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EY 安永
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November 29, 2013

The Directors
Qinhuangdao Port Co., Ltd.
Citigroup Global Markets Asia Limited
China International Capital Corporation Hong Kong Securities Limited
HSBC Corporate Finance (Hong Kong) Limited

Dear Sirs,

We set out below our report on the financial information of Qinhuangdao Port Co., Ltd. (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") comprising the consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended December 31, 2010, 2011 and 2012, and the six months ended June 30, 2013 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2010, 2011 and 2012 and June 30, 2013, together with the notes thereto (the "Financial Information"), and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the six months ended June 30, 2012 (the "Interim Comparative Information") for inclusion in the prospectus of the Company dated November 29, 2013 (the "Prospectus") in connection with the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company was established as a joint stock company with limited liability on March 31, 2008 in the People's Republic of China (the "PRC", or Mainland China, which excludes, for the purpose of this report, the Hong Kong Special Administrative Region of the PRC or Hong Kong, the Macau Special Administrative Region of the PRC or Macau, and Taiwan).

As at the end of the Relevant Periods, the Company had direct and indirect interests in the subsidiaries as set out in Note 16 below. All companies now comprising the Group have adopted December 31 as their financial year end date. The statutory financial statements of the companies now comprising the Group were prepared in accordance with the relevant accounting principles applicable to these companies in the countries in which they were incorporated and/or established. Details of their statutory auditors during the Relevant Periods are set out in Note 16 below.

For the purpose of this report, the directors of the Company (the "Directors") have prepared the consolidated financial statements of the Group (the "Underlying Financial Statements") in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB"). The Underlying Financial Statements for the Relevant Periods were audited by us in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The Financial Information set out in this report has been prepared from the Underlying Financial Statements with no adjustments made thereon.

Directors' responsibility

The Directors are responsible for the preparation of the Underlying Financial Statements, the Financial Information and the Interim Comparative Information that give a true and fair view in accordance with IFRSs, and for such internal control as the Directors determine is necessary to enable the preparation of the Underlying Financial Statements, the Financial Information and the Interim Comparative Information that are free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

It is our responsibility to form an independent opinion and a review conclusion on the Financial Information and the Interim Comparative Information, respectively, and to report our opinion and review conclusion thereon to you.

For the purpose of this report, we have carried out procedures on the Financial Information in accordance with Auditing Guideline 3.340 *Prospectuses and the Reporting Accountant* issued by the HKICPA.

We have also performed a review of the Interim Comparative Information in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets and liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an opinion on the Interim Comparative Information.

Opinion in respect of the Financial Information

In our opinion, for the purpose of this report, the Financial Information gives a true and fair view of the state of affairs of the Group and the Company as at December 31, 2010, 2011 and 2012 and June 30, 2013 and of the consolidated results and cash flows of the Group for each of the Relevant Periods.

Review conclusion in respect of the Interim Comparative Information

Based on our review which does not constitute an audit, for the purpose of this report, nothing has come to our attention that causes us to believe that the Interim Comparative Information is not prepared, in all material respects, in accordance with the same basis adopted in respect of the Financial Information.

Consolidated statements of comprehensive income

	Notes	Year ended December 31, 2010 RMB'000	2011 RMB'000	2012 RMB'000	Six months ended June 30, 2012 RMB'000 (unaudited)	2013 RMB'000
REVENUE	4	5,109,548	5,734,310	6,250,162	3,020,374	3,386,526
Cost of sales		(3,158,540)	(3,254,410)	(3,536,081)	(1,623,184)	(1,860,196)
Gross profit		1,951,008	2,479,900	2,714,081	1,397,190	1,526,330
Other income and gains	4	19,344	56,354	125,416	120,001	369,477
Selling and distribution expenses		(896)	(1,941)	(496)	(24)	(15)
Administrative expenses		(543,843)	(605,462)	(741,148)	(336,201)	(359,700)
Other expenses		(18,062)	(400,416)	(168,466)	(154,277)	(25,432)
Finance costs	6	(156,459)	(208,906)	(259,209)	(117,974)	(144,514)
Share of profits and losses of:						
Associates		171,102	168,139	154,622	56,744	63,385
Joint ventures		494	313	565	320	(46)
PROFIT BEFORE TAX	5	1,422,688	1,487,981	1,825,365	965,779	1,429,485
Income tax expense	9	(326,088)	(427,332)	(428,069)	(236,310)	(227,273)
PROFIT FOR THE YEAR/PERIOD		1,096,600	1,060,649	1,397,296	729,469	1,202,212
OTHER COMPREHENSIVE INCOME		—	—	—	—	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		1,096,600	1,060,649	1,397,296	729,469	1,202,212
Attributable to:						
Owners of the parent	10	1,114,991	1,083,914	1,405,958	735,194	1,188,646
Non-controlling interests		(18,391)	(23,265)	(8,662)	(5,725)	13,566
		1,096,600	1,060,649	1,397,296	729,469	1,202,212
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic and diluted	12	0.26	0.25	0.33	0.17	0.28

Details of the dividends payable and proposed for the Relevant Periods and the six months ended June 30, 2012 are disclosed in Note 11 below.

Consolidated statements of financial position

	Notes	December 31, 2010 RMB'000	December 31, 2011 RMB'000	December 31, 2012 RMB'000	June 30, 2013 RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	13	17,866,939	13,564,031	16,344,421	17,706,594
Prepaid land lease payments	14	584,144	571,305	558,466	552,046
Other intangible assets	15	27,439	96,416	105,458	105,220
Goodwill		—	59	59	59
Investments in joint ventures	17	4,600	4,913	5,233	5,187
Investments in associates	18	833,537	969,352	997,946	968,331
Available-for-sale investments	19	387,902	649,074	681,624	681,624
Long-term prepayments	20	153,493	102,424	240,736	120,920
Deferred tax assets	29	26,308	72,151	78,172	126,118
Total non-current assets		19,884,362	16,029,725	19,012,115	20,266,099
CURRENT ASSETS					
Inventories	21	206,394	209,785	213,404	186,370
Trade and bills receivables	22	159,985	158,059	202,371	255,222
Prepayments, deposits and other receivables	23	111,793	1,627,270	257,163	191,681
Tax recoverable		1,056	26,128	26,128	28,875
Pledged deposits	24	2,706	3,911	—	481
Cash and cash equivalents	24	1,088,572	5,715,271	3,492,887	2,524,072
Total current assets		1,570,506	7,740,424	4,191,953	3,186,701
CURRENT LIABILITIES					
Trade payables	25	51,760	73,467	68,762	80,114
Other payables and accruals	26	4,032,226	3,030,918	2,384,527	2,315,040
Interest-bearing bank borrowings	27	2,539,000	4,194,000	2,564,534	2,484,034
Tax payable		207,877	312,897	176,100	165,434
Total current liabilities		6,830,863	7,611,282	5,193,923	5,044,622
NET CURRENT ASSETS/(LIABILITIES)		(5,260,357)	129,142	(1,001,970)	(1,857,921)
TOTAL ASSETS LESS CURRENT LIABILITIES		14,624,005	16,158,867	18,010,145	18,408,178
NON-CURRENT LIABILITIES					
Interest-bearing bank borrowings	27	6,677,499	6,522,726	7,355,076	7,643,268
Government grants	28	45,946	226,357	225,544	223,298
Total non-current liabilities		6,723,445	6,749,083	7,580,620	7,866,566
Net assets		7,900,560	9,409,784	10,429,525	10,541,612
EQUITY					
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT					
Issued capital	30	4,275,000	4,275,000	4,275,000	4,275,000
Reserves	31	2,907,771	3,589,560	3,908,588	4,005,768
Proposed dividend	11	—	405,337	1,090,125	1,090,125
		7,182,771	8,269,897	9,273,713	9,370,893
Non-controlling interests		717,789	1,139,887	1,155,812	1,170,719
Total equity		7,900,560	9,409,784	10,429,525	10,541,612

Consolidated statements of changes in equity

	Attributable to owners of the parent									
	Issued capital	*Share premium	*Other reserve	*Special reserve	*Statutory surplus reserve	*Retained profits	Proposed dividend	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000 Note 31	RMB'000	RMB'000	RMB'000 Note 11	RMB'000	RMB'000	RMB'000
At January 1, 2010	4,275,000	2,240,185	1,992	—	139,055	1,106,604	—	7,762,836	788,670	8,551,506
Profit for the year	—	—	—	—	—	1,114,991	—	1,114,991	(18,391)	1,096,600
Other comprehensive income for the year	—	—	—	—	—	—	—	—	—	—
Total comprehensive income for the year	—	—	—	—	—	1,114,991	—	1,114,991	(18,391)	1,096,600
Proposed and declared 2009 final dividend	—	—	—	—	—	(1,094,400)	—	(1,094,400)	—	(1,094,400)
Proposed and declared 2010 interim dividend	—	—	—	—	—	(601,486)	—	(601,486)	—	(601,486)
Dividends declared and paid to non-controlling interests	—	—	—	—	—	—	—	—	(452)	(452)
Appropriation to statutory surplus reserve	—	—	—	—	113,310	(113,310)	—	—	—	—
Disposal of a subsidiary (Note 33)	—	—	—	—	—	—	—	—	(52,718)	(52,718)
Others	—	—	830	—	—	—	—	830	680	1,510
At December 31, 2010	4,275,000	2,240,185	2,822	—	252,365	412,399	—	7,182,771	717,789	7,900,560
At January 1, 2011	4,275,000	2,240,185	2,822	—	252,365	412,399	—	7,182,771	717,789	7,900,560
Profit for the year	—	—	—	—	—	1,083,914	—	1,083,914	(23,265)	1,060,649
Other comprehensive income for the year	—	—	—	—	—	—	—	—	—	—
Total comprehensive income for the year	—	—	—	—	—	1,083,914	—	1,083,914	(23,265)	1,060,649
Proposed 2011 final dividend	—	—	—	—	—	(405,337)	405,337	—	—	—
Dividends declared and paid to non-controlling interests	—	—	—	—	—	—	—	—	(876)	(876)
Appropriation to statutory surplus reserve	—	—	—	—	145,191	(145,191)	—	—	—	—
Contribution from non-controlling interests	—	—	—	—	—	—	—	—	441,440	441,440
Acquisition of a subsidiary (Note 32)	—	—	—	—	—	—	—	—	2,171	2,171
Others	—	—	3,212	—	—	—	—	3,212	2,628	5,840
At December 31, 2011	4,275,000	2,240,185	6,034	—	397,556	945,785	405,337	8,269,897	1,139,887	9,409,784
At January 1, 2012	4,275,000	2,240,185	6,034	—	397,556	945,785	405,337	8,269,897	1,139,887	9,409,784
Profit for the year	—	—	—	—	—	1,405,958	—	1,405,958	(8,662)	1,397,296
Other comprehensive income for the year	—	—	—	—	—	—	—	—	—	—
Total comprehensive income for the year	—	—	—	—	—	1,405,958	—	1,405,958	(8,662)	1,397,296
Final 2011 dividend declared	—	—	—	—	—	—	(405,337)	(405,337)	—	(405,337)
Proposed 2012 final dividend	—	—	—	—	—	(1,090,125)	1,090,125	—	—	—
Dividends declared and paid to non-controlling interests	—	—	—	—	—	—	—	—	(1,031)	(1,031)
Appropriation to statutory surplus reserve	—	—	—	—	147,187	(147,187)	—	—	—	—
Net increase in special reserve for the year	—	—	—	17,545	—	(17,545)	—	—	—	—
Contribution from non-controlling interests	—	—	—	—	—	—	—	—	30,000	30,000
Others	—	—	3,195	—	—	—	—	3,195	(4,382)	(1,187)
At December 31, 2012	4,275,000	2,240,185	9,229	17,545	544,743	1,096,886	1,090,125	9,273,713	1,155,812	10,429,525
At January 1, 2013	4,275,000	2,240,185	9,229	17,545	544,743	1,096,886	1,090,125	9,273,713	1,155,812	10,429,525
Profit for the period	—	—	—	—	—	1,188,646	—	1,188,646	13,566	1,202,212
Other comprehensive income for the period	—	—	—	—	—	—	—	—	—	—
Total comprehensive income for the period	—	—	—	—	—	1,188,646	—	1,188,646	13,566	1,202,212
Final 2012 dividend declared	—	—	—	—	—	—	(1,090,125)	(1,090,125)	—	(1,090,125)
Proposed additional 2012 dividend	—	—	—	—	—	(1,090,125)	1,090,125	—	—	—
Net increase in special reserve for the period	—	—	—	20,958	—	(20,958)	—	—	—	—
Acquisition of non-controlling interests by injection to a subsidiary	—	—	(1,341)	—	—	—	—	(1,341)	1,341	—
At June 30, 2013	4,275,000	2,240,185	7,888	38,503	544,743	1,174,449	1,090,125	9,370,893	1,170,719	10,541,612

	Attributable to owners of the parent									
	Issued capital	*Share premium	*Other reserve	*Special reserve	*Statutory surplus reserve	*Retained profits	Proposed dividend	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000 Note 31	RMB'000	RMB'000	RMB'000 Note 11	RMB'000	RMB'000	RMB'000
At January 1, 2012	4,275,000	2,240,185	6,034	—	397,556	945,785	405,337	8,269,897	1,139,887	9,409,784
Profit for the period (unaudited)	—	—	—	—	—	735,194	—	735,194	(5,725)	729,469
Other comprehensive income for the period (unaudited)	—	—	—	—	—	—	—	—	—	—
Total comprehensive income for the period (unaudited)	—	—	—	—	—	735,194	—	735,194	(5,725)	729,469
Final 2011 dividend declared	—	—	—	—	—	—	(405,337)	(405,337)	—	(405,337)
Net increase in special reserve for the period (unaudited)	—	—	—	19,404	—	(19,404)	—	—	—	—
Contribution from non-controlling interests (unaudited)	—	—	—	—	—	—	—	—	30,000	30,000
Dividends declared and paid to non-controlling interests (unaudited)	—	—	—	—	—	—	—	—	(392)	(392)
At June 30, 2012 (unaudited)	4,275,000	2,240,185	6,034	19,404	397,556	1,661,575	—	8,599,754	1,163,770	9,763,524

* These reserve accounts comprise the consolidated reserves of RMB2,907,771,000, RMB3,589,560,000, RMB3,908,588,000, and RMB4,005,768,000 in the consolidated statements of financial position as at December 31, 2010, 2011 and 2012 and June 30, 2013, respectively.

