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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03382)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

HIGHLIGHTS

- Total cargo throughput handled was 445 million tonnes, of which total container throughput was 20.02 million TEUs.
- Revenue was HK\$13,484 million.
- Profit attributable to equity holders of the Company was HK\$729 million.
- Basic earnings per share was HK11.8 cents.
- Proposed final dividend of HK4.73 cents per share, representing a payout ratio of approximately 40%.

The Board of Tianjin Port Development Holdings Limited is pleased to announce the audited consolidated results of the Company and its subsidiaries for the year ended 31 December 2023 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2023

	Notes	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue	2	13,484,271	13,017,326
Cost of sales		(9,782,113)	(9,672,328)
Taxes and surcharges		(4,500)	(7,572)
Gross profit		3,697,658	3,337,426
Other income	3	168,660	374,602
Other gains and losses	3	72,134	(112,662)
Administrative expenses		(1,997,431)	(2,010,610)
(Allowance for)/reversal of impairment on financial assets, net		(7,114)	15,602
Other expenses		(3,617)	(5,390)
Finance costs	4	(280,546)	(390,092)
Share of net profit of associates and joint ventures accounted for using the equity method		435,332	397,552
Profit before income tax		2,085,076	1,606,428
Income tax	5	(399,884)	(431,519)
Profit for the year	6	1,685,192	1,174,909
Profit attributable to:			
Equity holders of the Company		728,594	345,266
Non-controlling interests		956,598	829,643
		1,685,192	1,174,909
Earnings per share	8		
Basic (HK cents)		11.8	5.6
Diluted (HK cents)		11.8	5.6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Profit for the year	<u>1,685,192</u>	<u>1,174,909</u>
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	(76,565)	(74,510)
Deferred taxation on fair value change of financial assets at fair value through other comprehensive income	12,684	5,115
Share of other comprehensive loss of investments accounted for using the equity method to revaluation reserve, net of tax	(7,634)	(1,708)
Currency translation differences	<u>(423,588)</u>	<u>(2,676,485)</u>
Other comprehensive loss for the year, net of tax	<u>(495,103)</u>	<u>(2,747,588)</u>
Total comprehensive income/(loss) for the year	<u><u>1,190,089</u></u>	<u><u>(1,572,679)</u></u>
Total comprehensive income/(loss) attributable to:		
Equity holders of the Company	503,629	(922,025)
Non-controlling interests	<u>686,460</u>	<u>(650,654)</u>
	<u><u>1,190,089</u></u>	<u><u>(1,572,679)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	2023 HK\$'000	2022 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		19,414,378	19,558,260
Right-of-use assets		6,146,011	6,001,860
Investment properties		705,815	734,950
Goodwill		43,431	44,061
Intangible assets		151,099	123,075
Investments accounted for using the equity method		4,814,142	4,773,780
Financial assets at fair value through other comprehensive income		490,115	574,362
Deposits paid for acquisition of land-use-rights		–	127,844
Deferred income tax assets		61,989	44,384
		<u>31,826,980</u>	<u>31,982,576</u>
Current assets			
Inventories		60,301	97,285
Trade and other receivables and notes receivables	9	2,304,734	2,173,186
Restricted bank deposits		14,939	3,035
Time deposits with maturity over three months		44,493	–
Cash and cash equivalents		6,368,272	7,954,823
		<u>8,792,739</u>	<u>10,228,329</u>
Total assets		<u>40,619,719</u>	<u>42,210,905</u>
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		615,800	615,800
Other reserves		3,661,034	3,780,489
Retained earnings		9,333,314	8,848,169
		<u>13,610,148</u>	<u>13,244,458</u>
Non-controlling interests		<u>16,673,464</u>	<u>16,409,123</u>
Total equity		<u>30,283,612</u>	<u>29,653,581</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Borrowings		3,807,368	4,272,314
Lease liabilities		425,019	210,913
Deferred income tax liabilities		205,963	230,292
Other long-term liabilities		310,256	44,685
		4,748,606	4,758,204
Current liabilities			
Trade and other payables	10	3,178,699	3,223,242
Borrowings		1,899,192	4,018,468
Lease liabilities		164,431	177,491
Contract liabilities		280,115	271,515
Current income tax liabilities		65,064	108,404
		5,587,501	7,799,120
Total liabilities		10,336,107	12,557,324
Total equity and liabilities		40,619,719	42,210,905
Net current assets		3,205,238	2,429,209
Total assets less current liabilities		35,032,218	34,411,785

