



# INTERIM REPORT 2023



**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

# CORPORATE PROFILE

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

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

The port of Tianjin, located at the juncture of the Beijing-Tianjin city belt and the economic circle of the Bohai Rim Region, is the largest comprehensive port and an important foreign trade port in North China, serving 14 provinces, cities and autonomous regions and a hub connecting Northeast Asia with Midwest Asia. It is one of the coastal ports with the most complete functions in China. In the first half of 2023, the port of Tianjin was the eighth largest port in terms of total cargo throughput and ranked the sixth in terms of total container throughput in China.



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## FINANCIAL HIGHLIGHTS

	For the six months ended 30 June	
	2023	2022
Total throughput		
Non-containerised cargo (million tonnes)	117.78	120.56
Container (million TEUs)	10.27	10.04
Consolidated throughput		
Non-containerised cargo (million tonnes)	86.81	91.54
Container (million TEUs)	6.21	4.93

HK\$ million	For the six months ended 30 June	
	2023	2022
Revenue	6,244	7,114
Profit before income tax	1,337	1,006
Profit attributable to Shareholders	474	286
Basic earnings per share (HK cents)	7.7	4.6
Net cash inflow from operating activities	1,456	1,495

HK\$ million	As at	As at
	30 June 2023	31 December 2022
Total assets	39,486	42,211
Total borrowings	5,960	8,291
Shareholders' equity	13,157	13,244
Total equity	29,283	29,654
Financial ratios		
Gearing ratio ( <i>Note 1</i> )	20.4%	28.0%
Current ratio	1.6	1.3
Net assets per share - book value ( <i>Note 2</i> ) (HK\$)	2.1	2.2

*Notes:*

- Gearing ratio represents total borrowings divided by total equity.
- Net assets per share - book value represents shareholders' equity divided by the number of issued Shares at the end of reporting period.

# MANAGEMENT DISCUSSION AND ANALYSIS

## OPERATION ENVIRONMENT

Since 2023, with the comprehensive recovery of the economy and society, the effects of policies to stabilise economic growth, employment, and prices have gradually emerged, and China's economy has shown signs of improvement. According to the National Bureau of Statistics of China, China's GDP recorded a year-on-year growth of 5.5% in the first half of 2023. However, the direct impact from weakened external demand on China's foreign trade due to the slowdown in global trade and investment and rising geopolitical risks is still ongoing. In the first half of 2023, China's total import and export value decreased by 4.7% year-on-year to US\$2.92 trillion. According to the statistics from the Ministry of Transport of the PRC, cargo throughput handled by ports in China in the first half of 2023 was 8.189 billion tonnes, representing a year-on-year increase of 8.0%, whereas container throughput handled increased by 4.8% year-on-year to 149.19 million TEUs.

In terms of environmental and social responsibility, the Group continued promoting the implementation of new energy equipment and ancillary facilities, as well as green port construction projects such as energy-saving lighting technology applications; utilised technologies such as the Internet of Things (IoT) and big data to strive for the digital transformation of energy management and control; actively implemented the new concept of dual carbon development advocated by the government and obtained the carbon management system certification and established a carbon management system that covers various aspects including carbon energy identification, carbon data collection, monitoring and accounting, carbon target management, carbon asset development, and trading, etc.

## INTERIM RESULTS

In the first half of 2023, total cargo throughput handled by the Group was 224 million tonnes (2022: 222 million tonnes), an increase of 1.0% over the same period last year, of which total container throughput was 10.27 million TEUs (2022: 10.04 million TEUs), an increase of 2.3% over the same period last year.

In the first half of 2023, profit attributable to Shareholders amounted to HK\$474 million and basic earnings per share was HK7.7 cents, an increase of 65.8% over the same period last year. The increase was primarily attributable to the depreciation of RMB against Hong Kong dollars in the same period last year which resulted in an exchange loss on the Hong Kong dollars-denominated liabilities held by the Group, while during the current interim period, the relevant Hong Kong dollars-denominated liabilities have been repaid and an exchange gain has been recorded.

## INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2023.

## OUTLOOK

The global economy is still in an unstable state due to factors such as the impacts of the tightening monetary policies implemented by central banks around the world to combat inflation. In the World Economic Outlook Update released in July 2023, the International Monetary Fund (IMF) predicted that the global economic growth to be 3.0% and China's economic growth to be 5.2% in 2023, mainly due to the rapid growth coming after the normalisation of supply chains. The uncertainty of the global economy coupled with geopolitical and other factors have led to weakened external demand, which posed challenges to China's port business.

Looking ahead to the second half of the year, the Group will continue to pursue high-quality development and prioritise customer needs; actively promote the advantages of the coordinated development of the Beijing-Tianjin-Hebei Region and fully leverage the role of the "maritime gateway" hub of the Beijing-Tianjin-Hebei Region; continuously improve the level of port infrastructure, and promote the upgrading of port intelligence and low-carbon development; perpetually expand the functions of port services to maintain the smooth and efficient operation of the port; and strive to build a world-class, efficient, high-quality, smart and green port.

## MANAGEMENT DISCUSSION AND ANALYSIS

## OPERATION AND FINANCIAL REVIEW

In the first half of 2023, total cargo throughput handled by the Group was 224 million tonnes.

## Revenue and cost of sales of core business

## Revenue

The Group's revenue was HK\$6,244 million in the first half of 2023, representing a decrease of 12.2% as compared with the same period last year. The revenue by segment is as follows:

Type of business	Revenue			
	First half of 2023 HK\$ million	First half of 2022 HK\$ million	Change in amount HK\$ million	Change in percentage
Non-containerised cargo handling business	2,554	2,637	-83	-3.1%
Container handling business	1,070	931	139	14.8%
Cargo handling business (total)	3,624	3,568	56	1.6%
Sales business	1,407	2,264	-857	-37.9%
Other port ancillary services business	1,213	1,282	-69	-5.3%
Total	6,244	7,114	-870	-12.2%

## Cost of Sales

In the first half of 2023, cost of sales of the Group was HK\$4,211 million, representing a decrease of 21.9% as compared with the same period last year. The costs by segment is as follows:

Type of business	Costs			
	First half of 2023 HK\$ million	First half of 2022 HK\$ million	Change in amount HK\$ million	Change in percentage
Cargo handling business	2,284	2,527	-243	-9.6%
Sales business	1,396	2,229	-833	-37.4%
Other port ancillary services business	531	634	-103	-16.2%
Total	4,211	5,390	-1,179	-21.9%

## MANAGEMENT DISCUSSION AND ANALYSIS

## Cargo Handling Business

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

Revenue of the cargo handling business was HK\$3,624 million, 1.6% higher than that in the same period last year and a 8.6% increase in RMB, primarily attributable to the increase in the throughput of container handling business.

