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天津發展控股有限公司  
TIANJIN DEVELOPMENT HOLDINGS LIMITED

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 882)**

## **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021**

### **FINANCIAL HIGHLIGHTS**

- Revenue amounted to approximately HK\$2,015,603,000 (30 June 2020 (restated): HK\$1,701,403,000).
- Profit attributable to owners of the Company amounted to approximately HK\$263,904,000 (30 June 2020: HK\$114,549,000).
- Basic earnings per share were HK24.60 cents (30 June 2020: HK10.68 cents).
- Interim dividend of HK3.45 cents per share (30 June 2020: HK3.00 cents per share).

### **RESULTS**

The board of directors (the “**Board**”) of Tianjin Development Holdings Limited (the “**Company**”) announces that the unaudited consolidated results of the Company and its subsidiaries (together the “**Group**”) for the six months ended 30 June 2021 together with the comparatives figures for the corresponding period in 2020 are as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2021

|   |              | <b>Six months ended 30 June</b>       |  |
|---|--------------|---------------------------------------|--|
|   |              | <b>2021</b>                           | <b>2020</b>  |
|   | <i>Notes</i> | <b>HK\$'000</b><br><i>(unaudited)</i> | <b>HK\$'000</b><br><i>(unaudited &amp; restated)</i> |
| Revenue   | 3            | <b>2,015,603</b>                      | 1,701,403  |
| Cost of sales   |              | <b>(1,443,815)</b>                    | (1,167,939)  |
| Gross profit  |              | <b>571,788</b>                        | 533,464  |
| Other income  | 4            | <b>175,485</b>                        | 143,721  |
| Other losses, net   | 5            | <b>(74,386)</b>                       | (48,008)   |
| Selling and distribution expenses   |              | <b>(255,708)</b>                      | (295,479)  |
| General and administrative expenses   |              | <b>(280,898)</b>                      | (233,050)  |
| Other operating expenses  |              | <b>(110,572)</b>                      | (88,912)   |
| Finance costs   |              | <b>(25,197)</b>                       | (38,733)   |
| Share of net profit of associates and joint ventures<br>accounted for using the equity method |              | <b>350,435</b>                        | 222,552  |
| Profit before tax   |              | <b>350,947</b>                        | 195,555  |
| Tax expense   | 6            | <b>(29,923)</b>                       | (22,796)   |
| Profit for the period   | 7            | <b>321,024</b>                        | 172,759  |
| Attributable to:  |              |                                       |  |
| Owners of the Company   |              | <b>263,904</b>                        | 114,549  |
| Non-controlling interests   |              | <b>57,120</b>                         | 58,210   |
|   |              | <b>321,024</b>                        | 172,759  |
|   |              | <i>HK cents</i>                       | <i>HK cents</i>                                      |
| Earnings per share  | 8            |                                       |  |
| Basic   |              | <b>24.60</b>                          | 10.68  |
| Diluted   |              | <b>24.60</b>                          | 10.68  |

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 June 2021*

|   | <b>Six months ended 30 June</b> |                        |
|---|---------------------------------|------------------------|
|   | <b>2021</b>                     | <b>2020</b>            |
|   | <i>HK\$'000</i>                 | <i>HK\$'000</i>        |
|   | <i>(unaudited)</i>              | <i>(unaudited)</i>     |
| Profit for the period   | <u>321,024</u>                  | <u>172,759</u>         |
| <b>Other comprehensive (expense) income</b>   |                                 |                        |
| <i>Items that will not be reclassified to profit or loss:</i>   |                                 |                        |
| Change in fair value of equity instruments at fair value through other comprehensive income                   | (62,711)                        | 28,264                 |
| Deferred taxation on fair value change of equity instruments at fair value through other comprehensive income | 14,838                          | (6,634)                |
| Share of other comprehensive expense of investments accounted for using the equity method                     |                                 |                        |
| – fair value through other comprehensive income reserve   | (10,307)                        | (5,886)                |
| <i>Items that will not be subsequently reclassified to profit or loss:</i>                                    |                                 |                        |
| Currency translation differences  |                                 |                        |
| – the Group   | 28,508                          | (159,693)              |
| – investments accounted for using the equity method   | <u>68,282</u>                   | <u>(114,385)</u>       |
| Other comprehensive income (expense) for the period   | <u>38,610</u>                   | <u>(258,334)</u>       |
| Total comprehensive income (expense) for the period   | <u><u>359,634</u></u>           | <u><u>(85,575)</u></u> |
| Attributable to:  |                                 |                        |
| Owners of the Company   | 281,711                         | (84,131)               |
| Non-controlling interests   | <u>77,923</u>                   | <u>(1,444)</u>         |
|   | <u><u>359,634</u></u>           | <u><u>(85,575)</u></u> |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

|  |    | 30 June<br>2021<br><i>HK\$'000</i><br><i>(unaudited)</i> | 31 December<br>2020<br><i>HK\$'000</i><br><i>(audited)</i> |
|--|----|--|--|
| <b>ASSETS</b>  |    |  |  |
| <b>Non-current assets</b>  |    |  |  |
| Property, plant and equipment  |    | 2,877,572  | 2,879,745  |
| Land use rights  |    | 626,649  | 627,448  |
| Investment properties  |    | 240,397  | 237,542  |
| Investments accounted for using the equity method                      | 10 | 6,937,470  | 6,832,237  |
| Intangible assets  |    | 24,869   | 16,345   |
| Finance lease receivables  |    | 118,476  | 89,273   |
| Deposits paid for acquisition of<br>property, plant and equipment      |    | 1,879  | 7,644  |
| Deferred tax assets  |    | 52,188   | 56,236   |
| Equity instruments at fair value through<br>other comprehensive income | 11 | 1,749,595  | 1,791,755  |
|  |    | <b>12,629,095</b>  | <b>12,538,225</b>  |
| <b>Current assets</b>  |    |  |  |
| Inventories  |    | 1,173,382  | 1,031,580  |
| Amounts due from investments accounted for<br>using the equity method  |    | 266,252  | 12,715   |
| Amount due from ultimate holding company                               |    | 522  | 235  |
| Amounts due from related companies                                     |    | 84,559   | 80,530   |
| Contract assets  |    | 157,132  | 191,650  |
| Finance lease receivables  |    | 79,482   | 35,567   |
| Trade receivables  | 12 | 658,696  | 692,159  |
| Notes receivables  | 12 | 472,937  | 594,478  |
| Other receivables, deposits and prepayments                            |    | 427,167  | 225,767  |
| Financial assets at fair value through profit or loss                  |    | 631,136  | 594,246  |
| Structured deposits  | 13 | 84,977   | 119,952  |
| Entrusted deposits   | 14 | 1,640,625  | 1,175,772  |
| Restricted bank balances   |    | 152,753  | 140,570  |
| Time deposits with maturity over three months                          |    | 2,427,017  | 2,115,271  |
| Cash and cash equivalents  |    | 3,427,477  | 4,330,691  |
|  |    | <b>11,684,114</b>  | <b>11,341,183</b>  |
| <b>Total assets</b>  |    | <b>24,313,209</b>  | <b>23,879,408</b>  |
| <b>EQUITY</b>  |    |  |  |
| <b>Owners of the Company</b>   |    |  |  |
| Share capital  |    | 5,136,285  | 5,136,285  |
| Reserves   |    | 7,370,966  | 7,125,373  |
|  |    | <b>12,507,251</b>  | <b>12,261,658</b>  |
| <b>Non-controlling interests</b>                                       |    | <b>4,857,448</b>   | <b>4,779,123</b>   |
| <b>Total equity</b>  |    | <b>17,364,699</b>  | <b>17,040,781</b>  |