Notes:

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), and included applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance (Cap. 622). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial assets measured at fair value at the end of each reporting period.

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

(a) New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements:

<i>Amendments to HKAS 1 and HKFRS Practice Statement 2</i>	<i>Disclosure of Accounting Policies</i>
<i>Amendments to HKAS 8</i>	<i>Definition of Accounting Estimates</i>
<i>Amendments to HKAS 12</i>	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
<i>Amendments to HKAS 12</i>	<i>International Tax Reform-Pillar Two Model Rules</i>
<i>HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)</i>	<i>Insurance Contracts</i>

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

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies”

The Group has applied the amendments for the first time in the current year. HKAS 1 “Presentation of Financial Statements” is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

As a result of the adoption of the amendments, certain accounting policies have been removed.

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

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 “Income Taxes” so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

In accordance with the transition provision:

- the Group has applied the new accounting policy retrospectively to leasing transactions and provisions for decommissioning and restoration that occurred on or after 1 January 2022;
- 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 associated with right-of-use-assets and lease liabilities and decommissioning and restoration and the corresponding amounts recognised as part of the cost of the related asset.

The application of the amendments has had no material impact on the Group’s financial statement, 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.

(b) Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

<i>Amendments to HKFRS 16</i>	<i>Lease liability in a Sale and Leaseback¹</i>
<i>Amendments to HKAS 1</i>	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)¹</i>
<i>Amendments to HKAS 1</i>	<i>Non-current Liabilities with Covenants¹</i>
<i>Amendments to HKAS 7 and HKFRS 7</i>	<i>Supplier Finance Arrangements¹</i>
<i>Amendments to HKAS 21</i>	<i>Lack of Exchangeability²</i>
<i>Amendments to HKFRS 10 and HKAS 28</i>	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>

¹ Effective for annual periods beginning on or after 1 January 2024

² Effective for annual periods beginning on or after 1 January 2025

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 what the impact of these amendments is expected to be in the period of initial application. So far it has anticipated that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

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

For the year ended 31 December 2022

	Cargo handling <i>HK\$'000</i>	Sales <i>HK\$'000</i>	Other port ancillary services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Total segment revenue	7,383,756	3,139,643	3,091,717	13,615,116
Inter-segment revenue	–	(160,999)	(436,791)	(597,790)
Revenue from external customers	<u>7,383,756</u>	<u>2,978,644</u>	<u>2,654,926</u>	<u>13,017,326</u>
Timing of revenue recognition				
At a point in time	7,383,756	2,978,644	2,540,635	12,903,035
Over time	–	–	114,291	114,291
	<u>7,383,756</u>	<u>2,978,644</u>	<u>2,654,926</u>	<u>13,017,326</u>
Segment results	<u>2,047,746</u>	<u>30,542</u>	<u>1,266,710</u>	3,344,998
Taxes and surcharges				(7,572)
Other income				374,602
Other gains and losses				(112,662)
Administrative expenses				(2,010,610)
Reversal of impairment on financial assets, net				15,602
Other expenses				(5,390)
Finance costs				(390,092)
Share of net profit of associates and joint ventures accounted for using the equity method				<u>397,552</u>
Profit before income tax				<u>1,606,428</u>

3. OTHER INCOME, GAINS AND LOSSES

Other income comprises of the following items:

