of cargo storage management services, container storage, hoisting, haulage, inspection, repair and information management);

(d) tugboat services; and

(e) sales of goods,

and ancillary or other services related to the above; and

(2) the provision of services by members of the Zhonggu Logistics Group to members of the Group from time to time for their usual operation needs, which include:

(a) labour services (including but not limited to the provision of labour container operation services and the provision of labour services for dispatched personnel);

(b) transportation services;

(c) container pick-up services; and

(d) rental services (including but not limited to the provision of machinery and equipment, container handling equipment),

and ancillary or other services related to the above,

subject to that the aggregate amounts of relevant transactions must be within the limit of the proposed annual caps, and both parties agree (and, in the case of its individual member(s), procure the member(s) of such group) to sign an individual contract for each individual transaction, whose terms must comply with all principles and terms of the framework agreement, which include:

(a) that all terms of transactions in respect of the services shall be on normal commercial terms, and fair and reasonable;

(b) that all services are services for consideration between independent enterprises, such that the service provider(s) are entitled to charge the service recipient(s) reasonable fees with reference to fair market prices, while are also obliged to provide the corresponding services;

(c) that the provision of services shall be conducive to the business operation of both parties. The quality of the services provided by the service provider(s) shall be on par with that of the same or similar services provided by any independent third party. The services provided by the service provider(s) shall be fit for the purpose(s) for which the service(s) are required by the service recipient(s) and comply with the relevant standards on, for example, production safety standard set by the government; and

(d) pricing basis mentioned below.

Pricing basis: Prices of each type of services are determined with reference to the actual service content, quantity and quality, and according to the general pricing principles as below:

(1) Port services: the actual service fee amount is determined through fair negotiation between the parties to the transaction based on the principle of fair market price or (if applicable) in accordance with relevant laws and regulations and/or regulations of the relevant government or regulatory authorities;

(2) Labour services: (i) shall be determined based on the relevant laws and regulations, the type, content and complexity of specific services actually provided, as well as the cost of relevant labor required according to, among other things, the type of labour, the level of techniques required, level of seniority and their experience, and with reference to the labor market price at the Port of Tianjin; and (ii) is determined based on the relevant quantity of labor or service provided (if applicable). The service provider(s) adopts the same pricing determination mechanism for the service recipient(s) as it does for independent third parties;

(3) Storage or rental services: shall base on the actual rental services received by the service recipient(s) such as the leased content, leased area, leased quantity, and lease term, and is determined with reference to the market price of similar leasing services. Among them (i) leasing of storage yards, 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, inquiring 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 warehouse to be leased, and the demand and supply of the market; (ii) facility and equipment leasing: through obtaining market price information by various means (including enquiring users or lessors of the neighbouring facility and equipment about the recent rent), the prices for the leases are determined with reference to the market prices, the lease terms, the condition and the degree of usage of facilities and equipment to be leased, and the demand and supply of the market;

(4) Tugboat services: based on the actual specific service content provided (including the need to increase the tugboat service due to special circumstance caused by the nonservice provider(s) and is determined by the parties to the transaction through fair negotiation based on the principle of fair market price or (if applicable) in accordance with relevant laws and regulations and/or the regulations of the relevant government or regulatory authorities (such as the standard tariff table for container ships sailing on domestic coastal routes);

(5) Transportation services: based on the actual specific service content provided (including the type and weight of the transported goods, etc.), and is determined by the parties to the transaction through fair negotiation based on the principle of fair market price or according to the transportation price announced by the service provider(s);

(6) Container pick-up services: based on the actual specific service content provided (including container size, quantity, service life, etc.), and with reference to the market price of similar services. The service provider(s) adopts the same pricing mechanism for the service recipient(s) as it does for independent third parties; any additional stacking fees, demurrage fees, off-site container fees, and extrude fees caused by delayed pick-up or delayed return of containers shall be paid by the service recipient(s) to the service provider(s); and

(7) Sale of goods: (i) fuel: is determined by the type and quantity of fuel the service recipient(s) actually purchased from the service provider(s), and with reference to the comparable relevant market prices; (ii) other commodities: is determined by the type, quantity, and quality of the goods the service recipient(s) actually purchased from the service provider(s), and is determined with reference to the market price of goods of similar type and quality. The price of the sales of goods is determined based on the relevant purchase price, and after referencing to factors such as general charging standards within the industry, market research, commodity supply and demand, transportation and storage costs, financing costs, and other related costs.

The terms of the transactions provided by the service provider(s) to the service recipient(s) are the same as the terms provided to independent third parties, or from the perspective of either party, shall be no less favourable than the terms of transactions provided by independent third parties to both parties respectively.

Payment terms: According to the individual contracts entered into pursuant to the framework agreement, payments will be made by the service recipient(s) to the service provider(s) based on normal commercial terms on a one-off, monthly, quarterly, semi-annual basis or according to the payment terms agreed in the contracts entered into pursuant to the framework agreement.

Details of the above continuing connected transactions were disclosed in the announcement of the Company dated 29 August 2023.

Subsequently, the revision of annual caps in relation to (2) the provision of services by the members of the Zhonggu Logistics Group to the members of the Group for the years ending on 31 December 2024 and 2025 had been approved in the meeting of the Board on 10 December 2024. Given that Zhonggu Logistics is a connected person of the Company at the subsidiary level only, and all applicable percentage ratios in respect of the revised annual caps were less than 1%, such revision of annual caps were fully exempt from the disclosure requirements of Chapter 14A of the Listing Rules.

### Exempt Continuing Connected Transactions

During the year ended 31 December 2024, 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 2024, the fees collected by the Group on behalf of Tianjin Port Group amounted to RMB410,274,000 (equivalent to approximately HK$443,042,000).

## 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 2024 are disclosed in Note 30 to the consolidated financial statements. Among which disclosed, the transactions between the Group and Tianjin Port Group and/or its subsidiaries, associates and joint ventures constituted connected transactions or continuing connected transactions of the Company (as defined in Chapter 14A of the Listing Rules). And as 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, pursuant to which the information that is required to be disclosed in the annual report has been set out in the section headed "Connected Transactions" above.

## INTERESTS IN COMPETITORS

CHU Bin and LUO Xunjie have been directors of Tianjin Port Group Co, and SUN Bin has been a senior management, of Tianjin Port Group Co during the year ended 31 December 2024. The principal business of Tianjin Port Group Co 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 Co (save for Mr. Chu and Mr. Luo who are the only common directors in the Company and Tianjin Port Group Co) 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 2024 pursuant to the Listing Rules.

## CORPORATE GOVERNANCE

The Company's corporate governance practices are set out in the Corporate Governance Report on pages 24 to 40.

## 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 ended 31 December 2024 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, 26 March 2025

# FINANCIAL INFORMATION

# 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 73 to 140, which comprise the consolidated statement of financial position as at 31 December 2024, 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 material accounting policy information and other explanatory information.

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 2024, 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 judgment, 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.

## 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) and goodwill**

**Key audit matter**

We identified the impairment assessment of certain long-term assets of the Group, including property, plant and equipment, certain right-of-use assets (the "Identified Long-term Assets") and goodwill 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 32 to the consolidated financial statements, at 31 December 2024, the market capitalisation of the Group was below its net asset value. Taking into consideration of other facts and circumstances, management of the Group assessed that there was an impairment indicator of the Identified Long-term Assets. The Identified Long-term Assets and goodwill, amounted to HK$19,796,907,000 and HK$42,501,000 respectively, as at 31 December 2024.

For the purpose of impairment assessment, the recoverable amount of the cash-generating unit or groups of cash-generating units has been determined based on their respective value-in-use. Financial budgets with reference to past performance and the management's expectation of market development have been used in the value-in-use calculations, where the key input 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 and goodwill has been recognised in profit or loss for the year ended 31 December 2024.

**How our audit addressed the key audit matter**

Our procedures in relation to management's impairment assessment of the Identified Long-term Assets and goodwill 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 used in determining the value-in-use with reference to the Group's historical performance and management's expectation of the market development;
- 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, to evaluate their reliability and understanding the causes of signification variances, if any; and
- Challenging the sensitivity analysis on the significant assumptions prepared by the management of the Group to evaluate their impact on the calculated value-in-use.

## 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.

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

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.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group to as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 Chu Yim Yan, Sonia.

**Deloitte Touche Tohmatsu**
*Certified Public Accountants*
Hong Kong
26 March 2025

# CONSOLIDATED INCOME STATEMENT

*For the year ended 31 December 2024*

| | Notes | 2024 HK$'000 | 2023 HK$'000 |
|---|---|---|---|
| Revenue | 3 | **13,720,827** | 13,484,271 |
| Cost of sales | | **(9,754,292)** | (9,782,113) |
| Taxes and surcharges | | **(8,800)** | (4,500) |
| Gross profit | | **3,957,735** | 3,697,658 |
| Other income | 4 | **229,104** | 168,660 |
| Other gains and losses | 4 | **(736)** | 72,134 |
| Administrative expenses | | **(2,091,959)** | (1,997,431) |
| Allowance for impairment on financial assets, net | | **(4,407)** | (7,114) |
| Other expenses | | **(36,264)** | (3,617) |
| Finance costs | 5 | **(248,435)** | (280,546) |
| Share of net profit of associates and joint ventures accounted for using the equity method | | **379,451** | 435,332 |
| Profit before income tax | | **2,184,489** | 2,085,076 |
| Income tax | 6 | **(481,035)** | (399,884) |
| Profit for the year | 7 | **1,703,454** | 1,685,192 |
| Profit attributable to: | | | |
| Equity holders of the Company | | **690,212** | 728,594 |
| Non-controlling interests | | **1,013,242** | 956,598 |
| | | **1,703,454** | 1,685,192 |
| Earnings per share | 10 | | |
| Basic and diluted (HK cents) | | **11.2** | 11.8 |

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31 December 2024*

| | 2024<br>HK$'000 | 2023<br>HK$'000 |
|---|---|---|
| Profit for the year | **1,703,454** | 1,685,192 |
| Other comprehensive income/(loss) | | |
| Items that will not be reclassified to profit or loss: | | |
| Changes in the fair value of financial assets at fair value through other comprehensive income | **123,987** | (76,565) |
| Deferred taxation on fair value changes of financial assets at fair value through other comprehensive income | **(23,581)** | 12,684 |
| Share of other comprehensive loss of investments accounted for using the equity method to revaluation reserve, net of tax | **(3,523)** | (7,634) |
| Currency translation differences | **(663,212)** | (423,588) |
| Other comprehensive loss for the year, net of tax | **(566,329)** | (495,103) |
| Total comprehensive income for the year | **1,137,125** | 1,190,089 |
| Total comprehensive income attributable to: | | |
| Equity holders of the Company | **436,946** | 503,629 |
| Non-controlling interests | **700,179** | 686,460 |
| | **1,137,125** | 1,190,089 |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2024*

| | Notes | 2024 HK$'000 | 2023 HK$'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 11 | **19,363,365** | 19,414,378 |
| Right-of-use assets | 12(a) | **5,695,968** | 6,146,011 |
| Investment properties | 13 | **672,474** | 705,815 |
| Goodwill | 14 | **42,501** | 43,431 |
| Intangible assets | 15 | **152,584** | 151,099 |
| Investments accounted for using the equity method | 17 | **4,727,142** | 4,814,142 |
| Financial assets at fair value through other comprehensive income | 18 | **601,927** | 490,115 |
| Deferred income tax assets | 19 | **98,274** | 61,989 |
| | | **31,354,235** | 31,826,980 |
| **Current assets** | | | |
| Inventories | 20 | **54,742** | 60,301 |
| Trade and other receivables and notes receivables | 21 | **2,380,611** | 2,304,734 |
| Restricted bank deposits | 22 | **14,691** | 14,939 |
| Time deposits with maturity over three months | 22 | **–** | 44,493 |
| Cash and cash equivalents | 22 | **6,869,224** | 6,368,272 |
| | | **9,319,268** | 8,792,739 |
| **Total assets** | | **40,673,503** | 40,619,719 |
| **EQUITY** | | | |
| **Equity attributable to equity holders of the Company** | | | |
| Share capital | 23 | **615,800** | 615,800 |
| Other reserves | 24 | **3,482,688** | 3,661,034 |
| Retained earnings | | **9,657,333** | 9,333,314 |
| | | **13,755,821** | 13,610,148 |
| **Non-controlling interests** | | **16,901,336** | 16,673,464 |
| **Total equity** | | **30,657,157** | 30,283,612 |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2024*

| | Notes | 2024 HK$'000 | 2023 HK$'000 |
|---|---|---|---|
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Borrowings | 25 | **2,999,641** | 3,807,368 |
| Lease liabilities | 12(b) | **263,269** | 425,019 |
| Deferred income tax liabilities | 19 | **229,285** | 205,963 |
| Other long-term liabilities | | **444,089** | 310,256 |
| | | **3,936,284** | 4,748,606 |
| **Current liabilities** | | | |
| Trade and other payables | 26 | **3,533,139** | 3,178,699 |
| Borrowings | 25 | **1,860,898** | 1,899,192 |
| Lease liabilities | 12(b) | **194,474** | 164,431 |
| Contract liabilities | 27 | **384,500** | 280,115 |
| Current income tax liabilities | | **107,051** | 65,064 |
| | | **6,080,062** | 5,587,501 |
| **Total liabilities** | | **10,016,346** | 10,336,107 |
| **Total equity and liabilities** | | **40,673,503** | 40,619,719 |
| **Net current assets** | | **3,239,206** | 3,205,238 |
| **Total assets less current liabilities** | | **34,593,441** | 35,032,218 |