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(continued)**As at 30 June 2021*

|  |              | <b>30 June<br/>2021<br/>HK\$'000<br/>(unaudited)</b> | 31 December<br>2020<br>HK\$'000<br>(audited) |
|--|--------------|--|--|
|  | <i>Notes</i> |  |  |
| <b>LIABILITIES</b>                           |              |  |  |
| <b>Non-current liabilities</b>               |              |  |  |
| Lease liabilities                            |              | <b>9,035</b>   | 12,386                                       |
| Bank borrowings                              |              | <b>1,992,917</b>                                     | 1,990,417                                    |
| Deferred tax liabilities                     |              | <b>239,353</b>                                       | 254,339                                      |
|  |              | <b>2,241,305</b>                                     | 2,257,142                                    |
| <b>Current liabilities</b>                   |              |  |  |
| Trade payables                               | <i>15</i>    | <b>1,090,665</b>                                     | 1,123,730                                    |
| Notes payables                               | <i>15</i>    | <b>313,680</b>                                       | 282,810                                      |
| Other payables and accruals                  |              | <b>1,108,195</b>                                     | 1,058,579                                    |
| Amounts due to related companies             |              | <b>365,613</b>                                       | 236,339                                      |
| Contract liabilities                         |              | <b>1,444,303</b>                                     | 1,411,007                                    |
| Lease liabilities                            |              | <b>7,258</b>   | 7,258  |
| Bank borrowings                              |              | <b>301,683</b>                                       | 339,304                                      |
| Current tax liabilities                      |              | <b>75,808</b>  | 122,458                                      |
|  |              | <b>4,707,205</b>                                     | 4,581,485                                    |
| <b>Total liabilities</b>                     |              | <b>6,948,510</b>                                     | 6,838,627                                    |
| <b>Total equity and liabilities</b>          |              | <b>24,313,209</b>                                    | 23,879,408                                   |
| <b>Net current assets</b>                    |              | <b>6,976,909</b>                                     | 6,759,698                                    |
| <b>Total assets less current liabilities</b> |              | <b>19,606,004</b>                                    | 19,297,923                                   |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION

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

The financial information relating to the year ended 31 December 2020 that is included in this announcement of interim results as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2020 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company’s auditor has reported on those consolidated financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

### 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, as appropriate.

Other than changes in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in these condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2020.

#### *Application of amendments to HKFRSs*

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 annual period beginning on or after 1 January 2021 for the preparation of the Group’s condensed consolidated financial statements:

|   |  |
|---|--|
| Amendment to HKFRS 16   | COVID-19-Related Rent Concessions        |
| Amendments to HKFRS 9,<br>HKAS 39, HKFRS 7,<br>HKFRS 4 and HKFRS 16 | Interest Rate Benchmark Reform – Phase 2 |

The application of the amendments to HKFRSs in the current 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.

### 3. SEGMENT INFORMATION

The Group determines its operating segments based on the reports that are used to make strategic decisions and reviewed by the chief operating decision-makers (the “**CODM**”). The CODM assess the performance of the operating segments based on a measure of profit after tax.

The Group has six reportable segments. The segments are managed separately as each business offers different products and services. The following summary describes the operation in each of the Group’s reportable segments.

(a) Utilities

This segment derives revenue from distribution of water, heat and thermal power to industrial, commercial and residential customers in the Tianjin Economic and Technological Development Area, the PRC, while the result of electricity business of this segment is contributed by Tianjin TEDA Electric Power Co., Ltd. (天津泰達電力有限公司) (“**TEDA Power**”), an investment accounted for using the equity method of the Group.

(b) Pharmaceutical

This segment derives revenue from manufacture and sales of pharmaceutical products as well as design, manufacture and printing for pharmaceutical packaging in the PRC, while the result of the provision of pharmaceutical research and development services of this segment is contributed by Tianjin Institute of Pharmaceutical Research Co., Ltd. (天津藥物研究院有限公司) (“**Research Institute**”), an investment accounted for using the equity method of the Group.

(c) Hotel

This segment derives revenue from operation of a hotel in Hong Kong.

(d) Electrical and mechanical

This segment derives revenue from manufacture and sales of presses, mechanical and hydroelectric equipment as well as large scale pump units.

(e) Port services

The result of this segment is contributed by a listed investment accounted for using the equity method of the Group, Tianjin Port Development Holdings Limited (“**Tianjin Port**”), which provides port services in Tianjin.

(f) Elevators and escalators

The result of this segment is contributed by an investment accounted for using the equity method of the Group, Otis Elevator (China) Investment Company Limited (“**Otis China**”), which manufactures and sells elevators and escalators.

