



DALIAN PORT (PDA) COMPANY LIMITED

大連港股份有限公司

(A sino-foreign joint stock limited company incorporated in the People's Republic of China)

(於中華人民共和國註冊成立之外商投資股份有限公司)

(Stock Code 股份代號: 2880)



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Corporate Information

General information on the company

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| 1. Chinese name | 大連港股份有限公司 |
| Abbreviated Chinese name | 大連港 |
| English name | Dalian Port (PDA) Company Limited |
| Abbreviated English name | Dalian Port |
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| Company e-mail | ir@dlport.cn |
| 5. Designated newspapers for disclosure of the
Company's information | China Securities Daily, Shanghai Securities Daily, Securities Times,
Securities Daily |
| Website designated by the China Securities
Regulatory Commission for publishing the
A share annual reports | www.sse.com.cn |
| Website for publishing the H share annual report | www.hkexnews.hk |
| Place for collection of annual report | Room 616, 6th Floor,
No.1, Gangwan Street, Zhongshan District, Dalian, Liaoning, PRC |

Corporate Information

6.	Places of listing	Shanghai Stock Exchange	Hong Kong Stock Exchange
	Stock abbreviations	Dalian Port	Dalian Port
	Stock codes	601880 (Shanghai)	2880 (Hong Kong)
7.	A share registrar and transfer office	China Securities Depository and Clearing Corporation Limited, Shanghai Branch	
	H share registrar and transfer office	Computershare Hong Kong Investor Services Limited	
8.	PRC auditors	Ernst & Young Hua Ming Address: Level 16, Ernst & Young Tower, Oriental Plaza, No.1 East Chang An Avenue, Dong Cheng District, Beijing, China	
9.	Other information	<p>Legal counsel (as to Hong Kong law) Morrison & Foerster 33/F Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong</p> <p>Legal counsel (as to PRC law) Jintian & Gongcheng, Beijing 34/F, Tower 3, China Central Place, 77 Jianguo Road, Chaoyang District, Beijing 100025, China</p> <p>Principal bankers Industrial and Commercial Bank of China Agriculture Bank of China China Construction Bank Bank of China Bank of Communications</p>	

Management Discussion and Analysis

Summary

The first half of 2012 saw a complex and volatile international political and economic environment. Facing the increasing difficulties, the Chinese domestic economy still maintained a steady growth. In the first half of 2012, China's GDP grew by 7.8% and the total value of foreign trade increased by 8%, as compared with the corresponding period in 2011.

In the first half of 2012, the total cargo throughput at the major ports of China achieved 4.74 billion tonnes, an increase of 7.2% as compared with the corresponding period in 2011, out of which the throughput of domestic trade cargoes amounted to 3.23 billion tonnes, an increase of 4.4%, showing the growth has been slowing down, while the throughput of foreign trade cargoes amounted to 1.52 billion tonnes, an increase of 13.6% over the same period of last year. The container throughput grew slowly to 84.59 million TEUs, an increase of 8.8% as compared with the corresponding period in 2011.

The principal business of the Group is categorized into eight segments, namely: provision of oil/liquefied chemicals terminal and related logistics services ("**Oil Segment**"), provision of container terminal and related logistics services ("**Container Segment**"), provision of automobile terminal and related logistics services ("**Automobile Terminal Segment**"), provision of ore terminal and related logistics services ("**Ore Segment**"), provision of general cargo terminal and related logistics services ("**General Cargo Segment**"), provision of bulk grain terminal and related logistics services ("**Bulk Grain Segment**"), provision of passenger and roll-on, roll-off terminal and related logistics services ("**Passenger and Ro-Ro Segment**"), and provision of port value-added services and ancillary port operations ("**Value-added Services Segment**").

