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)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2015

- Revenue was HK$20,541.8 million
- Profit attributable to equity holders of the Company was HK$639.4 million
- Basic earnings per share of HK10.4 cents
- Proposed final dividend of HK4.15 cents per share, representing a payout ratio of 40%

The board of directors (the "Board") of Tianjin Port Development Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2015 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2015

	Note	2015 HK$'000	2014 HK$'000
Revenue	2	**20,541,760**	33,559,969
Business tax and surcharge		**(65,583)**	(74,357)
Cost of sales		**(15,817,854)**	(28,917,206)
Gross profit		**4,658,323**	4,568,406
Other income and gains	3	**324,539**	292,439
Administrative expenses		**(2,068,313)**	(2,183,040)
Other operating expenses		**(336,423)**	(35,220)
Operating profit		**2,578,126**	2,642,585
Finance costs	4	**(611,479)**	(478,915)
Share of results of associates		**357,933**	374,553
Share of results of joint ventures		**169,569**	126,910
Profit before income tax	5	**2,494,149**	2,665,133
Income tax	6	**(632,142)**	(601,496)
Profit for the year		**1,862,007**	2,063,637
Attributable to:			
Equity holders of the Company		**639,387**	819,125
Non-controlling interests		**1,222,620**	1,244,512
		1,862,007	2,063,637
Earnings per share	8		
Basic (HK cents)		**10.4**	13.3
Diluted (HK cents)		**10.4**	13.3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	2015 HK$'000	2014 HK$'000
Profit for the year	**1,862,007**	2,063,637
Other comprehensive (loss)/income		
Items that may be reclassified subsequently to profit or loss:		
Fair value (losses)/gains on available-for-sale financial assets, net of tax	**(2,213)**	162,170
Currency translation differences	**(1,516,118)**	(75,271)
Other comprehensive (loss)/income for the year, net of tax	**(1,518,331)**	86,899
Total comprehensive income for the year	**343,676**	2,150,536
Total comprehensive income for the year attributable to:		
Equity holders of the Company	**(67,670)**	836,929
Non-controlling interests	**411,346**	1,313,607
	343,676	2,150,536

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Note	**2015**	2014
		HK$'000	*HK$'000*
ASSETS			
Non-current assets			
Land use rights		**5,759,693**	5,834,689
Property, plant and equipment		**20,493,102**	21,895,298
Intangible assets		**48,977**	51,115
Interests in associates		**3,031,415**	3,128,977
Interests in joint ventures		**2,572,561**	2,616,927
Available-for-sale financial assets		**565,065**	601,279
Deferred income tax assets		**98,890**	132,587
Other non-current assets		**596,801**	–
		33,166,504	34,260,872
Current assets			
Inventories		**192,259**	705,088
Trade and other receivables	*9*	**3,490,134**	6,595,327
Restricted bank deposits		**995,323**	845,938
Time deposits with maturity over three months		**1,354,739**	817,594
Cash and cash equivalents		**7,252,964**	5,890,558
		13,285,419	14,854,505
Total assets		**46,451,923**	49,115,377
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**615,800**	615,800
Other reserves		**4,553,383**	5,472,447
Retained earnings		**6,441,538**	5,917,549
		11,610,721	12,005,796
Non-controlling interests		**13,010,871**	13,521,761
Total equity		**24,621,592**	25,527,557

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Note	**2015**	2014
		HK$'000	*HK$'000*
LIABILITIES			
Non-current liabilities			
Borrowings		**11,575,442**	11,253,584
Deferred income tax liabilities		**349,799**	332,702
Other long-term liabilities		**986**	1,047
		11,926,227	11,587,333
Current liabilities			
Trade and other payables	*10*	**5,454,940**	8,050,178
Current income tax liabilities		**136,639**	153,980
Borrowings		**4,312,525**	3,796,329
		9,904,104	12,000,487
Total liabilities		**21,830,331**	23,587,820
Total equity and liabilities		**46,451,923**	49,115,377
Net current assets		**3,381,315**	2,854,018
Total assets less current liabilities		**36,547,819**	37,114,890

Notes:

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") and have been prepared under the historical cost convention, except for certain financial assets which are carried at fair value.