The consolidated financial statements on pages 73 to 140 were approved and authorised for issue by the Board of Directors on 26 March 2025 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 2024*

| | Equity attributable to equity holders of the Company | | | | | |
|---|---|---|---|---|---|---|
| | Share capital HK$'000 | Other reserves HK$'000 *(Note 24)* | Retained earnings HK$'000 | Total HK$'000 | Non-controlling interests HK$'000 | Total equity HK$'000 |
| At 1 January 2023 | 615,800 | 3,780,489 | 8,848,169 | 13,244,458 | 16,409,123 | 29,653,581 |
| Profit for the year | – | – | 728,594 | 728,594 | 956,598 | 1,685,192 |
| Other comprehensive loss for the year | – | (224,965) | – | (224,965) | (270,138) | (495,103) |
| Total comprehensive (loss)/income for the year | – | (224,965) | 728,594 | 503,629 | 686,460 | 1,190,089 |
| Transfers | – | 105,510 | (105,510) | – | – | – |
| Dividends | – | – | (137,939) | (137,939) | (421,546) | (559,485) |
| Deregistration of a subsidiary | – | – | – | – | (573) | (573) |
| At 31 December 2023 | **615,800** | **3,661,034** | **9,333,314** | **13,610,148** | **16,673,464** | **30,283,612** |
| Profit for the year | **–** | **–** | **690,212** | **690,212** | **1,013,242** | **1,703,454** |
| Other comprehensive loss for the year | **–** | **(253,266)** | **–** | **(253,266)** | **(313,063)** | **(566,329)** |
| Total comprehensive (loss)/income for the year | **–** | **(253,266)** | **690,212** | **436,946** | **700,179** | **1,137,125** |
| Transfers | **–** | **74,920** | **(74,920)** | **–** | **–** | **–** |
| Dividends | **–** | **–** | **(291,273)** | **(291,273)** | **(472,307)** | **(763,580)** |
| At 31 December 2024 | **615,800** | **3,482,688** | **9,657,333** | **13,755,821** | **16,901,336** | **30,657,157** |

# CONSOLIDATED STATEMENT OF CASH FLOWS

*For the year ended 31 December 2024*

| | Note | **2024**<br>**HK$'000** | 2023<br>HK$'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated from operations | 28(a) | **3,529,048** | 3,201,484 |
| Interest received | | **105,053** | 115,861 |
| PRC income tax paid | | **(471,097)** | (466,076) |
| Net cash generated from operating activities | | **3,163,004** | 2,851,269 |
| **Cash flows from investing activities** | | | |
| Payments for property, plant and equipment and intangible assets | | **(1,069,586)** | (1,126,146) |
| Payments for land-use- rights (including in right-of-use assets) | | **(317)** | (51,435) |
| Proceeds from disposal of property, plant and equipment | | **51,191** | 13,941 |
| Proceed from deregistration of a joint venture | | **198** | – |
| Payment for deregistration of a subsidiary | | **–** | (573) |
| Dividends received from investments accounted for using the equity method | | **356,006** | 363,932 |
| Dividends received from financial assets at fair value through other comprehensive income | | **31,363** | 22,229 |
| Decrease/(increase) in time deposits with maturity over three months | | **43,541** | (44,493) |
| Net cash used in investing activities | | **(587,604)** | (822,545) |
| **Cash flows from financing activities** | | | |
| Proceeds from borrowings | | **1,389,249** | 1,848,692 |
| Repayments of borrowings | | **(2,113,132)** | (4,348,259) |
| Principal portion of lease payments | | **(168,188)** | (182,539) |
| Interest portion of lease payments | | **(24,780)** | (14,740) |
| Interest paid | | **(213,319)** | (260,784) |
| Dividends paid to equity holders of the Company | | **(291,290)** | (138,138) |
| Dividends paid to non-controlling interests | | **(482,286)** | (465,564) |
| Net cash used in financing activities | | **(1,903,746)** | (3,561,332) |
| **Net increase/(decrease) in cash and cash equivalents** | | **671,654** | (1,532,608) |
| Cash and cash equivalents at 1 January | | **6,368,272** | 7,954,823 |
| Effects of exchange rate changes | | **(170,702)** | (53,943) |
| **Cash and cash equivalents at 31 December** | | **6,869,224** | 6,368,272 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2024*

## 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. MATERIAL 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 Hong Kong Financial Reporting Standards ("HKFRSs"), and included applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules") and by 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 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 32.

#### (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 Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

| | |
|---|---|
| *Amendments to HKFRS 16* | *Lease liability in a Sale and Leaseback* |
| *Amendments to HKAS 1* | *Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)* |
| *Amendments to HKAS 1* | *Non-current Liabilities with Covenants* |
| *Amendments to HKAS 7 and HKFRS 7* | *Supplier Finance Arrangements* |

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.

# 2. MATERIAL 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:

| | |
|---|---|
| *Amendments to HKAS 21* | *Lack of Exchangeability*[1] |
| *Amendments to HKFRS 9 and HKFRS 7* | *Amendments to the Classification and Measurement of Financial Instruments*[2] |
| *Amendments to HKFRS 9 and HKFRS 7* | *Contracts Referencing Nature-dependent Electricity*[2] |
| *Amendments to HKFRS Accounting Standards* | *Annual Improvements to HKFRS Accounting Standards – Volume 11*[2] |
| *HKFRS 18* | *Presentation and Disclosure in Financial Statements*[3] |
| *Amendments to HKFRS 10 and HKAS 28* | *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4] |

[1] Effective for annual periods beginning on or after 1 January 2025
[2] Effective for annual periods beginning on or after 1 January 2026
[3] Effective for annual periods beginning on or after 1 January 2027
[4] Effective for annual periods beginning on or after a date to be determined

Except for the new standard to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRSs will have no material impact on the Group's consolidated financial statements in the foreseeable future.

#### *HKFRS 18 "Presentation and Disclosure in Financial Statements"*

HKFRS 18 which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 "Presentation of Financial Statements". This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the income statement; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and HKFRS 7 "Financial Instruments: Disclosures". Minor amendments to HKAS 7 "Statement of Cash Flows" and HKAS 33 "Earnings per Share" are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated income statement and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

## 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.

# 2. MATERIAL ACCOUNTING POLICIES *(continued)*

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

### (a) Subsidiaries *(continued)*

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. Financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting 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 in the consolidated statement of financial position.

### (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 consolidated income statement, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. 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. Dividends received or receivable from associates and joint ventures are recognised as reduction in the carrying amount of the investment.

When the Group acquired the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

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. Financial statements of equity accounted investees have been adjusted 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 2.8.

# 2. MATERIAL ACCOUNTING POLICIES *(continued)*

## 2.3 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. If the recoverable amount of a cash-generating unit (or group of cash-generating units) is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

## 2.4 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.

## 2.5 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$"). The directors of the Company consider the presentation of the consolidated financial statements in HK$ will facilitate analysis of the financial information of the Group.

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 consolidated 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 consolidated income statement.

# 2. MATERIAL ACCOUNTING POLICIES *(continued)*

## 2.5 Foreign currency translation *(continued)*

### (b) Transactions and balances *(continued)*

For the purpose of recognising foreign exchange gains and losses, monetary securities denominated in foreign currency classified as financial assets at fair value through other comprehensive income ("FVOCI") is treated as assets measured at amortised cost in the foreign currency. Changes in the fair value of such monetary securities 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 consolidated 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 consolidated 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.

### (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 of the Group's operations are translated at the closing rate at the end of each reporting period;

– income and expenses items are translated at the average exchange rates for the period (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 and accumulated in equity under the heading of exchange reserve (attributable to non-controlling interests as appropriate).

# 2. MATERIAL ACCOUNTING POLICIES *(continued)*

## 2.6 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, if any. 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 consolidated 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 2.8).

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

## 2.7 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.

# 2. MATERIAL ACCOUNTING POLICIES *(continued)*

## 2.8 Impairment of non-financial assets

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.

## 2.9 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 consolidated 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.

### (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 consolidated income statement.

# 2. MATERIAL ACCOUNTING POLICIES *(continued)*

## 2.9 Financial assets *(continued)*

### (b) Measurement *(continued)*

***Debt instruments***

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

Amortised cost: Financial assets measured at amortised cost comprise 'trade and other receivables' (Note 2.12), 'restricted bank deposits', 'time deposits with maturity over three months' and 'cash and cash equivalents' 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 ("ECL"). Interest income, exchange gains and losses and impairment are recognised in the consolidated income statement. Any gains and losses on derecognition is recognised in the consolidated income statement.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' contractual 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/(reversal) of impairment losses, interest income and exchange gains/(losses) which are recognised in the consolidated 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 consolidated 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 consolidated income statement.

***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 statement of comprehensive income. There is no subsequent reclassification of fair value gains and losses to the consolidated income statement at disposal, the amount accumulated in the revaluation reserve is transferred to retained earnings. Equity investments measured at FVOCI are not subject to impairment assessment.

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

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

# 2. MATERIAL ACCOUNTING POLICIES *(continued)*

## 2.9 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.

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 consolidated 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 consolidated income statement, but is transferred to retained earnings.

## 2.10 Impairment of financial assets

The Group recognises a loss allowance for 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 are measured at 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 consolidated income statement.

# 2. MATERIAL ACCOUNTING POLICIES *(continued)*

## 2.10 Impairment of financial assets *(continued)*

### 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.

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.

# 2. MATERIAL ACCOUNTING POLICIES *(continued)*

## 2.10 Impairment of financial assets *(continued)*

### 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.

### 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 consolidated income statement.

## 2.11 Inventories

Inventories, mainly comprising bunker, consumable and other materials, are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method of the purchase costs. Net realisable value is the estimated selling price in the ordinary course of business less all estimated costs necessary to make the sale.

## 2.12 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.

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 2.9(b) for further information about the Group's accounting for trade receivables and Note 2.10 for the description of the Group's impairment policies. If collection of the 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.

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

# 2. MATERIAL ACCOUNTING POLICIES *(continued)*

## 2.13 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

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

## 2.14 Contract liabilities

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.

## 2.15 Borrowings

Borrowings (borrowings for either general or specific purpose) 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 consolidated 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.

## 2.16 Borrowing costs

Borrowing costs (borrowings for either general or specific purpose) 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 consolidated income statement in the period in which they are incurred.

# 2. MATERIAL ACCOUNTING POLICIES *(continued)*

## 2.17 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated 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 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.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

# 2. MATERIAL ACCOUNTING POLICIES *(continued)*

## 2.18 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 consolidated income statement as incurred.

### (b) 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 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.

## 2.19 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 consolidated income statement.

## 2.20 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).

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.

# 2. MATERIAL ACCOUNTING POLICIES *(continued)*

## 2.20 Revenue from contracts with customers *(continued)*

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.

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. MATERIAL ACCOUNTING POLICIES *(continued)*

## 2.21 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 consolidated 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 consolidated 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 consolidated income statement on a straight-line basis over the expected lives of the related assets.

## 2.22 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 fixed payments (including in-substance fixed payments), less any lease incentives receivable.

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.

# 2. MATERIAL ACCOUNTING POLICIES *(continued)*

## 2.22 Leases *(continued)*

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.

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 assets. 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 consolidated 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.

## 2. MATERIAL ACCOUNTING POLICIES *(continued)*

### 2.22 Leases *(continued)*

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 over the lease term as an expense in the consolidated 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.

## 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 and 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 and intangible assets.