In the first half of 2012, the macro economy and industries relevant to the Group's principal business were set out as follows:

Oil Segment: Because of the unstable situation in the Middle East, China has stepped up strategic reserves of crude oil, but due to the slowdown in domestic economic growth, international crude oil futures market turmoil intensified, limiting the growth in crude oil imports. In the first half of 2012, China imported a total of 140 million tonnes of crude oil, an increase of 11% as compared with the corresponding period in 2011.

Container Segment: In the first half of 2012, the expansion of domestic demands for appropriate containers provided a support for the growth of container segment. At the same time, the government policies promulgated by Liaoning governments at both provincial and municipal levels to support the development of container transportation continued to play a role, which provided the impetus support for continuous development of the Group's container business.

Automobile Terminal Segment: In the first half of 2012, due to various unfavourable factors, the growth of China's automobile production slowed down sharply. China manufactured 9,529,000 vehicles, an increase of 4.1% and sold 9,598,000 vehicles, an increase of 2.9% as compared with the corresponding period in 2011.

Ore Segment: In the first half of 2012, the price of imported iron ore continued to fluctuate, and steel prices continued to decline. These led to the steel mills to reduce the proportion of imported ore use, but the imported volume of ore increased. In the first half of 2012, China imported 367 million tonnes of iron ore, increased by 32.64 million tonnes or 9.7% as compared with the corresponding period in 2011. The total imported iron ore handled by the ports in Northeast China was 18.683 million tonnes, decreased by approximately 4.907 million tonnes or 20.8% as compared with the corresponding period in 2011.

Management Discussion and Analysis

General Cargo Segment: In the first half of 2012, due to the downturn in market demand and impact of imported coal, the aggregate export coal volume at 12 major coal ports along the coast of China amounted to 299 million tonnes, a decrease of 4% as compared with the corresponding period in 2011. The output of the crude steel in China maintained continuous growing and achieved a total production volume of 730 million tonnes, an increase of 7% as compared with the corresponding period in 2011.

Bulk Grain Segment: In the first half of 2012, the domestic demand for grain increased. Major grain commodities, including corn shipped to southern ports of China and imported soybeans and wheat at the ports of Liaoning Province recorded an increase.

Passenger and Ro-Ro Segment: In the first half of 2012, the domestic economic slowdown has brought a certain negative impact on the passenger resources, the number of passengers and volume of cargoes originated from such area were less than the same period of the previous year.

In the first half of 2012, although the international political and economic environment and domestic economic development facing many difficulties, with putting in great efforts, and actively taking corresponding measures, the throughput of the Group's major business segment had achieved a good performance except the ore and general cargo segments. In the first half of 2012, The Group handled a total of approximately 19.267 million tonnes of oil and liquefied chemicals, an increase of 0.2% as compared with the same period of 2011, of which approximately 10.36 million tonnes was imported crude oil, an increase of 16.1% as compared with the corresponding period in 2011. In the Container Segment, the Group handled approximately 4.095 million TEUs, an increase of 18.8%, of which approximately 3.601 million TEUs were handled by the Group at Dalian port, an increase of 24.3%. In the Automobile Terminal Segment, the Group handled 107,102 vehicles, an increase of 35.1%. In the Ore Segment, the Group handled approximately 12.289 million tonnes, a decrease of 17.9%. In the General Cargo Segment, the Group handled approximately 16.318 million tonnes of cargoes, a slight decrease of 0.7%. In the Bulk Grain Segment, the Group handled approximately 3.628 million tonnes of bulk grain, an increase of 6.1%. In the Passenger and Ro-Ro Segment, the Group transported approximately 1.841 million passengers, an increase of 6.7% and approximately 449,000 vehicles, an increase of 47.7% as compared with corresponding period in 2011.

Overall analysis of results

In the first half of 2012, while the growth of the Group's throughput, other business segments such as oil, grain and ore also achieved revenue growth through the measure of tariff adjustment.

In the first half of 2012, The Group's profit attributable to shareholders amounted to RMB300,151,325.67, representing a decrease of 11.1% as compared with RMB337,726,075.10 in the first half of 2011. The decrease was mainly caused by the interest expenses of the loans raised to finance the Group's investments, the upward adjustment of interest rates, as well as the increase of interest expensed upon commissioning of certain projects.