Consolidated statements of cash flows

		Year ended December 31,			Six months ended June 30,	
		2010	2011	2012	2012	2013
	Notes	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		1,422,688	1,487,981	1,825,365	965,779	1,429,485
Adjustments for:						
Depreciation	13	838,784	826,883	857,115	410,325	484,787
Amortization of other intangible assets	15	8,072	8,239	6,287	3,100	3,575
Amortization of prepaid land lease payments	14	9,625	9,625	9,625	4,813	4,813
Bank interest income	4	(10,035)	(16,344)	(19,186)	(6,857)	(10,112)
Government grants recognized		(3,058)	(7,495)	(6,513)	(3,226)	(297,189)
Finance costs	6	156,459	208,906	259,209	117,974	144,514
Gain on disposal of a subsidiary	4	(5,371)	—	—	—	—
Loss on remeasurement of previously held equity interest in a business combination achieved in stages	32	—	59	—	—	—
Provision for/(reversal of) impairment of trade and other receivables	5	6,148	85,615	(49,995)	(61,374)	(13,701)
Provision for impairment of property, plant and equipment	5	7,840	—	—	—	11,577
Dividend income from available-for-sale investments	4	—	(30,000)	(47,631)	(47,631)	(45,000)
Loss on disposal of items of property, plant and equipment	5	4,041	299,017	164,951	153,305	13,325
Share of profits and losses of joint ventures		(494)	(313)	(565)	(320)	46
Share of profits of associates		(171,102)	(168,139)	(154,622)	(56,744)	(63,385)
		2,263,597	2,704,034	2,844,040	1,479,144	1,662,735
Decrease/(increase) in inventories		(29,406)	(3,391)	(3,619)	(18,453)	27,034
Decrease/(increase) in pledged deposits		(2,706)	(1,205)	3,911	(18,704)	(481)
Decrease/(increase) in trade and bills receivables		15,221	952	(45,513)	(57,689)	(60,262)
Decrease/(increase) in prepayments, deposits and other receivables		16,254	(6,985)	(4,235)	(4,792)	1,048
Increase/(decrease) in trade payables		27,866	21,707	(4,705)	18,885	11,352
Increase/(decrease) in other payables and accruals		120,044	28,538	(66,513)	(66,645)	39,662
Cash generated from operations		2,410,870	2,743,650	2,723,366	1,331,746	1,681,088
Interest received		10,035	16,344	19,186	6,857	10,112
Tax paid		(237,921)	(393,227)	(570,887)	(399,507)	(288,632)
Net cash flows from operating activities		2,182,984	2,366,767	2,171,665	939,096	1,402,568

Consolidated statements of cash flows (continued)

	Notes	Year ended December 31, 2010 RMB'000	2011 RMB'000	2012 RMB'000	Six months ended June 30, 2012 RMB'000 (unaudited)	2013 RMB'000
Net cash flows from operating activities		2,182,984	2,366,767	2,171,665	939,096	1,402,568
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of items of property, plant and equipment		(3,097,464)	(2,705,384)	(3,597,980)	(2,120,187)	(1,694,542)
Additions to prepaid land lease payments		(128,571)	—	—	—	—
Additions to other intangible assets		(15,839)	(78,074)	(16,252)	—	(3,852)
Acquisition of a subsidiary, net of cash acquired	32	—	3,786	—	—	—
Decrease/(increase) in non-pledged time deposits with original maturity of three months or more when acquired		—	(209,000)	53,000	(100,000)	19,738
Additions of investments in associates		(84,000)	(124,000)	(15,000)	(15,000)	(40,000)
Purchase of available-for-sale investments		(202,300)	(178,872)	(32,550)	(32,250)	—
Proceeds from disposal of a subsidiary	33	1,829	12,000	40,000	—	—
Proceeds from disposal of items of property, plant and equipment		18,389	3,745,629	904,431	895,690	208,017
Dividends received from available-for-sale investments		—	30,000	47,631	47,631	45,000
Government grants received		8,910	187,906	5,700	300	294,943
Dividends received from a joint venture and associates		105,951	154,379	140,246	—	—
Net cash flows from/(used in) investing activities		(3,393,095)	838,370	(2,470,774)	(1,323,816)	(1,170,696)
CASH FLOWS FROM FINANCING ACTIVITIES						
New bank loans raised		5,163,499	4,330,227	4,037,684	2,875,822	1,902,692
Repayment of bank loans		(2,618,000)	(2,830,000)	(4,834,800)	(3,806,000)	(1,695,000)
Interest paid		(351,740)	(433,329)	(686,623)	(360,075)	(298,516)
Dividend paid		(1,395,146)	(300,740)	(405,337)	(344,547)	(1,090,125)
Dividends paid to non-controlling interests		(463)	(876)	(11,199)	(8,670)	—
Contribution from non-controlling interests		—	441,440	30,000	30,000	—
Refund of port construction fee		3,610	5,840	—	—	—
Net cash flows from/(used in) financing activities		801,760	1,212,562	(1,870,275)	(1,613,470)	(1,180,949)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(408,351)	4,417,699	(2,169,384)	(1,998,190)	(949,077)
Cash and cash equivalents at the beginning of each year/period		1,496,923	1,088,572	5,506,271	5,506,271	3,336,887
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		1,088,572	5,506,271	3,336,887	3,508,081	2,387,810
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and cash equivalents as stated in the consolidated statements of financial position	24	1,088,572	5,715,271	3,492,887	3,817,081	2,524,072
Less: Time deposits with original maturity of more than three months	24	—	(209,000)	(156,000)	(309,000)	(136,262)
Cash and cash equivalents as stated in the consolidated statements of cash flows		1,088,572	5,506,271	3,336,887	3,508,081	2,387,810

Statements of financial position

	Notes	December 31, 2010 RMB'000	December 31, 2011 RMB'000	December 31, 2012 RMB'000	June 30, 2013 RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	13	8,227,242	7,505,614	6,962,864	6,810,356
Prepaid land lease payments	14	456,376	446,751	437,126	432,313
Other intangible assets	15	14,271	22,711	17,162	18,072
Investments in subsidiaries	16	1,621,657	3,385,388	3,429,423	3,589,423
Investment in a joint venture	17	1,254	2,304	2,304	2,304
Investments in associates	18	644,087	727,296	742,296	782,296
Available-for-sale investments	19	355,500	499,750	532,000	532,000
Long-term prepayments	20	—	48,472	205,468	92,604
Deferred tax assets	29	25,671	72,346	77,181	77,525
Total non-current assets		11,346,058	12,710,632	12,405,824	12,336,893
CURRENT ASSETS					
Inventories	21	202,005	207,945	211,021	182,841
Trade and bills receivables	22	144,507	148,389	181,827	228,618
Prepayments, deposits and other receivables	23	105,762	91,671	48,593	182,745
Cash and cash equivalents	24	242,281	544,460	999,568	822,971
Total current assets		694,555	992,465	1,441,009	1,417,175
CURRENT LIABILITIES					
Trade payables	25	79,196	44,544	44,103	48,490
Other payables and accruals	26	1,168,531	901,335	765,375	818,894
Interest-bearing bank borrowings	27	1,690,000	3,230,000	2,472,000	2,412,000
Tax payable		208,271	312,095	174,902	143,758
Total current liabilities		3,145,998	4,487,974	3,456,380	3,423,142
NET CURRENT LIABILITIES		(2,451,443)	(3,495,509)	(2,015,371)	(2,005,967)
TOTAL ASSETS LESS CURRENT LIABILITIES		8,894,615	9,215,123	10,390,453	10,330,926
NON-CURRENT LIABILITIES					
Interest-bearing bank borrowings	27	1,850,000	550,000	658,000	823,000
Government grants	28	45,946	226,357	221,668	219,421
Total non-current liabilities		1,895,946	776,357	879,668	1,042,421
Net assets		6,998,669	8,438,766	9,510,785	9,288,505
EQUITY					
Issued capital	30	4,275,000	4,275,000	4,275,000	4,275,000
Reserves	31	2,723,669	3,758,429	4,145,660	3,923,380
Proposed dividend	11	—	405,337	1,090,125	1,090,125
Total equity		6,998,669	8,438,766	9,510,785	9,288,505

1. CORPORATE INFORMATION

The Company was established as a joint stock company with limited liability on March 31, 2008 in the PRC. The registered office of the Company is located at 35 Haibin Road, Qinhuangdao, Hebei Province, the PRC.

In the opinion of the directors (the "Directors"), the holding company and the ultimate holding company of the Company is Hebei Port Group Co., Ltd. ("HPG"), which is a state-owned enterprise established on August 28, 2002 in the PRC.

During the Relevant Periods, the Group was principally engaged in provision of integrated port services including stevedoring, stacking, warehousing, transportation and logistics and handling various types of cargo including coal, metal ores, oil, liquefied chemicals, containers and general cargo.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

2.1 BASIS OF PREPARATION

The Financial Information has been prepared in accordance with IFRSs, which comprise standards and interpretations approved by the IASB. All IFRSs effective for the accounting period commencing from January 1, 2013, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Financial Information throughout the Relevant Periods and the period covered by the Interim Comparative Information.

The Financial Information has been prepared under the historical cost convention. The Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRSs

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in the Financial Information.

IFRS 9	*Financial Instruments*[2]
IFRS 10, IFRS 12 and IAS 27 (Revised) Amendments	Amendments to IFRS 10, IFRS 12 and IAS 27 (Revised) — *Investment Entities*[1]
IAS 32 Amendments	Amendments to IAS 32 *Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities*[1]
IAS 36 Amendments	Amendments to IAS 36 *Impairment of Assets — Recoverable Amount Disclosures for Non-Financial Assets*[1]
IAS 39 Amendments	Amendments to IAS 39 *Financial Instruments: Recognition and Measurement — Novation of Derivatives and Continuation of Hedge Accounting*[1]
IFRIC 21	*Levies*[1]

1 Effective for annual periods beginning on or after January 1, 2014

2 Effective for annual periods beginning on or after January 1, 2015

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Group considers that these new and revised IFRSs may result in changes in accounting policies and are unlikely to have a significant impact on the Group's results of operations and financial position.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

This Financial Information includes the financial statements of the Company and its subsidiaries for the Relevant Periods. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if it results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognizes (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognized in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate.

Subsidiaries

A subsidiary is an investee over which the Group has power such that the Group is able to direct the investee's relevant activities, has exposure or rights to the investee's variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of its returns.

Joint arrangements

Certain of the Group's activities are conducted through joint arrangements. A joint arrangement is classified as either a joint operation or a joint venture, based on the rights and obligations of the parties to the arrangement.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group's investments in joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post acquisition results is included in the consolidated statement of comprehensive income. Where the profit sharing ratios are different to the Group's equity interest, the share of post-acquisition results of the joint ventures is determined based on the agreed profit sharing ratio. Unrealized gains and losses resulting from transactions between the Group and its joint ventures are eliminated to the extent of the Groups investments in the joint ventures, except where unrealized losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of joint ventures is included as part of the Group's investments in joint ventures and is not individually tested for impairment.

The results of joint ventures are included in the Company's statement of comprehensive income to the extent of dividend received and receivable. The Company's investments in joint ventures are treated as non-current assets and are stated at cost less any impairment losses.

When an investment in a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations.*

Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results is included in the consolidated statement of comprehensive income. Unrealized gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealized losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates and is not individually tested for impairment.

The results of associates are included in the Company's statement of comprehensive income to the extent of dividends received and receivable. The Company's investments in associates are treated as non-current assets and are stated at cost less any impairment losses.

When an investment in an associate is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Business combinations and goodwill

Business combinations not under common control are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 is measured at fair value with changes in fair value either recognized in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognized in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at December 31. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognized. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed in these circumstances is measured based on the relative value of the disposed operation and the portion of the cash-generating unit retained.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortization) had no impairment loss been recognized for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group.

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalized in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Category	Annual rates
Buildings	2.77% to 4.85%
Terminal facilities	3.23% to 4.85%
Plant and machinery	2.77% to 48.5%
Vessels and motor vehicles	9.7% to 48.5%
Furniture and fixtures	6.47% to 48.5%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognized in profit or loss in the year the asset is derecognized is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents building, terminal facilities and plant under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalized borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortized.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets are stated at cost less any impairment losses and are amortized on the straight-line basis over their estimated useful lives. The principal estimated useful lives of software and sea area use rights are 5 years and 50 years, respectively.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalized at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalized finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the income statement so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognized on the straight-line basis over the lease terms.

When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

Investments and other financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, or available-for-sale financial investments, as appropriate. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognized initially, they are measured at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognized on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term.

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognized in accordance with the policies set out for "Revenue recognition" below.

Financial assets designated upon initial recognition at fair value through profit or loss are designated at the date of initial recognition and only if the criteria under IAS 39 are satisfied.

The Group evaluates its financial assets at fair value through profit or loss (held for trading) to assess whether the intent to sell them in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intent to sell them in the foreseeable future significantly changes, the Group may elect to reclassify them. The reclassification from financial assets at fair value through profit or loss to loans and receivables, available-for-sale financial assets or held-to-maturity investments depends on the nature of the assets. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation, as these instruments cannot be reclassified after initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortized cost using the effective interest method less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in other income and gains in profit or loss. The loss arising from impairment is recognized in profit or loss in finance costs for loans and in other expenses for receivables.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealized gains or losses recognized as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognized, at which time the cumulative gain or loss is recognized in profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to profit or loss in other expenses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognized in profit or loss as other income in accordance with the policies set out for "Revenue recognition" below.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intent to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or to maturity. Reclassification to the held-to-maturity category is permitted only when the Group has the ability and intent to hold until the maturity date of the financial asset.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortized cost and any previous gain or loss on that asset that has been recognized in equity is amortized to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortized cost and the maturity amount is also amortized over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost

For financial assets carried at amortized cost, the Group firstly assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other income and gains in profit or loss.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in profit or loss, is removed from other comprehensive income and recognized in profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. The determination of what is "significant" or ''prolonged" requires judgment. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss — is removed from other comprehensive income and recognized in profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through profit or loss. Increases in their fair value after impairment are recognized directly in other comprehensive income.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables, and interest-bearing bank borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognized in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs. For financial instruments where there is no active market, the fair value is determined using appropriate valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; and a discounted cash flow analysis.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on a weighted average basis. Net realizable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognized when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognized for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognized outside profit or loss is recognized outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the country in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilized, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Government grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual installments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) from the rendering of services, on the percentage of completion basis, as further explained in the accounting policy for "Contracts for services" below;

(b) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

(c) rental income, on a time proportion basis over the lease terms;

(d) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and

(e) dividend income, when the shareholders' right to receive payment has been established.

Contracts for services

Contract revenue on the rendering of services comprises the agreed contract amount. Costs of rendering services comprise depreciation and amortization, power and fuel costs, labor and other costs of personnel directly engaged in providing the services and attributable overheads.

Revenue from the rendering of services is recognized based on the percentage of completion of the transaction, provided that the revenue, the costs incurred and the estimated costs to completion can be measured reliably. The percentage of completion is established by reference to the costs incurred to date as compared to the total costs to be incurred under the transaction. Where the outcome of a contract cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are eligible to be recovered.

Provision is made for foreseeable losses as soon as they are anticipated by management.

Pension scheme

The employees of the Group in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute certain percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

In addition to the central pension scheme, the Group implemented a pension annuity plan for its employees in Mainland China pursuant to which the Group contributes to the plan regularly, based on a percentage of the employees' basic salary. The Group has no further obligation, once the required contribution has been made and the contribution is recognized as expense as incurred.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of those assets. The capitalization of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalized. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Dividends proposed by the Directors are classified as a separate allocation of retained profits within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognized as a liability.

Foreign currencies

The Financial Information is presented in RMB which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognized in the profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognized in other comprehensive income or profit or loss is also recognized in other comprehensive income or profit or loss, respectively).

2.4 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Financial Information requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgment, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Transfer of construction in progress to property, plant and equipment

Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use. It requires management's judgment and estimation to determine when the project under construction is substantially ready for its intended use, i.e. when it is capable of commercial operation based on the overall assessment of trial operation results.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

(i) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and the related depreciation charge for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore depreciation charge in the future periods.

(ii) Impairment of receivables

Impairment of receivables is made based on management's assessment of their recoverability. The identification of impairment of receivables requires management's judgment and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will impact the carrying values of the receivables and impairment loss/reversal of impairment of the receivables in the period in which such an estimate is changed.

