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 2013

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2013

- Revenue was HK$9,927.0 million
- Profit attributable to equity holders of the Company was HK$424.7 million
- Basic earnings per share of HK6.9 cents

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 2013 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2013

		Unaudited	
		Six months ended 30 June	
	Note	**2013**	2012
		HK$'000	*HK$'000*
Revenue	*3*	**9,927,039**	8,014,844
Business tax and surcharge		**(29,643)**	(150,758)
Cost of sales		**(7,956,601)**	(5,970,734)
Gross profit		**1,940,795**	1,893,352
Other income and gains	*4*	**168,077**	65,647
Administrative expenses		**(875,270)**	(857,614)
Other operating expenses		**(5,368)**	(2,634)
Operating profit		**1,228,234**	1,098,751
Finance costs	*5*	**(218,584)**	(198,722)
Share of results of associates		**154,985**	120,477
Share of results of joint ventures		**44,134**	50,335
Profit before income tax	*6*	**1,208,769**	1,070,841
Income tax	*7*	**(231,656)**	(193,602)
Profit for the period		**977,113**	877,239
Attributable to:			
Equity holders of the Company		**424,652**	370,949
Non-controlling interests		**552,461**	506,290
		977,113	877,239
Earnings per share	*9*		
Basic (HK cents)		**6.9**	6.0
Diluted (HK cents)		**6.9**	6.0

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2013

	Unaudited	
	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Profit for the period	**977,113**	877,239
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Fair value (losses)/gains on available-for-sale financial assets, net of tax	**(49,855)**	48,929
Currency translation differences	**396,012**	(27,207)
Other comprehensive income for the period, net of tax	**346,157**	21,722
Total comprehensive income for the period	**1,323,270**	898,961
Total comprehensive income for the period attributable to:		
Equity holders of the Company	**600,048**	370,645
Non-controlling interests	**723,222**	528,316
	1,323,270	898,961

CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 June 2013

	Note	Unaudited 30 June 2013 HK$'000	Audited 31 December 2012 HK$'000
ASSETS			
Non-current assets			
Land use rights		**5,138,403**	5,109,441
Property, plant and equipment		**18,886,931**	17,079,593
Intangible assets		**33,541**	38,644
Interests in associates		**2,506,479**	2,367,092
Interests in joint ventures		**2,322,820**	2,133,705
Available-for-sale financial assets		**328,765**	438,690
Deferred income tax assets		**172,105**	162,068
		29,389,044	27,329,233
Current assets			
Inventories		**429,372**	420,786
Trade and other receivables	10	**4,406,581**	3,904,937
Restricted bank deposits		**514,687**	321,840
Cash and cash equivalents		**6,651,842**	5,263,950
		12,002,482	9,911,513
Total assets		**41,391,526**	37,240,746
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**615,800**	615,800
Other reserves		**5,396,383**	5,355,847
Retained earnings		**4,924,763**	4,500,111
		10,936,946	10,471,758
Non-controlling interests		**11,551,339**	11,189,020
Total equity		**22,488,285**	21,660,778

CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 June 2013

	Note	Unaudited 30 June 2013 HK$'000	Audited 31 December 2012 HK$'000
LIABILITIES			
Non-current liabilities			
Borrowings		**10,486,631**	7,812,791
Deferred income tax liabilities		**212,950**	218,465
Other long-term liabilities		**1,037**	1,019
		10,700,618	8,032,275
Current liabilities			
Trade and other payables	11	**5,557,224**	4,708,965
Current income tax liabilities		**135,196**	89,484
Borrowings		**2,510,203**	2,749,244
		8,202,623	7,547,693
Total liabilities		**18,903,241**	15,579,968
Total equity and liabilities		**41,391,526**	37,240,746
Net current assets		**3,799,859**	2,363,820
Total assets less current liabilities		**33,188,903**	29,693,053

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 2012 which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

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 2012, as described in those annual financial statements.

(a) The Group has adopted the following standards, amendments and interpretation for the accounting period beginning 1 January 2013:

HKFRSs (Amendments)	*Annual Improvements to HKFRSs 2009-2011 Cycle*
HKAS 1 (Amendment)	*Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HKFRS 7 (Amendment)	*Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10 (Amendment), HKFRS 11 (Amendment) and HKFRS 12 (Amendment)	*Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance*
HKFRS 13	*Fair Value Measurement*
HK(IFRIC) – Int 20	*Stripping Costs in the Production Phase of a Surface Mine*

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

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

HKAS 32 (Amendment)	*Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*[1]
HKAS 36 (Amendment)	*Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets*[1]
HKAS 39 (Amendment)	*Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*[1]
HKFRS 9	*Financial Instruments*[2]
HKFRS 7 (Amendment) and HKFRS 9 (Amendment)	*Financial Instruments: Disclosures and Financial Instruments – Mandatory Effective Date of HKFRS 9 and Transition Disclosures*[2]
HKFRS 10 (Amendment), HKFRS 12 (Amendment) and HKAS 27 (2011) (Amendment)	*Investment Entities*[1]
HK(IFRIC) – Int 21	*Levies*[1]