## 3. SEGMENT INFORMATION *(continued)*

### The segment information for the reportable segments is as follows:

| | For the year ended 31 December 2024 | | | |
|---|---|---|---|---|
| | Cargo handling HK$'000 | Sales HK$'000 | Other port ancillary services HK$'000 | Total HK$'000 |
| Total segment revenue | 8,068,105 | 2,877,148 | 3,373,882 | 14,319,135 |
| Inter-segment revenue | – | (70,129) | (528,179) | (598,308) |
| Revenue from external customers | 8,068,105 | 2,807,019 | 2,845,703 | 13,720,827 |
| Timing of revenue recognition | | | | |
| At a point in time | 8,068,105 | 2,807,019 | 2,728,844 | 13,603,968 |
| Over time | – | – | 116,859 | 116,859 |
| | 8,068,105 | 2,807,019 | 2,845,703 | 13,720,827 |
| Segment results | 2,668,330 | 1,614 | 1,296,591 | 3,966,535 |
| Taxes and surcharges | | | | (8,800) |
| Other income | | | | 229,104 |
| Other gains and losses | | | | (736) |
| Administrative expenses | | | | (2,091,959) |
| Allowance for impairment on financial assets, net | | | | (4,407) |
| Other expenses | | | | (36,264) |
| Finance costs | | | | (248,435) |
| Share of net profit of associates and joint ventures accounted for using the equity method | | | | 379,451 |
| Profit before income tax | | | | 2,184,489 |
| Other segment information: | | | | |
| Depreciation and amortisation | 1,221,333 | 4,852 | 263,158 | 1,489,343 |
| Share of net profit of associates and joint ventures accounted for using the equity method | 257,373 | 4,763 | 18,076 | 280,212 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2024*

## 3. SEGMENT INFORMATION *(continued)*

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

| | For the year ended 31 December 2023 | | | |
|---|---|---|---|---|
| | Cargo handling HK$'000 | Sales HK$'000 | Other port ancillary services HK$'000 | Total HK$'000 |
| Total segment revenue | 7,418,369 | 3,541,982 | 3,079,384 | 14,039,735 |
| Inter-segment revenue | – | (71,358) | (484,106) | (555,464) |
| Revenue from external customers | 7,418,369 | 3,470,624 | 2,595,278 | 13,484,271 |
| Timing of revenue recognition | | | | |
| At a point in time | 7,418,369 | 3,470,624 | 2,477,467 | 13,366,460 |
| Over time | – | – | 117,811 | 117,811 |
| | 7,418,369 | 3,470,624 | 2,595,278 | 13,484,271 |
| Segment results | 2,390,001 | 13,886 | 1,298,271 | 3,702,158 |
| Taxes and surcharges | | | | (4,500) |
| Other income | | | | 168,660 |
| Other gains and losses | | | | 72,134 |
| Administrative expenses | | | | (1,997,431) |
| Allowance for impairment on financial assets, net | | | | (7,114) |
| Other expenses | | | | (3,617) |
| Finance costs | | | | (280,546) |
| Share of net profit of associates and joint ventures accounted for using the equity method | | | | 435,332 |
| Profit before income tax | | | | 2,085,076 |
| Other segment information: | | | | |
| Depreciation and amortisation | 1,210,350 | 5,003 | 255,697 | 1,471,050 |
| Share of net profit of associates and joint ventures accounted for using the equity method | 310,717 | 3,892 | 14,176 | 328,785 |

## 3. SEGMENT INFORMATION *(continued)*

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

| | At 31 December 2024 | | | |
|---|---|---|---|---|
| | **Cargo handling HK$'000** | **Sales HK$'000** | **Other port ancillary services HK$'000** | **Total HK$'000** |
| Segment assets | **28,025,836** | **549,296** | **9,405,700** | **37,980,832** |
| Unallocated assets: | | | | |
| Interest in an associate | | | | **1,380,207** |
| Financial assets at FVOCI | | | | **601,927** |
| Deferred income tax assets | | | | **98,274** |
| Head office and corporate assets | | | | **612,263** |
| Total assets | | | | **40,673,503** |
| Segment assets include: | | | | |
| Interests in associates and joint ventures | **3,082,886** | **101,529** | **162,520** | **3,346,935** |
| Additions to non-current assets | **990,600** | **6** | **532,329** | **1,522,935** |

| | At 31 December 2023 | | | |
|---|---|---|---|---|
| | Cargo handling HK$'000 | Sales HK$'000 | Other port ancillary services HK$'000 | Total HK$'000 |
| Segment assets | 28,528,381 | 536,638 | 8,981,586 | 38,046,605 |
| Unallocated assets: | | | | |
| Interest in an associate | | | | 1,382,744 |
| Financial assets at FVOCI | | | | 490,115 |
| Deferred income tax assets | | | | 61,989 |
| Head office and corporate assets | | | | 638,266 |
| Total assets | | | | 40,619,719 |
| Segment assets include: | | | | |
| Interests in associates and joint ventures | 3,165,451 | 99,679 | 166,268 | 3,431,398 |
| Additions to non-current assets | 1,150,483 | 24 | 708,663 | 1,859,170 |

No segment liabilities is provided for chief operating decision maker's regular review, accordingly, no segment liabilities are presented.

## 3. SEGMENT INFORMATION *(continued)*

No revenue from any customer contributed over 10% of the total revenue of the Group for the years ended 31 December 2024 and 2023.

The expected timing of recognising revenue of all of the Group's 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.

Analysis of revenue by segment:

| | **2024**<br>**HK$'000** | 2023<br>HK$'000 |
|---|---|---|
| Non-containerised cargo handling business | **5,855,095** | 5,302,374 |
| Container handling business | **2,213,010** | 2,115,995 |
| Cargo handling business | **8,068,105** | 7,418,369 |
| Sales business | **2,807,019** | 3,470,624 |
| Other port ancillary services business | **2,845,703** | 2,595,278 |
| | **13,720,827** | 13,484,271 |

## 4. OTHER INCOME, GAINS AND LOSSES

Other income comprises of the following items:

| | **2024**<br>**HK$'000** | 2023<br>HK$'000 |
|---|---|---|
| Interest income | **98,135** | 110,834 |
| Dividend income from financial assets at FVOCI | **31,363** | 21,924 |
| Government grants *(Note)* | **56,744** | 10,720 |
| Value-added tax ("VAT") extra deduction | **–** | 12,587 |
| Others | **42,862** | 12,595 |
| | **229,104** | 168,660 |

*Note:* Government grants received by the Group represents subsidies from local government authorities as financial supports for various projects, amongst which, HK$41,157,000 (2023: HK$3,991,000) are income and costs related and HK$15,587,000 (2023: HK$6,729,000) are assets related. As at 31 December 2024, the remaining balance of the assets related government grants, which is included in other long-term liabilities, was HK$422,961,000 (2023: HK$309,729,000) which will be credited to other income in the future.

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

| | **2024**<br>**HK$'000** | 2023<br>HK$'000 |
|---|---|---|
| Exchange (loss)/gain, net | **(2,215)** | 44,573 |
| Gain on disposal of property, plant and equipment | **1,479** | 29,127 |
| Others | **–** | (1,566) |
| | **(736)** | 72,134 |

## 5. FINANCE COSTS

| | **2024** | 2023 |
|---|---|---|
| | **HK$'000** | HK$'000 |
| Interest expenses on borrowings | **223,655** | 269,138 |
| Less: Amount capitalised in construction in progress | **–** | (3,332) |
| | **223,655** | 265,806 |
| Interest expenses on lease liabilities | **24,780** | 14,740 |
| | **248,435** | 280,546 |

## 6. INCOME TAX

| | **2024** | 2023 |
|---|---|---|
| | **HK$'000** | HK$'000 |
| PRC income tax expense/(credit) | | |
| Current | **499,924** | 416,271 |
| Deferred | **(18,889)** | (16,387) |
| | **481,035** | 399,884 |

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 (2023: 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%. Two subsidiaries are entitled to tax exemption for the first three years and followed by a 50% relief rate of 12.5% for the next three years from 2019 and 2022 respectively. A subsidiary is entitled to a concessionary rate of 15% for three years from 2022.

The PRC Enterprise Income Tax Law (the "PRC EIT 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, undistributed earnings generated prior to 1 January 2008 are exempted 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.

## 6. INCOME TAX *(continued)*

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

| | **2024** | 2023 |
|---|---|---|
| | **HK$'000** | HK$'000 |
| Profit before income tax | **2,184,489** | 2,085,076 |
| Less: Share of net profit of associates and joint ventures accounted for using the equity method | **(379,451)** | (435,332) |
| | **1,805,038** | 1,649,744 |
| Tax calculated at statutory tax rate | **452,387** | 410,285 |
| Income not subject to income tax | **(49,116)** | (55,553) |
| Expenses not deductible for tax purposes | **43,310** | 30,711 |
| Tax losses for which no deferred income tax assets were recognised | **88,077** | 100,953 |
| Utilisation of previously unrecognised tax losses | **(29,199)** | (67,761) |
| Withholding income tax on undistributed profits of PRC subsidiaries, associates and joint ventures | **8,442** | 13,827 |
| Tax exemptions and concessions | **(32,866)** | (32,578) |
| Income tax | **481,035** | 399,884 |

## 7. PROFIT FOR THE YEAR

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

| | **2024** | 2023 |
|---|---|---|
| | **HK$'000** | HK$'000 |
| Costs of goods sold *(Note 20)* | **2,797,733** | 3,454,042 |
| Employee benefit expenses, including directors' emoluments *(Note 8)* | **2,004,598** | 1,938,510 |
| Depreciation of property, plant and equipment *(Note 11)* | **1,059,532** | 1,057,267 |
| Depreciation of right-of-use assets *(Note 12(a))* | **372,649** | 363,317 |
| Depreciation of investment properties *(Note 13)* | **18,511** | 18,738 |
| Amortisation of intangible assets *(Note 15)* | **41,284** | 34,388 |
| Expenses relating to short-term leases | **185,994** | 147,337 |
| Auditor's remuneration | | |
| annual audit services | **2,050** | 2,300 |
| other services | **1,225** | 721 |

## 8. EMPLOYEE BENEFIT EXPENSES

| | 2024 HK$'000 | 2023 HK$'000 |
|---|---|---|
| Wages and salaries, social security costs and other benefits | **1,772,330** | 1,710,077 |
| Employer's contributions to retirement benefits schemes | **232,268** | 228,433 |
| | **2,004,598** | 1,938,510 |

### (a) Directors' emoluments

| | For the year ended 31 December 2024 | | | | |
|---|---|---|---|---|---|
| **Name of director** | **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) | – | – | – | – | – |
| Teng Fei | – | – | – | – | – |
| Sun Bin *(Note vii)* | – | – | – | – | – |
| Lou Zhanshan *(Note viii)* | – | **1,266** | **382** | **114** | **1,762** |
| Yang Zhengliang *(Notes vi and viii)* | – | **611** | **115** | **46** | **772** |
| **Independent non-executive directors** *(Note ix)* | | | | | |
| Japhet Sebastian Law | **441** | – | **104** | – | **545** |
| Cheng Chi Pang, Leslie *(Note v)* | **198** | – | – | – | **198** |
| Zhang Weidong | **441** | – | **104** | – | **545** |
| Luo Laura Ying | **441** | – | **104** | – | **545** |
| | **1,521** | **1,877** | **809** | **160** | **4,367** |

# 8. EMPLOYEE BENEFIT EXPENSES *(continued)*

## (a) Directors' emoluments *(continued)*

| | For the year ended 31 December 2023 | | | | |
|---|---|---|---|---|---|
| Name of director | 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) | – | – | – | – | – |
| Li Xiaoguang *(Note iv)* | – | – | – | – | – |
| Teng Fei *(Note iii)* | – | – | – | – | – |
| Sun Bin | – | – | – | – | – |
| Lou Zhanshan *(Notes i and viii)* | – | 1,153 | 342 | 105 | 1,600 |
| Yang Zhengliang *(Note viii)* | – | 1,123 | 363 | 102 | 1,588 |
| **Independent non-executive directors** *(Note ix)* | | | | | |
| Japhet Sebastian Law | 441 | – | 104 | – | 545 |
| Cheng Chi Pang, Leslie | 441 | – | 104 | – | 545 |
| Zhang Weidong | 441 | – | 104 | – | 545 |
| Luo Laura Ying *(Note ii)* | 337 | – | 79 | – | 416 |
| | 1,660 | 2,276 | 1,096 | 207 | 5,239 |

*Notes:*

i. Appointed on 30 January 2023.

ii. Appointed on 28 March 2023.

iii. Appointed on 29 August 2023.

iv. Resigned on 29 August 2023.

v. Retired on 12 June 2024.

vi. Resigned on 22 July 2024.

vii. Resigned on 21 January 2025.

viii. The directors' total emoluments were for their services in connection with the management of the affairs of the Company and the Group.

ix. The directors' total emoluments were for their services as directors of the Company.