### 3. SEGMENT INFORMATION *(continued)*

#### For the six months ended 30 June 2021 *(unaudited)*

|   | Utilities<br>HK\$'000<br><i>(note (i))</i> | Pharma-<br>ceutical<br>HK\$'000 | Hotel<br>HK\$'000      | Electrical<br>and<br>mechanical<br>HK\$'000 | Port<br>services<br>HK\$'000 | Elevators<br>and<br>escalators<br>HK\$'000 | Total<br>operating<br>segments<br>HK\$'000 |
|---|--|---------------------------------|------------------------|---|------------------------------|--|--|
| Segment revenue   |  |                                 |                        |   |                              |  |  |
| – external customers  | <u>791,479</u>                             | <u>779,047</u>                  | <u>17,600</u>          | <u>427,477</u>                              | –                            | –  | <u>2,015,603</u>                           |
| Operating profit (loss) before interest   | 11,714                                     | 50,425                          | (13,798)               | (66,292)                                    | –                            | –  | (17,951)                                   |
| Interest income   | 25,304                                     | 34,695                          | –                      | 2,542                                       | –                            | –  | 62,541                                     |
| Impairment loss on inventories  | –  | (2,324)                         | –                      | (9,511)                                     | –                            | –  | (11,835)                                   |
| Finance costs   | –  | (165)                           | –                      | (7,632)                                     | –                            | –  | (7,797)                                    |
| Share of net profit (loss) of associates and<br>joint ventures accounted for using<br>the equity method | <u>23,107</u>                              | <u>(11,626)</u>                 | –                      | –   | <u>88,777</u>                | <u>251,578</u>                             | <u>351,836</u>                             |
| Profit (loss) before tax  | <u>60,125</u>                              | <u>71,005</u>                   | <u>(13,798)</u>        | <u>(80,893)</u>                             | <u>88,777</u>                | <u>251,578</u>                             | <u>376,794</u>                             |
| Tax expense   | <u>(66)</u>                                | <u>(16,566)</u>                 | –                      | <u>(4,038)</u>                              | –                            | –  | <u>(20,670)</u>                            |
| Segment results   |  |                                 |                        |   |                              |  |  |
| – profit (loss) for the period  | <u>60,059</u>                              | <u>54,439</u>                   | <u>(13,798)</u>        | <u>(84,931)</u>                             | <u>88,777</u>                | <u>251,578</u>                             | <u>356,124</u>                             |
| Non-controlling interests   | <u>(3,323)</u>                             | <u>(42,159)</u>                 | –                      | <u>26,850</u>                               | –                            | <u>(43,422)</u>                            | <u>(62,054)</u>                            |
| Profit (loss) attributable to<br>owners of the Company  | <u><u>56,736</u></u>                       | <u><u>12,280</u></u>            | <u><u>(13,798)</u></u> | <u><u>(58,081)</u></u>                      | <u><u>88,777</u></u>         | <u><u>208,156</u></u>                      | <u><u>294,070</u></u>                      |
| Segment results   |  |                                 |                        |   |                              |  |  |
| – profit (loss) for the period includes:<br>Depreciation and amortisation                               | <u><u>22,972</u></u>                       | <u><u>41,237</u></u>            | <u><u>7,542</u></u>    | <u><u>35,286</u></u>                        | –                            | –  | <u><u>107,037</u></u>                      |

#### For the six months ended 30 June 2020 *(unaudited & restated)*

|   | Utilities<br>HK\$'000<br><i>(note (i))</i> | Pharma-<br>ceutical<br>HK\$'000 | Hotel<br>HK\$'000      | Electrical<br>and<br>mechanical<br>HK\$'000 | Port<br>services<br>HK\$'000 | Elevators<br>and<br>escalators<br>HK\$'000 | Total<br>operating<br>segments<br>HK\$'000 |
|---|--|---------------------------------|------------------------|---|------------------------------|--|--|
| Segment revenue   |  |                                 |                        |   |                              |  |  |
| – external customers  | <u>677,236</u>                             | <u>738,037</u>                  | <u>14,366</u>          | <u>271,764</u>                              | –                            | –  | <u>1,701,403</u>                           |
| Operating profit (loss) before interest   | 16,330                                     | 60,809                          | (14,504)               | (87,071)                                    | –                            | –  | (24,436)                                   |
| Interest income   | 22,804                                     | 26,418                          | 74                     | 2,404                                       | –                            | –  | 51,700                                     |
| Impairment loss on<br>property, plant and equipment   | –  | (457)                           | –                      | –   | –                            | –  | (457)                                      |
| Impairment loss on intangible assets  | –  | (22)                            | –                      | –   | –                            | –  | (22)                                       |
| Impairment loss on inventories  | –  | (3,240)                         | –                      | (9,312)                                     | –                            | –  | (12,552)                                   |
| Finance costs   | –  | (356)                           | –                      | (6,932)                                     | –                            | –  | (7,288)                                    |
| Share of net profit (loss) of associates and<br>joint ventures accounted for using<br>the equity method | <u>12,149</u>                              | <u>(6,632)</u>                  | –                      | –   | <u>46,152</u>                | <u>167,796</u>                             | <u>219,465</u>                             |
| Profit (loss) before tax  | <u>51,283</u>                              | <u>76,520</u>                   | <u>(14,430)</u>        | <u>(100,911)</u>                            | <u>46,152</u>                | <u>167,796</u>                             | <u>226,410</u>                             |
| Tax credit (expense)  | <u>70</u>                                  | <u>(13,634)</u>                 | –                      | <u>925</u>                                  | –                            | –  | <u>(12,639)</u>                            |
| Segment results   |  |                                 |                        |   |                              |  |  |
| – profit (loss) for the period  | <u>51,353</u>                              | <u>62,886</u>                   | <u>(14,430)</u>        | <u>(99,986)</u>                             | <u>46,152</u>                | <u>167,796</u>                             | <u>213,771</u>                             |
| Non-controlling interests   | <u>(3,506)</u>                             | <u>(44,368)</u>                 | –                      | <u>21,482</u>                               | –                            | <u>(28,962)</u>                            | <u>(55,354)</u>                            |
| Profit (loss) attributable to<br>owners of the Company  | <u><u>47,847</u></u>                       | <u><u>18,518</u></u>            | <u><u>(14,430)</u></u> | <u><u>(78,504)</u></u>                      | <u><u>46,152</u></u>         | <u><u>138,834</u></u>                      | <u><u>158,417</u></u>                      |
| Segment results   |  |                                 |                        |   |                              |  |  |
| – profit (loss) for the period includes:<br>Depreciation and amortisation                               | <u><u>16,858</u></u>                       | <u><u>38,057</u></u>            | <u><u>7,530</u></u>    | <u><u>28,787</u></u>                        | –                            | –  | <u><u>91,232</u></u>                       |