1 Effective for annual periods beginning on or after 1 January 2014
2 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 new standard, 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 2013				
Total segment revenue	**3,307,038**	**5,810,724**	**1,612,093**	**10,729,855**
Inter-segment revenue	**–**	**(501,918)**	**(300,898)**	**(802,816)**
Revenue from external customers	**3,307,038**	**5,308,806**	**1,311,195**	**9,927,039**
Segment results	**1,451,468**	**56,818**	**462,152**	**1,970,438**
Business tax and surcharge				**(29,643)**
Other income and gains				**168,077**
Administrative expenses				**(875,270)**
Other operating expenses				**(5,368)**
Finance costs				**(218,584)**
Share of results of associates				**154,985**
Share of results of joint ventures				**44,134**
Profit before income tax				**1,208,769**

	Cargo handling HK$'000	Sales HK$'000	Other port ancillary services HK$'000	Total HK$'000
	Unaudited			
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 joint ventures				50,335
Profit before income tax				1,070,841

4. OTHER INCOME AND GAINS

	Unaudited Six months ended 30 June 2013 ***HK$'000***	2012 *HK$'000*
Exchange gain, net	**71,467**	1,645
Interest income		
– from deposits	**46,059**	34,884
– from loan to a joint venture	**–**	1,973
Dividend income from available-for-sale financial assets		
– listed investments	**2,690**	–
– unlisted investments	**984**	2,579
Gain on disposal of available-for-sale financial assets	**14,500**	–
Government subsidies	**29,363**	22,732
Others	**3,014**	1,834
	168,077	65,647

5. FINANCE COSTS

	Unaudited Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Interest expenses on borrowings	**334,267**	199,659
Less: Amount capitalised in construction in progress	**(115,683)**	(937)
	218,584	198,722

6. EXPENSES BY NATURE

	Unaudited Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Cost of goods sold	**5,222,053**	3,438,225
Depreciation of property, plant and equipment	**463,301**	446,269
Amortisation of land use rights	**62,221**	56,016
Amortisation of intangible assets	**5,927**	4,832
Loss on disposal of property, plant and equipment	**924**	1,240

7. INCOME TAX

	Unaudited Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
PRC income tax		
– Current	**231,084**	189,235
– Deferred	**572**	4,367
	231,656	193,602

No Hong Kong profits tax has been provided for as the Group has no estimated assessable profits arising in or derived from Hong Kong for the period (2012: 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	
	2013	2012
	HK$'000	*HK$'000*
2012 final dividend: HK2.19 cents (2012: 2011 final dividend of HK2.23 cents) per ordinary share	**134,860**	137,323
Declared 2013 interim dividend: nil (2012: HK2.40 cents per ordinary share)	**–**	147,792

At a meeting held on 26 March 2013, the Board recommended the payment of a final dividend of HK2.19 cents per ordinary share for the year ended 31 December 2012. The final dividend, which was approved at the annual general meeting of the Company held on 30 May 2013, was paid on 8 July 2013.

The Board resolved not to pay an interim dividend for the six months ended 30 June 2013 (2012: HK2.40 cents per ordinary share).

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	
	2013	2012
	HK$'000	*HK$'000*
Earnings		
Profit attributable to equity holders of the Company for the purposes of calculating basic and diluted earnings per share	**424,652**	370,949

	Unaudited Six months ended 30 June	
	2013	2012
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	**1,591**	–
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**6,159,591**	6,158,000

For the six months ended 30 June 2012, the exercise of share options would have no material dilutive effect to earnings per share as the exercise prices of share options were higher than the average market price of the Company's shares.

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$4,407 million (31 December 2012: HK$3,905 million) are trade and bank notes receivables (net of provision for impairment) of HK$3,204 million (31 December 2012: HK$3,041 million), the ageing analysis of which is as follows:

	Unaudited 30 June 2013 ***HK$'000***	Audited 31 December 2012 *HK$'000*
0 – 90 days	**2,963,851**	2,646,210
91 – 180 days	**198,390**	130,239
Over 180 days	**41,909**	264,357
	3,204,150	3,040,806

11. TRADE AND OTHER PAYABLES

Included in trade and other payables of HK$5,557 million (31 December 2012: HK$4,709 million) are trade and bank notes payables of HK$3,156 million (31 December 2012: HK$2,831 million), the ageing analysis of which is as follows:

	Unaudited 30 June 2013 ***HK$'000***	Audited 31 December 2012 *HK$'000*
0 – 90 days	**2,732,501**	2,487,244
91 – 180 days	**276,906**	238,633
181 – 365 days	**94,994**	21,026
Over 365 days	**51,568**	83,997
	3,155,969	2,830,900

REVIEW OF OPERATIONS AND RESULTS

INTERIM RESULTS

For the first half of 2013, the Group achieved a total cargo throughput of 203.46 million tonnes, an increase of 7.8% over the corresponding period of last year, of which container throughput rose by 11.1% to 6.51 million TEUs. During the period under review, profit attributable to the shareholders of the Company amounted to HK$424.7 million.