During the year, there are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities (2023: 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 (2023: nil).

# 8. EMPLOYEE BENEFIT EXPENSES *(continued)*

## (b) Five highest paid individuals

The emoluments of the five individuals with the highest emoluments for the years ended 31 December 2024 and 2023 were as follows:

| | **2024**<br>**HK$'000** | 2023<br>HK$'000 |
|---|---|---|
| Salaries and other benefits | **4,295** | 4,196 |
| Discretionary bonus | **6,419** | 5,718 |
| Employer's contributions to retirement benefits schemes | **496** | 462 |
| | **11,210** | 10,376 |

The five highest paid individuals for the years ended 31 December 2024 and 2023 have not included any directors. The emoluments of the five highest paid individuals payable fell within the following bands:

| | **2024**<br>**Number of**<br>**Individuals** | 2023<br>Number of<br>individuals |
|---|---|---|
| The emoluments fell within the following bands: | | |
| HK$1,500,001 - HK$2,000,000 | **1** | 2 |
| HK$2,000,001 - HK$2,500,000 | **2** | 3 |
| HK$2,500,001 - HK$3,000,000 | **2** | – |
| | **5** | 5 |

## 9. DIVIDEND

| | **2024** **HK$'000** | 2023 HK$'000 |
|---|---|---|
| Proposed final dividend of HK4.48 cents per ordinary share (2023: HK4.73 cents per ordinary share) | **275,878** | 291,273 |

The board of directors of the Company proposed the payment of a final dividend of HK4.48 cents per ordinary share for the year ended 31 December 2024 (2023: HK4.73 cents). These consolidated financial statements do not reflect this dividend payable.

Dividends for ordinary shareholders of the Company recognised as distribution during the year ended 31 December 2024, representing final dividend of 2023, amounted to HK$291,273,000 (2023: final dividend of 2022 amounted to HK$137,939,000).

## 10. EARNINGS PER SHARE

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

| | **2024** **HK$'000** | 2023 HK$'000 |
|---|---|---|
| **Earnings** | | |
| Profit attributable to equity holders of the Company for calculating basic and diluted earnings per share | **690,212** | 728,594 |

| | **2024** **'000** | 2023 '000 |
|---|---|---|
| **Number of shares** | | |
| Weighted average number of ordinary shares for calculating basic and diluted earnings per share | **6,158,000** | 6,158,000 |

The Company did not have any dilutive potential ordinary sharing during the years ended 31 December 2024 and 2023.

## 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 2023 | 10,371,902 | 10,254,477 | 8,375,025 | 500,016 | 374,330 | 1,039,940 | 30,915,690 |
| Exchange differences | (148,216) | (146,538) | (119,680) | (7,146) | (5,349) | (14,860) | (441,789) |
| Additions | – | – | – | 2,353 | – | 1,262,794 | 1,265,147 |
| Disposals | (14,215) | (7,451) | (193,252) | (13,787) | (3,394) | – | (232,099) |
| Transfers to construction in progress | (4,062) | (5,081) | (135,574) | – | – | 110,040 | (34,677) |
| Transfers | 69,082 | 319,926 | 755,820 | 36,790 | 46,751 | (1,289,540) | (61,171) |
| At 31 December 2023 | **10,274,491** | **10,415,333** | **8,682,339** | **518,226** | **412,338** | **1,108,374** | **31,411,101** |
| Exchange differences | **(219,905)** | **(222,918)** | **(185,826)** | **(11,093)** | **(8,825)** | **(23,722)** | **(672,289)** |
| Additions | **–** | **–** | **–** | **458** | **–** | **1,460,647** | **1,461,105** |
| Disposals | **(15,526)** | **–** | **(247,225)** | **(10,785)** | **(20,693)** | **–** | **(294,229)** |
| Transfers to construction in progress | **(25,625)** | **–** | **(46,411)** | **–** | **–** | **23,430** | **(48,606)** |
| Transfers | **770,235** | **131,297** | **800,901** | **66,647** | **122,616** | **(1,923,731)** | **(32,035)** |
| At 31 December 2024 | **10,783,670** | **10,323,712** | **9,003,778** | **563,453** | **505,436** | **644,998** | **31,825,047** |
| **Accumulated depreciation** | | | | | | | |
| At 1 January 2023 | 3,493,819 | 2,218,689 | 5,119,507 | 304,312 | 221,103 | – | 11,357,430 |
| Exchange differences | (51,341) | (33,071) | (76,075) | (4,532) | (3,265) | – | (168,284) |
| Charge for the year | 249,692 | 241,308 | 515,146 | 32,472 | 18,649 | – | 1,057,267 |
| Disposals | (12,651) | (3,501) | (182,911) | (12,754) | (3,196) | – | (215,013) |
| Transfers to construction in progress | (3,859) | (1,158) | (29,660) | – | – | – | (34,677) |
| At 31 December 2023 | **3,675,660** | **2,422,267** | **5,346,007** | **319,498** | **233,291** | **–** | **11,996,723** |
| Exchange differences | **(82,523)** | **(55,471)** | **(121,936)** | **(7,341)** | **(5,317)** | **–** | **(272,588)** |
| Charge for the year | **258,007** | **242,902** | **503,260** | **33,695** | **21,668** | **–** | **1,059,532** |
| Disposals | **(8,349)** | **–** | **(235,131)** | **(10,241)** | **(19,658)** | **–** | **(273,379)** |
| Transfers to construction in progress | **(18,713)** | **–** | **(29,893)** | **–** | **–** | **–** | **(48,606)** |
| At 31 December 2024 | **3,824,082** | **2,609,698** | **5,462,307** | **335,611** | **229,984** | **–** | **12,461,682** |
| **Net book values** | | | | | | | |
| At 31 December 2023 | 6,598,831 | 7,993,066 | 3,336,332 | 198,728 | 179,047 | 1,108,374 | 19,414,378 |
| At 31 December 2024 | **6,959,588** | **7,714,014** | **3,541,471** | **227,842** | **275,452** | **644,998** | **19,363,365** |

## 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 | 15 - 40 years |
| Port facilities | 35 - 50 years |
| Plant, machinery and vessels | 8 - 14 years |
| Leasehold improvements, furniture and equipment | 5 - 15 years |
| Motor vehicles | 5 - 20 years |

The Group is in the process of applying the title documents of certain buildings with carrying value of approximately HK$189,013,000 (2023: HK$144,093,000). 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 2023 | 5,635,664 | 211,849 | 142,264 | 12,083 | 6,001,860 |
| Exchange differences | (79,462) | (2,844) | (1,257) | (147) | (83,710) |
| Additions *(Note)* | 204,795 | – | 388,789 | 498 | 594,082 |
| Derecognition | – | – | (93) | (9) | (102) |
| Depreciation charged | (189,250) | (32,518) | (137,070) | (4,479) | (363,317) |
| Transfer | (2,802) | – | – | – | (2,802) |
| At 31 December 2023 | **5,568,945** | **176,487** | **392,633** | **7,946** | **6,146,011** |
| Exchange differences | **(116,365)** | **(3,298)** | **(6,436)** | **121** | **(125,978)** |
| Additions *(Note)* | **317** | **–** | **–** | **49,409** | **49,726** |
| Depreciation charged | **(189,329)** | **(32,123)** | **(131,735)** | **(19,462)** | **(372,649)** |
| Transfer | **(1,142)** | **–** | **–** | **–** | **(1,142)** |
| At 31 December 2024 | **5,262,426** | **141,066** | **254,462** | **38,014** | **5,695,968** |

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

*Note:* For the year ended 31 December 2024, amount includes right-of-use assets resulting from new leases entered and cost of land-use-rights (2023: new leases entered, lease modification and cost of land-use-rights).

## 12. LEASES *(continued)*

### (b) Lease liabilities

| | 2024<br>HK$'000 | 2023<br>HK$'000 |
|---|---|---|
| Within 1 year | **194,474** | 164,431 |
| Between 1 and 2 years | **171,412** | 167,730 |
| Between 2 and 5 years | **48,137** | 211,643 |
| Over 5 years | **43,720** | 45,646 |
| | **457,743** | 589,450 |

Total cash outflows for leases for the year ended 31 December 2024 amounted to HK$378,962,000 (2023: HK$344,616,000).

Lease terms entered into for fixed term of between 1 to 50 years (2023: 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

| | 2024<br>HK$'000 | 2023<br>HK$'000 |
|---|---|---|
| **Cost** | | |
| At 1 January | **761,713** | 772,756 |
| Exchange differences | **(16,303)** | (11,043) |
| At 31 December | **745,410** | 761,713 |
| **Accumulated depreciation** | | |
| At 1 January | **55,898** | 37,806 |
| Exchange differences | **(1,473)** | (646) |
| Charge for the year | **18,511** | 18,738 |
| At 31 December | **72,936** | 55,898 |
| **Net book values** | | |
| At 31 December | **672,474** | 705,815 |

The investment properties represent land and buildings in the PRC.

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

## 13. INVESTMENT PROPERTIES *(continued)*

The fair value of the investment properties at 31 December 2024 was HK$699,164,000 (2023: HK$738,552,000). 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.

In estimating the fair value of the investment properties as at 31 December 2024 and 2023, 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. GOODWILL

| | **2024**<br>**HK$'000** | 2023<br>HK$'000 |
|---|---|---|
| At 1 January | **43,431** | 44,061 |
| Exchange differences | **(930)** | (630) |
| At 31 December | **42,501** | 43,431 |

Goodwill acquired in a business combination is allocated, at acquisition date, to the cash-generating unit that are expected to benefit from that business combination. The total carrying amount of goodwill had been allocated to the cash-generating unit in cargo handling ("Cargo Handling CGU").

The calculation of the recoverable amount of the Cargo Handling CGU is based on cash flow projections with reference to financial budgets approved by management covering a five-year period, and a pre-tax discount rate of 12.18% (2023: 12.10%). Cash flows beyond the five-year period are extrapolated using a steady 1.60% (2023: 1.80%) growth rate. Expected cash inflows/outflows, which include estimations of growth rates of business volume, unit price and cost of sales, have been determined based on past performance and management's expectations of the market development. The discount rate used reflects the cost of capital of Cargo Handling CGU and the industry specific factors.

During the years ended 31 December 2024 and 2023, management of the Group has determined that no impairment of the cash-generating unit containing goodwill. The recoverable amount is above the carrying amount of the cash-generating unit. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the Cargo Handling CGU to exceed the recoverable amount determined.

## 15. INTANGIBLE ASSETS

### Computer software

| | 2024<br>HK$'000 | 2023<br>HK$'000 |
|---|---|---|
| **Cost** | | |
| At 1 January | **303,626** | 251,987 |
| Exchange differences | **(6,499)** | (3,600) |
| Additions | **12,209** | 3 |
| Disposals | **(3,732)** | (8,737) |
| Transfers | **33,177** | 63,973 |
| At 31 December | **338,781** | 303,626 |
| **Accumulated amortisation** | | |
| At 1 January | **152,527** | 128,912 |
| Exchange differences | **(3,882)** | (2,036) |
| Charge for the year | **41,284** | 34,388 |
| Disposals | **(3,732)** | (8,737) |
| At 31 December | **186,197** | 152,527 |
| **Net book values** | | |
| At 31 December | **152,584** | 151,099 |

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 consolidated income statement.

