天津港發展控股有限公司

Tianjin Port Development Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 03382)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

FINANCIAL HIGHLIGHTS

For the six month ended 30 June 2012

- Revenue was HK$8,014.8 million
- Profit attributable to equity holders of the Company was HK$370.9 million
- Basic earnings per share of HK6.0 cents
- Interim dividend of HK2.40 cents per share, representing a dividend payout ratio of approximately 40%

The board of directors (the "Board") of Tianjin Port Development Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2012 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2012

		Unaudited	
		Six months ended 30 June	
		2012	2011
	Note	***HK$'000***	*HK$'000*
Revenue	*3*	**8,014,844**	7,500,943
Business tax and surcharge		**(150,758)**	(153,239)
Cost of sales		**(5,970,734)**	(5,644,979)
Gross profit		**1,893,352**	1,702,725
Other income and gains	*4*	**65,647**	170,289
Administrative expenses		**(857,614)**	(757,248)
Other operating expenses		**(2,634)**	(1,653)
		1,098,751	1,114,113
Finance costs	*5*	**(198,722)**	(188,369)
Share of results of associates		**120,477**	70,629
Share of results of jointly controlled entities		**50,335**	24,613
Profit before income tax	*6*	**1,070,841**	1,020,986
Income tax	*7*	**(193,602)**	(174,475)
Profit for the period		**877,239**	846,511
Attributable to:			
Equity holders of the Company		**370,949**	370,468
Non-controlling interests		**506,290**	476,043
		877,239	846,511
Dividends			
Interim	*8*	**147,792**	147,792
Earnings per share			
Basic and diluted (HK cents)	*9*	**6.0**	6.0

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

	Unaudited Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
Profit for the period	**877,239**	846,511
Other comprehensive income		
Fair value gain/(loss) on available-for-sale financial assets, net of tax	**48,929**	(35,180)
Exchange differences	**(27,207)**	429,018
Other comprehensive income for the period, net of tax	**21,722**	393,838
Total comprehensive income for the period	**898,961**	1,240,349
Total comprehensive income for the period attributable to:		
Equity holders of the Company	**370,645**	575,265
Non-controlling interests	**528,316**	665,084
	898,961	1,240,349

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2012

	Note	**Unaudited 30 June 2012 HK$'000**	Audited 31 December 2011 HK$'000
ASSETS			
Non-current assets			
Land use rights		**4,595,709**	4,657,259
Property, plant and equipment		**15,900,147**	15,628,926
Intangible assets		**28,037**	32,667
Interests in associates		**2,266,375**	2,214,685
Interests in jointly controlled entities		**2,123,263**	2,178,853
Available-for-sale financial assets		**443,104**	359,233
Deferred income tax assets		**129,331**	121,034
		25,485,966	25,192,657
Current assets			
Inventories		**383,725**	474,194
Trade and other receivables	*10*	**3,789,366**	3,320,710
Short-term deposits		**294,406**	–
Cash and cash equivalents		**4,220,455**	4,575,156
		8,687,952	8,370,060
Total assets		**34,173,918**	33,562,717
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**615,800**	615,800
Reserves		**5,211,680**	5,349,301
Retained earnings		**4,401,875**	4,030,926
		10,229,355	9,996,027
Non-controlling interests		**10,484,152**	10,011,663
Total equity		**20,713,507**	20,007,690

CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 June 2012

	Note	Unaudited 30 June 2012 HK$'000	Audited 31 December 2011 HK$'000
LIABILITIES			
Non-current liabilities			
Borrowings		**3,415,391**	6,204,755
Deferred income tax liabilities		**202,675**	172,072
Other long-term liabilities		**1,013**	1,014
		3,619,079	6,377,841
Current liabilities			
Trade and other payables	*11*	**3,715,615**	3,371,459
Current income tax liabilities		**87,114**	49,696
Borrowings		**6,038,603**	3,756,031
		9,841,332	7,177,186
Total liabilities		**13,460,411**	13,555,027
Total equity and liabilities		**34,173,918**	33,562,717
Net current (liabilities)/assets		**(1,153,380)**	1,192,874
Total assets less current liabilities		**24,332,586**	26,385,531

Notes:

1. BASIS OF PREPARATION

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

The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2011 which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

As at 30 June 2012, the Group's current liabilities exceeded its current assets by HK$1,153 million. The Group's ability to continue as a going concern depends on the financial resources available to the Group. Subsequent to the reporting period end, the Group entered into two facility agreements with several financial institutions as detailed in note 12. The directors of the Company (the "Directors") believe that the Group is able to meet its liabilities as and when they fall due in the foreseeable future. Accordingly, the condensed consolidated interim financial statements have been prepared on a going concern basis.

2. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2011, as described in those financial statements.

(a) The Group has adopted the following amendments for the accounting period beginning 1 January 2012:

HKAS 12 (Amendment)	*Income Taxes – Deferred Tax: Recovery of Underlying Assets*
HKFRS 7 (Amendment)	*Financial Instruments: Disclosures – Transfers of Financial Assets*

The adoption of these amendments has no significant impact on the results and financial position of the Group.

(b) The following standards, amendments and interpretation which have been issued and are not yet effective have not been early adopted by the Group:

HKAS 1 (Amendment)	*Amendments to HKAS 1 (Revised) Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*[1]
HKAS 19 (2011)	*Employee Benefits*[2]
HKAS 27 (2011)	*Separate Financial Statements*[2]
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*[2]
HKAS 32 (Amendment)	*Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*[3]
HKFRS 7 (Amendment)	*Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*[2]
HKFRS 9	*Financial Instruments*[4]
HKFRS 7 (Amendment) and HKFRS 9 (Amendment)	*Financial Instruments: Disclosures – Mandatory Effective Date and Transition Disclosures*[4]
HKFRS 10	*Consolidated Financial Statements*[2]

HKFRS 11	*Joint Arrangements*[2]
HKFRS 12	*Disclosure of Interests in Other Entities*[2]
HKFRS 13	*Fair Value Measurement*[2]
HK(IFRIC) – Int 20	*Stripping Costs in the Production Phase of a Surface Mine*[2]

1 Effective for annual periods beginning on or after 1 July 2012
2 Effective for annual periods beginning on or after 1 January 2013
3 Effective for annual periods beginning on or after 1 January 2014
4 Effective for annual periods beginning on or after 1 January 2015

The Group is in the process of making an assessment of the impact of these standards, amendments and interpretation on the financial statements of the Group in the initial application.

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 the 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 segment information for the reportable segments is as follows:

	Unaudited			
	Cargo handling *HK$'000*	**Sales** *HK$'000*	**Other port ancillary services** *HK$'000*	**Total** *HK$'000*
Six months ended 30 June 2012				
Total segment revenue	**3,351,419**	**3,832,807**	**1,442,173**	**8,626,399**
Inter-segment revenue	**–**	**(361,257)**	**(250,298)**	**(611,555)**
Revenue from external customers	**3,351,419**	**3,471,550**	**1,191,875**	**8,014,844**
Segment results	**1,586,985**	**(482)**	**457,607**	**2,044,110**
Business tax and surcharge				**(150,758)**
Other income and gains				**65,647**
Administrative expenses				**(857,614)**
Other operating expenses				**(2,634)**
Finance costs				**(198,722)**
Share of results of associates				**120,477**
Share of results of jointly controlled entities				**50,335**
Profit before income tax				**1,070,841**

	Unaudited			
	Cargo handling *HK$'000*	Sales *HK$'000*	Other port ancillary services *HK$'000*	Total *HK$'000*
Six months ended 30 June 2011				
Total segment revenue	2,926,117	3,919,585	1,273,539	8,119,241
Inter-segment revenue	–	(385,754)	(232,544)	(618,298)
Revenue from external customers	2,926,117	3,533,831	1,040,995	7,500,943
Segment results	1,421,522	42,887	391,555	1,855,964
Business tax and surcharge				(153,239)
Other income and gains				170,289
Administrative expenses				(757,248)
Other operating expenses				(1,653)
Finance costs				(188,369)
Share of results of associates				70,629
Share of results of jointly controlled entities				24,613
Profit before income tax				1,020,986

4. OTHER INCOME AND GAINS

	Unaudited Six months ended 30 June	
	2012 **HK$'000**	2011 *HK$'000*
Exchange gain, net	**1,645**	92,121
Interest income		
– from deposits	**34,884**	27,371
– from loan to a jointly controlled entity	**1,973**	2,206
Dividends from available-for-sale financial assets	**2,579**	4,309
Gain on disposal of property, plant and equipment	**–**	28,927
Government subsidies	**22,732**	12,236
Others	**1,834**	3,119
	65,647	170,289

5. FINANCE COSTS

	Unaudited Six months ended 30 June 2012 HK$'000	2011 HK$'000
Interest expense on borrowings	**199,659**	188,369
Less: Amount capitalised in construction in progress	**(937)**	–
	198,722	188,369

6. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

	Unaudited Six months ended 30 June 2012 HK$'000	2011 HK$'000
Cost of goods sold	**3,438,225**	3,457,022
Depreciation of property, plant and equipment	**446,269**	424,667
Amortisation of prepaid lease payments	**56,016**	52,999
Amortisation of intangible assets	**4,832**	4,249
Loss on disposal of property, plant and equipment	**1,240**	–

7. INCOME TAX

	Unaudited Six months ended 30 June 2012 HK$'000	2011 HK$'000
PRC income tax		
– Current	**189,235**	149,449
– Deferred	**4,367**	25,026
	193,602	174,475

No Hong Kong profits tax has been provided for as the Group has no estimated assessable profits for the period (2011: nil).

Provision for the PRC income tax has been calculated based on the estimated assessable profit for the period at the prevailing income tax rates applicable to the subsidiaries located in the PRC.

8. DIVIDENDS

	Unaudited Six months ended 30 June **2012** ***HK$'000***	 2011 *HK$'000*
Paid 2011 final dividend: HK2.23 cents (2011: Paid 2010 final dividend of HK1.94 cents) per ordinary share	**137,323**	119,465
Declared 2012 interim dividend: HK2.40 cents (2011: HK2.40 cents) per ordinary share	**147,792**	147,792

The Board declared an interim dividend of HK2.40 cents per ordinary share for the six months ended 30 June 2012. These financial statements do not reflect this dividend payable.

9. EARNINGS PER SHARE

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

	Unaudited Six months ended 30 June **2012** ***HK$'000***	 2011 *HK$'000*
Earnings		
Profit attributable to equity holders of the Company for the purposes of calculating basic and diluted earnings per share	**370,949**	370,468

	Unaudited Six months ended 30 June **2012**	 2011
Number of shares (thousands)		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**6,158,000**	6,158,000
Effect of dilutive potential ordinary shares:		
– Share options	**–**	5
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**6,158,000**	6,158,005

10. TRADE AND OTHER RECEIVABLES

In general, the Group grants a credit period of about 30 to 180 days to its trade customers. Included in trade and other receivables of HK$3,789 million (31 December 2011: HK$3,321 million) are trade and bank notes receivables (net of provision for impairment) of HK$3,194 million (31 December 2011: HK$3,128 million), the ageing analysis of which is as follows:

	Unaudited 30 June 2012 *HK$'000*	Audited 31 December 2011 *HK$'000*
0 – 90 days	**2,749,143**	2,693,212
91 – 180 days	**105,568**	191,395
181 – 365 days	**326,831**	230,239
Over 365 days	**12,641**	12,932
	3,194,183	3,127,778

11. TRADE AND OTHER PAYABLES

Included in trade and other payables of HK$3,716 million (31 December 2011: HK$3,371 million) are trade and bank notes payables of HK$2,159 million (31 December 2011: HK$2,406 million), the ageing analysis of which is as follows:

	Unaudited 30 June 2012 *HK$'000*	Audited 31 December 2011 *HK$'000*
0 – 90 days	**1,745,410**	2,090,175
91 – 180 days	**237,574**	175,238
181 – 365 days	**149,311**	72,171
Over 365 days	**27,017**	68,262
	2,159,312	2,405,846

12. EVENTS AFTER BALANCE SHEET DATE

On 16 August 2012, Tianjin Port Development Finance Limited, a wholly-owned subsidiary of the Company as borrower (the "Borrower") and the Company as guarantor entered into a facility agreement with several financial institutions as lenders for a term loan facility of up to HK$2,000 million. The loan facility is repayable in full on the date falling 36 months from the date of the agreement.

On 20 August 2012, the Borrower and the Company as guarantor entered into a facility agreement with a financial institution as lender for a term loan facility of up to HK$800 million. The loan facility is repayable in full on 10 August 2015.

The above facilities are for the general corporate funding requirements of the Group, including refinancing of existing term loans of totally HK$2,600 million maturing on 9 December 2012 and 14 January 2013.

REVIEW OF OPERATIONS AND RESULTS

INTERIM RESULTS

For the first half of 2012, the Group achieved a total cargo throughput of 188.74 million tonnes, an increase of 9.9% over the corresponding period of last year, of which container throughput rose by 5.4% to 5.86 million TEUs. During the period under review, profit attributable to the shareholders of the Company amounted to HK$370.9 million.