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest income	110,834	172,397
Dividend income from financial assets at fair value through other comprehensive income	21,924	45,683
Government grants	10,720	90,810
Value-added tax extra deduction	12,587	59,291
Others	12,595	6,421
	<u>168,660</u>	<u>374,602</u>

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

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Exchange gain/(loss), net	44,573	(205,341)
Gain/(loss) on disposal of property, plant and equipment	29,127	(14,957)
Remeasurement gain on investments accounted for using the equity method	–	108,524
Others	(1,566)	(888)
	<u>72,134</u>	<u>(112,662)</u>

4. FINANCE COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest expenses on borrowings	269,138	369,141
Less: Amount capitalised in construction in progress	<u>(3,332)</u>	<u>(1,255)</u>
	265,806	367,886
Interest expenses on lease liabilities	<u>14,740</u>	<u>22,206</u>
	<u><u>280,546</u></u>	<u><u>390,092</u></u>

5. INCOME TAX

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
PRC income tax expense/(credit)		
Current	416,271	445,954
Deferred	<u>(16,387)</u>	<u>(14,435)</u>
	<u><u>399,884</u></u>	<u><u>431,519</u></u>

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

PRC income tax has been provided based on the estimated assessable profits for the year at the prevailing income tax rates. The standard PRC corporate income tax rate is 25%. Two subsidiaries are entitled to tax exemption for the first three years and followed by a 50% relief rate of 12.5% for the next three years from 2019 and 2022 respectively. A subsidiary is entitled to a concessionary rate of 15% for three years from 2022.

6. PROFIT FOR THE YEAR

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

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Costs of goods sold	3,454,042	2,942,407
Employee benefit expenses, including directors' emoluments	1,938,510	1,971,567
Depreciation of property, plant and equipment	1,057,267	1,112,941
Depreciation of right-of-use assets	363,317	373,094
Depreciation of investment properties	18,738	19,571
Amortisation of intangible assets	34,388	27,036
Expenses relating to short-term leases	147,337	98,949
Auditor's remuneration		
audit services	2,953	2,980
non-audit services	68	71

7. DIVIDEND

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Proposed final dividend of HK4.73 cents per ordinary share (2022: HK2.24 cents per ordinary share)	291,273	137,939

The board of directors of the Company proposed the payment of a final dividend of HK4.73 cents per ordinary share for the year ended 31 December 2023 (2022: HK2.24 cents). These consolidated financial statements do not reflect this dividend payable.

Dividends for ordinary shareholders of the Company recognised as distribution during the year ended 31 December 2023, representing final dividend of 2022, amounted to HK\$137,939,000 (2022: final dividend of 2021 amounted to HK\$368,864,000).

8. EARNINGS PER SHARE

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

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Earnings		
Profit attributable to equity holders of the Company for calculating basic and diluted earnings per share	<u>728,594</u>	<u>345,266</u>

	2023	2022
	<i>'000</i>	<i>'000</i>
Number of shares		
Weighted average number of ordinary shares for calculating basic and diluted earnings per share	<u>6,158,000</u>	<u>6,158,000</u>

In 2022, the computation of diluted earnings per share 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.

9. 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:

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 - 90 days	1,509,367	1,431,483
91 - 180 days	55,420	50,111
Over 180 days	70,876	58,629
	<u>1,635,663</u>	<u>1,540,223</u>

10. TRADE AND OTHER PAYABLES

Credit periods are granted by certain suppliers to the Group for up to 180 days. The ageing analysis of trade and notes payables based on the invoice date is as follows:

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 - 90 days	1,282,480	1,341,957
91 - 180 days	163,453	136,799
181 - 365 days	73,776	95,893
Over 365 days	174,340	77,852
	<u>1,694,049</u>	<u>1,652,501</u>

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION ENVIRONMENT

In 2023, being affected by many factors such as continuous high inflation pressure, on-going tightening currency policies in major economies, more uncertainties in geopolitical and economic conflicts, the international landscape is complex and changeable. In face of the complex and austere international environment, the Chinese government has made positive efforts to keep growth stable, promote structural adjustment and carry out reform, to strengthen the resilience of economy with high-quality development, thus providing strong support for economic growth. The annual GDP growth rate in 2023 was 5.2%, achieving the expected target. As the geopolitical situation continued to intensify and the trade mode changed, China's total export trade amounted to US\$3.38 trillion in 2023, representing a year-on-year decrease of 4.6%. Total import trade amounted to US\$2.56 trillion, representing a year-on-year decrease of 5.5%.