## 16. SUBSIDIARIES

Particulars of principal subsidiaries are set out in Note 33(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 International Ore Terminal Co., Ltd.** | |
|---|---|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 | **2024** | 2023 |
| | **HK$'000** | HK$'000 | **HK$'000** | HK$'000 | **HK$'000** | HK$'000 |
| **Summarised assets and liabilities** | | | | | | |
| Current assets | **258,907** | 203,035 | **334,564** | 390,259 | **615,929** | 543,916 |
| Non-current assets | **1,555,222** | 1,600,790 | **4,200,862** | 4,357,175 | **6,091,987** | 6,354,757 |
| Current liabilities | **(444,886)** | (413,801) | **(394,134)** | (513,149) | **(1,177,492)** | (1,034,132) |
| Non-current liabilities | **(120,125)** | (167,684) | **(545,932)** | (642,814) | **(1,208,050)** | (1,529,147) |
| Net assets | **1,249,118** | 1,222,340 | **3,595,360** | 3,591,471 | **4,322,374** | 4,335,394 |
| Net assets attributable to non-controlling interests | **887,210** | 868,191 | **2,553,672** | 2,550,911 | **3,070,048** | 3,079,296 |
| **Summarised profit or loss and other comprehensive income** | | | | | | |
| Revenue | **770,887** | 703,401 | **1,168,098** | 1,221,569 | **2,137,939** | 1,961,733 |
| Profit for the year | **53,741** | 56,719 | **283,149** | 271,137 | **428,420** | 402,060 |
| Total comprehensive income for the year | **26,777** | 39,494 | **202,052** | 219,524 | **329,231** | 340,100 |
| Profit for the year attributable to non-controlling interests | **38,171** | 40,285 | **201,112** | 192,580 | **304,294** | 285,570 |
| Dividends paid to non-controlling interests | **–** | – | **97,101** | 64,885 | **167,703** | 132,855 |
| **Summarised cash flows** | | | | | | |
| Net cash from operating activities | **185,862** | 151,451 | **553,128** | 614,974 | **888,049** | 560,228 |
| Net cash used in investing activities | **(91,533)** | (55,218) | **(135,787)** | (165,516) | **(75,247)** | (122,907) |
| Net cash used in financing activities | **(85,806)** | (54,915) | **(474,545)** | (300,792) | **(628,510)** | (501,082) |

# 16. SUBSIDIARIES *(continued)*

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

| | Tianjin Port No. 4 Stevedoring Co., Ltd. ("Fourth Company") | | Tianjin Port Euroasia International Container Terminal Co., Ltd. | | Tianjin Port Alliance International Container Terminal Co., Ltd. ("Alliance International") | |
|---|---|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 | **2024** | 2023 |
| | **HK$'000** | HK$'000 | **HK$'000** | HK$'000 | **HK$'000** | HK$'000 |
| **Summarised assets and liabilities** | | | | | | |
| Current assets | **990,499** | 787,197 | **283,892** | 258,615 | **676,142** | 594,781 |
| Non-current assets | **1,340,413** | 1,339,498 | **2,290,283** | 2,385,794 | **1,229,546** | 1,342,465 |
| Current liabilities | **(266,020)** | (191,129) | **(218,169)** | (265,871) | **(124,729)** | (99,961) |
| Non-current liabilities | **(95,385)** | (72,424) | **(93,964)** | (193,399) | **(53,347)** | (55,019) |
| Net assets | **1,969,507** | 1,863,142 | **2,262,042** | 2,185,139 | **1,727,612** | 1,782,266 |
| Net assets attributable to non-controlling interests | **1,242,236** | 1,175,149 | **1,362,496** | 1,316,175 | **1,138,738** | 1,174,764 |
| **Summarised profit or loss and other comprehensive income** | | | | | | |
| Revenue | **1,437,380** | 1,279,829 | **652,327** | 560,095 | **489,243** | 447,076 |
| Profit for the year | **148,458** | 118,418 | **125,546** | 65,849 | **40,245** | 26,331 |
| Total comprehensive income/(loss) for the year | **106,365** | 92,444 | **76,903** | 34,747 | **1,498** | (109) |
| Profit for the year attributable to non-controlling interests | **93,637** | 58,307 | **75,620** | 39,663 | **26,527** | 17,355 |
| Dividends paid to non-controlling interests | **–** | – | **–** | – | **22,461** | 22,952 |
| **Summarised cash flows** | | | | | | |
| Net cash from operating activities | **360,641** | 221,326 | **289,648** | 274,039 | **217,895** | 93,939 |
| Net cash used in investing activities | **(45,696)** | (96,516) | **(51,376)** | (129,629) | **(62,316)** | (32,104) |
| Net cash used in financing activities | **(59,472)** | (309) | **(226,766)** | (107,215) | **(44,922)** | (45,905) |

# 17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

| | **2024** | 2023 |
|---|---|---|
| | **HK$'000** | HK$'000 |
| Investments in associates and joint ventures | **4,727,142** | 4,814,142 |

Particulars of principal associates and joint ventures are set out in Notes 33(b) and 33(c) respectively.

# 17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD *(continued)*

## 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") | | Guoneng (Tianjin) Port Affairs Co., Ltd. | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **HK$'000** | HK$'000 | **HK$'000** | HK$'000 |
| **Summarised assets and liabilities** | | | | |
| Current assets | **13,734,676** | 12,724,406 | **836,979** | 259,014 |
| Non-current assets | **374,977** | 632,267 | **2,220,626** | 2,268,693 |
| Current liabilities | **(11,089,529)** | (10,339,295) | **(93,225)** | (157,226) |
| Non-current liabilities | **(8,282)** | – | **(731,471)** | (84,242) |
| Net assets | **3,011,842** | 3,017,378 | **2,232,909** | 2,286,239 |
| Included in the above assets and liabilities: | | | | |
| Cash and cash equivalents | **6,336,406** | 4,749,045 | **1,402** | 1,891 |
| Current financial liabilities (excluding trade and other payables and provisions) | **10,730,655** | 10,296,795 | **–** | – |
| Non-current financial liabilities (excluding trade and other payables and provisions) | **–** | – | **–** | – |
| **Summarised profit or loss and other comprehensive income** | | | | |
| Revenue | **358,291** | 370,198 | **1,025,344** | 1,090,120 |
| Profit for the year | **216,556** | 220,207 | **226,906** | 260,251 |
| Other comprehensive loss | **(67,815)** | (44,236) | **(52,321)** | (34,810) |
| Total comprehensive income for the year | **148,741** | 175,971 | **174,585** | 225,441 |
| Included in the above profit for the year: | | | | |
| Depreciation and amortisation | **933** | 684 | **117,553** | 140,952 |
| Interest income | **353,449** | 361,300 | **701** | 29 |
| Interest expense | **120,173** | 116,639 | **2,880** | 15,707 |
| Income tax expense | **64,938** | 54,598 | **97,154** | 91,493 |
| Dividends received from the associate and joint venture | **70,699** | 76,481 | **102,562** | 122,423 |

# 17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD *(continued)*

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

| | Tianjin Port Shihua Crude Oil Terminal Co., Ltd. | | Tianjin Port Container Terminal Co., Ltd. | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **HK$'000** | HK$'000 | **HK$'000** | HK$'000 |
| **Summarised assets and liabilities** | | | | |
| Current assets | **203,205** | 179,802 | **616,709** | 650,460 |
| Non-current assets | **523,738** | 585,491 | **3,459,826** | 3,739,666 |
| Current liabilities | **(5,912)** | (22,674) | **(153,087)** | (242,934) |
| Non-current liabilities | **(36,013)** | (39,353) | **(141,167)** | (254,640) |
| Net assets | **685,018** | 703,266 | **3,782,281** | 3,892,552 |
| Included in the above assets and liabilities: | | | | |
| Cash and cash equivalents | **195,867** | 166,926 | **468,257** | 497,044 |
| Current financial liabilities (excluding trade and other payables and provisions) | **–** | – | **–** | – |
| Non-current financial liabilities (excluding trade and other payables and provisions) | **–** | – | **–** | 147,594 |
| **Summarised profit or loss and other comprehensive income** | | | | |
| Revenue | **210,864** | 237,502 | **1,522,033** | 1,564,396 |
| Profit for the year | **76,547** | 89,750 | **280,625** | 356,750 |
| Other comprehensive loss | **(16,196)** | (10,498) | **(95,829)** | (73,938) |
| Total comprehensive income for the year | **60,351** | 79,252 | **184,796** | 282,812 |
| Included in the above profit for the year: | | | | |
| Depreciation and amortisation | **50,142** | 52,122 | **235,633** | 228,595 |
| Interest income | **4,934** | 1,188 | **7,347** | 7,010 |
| Interest expense | **–** | – | **4,837** | 10,364 |
| Income tax expense | **25,593** | 30,014 | **100,793** | 118,205 |
| Dividends received from the associate and joint venture | **39,300** | 42,024 | **123,013** | 62,079 |

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.

## 17. 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 | | Guoneng (Tianjin) Port Affairs Co., Ltd. | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **HK$'000** | HK$'000 | **HK$'000** | HK$'000 |
| Net assets of the associate or joint venture | **3,011,842** | 3,017,378 | **2,232,909** | 2,286,239 |
| Proportion of the Group's ownership interest | **45.83%** | 45.83% | **45.00%** | 45.00% |
| Group's share of net assets of the associate or joint venture | **1,380,207** | 1,382,744 | **1,004,809** | 1,028,808 |
| Goodwill | **–** | – | **4,561** | 4,660 |
| Carrying amount | **1,380,207** | 1,382,744 | **1,009,370** | 1,033,468 |

| | Tianjin Port Shihua Crude Oil Terminal Co., Ltd. | | Tianjin Port Container Terminal Co., Ltd. | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **HK$'000** | HK$'000 | **HK$'000** | HK$'000 |
| Net assets of the associate or joint venture | **685,018** | 703,266 | **3,782,281** | 3,892,552 |
| Proportion of the Group's ownership interest | **50.00%** | 50.00% | **41.69%** | 41.69% |
| Group's share of net assets of the associate or joint venture | **342,509** | 351,633 | **1,576,833** | 1,622,805 |
| Goodwill | **52,356** | 53,501 | **101,818** | 104,045 |
| Carrying amount | **394,865** | 405,134 | **1,678,651** | 1,726,850 |

### 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.

| | **2024** | 2023 |
|---|---|---|
| | **HK$'000** | HK$'000 |
| Aggregate carrying amount of individually immaterial associates and joint ventures | **264,049** | 265,946 |
| Aggregate amount of the Group's share of: | | |
| Profit for the year | **22,838** | 23,703 |
| Other comprehensive loss | **(3,570)** | (763) |
| Total comprehensive income for the year | **19,268** | 22,940 |

# 18. FINANCIAL ASSETS AT FVOCI

| | **2024** **HK$'000** | 2023 HK$'000 |
|---|---|---|
| Equity securities listed in the PRC | **561,667** | 452,251 |
| Equity securities listed in Hong Kong | **8,400** | 6,500 |
| Unlisted equity investments | **31,860** | 31,364 |
| | **601,927** | 490,115 |

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

| | **2024** **HK$'000** | 2023 HK$'000 |
|---|---|---|
| RMB | **593,527** | 483,615 |
| HK$ | **8,400** | 6,500 |
| | **601,927** | 490,115 |

# 19. 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** | **Decelerated tax depreciation HK$'000** | **Others HK$'000** | **Total HK$'000** |
|---|---|---|---|---|---|
| At 1 January 2023 | 15,478 | 5,629 | 20,134 | 3,143 | 44,384 |
| Exchange differences | (222) | (80) | (350) | (86) | (738) |
| Credited to consolidated income statement | 250 | 34 | 10,891 | 7,168 | 18,343 |
| At 31 December 2023 | **15,506** | **5,583** | **30,675** | **10,225** | **61,989** |
| Exchange differences | **(336)** | **(214)** | **(791)** | **(558)** | **(1,899)** |
| Credited to consolidated income statement | **254** | **6,304** | **8,955** | **22,671** | **38,184** |
| At 31 December 2024 | **15,424** | **11,673** | **38,839** | **32,338** | **98,274** |

The Group had unused tax losses of approximately HK$1,984,481,000 (2023: HK$2,211,625,000) 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$1,984,481,000 will expire from 2025 to 2029 (2023: HK$2,211,625,000 will expire from 2024 to 2028).

## 19. DEFERRED INCOME TAX *(continued)*

### Deferred income tax liabilities

| | Financial assets at FVOCI revaluation HK$'000 | Withholding tax on undistributed profits HK$'000 | Fair value gain on acquisition of subsidiaries HK$'000 | Others HK$'000 | Total HK$'000 |
|---|---|---|---|---|---|
| At 1 January 2023 | 92,338 | 69,763 | 66,158 | 2,033 | 230,292 |
| Exchange differences | (1,247) | (1,066) | (880) | (29) | (3,222) |
| Realisation through profits distribution | – | (10,379) | – | – | (10,379) |
| Charged/(credited) to consolidated income statement | – | 13,828 | (11,701) | (171) | 1,956 |
| Credited to other comprehensive income | (12,684) | – | – | – | (12,684) |
| At 31 December 2023 | **78,407** | **72,146** | **53,577** | **1,833** | **205,963** |
| Exchange differences | **(2,030)** | **(1,534)** | **(990)** | **(275)** | **(4,829)** |
| Realisation through profits distribution | **–** | **(14,725)** | **–** | **–** | **(14,725)** |
| Charged/(credited) to consolidated income statement | **–** | **13,974** | **(10,458)** | **15,779** | **19,295** |
| Charged to other comprehensive income | **23,581** | **–** | **–** | **–** | **23,581** |
| At 31 December 2024 | **99,958** | **69,861** | **42,129** | **17,337** | **229,285** |

In accordance with the PRC EIT Law, withholding income tax is imposed on dividends distributed by a PRC resident enterprise to its holding company outside Mainland China for earnings generated beginning on 1 January 2008. Deferred taxation has been provided, for the extent estimated by the directors of the Company to be distributed in the foreseeable future, on the undistributed profits of the PRC subsidiaries, associates and joint ventures which were generated since 1 January 2008.

