

Consolidated Statement of Changes in Equity

For the year ended 31 December 2006

	Attributable to equity holders of the Company												Minority interests	Total	
	Paid-in capital	Share premium	Capital reserve	Statutory surplus reserve	Statutory public welfare fund	Enterprise development fund	Discretionary reserve fund	Special reserve	Other reserve	Dividend reserve	Shareholders' contribution	Retained earnings/			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Note a)	(Note b)	(Note c)	(Note d)	(Note e)	(Note f)		(Note g)	Total		Total	
At 1 January 2005	558,822	-	-	32,228	16,118	7,513	761	15,666	(281,349)	-	1,539,127	1,888,886	88,850	1,977,736	
Bonus issue of shares (Note h)	143,200	-	-	-	-	-	-	-	-	-	(143,200)	-	-	-	
Profit and total recognised income for the year	-	-	-	-	-	-	-	-	-	-	419,655	419,655	13,333	432,988	
Conversion of a joint stock company	1,208,978	-	866,025	-	-	-	-	-	(377,120)	-	(1,697,883)	-	-	-	
Issue of shares	49,000	22,206	-	-	-	-	-	-	-	-	-	71,206	-	71,206	
Net contributions from PDA (Note i)	-	-	-	-	-	-	-	-	-	-	129,033	129,033	-	129,033	
Distribution to equity holders of the Company (Note j)	-	-	-	-	-	-	-	-	-	-	(165,641)	(165,641)	-	(165,641)	
Decrease arising from a change in shareholding of Dalian Port Jihuo Logistics Co., Ltd ("DPJH") (Note k)	-	-	-	-	-	-	-	-	-	-	-	-	(328)	(328)	
Decrease arising from liquidation of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(1,538)	(1,538)	
Contributions from minority shareholders	-	-	-	-	-	-	-	-	-	-	-	-	426	426	
Appropriations	-	-	-	11,250	5,249	752	-	-	-	-	(17,251)	-	-	-	
At 31 December 2005 and 1 January 2006	1,960,000	22,206	866,025	43,478	21,367	8,265	761	15,666	(658,469)	-	63,840	2,343,139	100,743	2,443,882	
Profit and total recognised income for the year	-	-	-	-	-	-	-	-	-	-	631,567	631,567	13,595	645,162	
Issue of new H shares	966,000	1,605,525	-	-	-	-	-	-	-	-	-	2,571,525	-	2,571,525	
Expenses relating to issue of new H shares	-	(186,182)	-	-	-	-	-	-	-	-	-	(186,182)	-	(186,182)	
Transfer	-	-	-	21,367	(21,367)	-	-	-	43,713	-	(43,713)	-	-	-	
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	(11,224)	(11,224)	
Contributions from minority shareholders	-	-	-	-	-	-	-	-	-	-	-	-	70,136	70,136	
Proposed final dividend	-	-	-	-	-	-	-	-	-	175,560	(175,560)	-	-	-	
Appropriations	-	-	-	63,632	-	178	308	-	-	-	(64,118)	-	-	-	
At 31 December 2006	2,926,000	1,441,549	866,025	128,477	-	8,443	1,069	15,666	(614,756)	175,560	412,016	5,360,049	173,250	5,533,299	

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For the year ended 31 December 2006

Notes:

- (a) According to the Articles of Association, the Company, certain subsidiaries and jointly controlled entities are required to transfer 10% of the profit after tax (as determined under the People's Republic of China (the "PRC") accounting standards) to the statutory surplus reserve fund until the fund balance reaches 50% of the registered capital. The transfer to this fund must be made before distributing dividends to shareholders. The fund can be used to make up for previous years' losses, expand the existing operations or convert into additional capital of the subsidiaries and jointly controlled entities.
- (b) According to the Articles of Association, the Company, certain subsidiaries and jointly controlled entities are required to transfer 5% to 10% of the profit after tax (as determined under the PRC accounting standards) to the statutory public welfare fund. According to the relevant PRC laws and regulations, the statutory public welfare fund at 31 December 2005 has to transfer to statutory surplus reserve fund and no appropriation of statutory public welfare fund is required in the future.
- (c) Pursuant to regulations in the PRC, certain subsidiaries are required to transfer 5% to 10% of the profit after tax (as determined under the PRC accounting standards) to the enterprise development fund. The fund can only be used for the enterprise development and is not available for distribution to shareholders.
- (d) According to the Articles of Association, the Company and certain subsidiaries can transfer the profit after tax to the discretionary reserve fund on a discretionary basis.
- (e) Special reserve has been accounted for in accordance with the accounting policies adopted for the measurement of the non-interest bearing advance from immediate holding company, PDA and amounts due to shareholders of jointly controlled entities at fair value.
- (f) Other reserve represents the reversal of the revaluation surplus arising from the capital contribution by PDA to Dalian Container Terminal Co., Ltd ("DCT") and the Group Reorganisation. Other reserve would be released to retained earnings upon the depreciation of those capital assets.
- (g) The shareholders' contribution prior to establishment of the Company at 16 November 2005 mainly represents the then capital of the companies now comprising the Group and the net distributions to PDA.
- (h) Pursuant to the meeting of Dalian Port Container Co., Ltd ("DPC") held on 24 January 2005, DPC issued 143,200,000 new shares of RMB1 each in DPC to the then existing shareholders of DPC by way of 5 bonus shares for every 10 existing shares then held. All shares issued rank *passu* with the then existing shares in all respects.
- (i) Net contribution from PDA mainly represented the transfer of funds and property, plant and equipment between PDA and business divisions of the Company prior to group reorganisation for the year ended 31 December 2005. The amounts form part of the shareholders' equity of the Group as they represent changes in net assets of the Group.
- (j) Pursuant to the "Provisional Regulation relating to Corporate Reorganisation of Enterprises and Related Management of State-owned Capital and Financial Treatment", which was issued by the Ministry of Finance of the PRC and became effective on 27 August 2002, any increase in net assets as a result of profit realised for the period between the date of asset valuation to the date of the establishment of the joint stock limited company (the "Initial Profit Period") is required to be distributed to the state-owned equity holder. Accordingly, the Company has distributed to PDA the increase in net asset attributable to the net profits of the Group during the Initial Profit Period (as determined by the PRC accounting standards) which has been set off against the current account with PDA.
- (k) Dalian Jifa International Freight Co., Ltd acquired 25% equity interest of DPJH on 13 December 2005. As a result, the amount represented the decrease in 25% minority interest in DPJH.