The Group has always believed that sustainable development is an integral part to lead future on-going development. Bearing in mind the core value of “people oriented, quality first, client best”, the Group actively responded to the national policy of “carbon peak and carbon neutrality” to promote the construction of a green port and safety production, and devoted to create long-term value for enterprises, the country and the society.

Green Port

In 2023, the Group proactively established a scientific carbon management system, conducted upgrades and replacement for vehicles and various machines and equipment in the port, replaced traditional fuel with electricity, continued to advance the construction of new energy equipment and supporting facilities and enhanced the proportion of use of renewable energy, thus building a demonstration green port. During the year, our Group's 天津港太平洋國際集裝箱碼頭有限公司 (Tianjin Port Pacific International Container Terminal Co., Ltd.*) was rated five-star “Green Port”.

Digital Transformation

Under the wave of digitalisation and automation of port industry, the Group has always been taking innovation as the development engine, and using Internet of Things, big data, artificial intelligence and other technologies to drive a comprehensive digital transformation for the operation of the Group. During the year, the experience and expertise of high-skilled talents and high-tech artificial intelligence equipment have been fully combined to make all-out effort to build a talent team and propel the progress to build a smart port.

Port Safety

The Group stuck to its approach of “safety first, prevention of risks, comprehensive governance” to fully ensure the safe production at port. We continued to promote the construction of safety culture. The subsidiaries of the Group have obtained the Occupational Health and Safety Management System GB/T 45001 certificate and committed to comply with the International Convention for the Safety of Life at Sea (SOLAS). The Group applied intelligent technologies into safety management and used unmanned aerial vehicles to conduct safety inspection, to realise the full coverage of video surveillance in the operation area of subordinates and 24-hour supervision and inspection in the company area, to fully ensure safe production and operation.

ANNUAL RESULTS

Total cargo throughput handled by the Group for 2023 was 445 million tonnes (2022: 443 million tonnes), representing an increase of 0.5% over last year, of which total container throughput was 20.02 million TEUs (2022: 19.83 million TEUs), representing an increase of 1.0% over last year.

	2023	2022	Change	Change
	<i>HK\$ million</i>	<i>HK\$ million</i>	amount	percentage
			<i>HK\$ million</i>	
Revenue	13,484	13,017	467	3.6%
Cost of sales	9,782	9,672	110	1.1%
Gross profit	3,698	3,337	361	10.8%
Profit before income tax	2,085	1,606	479	29.8%
Profit attributable to Shareholders	729	345	384	111.0%

The Group’s profit before income tax was HK\$2,085 million, representing an increase of 29.8% over last year.

Profit attributable to Shareholders amounted to HK\$729 million, representing an increase of 111.0% over last year. Basic earnings per share was HK11.8 cents. Profit attributable to Shareholders included an exchange gain of HK\$45 million (2022: exchange loss of HK\$205 million), such increase was primarily attributable to the depreciation of RMB against HK\$ in 2022 which resulted in an exchange loss on the HK\$-denominated liabilities held by the Group, while in the early 2023, the relevant HK\$-denominated liabilities had been repaid and an exchange gain was recorded; and the increase of gross profit of the Group in 2023 as compared with 2022 due to effective cost control measures and the increase in revenue of cargo handling business.

The Board recommends the payment of a final dividend of HK4.73 cents per share for 2023, representing a payout ratio of approximately 40% for the year (2022: 40%).