(a) The Group has adopted the following amendments for the accounting period beginning on 1 January 2015:

HKFRSs (Amendments)	*Annual Improvements to HKFRSs 2010-2012 Cycle*
HKFRSs (Amendments)	*Annual Improvements to HKFRSs 2011-2013 Cycle*
HKAS 19 (2011) (Amendment)	*Employee Benefits – Defined Benefit Plans: Employee Contributions*

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

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Chapter 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

(b) The Group has not early adopted the following new standards and amendments which have been issued but are not yet effective:

HKFRSs (Amendments)	*Annual Improvements to HKFRSs 2012-2014 Cycle*[1]
HKAS 1 (Amendment)	*Presentation of Financial Statements – Disclosure Initiative*[1]
HKAS 16 (Amendment) and HKAS 38 (Amendment)	*Clarification of Acceptable Methods of Depreciation and Amortisation*[1]
HKAS 16 (Amendment) and HKAS 41 (Amendment)	*Bearer Plants*[1]
HKAS 27 (2011) (Amendment)	*Separate Financial Statements – Equity Method in Separate Financial Statements*[1]
HKFRS 9 (2014)	*Financial Instruments*[2]
HKFRS 10 (Amendment) and HKAS 28 (2011) (Amendment)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
HKFRS 10 (Amendment), HKFRS 12 (Amendment) and HKAS 28 (2011) (Amendment)	*Investment Entities: Applying the Consolidation Exception*[1]
HKFRS 11 (Amendment)	*Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operation*[1]
HKFRS 14	*Regulatory Deferral Accounts*[1]
HKFRS 15	*Revenue from Contracts with Customers*[2]

1 Effective for annual periods beginning on or after 1 January 2016
2 Effective for annual periods beginning on or after 1 January 2018
3 Effective for annual periods beginning on or after a date to be determined

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

2. 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 segment information for the reportable segments is as follows:

	For the year ended 31 December 2015			
	Cargo handling	**Sales**	**Other port ancillary services**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Total segment revenue	**8,511,724**	**10,137,215**	**3,900,227**	**22,549,166**
Inter-segment revenue	**–**	**(1,257,136)**	**(750,270)**	**(2,007,406)**
Revenue from external customers	**8,511,724**	**8,880,079**	**3,149,957**	**20,541,760**
Segment results	**3,584,339**	**93,286**	**1,046,281**	**4,723,906**
Business tax and surcharge				**(65,583)**
Other income and gains				**324,539**
Administrative expenses				**(2,068,313)**
Other operating expenses				**(336,423)**
Finance costs				**(611,479)**
Share of results of associates				**357,933**
Share of results of joint ventures				**169,569**
Profit before income tax				**2,494,149**

	For the year ended 31 December 2014			
	Cargo handling	Sales	Other port ancillary services	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Total segment revenue	7,814,657	23,733,101	3,821,545	35,369,303
Inter-segment revenue	–	(1,025,574)	(783,760)	(1,809,334)
Revenue from external customers	7,814,657	22,707,527	3,037,785	33,559,969
Segment results	3,308,376	290,111	1,044,276	4,642,763
Business tax and surcharge				(74,357)
Other income and gains				292,439
Administrative expenses				(2,183,040)
Other operating expenses				(35,220)
Finance costs				(478,915)
Share of results of associates				374,553
Share of results of joint ventures				126,910
Profit before income tax				2,665,133

3. OTHER INCOME AND GAINS

	2015	2014
	HK$'000	*HK$'000*
Exchange gain, net	**–**	15,803
Interest income		
– from deposits	**120,461**	116,245
– from loan to a joint venture	**2,717**	2,993
– from loans receivable	**21,786**	–
Dividend income from available-for-sale financial assets	**14,991**	13,501
Gain on disposal of subsidiaries	**65,008**	–
Gain on disposal of land use rights	**–**	9,077
Government grants	**79,931**	124,863
Others	**19,645**	9,957
	324,539	292,439

4. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Interest expenses on borrowings	**695,706**	638,399
Less: Amount capitalised in construction in progress	**(84,227)**	(159,484)
	611,479	478,915

5. EXPENSES BY NATURE

	2015	2014
	HK$'000	*HK$'000*
Costs of goods sold	**8,712,023**	22,308,939
Employee benefit expenses, including directors' emoluments	**3,103,887**	3,196,497
Depreciation of property, plant and equipment	**1,098,661**	994,916
Amortisation of land use rights	**146,861**	144,251
Amortisation of intangible assets	**13,091**	11,889
Exchange loss, net	**315,770**	–
Operating lease rental	**295,079**	326,865
Provision for impairment of trade receivables	**4,553**	5,374
Loss on disposal of property, plant and equipment	**3,775**	9,987
Auditor's remuneration		
– audit services	**2,400**	2,200
– non-audit services	**21**	87

6. INCOME TAX

	2015	2014
	HK$'000	*HK$'000*
PRC income tax		
– Current	**567,908**	532,248
– Deferred	**64,234**	69,248
	632,142	601,496

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 year (2014: nil).