(iii) Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of the Relevant Periods. Non-financial assets with definite lives are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(iv) Deferred tax assets

Deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the tax losses and deductible temporary differences can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in Note 29 to the Financial Information.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group has one reportable operating segment: provision of integrated port services. Management monitors the operating results of its business units as a whole for the purpose of making decisions about resources allocation and performance assessment.

Geographical information

During the Relevant Periods and the six months ended June 30, 2012, more than 90% of the Group's revenue is generated from customers located in Mainland China and all of the non-current assets of the Group were located in Mainland China.

Information about major customers

During the Relevant Periods and the six months ended June 30, 2012, there were two single customers who contributed over 10% of the Group's revenue individually.

	Year ended December 31,			Six months ended June 30,	
	2010	**2011**	**2012**	**2012**	**2013**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000 (unaudited)**	**RMB'000**
Customer A	857,203	719,192	793,151	425,382	393,266
Customer B	728,019	798,714	834,159	411,696	505,806

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

	Year ended December 31,			Six months ended June 30,	
	2010	2011	2012	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue					
Integrated port services	4,831,776	5,486,873	5,984,241	2,884,885	3,260,135
Other comprehensive services	277,772	247,437	265,921	135,489	126,391
	5,109,548	5,734,310	6,250,162	3,020,374	3,386,526
Other income and gains					
Other income					
Bank interest income	10,035	16,344	19,186	6,857	10,112
Dividend income from available-for-sale investments	—	30,000	47,631	47,631	45,000
Government grants*	3,058	7,923	7,942	3,226	298,424
Foreign exchange differences, net	—	174	—	—	—
	13,093	54,441	74,759	57,714	353,536
Gains					
Gain on disposal of a subsidiary (Note 33)	5,371	—	—	—	—
Reversal of impairment of trade and other receivables, net*	—	—	49,995	61,374	13,701
Others	880	1,913	662	913	2,240
	6,251	1,913	50,657	62,287	15,941
	19,344	56,354	125,416	120,001	369,477

* The government grant of RMB298,424,000 in the six months ended June 30, 2013 included RMB294,842,000 and the reversal of impairment of trade and other receivables of RMB49,995,000, RMB61,374,000 (unaudited) and RMB13,701,000 in 2012 and the six months ended June 30, 2012 and 2013 included RMB58,401,000, RMB58,401,000 (unaudited) and RMB21,855,000, respectively, which were in connection with the transfer of Huanghua Port public infrastructure as disclosed in Note 13 to the Financial Information.

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Year ended December 31,			Six months ended June 30,	
	2010	2011	2012	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Cost of services provided	3,158,540	3,254,410	3,536,081	1,623,184	1,860,196
Depreciation (Note 13)	838,784	826,883	857,115	410,325	484,787
Amortization of other intangible assets (Note 15)	8,072	8,239	6,287	3,100	3,575
Amortization of prepaid land lease payments (Note 14)	9,625	9,625	9,625	4,813	4,813
Loss on disposal of items of property, plant and equipment*	4,041	299,017	164,951	153,305	13,325
Gain on disposal of a subsidiary (Note 33)	(5,371)	—	—	—	—
Employee benefit expense (including directors' and supervisors' remuneration (Note 7)):					
Wages, salaries and bonuses	1,183,653	1,317,598	1,548,642	684,695	773,657
Pension scheme contributions	196,587	222,623	252,546	126,008	146,101
	1,380,240	1,540,221	1,801,188	810,703	919,758
Provision for/(reversal of) impairment of trade and other receivables	6,148	85,615	(49,995)	(61,374)	(13,701)
Provision for impairment of property, plant and equipment	7,840	—	—	—	11,577
Dividend income from available-for-sale investments	—	(30,000)	(47,631)	(47,631)	(45,000)
Minimum lease payments under operating leases of property, plant and equipment	213,555	174,190	169,640	88,574	84,284
Auditors' remuneration	1,874	1,674	1,691	250	125
Bank interest income	(10,035)	(16,344)	(19,186)	(6,857)	(10,112)

* The loss on disposal of items of property, plant and equipment of RMB299,017,000, RMB164,951,000 and RMB153,305,000 (unaudited) in 2011, 2012 and the six months ended June 30, 2012 included RMB292,233,000, RMB152,609,000 and RMB152,609,000 (unaudited), respectively, which were in connection with the transfer of Huanghua Port public infrastructure as disclosed in Note 13 to the Financial Information.

6. FINANCE COSTS

	Year ended December 31,			Six months ended June 30,	
	2010	2011	2012	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest on bank borrowings					
— wholly repayable within five years	259,429	236,102	321,212	256,549	157,428
— wholly repayable over five years	95,224	206,029	362,207	102,384	140,508
	354,653	442,131	683,419	358,933	297,936
Less: Interest capitalized	(198,194)	(233,225)	(424,210)	(240,959)	(153,422)
	156,459	208,906	259,209	117,974	144,514

7. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' and supervisors' remuneration during the Relevant Periods and the six months ended June 30, 2012, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, is as follows:

	Year ended December 31,			Six months ended June 30,	
	2010	2011	2012	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Fees	—	—	—	—	—
Other emoluments:					
Salaries, allowances and benefits in kind	1,079	1,249	2,048	426	980
Performance related bonuses	—	—	—	—	—
Pension scheme contributions	21	125	265	98	256
	1,100	1,374	2,313	524	1,236

(a) Executive Directors

	Year ended December 31, 2010				
	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
— Cui Zhongjian	—	582	—	—	582
— Xing Luzhen	—	—	—	—	—
— He Shanqi	—	—	—	—	—
	—	582	—	—	582

	Year ended December 31, 2011				
	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
— Cui Zhongjian*	—	436	—	—	436
— Xing Luzhen	—	—	—	—	—
— He Shanqi	—	—	—	—	—
	—	436	—	—	436

	Year ended December 31, 2012				
	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
— Xing Luzhen	—	—	—	—	—
— He Shanqi	—	—	—	—	—
— Wang Lubiao**	—	498	—	69	567
	—	498	—	69	567

	Six months ended June 30, 2013				
	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
— Xing Luzhen	—	—	—	—	—
— He Shanqi	—	263	—	76	339
— Wang Lubiao	—	173	—	55	228
	—	436	—	131	567

	Six months ended June 30, 2012 (unaudited)				
	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
— Xing Luzhen	—	—	—	—	—
— He Shanqi	—	—	—	—	—
— Wang Lubiao**	—	72	—	17	89
	—	72	—	17	89

(b) Non-executive Directors

	Year ended December 31, 2010				
	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
— Zhao Ke	—	—	—	—	—
— Zheng Yunming	—	—	—	—	—
— Duan Gaosheng	—	—	—	—	—
	—	—	—	—	—

	Year ended December 31, 2011				
	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
— Zhao Ke	—	—	—	—	—
— Zheng Yunming	—	—	—	—	—
— Duan Gaosheng	—	—	—	—	—
	—	—	—	—	—

	Year ended December 31, 2012				
	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
— Zhao Ke	—	—	—	—	—
— Zheng Yunming	—	—	—	—	—
— Duan Gaosheng	—	—	—	—	—
	—	—	—	—	—

	Six months ended June 30, 2013				
	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
— Zhao Ke	—	—	—	—	—
— Zheng Yunming	—	—	—	—	—
— Duan Gaosheng	—	—	—	—	—
	—	—	—	—	—

	Six month ended June 30, 2012 (unaudited)				
	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
— Zhao Ke	—	—	—	—	—
— Zheng Yunming	—	—	—	—	—
— Duan Gaosheng	—	—	—	—	—
	—	—	—	—	—

(c) Independent Non-executive Directors

	Year ended December 31, 2010				
	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
— Yu Shulian	—	100	—	—	100
— Liu Xue	—	100	—	—	100
	—	200	—	—	200

	Year ended December 31, 2011				
	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
— Yu Shulian	—	100	—	—	100
— Liu Xue	—	100	—	—	100
	—	200	—	—	200

	Year ended December 31, 2012				
	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
— Hong Shanxiang	—	—	—	—	—
— Yu Shunlian	—	100	—	—	100
— Liu Xue	—	100	—	—	100
	—	200	—	—	200

	Six months ended June 30, 2013				
	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
— Hong Shanxiang	—	—	—	—	—
— Yu Shulian	—	50	—	—	50
— Liu Xue	—	50	—	—	50
	—	100	—	—	100

	Six months ended June 30, 2012 (unaudited)				
	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
— Hong Shanxiang	—	—	—	—	—
— Yu Shulian	—	50	—	—	50
— Liu Xue	—	50	—	—	50
	—	100	—	—	100

(d) Supervisors

	Year ended December 31, 2010				
	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
— Ge Ying	—	—	—	—	—
— Cao Dong***	—	94	—	21	115
— Bi Keshuang	—	203	—	—	203
— Qi Guiqiu	—	—	—	—	—
— Xue Tiemin***	—	—	—	—	—
	—	297	—	21	318

	Year ended December 31, 2011				
	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
— Ge Ying	—	—	—	—	—
— Cao Dong	—	354	—	71	425
— Bi Keshuang	—	259	—	54	313
— Qi Guiqiu	—	—	—	—	—
— Xue Tiemin	—	—	—	—	—
	—	613	—	125	738

	Year ended December 31, 2012				
	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
— Ge Ying	—	—	—	—	—
— Ning Zhongyou**	—	—	—	—	—
— Chen Shaojun**	—	385	—	66	451
— Cao Dong	—	567	—	72	639
— Ma Chengzhu**	—	351	—	38	389
— Bi Keshuang****	—	47	—	20	67
— Qi Guiqiu****	—	—	—	—	—
— Xue Tiemin****	—	—	—	—	—
	—	1,350	—	196	1,546

	Six months ended June 30, 2013				
	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
— Ge Ying	—	—	—	—	—
— Ning Zhongyou	—	—	—	—	—
— Chen Shaojun	—	182	—	46	228
— Cao Dong	—	174	—	53	227
— Ma Chengzhu*****	—	88	—	26	114
— Yang Jun*****	—	—	—	—	—
	—	444	—	125	569

	Six months ended June 30, 2012 (unaudited)				
	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
— Ge Ying	—	—	—	—	—
— Ning Zhongyou**	—	—	—	—	—
— Chen Shaojun**	—	60	—	16	76
— Cao Dong	—	116	—	36	152
— Ma Chengzhu**	—	31	—	9	40
— Bi Keshuang****	—	47	—	20	67
— Qi Guiqiu****	—	—	—	—	—
— Xue Tiemin****	—	—	—	—	—
	—	254	—	81	335

* The executive director resigned in July 2011.

** The directors or supervisors were appointed in April 2012.

*** Cao Dong was appointed in August 2010 and Xue Tiemin was appointed in May 2010.

**** Qi Guiqiu, Bi Keshuang and Xue Tiemin resigned in April 2012.

***** Ma Chengzhu resigned in April 2013 and Yang Jun was appointed in June 2013.

There was no arrangement under which a director or supervisor waived or agreed to waive any remuneration during the Relevant Periods and the six months ended June 30, 2012.

8. FIVE HIGHEST PAID INDIVIDUALS

An analysis of the headcounts of the five highest paid employees within the Group for the Relevant Periods and the six months ended June 30, 2012 is as follows:

	Number of employees				
	Year ended December 31,			Six months ended June 30,	
	2010	2011	2012	2012	2013
				(unaudited)	
Directors (Note 7)	1	—	1	1	2
Supervisors (Note 7)	—	—	1	1	2
Non-director and non-supervisor employees	4	5	3	3	1

Details of the remuneration of the above non-director and non-supervisor, highest paid employees are as follows:

	Year ended December 31,			Six months ended June 30,	
	2010	2011	2012	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries, allowances and benefits in kind	1,852	2,636	1,800	513	173
Performance related bonuses	—	—	—	—	—
Pension scheme contributions	270	431	326	163	55
	2,122	3,067	2,126	676	228

The remuneration of the non-director and non-supervisor, highest paid employees fell within the band of nil to HK$1,000,000.

9. INCOME TAX EXPENSE

The provision for Mainland China current income tax is based on a statutory rate of 25% of the assessable profits of the Group as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on January 1, 2008.

	Year ended December 31,			Six months ended June 30,	
	2010	2011	2012	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Current-Mainland China Charged for the year/ period	326,908	473,175	434,090	241,134	275,219
Deferred (Note 29)	(820)	(45,843)	(6,021)	(4,824)	(47,946)
Tax expenses for the year/period	326,088	427,332	428,069	236,310	227,273

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate applicable in Mainland China to the tax expense at the Group's effective tax rate is as follows:

	Year ended December 31,			Six months ended June 30,	
	2010	2011	2012	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Profit before tax	1,422,688	1,487,981	1,825,365	965,779	1,429,485
Tax at the statutory tax rate	355,672	371,995	456,341	241,445	357,371
Expenses not deductible for tax*	1,508	78,085	36,275	38,655	9,426
Tax losses not recognized	9,659	4,546	4,627	3,060	4,121
Income not subject to tax	—	(7,500)	(11,908)	(11,908)	(11,250)
Profits and losses attributable to joint ventures and associates	(42,899)	(42,113)	(38,797)	(14,266)	(15,834)
Non-deductible expenses from previous periods confirmed to be deductible by tax authority*	—	—	—	—	(110,558)
Deductible temporary difference not recognized	2,148	22,319	—	—	—
Utilized deductible temporary difference not recognized	—	—	(18,469)	(20,676)	(6,003)
	326,088	427,332	428,069	236,310	227,273

* Included in the expenses not deductible for tax in 2011, 2012 and the six months ended June 30, 2012, RMB73,058,000, RMB37,500,000 and RMB37,500,000 (unaudited) were in connection with the transfer of Huanghua Port public infrastructure as disclosed in Note 13 to the Financial Information, respectively. The expenses were confirmed by the tax authority to be deductible in the six months ended June 30, 2013.

The Group's effective tax rates are 23%, 29%, 23%, 24% (unaudited) and 16% for the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2012 and 2013 respectively.

The share of tax attributable to associates and joint ventures amounting to RMB51,080,000, RMB14,657,000, RMB29,664,000, RMB10,014,000 (unaudited) and RMB6,500,000 for the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2012 and 2013, respectively, is included in "Share of profits and losses of: associates and joint ventures" in the consolidated statements of comprehensive income.

10. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated profits attributable to owners of the parent for the years ended December 31, 2010, 2011, 2012 and the six months ended June 30, 2012 and 2013 include the profits of RMB1,065,110,000, RMB1,435,101,000, RMB1,472,365,000, RMB767,164,000 (unaudited) and RMB867,845,000, respectively, which have been dealt with in the financial statements of the Company.

11. DIVIDENDS

	Year ended December 31,			Six months ended June 30,	
	2010	2011	2012	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Proposed dividend	—	405,337	1,090,125	—	1,090,125
Proposed and declared dividend	1,695,886	—	—	—	—

Pursuant to the resolution of the board meeting dated June 16, 2013, the Company proposed additional 2012 dividend with the amount of RMB1,090,125,000 which had been approved by the Company's shareholders at the first extraordinary general shareholders' meeting for the year 2013 dated July 11, 2013.

The rates of dividends and the number of shares ranking for dividends are not presented as such information is not considered meaningful for the purpose of this report.

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share amounts is based on the profits attributable to ordinary equity holders of the parent for the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2012 and 2013 and the weighted average number of ordinary shares in issue during the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2012 and 2013.