OUTLOOK

In 2024, the global economic environment will be ridden with uncertainties and the mainland China economy will still be facing certain difficulties and challenges. Looking forward, the Chinese government will be more aggressive in its economic endeavours including shifting mode, adjusting structure, and enhancing quality and efficiency. With relevant policies gradually rolled out, the economy is expected to be invigorated and social expectation will improve, helping in turn to solidify and strengthen the economic upturn, giving it the continuous drive to effectively improve quality and attain reasonable growth.

The Group will proactively capture the opportunities brought by the policies such as coordinated development of Beijing-Tianjin-Hebei and integrated development of ports, industries and cities. It will look to involve deeply in the country's strategy to build the "Belt and Road". By carefully formulating new development plans and give full play to its core competitiveness, the Group will be able to further strengthen its main business – loading and unloading logistics business. It will uphold the working principle of striving to innovate and for progress, integration and excellence while maintaining stability, to the ends of promoting development and improving efficiency. Moreover, the Group will deepen construction of a safety system to ensure operation of the port is safe and reliable. It will promote green and low-carbon upgrades to minimise the environmental impacts of its port operations. It will use clean energy technology, optimise energy utilisation and reduce wastes and emissions into the environment, fulfilling its corporate social responsibility and contributing to sustainable development. The Group will promote intelligent production, accelerate digital transformation, and introduce advanced technologies and automatic equipment to improve operational efficiency and precision, and provide higher quality services. It will also optimise on-site management and market development, create a long-term service mechanism to offer high cost-effective services to win customers. At the same time, active efforts will be made to explore market and find new cooperation opportunities, as well as enhance the Group's market competitiveness and profitability. Targeting at high-quality development, the Group will continuously deepen refined management and strengthen compliance management and risks control. With the help of accurate data analysis and risk assessment, it will be able to timely identify and address potential risks, thereby ensure sustainable development of its business and also enhance profitability. The Group will make continuous efforts on the construction of a smart port, hub port and a world-class port to lay a solid foundation for facilitating long-term planning and its sustainable development.

OPERATION AND FINANCIAL REVIEW

Revenue and costs of sales of core business

The Group's core businesses remained stable and achieved total cargo throughput of 445 million tonnes in 2023, representing an increase of 0.5% over 2022.

Revenue

During the year under review, the Group recorded revenue of HK\$13,484 million, representing an increase of 3.6% over last year. An analysis of revenue by segment is as follows:

Type of business	Revenue			
	2023 <i>HK\$ million</i>	2022 <i>HK\$ million</i>	Change amount <i>HK\$ million</i>	Change percentage
Non-containerised cargo handling business	5,302	5,385	-83	-1.5%
Container handling business	2,116	1,999	117	5.9%
Cargo handling business (total)	7,418	7,384	34	0.5%
Sales business	3,471	2,979	492	16.5%
Other port ancillary services business	2,595	2,654	-59	-2.2%
Total	13,484	13,017	467	3.6%

Costs of Sales

During the year under review, cost of sales of the Group was HK\$9,782 million, representing an increase of 1.1% over last year. An analysis of costs by segment is as follows:

Type of business	Costs			
	2023 <i>HK\$ million</i>	2022 <i>HK\$ million</i>	Change amount <i>HK\$ million</i>	Change percentage
Cargo handling business	5,028	5,336	-308	-5.8%
Sales business	3,457	2,948	509	17.3%
Other port ancillary services business	1,297	1,388	-91	-6.6%
Total	9,782	9,672	110	1.1%

Cargo handling business

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

Total revenue from cargo handling business was HK\$7,418 million, representing an increase of 0.5% in HK\$ over last year and an increase of 4.9% in RMB over last year, primarily attributable to the increase in the throughput of container handling business.

Total cost of cargo handling business was HK\$5,028 million, representing a decrease of 5.8% in HK\$ over last year and a decrease of 1.6% in RMB over last year, primarily attributable to the effective cost control of cargo handling business by the Group.