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

7. DIVIDEND

	2015	2014
	HK$'000	*HK$'000*
Proposed final dividend of HK4.15 cents (2014: HK5.32 cents) per ordinary share	**255,557**	327,606

The Board proposed the payment of a final dividend of HK4.15 cents per ordinary share for the year ended 31 December 2015 (2014: HK5.32 cents). The consolidated financial statements do not reflect this dividend payable.

8. EARNINGS PER SHARE

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

	2015	2014
	HK$'000	*HK$'000*
Earnings		
Profit attributable to equity holders of the Company for calculating basic and diluted earnings per share	**639,387**	819,125

	2015	2014
Number of shares (thousands)		
Weighted average number of ordinary shares for calculating basic earnings per share	**6,158,000**	6,158,000
Effect of dilutive potential ordinary shares:		
– Share options	**3,513**	3,187
Weighted average number of ordinary shares for calculating diluted earnings per share	**6,161,513**	6,161,187

Diluted earnings per share is calculated based on the profit attributable to equity holders of the Company and the weighted average number of ordinary shares in issue during the year, after adjusting for the number of dilutive potential ordinary shares from share options granted by the Company where dilutive.

9. TRADE AND OTHER RECEIVABLES

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

	2015	2014
	HK$'000	*HK$'000*
0 – 90 days	**2,714,495**	4,844,821
91 – 180 days	**50,680**	183,084
Over 180 days	**89,358**	70,947
	2,854,533	5,098,852

10. TRADE AND OTHER PAYABLES

The ageing analysis of the Group's trade and notes payables based on the invoice date was as follows:

	2015	2014
	HK$'000	*HK$'000*
0 – 90 days	**1,562,756**	3,531,904
91 – 180 days	**695,668**	1,352,528
181 – 365 days	**33,470**	61,326
Over 365 days	**29,200**	1,023
	2,321,094	4,946,781

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION ENVIRONMENT

In 2015, the global economy and the monetary policies continued to diverge. United States maintained solid momentum with continued steady growth and labour market improvement, and the U.S. Federal Reserve has raised the interest rates in December 2015. With further monetary easing measures introduced by the European Central Bank, the European economy recovered steadily. The Chinese economy has entered into a new normal and performed within a proper range.

Dragged by the slow pace of global economic recovery, investment and manufacturing activities sagged and international trade weakened. China's imports and exports showed negative growth in 2015, with total export trade value of US$2.28 trillion, down by 2.8% over last year (2014: +6.1%). The total value of import trade recorded US$1.68 trillion, a decrease of 14.1% over last year (2014: +0.4%). The value of import trade slackened further by the fall in commodity prices and slowdown in the commodity import growth resulted from the deceleration in China's economic growth.

Cargo throughput growth at China's ports slowed down. According to the statistics from Ministry of Transport of the PRC, from January to November 2015, total cargo throughput handled by China's ports was 10.50 billion tonnes, grew by 2.0% as compared to the same period last year, but was 2.8 percentage points lower than the 4.8% growth in same period of 2014, and total container throughput handled was up by 4.2% to 192.1 million TEUs as compared to the same period last year, with growth rate being 1.9 percentage points lower than the 6.1% growth in same period of 2014.

ANNUAL RESULTS

In 2015, operation of the Group maintained stable and a total cargo throughput of 457.09 million tonnes (2014: 445.78 million tonnes) was achieved, representing an increase of 2.5% over last year, of which total container throughput grew by 0.2% to 14.09 million TEUs (2014: 14.06 million TEUs).

The Group's profit before income tax was HK$2,494.1 million, including gain on disposal of subsidiaries of HK$65.0 million. Although the businesses remained steady, profit before income tax dropped 6.4% over last year, mainly attributable to exchange loss of HK$315.8 million (2014: exchange gain of HK$15.8 million) on the Group's US dollars ("US$") and Hong Kong dollars ("HK$") liabilities due to the significant depreciation of Renminbi ("RMB") against US$ after China's "exchange rate reform" in August 2015, which offset part of the profit. Excluding gain on disposal of subsidiaries of HK$65.0 million and exchange loss of HK$315.8 million, the Group's profit before income tax was HK$2,744.9 million, representing an increase of 3.6% over last year.