Cost of the cargo handling business was HK\$2,284 million, 9.6% lower than that in the same period last year and a 3.4% decrease in RMB, primarily attributable to the strict cost control of cargo handling business by the Group.

### Cargo Handling Business – Non-containerised Cargo Handling Business

In the first half of 2023, the Group achieved a total non-containerised cargo throughput of 117.78 million tonnes, representing a decrease of 2.3% over the same period last year, of which throughput of the subsidiary terminals fell by 5.2% and throughput of the jointly controlled and affiliated terminals grew by 6.7%.

Nature of terminal	Non-containerised cargo throughput			
	First half of 2023 million tonnes	First half of 2022 million tonnes	Change in amount million tonnes	Change in percentage
Subsidiary terminals	86.81	91.54	-4.73	-5.2%
Jointly controlled and affiliated terminals	30.97	29.02	1.95	6.7%
Total	117.78	120.56	-2.78	-2.3%

On a consolidated basis, the blended average unit price of the non-containerised cargo handling business was HK\$29.4 per tonne (2022: HK\$28.8 per tonne), representing an increase of 2.1% over the same period last year. In RMB, the blended average unit price of which increased by 9.2% over the same period last year.

Revenue from the non-containerised cargo handling business was HK\$2,554 million, 3.1% lower than that in the same period last year and a 3.6% increase in RMB, the increase of revenue in RMB was mainly due to the increase in the blended average unit price, but the depreciation of RMB resulted in a decrease of revenue in Hong Kong dollars.

### Cargo Handling Business – Container Handling Business

In the first half of 2023, the Group achieved a total container throughput of 10.27 million TEUs, representing an increase of 2.3% over the same period last year, of which throughput of the subsidiary terminals increased by 26.0% and throughput of the jointly controlled and affiliated terminals dropped by 20.6%.

Nature of terminal	Container throughput			
	First half of 2023 million TEUs	First half of 2022 million TEUs	Change in amount million TEUs	Change in percentage
Subsidiary terminals	6.21	4.93	1.28	26.0%
Jointly controlled and affiliated terminals	4.06	5.11	-1.05	-20.6%
Total	10.27	10.04	0.23	2.3%

## MANAGEMENT DISCUSSION AND ANALYSIS

On a consolidated basis, the blended average unit price of the container handling business was HK\$172.2 per TEU (2022: HK\$188.8 per TEU), representing a decrease of 8.8% over the same period last year. In RMB, the blended average unit price of which decreased by 2.4% over the same period last year.

Revenue from the container handling business increased by 14.8% over the same period last year to HK\$1,070 million and a 22.8% increase in RMB, which was mainly attributable to the increase of the throughput of container handling business.

### Sales Business

The Group's sales business is mainly engaged in the sales of materials.

Revenue from the sales business was HK\$1,407 million, a 37.9% decrease as compared with the same period last year and a 33.5% decrease in RMB, which was mainly due to the decrease in the business volume of sales business.

Cost of the sales business was HK\$1,396 million, a 37.4% decrease as compared with the same period last year and a 33.0% decrease in RMB, which was mainly due to the decrease in the business volume of sale business leading to the corresponding decrease in the cost of sales.

### Other Port Ancillary Services Business

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

Revenue from the other port ancillary services business was HK\$1,213 million, a 5.3% decrease compared with the same period last year and a 1.2% increase in RMB.

Cost of the other port ancillary services business was HK\$531 million, a 16.2% decrease compared with the same period last year and a 10.4% decrease in RMB, which was mainly due to the strict cost control of the port ancillary services business by the Group.

### Gross Profit

Gross profit and gross profit margin for the first half of 2023 were HK\$2,030 million (2022: HK\$1,717 million) and 32.5% (2022: 24.1%) respectively. Gross profit increased by 18.3% over the same period last year and gross profit margin increased by 8.4 percentage points over the same period last year, which was mainly driven by the increase in the proportion of cargo handling business which gross profit margin was higher than that of other businesses.

### Administrative Expenses

Administrative expenses of the Group increased by 1.9% as compared with the same period last year to HK\$898 million, which was mainly due to increase of research and development expenses. The Group will continue to take strict measures in control and management so as to maintain administrative expenses at a reasonable level.

### Other Income, Gains and Losses

Other income amounted to HK\$89 million, representing a decrease of HK\$51 million as compared with the same period last year, which was primarily due to decrease of the interest income from deposits, dividend income from financial assets at fair value through other comprehensive income and government grants.

Other gains and losses amounted to HK\$52 million, representing an increase of HK\$41 million as compared with the same period last year, which was mainly due to the offsetting impact of below factors: (i) an one-off remeasurement gain of HK\$109 million on an investment in an associate accounted for using the equity method was recorded in the same period last year while no such gain in the current period; and (ii) an increase in foreign exchange gain of HK\$146 million.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Finance Costs

Finance costs (excluding capitalised interest) were HK\$150 million, a decrease of 25.3% as compared with the same period last year, which was mainly attributable to the decrease in interest expenses on both borrowings and lease liabilities compared with the same period last year.

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

The Group's share of net profit of associates and joint ventures accounted for using the equity method was HK\$219 million, which remained stable as compared with the same period last year.

### Income Tax

The Group's income tax expenses amounted to HK\$253 million, representing an increase of HK\$18 million over the same period last year.

## FINANCIAL POSITION

### Cash Flow

In the first half of 2023, net decrease in cash and cash equivalents of the Group amounted to HK\$1,315 million.

The Group continued to generate steady cash flow from its operations. Net cash inflow from operating activities amounted to HK\$1,456 million.

Net cash outflow from investing activities amounted to HK\$249 million, which included cash outflow of capital expenditure of HK\$331 million.

Net cash outflow from financing activities amounted to HK\$2,522 million, which included a net decrease of HK\$2,144 million in borrowings, and lease payment of HK\$71 million.

### Capital Structure

The equity attributable to equity holders of the Company as at 30 June 2023 was HK\$13,157 million (31 December 2022: HK\$13,244 million), and the net asset value of the Company was HK\$2.1 per share (31 December 2022: HK\$2.2 per share).

As at 30 June 2023, the Company had an issued share capital of 6,158 million shares and the market capitalisation was approximately HK\$3,325 million (at the closing price of the shares of the Company of HK\$0.54 per share on 30 June 2023).

### Assets and Liabilities

As at 30 June 2023, the Group's total assets were HK\$39,486 million (31 December 2022: HK\$42,211 million) and total liabilities were HK\$10,203 million (31 December 2022: HK\$12,557 million). Net current assets as at 30 June 2023 were HK\$3,355 million (31 December 2022: HK\$2,429 million).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Liquidity, Financial Resources and Borrowings

As at 30 June 2023, the Group's cash and deposits (including restricted bank deposits) were HK\$6,424 million (31 December 2022: HK\$7,958 million) and principally denominated in RMB.