Cargo handling business - Non-containerised Cargo Handling Business

During the year under review, the Group achieved total non-containerised cargo throughput of 237.80 million tonnes, representing a decrease of 1.3% over last year, of which throughput of the subsidiary terminals decreased by 2.2% and throughput of the jointly controlled and affiliated terminals increased by 1.2%.

Nature of terminal	Non-containerised cargo throughput			
	2023	2022	Change	Change
	<i>million tonnes</i>	<i>million tonnes</i>	<i>million tonnes</i>	percentage
Subsidiary terminals	176.38	180.34	-3.96	-2.2%
Jointly controlled and affiliated terminals	61.42	60.69	0.73	1.2%
Total	237.80	241.03	-3.23	-1.3%

On a consolidated basis, the blended average unit price of the non-containerised cargo handling business was HK\$30.1 per tonne (2022: HK\$29.9 per tonne), representing an increase of 0.7% in HK\$ over last year and an increase of 5.0% in RMB over last year.

Revenue from non-containerised cargo handling business was HK\$5,302 million, representing a decrease of 1.5% in HK\$ over last year and an increase of 2.8% in RMB over last year, 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 HK\$.

Cargo handling business - Container Handling Business

During the year under review, the Group achieved total container throughput of 20.02 million TEUs, representing an increase of 1.0% over last year, of which throughput of the subsidiary terminals increased by 11.7% and throughput of the jointly controlled and affiliated terminals decreased by 11.3%.

Nature of terminal	Container throughput			
	2023 <i>million TEUs</i>	2022 <i>million TEUs</i>	Change amount <i>million TEUs</i>	Change percentage
Subsidiary terminals	11.80	10.56	1.24	11.7%
Jointly controlled and affiliated terminals	8.22	9.27	-1.05	-11.3%
Total	20.02	19.83	0.19	1.0%

On a consolidated basis, the blended average unit price of the container handling business was HK\$179.4 per TEU (2022: HK\$189.3 per TEU), representing a decrease of 5.2% in HK\$ over last year and a decrease of 1.0% in RMB over last year.

Revenue from container handling business was HK\$2,116 million, representing an increase of 5.9% in HK\$ over last year and an increase of 10.6% in RMB over last year, mainly attributable to the increase in the throughput of container handling business.

Sales Business

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

During the year under review, revenue from sales business was HK\$3,471 million, representing an increase of 16.5% in HK\$ over last year and an increase of 21.7% in RMB over last year, mainly due to the increase in the business volume of sales business.

Cost of sales business was HK\$3,457 million, representing an increase of 17.3% in HK\$ over last year and an increase of 22.5% in RMB over last year, mainly due to the increase in the business volume of sales business leading to the corresponding increase in the costs of sales.

Other Port Ancillary Services Business

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

Revenue from other port ancillary services business was HK\$2,595 million, representing a decrease of 2.2% in HK\$ over last year and an increase of 2.1% in RMB over last year, the increase of revenue in RMB was mainly due to the increase in the business volume, but the depreciation of RMB resulted in a decrease of revenue in HK\$.

Cost of other port ancillary services business was HK\$1,297 million, representing a decrease of 6.6% in HK\$ over last year and a decrease of 2.4% in RMB over last year, mainly due to the effective cost control by the Group.

Gross Profit

Gross profit and gross profit margin for 2023 were HK\$3,698 million (2022: HK\$3,337 million) and 27.4% (2022: 25.6%) respectively. Gross profit increased by HK\$361 million and gross profit margin increased by 1.8 percentage points over last year, mainly due to the increase of gross profit margin of the cargo handling business.

Administrative Expenses

Administrative expenses of the Group amounted to HK\$1,997 million, representing a decrease of 0.7% over last year.

Other Income, Gains and Losses

Other income amounted to HK\$169 million, representing a decrease of HK\$206 million over last year, primarily due to the decrease of the government grants, interest income from deposits and dividend income from financial assets at fair value through other comprehensive income, etc.