During the year under review, the Group completed the disposal of the entire 51% equity interest in Tianjin Gangjun Logistics Development Co., Ltd. ("Gangjun Logistics Co") and the entire 55% equity interest in Tianjin Lanta Development Co., Ltd. ("Lanta Co") for a cash consideration of RMB237.4 million and RMB57.9 million respectively, and recorded gain on disposal of subsidiaries of HK$65.0 million. Through the equity transfer, the Group obtained funds for the operation and development of core assets and businesses such as terminals and depots to enhance the core business concentration.

The Group recorded a revenue of HK$20,541.8 million, decreased by 38.8% over last year, mainly due to the 60.9% fall in revenue from sales business. Revenue from cargo handling business and other port ancillary services business rose by 8.9% and 3.7% respectively over last year. Gross profit margin increased 9.1 percentage points to 22.7% (2014: 13.6%) reflecting the drop in the proportion of low margin sales business.

During the year under review, profit attributable to shareholders of the Company amounted to HK$639.4 million. Basic earnings per share was HK10.4 cents.

The Board recommends the payment of a final dividend of HK4.15 cents per share for 2015, with a payout ratio of 40% for the year (2014: 40%).

REVIEW OF OPERATIONS

Looking back at 2015, with the slow global economic recovery and the new normal of Chinese economy, operating environment was challenging. The Group strived through the challenges, so the core businesses of the Group have maintained steady and achieved cargo throughput of 457.09 million tonnes, an increase of 2.5% over 2014. After the 8.12 Explosion, the Group took initiatives and implemented a series of measures to ensure its port production and operation continued as normal and safe. The 8.12 Explosion did not cause significant loss to the Group other than some damages such as doors and windows of some entities located near the explosion site. The loss of the Group was less than 0.01% of its total assets.

Non-containerised Cargo Handling Business

During the year under review, the Group achieved total non-containerised cargo throughput of 302.35 million tonnes, an increase of 5.4% over last year, of which throughput of the subsidiary terminals grew by 6.6% and throughput of the jointly controlled and affiliated terminals grew by 0.1%.

	Non-containerised cargo throughput			
Nature of terminal	**2015**	2014	Growth amount	Growth percentage
	million tonnes	*million tonnes*	*million tonnes*	
Subsidiary terminals	**250.14**	234.63	15.51	6.6%
Jointly controlled and affiliated terminals	**52.21**	52.14	0.07	0.1%
Total	**302.35**	286.77	15.58	5.4%

During the year under review, metal ore, coal and steel handled by the Group showed relatively strong growth. Although automobiles handling dropped as a result of the 8.12 Explosion, the impact was countered by the growth in metal ore and coal. In terms of total throughput, metal ore handling grew by 8.7% to 120.06 million tonnes (2014: 110.5 million tonnes), coal handling rose by 16.4% to 103.45 million tonnes (2014: 88.85 million tonnes), steel handling grew by 15.0% to 23.03 million tonnes (2014: 20.02 million tonnes). Crude oil handling amounted to 18.73 million tonnes (2014: 18.74 million tonnes), which remained the same as last year. Affected by the 8.12 Explosion, automobiles handling decreased by 34.6% to 17.15 million tonnes (2014: 26.21 million tonnes). Moving into the fourth quarter, the ro-ro automobile handling has started to pick up.

On a consolidated basis, the blended average unit price of the non-containerised cargo handling business was HK$26.1 per tonne (2014: HK$25.0 per tonne), an increase of HK$1.1 or 4.4% from last year which was due to the change in cargo mix.

Container Handling Business

Currently, the Group operates all container terminals at the port of Tianjin.

During 2015, container handling business remained steady, additional domestic and international routes were developed, and Bohai Rim feeder transshipment volume expanded. The Group achieved total container throughput of 14.09 million TEUs, representing an increase of 0.2% from last year, of which throughput of the subsidiary terminals remained the same as last year and throughput of the jointly controlled and affiliated terminals rose by 0.4%.

Nature of terminal	Container throughput			
	2015	2014	Growth amount	Growth percentage
	'000 TEUs	*'000 TEUs*	*'000 TEUs*	
Subsidiary terminals	**6,872**	6,871	1	–
Jointly controlled and affiliated terminals	**7,213**	7,186	27	0.4%
Total	**14,085**	14,057	28	0.2%

During the year under review, on a consolidated basis, the blended average unit price of the container handling business increased by 1.8% to HK$289.6 per TEU (2014: HK$284.5 per TEU) as a result of the change in cargo mix.