In the first half of 2012, the Group's basic earnings per share were RMB6.78 cents, representing a decrease of 11.1% from RMB7.63 cents in the first half of 2011.

In the first half of 2012, the Group's revenue amounted to RMB2,048,221,533.54, representing an increase of 19.5% from RMB1,714,544,622.36 in the first half of 2011. Without the impact of the consolidation of Dalian Container Terminal Co., Ltd. ("**DCT**" in the first quarter of 2012, its revenue amounted to RMB127,391,568.30), the revenue of all segments, other than the general cargo business, showed various degrees of growth as a result of volume growth and tariff increase.

Management Discussion and Analysis

In the first half of 2012, the Group's cost of sales and services amounted to RMB1,229,700,556.79 which increased by 15.8% as compared with RMB1,061,501,293.83 in the first half of 2011. Other than the impact of consolidating DCT (in the first quarter of 2012, its cost of sales and services amounted to RMB62,032,580.83), the increase in cost of sales and services in the current period was primarily caused by the increase in operating expenses owing to business growth and the increase in payroll expenses.

In the first half of 2012, the Group's gross profit was RMB818,520,976.75 which increased by 25.3% from RMB653,043,328.53 in the first half of 2011. The gross margin reached 40.0%, a 1.9% higher than that in the first half of 2011. The increase of gross margin was mainly due to throughput growth and tariff increases, as well as effective cost control in the current period.

In the first half of 2012, the Group's finance expenses amounted to RMB174,871,289.16, representing an increase of 3.69 times of the amount of RMB37,278,671.78 in the first half of 2011. The increase was mainly caused by the interest expenses of new loans raised to finance the Group's investments, the upward adjustment of interest rates, as well as the increase of interest expensed upon commissioning of certain projects.

In the first half of 2012, the Group's investment income amounted to RMB71,964,768.43, representing a decrease of 3.4% from RMB74,522,522.30 in the first half of 2011. Excluding the impact of the consolidation of DCT, the increase in investment income of RMB22,922,246.13 was mainly contributed to the investment income from entrusted investment.

In the first half of 2012, the Group's non-operating revenue amounted to RMB55,423,379.74, representing an increase of 96.8% from RMB28,166,043.17 in the first half of 2011. The increase was mainly attributable to government subsidies to the Group's container segment.

In the first half of 2012, the Group's income tax expense amounted to RMB114,113,783.59 which increased by 12.3% from RMB101,627,058.55 in the first half of 2011, mainly as a result of the consolidation of DCT.

Assets and liabilities

As of 30 June 2012, the Group's total assets and net assets amounted to RMB27,099,769,413.31 and RMB12,661,414,966.30 respectively, and its net asset value per share was RMB2.86, representing an increase of 0.4% as compared with that as of 31 December 2011. The increase was mainly due to the accumulation from business operation.

As of 30 June 2012, the Group's total liabilities amounted to RMB13,387,528,819.59, of which total outstanding bank and other borrowings accounted for RMB10,932,008,962.09.

Financial resources and liquidity

In the first half of 2012, the Group's net cash flows generated from operating activities amounted to RMB332,720,500.61, and the Group also received RMB700,000,000.00 from the disposal of its investment in short-term treasury products. With stable cash inflows from its operating activities and the proceeds from the disposal of its short-term treasury products, the Group has maintained a sound financial position and capital structure and will apply these cash inflows to fund the Group's capital expenditure and other investments.

As of 30 June 2012, the Group had a balance of cash and cash equivalents of RMB2,055,156,645.95 which represented a decrease of RMB175,500,630.37 as compared with that as at 31 December 2011. In the first half of 2012, the Group continued to increase its investments in fixed assets, joint ventures and associated companies, paid interest on loans and repaid certain loans. These fund uses accounted for the decrease in cash balances as of 30 June 2012.