	Year ended December 31,			Six months ended June 30,	
	2010	2011	2012	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Earnings					
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	1,114,991	1,083,914	1,405,958	735,194	1,188,646

	Year ended December 31,			Six months ended June 30,	
	2010	2011	2012	2012	2013
	'000	'000	'000	'000 (unaudited)	'000
Shares					
Weighted average number of ordinary shares	4,275,000	4,275,000	4,275,000	4,275,000	4,275,000

No adjustment has been made to the basic earnings per share amounts presented for the Relevant Periods and the six months ended June 30, 2012 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those periods.

13. PROPERTY, PLANT AND EQUIPMENT

Group

	Buildings	Terminal facilities	Plant and machinery	Vessels and motor vehicles	Furniture and fixtures	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:							
At January 1, 2010	2,189,686	2,916,278	5,840,390	289,761	122,287	5,469,879	16,828,281
Additions	—	—	411	3,754	3,532	4,561,415	4,569,112
Transfers	(54,601)	16,259	156,265	79,180	10,986	(208,089)	—
Disposals	(907)	—	(17,349)	(116)	(557)	(16,076)	(35,005)
Disposal of a subsidiary	—	—	—	—	—	(510,812)	(510,812)
At December 31, 2010	2,134,178	2,932,537	5,979,717	372,579	136,248	9,296,317	20,851,576
Accumulated depreciation:							
At January 1, 2010	214,919	268,765	1,540,575	87,575	46,594	—	2,158,428
Depreciation provided for the year	99,822	111,435	571,001	35,723	20,803	—	838,784
Disposals	(94)	—	(11,978)	(52)	(451)	—	(12,575)
At December 31, 2010	314,647	380,200	2,099,598	123,246	66,946	—	2,984,637
Accumulated impairment:							
At January 1, 2010	—	—	—	—	—	—	—
Provision provided	—	—	—	—	—	7,840	7,840
Disposal of a subsidiary	—	—	—	—	—	(7,840)	(7,840)
At December 31, 2010	—	—	—	—	—	—	—
Net book value:							
At December 31, 2010	1,819,531	2,552,337	3,880,119	249,333	69,302	9,296,317	17,866,939
Cost:							
At January 1, 2011	2,134,178	2,932,537	5,979,717	372,579	136,248	9,296,317	20,851,576
Additions	—	—	522	642	1,480	1,877,173	1,879,817
Transfer	2,943	—	48,804	9,027	16,394	(77,168)	—
Disposals*	(315)	(26)	(92,599)	(1,546)	(2,072)	(5,325,365)	(5,421,923)
Acquisition of a subsidiary	—	—	—	495	2,143	—	2,638
At December 31, 2011	2,136,806	2,932,511	5,936,444	381,197	154,193	5,770,957	17,312,108
Accumulated depreciation:							
At January 1, 2011	314,647	380,200	2,099,598	123,246	66,946	—	2,984,637
Depreciation provided for the year	100,081	111,568	552,084	41,518	21,632	—	826,883
Disposals	(270)	(26)	(60,798)	(1,465)	(1,839)	—	(64,398)
Acquisition of a subsidiary	—	—	—	94	861	—	955
At December 31, 2011	414,458	491,742	2,590,884	163,393	87,600	—	3,748,077
Net book value:							
At December 31, 2011	1,722,348	2,440,769	3,345,560	217,804	66,593	5,770,957	13,564,031

Group

	Buildings	Terminal facilities	Plant and machinery	Vessels and motor vehicles	Furniture and fixtures	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:							
At January 1, 2012	2,136,806	2,932,511	5,936,444	381,197	154,193	5,770,957	17,312,108
Additions	17	—	1,403	703	1,760	3,655,853	3,659,736
Transfers	57,541	2,253,912	768,980	90,858	39,511	(3,210,802)	—
Disposals	(18,902)	—	(24,079)	(2,245)	(395)	(32)	(45,653)
At December 31, 2012	2,175,462	5,186,423	6,682,748	470,513	195,069	6,215,976	20,926,191
Accumulated depreciation:							
At January 1, 2012	414,458	491,742	2,590,884	163,393	87,600	—	3,748,077
Depreciation provided for the year	108,604	123,144	551,276	42,625	31,466	—	857,115
Disposals	(3,612)	—	(17,532)	(1,936)	(342)	—	(23,422)
At December 31, 2012	519,450	614,886	3,124,628	204,082	118,724	—	4,581,770
Net book value:							
At December 31, 2012	1,656,012	4,571,537	3,558,120	266,431	76,345	6,215,976	16,344,421
Cost:							
At January 1, 2013	2,175,462	5,186,423	6,682,748	470,513	195,069	6,215,976	20,926,191
Additions	—	—	—	258	425	1,860,650	1,861,333
Transfers	85,952	590,290	31,234	71,546	4,379	(783,401)	—
Disposals	(66)	—	(10,311)	(2,866)	(809)	(1,004)	(15,056)
At June 30, 2013	2,261,348	5,776,713	6,703,671	539,451	199,064	7,292,221	22,772,468
Accumulated depreciation:							
At January 1, 2013	519,450	614,886	3,124,628	204,082	118,724	—	4,581,770
Depreciation provided for the period	50,946	104,345	288,571	27,166	13,759	—	484,787
Disposals	(65)	—	(8,673)	(2,769)	(753)	—	(12,260)
At June 30, 2013	570,331	719,231	3,404,526	228,479	131,730	—	5,054,297
Accumulated impairment:							
At January 1, 2013	—	—	—	—	—	—	—
Provision provided	—	—	9,331	2,161	85	—	11,577
At June 30, 2013	—	—	9,331	2,161	85	—	11,577
Net book value:							
At June 30, 2013	1,691,017	5,057,482	3,289,814	308,811	67,249	7,292,221	17,706,594

* The disposal of construction in process with cost of RMB5,325,365,000 in 2011 included transfer of Huanghua Port public infrastructure of RMB5,218,452,000. In April 2011, Cangzhou Bohai Port Co., Ltd. ("Cangzhou Bohai"), a subsidiary of the Company, entered into an agreement with Cangzhou Port Group Company Ltd., a company affiliated with Cangzhou government, in connection with transfer of Huanghua Port public infrastructure being constructed by Cangzhou Bohai with a carrying amount of RMB5,218,452,000 to Cangzhou Port Group Company Ltd. at a total consideration of RMB5,218,452,000. The Group transferred the ownership of Huanghua Port public infrastructure to Cangzhou Port Group Company Ltd. pursuant to the relevant government policies to build Huanghua Port into a landlord port with respect to which the local port authority acts as the regulatory body and landlord, while port operations, especially cargo handling, are carried out by the Group. The transfer was recorded as a disposal of items of property, plant and equipment in 2011. In addition, according to the transfer agreement, Cangzhou Port Group Company Ltd. should pay Cangzhou Bohai an additional amount of RMB236,659,000 as a compensation for the interest expenses incurred by Cangzhou Bohai on the bank loans it borrowed in connection with the construction of Huanghua Port public infrastructure. The amount was further adjusted down by RMB18,113,000 to RMB218,546,000 in 2012 as agreed between Cangzhou Bohai and Cangzhou Port Group Company Ltd.

The Group made a provision of RMB292,233,000 for business tax and surcharges according to the then applicable tax laws and regulations for the proceeds from transfer of Huanghua Port public infrastructure, which was recorded in the loss on disposal of items of property, plant and equipment in 2011 as these taxes and surcharges were not covered by the transfer proceeds from Cangzhou Port Group Company Ltd. Such business tax and surcharges were fully paid in 2012.

In 2012, the Group paid the dredging costs of RMB150,000,000 and stamp duty of RMB2,609,000 in connection with the transfer of Huanghua Port public infrastructure to Cangzhou Port Group Company Ltd., which was recorded in the loss on disposal of items of property, plant and equipment in 2012 as the costs were not covered by the transfer proceeds.

The aforementioned losses on disposal of items of property, plant and equipment of RMB292,223,000 and RMB150,000,000 in 2011 and 2012, respectively, were regarded as non-deductible expense in respective year as deduction of these expenses were not confirmed by tax authority. In the six months ended June 30, 2013, these expenses were confirmed by tax authority to be deductible.

In January 2013, the Group received a government grant of RMB294,842,000 from Cangzhou government as the compensation for the business tax and surcharges of RMB292,233,000 and the stamp duty of RMB2,609,000 paid by the Group in connection with the transfer of Huanghua Port public infrastructure to Cangzhou Port Group Company Ltd.

In 2011, Cangzhou Port Group Company Ltd. paid a total of RMB3,850,000,000 as part of the transfer proceeds. The Group made a provision of RMB80,256,000 for impairment of the remaining overdue receivables in the aggregate amount of RMB1,605,111,000, which include the remaining balance of RMB1,368,452,000 of the transfer proceeds and the aforementioned interest expenses of RMB236,659,000. In 2012 and the six months ended June 30, 2013, Cangzhou Port Group Company Ltd. further paid the remaining balance of RMB1,368,452,000 of the transfer proceeds and the aforesaid interest expense. Accordingly the Group reversed the provision of RMB58,401,000 and RMB21,855,000 in 2012 and the six months ended June 30, 2013, respectively.

Company

	Buildings	Terminal facilities	Plant and machinery	Vessels and motor vehicles	Furniture and fixtures	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:							
At January 1, 2010	2,173,665	2,916,278	5,423,304	277,171	119,240	94,451	11,004,109
Additions	—	—	—	—	284	158,857	159,141
Transfers	(54,601)	16,259	154,963	78,999	10,498	(206,118)	—
Disposals	(907)	—	(17,351)	(116)	(406)	(2,293)	(21,073)
At December 31, 2010	2,118,157	2,932,537	5,560,916	356,054	129,616	44,897	11,142,177
Accumulated depreciation:							
At January 1, 2010	214,313	268,765	1,502,256	84,028	45,953	—	2,115,315
Depreciation provided for the year	99,324	111,435	547,392	33,819	20,086	—	812,056
Disposals	(94)	—	(11,978)	(52)	(312)	—	(12,436)
At December 31, 2010	313,543	380,200	2,037,670	117,795	65,727	—	2,914,935
Net book value:							
At December 31, 2010	1,804,614	2,552,337	3,523,246	238,259	63,889	44,897	8,227,242
Cost:							
At January 1, 2011	2,118,157	2,932,537	5,560,916	356,054	129,616	44,897	11,142,177
Additions	—	—	—	—	118	109,551	109,669
Transfers	2,943	—	48,804	2,825	16,196	(70,768)	—
Disposals	(315)	(26)	(92,318)	(1,026)	(1,894)	(27)	(95,606)
At December 31, 2011	2,120,785	2,932,511	5,517,402	357,853	144,036	83,653	11,156,240
Accumulated depreciation:							
At January 1, 2011	313,543	380,200	2,037,670	117,795	65,727	—	2,914,935
Depreciation provided for the year	99,583	111,568	528,892	38,772	20,508	—	799,323
Disposals	(270)	(26)	(60,673)	(961)	(1,702)	—	(63,632)
At December 31, 2011	412,856	491,742	2,505,889	155,606	84,533	—	3,650,626
Net book value:							
At December 31, 2011	1,707,929	2,440,769	3,011,513	202,247	59,503	83,653	7,505,614
Cost:							
At January 1, 2012	2,120,785	2,932,511	5,517,402	357,853	144,036	83,653	11,156,240
Additions	—	—	—	—	94	269,456	269,550
Transfers	1,238	498	2,148	2,713	28,626	(35,223)	—
Disposals	(16,662)	—	(24,079)	(358)	(257)	(33)	(41,389)
At December 31, 2012	2,105,361	2,933,009	5,495,471	360,208	172,499	317,853	11,384,401
Accumulated depreciation:							
At January 1, 2012	412,856	491,742	2,505,889	155,606	84,533	—	3,650,626
Depreciation provided for the year	107,819	102,278	514,972	37,670	29,075	—	791,814
Disposals	(2,831)	—	(17,530)	(306)	(236)	—	(20,903)
At December 31, 2012	517,844	594,020	3,003,331	192,970	113,372	—	4,421,537
Net book value:							
At December 31, 2012	1,587,517	2,338,989	2,492,140	167,238	59,127	317,853	6,962,864

Company

	Buildings	Terminal facilities	Plant and machinery	Vessels and motor vehicles	Furniture and fixtures	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:							
At January 1, 2013	2,105,361	2,933,009	5,495,471	360,208	172,499	317,853	11,384,401
Additions	—	—	—	—	—	249,469	249,469
Transfers	85,952	27,691	(69,517)	69,050	4,349	(117,525)	—
Disposals	(65)	—	(10,311)	(2,866)	(807)	(1,004)	(15,053)
At June 30, 2013	2,191,248	2,960,700	5,415,643	426,392	176,041	448,793	11,618,817
Accumulated depreciation:							
At January 1, 2013	517,844	594,020	3,003,331	192,970	113,372	—	4,421,537
Depreciation provided for the period	49,974	55,792	248,874	21,049	11,918	—	387,607
Disposals	(65)	—	(8,673)	(2,769)	(753)	—	(12,260)
At June 30, 2013	567,753	649,812	3,243,532	211,250	124,537	—	4,796,884
Accumulated impairment:							
At January 1, 2013	—	—	—	—	—	—	—
Provision provided	—	—	9,331	2,161	85	—	11,577
At June 30, 2013	—	—	9,331	2,161	85	—	11,577
Net book value:							
At June 30, 2013	1,623,495	2,310,888	2,162,780	212,981	51,419	448,793	6,810,356

14. PREPAID LAND LEASE PAYMENTS

Group

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Cost:				
At the beginning of year/period	481,240	609,811	609,811	609,811
Additions	128,571	—	—	—
At the end of year/period	609,811	609,811	609,811	609,811
Accumulated amortization:				
At the beginning of year/period	(15,239)	(25,667)	(38,506)	(51,345)
Amortization capitalized as property, plant and equipment for the year/period	(803)	(3,214)	(3,214)	(1,607)
Amortization recognized as expenses for the year/period	(9,625)	(9,625)	(9,625)	(4,813)
At the end of year/period	(25,667)	(38,506)	(51,345)	(57,765)
Net book value:				
At the end of year/period	584,144	571,305	558,466	552,046

Company

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Cost:				
At the beginning and end of year/period	481,240	481,240	481,240	481,240
Accumulated amortization:				
At the beginning of year/period	(15,239)	(24,864)	(34,489)	(44,114)
Amortization recognized as expenses for the year/period	(9,625)	(9,625)	(9,625)	(4,813)
At the end of year/period	(24,864)	(34,489)	(44,114)	(48,927)
Net book value:				
At the end of year/period	456,376	446,751	437,126	432,313

The leasehold land is held under long-term leases and situated in Mainland China.