Sales Business

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

During the year under review, the Group recorded revenue of HK$8,880.1 million from the sales business segment, representing a decrease of 60.9% over last year. Slowdown of China's economic growth, subdued global commodity prices, substantial decline in the international crude oil prices and commodity prices, together with the two subsidiaries disposed by the Group engaging in sales business that would no longer be consolidated from July 2015 after the disposal have caused the substantial decrease in sales revenue.

Although sales revenue of the Group decreased significantly, completion of the disposal of two subsidiaries has no adverse effects on the Group's financial position and operation as profit margin of sales business is relatively low. The disposal also improved the business concentration and optimised the resources allocation.

Other Port Ancillary Services Business

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

During the year under review, cargo agency rose by 13.9% to 92.55 million tonnes of cargoes (2014: 81.23 million tonnes); shipping agency dropped by 1.4% to 17,932 vessel calls (2014: 18,192 vessel calls); tallying services increased by 2.5% to 117.25 million tonnes of cargoes (2014: 114.37 million tonnes); and tugboat services decreased by 0.2% to 51,013 vessel calls (2014: 51,108 vessel calls).

OUTLOOK

Looking ahead to 2016, the global economy is expected to continue on a modest recovery path. In the "New Normal" of the Chinese economy, downside risks to Chinese growth have risen, and international trade environment remains difficult, placing pressures on port industry. Under structural transformation of the economy and rising operation costs, the businesses of the Group are subject to risks and uncertainties. Competition from surrounding ports exert pressures and challenges on the development of the Group. Despite the uncertainties, the Group has many distinctive strengths and opportunities. The development of Jing-Jin-Ji integration, the unique geographic location enable the Group to benefit from the strategy. The pilot establishment of Tianjin Free Trade Zone promotes development in a wide range of area including financial, taxation, trading as well as investments and trading growth. Furthermore, as Tianjin acts as an important hub in "One Belt, One Road" strategy and "China-Mongolia-Russia Economic Corridor", opens new opportunities to the Group.

The Group will continue to face challenges proactively and enhance operation efficiency through strengthening port functions, reinforcing port safety management, improving port service quality, optimising resource allocation, strengthening delicacy management, enhancing IT application, upgrading port IT management level, improving safety management level, refining safety requirements, building a safety and environmental-friendly port, reinforcing corporate governance and risk control, improving risk management system and strengthening standardised operation.

To promote the transformation and upgrading of the port, the Group will accelerate the development of container business. While efforts will be made to consolidate the scale of existing routes, the Group will also develop new routes, establish international routes with stable supply and explore routes to emerging markets, expand feeder lines within Bohai Rim Region to establish new patterns of cooperation, optimise business process to improve efficiency and create a favorable environment for container business, establish unified service standards and operation system to improve resource efficiency, integrate container business by promoting "integrated container yard operation". The Group will also consolidate and expand the scale of automobile business, formulate overall planning of berths and storage yards by leveraging on the operations of loading bays and stereo garage, create high-end, value-added services and expand integrated automobile logistics services by grasping the opportunities arising from the pilot scheme for the parallel import of automobiles. The Group will also consolidate the sources of bulk cargo and steel supply, strengthen existing market development mechanism and gradually develop a mechanism that business development specialists handle the market development of specialised cargoes so as to ensure stable sources of coal and crude oil supply and sustainable growth in sources of iron ore and steel supply, while expanding the integrated logistics business of coal. The Group will also step up efforts in constructing ore distribution center, developing quality coal transportation routes, exploring new variety of cargo, attracting high value-added cargo and promoting value-added services, expanding cross-border transportation and transshipment, and strengthening logistics business by seizing international trade and e-commerce development opportunities, to constantly improve the operating quality and efficiency.

Adhering to the "One Belt, One Road" strategy and leveraging the opportunities raised from the integrated development of Beijing-Tianjin-Hebei and the pilot establishment of Tianjin Free Trade Zone, the Group will continue to promote the transformation and upgrading of the port, strive to achieve sustainable development of the Group.