The Group's total borrowings as at 30 June 2023 were HK\$5,960 million (31 December 2022: HK\$8,291 million), with HK\$1,773 million repayable within one year, HK\$722 million repayable after one year and within two years, HK\$2,365 million repayable after two years and within five years and HK\$1,100 million repayable after five years. All of the Group's borrowings were denominated in RMB.

### Financial Ratios

As at 30 June 2023, the Group's gearing ratio (total borrowings divided by total equity) was 20.4% (31 December 2022: 28.0%), and current ratio (current assets divided by current liabilities) was 1.6 (31 December 2022: 1.3).

### Pledge of Assets

None of the Group's assets were pledged as at 30 June 2023.

### Contingent Liabilities

The Group did not have any material contingent liabilities as at 30 June 2023.

### Financial Management and Policy

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

The operations of the Group are located in the PRC and its functional currency is RMB. The Group is exposed to foreign exchange risk primarily from the assets and liabilities that are denominated in non-functional currencies. As at 30 June 2023, most of the Group's assets and liabilities were denominated in RMB. The fluctuations in RMB exchange rate will affect the Group's results reported in HK\$ as the Group operates its business in the PRC and its functional currency is RMB. No hedging arrangement was entered into in respect of foreign exchange risk exposure during the period under review.

The Group's interest rate risk arises primarily from the fluctuation in interest rates of borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk, while borrowings at fixed rates expose the Group to fair value interest rate risk. As at 30 June 2023, the Group's total borrowings were HK\$5,960 million and mainly at floating interest rate.

The Group will continue to monitor the risks of exchange rate and interest rate closely. In view of the fluctuations in RMB exchange rate and its debts in foreign currencies, the Group will review its treasury strategy continuously, with the aim to be well prepared and to respond quickly and effectively to the rapidly changing conditions in the financial market.

## MANAGEMENT DISCUSSION AND ANALYSIS

### CAPITAL EXPENDITURE AND COMMITMENTS

In the first half of 2023, the Group acquired property, plant and equipment amounted to HK\$172 million.

As at 30 June 2023, the Group's capital commitments (including authorised but not contracted for) amounted to HK\$1,529 million (31 December 2022: HK\$1,734 million).

### EVENTS AFTER THE REPORTING PERIOD

Subsequent to the six months ended 30 June 2023 and up to the date of this report, no important events affecting the Group has taken place that is required to be disclosed.

### EMPLOYEES

As at 30 June 2023, the Group had approximately 6,000 employees. The Group determines and offers remuneration packages for employees based on their position, performance and the labour market conditions. In addition to basic salary, mandatory provident fund scheme (established under the Mandatory Provident Fund Schemes Ordinance for Hong Kong employees) or the state-managed pension scheme (established for PRC employees), discretionary bonus is also awarded to the employees with reference to the Group's annual results and the employees' performance. During the six months ended 30 June 2023, the Group did not forfeit any contribution under the retirement benefits scheme that might be used to reduce the existing level of contributions (2022: nil). The Group reviews the remuneration policies and packages on a regular basis.

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

### APPRECIATION

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

By order of the Board

**CHU Bin**  
*Chairman*

Hong Kong, 29 August 2023



## REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

# Deloitte.

# 德勤

**To the Board of Directors of Tianjin Port Development Holdings Limited**

*(incorporated in the Cayman Islands with limited liability)*

### INTRODUCTION

We have reviewed the condensed consolidated financial statements of Tianjin Port Development Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 11 to 30, which comprise the condensed consolidated statement of financial position as of 30 June 2023 and the related condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF REVIEW

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

### CONCLUSION

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

**Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

29 August 2023

## CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2023

	Notes	Unaudited Six months ended 30 June	
		2023 HK\$'000	2022 HK\$'000
Revenue	5	<b>6,243,968</b>	7,113,959
Cost of sales		<b>(4,211,343)</b>	(5,390,464)
Taxes and surcharges		<b>(2,413)</b>	(6,855)
Gross profit		<b>2,030,212</b>	1,716,640
Other income	6	<b>88,920</b>	140,367
Other gains and losses	6	<b>52,273</b>	11,051
Administrative expenses		<b>(897,726)</b>	(881,360)
(Allowance for)/reversal of impairment on financial assets		<b>(2,745)</b>	1,936
Other expenses		<b>(3,470)</b>	(1,529)
Finance costs	7	<b>(149,999)</b>	(200,743)
Share of net profit of associates and joint ventures accounted for using the equity method		<b>219,129</b>	219,620
Profit before income tax		<b>1,336,594</b>	1,005,982
Income tax	8	<b>(252,689)</b>	(234,456)
Profit for the period	9	<b>1,083,905</b>	771,526
Profit attributable to:			
Equity holders of the Company		<b>474,481</b>	286,096
Non-controlling interests		<b>609,424</b>	485,430
		<b>1,083,905</b>	771,526
Earnings per share	11		
Basic (HK cents)		<b>7.7</b>	4.6
Diluted (HK cents)		<b>7.7</b>	4.6

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Unaudited	
	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Profit for the period	<b>1,083,905</b>	771,526
Other comprehensive income/(loss)		
Items that will not be reclassified to profit or loss:		
Changes in the fair value of financial assets at fair value through other comprehensive income	<b>13,951</b>	(69,337)
Deferred taxation on fair value change of financial assets at fair value through other comprehensive income	<b>751</b>	8,345
Currency translation differences	<b>(955,938)</b>	(1,405,343)
Other comprehensive loss for the period, net of tax	<b>(941,236)</b>	(1,466,335)
Total comprehensive income/(loss) for the period	<b>142,669</b>	(694,809)
Total comprehensive income/(loss) attributable to:		
Equity holders of the Company	<b>50,192</b>	(391,126)
Non-controlling interests	<b>92,477</b>	(303,683)
	<b>142,669</b>	(694,809)

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	Unaudited 30 June 2023 HK\$'000	Audited 31 December 2022 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	18,602,964	19,558,260
Right-of-use assets	13	5,774,718	6,001,860
Investment properties		702,907	734,950
Goodwill		42,689	44,061
Intangible assets		110,807	123,075
Investments accounted for using the equity method		4,658,991	4,773,780
Financial assets at fair value through other comprehensive income		570,152	574,362
Deposits paid for addition of non-current assets		46,954	127,844
Deferred income tax assets		48,643	44,384
		<b>30,558,825</b>	31,982,576
<b>Current assets</b>			
Inventories		168,106	97,285
Trade and other receivables and notes receivables	14	2,335,016	2,173,186
Restricted bank deposits		2,944	3,035
Cash and cash equivalents		6,420,992	7,954,823
		<b>8,927,058</b>	10,228,329
<b>Total assets</b>		<b>39,485,883</b>	42,210,905
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	15	615,800	615,800
Other reserves	16	3,356,200	3,780,489
Retained earnings		9,184,711	8,848,169
		<b>13,156,711</b>	13,244,458
<b>Non-controlling interests</b>		<b>16,126,398</b>	16,409,123
<b>Total equity</b>		<b>29,283,109</b>	29,653,581