15. OTHER INTANGIBLE ASSETS

Group

	Sea area use rights	Software	Total
	RMB'000	RMB'000	RMB'000
Cost:			
At January 1, 2010	—	38,172	38,172
Additions	11,972	3,867	15,839
Disposal of a subsidiary	—	(21)	(21)
At December 31, 2010	11,972	42,018	53,990
Accumulated amortization:			
At January 1, 2010	—	(18,486)	(18,486)
Amortization charged for the year	—	(8,072)	(8,072)
Disposal of a subsidiary	—	7	7
At December 31, 2010	—	(26,551)	(26,551)
Net book value:			
At December 31, 2010	11,972	15,467	27,439
Cost:			
At January 1, 2011	11,972	42,018	53,990
Additions	61,520	16,554	78,074
At December 31, 2011	73,492	58,572	132,064
Accumulated amortization:			
At January 1, 2011	—	(26,551)	(26,551)
Amortization capitalized as property, plant and equipment for the year	(858)	—	(858)
Amortization charged for the year	—	(8,239)	(8,239)
At December 31, 2011	(858)	(34,790)	(35,648)
Net book value:			
At December 31, 2011	72,634	23,782	96,416

Group

	Sea area use rights	Software	Total
	RMB'000	RMB'000	RMB'000
Cost:			
At January 1, 2012	73,492	58,572	132,064
Additions	10,826	5,426	16,252
Disposals	—	(92)	(92)
At December 31, 2012	84,318	63,906	148,224
Accumulated amortization:			
At January 1, 2012	(858)	(34,790)	(35,648)
Amortization capitalized as property, plant and equipment for the year	(923)	—	(923)
Amortization charged for the year	—	(6,287)	(6,287)
Disposals	—	92	92
At December 31, 2012	(1,781)	(40,985)	(42,766)
Net book value:			
At December 31, 2012	82,537	22,921	105,458
Cost:			
At January 1, 2013	84,318	63,906	148,224
Additions	30	3,822	3,852
At June 30, 2013	84,348	67,728	152,076
Accumulated amortization:			
At January 1, 2013	(1,781)	(40,985)	(42,766)
Amortization capitalized as property, plant and equipment for the period	(515)	—	(515)
Amortization charged for the period	—	(3,575)	(3,575)
At June 30, 2013	(2,296)	(44,560)	(46,856)
Net book value:			
At June 30, 2013	82,052	23,168	105,220

Company

	Software			
	At December 31,			At June 30, 2013
	2010	2011	2012	
	RMB'000	RMB'000	RMB'000	RMB'000
Cost:				
At the beginning of year/period	38,122	40,740	57,260	57,626
Additions	2,618	16,520	458	3,769
Disposals	—	—	(92)	—
At the end of year/period	40,740	57,260	57,626	61,395
Accumulated amortization:				
At the beginning of year/period	(18,469)	(26,469)	(34,549)	(40,464)
Amortization charged for the year/period	(8,000)	(8,080)	(6,007)	(2,859)
Disposals	—	—	92	—
At the end of year/period	(26,469)	(34,549)	(40,464)	(43,323)
Net book value:				
At the end of year/period	14,271	22,711	17,162	18,072

16. INVESTMENTS IN SUBSIDIARIES

Company

	At December 31, 2010	At December 31, 2011	At December 31, 2012	At June 30, 2013
	RMB'000	RMB'000	RMB'000	RMB'000
Unlisted investments, at cost	1,621,657	3,385,388	3,429,423	3,589,423

Particulars of the subsidiaries are as follow:

Company name		Place and date of registration	Registered capital RMB'000	Percentage of equity interest attributable to the Company Direct (%)	Indirect (%)	Principal activities
Cangzhou Bohai Port Co., Ltd. (滄州渤海港務有限公司)	(a)	PRC October 31, 2007	2,460,000	95.93	—	Port construction and operation
Qinhuangdao Ocean Shipping Tally Co., Ltd. (秦皇島中理外輪理貨有限責任公司)	(a)	PRC June 10, 2008	6,740	84	—	Provision of cargo tallying services
Qinhuangdao Xin'gangwan Container Terminal Co., Ltd. (秦皇島港新港灣集裝箱碼頭有限公司)	(a)	the PRC October 30, 2007	400,000	55	—	Provision of container terminal and logistic services
Tangshan Caofeidian Coal Port Co., Ltd. (唐山曹妃甸煤炭港務有限公司)	(a)	PRC October 29, 2009	1,800,000	51	—	Port construction and operation
Qinhuangdao Ruigang Technology Import & Export Co., Ltd. (秦皇島瑞港技術進出口有限公司)	(a)	PRC March 22, 2006	10,000	100	—	Provision of equipment and spare part trading services
Cangzhou Huanghuagang Mineral Port Co., Ltd. (滄州黃驊港礦石港務有限公司)	(b)	PRC April 10, 2012	100,000	70	—	Port construction and operation
Qinhuangdao Seaborne Coal Trading Market Co., Ltd. (秦皇島海運煤炭交易市場有限公司)	(c)	PRC April 26, 2007	3,750	68	—	Provision of coal information consultation and agency services
Qinhuangdao Port Group Shanhaiguan Terminal Co., Ltd. (秦皇島港務集團山海關碼頭有限公司)	(d)	PRC May 25, 2007	200,000	60	—	Port construction and operation
Qinhuangdao Qinyun Energy Development Co., Ltd. (秦皇島秦雲能源開發有限公司)	(e)	PRC February 20,1998	30,000	80	—	Provision of coal trading services
Cangzhou Ocean Shipping Tally Co., Ltd. (滄州中理外輪理貨有限責任公司)	(f)	PRC August 30, 2011	1,000	—	56	Provision of cargo tallying services
Cangzhou Bohai Mineral Terminal Co., Ltd. (滄州渤海礦石碼頭有限公司)	(g)	PRC September 12, 2008	20,000	—	100	Port construction and operation
Cangzhou Bohai Container Terminal Co., Ltd. (滄州渤海集運碼頭有限公司)	(h)	PRC March 11, 2009	20,000	—	100	Port construction and operation

(a) The statutory financial statements for the years ended December 31, 2010, 2011 and 2012 were audited by Shinewing Certified Public Accountants ("Shinewing", 信永中和會計師事務所).

(b) The subsidiary was established by the Company in 2012. The statutory financial statements for the year ended December 31, 2012 were audited by Shinewing.

(c) The subsidiary was acquired by the Company in 2011. The details of the transaction are set out in Note 32 below. The statutory financial statements for the years ended December 31, 2011 and 2012 were audited by Shinewing.

(d) The subsidiary was disposed of by the Company in 2010. The details of the transaction are set out in Note 33 below.

(e) The subsidiary commenced liquidation procedures in 2010 and no statutory financial statements have been prepared since then. In 2012, the liquidation was completed.

(f) The subsidiary was established by the Group in 2011. The statutory financial statements for the years ended December 31, 2011 and 2012 were audited by Shinewing.

(g) The subsidiary was liquidated in 2011. The statutory financial statements for the year ended December 31, 2010 were audited by Shinewing.

(h) The subsidiary was liquidated in 2012. The statutory financial statements for the years ended December 31, 2010 and 2011 were audited by Shinewing.

Financial information of a subsidiary that has a material non-controlling interest is provided below:

Proportion of equity interest held by non-controlling interest:

	Place of registration	At December 31, 2010	2011	2012	At June 30, 2013
Company name					
Tangshan Caofeidian Coal Port Co., Ltd (唐山曹妃甸煤炭港務有限公司)	PRC	49%	49%	49%	49%
Accumulated balances of material non-controlling interests		441,000	882,000	883,289	883,289
Profit allocated to material non-controlling interests		—	—	1,289	—

The summarized financial information of the subsidiary is provided below. This information is based on amounts before inter-company eliminations.

	Year ended December 31, 2010	2011	2012	Six months ended June 30, 2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Summarized statements of profit or loss:					
Revenue	—	—	—	—	—
Profit after tax	—	—	2,631	—	—
Total comprehensive income	—	—	2,631	—	—
Attributable to non-controlling interests	—	—	1,289	—	—
Dividends paid to non-controlling interests	—	—	—	—	—

	At December 31, 2010	2011	2012	At June 30, 2013
	RMB'000	RMB'000	RMB'000	RMB'000
Summarized statements of financial position:				
Current assets	90,589	870,770	714,980	629,939
Non-current assets	1,190,554	2,220,134	3,799,793	3,997,659
Current liabilities	(147,643)	(78,178)	(749,067)	(709,200)
Non-current liabilities	(233,500)	(1,212,726)	(1,963,076)	(2,115,768)
Net assets	900,000	1,800,000	1,802,630	1,802,630
Attributable to owners of the parent	459,000	918,000	919,341	919,341
Attributable to non-controlling interests	441,000	882,000	883,289	883,289

	Year ended December 31,			Six months ended June 30,	
	2010	2011	2012	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Summarized cash flow information:					
Investing	(936,568)	(1,045,162)	(858,145)	(286,356)	(141,106)
Financing	139,326	1,825,363	702,274	345,568	52,080
Net increase/(decrease) in cash and cash equivalents	(797,242)	780,201	(155,871)	59,212	(89,026)

17. INVESTMENTS IN JOINT VENTURES

Group

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Share of net assets	4,600	4,913	5,233	5,187

Company

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Unlisted investment, at cost	1,254	2,304	2,304	2,304

Particulars of the joint ventures are as follows:

Company name	Place and date of registration	Registered capital	Percentage of equity interest attributable to the Company		Principal activities
		RMB'000	Direct (%)	Indirect (%)	
Qinhuangdao Honggang Terminal Services Co., Ltd. (秦皇島鴻港裝卸服務有限公司)	PRC March 26, 2008	5,000	35	—	Provision of cargo loading and unloading services
Qinhuangdao Wanhui Logistics Co., Ltd. (秦皇島萬匯物流有限公司)	PRC March 6, 2006	500	—	49	Provision of logistic services

The percentages of voting power and profit sharing are the same as the percentage of equity interest attributable to the Group.

The summarized financial information of the Group's joint ventures in aggregate is set below:

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Share of the joint ventures' assets and liabilities:				
Non-current assets	532	466	563	476
Current assets	4,616	5,339	5,273	5,101
Current liabilities	(548)	(892)	(603)	(390)
Net assets	4,600	4,913	5,233	5,187

	Year ended December 31,			Six months ended June 30,	
	2010	2011	2012	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Share of the joint ventures' results:					
Revenue	6,885	7,586	8,794	3,981	3,499
Expenses	(6,227)	(7,153)	(7,996)	(3,635)	(3,469)
Tax	(164)	(120)	(233)	(26)	(76)
Profit/(loss) after tax	494	313	565	320	(46)
Total comprehensive income/(loss)	494	313	565	320	(46)

18. INVESTMENTS IN ASSOCIATES

Group

	At December 31,			At June 30, 2013
	2010	2011	2012	
	RMB'000	RMB'000	RMB'000	RMB'000
Share of net assets	833,537	969,352	997,946	968,331

Company

	At December 31,			At June 30, 2013
	2010	2011	2012	
	RMB'000	RMB'000	RMB'000	RMB'000
Unlisted investments, at cost	644,087	727,296	742,296	782,296

Particulars of an associate that is individually material to the Group is as follows:

Company name	Place and date of registration	Registered capital	Percentage of equity interest attributable to the Company		Principal activities
		RMB'000	Direct (%)	Indirect (%)	
Tangshan Caofeidian Shiye Port Co., Ltd. (唐山曹妃甸實業港務有限公司)	PRC September 4, 2002	2,000,000	35	—	Port construction and operation

The percentages of voting power and profit sharing are the same as the percentage of equity interest attributable to the Group. Tangshan Caofeidian Shiye Port Co., Ltd. is involved in provision of integrated port services including stevedoring, stacking, warehousing, transportation and logistics and handling metal ores cargo in Caofeidian port. The Group's interest in the above associate is accounted for using the equity method in the consolidated financial statements. The summarized financial information of the associate is set out below:

	At December 31,			At June 30, 2013
	2010	2011	2012	
	RMB'000	RMB'000	RMB'000	RMB'000
Current assets	1,217,813	1,837,793	1,450,218	1,776,546
Non-current assets	5,083,436	5,270,272	6,770,390	6,703,435
Current liabilities	(1,399,870)	(1,351,740)	(1,872,357)	(1,420,073)
Non-current liabilities	(2,586,680)	(3,166,000)	(3,712,506)	(4,622,826)
Non-controlling interests	(609)	(613)	(5,256)	(5,710)
Net assets	**2,314,090**	**2,589,712**	**2,630,489**	**2,431,372**
Proportion of the Group's ownership	35%	35%	35%	35%
Carrying amount of the investment	809,932	906,399	920,671	850,980

	Year ended December 31,			Six months ended June 30,	
	2010	2011	2012	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	1,358,495	1,739,940	1,496,753	762,531	836,186
Profit after tax	486,040	475,626	430,377	156,445	174,685
Other comprehensive income	—	—	—	—	—
Total comprehensive income	486,040	475,626	430,377	156,445	174,685
Profit attributable to non-controlling interests	4	(4)	257	132	(454)
Profit attributable to owners of the parent	486,036	475,630	430,120	156,313	175,139
Group's share of profit for the year/period	170,114	166,469	150,632	54,756	61,140

The Group received dividend from the associate of RMB105,000,000, RMB154,000,000 and RMB140,000,000 in 2011, 2012 and 2013, respectively. The Group received no dividend from the associate in the six months ended June 30, 2012 and 2013. As at December 31, 2010, 2011 and 2012 and June 30, 2013, the associate had no significant contingent liabilities.

Particulars of the associates that are individually immaterial to the Group are as follows:

Company name	Place and date of registration	Registered capital RMB'000	Percentage of equity interest attributable to the Company Direct (%)	Indirect (%)	Principal activities
Qinhuangdao Huazheng Coal Inspection Institute (秦皇島華正煤炭檢驗行)	PRC September 27, 2002	4,000	40	—	Provision of coal and energy product examination and inspection services
Qinhuangdao Xingao Qingang Energy Storage & Transportation Co., Ltd. (秦皇島興奧秦港能源儲運有限公司)	PRC November 24, 2008	50,000	40	—	Provision of steel and construction material trading services
Cangzhou Huanghuagang Steel Logistics Co., Ltd. (滄州黃驊港鋼鐵物流有限公司)	PRC March 15, 2012	50,000	30	—	Cargo import and export, sale of mineral products, port and railway construction
Handan International Land Port Co., Ltd. (邯鄲國際陸港有限公司)	PRC May 20, 2011	200,000	—	20	Cargo handling and weighing, steel storage, dispatch, import and export, real estate development
Tangshan Jingtang Railway Co., Ltd. (唐山京唐鐵路有限公司)	PRC March 7, 2013	1,000,000	20	—	Railway investment and construction
Qinhuangdao Seaborne Coal Trading Market Co., Ltd.* (秦皇島海運煤炭交易市場有限公司)	PRC April 26, 2007	3,750,000	40	—	Provision of coal information consultation and agency services

* The associate was acquired by the Company and became a subsidiary of the Company in 2011. The details of the transaction are set out in Note 32 below.

The summarized financial information of these individually immaterial associates in aggregate is set out below:

	At December 31, 2010	At December 31, 2011	At December 31, 2012	At June 30, 2013
	RMB'000	RMB'000	RMB'000	RMB'000
Share of the associates' assets and liabilities:				
Assets	32,449	66,184	138,919	191,258
Liabilities	(8,844)	(3,231)	(61,644)	(73,907)
Net assets	**23,605**	**62,953**	**77,275**	**117,351**

	Year ended December 31, 2010	Year ended December 31, 2011	Year ended December 31, 2012	Six months ended June 30, 2012	Six months ended June 30, 2013
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Share of the associates' results:					
Revenue	13,992	12,999	10,990	5,465	4,189
Profit after tax	980	1,142	348	414	72

19. AVAILABLE-FOR-SALE INVESTMENTS

Group

	At December 31, 2010	At December 31, 2011	At December 31, 2012	At June 30, 2013
	RMB'000	RMB'000	RMB'000	RMB'000
Unlisted equity investments, at cost	387,902	649,074	681,624	681,624

Company

	At December 31, 2010	At December 31, 2011	At December 31, 2012	At June 30, 2013
	RMB'000	RMB'000	RMB'000	RMB'000
Unlisted equity investments, at cost	355,500	499,750	532,000	532,000

The above unlisted equity investments represent investments in unlisted equity securities issued by private entities established in the PRC. They are measured at cost less impairment at each reporting date. As the investments do not have quoted market prices in an active market and the range of reasonable fair value estimate is significant, the Directors are of the opinion that their fair values cannot be reliably measured. The Group does not intend to dispose of the investments in the near future.