Management Discussion and Analysis

As of 30 June 2012, the Group has obtained an aggregate of RMB916,624,278.18 new bank loans and repaid an aggregate of RMB1,051,000,000.00 bank loans. As of 30 June 2012, the Group's bank and other borrowings amounted to RMB10,932,008,962.09 of which RMB9,832,508,962.09 was due after one year and RMB1,099,500,000.00 was due within one year. The Group's net gearing ratio was 64.7% as at 30 June 2012 (31 December 2011: 64.6%).

As of 30 June 2012, the Group's unutilized banking facilities amounted to RMB24,427,850,000.00.

As of 30 June 2012, the Group did not have any significant exposure to fluctuations in exchange rates and did not enter into any foreign exchange hedging contracts.

Use of proceeds

Use of proceeds (A Shares)

Net proceeds of the public offering of 762 million A shares ("A-Share IPO") by the Company in 2010 amounted to approximately RMB2,772,091,500.00. As of 30 June 2012, the Group had utilized approximately RMB1,836,229,800.00 of the net proceeds and the remaining balance of the net proceeds was RMB935,861,700.00.

There has been no material change in the proposed use of proceeds from the A-Share IPO as stated in the Group's prospectus dated 3 December 2010 except for the changes announced on 30 December 2011. As of 30 June 2012, the details of the use of proceeds were as follows:

Project	Proceeds from A-Share IPO	Use of proceeds as of 30 June 2012	Balance
Construction of oil storage tanks with a total capacity of 1,000,000 m3 in Xingang	760,000,000.00	417,000,200.00	342,999,800.00
Construction of oil storage tanks with a total capacity of 600,000 m3 at Xingang Resort	550,000,000.00	261,306,000.00	288,694,000.00
Construction of phase II of the Shatuozi oil storage tank project at XinGang Shatuozi	29,600,000.00	29,600,000.00	—
LNG project	320,000,000.00	320,000,000.00	—
No. 4 stacking yard for ore terminal	520,000,000.00	257,024,900.00	262,975,100.00
Purchase of gantry for ore terminal	37,200,000.00	37,200,000.00	—
Purchase of 300 bulk grain carriages	150,000,000.00	150,000,000.00	—
Ro-Ro vessels for carrying cars	230,000,000.00	212,000,000.00	18,000,000.00
Construction of railway line in Muling	41,250,000.00	41,250,000.00	—
Construction of information systems	50,000,000.00	26,807,200.00	23,192,800.00
Contribution to the increase of the registered capital of Dalian International Container Terminal Co., Ltd.	84,041,500.00	84,041,500.00	—
Total	2,772,091,500.00	1,836,229,800.00	935,861,700.00

Management Discussion and Analysis

Notes:

1. In order to reduce the financial cost, the fourth meeting of the third session of the Company's board of directors in 2012 passed a resolution on 27 April 2012 regarding temporary use of certain idle cash from A share IPO proceeds to improve the liquidity of the Company's working capital. The Company has used RMB277,000,000.00 idle cash from A share IPO proceeds to supplement its working capital. Such authorization of the fund use is valid for a period of six months commencing on 27 April 2012 when the Board passed the relevant resolution. The Company's independent directors, supervisors, and sponsors expressed their respective opinions on the board resolution. The Company made a public announcement in relation to the above board resolution two days after the board meeting.
2. The balance of the net proceeds as at 30 June 2012 shown in the above table was RMB935,861,700.00. Subtracting the idle cash RMB277,000,000.00 temporarily used to supplement the Group's working capital for six months, the remain balance of the net proceeds as at 30 June 2012 was RMB658,861,700.00 excluding interest income of RMB31,000,000.00 of the net proceed and RMB689,861,700.00 including that interest income, respectively.