Other gains and losses amounted to a gain of HK\$72 million, representing an increase of HK\$185 million over last year, mainly due to the offsetting impact of below factors: (i) a one-off remeasurement gain of HK\$109 million on an investment in an associate accounted for using the equity method was recorded last year while no such gain was recorded in the current year; (ii) an foreign exchange loss of HK\$205 million was recorded last year while a foreign exchange gain of HK\$45 million was recorded in the current year; and (iii) a loss of HK\$15 million was recorded on the disposal of property, plant and equipment last year while a gain of HK\$29 million was recorded in the current year.

Finance Costs

Finance costs (excluding capitalised interest) were HK\$281 million and finance costs (including capitalised interest) were HK\$284 million, representing a decrease of 28.1% and 27.5% respectively over last year, mainly attributable to the decrease in interest expenses on borrowings compared with last year.

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

The Group's share of net profit of associates and joint ventures accounted for using the equity method was HK\$435 million, representing an increase of 9.5% over last year.

Income Tax

The Group's income tax expenses amounted to HK\$400 million, representing a decrease of HK\$32 million over last year, mainly due to the impact of increase of using the deductible losses that have not been recognised as deferred income tax assets in prior periods by some subsidiaries.

FINANCIAL POSITION

Cash Flow

In 2023, net decrease in cash and cash equivalents of the Group amounted to HK\$1,533 million.

The Group continued to generate steady cash flow from its operations. Net cash inflow from operating activities amounted to HK\$2,851 million.

Net cash outflow from investing activities amounted to HK\$823 million, which included receipt of dividends of HK\$386 million and capital expenditures of HK\$1,178 million.

Net cash outflow from financing activities amounted to HK\$3,561 million, which included payment of dividends and interest expenses on borrowings of HK\$864 million, net decrease of HK\$2,500 million in borrowings, and principal and interest of lease payments of HK\$197 million.

Capital Structure

The equity attributable to equity holders of the Company as at 31 December 2023 was HK\$13,610 million (31 December 2022: HK\$13,244 million), and the net asset value of the Company was HK\$2.2 per share (31 December 2022: HK\$2.2 per share).

As at 31 December 2023, the Company had an issued share capital of 6,158 million shares and the market capitalisation was approximately HK\$2,863 million (calculated at the closing market price of the shares of the Company of HK\$0.465 per share on 29 December 2023).

Assets and Liabilities

As at 31 December 2023, the Group's total assets were HK\$40,620 million (31 December 2022: HK\$42,211 million) and total liabilities were HK\$10,336 million (31 December 2022: HK\$12,557 million). Net current assets as at 31 December 2023 were HK\$3,205 million (31 December 2022: HK\$2,429 million).

Liquidity, Financial Resources and Borrowings

As at 31 December 2023, the Group's cash and deposits (including restricted bank deposits and time deposits with maturity over three months) were HK\$6,428 million (31 December 2022: HK\$7,958 million), which were principally denominated in RMB.

The Group's total borrowings as at 31 December 2023 were HK\$5,707 million (31 December 2022: HK\$8,291 million), with HK\$1,899 million repayable within one year, HK\$1,067 million repayable after one year and within two years, HK\$1,890 million repayable after two year and within five years, and HK\$851 million repayable after five years. All of the Group's borrowings were denominated in RMB.

Financial Ratios

As at 31 December 2023, the Group's gearing ratio (total borrowings divided by total equity) was 18.8% (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 31 December 2023.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 December 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 31 December 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 year under review.

The Group's interest rate risk arises primarily from the fluctuation in interest rates of borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk, while borrowings at fixed rates expose the Group to fair value interest rate risk. As at 31 December 2023, the Group's total borrowings were HK\$5,707 million, mainly at a floating interest rate.