## 20. INVENTORIES

| | 2024<br>HK$'000 | 2023<br>HK$'000 |
|---|---|---|
| Consumable and other materials | **52,050** | 50,997 |
| Bunker | **2,692** | 9,304 |
| | **54,742** | 60,301 |

The costs of inventories recognised as expense and included in costs of sales were HK$3,229,727,000 (2023: HK$3,913,989,000), of which costs of goods sold amounted to HK$2,797,733,000 (2023: HK$3,454,042,000).

## 21. TRADE AND OTHER RECEIVABLES AND NOTES RECEIVABLES

| | 2024<br>HK$'000 | 2023<br>HK$'000 |
|---|---|---|
| Trade receivables at amortised cost | **1,864,504** | 1,726,232 |
| Less: Provision for impairment | **(91,313)** | (90,569) |
| Trade receivables at amortised cost, net | **1,773,191** | 1,635,663 |
| Purchase deposits paid for inventories | **246,070** | 205,756 |
| VAT and other tax receivables | **152,095** | 140,609 |
| Prepayments | **31,495** | 24,102 |
| Dividend receivables | **–** | 1,969 |
| Other receivables | **31,744** | 48,377 |
| | **2,234,595** | 2,056,476 |
| Notes receivables at FVOCI | **146,016** | 248,258 |
| | **2,380,611** | 2,304,734 |

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 2024, 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$917,911,000 (2023: HK$677,595,000), 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 of directors of the Company, the probabilities on default of the Relevant Notes is limited, and the Group derecognised the full carrying amounts of the Relevant Notes and the associated trade and other payables when the Relevant Notes are endorsed or discounted.

## 21. TRADE AND OTHER RECEIVABLES AND NOTES RECEIVABLES *(continued)*

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:

| | **2024**<br>**HK$'000** | 2023<br>HK$'000 |
|---|---|---|
| 0 - 90 days | **1,679,046** | 1,509,367 |
| 91 - 180 days | **27,608** | 55,420 |
| Over 180 days | **66,537** | 70,876 |
| | **1,773,191** | 1,635,663 |

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

| | **2024**<br>**HK$'000** | 2023<br>HK$'000 |
|---|---|---|
| At 1 January | **90,569** | 84,101 |
| Exchange differences | **(2,002)** | (1,244) |
| Reversal upon written off of bad debts | **(1,491)** | – |
| Allowance for impairment | **4,237** | 7,712 |
| At 31 December | **91,313** | 90,569 |

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

| | **2024**<br>**HK$'000** | 2023<br>HK$'000 |
|---|---|---|
| Restricted bank deposits *(Note)* | **14,691** | 14,939 |
| Time deposits with maturity over three months | **–** | 44,493 |
| Cash and cash equivalents | **6,869,224** | 6,368,272 |
| Total deposits and cash and cash equivalents | **6,883,915** | 6,427,704 |

*Note:* As at 31 December 2024 and 31 December 2023, restricted bank deposits mainly represented specialised government grants and guarantee deposits for bank notes payables.

## 22. RESTRICTED BANK DEPOSITS, TIME DEPOSITS WITH MATURITY OVER THREE MONTHS AND CASH AND CASH EQUIVALENTS *(continued)*

Total deposits and cash and cash equivalents are denominated in the following currencies:

| | **2024**<br>**HK$'000** | 2023<br>HK$'000 |
|---|---|---|
| RMB | **6,433,136** | 5,987,289 |
| US dollars ("US$") | **448,938** | 437,655 |
| HK$ | **1,841** | 2,760 |
| | **6,883,915** | 6,427,704 |

## 23. SHARE CAPITAL

| | **Number of shares**<br>**'000** | **Share capital**<br>**HK$'000** |
|---|---|---|
| Ordinary shares of HK$0.10 each | | |
| **Authorised:** | | |
| At 1 January 2023, 31 December 2023 and 31 December 2024 | **12,000,000** | **1,200,000** |
| **Issued and fully paid:** | | |
| At 1 January 2023, 31 December 2023 and 31 December 2024 | **6,158,000** | **615,800** |

## 24. OTHER RESERVES

| | **Share premium**<br>**HK$'000**<br>*(Note i)* | **Merger reserve**<br>**HK$'000** | **Revaluation reserve**<br>**HK$'000** | **Exchange reserve**<br>**HK$'000** | **Statutory reserves**<br>**HK$'000**<br>*(Note ii)* | **Others**<br>**HK$'000** | **Total**<br>**HK$'000** |
|---|---|---|---|---|---|---|---|
| At 1 January 2023 | 10,291,605 | (9,111,447) | 38,816 | 94,035 | 1,954,012 | 513,468 | 3,780,489 |
| Other comprehensive loss for the year | – | – | (31,802) | (193,163) | – | – | (224,965) |
| Transfers | – | – | 8,819 | – | 96,691 | – | 105,510 |
| At 31 December 2023 | **10,291,605** | **(9,111,447)** | **15,833** | **(99,128)** | **2,050,703** | **513,468** | **3,661,034** |
| Other comprehensive income/(loss) for the year | **–** | **–** | **39,995** | **(293,261)** | **–** | **–** | **(253,266)** |
| Transfers | **–** | **–** | **270** | **–** | **74,650** | **–** | **74,920** |
| At 31 December 2024 | **10,291,605** | **(9,111,447)** | **56,098** | **(392,389)** | **2,125,353** | **513,468** | **3,482,688** |

*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.

## 25. BORROWINGS

| | 2024 HK$'000 | 2023 HK$'000 |
|---|---|---|
| **Unsecured borrowings:** | | |
| **Non-current** | | |
| Long-term borrowings | **2,999,641** | 3,807,368 |
| **Current** | | |
| Short-term borrowings | **825,018** | 993,136 |
| Current portion of long-term borrowings | **1,035,880** | 906,056 |
| | **1,860,898** | 1,899,192 |
| | **4,860,539** | 5,706,560 |
| **Repayable:** | | |
| Within 1 year | **1,860,898** | 1,899,192 |
| Between 1 and 2 years | **642,862** | 1,066,598 |
| Between 2 and 5 years | **1,911,232** | 1,889,475 |
| Over 5 years | **445,547** | 851,295 |
| | **4,860,539** | 5,706,560 |
| **Weighted average interest rates per annum:** | | |
| RMB | **3.8%** | 4.0% |

The carrying amounts of borrowings approximate their fair values and are denominated in RMB. Borrowings of HK$497,784,000 (2023: HK$820,780,000) are arranged at fixed interest rates, other borrowings are arranged at floating interest rates.

## 26. TRADE AND OTHER PAYABLES

| | 2024<br>HK$'000 | 2023<br>HK$'000 |
|---|---|---|
| Trade payables | **1,483,295** | 1,540,427 |
| Notes payables | **209,246** | 153,622 |
| Trade and notes payables | **1,692,541** | 1,694,049 |
| Receipts in advance | **688,463** | 666,201 |
| Dividend payables to non-controlling interests | **5,170** | 15,330 |
| Dividend payable to the immediate holding company | **107** | 124 |
| Construction payables | **737,585** | 427,656 |
| Staff salaries and benefits payables | **165,160** | 150,331 |
| Other non-trade payables | **244,113** | 225,008 |
| | **3,533,139** | 3,178,699 |

The carrying amounts of trade and other payables 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:

| | 2024<br>HK$'000 | 2023<br>HK$'000 |
|---|---|---|
| 0 - 90 days | **1,290,347** | 1,282,480 |
| 91 - 180 days | **168,209** | 163,453 |
| 181 - 365 days | **92,076** | 73,776 |
| Over 365 days | **141,909** | 174,340 |
| | **1,692,541** | 1,694,049 |

## 27. CONTRACT LIABILITIES

Balance of contract liabilities as at 31 December 2024 and 2023 related to the following businesses of the Group:

| | 2024<br>HK$'000 | 2023<br>HK$'000 |
|---|---|---|
| Cargo handling business | **139,659** | 91,317 |
| Sales business | **224,789** | 185,310 |
| Other port ancillary services business | **20,052** | 3,488 |
| | **384,500** | 280,115 |

As at 1 January 2023, contract liabilities amounted to HK$271,515,000 and revenue related to such amount has been fully recognised in the year ended 31 December 2023. For contract liabilities as at 31 December 2023 as shown above, revenue related to such amount has also been fully recognised in the year ended 31 December 2024.

## 28. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (a) Cash generated from operations

| | 2024<br>HK$'000 | 2023<br>HK$'000 |
|---|---|---|
| Profit before income tax | **2,184,489** | 2,085,076 |
| Adjustments for: | | |
| – Interest income | **(98,135)** | (110,834) |
| – Finance costs | **248,435** | 280,546 |
| – Share of net profit of associates and joint ventures accounted for using the equity method | **(379,451)** | (435,332) |
| – Dividend income from financial assets at FVOCI | **(31,363)** | (21,924) |
| – Gain on disposal of property, plant and equipment | **(1,479)** | (29,127) |
| – Gain on derecognition of right-of-use assets | **–** | (62) |
| – Depreciation of property, plant and equipment | **1,059,532** | 1,057,267 |
| – Depreciation of right-of-use assets | **372,649** | 363,317 |
| – Depreciation of investment properties | **18,511** | 18,738 |
| – Amortisation of intangible assets | **41,284** | 34,388 |
| – Allowance for impairment on financial assets, net | **4,407** | 7,114 |
| – Allowance for impairment on inventories, net | **–** | 1,628 |
| – Exchange loss/(gain), net | **2,215** | (44,573) |
| Changes in working capital: | | |
| – Inventories | **5,559** | 35,356 |
| – Trade and other receivables and notes receivables | **(569,837)** | (601,226) |
| – Restricted bank deposits | **(72)** | (11,947) |
| – Trade and other payables | **422,913** | 294,389 |
| – Contract liabilities | **110,380** | 12,480 |
| – Other long-term liabilities | **139,011** | 266,210 |
| Cash generated from operations | **3,529,048** | 3,201,484 |

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

## (b) 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 | 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 2023 | 8,290,782 | 15,513 | 388,404 | 323 | 66,935 | 8,761,957 |
| Financing cash flows | (2,499,567) | (260,784) | (197,279) | (138,138) | (465,564) | (3,561,332) |
| Non-cash items: | | | | | | |
| Interest expenses | 2,417 | 260,057 | 14,740 | – | – | 277,214 |
| New lease contracts entered into | – | – | 389,287 | – | – | 389,287 |
| Termination of lease contracts | – | – | (164) | – | – | (164) |
| Declaration of dividends | – | – | – | 137,939 | 421,546 | 559,485 |
| Exchange differences | (87,072) | (116) | (5,538) | – | (7,587) | (100,313) |
| At 31 December 2023 | **5,706,560** | **14,670** | **589,450** | **124** | **15,330** | **6,326,134** |
| Financing cash flows | **(723,883)** | **(213,319)** | **(192,968)** | **(291,290)** | **(482,286)** | **(1,903,746)** |
| Non-cash items: | | | | | | |
| Interest expenses | **–** | **222,193** | **24,780** | **–** | **–** | **246,973** |
| New lease contracts entered into | **–** | **–** | **49,409** | **–** | **–** | **49,409** |
| Declaration of dividends | **–** | **–** | **–** | **291,273** | **472,307** | **763,580** |
| Exchange differences | **(122,138)** | **(448)** | **(12,928)** | **–** | **(181)** | **(135,695)** |
| At 31 December 2024 | **4,860,539** | **23,096** | **457,743** | **107** | **5,170** | **5,346,655** |

## 29. COMMITMENTS

| | 2024<br>HK$'000 | 2023<br>HK$'000 |
|---|---|---|
| **Contracted but not provided for** | | |
| Property, plant and equipment | **260,984** | 352,795 |
| **Authorised but not contracted for** | | |
| Property, plant and equipment | **754,959** | 632,764 |

## 30. 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

| | 2024<br>HK$'000 | 2023<br>HK$'000 |
|---|---|---|
| **With Tianjin Port Group and its subsidiaries, associates and joint ventures** | | |
| Sales of goods and services | **68,461** | 69,420 |
| Purchases of goods and services | **1,156,781** | 1,182,143 |
| Income from rental of property, plant and equipment | **33,263** | 24,203 |
| Payments for rental of land, property, plant and equipment *(Note)* | **330,419** | 272,644 |
| Acquisition of property, plant and equipment | **746,277** | 423,069 |
| **With associates** | | |
| Sales of goods and services | **93,525** | 67,029 |
| Purchases of goods and services | **900,342** | 830,356 |
| Income from rental of property, plant and equipment | **4,923** | 4,721 |
| Payments for rental of property, plant and equipment *(Note)* | **4,096** | 4,651 |
| Interest income | **33,773** | 41,744 |
| Interest expenses on borrowings | **127,810** | 143,083 |
| **With joint ventures** | | |
| Sales of goods and services | **27,670** | 27,486 |
| Purchases of goods and services | **93,283** | 103,809 |