### 3. SEGMENT INFORMATION *(continued)*

|   | <b>Six months ended 30 June</b> |                    |
|---|---------------------------------|--------------------|
|   | <b>2021</b>                     | <b>2020</b>        |
|   | <b>HK\$'000</b>                 | <b>HK\$'000</b>    |
|   | <b>(unaudited)</b>              | <b>(unaudited)</b> |
| Reconciliation of profit for the period |                                 |                    |
| Total reportable segments               | <b>356,124</b>                  | 213,771            |
| Corporate and others <i>(note (ii))</i> | <b>(35,100)</b>                 | (41,012)           |
|   | <hr/>                           | <hr/>              |
| Profit for the period                   | <b>321,024</b>                  | 172,759            |
|   | <hr/> <hr/>                     | <hr/> <hr/>        |

*notes:*

- (i) Revenue from supply of water, and heat and thermal power amounted to HK\$155,235,000 and HK\$636,244,000 respectively (six months ended 30 June 2020: HK\$127,226,000 and HK\$550,010,000 respectively).

The above revenue included government supplemental income of HK\$93,619,000 (six months ended 30 June 2020: HK\$93,520,000).

- (ii) These principally include (a) results of the Group's other non-core businesses which are not categorised as reportable segments; and (b) corporate level activities including central treasury management, administrative function and exchange gain or loss.

- (iii) To conform to current period's presentation, 2020 comparative figures have been restated by re-representation of electrical and mechanical business as a continuing operation.

### 4. OTHER INCOME

|  | <b>Six months ended 30 June</b> |                                   |
|--|---------------------------------|-----------------------------------|
|  | <b>2021</b>                     | <b>2020</b>                       |
|  | <b>HK\$'000</b>                 | <b>HK\$'000</b>                   |
|  | <b>(unaudited)</b>              | <b>(unaudited &amp; restated)</b> |
| Interest income  | <b>122,946</b>                  | 98,857                            |
| Government grants  | <b>32,665</b>                   | 16,988                            |
| Rental income, net of negligible outgoings   | <b>2,812</b>                    | 963                               |
| Sales of scrap materials   | <b>2,081</b>                    | 1,369                             |
| Dividend income from equity instruments at fair value through other comprehensive income | <b>5,452</b>                    | 2,096                             |
| Finance lease interest income  | <b>3,860</b>                    | –                                 |
| Sundries   | <b>5,669</b>                    | 23,448                            |
|  | <hr/>                           | <hr/>                             |
|  | <b>175,485</b>                  | 143,721                           |
|  | <hr/> <hr/>                     | <hr/> <hr/>                       |

## 5. OTHER LOSSES, NET

|  | <b>Six months ended 30 June</b> |                                   |
|--|---------------------------------|-----------------------------------|
|  | <b>2021</b>                     | <b>2020</b>                       |
|  | <b>HK\$'000</b>                 | <b>HK\$'000</b>                   |
|  | <b>(unaudited)</b>              | <b>(unaudited &amp; restated)</b> |
| Impairment loss on property, plant and equipment                         | –                               | (457)                             |
| Impairment loss on intangible assets                                     | –                               | (22)                              |
| Impairment loss on inventories   | <b>(11,835)</b>                 | (12,643)                          |
| (Allowance for) reversal of impairment losses                            |                                 |                                   |
| – trade receivables  | <b>(40,110)</b>                 | (23,542)                          |
| – other receivables  | <b>(5,031)</b>                  | 12,930                            |
| – contract assets  | <b>(30,835)</b>                 | (2,890)                           |
| Net loss on disposal/written off of property, plant and equipment        | <b>(77)</b>                     | (1,160)                           |
| Net gain (loss) on financial assets at fair value through profit or loss |                                 |                                   |
| – listed   | <b>2,300</b>                    | 1,265                             |
| – unlisted   | <b>(5,433)</b>                  | 22,484                            |
| Decrease in fair value of investment properties                          | –                               | (9,934)                           |
| Net exchange gain (loss)   | <b>16,635</b>                   | (34,039)                          |
|  | <b><u>(74,386)</u></b>          | <b><u>(48,008)</u></b>            |

## 6. TAX EXPENSE

|                                     | <b>Six months ended 30 June</b> |                                   |
|-------------------------------------|---------------------------------|-----------------------------------|
|                                     | <b>2021</b>                     | <b>2020</b>                       |
|                                     | <b>HK\$'000</b>                 | <b>HK\$'000</b>                   |
|                                     | <b>(unaudited)</b>              | <b>(unaudited &amp; restated)</b> |
| Current taxation                    |                                 |                                   |
| – PRC Enterprise Income Tax (“EIT”) | <b>26,649</b>                   | 27,148                            |
| Deferred taxation                   | <b>3,274</b>                    | (4,352)                           |
|                                     | <b><u>29,923</u></b>            | <b><u>22,796</u></b>              |

No provision for Hong Kong profits tax has been made as there was no estimated assessable profit derived from Hong Kong during the current interim period (six months ended 30 June 2020: Nil).

The Group’s PRC subsidiaries are subject to EIT at a rate of 25% except for certain subsidiaries which are subject to a preferential EIT rate of 15% as they are qualified as High and New Technology Enterprises.

## 7. PROFIT FOR THE PERIOD

|   | <b>Six months ended 30 June</b> |                                   |
|---|---------------------------------|-----------------------------------|
|   | <b>2021</b>                     | <b>2020</b>                       |
|   | <b>HK\$'000</b>                 | <b>HK\$'000</b>                   |
|   | <b>(unaudited)</b>              | <b>(unaudited &amp; restated)</b> |
| Profit for the period is arrived at after charging:                   |                                 |                                   |
| Employee' benefits expense<br>(including directors' emoluments)       | <b>252,630</b>                  | 232,460                           |
| Cost of inventories recognised as an expense                          | <b>1,028,413</b>                | 960,929                           |
| Depreciation of property, plant and equipment                         | <b>110,718</b>                  | 97,729                            |
| Depreciation of land use rights                                       | <b>5,187</b>                    | 3,057                             |
| Amortisation of intangible assets                                     | <b>131</b>                      | 121                               |
| Short-term lease expenses on  |                                 |                                   |
| – plants, pipelines and networks                                      | <b>18,186</b>                   | 18,982                            |
| – land and buildings  | <b>5,379</b>                    | 3,857                             |
| Research and development costs charged to<br>other operating expenses | <b>108,470</b>                  | 80,322                            |
|   | <b><u>108,470</u></b>           | <b><u>80,322</u></b>              |