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

Capital Expenditure and Commitments

In 2023, additions to property, plant and equipment of the Group amounted to HK\$1,265 million, primarily comprising the construction or renovation of terminals and depots.

As at 31 December 2023, the Group's capital commitments for property, plant and equipment (including authorised but not contracted for) amounted to HK\$986 million (31 December 2022: HK\$1,734 million).

EVENTS AFTER REPORTING PERIOD

Subsequent to the year ended 31 December 2023 and up to the date of this announcement, no important events affecting the Group have taken place that are required to be disclosed.

EMPLOYEES

As at 31 December 2023, the Group had approximately 5,727 employees. The Group determines and offers remuneration packages for employees based on their positions, performance and the labour market conditions. 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 Group's annual results and the employees' performance. During the year ended 31 December 2023, the Group did not forfeit any contributions under the retirement benefits scheme that might be used to reduce the existing level of contributions (for the year ended 31 December 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 the business development of the Group. The management proactively communicates with employees to foster the employer-employee relationship.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on 26 March 2024. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

DIVIDEND

The Board recommends the payment of a final dividend of HK4.73 cents per share for the year ended 31 December 2023. Subject to the approval of Shareholders at the forthcoming AGM to be held on Wednesday, 12 June 2024, the final dividend will be payable on Monday, 22 July 2024 to the Shareholders whose names appear on the register of members of the Company on Friday, 28 June 2024.

CLOSURE OF REGISTER OF MEMBERS

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

1. from Thursday, 6 June 2024 to Wednesday, 12 June 2024, both days inclusive, during which period no transfer of Shares will be registered for the purpose of ascertaining the Shareholders 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Wednesday, 5 June 2024; and
2. from Tuesday, 25 June 2024 to Friday, 28 June 2024, both days inclusive, during which period no transfer of Shares will be registered for the purpose of ascertaining the Shareholders 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday, 24 June 2024.

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 2023.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with all code provisions of the CG Code for the year ended 31 December 2023.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with the Directors, all Directors confirmed that they have complied with the Model Code at all applicable times for the year ended 31 December 2023.

AUDIT COMMITTEE

As at 31 December 2023, the Audit Committee comprises four independent non-executive Directors, namely Cheng Chi Pang, Leslie, Japhet Sebastian Law, Zhang Weidong and Luo Laura Ying. Cheng Chi Pang, Leslie is the chairman of the Audit Committee. The annual results for the year ended 31 December 2023 have been reviewed by the Audit Committee.

PUBLICATION OF ANNUAL RESULTS

This results announcement is published on the website of the Company at www.tianjinportdev.com and the HKEXnews website of the Stock Exchange at www.hkexnews.hk. The 2023 annual report of the Company will be published on the website of the Company and the HKEXnews website of the Stock Exchange in due course.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

“AGM”	the forthcoming annual general meeting of the Company to be held on Wednesday, 12 June 2024;
“Audit Committee”	the audit committee of the Company;
“Board”	the board of Directors;
“CG Code”	the Corporate Governance Code, Appendix C1 to the Listing Rules;
“Company”	Tianjin Port Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 03382);
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers, Appendix C3 to the Listing Rules;
“PRC” or “China”	the People’s Republic of China;

“RMB”	Renminbi, the lawful currency of the PRC;
“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;
“U.S.”	the United States of America;
“US\$”	United States dollars, the lawful currency of the U.S.; and
“%”	per cent.

By Order of the Board
Tianjin Port Development Holdings Limited
Chu Bin
Chairman

Hong Kong, 26 March 2024

As at the date of this announcement, the Board comprises Mr. Chu Bin, Mr. Luo Xunjie, Mr. Teng Fei, Mr. Sun Bin, Mr. Lou Zhanshan and Mr. Yang Zhengliang as executive Directors; and Professor Japhet Sebastian Law, Mr. Cheng Chi Pang, Leslie, Mr. Zhang Weidong and Ms. Luo Laura Ying as independent non-executive Directors.

* *for identification purposes only*