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	Unaudited 30 June 2023 HK\$'000	Audited 31 December 2022 HK\$'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	17	4,187,230	4,272,314
Lease liabilities		175,255	210,913
Deferred income tax liabilities		214,608	230,292
Other long-term liabilities		54,106	44,685
		<b>4,631,199</b>	4,758,204
<b>Current liabilities</b>			
Trade and other payables and contract liabilities	18	3,505,670	3,494,757
Current income tax liabilities		155,277	108,404
Borrowings	17	1,772,561	4,018,468
Lease liabilities		138,067	177,491
		<b>5,571,575</b>	7,799,120
<b>Total liabilities</b>		<b>10,202,774</b>	12,557,324
<b>Total equity and liabilities</b>		<b>39,485,883</b>	42,210,905
<b>Net current assets</b>		<b>3,355,483</b>	2,429,209
<b>Total assets less current liabilities</b>		<b>33,914,308</b>	34,411,785



## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Unaudited					
	Equity attributable to equity holders of the Company				Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Other reserves HK\$'000 (Note 16)	Retained earnings HK\$'000	Total HK\$'000		
At 1 January 2022	615,800	4,880,527	8,940,062	14,436,389	16,092,474	30,528,863
Total comprehensive (loss)/ income for the period	–	(677,222)	286,096	(391,126)	(303,683)	(694,809)
Dividends	–	–	(368,864)	(368,864)	(202,267)	(571,131)
Acquisition of subsidiaries	–	–	–	–	869,813	869,813
Lapse of share options	–	(1,459)	1,459	–	–	–
At 30 June 2022	615,800	4,201,846	8,858,753	13,676,399	16,456,337	30,132,736
<b>At 1 January 2023</b>	<b>615,800</b>	<b>3,780,489</b>	<b>8,848,169</b>	<b>13,244,458</b>	<b>16,409,123</b>	<b>29,653,581</b>
Total comprehensive (loss)/ income for the period	–	(424,289)	474,481	50,192	92,477	142,669
Dividends	–	–	(137,939)	(137,939)	(374,639)	(512,578)
Deregistration of a subsidiary	–	–	–	–	(563)	(563)
<b>At 30 June 2023</b>	<b>615,800</b>	<b>3,356,200</b>	<b>9,184,711</b>	<b>13,156,711</b>	<b>16,126,398</b>	<b>29,283,109</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Unaudited	
	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
<b>Net cash generated from operating activities</b>	<b>1,456,468</b>	1,494,880
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment and intangible assets	(190,172)	(540,865)
Payments for right-of-use assets	(140,926)	–
Acquisition of subsidiaries	–	(14,098)
Dividends received from investments accounted for using the equity method	58,493	9,802
Increase in time deposits with maturity over three months	–	(1,769,547)
Other investing activities	23,557	56,294
Net cash used in investing activities	(249,048)	(2,258,414)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	862,709	2,959,974
Repayments of borrowings	(3,006,378)	(3,718,183)
Principal portion of lease payments	(63,352)	(52,129)
Interest portion of lease payments	(7,792)	(11,933)
Other financing activities	(307,252)	(339,071)
Net cash used in financing activities	(2,522,065)	(1,161,342)
<b>Net decrease in cash and cash equivalents</b>	<b>(1,314,645)</b>	(1,924,876)
Cash and cash equivalents at 1 January	7,954,823	7,731,651
Effects of exchange rate changes	(219,186)	(349,384)
<b>Cash and cash equivalents at 30 June</b>	<b>6,420,992</b>	5,457,391

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2023*

## 1. GENERAL INFORMATION

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

The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the provision of containerised and non-containerised cargo handling services, sales and other port ancillary services at the port of Tianjin in the People’s Republic of China (the “PRC”).

The condensed consolidated financial statements were approved for issue by the board of directors of the Company (the “Board”) on 29 August 2023.

## 2. BASIS OF PREPARATION

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

The condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2022 which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

## 3. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied and methods of computation used in the preparation of the condensed consolidated financial statements for the six months ended 30 June 2023 are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2022.

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2023 for the preparation of the Group’s condensed consolidated financial statements:

*HKFRS 17 (including the October 2020 and  
February 2022 Amendments to HKFRS 17)*

*Amendments to HKAS 8*

*Amendments to HKAS 12*

*Insurance Contracts*

*Definition of Accounting Estimates*

*Deferred Tax related to Assets and Liabilities arising  
from a Single Transaction*

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Impacts and changes in accounting policies on application of Amendments to HKAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the condensed consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities, and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

As disclosed in the Group’s annual financial statements for the year ended 31 December 2022, the Group previously applied the HKAS 12 requirements to assets and liabilities arising from a single transaction as a whole and temporary differences relating to the relevant assets and liabilities were assessed on a net basis. Upon the application of the amendments, the Group assessed the relevant assets and liabilities separately. In accordance with the transition provision:

- (i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after 1 January 2022;
- (ii) the Group also, as at 1 January 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associate with right-of-use assets and lease liabilities.

The application of the amendments has had no material impact on the Group’s financial statements, financial position and performance, except that the Group recognised the related deferred tax assets and deferred tax liabilities on a gross basis but it has no impact on the retained earnings at the earliest period presented.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

**4. FINANCIAL RISK MANAGEMENT****Fair value estimation**

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

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

At 30 June 2023, financial instruments included in level 1 and level 3 comprise listed equity securities and unlisted equity securities respectively which were classified as financial assets at fair value through other comprehensive income ("FVOCI"). Listed equity securities of HK\$538,783,000 (31 December 2022: HK\$542,099,000) was measured at the quoted price in active market.

The fair value of unlisted equity securities as at 30 June 2023 of HK\$31,369,000 (31 December 2022: HK\$32,263,000) has been arrived at based on valuation carried out by an independent valuer by adopting market approach with the use of enterprise multiples of comparable companies and a marketability discount.