FINANCIAL REVIEW

Revenue

During the year under review, the Group recorded revenue of HK$20,541.8 million, representing a decrease of 38.8% from last year. An analysis of revenue by segment is as follows:

	Revenue			
Type of business	**2015**	2014	Amount of change	Change percentage
	HK$ million	*HK$ million*	*HK$ million*	
Non-containerised cargo handling business	**6,521.4**	5,859.9	+661.5	+11.3%
Container handling business	**1,990.3**	1,954.8	+35.5	+1.8%
Cargo handling business (total)	**8,511.7**	7,814.7	+697.0	+8.9%
Sales business	**8,880.1**	22,707.5	-13,827.4	-60.9%
Other port ancillary services business	**3,150.0**	3,037.8	+112.2	+3.7%
Total	**20,541.8**	33,560.0	-13,018.2	-38.8%

Driven by the increase in cargo throughput and blended average unit price, revenue from non-containerised cargo handling business increased by 11.3% to HK$6,521.4 million.

Increase in blended average unit price brought an increase of 1.8% in revenue from container handling business to HK$1,990.3 million.

Revenue from sales business was HK$8,880.1 million, representing a decrease of 60.9% over last year. The significant drop in sales revenue came from the decline in oil and commodity prices and the two subsidiaries disposed by the Group engaging in sales business that would no longer be consolidated from July 2015 after the disposal.

Revenue from other port ancillary services business was HK$3,150.0 million, rose by 3.7% over last year which was mainly attributable to the increase in business volume and revenue driven by the growth in cargo handling business.

Cost of Sales

During the year under review, cost of sales of the Group was HK$15,817.9 million, representing a decrease of 45.3% from last year. An analysis of costs by segment is as follows:

	Costs			
Type of business	**2015**	2014	Amount of change	Change percentage
	HK$ million	*HK$ million*	*HK$ million*	
Cargo handling business	**4,927.4**	4,506.3	+421.1	+9.3%
Sales business	**8,786.8**	22,417.4	-13,630.6	-60.8%
Other port ancillary services business	**2,103.7**	1,993.5	+110.2	+5.5%
Total	**15,817.9**	28,917.2	-13,099.3	-45.3%

Cost of cargo handling business was HK$4,927.4 million, representing an increase of 9.3% over last year, primarily attributable to the increase in labour costs, storage costs and cargo reconfiguration costs resulted from the growth in cargo throughput, and the increase in depreciation expenses associated with the commissioning of new facilities. Cost of sales business amounted to HK$8,786.8 million, representing a decrease of 60.8% over last year, mainly attributable to a decrease in sales volume which led to the decrease in cost of goods sold. Cost of other port ancillary services business was HK$2,103.7 million, an increase of 5.5% over last year, which was primarily due to the increase in labour costs and storage costs as a result of the growth in the business.

Gross Profit

Gross profit and gross profit margin for 2015 were HK$4,658.3 million (2014: HK$4,568.4 million) and 22.7% (2014: 13.6%) respectively. Gross profit increased by HK$89.9 million, primarily due to the rise in gross profit from cargo handling business. Gross profit margin grew by 9.1 percentage point, reflecting the decrease in the proportion of sales business which has a lower gross profit margin.

Administrative Expenses

Administrative expenses of the Group for the year under review decreased by 5.3% to HK$2,068.3 million, mainly attributable to the effective measures taken by the Group in costs control and management.

Other Income and Gains and Other Operating Expenses

Other income and gains amounted to HK$324.5 million, representing an increase of HK$32.1 million over last year, which included gain on disposal of subsidiaries of HK$65.0 million. Exchange gain of HK$15.8 million was included in 2014.

Other operating expenses amounted to HK$336.4 million, representing an increase of HK$301.2 million over last year, which included exchange loss of HK$315.8 million.

Finance Costs

Finance costs for 2015 (excluding capitalised interest) amounted to HK$611.5 million, an increase of 27.7% compared to HK$478.9 million in 2014, mainly because borrowing costs of completed construction projects were no longer capitalised.

During the year under review, the Group's interest expenses (including capitalised interest) amounted to HK$695.7 million, representing an increase of 9.0% over last year. The increase in finance costs (including capitalised interest) was attributable to the increase in borrowings during the year resulted in a higher average borrowing level.

Share of Results of Associates and Joint Ventures

During the year under review, the Group's share of results of associates was HK$357.9 million, representing a decrease of HK$16.6 million (4.4%) from last year, mainly from the decrease in the profit of non-containerised cargo handling business. The Group's share of results of joint ventures was HK$169.6 million, representing an increase of HK$42.7 million (33.6%) over last year, mainly from the increase in the profit of containerised cargo handling business.