## 8. EARNINGS PER SHARE

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

|   | <b>Six months ended 30 June</b> |                         |
|---|---------------------------------|-------------------------|
|   | <b>2021</b>                     | <b>2020</b>             |
|   | <b>HK\$'000</b>                 | <b>HK\$'000</b>         |
|   | <b>(unaudited)</b>              | <b>(unaudited)</b>      |
| <b>Earnings</b>   |                                 |                         |
| Profit attributable to owners of the Company<br>for the purpose of basic and diluted earnings per share | <b><u>263,904</u></b>           | <b><u>114,549</u></b>   |
| <b>Number of shares</b>   | <b>Thousand</b>                 | <b>Thousand</b>         |
| Number of ordinary shares<br>for the purpose of basic and diluted earnings per share                    | <b><u>1,072,770</u></b>         | <b><u>1,072,770</u></b> |

## 9. DIVIDENDS

| <b>Six months ended 30 June</b> |                    |
|---------------------------------|--------------------|
| <b>2021</b>                     | <b>2020</b>        |
| <b>HK\$'000</b>                 | <b>HK\$'000</b>    |
| <b>(unaudited)</b>              | <b>(unaudited)</b> |

Dividends recognised as distribution during the period:

|  |               |        |
|--|---------------|--------|
| – 2020 final dividend, paid HK4.78 cents per share<br>(2019: HK4.78 cents per share) | <b>51,278</b> | 51,278 |
|--|---------------|--------|

Subsequent to the end of the reporting period, the Board has declared an interim dividend of HK3.45 cents per share (six months ended 30 June 2020: HK3.00 cents per share), amounting to approximately HK\$37,011,000 (six months ended 30 June 2020: HK\$32,183,000) in total, to the shareholders of the Company whose names appear on the Company's register of members on 30 September 2021.

## 10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

| <b>30 June</b>     | <b>31 December</b> |
|--------------------|--------------------|
| <b>2021</b>        | <b>2020</b>        |
| <b>HK\$'000</b>    | <b>HK\$'000</b>    |
| <b>(unaudited)</b> | <b>(audited)</b>   |

The Group's interests in associates and joint ventures

|                              |                  |           |
|------------------------------|------------------|-----------|
| – Listed shares in Hong Kong |                  |           |
| – Tianjin Port               | 3,715,721        | 3,661,120 |
| – Unlisted shares in the PRC |                  |           |
| – Otis China                 | 874,817          | 864,221   |
| – Research Institute         | 884,903          | 875,736   |
| – TEDA Power                 | 1,382,167        | 1,353,370 |
| – Others                     | 79,862           | 77,790    |
|                              | <b>6,937,470</b> | 6,832,237 |

Interests in Tianjin Port at the end of the reporting period included goodwill of HK\$820,729,000, net of impairment losses (31 December 2020: HK\$820,729,000, net of impairment losses).

## 11. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

|                          |              | <b>30 June<br/>2021</b> | 31 December<br>2020 |
|--------------------------|--------------|-------------------------|---------------------|
|                          |              | <i>HK\$'000</i>         | <i>HK\$'000</i>     |
|                          | <i>notes</i> | <i>(unaudited)</i>      | <i>(audited)</i>    |
| <b>Equity securities</b> |              |                         |                     |
| Listed, at market value  | <i>(i)</i>   | <b>105,966</b>          | 87,882              |
| Unlisted                 | <i>(ii)</i>  | <b>1,643,629</b>        | 1,703,873           |
|                          |              | <b>1,749,595</b>        | 1,791,755           |

*notes:*

- (i) The listed securities mainly represent the Group's 4.07% (31 December 2020: 4.07%) equity interest in Binhai Investment Company Limited ("**Binhai Investment**") which is listed on the Main Board of the Stock Exchange.

As at 30 June 2021, the market value of the Group's equity interest in Binhai Investment was HK\$84,840,000 (31 December 2020: HK\$65,558,000) and the unrealised fair value gain of HK\$19,282,000 (six months ended 30 June 2020: unrealised fair value loss of HK\$17,079,000) was recognised in other comprehensive income.

- (ii) The unlisted equity securities mainly represented the Group's investment in 12.15% (31 December 2020: 12.15%) equity interest in Tasly Holding Group Co., Ltd. ("**Tasly Holding**"). Tasly Holding is a conglomerate in the PRC and is mainly holding Tasly Pharmaceutical Group Co., Ltd., which is listed on the Shanghai Stock Exchange and is principally engaged in research and development, manufacturing and distribution of pharmaceutical products in the PRC.

Other unlisted equity securities are principally equity instruments in certain entities established and operated in the PRC. They are mainly denominated in Renminbi. The unlisted equity instruments are measured at fair value through other comprehensive income.

## 12. TRADE RECEIVABLES AND NOTES RECEIVABLES

The ageing analysis of the Group's trade and notes receivables (net of allowance) is as follows:

|                 | <b>30 June<br/>2021</b> | 31 December<br>2020 |
|-----------------|-------------------------|---------------------|
|                 | <i>HK\$'000</i>         | <i>HK\$'000</i>     |
|                 | <i>(unaudited)</i>      | <i>(audited)</i>    |
| Within 30 days  | <b>393,459</b>          | 473,975             |
| 31 to 90 days   | <b>204,937</b>          | 188,934             |
| 91 to 180 days  | <b>284,380</b>          | 320,062             |
| 181 to 365 days | <b>95,568</b>           | 152,751             |
| Over 1 year     | <b>153,289</b>          | 150,915             |
|                 | <b>1,131,633</b>        | 1,286,637           |

Various group companies have different credit policies which are dependent on the practice of the markets and the businesses in which they operate. In general, credit periods of (i) 30 days are granted to corporate customers of the Group's hotel business; (ii) 90 to 180 days are granted to customers in the electrical and mechanical segment; and (iii) 30 to 180 days are granted to customers in the pharmaceutical segment. No credit terms are granted to customers in the utilities segment.