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

	2023 HK\$'000	2022 HK\$'000
At 1 January	32,263	24,785
Fair value change recognised in other comprehensive income	113	3,583
Exchange differences	(1,007)	(1,192)
At 30 June	31,369	27,176

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

**5. SEGMENT INFORMATION**

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

Principal activities of the three reportable segments are as follows:

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

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

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

The segment information for the reportable segments is as follows:

	Unaudited Six months ended 30 June 2023			Total HK\$'000
	Cargo handling HK\$'000	Sales HK\$'000	Other port ancillary services HK\$'000	
Total segment revenue	3,623,545	1,421,389	1,459,112	6,504,046
Inter-segment revenue	–	(14,858)	(245,220)	(260,078)
Revenue from external customers	3,623,545	1,406,531	1,213,892	6,243,968
Timing of revenue recognition				
At a point in time	3,623,545	1,406,531	1,159,780	6,189,856
Over time	–	–	54,112	54,112
	3,623,545	1,406,531	1,213,892	6,243,968
Segment results	1,339,558	10,663	682,404	2,032,625
Taxes and surcharges				(2,413)
Other income				88,920
Other gains and losses				52,273
Administrative expenses				(897,726)
Allowance for impairment on financial assets				(2,745)
Other expenses				(3,470)
Finance costs				(149,999)
Share of net profit of associates and joint ventures accounted for using the equity method				219,129
Profit before income tax				1,336,594

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

## 5. SEGMENT INFORMATION (CONTINUED)

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

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

**5. SEGMENT INFORMATION (CONTINUED)**

Analysis of revenue by segment:

	Unaudited Six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Non-containerised cargo handling business	2,554,013	2,636,720
Container handling business	1,069,532	931,449
Cargo handling business	3,623,545	3,568,169
Sales business	1,406,531	2,263,561
Other port ancillary services business	1,213,892	1,282,229
	<b>6,243,968</b>	7,113,959

**6. OTHER INCOME, GAINS AND LOSSES**

Other income comprises of the following items:

	Unaudited Six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Interest income	49,454	82,931
Dividend income from financial assets at FVOCI	14,475	25,174
Government grants	3,595	12,156
Value-added tax extra deduction	13,114	19,193
Others	8,282	913
	<b>88,920</b>	140,367

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

	Unaudited Six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Remeasurement gain on investment in an associate accounted for using the equity method	–	108,524
Exchange gain/(loss), net	48,559	(97,364)
Others	3,714	(109)
	<b>52,273</b>	11,051



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

**7. FINANCE COSTS**

	Unaudited Six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Interest expenses on borrowings	145,595	188,810
Less: Amount capitalised in construction in progress	(3,388)	–
	142,207	188,810
Interest expenses on lease liabilities	7,792	11,933
	149,999	200,743

**8. INCOME TAX**

	Unaudited Six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
PRC income tax expense/(credit)		
Current	256,049	223,425
Deferred	(3,360)	11,031
	252,689	234,456

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits arising in or derived from Hong Kong for the period (2022: nil).

PRC income tax has been provided based on the estimated assessable profits at the prevailing income tax rates.

**9. PROFIT FOR THE PERIOD**

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

	Unaudited Six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Costs of goods sold	1,393,528	2,230,529
Depreciation of property, plant and equipment	526,412	599,030
Depreciation of right-of-use assets	185,118	190,423
Depreciation of investment properties	9,500	10,161
Amortisation of intangible assets	16,202	16,791

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

**10. DIVIDEND**

	Unaudited Six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
2022 final dividend of HK2.24 cents per ordinary share (2022: 2021 final dividend of HK5.99 cents per ordinary share)	<b>137,939</b>	368,864

At the meeting held on 28 March 2023, the Board recommended the payment of a final dividend of HK2.24 cents per ordinary share for the year ended 31 December 2022. The 2022 final dividend was approved at the annual general meeting of the Company held on 2 June 2023.

The Board has resolved not to pay an interim dividend for the six months ended 30 June 2023 (2022: nil).

**11. EARNINGS PER SHARE**

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

	Unaudited Six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
<b>Earnings</b>		
Profit attributable to equity holders of the Company for calculating basic and diluted earnings per share	<b>474,481</b>	286,096

	Unaudited Six months ended 30 June	
	2023 '000	2022 '000
<b>Number of shares</b>		
Weighted average number of ordinary shares for calculating basic and diluted earnings per share	<b>6,158,000</b>	6,158,000

The computation of diluted earnings per share for the six months ended 30 June 2023 was the same as the computation of basic earnings per share since there was no potential ordinary shares in issue.

The computation of diluted earnings per share for the six months ended 30 June 2022 did not assume the exercise of the Company's outstanding share options as the exercise prices of the share options were higher than the average market price of the Company's shares at the period when the share options were outstanding.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

**12. PROPERTY, PLANT AND EQUIPMENT**

During the six months ended 30 June 2023, the Group acquired property, plant and equipment amounted to approximately HK\$172,095,000 (six months ended 30 June 2022: HK\$1,706,695,000).

**13. RIGHT-OF-USE ASSETS**

During the six months ended 30 June 2023, the Group acquired right-of-use assets amounted to approximately HK\$138,188,000 (six months ended 30 June 2022: HK\$299,024,000).

**14. TRADE AND OTHER RECEIVABLES AND NOTES RECEIVABLES**

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

	<b>Unaudited 30 June 2023 HK\$'000</b>	Audited 31 December 2022 HK\$'000
0-90 days	<b>1,443,775</b>	1,431,483
91-180 days	<b>59,013</b>	50,111
Over 180 days	<b>83,896</b>	58,629
	<b>1,586,684</b>	1,540,223

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

As at 30 June 2023, the Group endorsed and discounted notes receivables (the "Relevant Notes") to suppliers to settle trade and other payables or to bank for early cash receipt, the total amount of the Relevant Notes amounted to approximately HK\$759,452,000 (31 December 2022: HK\$795,915,000), in aggregate. The majority of the Relevant Notes had a maturity of within six months at the end of the reporting period. In accordance with the relevant laws in the PRC, holders of the Relevant Notes have a right of recourse against the Group if the Relevant Notes defaulted. In the opinion of the Board, the probabilities on default of the Relevant Notes is limited, and accordingly derecognised the full carrying amounts of the Relevant Notes and the associated trade and other payables.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

## 15. SHARE CAPITAL

	Number of Shares '000	Share capital HK\$'000
Ordinary shares of HK\$0.10 each		
<b>Authorised:</b>		
At 1 January 2022, 31 December 2022 and 30 June 2023	<b>12,000,000</b>	<b>1,200,000</b>
<b>Issued and fully paid:</b>		
At 1 January 2022, 31 December 2022 and 30 June 2023	<b>6,158,000</b>	<b>615,800</b>