The Board is pleased to declare payment of an interim dividend of HK2.40 cents per share, representing a dividend payout ratio of approximately 40%.

REVIEW OF OPERATIONS

Revenue

The consolidated revenue for the first half of 2012 was HK$8,014.8 million, representing an increase of 6.9% from the corresponding period of last year. An analysis of revenue by segment is as follows:

	Revenue			
Type of business	**First half of 2012**	First half of 2011	Amount of change	Percentage of change
	HK$ million	*HK$ million*	*HK$ million*	
Non-containerised cargo handling business	**2,435.0**	2,079.8	355.2	17.1%
Container handling business	**916.4**	846.3	70.1	8.3%
Sales business	**3,471.5**	3,533.8	-62.3	-1.8%
Other port ancillary services business	**1,191.9**	1,041.0	150.9	14.5%
Total	**8,014.8**	7,500.9	513.9	6.9%

Non-containerised Cargo Handling Business

In the first half of 2012, the Group achieved total non-containerised cargo throughput of 124.91 million tonnes, representing an increase of 8.7% from the corresponding period of last year, of which throughput of the subsidiary terminals grew by 1.7% whereas throughput of the jointly controlled and affiliated terminals increased by 67.7%.

Nature of terminal	Non-containerised cargo throughput **First half of 2012** ***million tonnes***	First half of 2011 *million tonnes*	Amount of change *million tonnes*	Percentage of change
Subsidiary terminals	**104.45**	102.72	1.73	1.7%
Jointly controlled and affiliated terminals	**20.46**	12.20	8.26	67.7%
Total	**124.91**	114.92	9.99	8.7%

In terms of total throughput, metal ore handling grew by 17.8% to 43.94 million tonnes; crude oil handling increased by 90.4% to 10.30 million tonnes; automobiles handling increased by 19.5% to 12.69 million tonnes. Due to the weakened demand of coal as a result of the slowdown of the economic growth in China, throughput of coal handling slipped by 9.2% to 39.77 million tonnes.

On a consolidated basis, the blended average unit price of the non-containerised cargo handling business for the first half of 2012 was HK$23.3 per tonne, an increase of HK$3.1 or 15.3% from the corresponding period of last year. Revenue from the non-containerised cargo handling business amounted to HK$2,435.0 million, an increase of 17.1% over the same period of last year.

Container Handling Business

Currently, the Group operates all the container handling businesses at the port of Tianjin. In the first half of 2012, the Group achieved total container throughput of 5.86 million TEUs, representing an increase of 5.4% from the corresponding period of last year, of which throughput of the subsidiary terminals grew by 1.9% and throughput of the jointly controlled and affiliated terminals increased by 9.1%.

Nature of terminal	Container throughput **First half of 2012** ***'000 TEUs***	First half of 2011 *'000 TEUs*	Amount of change *'000 TEUs*	Percentage of change
Subsidiary terminals	**2,934**	2,878	56	1.9%
Jointly controlled and affiliated terminals	**2,925**	2,680	245	9.1%
Total	**5,859**	5,558	301	5.4%

In the first half of 2012, the consolidated blended average unit price was up by 6.2% to HK$312.3 per TEU. The consolidated revenue from container handling business was HK$916.4 million, up by 8.3% over the corresponding period of last year.

Sales Business

The Group's sales business mainly engaged in the supply of fuel to the inbound vessels and the sales of materials. In the first half of 2012, sales revenue declined by 1.8% to HK$3,471.5 million as compared to the corresponding period of last year mainly due to the decrease in the volume of fuel sold caused by the fluctuation of fuel oil prices and intensified market competition.

Other Port Ancillary Services Business

Other port ancillary services of the Group mainly include tugboat services, agency services and other services. The Group's throughput achieved persistent growth brought overall growth in the other port ancillary services segment. In the first half of 2012, tugboat services grew by 3.2% to 25,470 vessel calls; cargo agency grew by 0.1% to 42.35 million tonnes of cargoes; and tallying services grew by 14.1% to 55.56 million tonnes of cargoes. Shipping agency, on the other hand, decreased by 2.3% to 8,509 vessel calls. Revenue from other port ancillary services business was HK$1,191.9 million, an increase of 14.5% over the same period of last year.