REVIEW OF OPERATIONS

Revenue

The consolidated revenue for the first half of 2013 was HK$9,927.0 million, representing an increase of 23.9% from the corresponding period of last year. An analysis of revenue by segment is as follows:

	Revenue			
Type of business	**First half of 2013**	First half of 2012	Amount of change	Percentage of change
	HK$ million	*HK$ million*	*HK$ million*	
Non-containerised cargo handling business	**2,434.6**	2,435.0	-0.4	–
Container handling business	**872.4**	916.4	-44.0	-4.8%
Sales business	**5,308.8**	3,471.5	1,837.3	52.9%
Other port ancillary services business	**1,311.2**	1,191.9	119.3	10.0%
Total	**9,927.0**	8,014.8	1,912.2	23.9%

Non-containerised Cargo Handling Business

In the first half of 2013, the Group achieved total non-containerised cargo throughput of 127.35 million tonnes, representing an increase of 2.0% from the corresponding period of last year, of which throughput of the subsidiary terminals grew by 1.8% whereas throughput of the jointly controlled and affiliated terminals increased by 2.8%.

Nature of terminal	**First half of 2013** *million tonnes*	First half of 2012 *million tonnes*	Amount of change *million tonnes*	Percentage of change
	Non-containerised cargo throughput			
Subsidiary terminals	**106.31**	104.45	1.86	1.8%
Jointly controlled and affiliated terminals	**21.04**	20.46	0.58	2.8%
Total	**127.35**	124.91	2.44	2.0%

In terms of total throughput, metal ore handling grew by 20.5% to 52.95 million tonnes while crude oil handling decreased by 10.0% to 9.27 million tonnes and automobiles handling decreased by 0.8% to 12.59 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 15.1% to 33.78 million tonnes.

The blended average unit price for the first half of 2013 was affected by the implementation of the value added tax reform program in which value added tax was levied in lieu of business tax (the "VAT Reform") in Tianjin since the end of 2012. The change in cargo mix improved the blended average unit price, partly offset the impact of the VAT Reform. On a consolidated basis, the blended average unit price of the non-containerised cargo handling business for the first half of 2013 was HK$22.9 per tonne, a slight decrease of HK$0.4 or 1.7% from the corresponding period of last year. Consolidated revenue from the non-containerised cargo handling business amounted to HK$2,434.6 million, on par with 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 2013, the Group achieved total container throughput of 6.51 million TEUs, representing an increase of 11.1% from the corresponding period of last year, of which throughput of the subsidiary terminals grew by 10.1% and throughput of the jointly controlled and affiliated terminals increased by 12.1%.

Nature of terminal	**First half of 2013** ***'000 TEUs***	First half of 2012 *'000 TEUs*	Amount of change *'000 TEUs*	Percentage of change
	Container throughput			
Subsidiary terminals	**3,229**	2,934	295	10.1%
Jointly controlled and affiliated terminals	**3,279**	2,925	354	12.1%
Total	**6,508**	5,859	649	11.1%

In the first half of 2013, the consolidated blended average unit price decreased by 13.5% to HK$270.2 per TEU which was due to the increase in the proportion of domestic trade container throughput, and the VAT Reform was also one of the factors which led to the decrease in unit price. The consolidated revenue from the container handling business was HK$872.4 million, a decrease of 4.8% 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 2013, the sales business segment reported consolidated revenue of HK$5,308.8 million, an increase of 52.9% over the corresponding period of last year. The increase in sales volume has brought the increase in the overall sales revenue.

Other Port Ancillary Services Business

Other port ancillary services of the Group mainly include tugboat services, agency services and other services. The Group's persistent growth in throughput brought overall growth in the other port ancillary services segment. In the first half of 2013, shipping agency grew by 3.8% to 8,830 vessel calls; tallying services grew by 5.8% to 58.76 million tonnes of cargoes. Tugboat services, on the other hand, decreased by 0.6% to 25,305 vessel calls and cargo agency decreased by 13.4% to 36.68 million tonnes of cargoes. Consolidated revenue from other port ancillary services business was HK$1,311.2 million, an increase of 10.0% over the same period of last year.