Income Tax

During the year under review, income tax expenses of the Group amounted to HK$632.1 million, representing an increase of 5.1% compared to HK$601.5 million in 2014, mainly attributable to the increase in profit before income tax from core businesses.

FINANCIAL POSITION

Cash Flow

For the year under review, the net cash inflow of the Group amounted to HK$1,837.2 million.

With stable performance in the core businesses, net cash inflow from operating activities of the Group amounted to HK$3,085.5 million, representing an increase of HK$515.1 million over last year.

Net cash outflow in investing activities amounted to HK$1,673.5 million, mainly attributable to HK$1,859.3 million used for capital expenditure, an increase of HK$584.9 million in time deposits with maturity over three months and net cash inflow arising on disposal of subsidiaries of HK$293.5 million.

Net cash inflow from financing activities amounted to HK$425.2 million, which included payment of dividends and interest expenses of HK$1,443.2 million and net increase of HK$1,878.5 million in borrowings.

Capital Structure

The capital and reserves attributable to equity holders of the Company as at 31 December 2015 were HK$11,610.7 million, and the net asset value of the Company was HK$1.9 per share (31 December 2014: HK$1.9).

As at 31 December 2015, the Company had an issued share capital of 6,158 million shares and the market capitalisation was HK$7,943.8 million (at the closing market price of the shares of the Company of HK$1.29 per share on 31 December 2015).

Assets and Liabilities

As at 31 December 2015, the Group's total assets were HK$46,451.9 million (31 December 2014: HK$49,115.4 million) and total liabilities were HK$21,830.3 million (31 December 2014: HK$23,587.8 million). Disposal of two subsidiaries resulted in a decrease of HK$3,228.0 million in total assets and HK$2,631.6 million in total liabilities respectively. Net current assets were HK$3,381.3 million (31 December 2014: HK$2,854.0 million) as at 31 December 2015.

Liquidity, Financial Resources and Borrowings

As at 31 December 2015, the Group's cash and deposits (including restricted bank deposits and time deposits with maturity over three months) were HK$9,603.0 million (31 December 2014: HK$7,554.1 million), representing an increase of HK$2,048.9 million (27.1%) over last year, which were principally denominated in RMB.

The Group's total borrowings as at 31 December 2015 were HK$15,888.0 million (31 December 2014: HK$15,049.9 million), with HK$4,312.5 million repayable within one year, HK$10,515.7 million repayable after one year and within five years and HK$1,059.8 million repayable over five years. About 27.6% and 3.1% of the Group's borrowings were denominated in HK$ and US$ respectively, and 69.3% were denominated in RMB.

Financial Ratios

As at 31 December 2015, the gearing ratio (total borrowings to total equity) of the Group was 64.5% (31 December 2014: 59.0%), and the current ratio (current assets to current liabilities) was 1.3 (31 December 2014: 1.2).

Pledge on Assets

As at 31 December 2015, none of the Group's assets were pledged.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 December 2015.

Financial Management and Policy

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

The operations of the Group are in the PRC and its functional currency is RMB. The Group is exposed to foreign exchange risk primarily from assets and liabilities that are denominated in currencies other than the functional currency. As at 31 December 2015, most of the Group's assets and liabilities were denominated in RMB except for certain HK$ and US$ bank borrowings. During the year under review, the Group recorded exchange loss of HK$315.8 million (2014: exchange gain of HK$15.8 million). No hedging arrangement was entered into in respect of foreign exchange risk exposure during the year.

The Group's interest rate risk arises primarily from the fluctuation on 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 2015, the Group's total borrowings were HK$15,888.0 million, of which approximately 66.6% were at floating interest rate while the remaining 33.4% were at fixed interest rate.

During the year under review, the Group's interest expenses (including capitalised interest) amounted to HK$695.7 million, increased by 9.0% over last year, which was primarily due to the increase in borrowings. Average interest rate of the Group's borrowings fell from 4.3% at the beginning of the year to 3.8% at the end of the year. With the reform of RMB exchange rate from the Central Government of the PRC, the RMB exchange rate had a significant depreciation in 2015, and the market also anticipated further depreciation. The Group will continue to monitor the risks of exchange rate and interest rate closely. In view of the fluctuations in RMB exchange rate and its debt in foreign currencies, the Group will continuously review its treasury strategy, whilst keep an eye on the US$ interest rate hike, with the aim to be well prepared and respond quickly and effectively to the rapidly changing conditions in financial market.