Costs

During the period under review, cost of sales amounted to HK$5,970.7 million, representing an increase of 5.8% from the corresponding period of last year, primarily due to the increase of direct cost such as fuel, power and labour costs as a result of the growth in cargo throughput. Administrative expenses increased by 13.3% to HK$857.6 million. Staff cost is the key component of the administrative expenses. The Group will continue to take effective measures in cost control and management. In addition to the maintaining of prudent human resources policies which include the outsourcing of its non-core functions so as to maintain an optimal labour force, the Group will carry out technology innovation and operational optimisation measures with an aim of reducing energy consumption and the operating costs of the Group as a whole.

OUTLOOK AND PROSPECTS

Despite the impact of the European debt crisis on the global economy and the slowing economic growth rate of China, the Group still maintained overall stable growth in the first half of 2012. As the economic outlook remains uncertain, the second half of 2012 is expected to be challenging. Being the largest integrated port in Northern China, Tianjin port will further expand its port function and develop itself into an international shipping and logistics centre in North China. By leveraging the advantage of the prime location at the juncture of the Beijing-Tianjin city belt and the centre of the Bohai Rim Region, and the vast hinterland covering 14 provinces, municipalities and autonomous regions including Beijing, Tianjin, Hebei and the Central and Western regions, the Group will seize the opportunity of development of the Tianjin Binhai New Area, continue to realign its business structure, improve its port functions, strengthen its market development in the hinterland and actively participate in the future development of port of Tianjin, with an aim to bring better returns to the shareholders of the Company.

FINANCIAL REVIEW

Capital Structure

The capital and reserves attributable to the equity holders of the Company as at 30 June 2012 was HK$10,229.4 million.

As at 30 June 2012, the Company had an issued share capital of 6,158 million shares and the market capitalisation was HK$5,542.2 million (at the closing market price of the Company's shares of HK$0.9 per share on 30 June 2012).

Cash Flow

For the six months ended 30 June 2012, the net cash outflow of the Group amounted to HK$353.7 million.

The net cash inflow from operating activities amounted to HK$1,178.9 million, representing a decrease of 21.9% over the same period of last year.

The net cash outflow in investing activities amounted to HK$1,045.1 million, mainly used for capital expenditure.

The net cash outflow in financing activities amounted to HK$487.5 million which included the payment of dividends and interest expenses of HK$267.2 million, the decrease of HK$501.4 million in net borrowings and the capital contribution from the non-controlling shareholders of subsidiaries.

Liquidity and Financial Resources

As at 30 June 2012, the Group's cash and deposits were HK$4,220.5 million (31 December 2011: HK$4,575.2 million) and principally denominated in Renminbi ("RMB"). The Group's total borrowings as at 30 June 2012 were HK$9,454.0 million (31 December 2011: HK$9,960.8 million), with HK$6,038.6 million repayable within one year, HK$2,175.5 million repayable after one year and within five years and HK$1,239.9 million repayable over five years. The borrowings of the Group are denominated in Hong Kong dollars ("HK$"), RMB and US dollars ("US$") and are mainly at floating interest rates.

During the period under review, the Group's interest expenses (including capitalised interest) amounted to HK$199.7 million, representing an increase of 6.0% over the corresponding period of last year, mainly due to the increase in borrowing interest rates.

As at 30 June 2012, the gearing ratio (ratio of total borrowings to total equity) and current ratio (ratio of current assets to current liabilities) of the Group were 45.6% (31 December 2011: 49.8%) and 0.9 (31 December 2011: 1.2) respectively. As at 30 June 2012, none of the Group's assets were pledged.

Financial Management and Policy

The Group's head office in Hong Kong is responsible for the financial risk management and the finance department is responsible for the daily management of the Group. One of the major objectives of the Group's treasury is to manage its exposure to fluctuations in foreign currency exchange rates and interest rates. It is the Group's policy not to engage in speculative activities.

As at 30 June 2012, most of the Group's assets and liabilities were denominated in RMB except for certain HK$ and US$ bank borrowings. During the period under review, the Group recorded an exchange gain of HK$1.6 million. The Group assesses its foreign exchange rates and interest rate risks exposure from time to time. During the period under review, no hedging arrangement was entered into in respect of foreign currency investment.

SIGNIFICANT INVESTMENTS

As at 30 June 2012, significant planned capital expenditure or capital commitments of the Group are as follows:

1. Tianjin Port Yuanhang Bulk Cargo Terminal Co., Ltd., a subsidiary of the Group, invests in the depot expansion project of Tianjin Port Yuanhang Bulk Cargo Terminal. Total investment of the project amounts to RMB1.5 billion (equivalent to approximately HK$1.8 billion). As at 30 June 2012, the total costs incurred were RMB302.0 million (equivalent to approximately HK$370.5 million), of which RMB251.0 million (equivalent to approximately HK$307.9 million) was paid.