20. LONG-TERM PREPAYMENTS

Group

	At December 31, 2010	At December 31, 2011	At December 31, 2012	At June 30, 2013
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments for purchase of items of plant, property and equipment	73,193	102,424	240,736	120,920
Prepayment for an available-for-sale investment	80,300	—	—	—
	153,493	102,424	240,736	120,920

Company

	At December 31, 2010	At December 31, 2011	At December 31, 2012	At June 30, 2013
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments for purchase of items of plant, property and equipment	—	48,472	205,468	92,604

21. INVENTORIES

Group

	At December 31, 2010	At December 31, 2011	At December 31, 2012	At June 30, 2013
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	104,298	113,820	115,936	92,722
Spare parts and consumables	98,112	94,747	95,699	90,960
Finished goods	3,984	1,218	1,769	2,688
	206,394	209,785	213,404	186,370

Company

	At December 31, 2010	At December 31, 2011	At December 31, 2012	At June 30, 2013
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	104,181	113,198	115,322	92,262
Spare parts and consumables	97,824	94,747	95,699	90,579
	202,005	207,945	211,021	182,841

22. TRADE AND BILLS RECEIVABLES

Group

	At December 31, 2010	At December 31, 2011	At December 31, 2012	At June 30, 2013
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	94,630	115,261	157,462	218,231
Bills receivable	65,355	42,798	44,909	36,991
	159,985	158,059	202,371	255,222

Company

	At December 31, 2010	At December 31, 2011	At December 31, 2012	At June 30, 2013
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	83,922	119,394	138,368	196,823
Bills receivable	60,585	28,995	43,459	31,795
	144,507	148,389	181,827	228,618

The Group normally requires payment in advance from its customers and allows credit terms of not more than 90 days to certain established customers. Customers with a good track record could be granted a longer credit period. The Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimize credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables, based on the invoice date, as at the end of Relevant Periods is as follows:

Group

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Within 3 months	42,928	52,305	68,001	97,048
3 to 6 months	5,374	5,012	24,188	37,919
6 to 12 months	50,866	63,952	51,404	39,862
Over 12 months	6,250	4,778	23,939	60,883
	105,418	126,047	167,532	235,712
Provision for impairment	(10,788)	(10,786)	(10,070)	(17,481)
	94,630	115,261	157,462	218,231

Company

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Within 3 months	31,871	57,444	49,439	78,529
3 to 6 months	5,213	4,839	22,883	36,493
6 to 12 months	50,824	63,343	51,251	37,857
Over 12 months	2,138	1,655	23,851	60,266
	90,046	127,281	147,424	213,145
Provision for impairment	(6,124)	(7,887)	(9,056)	(16,322)
	83,922	119,394	138,368	196,823

The movements in the provision for impairment of trade receivables are as follows:

Group

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of year/period	9,674	10,788	10,786	10,070
Provision for impairment	1,114	980	1,201	7,411
Amount written off as uncollectible	—	(985)	(1,917)	—
Acquisition of a subsidiary	—	3	—	—
At the end of year/period	10,788	10,786	10,070	17,481

Company

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of year/period	5,035	6,124	7,887	9,056
Provision for impairment	1,089	1,763	1,169	7,266
At the end of year/period	6,124	7,887	9,056	16,322

As at December 31, 2010, 2011 and 2012 and June 30, 2013, included in the above provision for impairment of trade receivables of the Group with amount of RMB5,674,000, RMB4,698,000, RMB1,661,000 and RMB1,655,000, respectively, are provision for individually impaired trade receivables with carrying amounts before provision of RMB5,674,000, RMB4,698,000, RMB1,661,000 and RMB1,655,000, respectively.

The individually impaired trade receivables relate to customers that were in financial difficulties or were in default in principal payments. The Group does not hold any collateral or other credit enhancements over these balances.

There are no trade receivables that are not individually nor collectively considered to be impaired.

The amounts due from related parties as at the end of the Relevant Periods are set out in Note 38 below.

23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Group

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments	6,518	12,402	17,573	2,700
Receivable in respect of disposal of a subsidiary	102,601	86,400	39,200	39,200
Receivable in respect of disposal of items of property, plant and equipment*	—	1,524,856	196,692	—
Dividend receivables	—	—	1,027	134,027
Others	2,674	3,612	2,671	15,754
	111,793	1,627,270	257,163	191,681

* The balance of receivables in respect of disposal of items of property, plant and equipment as at December 31, 2011 and 2012 were in connection with the transfer of Huanghua Port public infrastructure as disclosed in Note 13 to the Financial Information.

Company

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments	1,127	2,425	6,948	443
Receivable in respect of disposal of a subsidiary	102,601	86,400	39,200	39,200
Dividend receivables	—	—	1,027	134,027
Others	2,034	2,846	1,418	9,075
	105,762	91,671	48,593	182,745

An aged analysis of the prepayments, deposits and other receivables as at the end of the Relevant Periods, is as follows:

Group

	At December 31, 2010	At December 31, 2011	At December 31, 2012	At June 30, 2013
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	116,713	1,620,699	20,762	152,409
1 to 2 years	1,004	96,420	219,198	860
2 to 3 years	624	246	56,020	56,110
Over 3 years	5,473	5,887	676	683
	123,814	1,723,252	296,656	210,062
Provision for impairment	(12,021)	(95,982)	(39,493)	(18,381)
	111,793	1,627,270	257,163	191,681

Company

	At December 31, 2010	At December 31, 2011	At December 31, 2012	At June 30, 2013
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	110,819	5,049	8,996	143,336
1 to 2 years	182	96,302	487	716
2 to 3 years	377	82	56,014	56,010
Over 3 years	—	377	459	464
	111,378	101,810	65,956	200,526
Provision for impairment	(5,616)	(10,139)	(17,363)	(17,781)
	105,762	91,671	48,593	182,745

The movements in the provision for impairment are as follows:

Group

	At December 31, 2010	At December 31, 2011	At December 31, 2012	At June 30, 2013
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of year/period	6,987	12,021	95,982	39,493
Provision for/(reversal of) impairment**	5,034	84,635	(51,196)	(21,112)
Amount written off as uncollectible	—	(674)	(5,293)	—
At the end of year/period	12,021	95,982	39,493	18,381

** The provision for impairment of RMB84,635,000 and the reversal of impairment of RMB51,196,000 and RMB21,112,000 in years ended December 31, 2011 and 2012 and the six months ended June 30, 2013, respectively, included provision for impairment of RMB80,256,000 and the reversal of impairment of RMB58,401,000 and RMB21,855,000, respectively, which were in connection with the transfer of the Huanghua Port public infrastructure as disclosed in Note 13 to the Financial Information.

Company

	At December 31, 2010	At December 31, 2011	At December 31, 2012	At June 30, 2013
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of year/period	513	5,616	10,139	17,363
Provision for impairment	5,103	4,523	7,224	418
At the end of year/period	5,616	10,139	17,363	17,781

The amounts due from related parties as at the end of the Relevant Periods are set out in Note 38 below.

24. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

Group

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and bank balances	1,091,278	5,510,182	3,336,887	2,388,291
Time deposits with original maturity of more than three months	—	209,000	156,000	136,262
	1,091,278	5,719,182	3,492,887	2,524,553
Less: Pledged deposits	(2,706)	(3,911)	—	(481)
Cash and cash equivalents	1,088,572	5,715,271	3,492,887	2,524,072

Company

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and bank balances	242,281	544,460	949,568	722,971
Time deposits with original maturity of more than three months	—	—	50,000	100,000
Cash and cash equivalents	242,281	544,460	999,568	822,971

As at December 31, 2010 and 2011, all of the Group's cash and cash equivalents were denominated in RMB. As at December 31, 2012 and June 30, 2013, the Group's cash and cash equivalents denominated in foreign currencies amounted to RMB128,000 and RMB382,000, respectively. The RMB is not freely convertible into other currencies. However, under Mainland China's prevailing rules and regulations over foreign exchange, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

Pledged deposits were held in designated bank accounts as guarantee deposits for letters of credit and performance guarantees.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between seven days and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. Time deposits with original maturity of more than three months earn interest at fixed interest rates for varying periods of between three months and one year. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

25. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the Relevant Periods, based on the invoice date, is as follows:

Group

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Within 3 months	39,922	64,547	64,021	71,997
3 to 6 months	4,529	236	265	465
6 to 12 months	2,793	2,706	1,305	4,116
Over 12 months	4,516	5,978	3,171	3,536
	51,760	73,467	68,762	80,114

Company

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Within 3 months	33,919	39,002	42,325	46,632
3 to 6 months	4,302	62	25	87
6 to 12 months	1,390	434	1,237	741
Over 12 months	39,585	5,046	516	1,030
	79,196	44,544	44,103	48,490

The trade payables are unsecured, non-interest-bearing and are normally settled on three-month terms.

The amounts due to related parties as at the end of the Relevant Periods are set out in Note 38 below.

26. OTHER PAYABLES AND ACCRUALS

Group

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Payables for purchase of items of property, plant and equipment	2,925,464	1,891,032	1,619,185	1,510,613
Advances from customers	444,809	463,090	487,693	532,660
Other taxes and surcharges payables	112,306	457,934	128,847	84,374
Dividends payable	310,192	10,168	—	—
Port construction fee payables	55,955	25,417	6,434	6,434
Payables for staff costs	116,703	123,086	80,299	82,343
Rental payables	16,378	—	—	38,322
Others	50,419	60,191	62,069	60,294
	4,032,226	3,030,918	2,384,527	2,315,040

Company

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Payables for purchase of items of property, plant and equipment	115,106	102,089	59,619	78,514
Advances from customers	437,197	452,940	459,217	504,570
Other taxes and surcharges payables	107,746	162,517	124,338	79,766
Dividends payable	300,740	—	—	—
Payables for staff costs	114,108	118,892	78,420	79,559
Port construction fee payables	55,955	25,417	6,434	6,434
Rental payables	224	—	—	30,245
Others	37,455	39,480	37,347	39,806
	1,168,531	901,335	765,375	818,894

The above balances are non-interest-bearing.

The amounts due to related parties as at the end of the Relevant Periods are set out in Note 38 below.

27. INTEREST-BEARING BANK BORROWINGS

Group

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans–unsecured	9,216,499	10,716,726	9,919,610	10,127,302
Repayable:				
Within one year	2,539,000	4,194,000	2,564,534	2,484,034
Over one year but within two years	2,264,000	629,334	462,787	967,619
Over two years but within five years	967,598	1,535,769	2,068,068	2,078,392
Over five years	3,445,901	4,357,623	4,824,221	4,597,257
	9,216,499	10,716,726	9,919,610	10,127,302
Less: Portion classified as current liabilities	(2,539,000)	(4,194,000)	(2,564,534)	(2,484,034)
Long-term portion	6,677,499	6,522,726	7,355,076	7,643,268

Company

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans–unsecured	3,540,000	3,780,000	3,130,000	3,235,000
Repayable:				
Within one year	1,690,000	3,230,000	2,472,000	2,412,000
Over one year but within two years	1,500,000	362,000	248,000	623,000
Over two years but within five years	350,000	188,000	410,000	200,000
	3,540,000	3,780,000	3,130,000	3,235,000
Less: Portion classified as current liabilities	(1,690,000)	(3,230,000)	(2,472,000)	(2,412,000)
Long-term portion	1,850,000	550,000	658,000	823,000

The effective interest rates at which the bank loans bearing interest are as follows:

	At December 31, 2010	At December 31, 2011	At December 31, 2012	At June 30, 2013
Effective interest rate range (%)	4.44 to 5.76	4.13 to 7.59	4.86 to 7.59	5.40 to 7.05

28. GOVERNMENT GRANTS

Group

	At December 31, 2010	At December 31, 2011	At December 31, 2012	At June 30, 2013
	RMB'000	RMB'000	RMB'000	RMB'000
Government grants	45,946	226,357	225,544	223,298

Company

	At December 31, 2010	At December 31, 2011	At December 31, 2012	At June 30, 2013
	RMB'000	RMB'000	RMB'000	RMB'000
Government grants	45,946	226,357	221,668	219,421

Government grants received by the Group as financial subsidies were mainly for environment-protection projects and certain research and development activities and were recognized as income over the periods necessary to match the grants on a systematic basis to the costs that they were intended to compensate. There are no unfulfilled conditions or contingencies relating to the grants.

The movements in government grants during the Relevant Periods are as follows:

Group

	Year ended December 31, 2010	Year ended December 31, 2011	Year ended December 31, 2012	Six months ended June 30, 2013
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of year/period	40,094	45,946	226,357	225,544
Additions	8,910	188,334	7,129	296,178
Recognized as income during the year/period	(3,058)	(7,923)	(7,942)	(298,424)
At the end of year/period	45,946	226,357	225,544	223,298

Company

	Year ended December 31, 2010	Year ended December 31, 2011	Year ended December 31, 2012	Six months ended June 30, 2013
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year/period	40,094	45,946	226,357	221,668
Additions	8,910	187,906	1,700	100
Recognized as income during the year/period	(3,058)	(7,495)	(6,389)	(2,347)
At the end of year/period	45,946	226,357	221,668	219,421

29. DEFERRED TAX ASSETS

The movements in deferred tax assets during the Relevant Periods are as follows:

Group

	Asset impairment provision	Accrued employee benefits	Government grants	Others*	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2010	4,185	11,280	10,023	—	25,488
Deferred tax credited/(charged) to profit or loss during the year (Note 9)	(613)	(30)	1,463	—	820
At December 31, 2010 and January 1, 2011	3,572	11,250	11,486	—	26,308
Deferred tax credited to profit or loss during the year (Note 9)	740	—	45,103	—	45,843
At December 31, 2011 and January 1, 2012	4,312	11,250	56,589	—	72,151
Deferred tax credited/(charged) to profit or loss during the year (Note 9)	2,315	—	(203)	3,909	6,021
At December 31, 2012 and January 1, 2013	6,627	11,250	56,386	3,909	78,172
Deferred tax credited/(charged) to profit or loss during the period (Note 9)	4,664	—	(562)	43,844	47,946
At June 30, 2013	11,291	11,250	55,824	47,753	126,118

* Others mainly represented deductible temporary differences resulting from trial operation of Huanghua Port in construction phase.

Company

	Asset impairment provision	Accrued employee benefits	Government grants	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2010	1,387	11,250	10,023	—	22,660
Deferred tax credited to profit or loss during the year	1,548	—	1,463	—	3,011
At December 31, 2010 and January 1, 2011	2,935	11,250	11,486	—	25,671
Deferred tax credited to profit or loss during the year	1,572	—	45,103	—	46,675
At December 31, 2011 and January 1, 2012	4,507	11,250	56,589	—	72,346
Deferred tax credited/(charged) to profit or loss during the year	2,098	—	(1,172)	3,909	4,835
At December 31, 2012 and January 1, 2013	6,605	11,250	55,417	3,909	77,181
Deferred tax credited/(charged) to profit or loss during the period	4,815	—	(562)	(3,909)	344
At June 30, 2013	11,420	11,250	54,855	—	77,525

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

Deferred tax assets have not been recognized in respect of the following items as they have arisen in the Group's subsidiaries that have been loss-making for some time or were once in construction phase and it is not considered probable that taxable profits will be available against which the following items can be utilized in the near future. The tax loss will expire in one to five years for offsetting against future taxable profits.