Use of proceeds (H shares)

Net proceeds of the initial public offering ("H Share IPO") of 966 million H shares by the Company in 2006 amounted to approximately RMB2,385,343,000.00. As of 30 June 2012, the net proceeds had been used for the acquisition of fixed assets, loans repayment and working capital funding in compliance with the proceeds usage as disclosed in the H share IPO prospectus. Since all the projects funded by IPO proceeds were substantially completed, the management proposed that the unutilized fund of RMB54,550,000.00 allocated for construction of 12 oil storage tanks at Xingang be used as the Company's daily operating funds. The proposal was approved on 29 March 2012 at the third meeting of the Board in 2012. By 30 June 2012 all the H Share IPO proceeds had been fully utilized.

Capital expenditure

In the first half of 2012, the Group's capital expenditure amounted to RMB744,189,825.65 of which RMB428,042,025.65 was for fixed assets investment and RMB316,147,800.00 for equity investment. The capital expenditure was mainly funded by the surplus cash generated from operating activities, the proceeds from the public offering of A shares and corporate bonds.

The performance analysis of each business segment in the first half of 2012 is as follows:

Oil Segment

The following table sets out the oil/liquefied chemicals throughput handled by the Group in the first half of 2012 and its comparative results in the first half of 2011.

	For the six months ended 30 June 2012 (^{'000} tonnes)	For the six months ended 30 June 2011 (^{'000} tonnes)	Increase/ (Decrease)
Crude oil	12,245	13,515	(9.4%)
— Foreign trade imported crude oil	10,360	8,920	16.1%
Refined oil	5,127	5,161	(0.7%)
Liquefied Chemicals	544	476	14.3%
LNG	1,351	69	1,858.0%
Total	19,267	19,221	0.2%

Management Discussion and Analysis

In the first half of 2012, in terms of oil/liquefied chemicals throughput, the Group's handled a total of approximately 19.267 million tonnes, a slight increase of 0.2% as compared with the corresponding period in 2011.

In the first half of 2012, the Group's crude oil throughput decreased by 9.4% as compared with the corresponding period in 2011, to approximately 12.245 million tonnes, of which approximately 10.36 million tonnes were imported crude oil, an increase of 16.1% as compared with the corresponding period in 2011. In the first half of 2012, the price fluctuation of crude oil had negative impact on the export of transit crude oil. The increase in import crude oil was mainly due to the comparative figure for the same period of last year is relatively low because of the maintenance of DWPPC ("**Dalian West Pacific Petrochemical Company Ltd**"). At the same time, the Group strengthened the development of transit crude oil, and achieved certain results.

In the first half of 2012, the Group's refined oil throughput amounted to approximately 5.127 million tonnes, a decrease of 0.7% as compared with the corresponding period in 2011. The decrease was primarily due to the decreased demand in the southern China for refined oil produced in the Group's hinterland as the result of the PetroChina Guangxi Petrochemical being put into operation in the first half of 2012.

In the first half of 2012, the Group's liquefied chemicals throughput was approximately 544,000 tonnes, an increase of 14.3% as compared with the corresponding period in 2011. This increase is mainly contributed to new customers developed by the Group and increase in the volume of the liquefied chemicals shipped out of some existing customers.

In the first half of 2012, the Group's LNG throughput was approximately 1.351 million tonnes, an increase of 20 times as compared with the corresponding period in 2011. After putting into operations in last November, the operation of LNG terminals has been carried out smoothly.

In the first half of 2012, the total imported crude oil volume handled by the Group accounted for 100% (100% in the first half of 2011) of the total volume of crude oil imported into Dalian and 68.5% (68.3% in the first half of 2011) of the total volume of crude oil imported into the Three Northeastern Provinces of China. The total oil/liquefied chemicals throughput accounted for 69.5% (65.5% in the first half of 2011) of the total oil/liquefied chemicals throughput of Dalian and 41% (41.9% in the first half of 2011) of the total oil/liquefied chemicals throughput of the Three Northeastern Provinces of China. The increase in imported crude oil throughput was mainly due to that the effect of the 7.16 Explosion Accident gradually diminished, and the Group enhanced market development for transshipment crude oil.