## 16. OTHER RESERVES

	Unaudited							
	Share premium HK\$'000 (Note i)	Merger reserve HK\$'000	Revaluation reserve HK\$'000	Employee share-based compensation reserve HK\$'000	Exchange reserve HK\$'000	Statutory reserves HK\$'000 (Note ii)	Others HK\$'000	Total HK\$'000
At 1 January 2022	10,291,605	(9,111,447)	74,814	1,459	1,325,328	1,884,258	414,510	4,880,527
Other comprehensive loss for the period	-	-	(29,331)	-	(647,891)	-	-	(677,222)
Lapse of share options	-	-	-	(1,459)	-	-	-	(1,459)
At 30 June 2022	10,291,605	(9,111,447)	45,483	-	677,437	1,884,258	414,510	4,201,846
<b>At 1 January 2023</b>	<b>10,291,605</b>	<b>(9,111,447)</b>	<b>38,816</b>	<b>-</b>	<b>94,035</b>	<b>1,954,012</b>	<b>513,468</b>	<b>3,780,489</b>
Other comprehensive income/(loss) for the period	-	-	9,515	-	(433,804)	-	-	(424,289)
<b>At 30 June 2023</b>	<b>10,291,605</b>	<b>(9,111,447)</b>	<b>48,331</b>	<b>-</b>	<b>(339,769)</b>	<b>1,954,012</b>	<b>513,468</b>	<b>3,356,200</b>

Notes:

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

## 17. BORROWINGS

	Unaudited 30 June 2023 HK\$'000	Audited 31 December 2022 HK\$'000
<b>Unsecured borrowings:</b>		
<b>Non-current</b>		
Long-term borrowings	4,187,230	4,272,314
<b>Current</b>		
Short-term borrowings	733,747	2,992,415
Current portion of long-term borrowings	1,038,814	1,026,053
	<b>1,772,561</b>	4,018,468
	<b>5,959,791</b>	8,290,782
<b>Repayable:</b>		
Within 1 year	1,772,561	4,018,468
Between 1 and 2 years	722,356	838,582
Between 2 and 5 years	2,364,952	2,175,297
Over 5 years	1,099,922	1,258,435
	<b>5,959,791</b>	8,290,782
<b>Carrying amounts are denominated in the following currencies:</b>		
RMB	5,959,791	6,093,199
HK\$	–	2,197,583
	<b>5,959,791</b>	8,290,782
<b>Weighted average interest rates per annum:</b>		
RMB	4.2%	4.2%
HK\$	N/A	5.4%

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

**18. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES**

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

	<b>Unaudited 30 June 2023 HK\$'000</b>	Audited 31 December 2022 HK\$'000
0-90 days	<b>856,808</b>	1,341,957
91-180 days	<b>118,746</b>	136,799
181-365 days	<b>202,700</b>	95,893
Over 365 days	<b>98,324</b>	77,852
	<b>1,276,578</b>	1,652,501

**19. COMMITMENTS**

	<b>Unaudited 30 June 2023 HK\$'000</b>	Audited 31 December 2022 HK\$'000
<b>Contracted but not provided for</b>		
Property, plant and equipment	<b>630,111</b>	678,968
<b>Authorised but not contracted for</b>		
Property, plant and equipment	<b>898,795</b>	1,055,121

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

## 20. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

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

	Unaudited Six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
<b>With Tianjin Port (Group) Co., Ltd ("Tianjin Port Group") and its subsidiaries, associates and joint ventures</b>		
Sales of goods and services	19,899	31,554
Purchases of goods and services	389,522	432,341
Payments for rental of land, property, plant and equipment (Note)	101,912	119,731
Acquisition of property, plant and equipment	68,748	6,282
<b>With associates</b>		
Sales of goods and services	29,387	15,044
Purchases of goods and services	397,325	366,982
Payments for rental of property, plant and equipment (Note)	1,979	2,103
Interest income	20,082	22,788
Interest expenses on borrowings	73,319	91,030
<b>With joint ventures</b>		
Sales of goods and services	12,877	9,305
Purchases of goods and services	39,466	14,008

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

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

	Unaudited 30 June 2023 HK\$'000	Audited 31 December 2022 HK\$'000
<b>With Tianjin Port Group and its subsidiaries, associates and joint ventures</b>		
Trade and other receivables and notes receivables (Note i)	47,293	81,648
Trade and other payables and contract liabilities (Note i)	267,672	325,055
Lease payables	27,336	–
<b>With associates</b>		
Trade and other receivables and notes receivables (Note i)	2,128	1,205
Trade and other payables and contract liabilities (Note i)	69,094	68,294
Deposits (Note ii)	3,156,437	3,433,951
Borrowings (Note iii)	3,171,547	3,326,814

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

**20. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)****(b) Balances with related parties of the Group (continued)**

	<b>Unaudited 30 June 2023 HK\$'000</b>	Audited 31 December 2022 HK\$'000
<b>With joint ventures</b>		
Trade and other receivables and notes receivables ( <i>Note i</i> )	<b>2,515</b>	2,251
Trade and other payables and contract liabilities ( <i>Note i</i> )	<b>6,791</b>	1,335

*Notes:*

- i. Trade and other receivables and notes receivables, and trade and other payables and contract liabilities are unsecured, interest-free and due within 1 year.
- ii. Deposits placed with Tianjin Port Finance Co., Ltd. ("Tianjin Port Finance"), a 45.83% owned associate of the Group, carry interests at prevailing market rates. Tianjin Port Finance is a non-bank financial institution with limited liability established under the PRC law. The business activities of Tianjin Port Finance are regulated and supervised by the People's Bank of China and the China Banking and Insurance Regulatory Commission.
- iii. As at 30 June 2023, borrowings from Tianjin Port Finance amounted to HK\$3,171,547,000 (31 December 2022: HK\$3,326,814,000), in which HK\$2,781,148,000 (31 December 2022: HK\$2,802,661,000) are repayable within 5 years and the remaining HK\$390,399,000 (31 December 2022: HK\$524,153,000) are repayable over 5 years. Borrowings from Tianjin Port Finance are unsecured and bear interests at market rates ranging from 3.8% to 4.9% (31 December 2022: 3.8% to 4.9%) per annum.

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

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

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

In addition to those disclosed above, as at 30 June 2023, the majority of the Group's cash and deposits and borrowings held by subsidiaries in the PRC are with state-owned banks and financial institutions.

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



## OTHER INFORMATION

### REVIEW OF INTERIM RESULTS

The unaudited condensed consolidated financial statements for the six months ended 30 June 2023 have been reviewed by the independent auditor of the Company in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. The audit committee of the Company has reviewed the interim report for the six months ended 30 June 2023.

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with all code provisions of the CG Code throughout the six months ended 30 June 2023.

### DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with the Directors, all Directors confirmed that they have complied with the Model Code at all applicable times throughout the six months ended 30 June 2023.

### 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 2023.

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

On 5 June 2018, Tianjin Port Development Finance Limited, a wholly-owned subsidiary of the Company, as borrower (the “Borrower”) and the Company as guarantor entered into a facility letter with a financial institution as the lender (the “Lender”) for an uncommitted revolving loan facility of up to HK\$100 million. The loan facility is unsecured, interest bearing and subject to annual review by the Lender. Pursuant to the facility letter, the Borrower and the Company undertake that Tianjin Port Group, together with its subsidiaries, in aggregate, shall (1) have the single largest shareholding interest in the Company, and (2) hold no less than 35% (directly or indirectly) of the shareholding interest in the Company. Any breach of the undertaking may result in the relevant financial institution exercising its right to demand repayment. The above specific performance obligations and undertaking continue to exist as at the date of this report.