2. Tianjin Port Yuanhang International Ore Terminal Co., Ltd., a subsidiary of the Group, invests in the construction project of specialised ore terminals at Tianjin Port Nanjiang berth no. 26. Total investment of the construction project amounts to RMB3.0 billion (equivalent to approximately HK$3.7 billion). As at 30 June 2012, the total costs incurred and paid were RMB121.0 million (equivalent to approximately HK$148.4 million).

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 30 June 2012.

GOING CONCERN

The Group has net current liabilities of HK$1,153.4 million as at 30 June 2012. Taking into account the cash and deposits, available facilities, expected generated funds from operations and new facilities to be obtained, the Company is confident that the Group will be able to meet its liabilities as and when they fall due in the foreseeable future.

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 financial statements on a going concern basis.

EMPLOYEES

As at 30 June 2012, the Group had approximately 11,500 employees. Remuneration packages are assessed in accordance with the nature of job duties, individual performance and market trends. The remuneration policies are also regularly reviewed by the Group. Incentives of the management's remuneration package are paid in form of cash bonuses as well as share options.

REVIEW OF INTERIM RESULTS

The condensed consolidated interim financial statements for the six months ended 30 June 2012 have not been audited but have been reviewed by the independent auditor of the Company in accordance with Hong Kong Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Hong Kong Institute of Certified Public Accountants. The audit committee of the Company has reviewed the interim results for the six months ended 30 June 2012.

INTERIM DIVIDEND

The Board resolved to declare payment of an interim dividend of HK2.40 cents per share for the six months ended 30 June 2012.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 17 September 2012 to 19 September 2012, both days inclusive, during which period no share transfer will be effected. In order to qualify for the interim dividend, all the relevant share certificates and the transfer documents must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 14 September 2012. The interim dividend will be payable on or around 19 October 2012 to the shareholders whose names appear on the register of members of the Company on 19 September 2012.

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

The Company had not redeemed any of its securities during the six months ended 30 June 2012. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's securities during the six months ended 30 June 2012.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES AND CORPORATE GOVERNANCE CODE

The Company had complied with all the code provisions of the Code on Corporate Governance Practices during the period from 1 January 2012 to 31 March 2012 and the Corporate Governance Code (the "CG Code") during the period from 1 April 2012 to 30 June 2012 as set out in Appendix 14 of the Listing Rules, except for the following deviations:

1. Mr. Kwan Hung Sang, Francis ("Mr. Kwan") resigned as an independent non-executive director, the chairman and a member of the nomination committee, a member of the audit committee and a member of the remuneration committee of the Company on 5 April 2012 due to his personal commitments which required more of his dedication. Following the resignation of Mr. Kwan, the number of independent non-executive directors and audit committee members of the Company has fallen below the minimum number required by Rule 3.10(1) and Rule 3.21 of the Listing Rules, and the number of independent non-executive directors of remuneration committee of the Company has fallen below a majority required by Rule 3.25 of the Listing Rules. The chairman position of the nomination committee of the Company has vacated and the number of independent non-executive directors of the nomination committee of the Company has fallen below a majority required by code provision A.5.1 of the CG Code. Following the appointment of Mr. Zhang Weidong as an independent non-executive director, the chairman and a member of the nomination committee, a member of the audit committee and a member of the remuneration committee of the Company with effect from 28 June 2012, the Company has complied with the relevant Listing Rules and code provision A.5.1 of the CG Code and filled in the vacancy on the same date.

2. In respect of code provision A.6.7 of the CG Code, an independent non-executive director of the Company was not in a position to attend the annual general meeting of the Company held on 31 May 2012 due to an overseas commitment.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with the Directors, all the Directors confirmed that they have complied with the required standards as set out in the Model Code throughout the six months ended 30 June 2012.

PUBLICATION OF INTERIM RESULTS

This interim results announcement is published on the website of the Company at www.tianjinportdev.com and the HKExnews website at www.hkexnews.hk.

By Order of the Board
Tianjin Port Development Holdings Limited
Yu Rumin
Chairman

Hong Kong, 29 August 2012

As at the date of this announcement, the Board consists of Mr. Yu Rumin, Mr. Tian Changsong, Mr. Li Quanyong, Mr. Wang Rui and Mr. Dai Yan as executive directors; Professor Japhet Sebastian Law, Dr. Cheng Chi Pang, Leslie and Mr. Zhang Weidong as independent non-executive directors.