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

# 30. SIGNIFICANT RELATED PARTY TRANSACTIONS *(continued)*

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

| | 2024<br>HK$'000 | 2023<br>HK$'000 |
|---|---|---|
| **With Tianjin Port Group and its subsidiaries, associates and joint ventures** | | |
| Trade and other receivables and notes receivables *(Note i)* | **61,587** | 101,274 |
| Trade and other payables *(Note i)* | **766,655** | 343,188 |
| Contract liabilities *(Note i)* | **18,010** | 5,345 |
| Lease payables | **16,726** | – |
| **With associates** | | |
| Trade and other receivables and notes receivables *(Note i)* | **6,632** | 4,613 |
| Trade and other payables *(Note i)* | **114,513** | 95,160 |
| Deposits *(Note ii)* | **2,964,401** | 3,294,411 |
| Borrowings *(Note iii)* | **2,984,731** | 3,314,793 |
| **With joint ventures** | | |
| Trade and other receivables and notes receivables *(Note i)* | **4,075** | 8,800 |
| Trade and other payables *(Note i)* | **8,469** | 8,864 |

*Notes:*

i. Trade and other receivables and notes receivables, 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% (2023: 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 the 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 2024, borrowings from Tianjin Port Finance amounted to HK$2,984,731,000 (2023: HK$3,314,793,000), in which HK$2,842,032,000 (2023: HK$3,023,744,000) are repayable within 5 years and the remaining HK$142,699,000 (2023: HK$291,049,000) are repayable over 5 years. Borrowings from Tianjin Port Finance are unsecured and bear interests at market rates ranging from 2.7% to 4.8% (2023: from 3.4% to 4.9%) per annum.

## 30. SIGNIFICANT RELATED PARTY TRANSACTIONS *(continued)*

### (c) Transactions and balances with other state-owned entities in the PRC

The Group operates in an economic environment currently predominated by enterprises directly or indirectly owned or controlled by the PRC government (collectively referred to as "state-owned entities"). The directors of the Company consider those state-owned entities are independent third parties, so far as the Group's business transactions with them are concerned.

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

In addition to those disclosed above, as at 31 December 2024, 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.

## 31. FINANCIAL RISK MANAGEMENT

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

| | **2024**<br>**HK$'000** | 2023<br>HK$'000 |
|---|---|---|
| Financial assets at FVOCI | **601,927** | 490,115 |
| Notes receivables at FVOCI | **146,016** | 248,258 |
| Financial assets at amortised costs | **8,688,850** | 8,113,713 |
| Financial liabilities at amortised costs | **8,162,958** | 8,808,508 |

# 31. FINANCIAL RISK MANAGEMENT *(continued)*

## 31.1 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 2024, 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 which are denominated in currency that is not the functional currency of the entities.

The operations 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 2024, if RMB had weakened/strengthened by 5% (2023: 5%) against non-functional currencies with all other variables held constant, the Group's profit for the year would have been approximately HK$12,321,000 (2023: HK$8,433,000) higher/lower, mainly as a result of exchange gains/losses on translation of the outstanding non-functional currency denominated monetary items including deposits, receivables and payables 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 2024, if interest rates on borrowings had been 50 (2023: 50) basis points higher/lower with all other variables held constant, the Group's profit for the year would have been approximately HK$16,608,000 (2023: HK$18,426,000) 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 2024, if the price of the listed equity investments had been 10% (2023: 10%) higher/lower with all other variables held constant, the Group's total equity would have increased/decreased by approximately HK$42,973,000 (2023: HK$34,576,000) as a result of changes in fair value of the listed equity investments classified as financial assets at FVOCI.

# 31. FINANCIAL RISK MANAGEMENT *(continued)*

## 31.1 Financial risk factors *(continued)*

### 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. Management considers that 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 top tier state-owned/listed banks and reputable financial institutions. 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 with the Group. Credit limits grant to customers are 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.

# 31. FINANCIAL RISK MANAGEMENT *(continued)*

## 31.1 Financial risk factors *(continued)*

### Credit risk *(continued)*

| | Internal credit rating | 12-month ECL or lifetime ECL | Gross amount 2024 HK$'000 | 2023 HK$'000 |
|---|---|---|---|---|
| Restricted bank deposits | N/A | 12-month ECL | **14,691** | 14,939 |
| Time deposits with maturity over three months | N/A | 12-month ECL | **–** | 44,493 |
| Cash and cash equivalents | N/A | 12-month ECL | **6,869,224** | 6,368,272 |
| Other receivables | Note i | 12-month ECL | **31,744** | 48,377 |
| Dividend receivables | Note i | 12-month ECL | **–** | 1,969 |
| Notes receivables | N/A | 12-month ECL | **146,016** | 248,258 |
| Trade receivables | Note ii | Lifetime ECL (not credit-impaired) | **1,854,194** | 1,715,697 |
| | | Lifetime ECL (credit-impaired) | **10,310** | 10,535 |

*Notes:*

i. 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 2024 and 2023, the Group considers that the credit loss from these balances are not significant.

ii. For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the provision at lifetime ECL.

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 2023 | 73,850 | 10,251 | 84,101 |
| Allowance for impairment | 7,279 | 433 | 7,712 |
| Exchange differences | (1,095) | (149) | (1,244) |
| At 31 December 2023 | **80,034** | **10,535** | **90,569** |
| Allowance for impairment | **4,237** | **–** | **4,237** |
| Reversal upon written off bad debts | **(1,491)** | **–** | **(1,491)** |
| Exchange differences | **(1,777)** | **(225)** | **(2,002)** |
| At 31 December 2024 | **81,003** | **10,310** | **91,313** |

# 31. FINANCIAL RISK MANAGEMENT *(continued)*

## 31.1 Financial risk factors *(continued)*

### 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.

The contractual undiscounted cash flows of financial liabilities based on the remaining period at the end of the reporting period to the contractual maturity date are set out 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 | Total HK$'000 |
|---|---|---|---|---|---|
| **At 31 December 2024** | | | | | |
| Trade and other payables, excluded receipts in advance | **2,844,676** | **–** | **–** | **–** | **2,844,676** |
| Borrowings | **2,035,260** | **750,354** | **2,069,724** | **520,498** | **5,375,836** |
| Lease liabilities | **210,585** | **179,062** | **55,649** | **149,205** | **594,501** |
| Total undiscounted cash flow | **5,090,521** | **929,416** | **2,125,373** | **669,703** | **8,815,013** |
| **At 31 December 2023** | | | | | |
| Trade and other payables, excluded receipts in advance | 2,512,498 | – | – | – | 2,512,498 |
| Borrowings | 2,117,386 | 1,217,193 | 2,118,784 | 938,761 | 6,392,124 |
| Lease liabilities | 187,640 | 183,212 | 224,708 | 155,580 | 751,140 |
| Total undiscounted cash flow | 4,817,524 | 1,400,405 | 2,343,492 | 1,094,341 | 9,655,762 |

## 31.2 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 capital structure of the Group consists of net debt, which includes the borrowings and lease liabilities disclosed in Notes 25 and 12(b) respectively, net of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital, retained earnings and other reserves.

The Group monitors capital structure using the gearing ratio (ratio of total borrowings to total equity). The Group's gearing ratio at 31 December 2024 was15.9% (2023: 18.8%).

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.

# 31. FINANCIAL RISK MANAGEMENT *(continued)*

## 31.3 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 2024, 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$570,067,000 (2023: HK$458,751,000) were measured at the quoted price in active market.

The fair values of unlisted equity securities as at 31 December 2024 of HK$31,860,000 (2023: HK$31,364,000) 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 a marketability discount.

The Group's notes receivables at FVOCI included in level 2 is measured at fair value based on discounted cash flow valuation technique where future cash flows are estimated based on 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:*

| | **2024**<br>**HK$'000** | 2023<br>HK$'000 |
|---|---|---|
| At 1 January | **31,364** | 32,263 |
| Exchange differences | **(689)** | (455) |
| Fair value change recognised in other comprehensive income | **1,185** | (444) |
| At 31 December | **31,860** | 31,364 |

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

# 32. 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 and goodwill

At 31 December 2024, the market capitalisation of the Group was below its net asset value. Taking into consideration of other fact and circumstances, management of the Group assessed that there was an impairment indicator of certain long-term assets of the Group, including property, plant and equipment and certain right-of-use assets (the "Identified Long-term Assets"). The Identified Long-term Assets and goodwill, amounted to HK$19,796,907,000 and HK$42,501,000 respectively, as at 31 December 2024. As set out in Note 14 to the consolidated financial statements, the total carrying amount of goodwill had been allocated to the Cargo Handling CGU.

Management of the Group performed impairment assessment for the Identified Long-term Assets and goodwill by reference to the recoverable amount of respective cash-generating unit. 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 based on their respective value-in-use. 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 discount rates. The growth rates are estimated based on past performance and management's expectations of the market development. The cash flow forecasts is discounted by using pre-tax discount rates that reflect the cost of capital of each cash-generating unit and the industry specific factors.

# 33. PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

At 31 December 2024, 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 2024 and 2023:

| Name | Registered capital/ Issued share capital | Interest held 2024 (%) | 2023 (%) | Principal activities |
|---|---|---|---|---|
| **Listed, indirectly held by the Company, established and operating in the PRC** | | | | |
| Tianjin Port Holdings Co., Ltd.# | RMB2,894,001,038 | **56.81** | 56.81 | Cargo handling, agency and ancillary services |
| **Unlisted, indirectly held by the Company through Tianjin Port Co, established and operating in the PRC** | | | | |
| Tianjin Port Alliance International Container Terminal Co., Ltd. *** | US$160,000,000 | **60.00** | 60.00 | Container handling and ancillary services |
| Tianjin Port No. 1 Stevedoring Co., Ltd.** | RMB1,118,259,100 | **100.00** | 100.00 | Container handling, non-containerised cargo handling and ancillary services |
| Tianjin Port No. 4 Stevedoring Co., Ltd.** | RMB1,759,559,700 | **65.00** | 65.00 | Non-containerised cargo handling and ancillary services |
| Tianjin Port Coke Terminals Co., Ltd.** | RMB600,000,000 | **100.00** | 100.00 | Non-containerised cargo handling and ancillary services |
| Tianjin Port Goods and Materials Supplying Co., Ltd.** | RMB98,396,000 | **100.00** | 100.00 | Sales of supplies and materials |
| Tianjin Port Logistics Development Co., Ltd.** | RMB1,615,460,000 | **100.00** | 100.00 | Agency and port ancillary services |
| Tianjin Port Petrochemicals Terminal Company Limited** | RMB110,700,000 | **100.00** | 100.00 | Non-containerised cargo handling and ancillary services |
| Tianjin Port Tugboat Lighter Co., Ltd.*** | RMB286,709,000 | **100.00** | 100.00 | Tugboat services |
| Tianjin Port Xingdong Logistics Co., Ltd.** | RMB444,000,000 | **100.00** | 100.00 | Port ancillary services |
| Tianjin Ocean Shipping Tally Co., Ltd.** | RMB20,000,000 | **84.00** | 84.00 | Tallying services |
| China Ocean Shipping Agency Tianjin Co., Ltd.** | RMB101,220,000 | **60.00** | 60.00 | Agency services |
| Tianjin Zhongtie Storage and Transportation Co., Ltd.** | RMB10,000,000 | **60.00** | 60.00 | Sales |