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Tax losses	38,635	56,816	66,981	83,466
Deductible temporary differences	8,603	89,599	23,056	4,241
	47,238	146,415	90,037	87,707

30. ISSUED CAPITAL

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Registered, issued and fully paid:				
4,275,000,000 ordinary shares of RMB1 each	4,275,000	4,275,000	4,275,000	4,275,000

31. RESERVES

Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statements of changes in equity.

Company

	Share premium	Special reserve	Statutory surplus reserve	Retained profits	Proposed dividend	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2010	2,241,365	—	138,917	971,794	—	3,352,076
Profit for the year	—	—	—	1,067,479	—	1,067,479
Other comprehensive income for the year	—	—	—	—	—	—
Total comprehensive income for the year	—	—	—	1,067,479	—	1,067,479
Proposed and declared 2009 final dividend	—			(1,094,400)	—	(1,094,400)
Proposed and declared 2010 interim dividend	—			(601,486)	—	(601,486)
Appropriation to statutory surplus reserve	—	—	113,310	(113,310)	—	—
At December 31, 2010	2,241,365	—	252,227	230,077	—	2,723,669
At January 1, 2011	2,241,365	—	252,227	230,077	—	2,723,669
Profit for the year	—	—	—	1,440,097	—	1,440,097
Other comprehensive income for the year	—	—	—	—	—	—
Total comprehensive income for the year	—	—	—	1,440,097	—	1,440,097
Proposed 2011 final dividend	—	—	—	(405,337)	405,337	—
Appropriation to statutory surplus reserve	—	—	145,191	(145,191)	—	—
At December 31, 2011	2,241,365	—	397,418	1,119,646	405,337	4,163,766
At January 1, 2012	2,241,365	—	397,418	1,119,646	405,337	4,163,766
Profit for the year	—	—	—	1,477,356	—	1,477,356
Other comprehensive income for the year	—	—	—	—	—	—
Total comprehensive income for the year	—	—	—	1,477,356	–	1,477,356
Final 2011 dividend declared	—	—	—	—	(405,337)	(405,337)
Proposed 2012 final dividend	—	—		(1,090,125)	1,090,125	—
Appropriation to statutory surplus reserve	—	—	147,187	(147,187)	—	—
Net increase in special reserve for the year	—	15,637	—	(15,637)	—	—
At December 31, 2012	2,241,365	15,637	544,605	1,344,053	1,090,125	5,235,785

Company

	Share premium	Special reserve	Statutory surplus reserve	Retained profits	Proposed dividend	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2013	2,241,365	15,637	544,605	1,344,053	1,090,125	5,235,785
Profit for the period	—	—	—	867,845	—	867,845
Other comprehensive income for the period	—	—	—	—	—	—
Total comprehensive income for the period	—	—	—	867,845	–	867,845
2012 final dividend declared	—	—	—	—	(1,090,125)	(1,090,125)
Proposed additional 2012 dividend	—	—	—	(1,090,125)	1,090,125	—
Net increase in special reserve for the period	—	18,652	—	(18,652)	—	—
At June 30, 2013	2,241,365	34,289	544,605	1,103,121	1,090,125	5,013,505
At January 1, 2012	2,241,365	—	397,418	1,119,646	405,337	4,163,766
Profit for the period (unaudited)	—	—	—	767,995	—	767,995
Other comprehensive income for the period (unaudited)	—	—	—	—	—	—
Total comprehensive income for the period (unaudited)	—	—	—	767,995	–	767,995
Final 2011 dividend declared (unaudited)	—	—	—	—	(405,337)	(405,337)
Net increase in special reserve for the period (unaudited)	—	19,253	—	(19,253)	—	—
At June 30, 2012 (unaudited)	2,241,365	19,253	397,418	1,868,388	—	4,526,424

Special reserve

In accordance with the Production Safety Law of the PRC, the Group is required to accrue a safety fund for its port services in Mainland China by appropriating a portion of its net profit to the special reserve based on certain percentage of its annual revenue from port services starting from February 2012 onwards. As at December 31, 2012 and June 30, 2013, the Group's safety fund reserve accrued but not utilized, amounted to RMB17,545,000 and RMB38,503,000, respectively.

Statutory surplus reserves

In accordance with the PRC Company Law and the respective articles of association, the Company and its subsidiaries are required to appropriate 10% of their net profits after tax, as determined under the Chinese Accounting Standards, to their respective statutory surplus reserves until the reserve balances reach 50% of their respective registered capital. Subject to certain restrictions set out in the relevant PRC regulations and in the articles of association of the Company and its subsidiaries, the statutory surplus reserve may be used either to offset losses, or to be converted to increase share capital provided that the balance after such conversion is not less than 25% of registered capital of the Company and its subsidiaries. These reserves cannot be used for purposes other than those for which they are created and are not distributable as cash dividends.

32. ACQUISITION OF A SUBSIDIARY

Qinhuangdao Seaborne Coal Trading Market Co., Ltd. ("QSCTMC") is principally engaged in the coal information consultation and agency services. The Company previously held 40% equity interest in QSCTMC. Pursuant to the resolution of the general meeting of QSCTMC dated December 13, 2011, the Company made an additional capital injection of RMB3,264,000 in cash into QSCTMC to acquire an additional 28% equity interest in QSCTMC. Together with the 40% equity interest previously held by the Company, the Company holds 68% equity interest in QSCTMC after the capital injection and QSCTMC became a subsidiary of the Company. The acquisition was completed on December 23, 2011 when the Company obtained control over the operating and financial policies of QSCTMC. The Group acquired this business to enlarge the range of services provided.

The Group elected to measure the non-controlling interest in the acquiree at the proportionate share of the non-controlling interest in QSCTMC's identifiable net assets.

The fair values of the identifiable assets and liabilities of QSCTMC as at the date of acquisition were as follows:

	Notes	Fair value recognized on acquisition
		RMB'000
Cash and cash equivalents		7,050
Trade and bills receivables		6
Prepayments, deposits and other receivables		15
Property, plant and equipment	13	1,683
Other payables and accruals		(3,970)
Available-for-sale investment		2,000
Total identifiable net assets at fair value		6,784
Non-controlling interests		(2,171)
Goodwill on acquisition		59
		4,672
Satisfied by:		
Cash		3,264
Fair value of 40% equity interest in QSCTMC previously held by the Company*		1,408
		4,672

* The carrying value of the 40% equity interest in QSCTMC immediately before the acquisition date was RMB1,467,000. The difference between the fair value and the carrying value amounting to RMB59,000 is included in other expenses in the consolidated statements of comprehensive income.

An analysis of the cash flows in respect of the acquisition of QSCTMC is as follows:

	RMB'000
Cash and cash equivalents acquired	7,050
Cash consideration paid	(3,264)
Net inflow of cash and cash equivalents included in cash flows from investing activities	3,786

From the date of the acquisition, QSCTMC contributed revenue of nil, RMB14,114,000, RMB7,353,000 (unaudited) and RMB3,698,000 for the years ended December 31, 2011 and 2012 and the six months ended June 30, 2012 and 2013, respectively, and contributed profit before tax of nil, RMB2,630,000, RMB1,736,000 (unaudited) and loss before tax of RMB2,914,000 for the years ended December 31, 2011 and 2012 and the six months ended June 30, 2012 and 2013, respectively. Had the combination been taken place at the beginning of 2011, revenue and profit of the Group for 2011 would have been RMB5,745,854,000 and RMB1,061,976,000, respectively.

33. DISPOSAL OF A SUBSIDIARY

On August 27, 2010, the Company entered into an agreement to dispose of its entire 60% equity interest in Qinhuangdao Port Group Shanhaiguan Terminal Co., Ltd. ("Shanhaiguan Terminal") to Qinhuangdao Development Zone State-owned Assets Management Co., Ltd., the other shareholder of Shanhaiguan Terminal, an independent third party. The cash consideration was RMB120,001,000. The transaction was completed on September 16, 2010 when the Company lost control over the operating and financial policies of Shanhaiguan Terminal.

	Notes	RMB'000
Net assets disposed of:		
Cash and cash equivalents		10,171
Long-term prepayments		10,457
Other payables and accruals		(356,266)
Other intangible assets	15	14
Property, plant and equipment	13	502,972
		167,348
Non-controlling interests		(52,718)
Gain on disposal of a subsidiary	4	5,371
		120,001
Satisfied by:		
Cash*		120,001

An analysis of the cash flows in respect of the disposal of Shanhaiguan Terminal is as follows:

	RMB'000
Cash consideration received in 2010*	12,000
Cash and cash equivalents disposed of	(10,171)
Net inflow of cash and cash equivalents in respect of disposal of a subsidiary	1,829

* Among the cash consideration, RMB12,000,000, RMB12,000,000 and RMB40,000,000 were received in 2010, 2011 and 2012, respectively. The remaining consideration of RMB56,001,000 has not been settled as at the date of this report and was included in prepayments, deposits and other receivables.

34. CONTINGENT LIABILITIES

As at December 31, 2010, 2011 and 2012 and June 30, 2013, neither the Group nor the Company had any significant contingent liabilities.

35. PLEDGE OF ASSETS

Details of the Group's assets pledged for letters of credit and performance guarantees are disclosed in Note 24 above.

36. OPERATING LEASE ARRANGEMENTS

As lessee

The Group leases certain of property, plant and equipment under operating lease agreements, with leases negotiated for terms ranging from one to nine years.

At the end of the Relevant Periods, the Group and the Company had total future minimum lease payments under non-cancellable operating leases falling due as follows:

Group

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	16,325	121,225	121,054	68,604
After 1 year but within 5 years	64,785	169,514	64,614	64,614
After 5 years	48,461	32,307	16,154	8,077
	129,571	323,046	201,822	141,295

Company

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	—	104,900	104,900	52,450
After 1 year but within 5 years	—	104,900	—	—
	—	209,800	104,900	52,450

37. COMMITMENTS

Capital commitments at the end of the Relevant Periods not provided for in the Financial Information were as follows:

Group

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Capital expenditure in respect of property, plant and equipment:				
— Contracted, but not provided for	3,157,033	1,405,665	2,335,598	1,300,655
— Authorized, but not contracted for	757,038	1,005,186	839,659	958,470
	3,914,071	2,410,851	3,175,257	2,259,125
Capital expenditure in respect of capital injection in existing joint ventures and associates:				
— Contracted, but not provided for	117,040	—	—	160,000
— Authorized, but not contracted for	—	—	200,000	285,000
	117,040	—	200,000	445,000
	4,031,111	2,410,851	3,375,257	2,704,125

Company

	At December 31, 2010	At December 31, 2011	At December 31, 2012	At June 30, 2013
	RMB'000	RMB'000	RMB'000	RMB'000
Capital expenditure in respect of property, plant and equipment:				
— Contracted, but not provided for	45,198	283,538	319,890	374,742
— Authorized, but not contracted for	757,038	1,005,186	839,659	958,470
	802,236	1,288,724	1,159,549	1,333,212
Capital expenditure in respect of capital injection in exiting subsidiaries, joint ventures and associates:				
— Contracted, but not provided for	117,040	—	160,000	160,000
— Authorized, but not contracted for	589,000	—	350,000	1,435,000
	706,040	—	510,000	1,595,000
	1,508,276	1,288,724	1,669,549	2,928,212

38. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with related parties during the Relevant Periods and the six months ended June 30, 2012:

	Year ended December 31,			Six months ended June 30,	
	2010	2011	2012	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Integrated port service income received from:					
Associates	1,800	304	—	—	—
Subsidiaries of HPG		—	8,806	—	19,822
Other related parties	46,563	44,685	39,458	25,009	20,987
	48,363	44,989	48,264	25,009	40,809
Other comprehensive services income received from:					
HPG	10,488	9,760	11,661	5,251	5,652
Subsidiaries of HPG	6,776	4,622	7,011	2,544	18,793
Associates	2,399	3,122	5,220	2,709	1,063
A joint venture	315	868	1,865	18	12
Other related parties	535	877	594	311	3,011
	20,513	19,249	26,351	10,833	28,531
Rental income received from					
Associates	2,846	2,550	—	—	—
A subsidiary of HPG	1,588	1,588	1,588	794	—
	4,434	4,138	1,588	794	—
Other comprehensive services provided by:					
HPG	31,866	46,944	76,728	18,731	25,530
Subsidiaries of HPG	2,196	2,338	3,237	954	45
Other related parties	—	—	1,118	—	639
	34,062	49,282	81,083	19,685	26,214
Rental expense paid to HPG	130,673	130,524	129,459	65,262	64,647
Construction and maintenance services provided by:					
Subsidiaries of HPG	69,116	90,439	222,076	59,041	67,578
Project management services provided by:					
A subsidiary of HPG	59,674	4,695	32,280	10,267	3,415
Loading and unloading services provided by:					
A joint venture	89,388	106,180	119,503	51,833	54,621

Other related parties represent the joint ventures and associates of HPG.

The above related party transactions were conducted in accordance with the terms/agreements mutually agreed between the parties.

(b) Outstanding balances with related parties:

Group

	At December 31, 2010	At December 31, 2011	At December 31, 2012	At June 30, 2013
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables:				
HPG	1,131	—	—	901
Subsidiaries of HPG	776	638	689	7,428
Associates	1,715	—	988	576
Other related parties	228	872	841	5,908
	3,850	1,510	2,518	14,813
Prepayments, deposits and other receivables:				
HPG	222	1,156	194	402
Associates	—	—	—	1,300
	222	1,156	194	1,702
Long-term prepayments:				
Subsidiaries of HPG	—	5,684	19,645	7,423
Trade payables				
HPG	—	4	—	814
Subsidiaries of HPG	2,121	1,646	1,760	6,473
A joint venture	—	—	307	9,021
	2,121	1,650	2,067	16,308
Other payables and accruals				
HPG	79,373	59,636	48,845	84,775
Subsidiaries of HPG	53,121	64,767	31,827	35,797
A joint venture	—	2,008	—	
Other related parties	—	199	—	110
	132,494	126,610	80,672	120,682

Company

	At December 31, 2010	At December 31, 2011	At December 31, 2012	At June 30, 2013
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables:				
Subsidiaries of HPG	776	560	689	6,402
Associates	1,715	—	988	576
Other related parties	228	217	408	3,918
Subsidiaries	361	17,699	—	725
HPG	—	—	—	901
	3,080	18,476	2,085	12,522

Company

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments, deposits and other receivables:				
HPG	48	982	194	402
Subsidiaries	116	—	—	6,759
An associate	—	—	—	1,300
	164	982	194	8,461
Long-term prepayments:				
Subsidiaries of HPG	—	5,684	19,645	7,423
A subsidiary	—	7,120	—	—
	—	12,804	19,645	7,423
Trade payables:				
HPG	—	4	—	814
Subsidiaries of HPG	2,121	1,646	1,686	6,473
A joint venture	—	—	—	8,718
Subsidiaries	36,752	126	844	4,000
	38,873	1,776	2,530	20,005
Other payables and accruals:				
HPG	8,012	4,428	2,786	30,640
Subsidiaries of HPG	4,493	16,758	14,182	16,066
Other related parties	—	199	—	—
Subsidiaries	446	19	1,830	—
	12,951	21,404	18,798	46,706

Other related parties represent the joint ventures and associates of HPG.

The balances with related parties are mainly trade in nature, unsecured, non-interest-bearing and repayable or receivable on demand.