### 13. STRUCTURED DEPOSITS

As at 30 June 2021, the Group placed with one licensed commercial bank (31 December 2020: two) in the PRC for principal-protected RMB-denominated structured deposits with maturity within 6 months (31 December 2020: from 2 to 6 months) after the end of the reporting period. The expected annual interest rate for the structured deposits is indicated at 5% (31 December 2020: 1.6% to 4.4%), however, the actual interest to be received is uncertain until maturity. Such structured deposits were accounted for as financial assets at fair value through profit or loss.

### 14. ENTRUSTED DEPOSITS

As at 30 June 2021, the entrusted deposits were placed with eight financial institutions (31 December 2020: seven financial institutions) in the PRC, with maturity from 1 to 23 months (31 December 2020: 1 to 14 months) after the end of the reporting period. The deposits carry the expected rates of return ranging from 6.0% to 8.7% (31 December 2020: 6.0% to 8.7%) per annum.

Contracts with maturity over one year confer the Group rights of early redemption at amortised costs, before the maturity date. Accordingly, those deposits were classified as current assets. The entrusted deposits were accounted for as financial assets at fair value through profit or loss.

### 15. TRADE PAYABLES AND NOTES PAYABLES

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

|                | <b>30 June<br/>2021<br/>HK\$'000<br/>(unaudited)</b> | 31 December<br>2020<br>HK\$'000<br>(audited) |
|----------------|--|--|
| Within 30 days | 182,102  | 315,778                                      |
| 31 to 90 days  | 372,335  | 319,078                                      |
| 91 to 180 days | 255,477  | 173,337                                      |
| Over 180 days  | 594,431  | 598,347                                      |
|                | <u>1,404,345</u>                                     | <u>1,406,540</u>                             |

### 16. COMPARATIVE FIGURES

Certain 2020 comparative figures in the condensed consolidated statement of profit or loss and Notes 3, 4, 5, 6 and 7 to the condensed consolidated financial statements have been re-presented to conform to current period's presentation.

### 17. EVENT AFTER THE REPORTING PERIOD

On 26 August 2021, Tianjin Tai Kang Investment Co., Ltd. (天津泰康投資有限公司), a non-wholly owned subsidiary of the Company, entered into an equity transfer agreement with Tianjin Jinzhi State-owned Assets Capital Investment Operation Co., Ltd. (天津津智國有資本投資運營有限公司) in relation to the disposal of 78.45% equity interest in Tianjin Tianduan Press Co., Ltd. (天津市天鍛壓力機有限公司) at a total consideration of RMB510,019,699.60 (equivalent to approximately HK\$611,534,412) (the "Disposal").

The Disposal is not yet completed as at the date of this announcement. Details of the Disposal were disclosed in the Company's announcements dated 11 June 2020 and 26 August 2021.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### Utilities

The Group's utility businesses are mainly operated in the Tianjin Economic and Technological Development Area (“**TEDA**”) through supplying water, heat and thermal power as well as electricity to industrial, commercial and residential customers.

TEDA, located at the centre of Bohai economic rim and also at the intersection of Beijing-Tianjin-Hebei metropolitan regions, is a national development zone and an ideal place for manufacturing and R&D developments. TEDA plays a leading role over the past three decades in Tianjin's economic development.

#### *Water*

Tianjin TEDA Tsinlien Water Supply Co., Ltd. (“**Water Company**”) is principally engaged in supply of tap water in TEDA. It is also engaged in installation and maintenance of water pipes, technical consultancy, retail and wholesale of water pipes and related parts. The daily water supply capacity of the Water Company is approximately 425,000 tonnes.

During the period under review, revenue from the Water Company was approximately HK\$155.2 million, an increase of 22% from HK\$127.2 million in the corresponding period last year. Profit decreased from HK\$9.8 million in the six months ended 30 June 2020 to approximately HK\$5.2 million in the six months ended 30 June 2021, primarily attributable to tariff adjustment, partially offset by the higher volumes of water sold and lower of general and administrative expenses during the period. The total quantity of water sold for the period was approximately 23,388,000 tonnes, an increase of 10.9% over the corresponding period last year.

#### *Heat and Thermal Power*

Tianjin TEDA Tsinlien Heat & Power Co., Ltd. (“**Heat & Power Company**”) is principally engaged in distribution of steam and heat for industrial, commercial and residential customers within TEDA. The Heat & Power Company has steam transmission pipelines of approximately 462 kilometres and more than 120 processing stations in TEDA. The daily distribution capacity is approximately 30,000 tonnes of steam.

For the six months ended 30 June 2021, revenue from the Heat & Power Company was approximately HK\$636.2 million, an increase of 15.7% from HK\$550 million in the same period last year. Profit increased from HK\$29.4 million in the six months ended 30 June 2020 to approximately HK\$31.7 million in the six months ended 30 June 2021. The result was mainly attributable to higher volumes of steam sold and higher interest income, partly offset by increase in operating costs. The total quantity of steam sold for the period was approximately 2,111,000 tonnes, an increase of 5.3% over the same period last year.

## ***Electricity***

As at 30 June 2021, the Group has 47.09% equity interest in Tianjin TEDA Electric Power Co., Ltd. (天津泰達電力有限公司) (“**TEDA Power**”). TEDA Power is principally engaged in supply of electricity in TEDA and also provides services in relation to construction of electricity supply network, application of technology related to new energy and renewable energy, electricity construction and related technical services. Currently, the installed transmission capacity of TEDA Power is approximately 946,000 kVA.

During the period under review, the revenue of TEDA Power increased by 17.4% to approximately HK\$1,179.5 million and contributed to the Group a profit of approximately HK\$23.1 million, representing an increase of 90.9% over the same period last year.

## **Pharmaceutical**

Pharmaceutical segment is principally engaged in the manufacture and sale of chemical drugs as well as design, manufacture and printing for pharmaceutical packaging in the PRC, and also participates in the business of research and development of new medicine technology and new products through its 35% equity interest in Tianjin Institute of Pharmaceutical Research Co., Ltd. (天津藥物研究院有限公司) (“**Research Institute**”).