On 19 May 2022, the Borrower as borrower and the Company as guarantor entered into:

- (1) a facility agreement with a financial institution as lender for a term loan facility of up to HK\$1,200 million. The loan facility is repayable in full on the date falling 12 months from the date of the facility agreement.
- (2) a facility agreement with a financial institution as lender for a term loan facility of up to HK\$500 million. The loan facility is repayable in full on the date falling 12 months from the date of the facility agreement.
- (3) a facility agreement with a financial institution as lender for a term loan facility of up to HK\$500 million. The loan facility is repayable in full on the date falling 12 months from the date of the facility agreement.

## OTHER INFORMATION

Each of the above facility agreements under items (1) to (3) includes a condition imposing specific performance obligations on Tianjin Port Group, the controlling shareholder of the Company. If Tianjin Port Group, together with its subsidiaries, in aggregate, (1) ceases to have the single largest shareholding interest (directly or indirectly) in the Company; or (2) ceases to hold no less than 35% (directly or indirectly) of the shareholding interest in the Company, the relevant financial institutions may demand immediate repayment of the loan facilities.

The Borrower had fully repaid the whole HK\$2,200 million loan facilities on 30 January 2023. As at 30 June 2023, the aggregate balance of the loan facilities subject to the above obligations was nil.

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

The changes in the Directors' information since the date of the 2022 annual report of the Company pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

LOU Zhanshan, an executive Director, was appointed as a director of Tianjin Port Co with effect from 27 April 2023.

YANG Zhengliang, an executive Director, was resigned as a director of Tianjin Port Co with effect from 23 March 2023.

## THE SHARE SCHEMES

The Company currently does not have any share scheme.

## DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

During the six months ended 30 June 2023 or at the end of the period, the Company or any of its subsidiaries, its fellow subsidiaries or its holding companies was not a party to any arrangements to enable the Directors or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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

As at 30 June 2023, the interests and short positions held by the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company as recorded in the register are required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director	Capacity	Number of Shares	Percentage of issued share capital of the Company
Japhet Sebastian LAW	Beneficial owner	2,700,000 (L)	0.04%

(L) denotes a long position

Save as disclosed above, as at 30 June 2023, none of the Directors or chief executive of the Company or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## OTHER INFORMATION

## INTERESTS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 June 2023, the following persons, other than the Directors or chief executive of the Company, held interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name of Shareholder	Capacity	Number of Shares interested <i>(Note 1)</i>	Percentage of issued share capital of the Company
Tianjin Port Overseas Holding Limited <i>(Note 2)</i>	Beneficial owner	3,294,530,000 (L)	53.5%
Tianjin Port Group <i>(Note 2)</i>	Interest of a controlled corporation	3,294,530,000 (L)	53.5%
Leadport Holdings Limited <i>(Note 3)</i>	Beneficial owner	1,293,030,000 (L)	21.0%
Tianjin Development Holdings Limited ("Tianjin Development") <i>(Note 3)</i>	Interest of controlled corporations	1,293,180,000 (L)	21.0%
天津投資控股有限公司 (Tianjin Investment Holdings Limited*) <i>(Note 4)</i>	Interest of controlled corporations	1,293,180,000 (L)	21.0%
	Beneficial owner	6,820,000 (L)	0.1%
Tsinlien Investment Limited <i>(Note 4)</i>	Beneficial owner	3,010,000 (L)	0.0%
Tsinlien Group Company Limited ("Tsinlien") <i>(Note 4)</i>	Interest of controlled corporations	1,303,010,000 (L)	21.2%
	Beneficial owner	35,976 (L)	0.0%
天津渤海國有資產經營管理有限公司 (Tianjin Bohai State-owned Assets Management Co., Ltd.*) ("Bohai") <i>(Note 4)</i>	Interest of controlled corporations	1,303,045,976 (L)	21.2%
天津泰達實業集團有限公司 (Tianjin TEDA Industrial Group Co., Ltd.*) ("TEDA Industrial") <i>(Note 4)</i>	Interest of controlled corporations	1,303,045,976 (L)	21.2%
Tianjin TEDA Investment Holding Co., Ltd. ("TEDA Holding") <i>(Note 4)</i>	Interest of controlled corporations	1,303,045,976 (L)	21.2%

(L) denotes a long position

## Notes:

- According to Section 336 of the SFO, when the shareholdings of the Shareholders in the Company change, it is not necessary for the Shareholders to notify the Company and the Stock Exchange unless certain criteria are fulfilled. Therefore, the latest shareholdings of the Shareholders may be different from the shareholdings filed with the Stock Exchange.
- By virtue of the SFO, Tianjin Port Group is deemed to be interested in all the Shares held by Tianjin Port Overseas Holding Limited, a wholly-owned subsidiary of Tianjin Port Group.
- By virtue of the SFO, Tianjin Development is deemed to be interested in all the Shares held by Leadport Holdings Limited, a wholly-owned subsidiary of Tianjin Development.
- Tianjin Development is a subsidiary of Tianjin Investment Holdings Limited which in turn is a wholly-owned subsidiary of Tsinlien. As at 30 June 2023, Tianjin Investment Holdings Limited and Tsinlien Investment Limited, the wholly-owned subsidiaries of Tsinlien, were beneficially interested in 6,820,000 Shares and 3,010,000 Shares respectively, representing an aggregate of approximately 0.2% of the issued share capital of the Company. Tsinlien is a wholly-owned subsidiary of Bohai, which in turn is a wholly-owned subsidiary of TEDA Industrial. TEDA Industrial is a subsidiary of TEDA Holding. By virtue of the SFO, Tsinlien, Bohai, TEDA Industrial and TEDA Holding are deemed to be interested in all the Shares held by each of Tianjin Development, Tianjin Investment Holdings Limited and Tsinlien Investment Limited.