(c) Commitments with related parties

As lessee

As at the end of the Relevant Periods, the Group and Company had total future minimum lease payments under non-cancellable operating leases with a related party as follows:

Group

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
HPG	129,571	323,046	201,822	141,295

Company

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
HPG	—	209,800	104,900	52,450

Construction services

As at the end of the Relevant Periods, the Group and Company entered into certain agreements with subsidiaries of HPG for construction of terminal facilities, plant and machinery. The total payments regarding to these agreements are as follows:

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Subsidiaries of HPG	6,576	131,446	69,174	69,155

(d) Compensation of key management personnel of the Group:

	Year ended December 31,			Six months ended June 30,	
	2010	2011	2012	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Short term employee benefits	2,694	3,373	3,957	1,048	1,498
Pension scheme contributions	276	448	625	296	418
	2,970	3,821	4,582	1,344	1,916

Further details of directors' and supervisors' emoluments are included in Note 7 above.

(e) In April 2011, the Port Construction Command Office of Shanxi Province in Qinhuangdao ("Shanxi Port Construction Command", established to manage the relevant investments made by the Planning Committee of Shanxi Provincial Government), a third party, initiated a civil lawsuit in the Higher People's Court of Hebei Province against the Company and HPG, as co-defendants, claiming that the port investment agreement between the Planning Committee of Shanxi Provincial Government and the Qinhuangdao Port Management Bureau of Ministry of Transport of the PRC (the predecessor of HPG) had been terminated and the Company and HPG should return Shanxi Provincial Government approximately RMB144,884,000, which includes the investment principal provided by Shanxi Port Construction Command, accrued interests and management fees. HPG issued a commitment letter on April 16, 2012 in which HPG committed to reimburse the Company for all losses in connection with the lawsuit. As at the date of this report, the court proceedings are still ongoing and no ruling has been made by the Higher People's Court of Hebei Province. The Directors are of the opinion that the lawsuit has no significant impact on the Financial Information.

(f) In December 2008, the Company entered into an agreement with HPG pursuant to which the Company had the right to use HPG's trademark for free with a term of ten years commencing on March 31, 2008.

(g) The Group enters into extensive transactions covering purchases or sales of goods, property, plant and equipment and other assets and receiving or providing of services with some state-owned enterprises, in the normal course of business on terms comparable to those with non state-owned enterprises. The transactions with these state-owned enterprises are individually not significant, except for the individually significant transactions with certain state-owned enterprises as disclosed in Note 13, Note 32 and Note 33.

39. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at December 31, 2010, 2011 and 2012 and June 30, 2013 are as follows:

Financial assets

December 31, 2010

	Group			Company		
	Loans and receivables	Available-for-sale investments	Total	Loans and receivables	Available-for-sale investments	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Available-for-sale investments	—	387,902	387,902	—	355,500	355,500
Long-term prepayment for an available-for-sale investment	—	80,300	80,300	—	—	—
Trade and bills receivables	159,985	—	159,985	144,507	—	144,507
Financial assets included in prepayments, deposits and other receivables (Note 23)	105,275	—	105,275	104,635	—	104,635
Pledged deposits	2,706	—	2,706	—	—	—
Cash and cash equivalents	1,088,572	—	1,088,572	242,281	—	242,281
	1,356,538	468,202	1,824,740	491,423	355,500	846,923

December 31, 2011

	Group			Company		
	Loans and receivables	Available-for-sale investments	Total	Loans and receivables	Available-for-sale investments	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Available-for-sale investments	—	649,074	649,074	—	499,750	499,750
Trade and bills receivables	158,059	—	158,059	148,389	—	148,389
Financial assets included in prepayments, deposits and other receivables (Note 23)	1,614,868	—	1,614,868	89,246	—	89,246
Pledged deposits	3,911	—	3,911	—	—	—
Cash and cash equivalents	5,715,271	—	5,715,271	544,460	—	544,460
	7,492,109	649,074	8,141,183	782,095	499,750	1,281,845

December 31, 2012

	Group			Company		
	Loans and receivables	Available-for-sale investments	Total	Loans and receivables	Available-for-sale investments	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Available-for-sale investments	—	681,624	681,624	—	532,000	532,000
Trade and bills receivables	202,371	—	202,371	181,827	—	181,827
Financial assets included in prepayments, deposits and other receivables (Note 23)	239,590	—	239,590	41,645	—	41,645
Cash and cash equivalents	3,492,887	—	3,492,887	999,568	—	999,568
	3,934,848	681,624	4,616,472	1,223,040	532,000	1,755,040

June 30, 2013

	Group			Company		
	Loans and receivables	Available-for-sale investments	Total	Loans and receivables	Available-for-sale investments	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Available-for-sale investments	—	681,624	681,624	—	532,000	532,000
Trade and bills receivables	255,222	—	255,222	228,618	—	228,618
Financial assets included in prepayments, deposits and other receivables (Note 23)	188,981	—	188,981	182,302	—	182,302
Pledged deposits	481	—	481	—	—	—
Cash and cash equivalents	2,524,072	—	2,524,072	822,971	—	822,971
	2,968,756	681,624	3,650,380	1,233,891	532,000	1,765,891

Financial liabilities

Group

	Financial liabilities at amortized cost			
	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	51,760	73,467	68,762	80,114
Financial liabilities included in other payables and accruals	3,358,408	1,986,808	1,687,688	1,615,663
Interest-bearing bank borrowings	9,216,499	10,716,726	9,919,610	10,127,302
	12,626,667	12,777,001	11,676,060	11,823,079

Company

	Financial liabilities at amortized cost			
	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	79,196	44,544	44,103	48,490
Financial liabilities included in other payables and accruals	509,480	166,986	103,400	154,999
Interest-bearing bank borrowings	3,540,000	3,780,000	3,130,000	3,235,000
	4,128,676	3,991,530	3,277,503	3,438,489

40. FAIR VALUE AND FAIR VALUE HIERARCHY

The carrying amounts and fair values of the Group's and the Company's financial instruments are as follows:

Group

	Carrying amounts			
	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets:				
Available-for-sale investments	387,902	649,074	681,624	681,624
Long-term prepayment for an available-for-sale investment	80,300	—	—	—
Trade and bills receivables	159,985	158,059	202,371	255,222
Financial assets included in prepayments, deposits and other receivables	105,275	1,614,868	239,590	188,981
Pledged deposits	2,706	3,911	—	481
Cash and cash equivalents	1,088,572	5,715,271	3,492,887	2,524,072
	1,824,740	8,141,183	4,616,472	3,650,380

	Fair values			
	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets:				
Available-for-sale investments	387,902	649,074	681,624	681,624
Long-term prepayment for an available-for-sale investment	80,300	—	—	—
Trade and bills receivables	159,985	158,059	202,371	255,222
Financial assets included in prepayments, deposits and other receivables	105,275	1,614,868	239,590	188,981
Pledged deposits	2,706	3,911	—	481
Cash and cash equivalents	1,088,572	5,715,271	3,492,887	2,524,072
	1,824,740	8,141,183	4,616,472	3,650,380

Group

	Carrying amounts			
	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Financial liabilities:				
Trade payables	51,760	73,467	68,762	80,114
Financial liabilities included in other payables and accruals	3,358,408	1,986,808	1,687,688	1,615,663
Interest-bearing bank borrowings	9,216,499	10,716,726	9,919,610	10,127,302
	12,626,667	12,777,001	11,676,060	11,823,079

	Fair values			
	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Financial liabilities:				
Trade payables	51,760	73,467	68,762	80,114
Financial liabilities included in other payables and accruals	3,358,408	1,986,808	1,687,688	1,615,663
Interest-bearing bank borrowings	9,216,499	10,716,726	9,919,610	10,127,302
	12,626,667	12,777,001	11,676,060	11,823,079

Company

	Carrying amounts			
	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets:				
Available-for-sale investments	355,500	499,750	532,000	532,000
Trade and bills receivables	144,507	148,389	181,827	228,618
Financial assets included in prepayments, deposits and other receivables	104,635	89,246	41,645	182,302
Cash and cash equivalents	242,281	544,460	999,568	822,971
	846,923	1,281,845	1,755,040	1,765,891

	Fair values			
	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets:				
Available-for-sale investments	355,500	499,750	532,000	532,000
Trade and bills receivables	144,507	148,389	181,827	228,618
Financial assets included in prepayments, deposits and other receivables	104,635	89,246	41,645	182,302
Cash and cash equivalents	242,281	544,460	999,568	822,971
	846,923	1,281,845	1,755,040	1,765,891

Company

	Carrying amounts			
	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Financial liabilities:				
Trade payables	79,196	44,544	44,103	48,490
Financial liabilities included in other payables and accruals	509,480	166,986	103,400	154,999
Interest-bearing bank borrowings	3,540,000	3,780,000	3,130,000	3,235,000
	4,128,676	3,991,530	3,277,503	3,438,489

	Fair values			
	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Financial liabilities:				
Trade payables	79,196	44,544	44,103	48,490
Financial liabilities included in other payables and accruals	509,480	166,986	103,400	154,999
Interest-bearing bank borrowings	3,540,000	3,780,000	3,130,000	3,235,000
	4,128,676	3,991,530	3,277,503	3,438,489

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair values of cash and cash equivalents, pledged deposits, trade and bills receivables, trade payables, financial assets included in prepayments, deposits and other receivables, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments on similar terms, credit risk and remaining maturities.

Unlisted available-for-sale equity investments are stated at cost less impairment because the investments do not have a quoted market price in an active market and the range of reasonable fair value estimates is so significant that in the opinion of the Directors, the fair value cannot be measured reliably.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the Financial Information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

All financial assets and liabilities for which fair value was measured or disclosed in the Financial Information are categorized within level 2 of the fair value hierarchy at the end of the Relevant Periods.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank borrowings and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables, trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. Generally, management of the Company meets regularly to analyze and formulate measures to manage the Group's exposure to these risks.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank borrowings with floating interest rates.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. The Group currently does not have any interest rate hedging policy.

As at June 30, 2013, the Group's borrowings of RMB9,377,302,000 (December 31, 2012: RMB9,639,610,000, December 31, 2011: RMB10,316,726,000 and December 31, 2010: RMB7,816,499,000) were with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change by 50 basis points in interest rate, with all other variables held constant, of the Group's profit before tax through the impact on floating rate borrowings.

	Group	
	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax
		RMB'000
Six months ended June 30, 2013		
RMB	50	(23,444)
RMB	(50)	23,444
Six months ended June 30, 2012 (unaudited)		
RMB	50	(23,642)
RMB	(50)	23,642
Year ended December 31, 2012		
RMB	50	(48,198)
RMB	(50)	48,198
Year ended December 31, 2011		
RMB	50	(51,584)
RMB	(50)	51,584
Year ended December 31, 2010		
RMB	50	(39,082)
RMB	(50)	39,082

Credit risk

The Group normally requires payment in advance from its customers for the coal handling services and allows credit terms to certain established customers for other services and trading. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Since the Group trades only with recognized and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customers. As at June 30, 2013, 64% (December 31, 2012: 65%, December 31, 2011: 54%, December 31, 2010: 53%) of the Group's trade receivables were due from a single customer. The customer is a large scale state-owned enterprise with good reputation and financial situation. The management communicated with the customer regarding its financial situation and the repayment schedule on a regular basis to monitor the credit risk closely. The Group did not hold any collateral or other credit enhancements over the balances of trade receivables.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, pledged deposits and other receivables, arising from the default of the counterparties, with a maximum exposure equal to the carrying amounts of these instruments.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in Note 22 above.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings.

The maturity profile of the Group's and the Company's financial liabilities as at the end of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

Group

December 31, 2010

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	—	51,760	—	—	51,760
Financial liabilities included in other payables and accruals	3,035,516	322,892	—	—	3,358,408
Interest-bearing bank borrowings	—	2,927,696	4,151,166	3,764,987	10,843,849
	3,035,516	3,302,348	4,151,166	3,764,987	14,254,017

December 31, 2011

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	—	73,467	—	—	73,467
Financial liabilities included in other payables and accruals	1,955,138	31,670	—	—	1,986,808
Interest-bearing bank borrowings	—	4,672,437	3,450,476	4,814,606	12,937,519
	1,955,138	4,777,574	3,450,476	4,814,606	14,997,794

December 31, 2012

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	—	68,762	—	—	68,762
Financial liabilities included in other payables and accruals	1,669,390	18,298	—	—	1,687,688
Interest-bearing bank borrowings	—	3,062,274	4,009,330	5,501,312	12,572,916
	1,669,390	3,149,334	4,009,330	5,501,312	14,329,366

June 30, 2013

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	—	80,114	—	—	80,114
Financial liabilities included in other payables and accruals	1,597,946	17,717	—	—	1,615,663
Interest-bearing bank borrowings	—	3,062,130	4,529,333	5,702,384	13,293,847
	1,597,946	3,159,961	4,529,333	5,702,384	14,989,624

Company

December 31, 2010

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	—	79,196	—	—	79,196
Financial liabilities included in other payables and accruals	203,502	305,978	—	—	509,480
Interest-bearing bank borrowings	—	1,816,739	1,906,976	—	3,723,715
	203,502	2,201,913	1,906,976	—	4,312,391

December 31, 2011

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	—	44,544	—	—	44,544
Financial liabilities included in other payables and accruals	160,132	6,854	—	—	166,986
Interest-bearing bank borrowings	—	3,340,158	590,872	—	3,931,030
	160,132	3,391,556	590,872	—	4,142,560

December 31, 2012

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	—	44,103	—	—	44,103
Financial liabilities included in other payables and accruals	97,392	6,008	—	—	103,400
Interest-bearing bank borrowings	—	2,572,264	703,558	—	3,275,822
	97,392	2,622,375	703,558	—	3,423,325

June 30, 2013

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	—	48,490	—	—	48,490
Financial liabilities included in other payables and accruals	149,805	5,194	—	—	154,999
Interest-bearing bank borrowings	—	2,542,181	866,016	—	3,408,197
	149,805	2,595,865	866,016	—	3,611,686

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors capital using a gearing ratio, which is net debt divided by capital plus net debt. Net debt includes interest-bearing bank borrowings, trade payables and other payables and accruals, less cash and cash equivalents. Capital represents equity attributable to owners of the parent. The gearing ratios as at the end of the Relevant Periods were as follows:

	At December 31,			At June 30,
	2010	2011	2012	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	51,760	73,467	68,762	80,114
Other payables and accruals	4,032,226	3,030,918	2,384,527	2,315,040
Interest-bearing bank borrowings	9,216,499	10,716,726	9,919,610	10,127,302
Less: Cash and cash equivalents	(1,088,572)	(5,715,271)	(3,492,887)	(2,524,072)
Net debt	12,211,913	8,105,840	8,880,012	9,998,384
Equity attributable to owners of the parent	7,182,771	8,269,897	9,273,713	9,370,893
Capital and net debt	19,394,684	16,375,737	18,153,725	19,369,277
Gearing ratio	**63%**	**49%**	**49%**	**52%**

42. EVENTS AFTER THE RELEVANT PERIODS

Pursuant to the resolution of the board of directors' meeting dated June 16, 2013, the Company proposed to pay a cash dividend of RMB1,090,125,000 (RMB0.255 per share) to its shareholders. The proposed dividend was approved by the shareholders at the first extraordinary general shareholders' meeting for the year 2013 dated July 11, 2013.

43. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Group or any of its subsidiaries in respect of any period subsequent to June 30, 2013.

Yours faithfully
ERNST & YOUNG
Certified Public Accountants
Hong Kong