During the period under review, the segment revenue was approximately HK\$779 million, an increase of 5.5% from HK\$738 million in the same period last year. Of the total segment revenue, revenue from sale of pharmaceutical products was approximately HK\$698.4 million, an increase of 4.6% from HK\$667.4 million in the corresponding period last year. Revenue from sale of packaging materials amounted to approximately HK\$80.6 million, an increase of 14.2% over the corresponding period last year. Profit from pharmaceutical segment was approximately HK\$54.4 million compared to HK\$62.9 million in the same period last year. The results were mainly attributable to lower operating margins from the impact of centralised drug procurement program, partly offset by higher volumes in sale of pharmaceutical products business as a result of certain key products passing the consistency evaluation and higher interest income.

During the period under review, the revenue of Research Institute decreased by 5.2% to approximately HK\$458.6 million and contributed to the Group a loss (after non-controlling interests) of approximately HK\$21.2 million, as compared with a loss of HK\$12.5 million in the corresponding period last year.

## **Hotel**

Courtyard by Marriott Hong Kong (“**Courtyard Hotel**”), situated in a prime location on the Hong Kong Island, is a 4-star hotel with 245 guest rooms. It is positioned as an ideal lodge for business and leisure travellers.

For the six months ended 30 June 2021, revenue from Courtyard Hotel increased by 22.2% to approximately HK\$17.6 million. Loss decreased by 4.2% to approximately HK\$13.8 million in comparison with loss of HK\$14.4 million in the corresponding period last year. The result was mainly due to the industry remained weak as a result of ongoing border closures and stringent government restrictions. The average occupancy rate was 36.7% compared with 26.6% for the corresponding period last year, and the average room rate was declined.

## Electrical and Mechanical

Electrical and mechanical segment is principally engaged in the manufacture and sale of presses, mechanical and hydroelectric equipment as well as large scale pump units in the PRC.

For the six months ended 30 June 2021, revenue from electrical and mechanical segment was approximately HK\$427.5 million, an increase of 57.3% over the same period last year. Loss from electrical and mechanical segment was approximately HK\$84.9 million in comparison with loss of HK\$100 million in the corresponding period last year. Excluding the allowance of HK\$59.4 million for trade receivables and contract assets, the loss from electrical and mechanical segment would have been approximately HK\$25.5 million. The reduction in loss was mainly attributable to higher operating margins on certain contract works completed in the hydroelectric equipment business and higher government grants received by hydraulic press business during the period.

During the period under review, Tianjin Tai Kang Investment Co., Ltd. (天津泰康投資有限公司) (“**Tianjin Tai Kang**”), a non-wholly owned subsidiary of the Company, continues to proceed with the disposal of its entire interest in Tianjin Tianfa Heavy Machinery & Hydro Power Equipment Manufacture Co., Ltd. (天津市天發重型水電設備製造有限公司) (“**Tianfa Equipment**”) and Tianjin Tianduan Press Co., Ltd. (天津市天鍛壓力機有限公司) (“**Tianjin Tianduan**”) by way of public listing-for-sale process to be carried out via the Tianjin Property Rights Exchange Centre (天津產權交易中心) in accordance with the relevant requirements governing the transfer of state-owned assets of enterprise in the PRC.

On 26 August 2021, Tianjin Tai Kang entered into an equity transfer agreement with Tianjin Jinzhi State-owned Assets Capital Investment Operation Co., Ltd. (天津津智國有資本投資運營有限公司) in relation to the disposal of 78.45% equity interest in Tianjin Tianduan at a total consideration of RMB510,019,699.60 (equivalent to approximately HK\$611,534,412) (the “**Disposal**”). The Disposal is not yet completed as at the date of this announcement. Details of the Disposal were disclosed in the Company’s announcements dated 11 June 2020 and 26 August 2021.

As at the date of this announcement, Tianjin Tai Kang has not entered into any formal agreements regarding the disposal of Tianfa Equipment. Details of which were disclosed in the Company’s announcements dated 27 March 2020. The Group will continue to take cautious view with the operating performance of hydroelectric equipment business and may consider critically the advantages in its restructuring.

## Strategic and Other Investments

### *Port Services*

During the period under review, the revenue of Tianjin Port Development Holdings Limited (“**Tianjin Port**”) (stock code: 3382) increased by 38.2% to approximately HK\$8,737.6 million and profit attributable to owners of Tianjin Port was approximately HK\$422.7 million, representing an increase of 92.3% over the corresponding period in 2020.

Tianjin Port contributed to the Group a profit of approximately HK\$88.8 million, representing an increase of 92.2% compared to the same period last year.

### *Elevators and Escalators*

During the period under review, the revenue of Otis Elevator (China) Investment Company Limited (“**Otis China**”) amounted to approximately HK\$13,189.5 million, representing an increase of 37.9% over the same period last year.

Otis China contributed to the Group a profit (after non-controlling interests) of approximately HK\$208.2 million, representing an increase of 50.1% over the corresponding period in 2020.

### *Investment in Binhai Investment Company Limited*

During the period under review, the Group had 4.07% interest in Binhai Investment Company Limited (“**Binhai Investment**”) (stock code: 2886). As at 30 June 2021, the market value of the Group’s interest in Binhai Investment was approximately HK\$84.8 million (31 December 2020: approximately HK\$65.6 million) and the unrealised fair value gain of approximately HK\$19.2 million was recognised in other comprehensive income.

### *Investment in Tasly Holding Group Co., Ltd.*

During the period under review, the Group had 12.15% equity interest in Tasly Holding Group Co., Ltd. (天士力控股集團有限公司) (“**Tasly Holding**”), a non-core passive investment in relation to the Group’s pharmaceutical segment which was acquired indirectly from the controlling shareholder in 2015 by using merger accounting and is now held by Tianjin Central Pharmaceutical Co., Ltd. (天津市中央藥業有限公司), a wholly-owned subsidiary of Tianjin Lisheng Pharmaceutical Co., Ltd. (天津力生製藥股份有限公司). Tasly Holding is a conglomerate established under the laws of the PRC on 30 March 2000 and its principal asset includes the holding of 683,481,524 A shares in Tasly Pharmaceutical Group Co., Ltd. (天士力醫藥集團股份有限公司) (“**Tasly Pharmaceutical**”), representing approximately 45.18% of its total issued A shares. Tasly Pharmaceutical is principally engaged in the research and development, manufacturing and distribution of pharmaceutical products in the PRC. As at 30 June 2021, the fair value of investment in Tasly Holding was approximately HK\$1,540.5 million (31 December 2020: HK\$1,577.2 million), accounting for approximately 6.3% of the Group’s total assets, and on that date the fair value loss of approximately HK\$55.5 million has been recognised in other comprehensive income. During the period under review, the Group did not received dividend income from Tasly Holding for the year ended 31 December 2020 (2020: nil). The holding of 12.15% equity interest in Tasly Holding is not held for trading and not expected to be sold in the foreseeable future.