Save as disclosed above, as at 30 June 2023, there are no other persons, other than the Directors or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

## FINANCIAL SUMMARY

	For the year ended 31 December					For the six months ended 30 June	
	2018 HK\$'000	2019 HK\$'000	2020 HK\$'000	2021 HK\$'000	2022 HK\$'000	2022 HK\$'000	2023 HK\$'000
<b>Consolidated Income Statement</b>							
Revenue	15,871,075	15,077,403	15,490,177	17,370,544	13,017,326	7,113,959	<b>6,243,968</b>
Cost of sales	(12,675,629)	(11,843,819)	(12,123,230)	(13,528,544)	(9,672,328)	(5,390,464)	<b>(4,211,343)</b>
Taxes and surcharges	(14,800)	(10,452)	(9,073)	(10,534)	(7,572)	(6,855)	<b>(2,413)</b>
Gross profit	3,180,646	3,223,132	3,357,874	3,831,466	3,337,426	1,716,640	<b>2,030,212</b>
Other income and expenses, other gains and losses	19,147	196,728	324,221	909,597	272,152	151,825	<b>134,978</b>
Administrative expenses	(1,804,583)	(1,674,496)	(1,770,862)	(2,191,709)	(2,010,610)	(881,360)	<b>(897,726)</b>
Finance costs	(616,065)	(657,187)	(550,117)	(484,159)	(390,092)	(200,743)	<b>(149,999)</b>
Share of net profit of associates and joint ventures accounted for using the equity method	448,394	427,960	435,843	411,101	397,552	219,620	<b>219,129</b>
Profit before income tax	1,227,539	1,516,137	1,796,959	2,476,296	1,606,428	1,005,982	<b>1,336,594</b>
Income tax	(263,324)	(410,633)	(389,433)	(533,987)	(431,519)	(234,456)	<b>(252,689)</b>
Profit for the year/period	964,215	1,105,504	1,407,526	1,942,309	1,174,909	771,526	<b>1,083,905</b>
Profit attributable to:							
Equity holders of the Company	387,745	388,491	636,161	923,116	345,266	286,096	<b>474,481</b>
Non-controlling interests	576,470	717,013	771,365	1,019,193	829,643	485,430	<b>609,424</b>
	964,215	1,105,504	1,407,526	1,942,309	1,174,909	771,526	<b>1,083,905</b>

	As at 31 December					As at 30 June
	2018 HK\$'000	2019 HK\$'000	2020 HK\$'000	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000
<b>Consolidated Statement of Financial Position</b>						
Property, plant and equipment	18,803,723	20,351,560	21,467,926	19,953,732	19,558,260	<b>18,602,964</b>
Land use rights	5,897,291	–	–	–	–	<b>–</b>
Right-of-use assets	–	6,737,343	7,068,583	6,550,516	6,001,860	<b>5,774,718</b>
Investment properties	–	–	820,200	823,624	734,950	<b>702,907</b>
Goodwill	–	–	–	–	44,061	<b>42,689</b>
Intangible assets	60,069	68,143	84,867	88,063	123,075	<b>110,807</b>
Investments accounted for using the equity method	5,524,722	4,773,800	4,806,587	5,897,365	4,773,780	<b>4,658,991</b>
Financial assets at FVOCI	509,111	723,781	785,600	705,558	574,362	<b>570,152</b>
Deposits paid for addition of non-current assets	–	–	–	–	127,844	<b>46,954</b>
Deferred income tax assets	54,091	54,914	120,290	26,216	44,384	<b>48,643</b>
Non-current assets	30,849,007	32,709,541	35,154,053	34,045,074	31,982,576	<b>30,558,825</b>
Current assets	14,523,844	12,103,737	12,490,082	12,256,848	10,228,329	<b>8,927,058</b>
Total assets	45,372,851	44,813,278	47,644,135	46,301,922	42,210,905	<b>39,485,883</b>
Total liabilities	(19,581,570)	(18,309,693)	(18,579,908)	(15,773,059)	(12,557,324)	<b>(10,202,774)</b>
Net assets	25,791,281	26,503,585	29,064,227	30,528,863	29,653,581	<b>29,283,109</b>
Non-controlling interests	(13,622,769)	(14,315,361)	(15,581,769)	(16,092,474)	(16,409,123)	<b>(16,126,398)</b>
Equity attributable to equity holders of the Company	12,168,512	12,188,224	13,482,458	14,436,389	13,244,458	<b>13,156,711</b>

## DEFINITIONS

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

“Board”	the board of Directors
“CG Code”	the Corporate Governance Code, Appendix 14 to the Listing Rules
“Company”	Tianjin Port Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 03382)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers, Appendix 10 to the Listing Rules
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin Port Co”	天津港股份有限公司 (Tianjin Port Holdings Co., Ltd.*), a limited liability company incorporated in the PRC, the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600717), and a non-wholly-owned subsidiary of the Group
“Tianjin Port Group”	天津港(集團)有限公司 (Tianjin Port (Group) Co., Ltd.*), a limited liability company incorporated in the PRC and the Company’s ultimate holding company
“U.S.”	the United States of America
“US\$”	United States dollars, the lawful currency of the U.S.
“%”	per cent

\* for identification purposes only

## CORPORATE INFORMATION

### EXECUTIVE DIRECTORS

CHU Bin (*Chairman*)  
 LUO Xunjie (*Managing Director*)<sup>△</sup>  
 TENG Fei  
 SUN Bin  
 LOU Zhanshan <sup>+</sup>  
 YANG Zhengliang

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Japhet Sebastian LAW<sup>\*+</sup>  
 CHENG Chi Pang, Leslie<sup>\*△</sup>  
 ZHANG Weidong <sup>\*+△</sup>  
 LUO Laura Ying <sup>\*</sup>

### CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

CHEUNG Wah Lung, Warren

### AUDITOR

Deloitte Touche Tohmatsu  
 Registered Public Interest Entity Auditor

### PRINCIPAL LEGAL ADVISORS

Woo Kwan Lee & Lo, as to Hong Kong law  
 Ocorian Law (Cayman) Limited, as to Cayman Islands law

### PRINCIPAL BANKERS

Agricultural Bank of China Limited  
 Bank of China (Hong Kong) Limited  
 Bank of Communications (Hong Kong) Ltd.  
 DBS Bank Ltd.

### PRINCIPAL SHARE REGISTRAR

Ocorian Trust (Cayman) Limited  
 Windward 3, Regatta Office Park  
 PO Box 1350  
 Grand Cayman KY1-1108  
 Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited  
 17/F, Far East Finance Centre  
 16 Harcourt Road, Hong Kong

### REGISTERED OFFICE

Windward 3, Regatta Office Park  
 PO Box 1350  
 Grand Cayman KY1-1108  
 Cayman Islands

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 3904-3907, 39/F., Tower Two  
 Times Square, 1 Matheson Street  
 Causeway Bay, Hong Kong

### INVESTOR RELATIONS

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 Tel: (852) 2847 8888  
 Fax: (852) 2899 2086

### WEBSITE

[www.tianjinportdev.com](http://www.tianjinportdev.com)

### STOCK CODE

Hong Kong Stock Exchange: 03382

<sup>△</sup> Members of Nomination Committee, ZHANG Weidong is the chairman of the committee

<sup>+</sup> Members of Remuneration Committee, Japhet Sebastian LAW is the chairman of the committee

<sup>\*</sup> Members of Audit Committee, CHENG Chi Pang, Leslie is the chairman of the committee



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