# 33. PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES *(continued)*

## (a) Subsidiaries *(continued)*

| Name | Registered capital/ Issued share capital | Interest held 2024 (%) | 2023 (%) | Principal activities |
|---|---|---|---|---|
| **Unlisted, indirectly held by the Company through Tianjin Port Co, established and operating in the PRC (continued)** | | | | |
| 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 |
| Tianjin Port China Coal Hua'neng Coal Terminal Co., Ltd.** | RMB1,125,000,000 | **51.00** | 51.00 | Non-containerised cargo handling and ancillary services |
| Tianjin Port Pacific International Container Terminal Co., Ltd.* | RMB2,303,350,000 | **51.00** | 51.00 | Container handling and ancillary services |
| Tianjin Port Haijia Automobile Terminal Co., Ltd. * | RMB400,000,000 | **51.00** | 51.00 | Non-containerised cargo handling and ancillary services |
| Tianjin Port Yuanhang International Ore Terminal Co., Ltd.* | RMB2,754,279,028.36 | **51.00** | 51.00 | Non-containerised cargo handling and ancillary services |
| Tianjin Haitian Bonded Logistics Co., Ltd.* | RMB210,000,000 | **51.00** | 51.00 | Warehousing, logistics and ancillary services |
| Tianjin Port CNAF Terminal Co., Ltd.** | RMB149,000,000 | **51.00** | 51.00 | Non-containerised cargo handling and ancillary services |
| Tianjin Port Haifeng Bonded Logistics Co., Ltd.** | RMB645,600,000 | **100.00** | 100.00 | Warehousing, logistics and ancillary services |
| Tianjin Jingang Dongfang Environmental Protection Engineering Co., Ltd. (formerly named Tianjin Dongfang Petroleum Co., Ltd.) ** | RMB50,000,000 | **50.00** | 50.00 | Ancillary services |
| Tianjin Port Euroasia International Container Terminal Co., Ltd. *** | RMB1,260,000,000 | **70.00** | 70.00 | Container handling and ancillary services |
| Tianjin Wuze Logistics Co., Ltd. ** | RMB524,730,000 | **100.00** | 100.00 | Warehousing, logistics and ancillary services |
| Tianjin Wujie Logistics Co., Ltd. ** | RMB100,000,000 | **100.00** | 100.00 | Warehousing, logistics and ancillary services |

## 33. PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES *(continued)*

### (a) Subsidiaries *(continued)*

| Name | Registered capital/ Issued share capital | Interest held 2024 (%) | 2023 (%) | Principal activities |
|---|---|---|---|---|
| **Unlisted, indirectly held by the Company, incorporated and operating in Hong Kong** | | | | |
| Champion Sky Enterprises Limited | HK$2 | **100.00** | 100.00 | Investment holding |
| Tianjin Port Highwater Limited | HK$10,000 | **100.00** | 100.00 | Investment holding |
| Tianjin Port Harvest Limited | HK$10,000 | **100.00** | 100.00 | Investment holding |
| **Unlisted, directly held by the Company, incorporated and operating in Hong Kong** | | | | |
| Grand Point Investment Limited | HK$1 | **100.00** | 100.00 | 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 | **100.00** | 100.00 | Investment holding |
| Tianjin Port Development Finance Limited | US$1 | **100.00** | 100.00 | Treasury services |
| **Unlisted, indirectly held by the Company through Tianjin Port Co, incorporated in the British Virgin Islands and operating in the PRC** | | | | |
| COSCO SHIPPING Ports (Tianjin Euroasia) Limited | US$1 | **100.00** | 100.00 | Investment holding |

\# Joint stock company with limited liability

* Sino-foreign joint venture

** Limited liability company

*** Wholly-foreign owned enterprise

## 33. PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES *(continued)*

### (b) Associates

The followings are principal associates at 31 December 2024 and 2023 all of which are unlisted, established and operating in the PRC:

| Name | Registered capital | Interest held 2024 (%) | 2023 (%) | Principal activities |
|---|---|---|---|---|
| Tianjin Yuanhang Ore Logistics Co., Ltd. | RMB45,000,000 | **49.00** | 49.00 | Logistics and ancillary services |
| Tianjin Port Finance Co., Ltd. | RMB1,150,000,000 | **45.83** | 45.83 | Financial services |
| Guoneng (Tianjin) Port Affairs Co., Ltd. | RMB1,524,988,500 | **45.00** | 45.00 | Non-containerised cargo handling and ancillary services |
| Tianjin Port Container Terminal Co., Ltd. | RMB2,408,312,700 | **41.69** | 41.69 | Container handling and ancillary services |

### (c) Joint ventures

The followings are principal joint ventures at 31 December 2024 and 2023 all of which are unlisted, established and operating in the PRC:

| Name | Registered capital | Interest held 2024 (%) | 2023 (%) | Principal activities |
|---|---|---|---|---|
| Tianjin Port Shihua Crude Oil Terminal Co., Ltd. | RMB482,660,000 | **50.00** | 50.00 | Non-containerised cargo handling and ancillary services |
| Tianjin Dehai Petroleum Products Sales Co., Ltd. | RMB42,000,000 | **50.00** | 50.00 | Sales of fuel |
| Vopak Nanjiang Petrochemical Terminal Tianjin Company Limited | US$8,460,000 | **50.00** | 50.00 | 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.

## 34. 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.

## 35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

| | As at 31 December | |
|---|---|---|
| | **2024** | 2023 |
| | **HK$'000** | HK$'000 |
| **ASSETS** | | |
| **Non-current assets** | | |
| Property, plant and equipment | **2,517** | 2,582 |
| Right-of-use assets | **1,442** | 3,999 |
| Intangible assets | **18** | 26 |
| Interests in subsidiaries | **14,087,374** | 14,485,412 |
| Financial assets at FVOCI | **8,400** | 6,500 |
| | **14,099,751** | 14,498,519 |
| **Current assets** | | |
| Other receivables | **3,824** | 2,800 |
| Amounts due from subsidiaries | **282,593** | 194,550 |
| Time deposits with maturity over three months | **–** | 44,493 |
| Cash and cash equivalents | **604,452** | 584,351 |
| | **890,869** | 826,194 |
| **Total assets** | **14,990,620** | 15,324,713 |
| **EQUITY** | | |
| **Equity attributable to equity holders of the Company** | | |
| Share capital | **615,800** | 615,800 |
| Other reserves *(Note i)* | **11,447,843** | 11,773,062 |
| Retained earnings *(Note ii)* | **2,912,390** | 2,918,089 |
| **Total equity** | **14,976,033** | 15,306,951 |
| **LIABILITIES** | | |
| **Non-current liabilities** | | |
| Lease liabilities | **–** | 2,107 |
| | **–** | 2,107 |
| **Current liabilities** | | |
| Lease liabilities | **2,107** | 3,035 |
| Dividend payable to the immediate holding company | **107** | 124 |
| Other payables | **12,373** | 12,496 |
| | **14,587** | 15,655 |
| **Total liabilities** | **14,587** | 17,762 |
| **Total equity and liabilities** | **14,990,620** | 15,324,713 |

The statement of financial position of the Company was approved by the Board of Directors on 26 March 2025 and was signed on its behalf by:

**CHU Bin**
*Director*

**LUO Xunjie**
*Director*

## 35. 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$'000 | Exchange reserve HK$'000 | Total HK$'000 |
|---|---|---|---|---|---|
| At 1 January 2023 | 10,291,605 | 1,450,909 | (8,700) | 260,561 | 11,994,375 |
| Currency translation differences | – | – | – | (221,713) | (221,713) |
| Fair value loss on financial assets at FVOCI | – | – | 400 | – | 400 |
| At 31 December 2023 | **10,291,605** | **1,450,909** | **(8,300)** | **38,848** | **11,773,062** |
| Currency translation differences | **–** | **–** | **–** | **(327,119)** | **(327,119)** |
| Fair value gain on financial assets at FVOCI | **–** | **–** | **1,900** | **–** | **1,900** |
| At 31 December 2024 | **10,291,605** | **1,450,909** | **(6,400)** | **(288,271)** | **11,447,843** |

ii. Retained earnings of the Company

| | HK$'000 |
|---|---|
| At 1 January 2023 | 2,810,183 |
| Profit for the year | 245,845 |
| Dividend | (137,939) |
| At 31 December 2023 | **2,918,089** |
| Profit for the year | **285,574** |
| Dividend | **(291,273)** |
| At 31 December 2024 | **2,912,390** |

# FIVE YEARS FINANCIAL SUMMARY

| | 2020<br>HK$'000 | 2021<br>HK$'000 | 2022<br>HK$'000 | 2023<br>HK$'000 | **2024<br>HK$'000** |
|---|---|---|---|---|---|
| **Consolidated Income Statement** | | | | | |
| Revenue | 15,490,177 | 17,370,544 | 13,017,326 | 13,484,271 | **13,720,827** |
| Cost of sales | (12,123,230) | (13,528,544) | (9,672,328) | (9,782,113) | **(9,754,292)** |
| Taxes and surcharges | (9,073) | (10,534) | (7,572) | (4,500) | **(8,800)** |
| Gross profit | 3,357,874 | 3,831,466 | 3,337,426 | 3,697,658 | **3,957,735** |
| Other income and expenses, other gains and losses | 324,221 | 909,597 | 272,152 | 230,063 | **187,697** |
| Administrative expenses | (1,770,862) | (2,191,709) | (2,010,610) | (1,997,431) | **(2,091,959)** |
| Finance costs | (550,117) | (484,159) | (390,092) | (280,546) | **(248,435)** |
| Share of net profit of associates and joint ventures accounted for using the equity method | 435,843 | 411,101 | 397,552 | 435,332 | **379,451** |
| Profit before income tax | 1,796,959 | 2,476,296 | 1,606,428 | 2,085,076 | **2,184,489** |
| Income tax | (389,433) | (533,987) | (431,519) | (399,884) | **(481,035)** |
| Profit for the year | 1,407,526 | 1,942,309 | 1,174,909 | 1,685,192 | **1,703,454** |
| Profit attributable to: | | | | | |
| Equity holders of the Company | 636,161 | 923,116 | 345,266 | 728,594 | **690,212** |
| Non-controlling interests | 771,365 | 1,019,193 | 829,643 | 956,598 | **1,013,242** |
| | 1,407,526 | 1,942,309 | 1,174,909 | 1,685,192 | **1,703,454** |
| **Consolidated Statement of Financial Position** | | | | | |
| Property, plant and equipment | 21,467,926 | 19,953,732 | 19,558,260 | 19,414,378 | **19,363,365** |
| Right-of-use assets | 7,068,583 | 6,550,516 | 6,001,860 | 6,146,011 | **5,695,968** |
| Investment properties | 820,200 | 823,624 | 734,950 | 705,815 | **672,474** |
| Goodwill | – | – | 44,061 | 43,431 | **42,501** |
| Intangible assets | 84,867 | 88,063 | 123,075 | 151,099 | **152,584** |
| Investments accounted for using the equity method | 4,806,587 | 5,897,365 | 4,773,780 | 4,814,142 | **4,727,142** |
| Financial assets at FVOCI | 785,600 | 705,558 | 574,362 | 490,115 | **601,927** |
| Deposits paid for acquisition of land-use-rights | – | – | 127,844 | – | **–** |
| Deferred income tax assets | 120,290 | 26,216 | 44,384 | 61,989 | **98,274** |
| Non-current assets | 35,154,053 | 34,045,074 | 31,982,576 | 31,826,980 | **31,354,235** |
| Current assets | 12,490,082 | 12,256,848 | 10,228,329 | 8,792,739 | **9,319,268** |
| Total assets | 47,644,135 | 46,301,922 | 42,210,905 | 40,619,719 | **40,673,503** |
| Total liabilities | (18,579,908) | (15,773,059) | (12,557,324) | (10,336,107) | **(10,016,346)** |
| Net assets | 29,064,227 | 30,528,863 | 29,653,581 | 30,283,612 | **30,657,157** |
| Non-controlling interests | (15,581,769) | (16,092,474) | (16,409,123) | (16,673,464) | **(16,901,336)** |
| Equity attributable to equity holders of the Company | 13,482,458 | 14,436,389 | 13,244,458 | 13,610,148 | **13,755,821** |

# 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 |
| "Audit Committee" | the audit committee of the Company |
| "Board" | the board of Directors |
| "CG Code" | the Corporate Governance Code, Appendix C1 to the Listing Rules |
| "Company" | Tianjin Port Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 03382) |
| "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 C3 to the Listing Rules |
| "Nomination Committee" | the nomination committee of the Company |
| "PRC" or "China" | the People's Republic of China |
| "Remuneration Committee" | the remuneration committee of the Company |
| "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 |
| "Shareholder(s)" | the holder(s) of the Shares |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "TEU" | Twenty-foot Equivalent Unit |
| "Tianjin Development" | Tianjin Development Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00882) and the substantial shareholder of the Company |

# DEFINITIONS

| | |
|---|---|
| "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 Company |
| "Tianjin Port Group Co" | 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 |
| "Tianjin Port Group Co Associates" | Tianjin Port Group Co and/or its associates |
| "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)*△
TENG Fei
LIU Nan
JIANG Wei
LOU Zhanshan+

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Japhet Sebastian LAW*+
ZHANG Weidong*+△
LUO Laura Ying*△

## 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.

## 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
17/F, Far East Finance Centre
16 Harcourt Road, 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

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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, LUO Laura Ying is the chairman of the committee

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