## **PROSPECT**

The global economic recovery is uneven across economies against the backdrop of ongoing evolution of the pandemic. The macroeconomy encounters increasing instability and uncertainties, and the economic outlook will become more complex and challenging. China has made progress in epidemic prevention and control measures as well as economic performance. Although the internal and external economic environment remains complicated and uncertain and there will be challenges in the short term, the long term favourable fundamentals of China’s economy remain unchanged. With the implementation of a series of supportive economic policies, it is expected that the Chinese economy will continue to sustain the momentum of stable economic recovery.

The layout and industrial upgrade of state-owned capital driven by the reform of the state-owned enterprises will provide new opportunities for development. The Company will continue to promote steady business growth and accelerate the pace of business integration. Meanwhile, the Company will adhere to its discipline of prudent financial management as well as maintain adequate financial resources. We are optimistic for the future.

## **LIQUIDITY, CAPITAL RESOURCES AND PRINCIPAL RISK**

As at 30 June 2021, the Group's total cash on hand and total bank borrowings stood at approximately HK\$6,007.2 million and approximately HK\$2,294.6 million respectively (31 December 2020: approximately HK\$6,586.5 million and HK\$2,329.7 million respectively).

The Group's sources of funding comprise cash flow generated from operations and loan facilities. The bank borrowings of HK\$301.7 million (31 December 2020: approximately HK\$339.3 million) will mature within one year.

The gearing ratio as measured by total borrowings to shareholders' funds was at approximately 18.4% as at 30 June 2021 (31 December 2020: approximately 19%).

Of total HK\$2,294.6 million bank borrowings outstanding as at 30 June 2021, HK\$1,992.9 million were subject to floating rates with a spread of 1.6% over HIBOR of relevant interest periods and RMB251 million (equivalent to approximately HK\$301.7 million) were fixed-rate debts with annual interest rates at 4.35% to 5.66%.

As at 30 June 2021, 86.9% (31 December 2020: 85.4%) of the Group's total bank borrowings was denominated in Hong Kong dollar, 13.1% (31 December 2020: 14.6%) was denominated in Renminbi.

The Group's activities expose it to a variety of financial risks. The major financial assets and financial liabilities of the Group include cash and cash equivalents, entrusted deposits, other financial assets and bank borrowings. The Group's financial risk management is aimed at mitigating the impact of fluctuations in interest rates and exchange rates on the Group's overall financial position and to minimise the Group's interest rate, foreign currency and credit risk exposures. The Group regularly reviews its liquidity and financing requirements to ensure that sufficient financial resources are maintained to cover the funding needs.

During the period under review, the Group has not entered into any derivative contracts or hedging transactions. The Group manages its foreign currency risk by closely reviewing the movement of the foreign currency rate and shall consider hedging foreign currency exposure should the need arise.

## **EMPLOYEES AND REMUNERATION POLICIES**

During the period under review, the Group had a total of approximately 3,313 employees of which approximately 246 were management personnel and 1,011 were technical staff, with the balance being production workers.

The Group contributes to the employee pension scheme established by the PRC Government which undertakes to assume the retirement benefit obligations of all existing and future retired employees of the Group in the PRC. The Group also contributes to the mandatory provident fund scheme for its Hong Kong employees. The contributions are based on a fixed percentage of the members' salaries.

## **CHARGE ON ASSETS**

As at 30 June 2021, restricted bank balances, land use rights and buildings of HK\$152.8 million, HK\$68.5 million and HK\$357.9 million were respectively pledged to financial institutions by the Group to secure general banking facilities.

## **INTERIM DIVIDEND**

The Board has declared an interim dividend of HK3.45 cents per share for the six months ended 30 June 2021 (30 June 2020: HK3.00 cents per share) to the shareholders whose names appear on the Company's register of members on 30 September 2021. The interim dividend will be paid on 29 October 2021.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from 28 September 2021 (Tuesday) to 30 September 2021 (Thursday), both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 27 September 2021 (Monday).

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

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 2021.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company has complied with the code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") throughout the six months ended 30 June 2021 except for the deviation from code provision E.1.2 of the CG Code, which stipulates that the chairman of the board should attend the annual general meeting. Due to other business engagements, Mr. Zhang Bingjun, the Chairman of the Company, was unable to attend the annual general meeting of the Company held on 24 June 2021.

The Board will continue to monitor and review the Company's corporate governance practices and procedures and make necessary changes when it considers appropriate.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules as its own code of conduct for directors' securities transactions. Having made specific enquiry, all the directors have confirmed that they have complied with the required standard as set out in the Model Code throughout the six months ended 30 June 2021.

The Company has also established written guidelines regarding securities transaction on terms no less exacting than the Model Code for senior management and specific individuals who may have access to price sensitive information in relation to the securities of the Company.

## REVIEW BY AUDIT COMMITTEE

At the request of the Audit Committee of the Company, the Group's independent auditor has carried out a review of the unaudited condensed consolidated financial statements 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. The Audit Committee had reviewed the accounting principles and practices adopted by the Group and discussed with the management the effectiveness of the Company's risk management and internal control systems, auditing and financial reporting matters including the review of unaudited condensed consolidated financial statements for the six months ended 30 June 2021.

By Order of the Board  
**Tianjin Development Holdings Limited**  
**Chen Yanhua**  
*Executive Director and General Manager*

Hong Kong, 30 August 2021

*As at the date of this announcement, the Board of the Company consists of Mr. Zhang Bingjun, Mr. Chen Yanhua, Dr. Li Xiaoguang, Mr. Zhuang Qifei, Mr. Cui Xiaofei, Mr. Cheung Wing Yui, Edward\*, Dr. Cheng Hon Kwan\*\*, Mr. Mak Kwai Wing, Alexander\*\*, Ms. Ng Yi Kum, Estella\*\*, Mr. Wong Shiu Hoi, Peter\*\* and Dr. Loke Yu\*\*.*

\* *non-executive director*

\*\* *independent non-executive director*