Costs

During the period under review, cost of sales of the Group amounted to HK$7,956.6 million, representing an increase of 33.3% from the corresponding period of last year. Cost of cargo handling business was HK$1,855.6 million, representing an increase of 5.2% over the same period of last year, primarily due to the increase in direct costs of cargo handling business such as labour costs and cargo reconfiguration costs as a result of the growth in cargo throughput. Cost of sales business amounted to HK$5,252.0 million, representing an increase of 51.3% over the corresponding period of last year, mainly due to an increase in the sales volume which led to the increase in the costs of goods sold.

Administrative expenses for the period under review increased by 2.1% to HK$875.3 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

In the first half of 2013, economic trend was diversified among the countries. US economy experienced a marginal growth but remained weak; Eurozone was still in recession; and China economy showed a slowing-down growth rate. Nevertheless, world economy generally exhibited a minor recovery. The Group maintained a steady growth in cargo handling business in the first half of 2013.

Looking forward to the second half of 2013, the world economy is still uncertain, China's economy growth remains challenging. Being the largest comprehensive port in North China, the port of Tianjin will further enhance port functions and extend its economic hinterlands. The Group will actively participate in the overall development of the port of Tianjin and seize the opportunities coming with the development of Binhai New Area in Tianjin. Meanwhile, we will continue to realign our business structure, further enhance port functions and optimise service quality and efficiency so as to maximise our cost-effectiveness and to bring better returns for our shareholders.

FINANCIAL REVIEW

Capital Structure

The capital and reserves attributable to equity holders of the Company as at 30 June 2013 were HK$10,936.9 million.

As at 30 June 2013, the Company had an issued share capital of 6,158 million shares and the market capitalisation was HK$6,219.6 million (at the closing market price of the shares of the Company of HK$1.01 per share on 30 June 2013).

Cash Flow

For the six months ended 30 June 2013, the net cash inflow of the Group amounted to HK$1,288.5 million.

The net cash inflow from operating activities amounted to HK$961.5 million, representing a decrease of HK$217.4 million or 18.4% over the same period of last year which was mainly due to the increase of HK$192.8 million in restricted bank deposits.

The net cash outflow in investing activities amounted to HK$1,573.6 million, mainly used for capital expenditure.

The net cash inflow from financing activities amounted to HK$1,900.6 million, which was mainly due to the issue of medium-term notes of HK$2,510.7 million. In addition, it also included the capital contribution of HK$131.5 million from the non-controlling shareholders of subsidiaries, the payment of dividends and interest expenses of HK$545.6 million and a decrease of HK$196.0 million in net loans.

Liquidity and Financial Resources

As at 30 June 2013, the Group's cash and deposits (including restricted deposits) were HK$7,166.5 million (31 December 2012: HK$5,585.8 million) and principally denominated in Renminbi ("RMB"). The Group's total borrowings as at 30 June 2013 were HK$12,996.8 million (31 December 2012: HK$10,562.0 million), with HK$2,510.2 million repayable within one year, HK$8,191.7 million repayable after one year and within five years and HK$2,294.9 million repayable over five years. The borrowings of the Group are denominated in Hong Kong dollars ("HK$"), US dollars ("US$") and RMB. About 69% of the Group's borrowings bore interest at floating rate while 31% were at fixed interest rate.

In the first half of 2013, a subsidiary of the Group issued medium-term notes in an aggregate principal amount of RMB2.0 billion (equivalent to approximately HK$2.5 billion) in four tranches for a term of 5 years. The first and second tranches of medium-term notes with the principal amount of RMB1.0 billion are repayable on 31 January 2018 and bear fixed interest rate at 4.98% per annum. The third and fourth tranches of medium-term notes with the principal amount of RMB1.0 billion are repayable on 20 June 2018 and bear fixed interest rate at 4.83% per annum.

During the period under review, the Group's interest expenses (including capitalised interest) amounted to HK$334.3 million, representing an increase of 67.4% over the corresponding period of last year, mainly due to the increase in borrowings and borrowing interest rates.

As at 30 June 2013, the gearing ratio (ratio of total borrowings to total equity) and current ratio (ratio of current assets to current liabilities) of the Group were 57.8% (31 December 2012: 48.8%) and 1.5 (31 December 2012: 1.3) respectively. As at 30 June 2013, 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 2013, 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$71.5 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 2013, significant planned capital expenditure or capital commitments of the Group were 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$1.9 billion). As at 30 June 2013, the total costs paid were RMB853.0 million (equivalent to approximately HK$1,070.8 million).

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$3.8 billion). As at 30 June 2013, the total costs paid were RMB1.4 billion (equivalent to approximately HK$1.7 billion).

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 30 June 2013.

GOING CONCERN

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 2013, the Group had approximately 11,300 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 2013 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 2013.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2013.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2013.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company had complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules during the six months ended 30 June 2013.

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 to the Listing Rules as its code of conduct regarding securities transactions by the directors of the Company (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 2013.

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, 28 August 2013

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.