CAPITAL EXPENDITURE AND COMMITMENTS

In 2015, additions to property, plant and equipment and land use rights of the Group amounted to HK$2,149.4 million, primarily used for construction of new terminals and depots, and renovation of terminals and depots.

As at 31 December 2015, the Group's capital commitments (including authorised but not contracted for) amounted to HK$3,816.0 million (31 December 2014: HK$5,295.2 million), in which HK$3,161.2 million is for property, plant and equipment and HK$654.8 million for investment in an associate.

MATERIAL INVESTMENTS

During the year under review, material investments of the Group were as follows:

1. Established Tianjin Port Dongjiang Logistics Park Co., Ltd. (a wholly-owned subsidiary) to invest, construct and operate the Tianjin Port Dongjiang Logistics Park project, with a registered capital of RMB230.0 million to be funded by internal funds. As at 31 December 2015, the paid-in registered capital was RMB163.0 million.

2. Established Tianjin Port Haijia Automobile Terminal Co., Ltd. (a non wholly-owned subsidiary) to invest, construct and operate the specialised automobile ro-ro terminal project, with a registered capital of RMB400.0 million, of which the Group holds 51% equity interest with a contribution of RMB204.0 million to be funded by internal funds.

MATERIAL DISPOSALS

During the year under review, material disposals of the Group were as follows:

1. Disposed the entire 51% equity interest in Gangjun Logistics Co for a cash consideration of RMB237.4 million. After the disposal, the Group did not hold any equity interest in Gangjun Logistics Co, and it ceased to be a subsidiary of the Group.

2. Disposed the entire 55% equity interest in Lanta Co for a cash consideration of RMB57.9 million. After the disposal, the Group did not hold any equity interest in Lanta Co, and it ceased to be a subsidiary of the Group.

EMPLOYEES

As at 31 December 2015, the Group had approximately 10,000 employees.

The Group offers remuneration packages for employees based on their position, performance and the labour market conditions. Share options are also granted to the management as remuneration. In addition to basic salary, mandatory provident fund scheme (in accordance with the Mandatory Provident Fund Schemes Ordinance for Hong Kong employees) or the state-managed pension scheme (for PRC employees), discretionary bonus is also awarded to the employees with reference to the annual results and the employees' performance. The Group reviews the remuneration polices and packages on a regular basis.

The Group highly values life-long learning and individual development of the employees, and provides training to enhance their productivity, thereby benefits business development of the Group. The management proactively communicate with the employees to foster the employer-employee relationship.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2015 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

DIVIDEND

The Board recommends a final dividend of HK4.15 cents per share for 2015.

Subject to the approval of shareholders of the Company at the forthcoming annual general meeting to be held on Wednesday, 1 June 2016 (the "AGM"), the final dividend will be payable on Friday, 15 July 2016 to the shareholders of the Company whose names appear on the register of members of the Company on Friday, 10 June 2016.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed for the following periods:

1. from Monday, 30 May 2016 to Wednesday, 1 June 2016, both days inclusive, during which period no transfer of shares will be registered for the purpose of ascertaining the shareholders of the Company entitled to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfer forms and the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 27 May 2016; and

2. from Tuesday, 7 June 2016 to Friday, 10 June 2016, both days inclusive, during which period no transfer of shares will be registered for the purpose of ascertaining the shareholders of the Company entitled to the final dividend to be approved at the AGM. In order to qualify for the final dividend, all transfer forms and the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Monday, 6 June 2016.

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 2015.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with all code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 December 2015.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has 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 year ended 31 December 2015.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises three independent non-executive Directors, namely Professor Japhet Sebastian Law, Dr. Cheng Chi Pang, Leslie and Mr. Zhang Weidong. Dr. Cheng is the chairman of the Audit Committee. The annual results for the year ended 31 December 2015 have been reviewed by the Audit Committee.

PUBLICATION OF FINAL RESULTS

This 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
Zhang Lili
Chairman

Hong Kong, 29 March 2016

As at the date of this announcement, the Board consists of Ms. Zhang Lili, Mr. Li Quanyong, Mr. Wang Rui, Mr. Yu Houxin and Ms. Shi Jing as executive Directors; Professor Japhet Sebastian Law, Dr. Cheng Chi Pang, Leslie and Mr. Zhang Weidong as independent non-executive Directors.