In the first half of 2012, the revenue from the oil/liquefied chemicals terminal and logistics services amounted to RMB423,307,168.97, accounted for 20.7% (22.8% in the first half of 2011) of the Group's total revenue, representing an increase of RMB32,983,922.46 or 8.5% as compared with that in the first half of 2011. The increase was mainly due to the growth of foreign trade throughput and the increase of handling charges.

In the first half of 2012, the gross profit from oil amounted to RMB207,600,865.96, representing an increase of RMB33,495,608.39 or 19.2% as compared with that in the first half of 2011. This profit accounted for 25.4% (26.7% in the first half of 2011) of the Group's total gross profit, and represented a gross margin of 49.0% (44.6% in the first half of 2011). The improvement of gross profit margin was mainly due to a higher margin for handling business driven by the growth of foreign trade throughput and the increase of handling charges, as well as an improved margin for crude oil storage business resulting from a change in useful lives of Oil tanks and pipelines.

Management Discussion and Analysis

In the first half of 2012, the Group's major measures taken and the progress of major projects related to the Group's Oil Segment were as follows:

- The Group had continued to enhance our efforts to retain existing hinterland refineries customers and to expand transshipment customer bases, which has led to a significant increase in imported crude oil in the first half of 2012.
- We have been working closely with custom and some of our customers to actively advance the process of application for recognizing our No. 8 crude oil storage tanks as the public bonded storage tanks.
- The Group has completed the application for resuming operations of Nanhai phase-I crude oil tanks. The Group actively co-ordinated with customers to speed up transshipment of crude oil, improved the utilization of storage tanks and increased the volume of transshipment.
- The Group has entered into agreements with certain customers to raise price, and improved the Group's profitability.
- The Group has completed the acquisition of 45% equities in Changxing Island investment Development Co., Ltd., and effectively promoted the construction and development of the projects of Group's oil/liquefied chemicals terminals and storage tanks in the area of Changxing Island.

Container Segment

The following table sets out the container throughput handled by the Group in the first half of 2012 and its comparative results in the first half of 2011:

		For the six months ended 30 June 2012 ('000 TEUs)	For the six months ended 30 June 2011 ('000 TEUs)	Increase/ (Decrease)
Foreign Trade	Dalian	2,220	2,244	(1.1%)
	Other Ports (note 1)	68	75	(9.3%)
	Sub-total	2,288	2,319	(1.3%)
Domestic Trade	Dalian	1,381	652	111.8%
	Other Ports (note 1)	426	475	(10.3%)
	Sub-total	1,807	1,127	60.3%
Total	Dalian	3,601	2,896	24.3%
	Other Ports (note 1)	494	550	(10.2%)
	Total	4,095	3,446	18.8%

Management Discussion and Analysis

Note 1: Throughput at other ports refers to an aggregate of the throughput of 錦州新時代集裝箱碼頭有限公司 (Jinzhou New Age Container Terminal Co., Ltd.), in which 15% equity interest is owned by the Group and 秦皇島港新港灣集裝箱碼頭有限公司 (Qinhuangdao Port New Harbour Container Terminal Co., Ltd.), in which 15% equity interest is owned by the Group.

In the first half of 2012, in terms of container throughput, the Group handled a total of approximately 4.095 million TEUs, representing an increase of 18.8% as compared to the corresponding period in 2011. In Dalian, the Group handled approximately 3.601 million TEUs, representing an increase of 24.3% as compared to the corresponding period in 2011, of which container throughput for foreign trade slightly decreased by 1.1%, container throughput for domestic trade increased by 111.8%. In the first half of 2012, as a result of effective measures taken by the Group to enhance its container market development, the Group's container business has achieved sound growth.

In the first half of 2012, the Group's container terminal business accounted for 99.5% (99.7% in the first half of 2011) of the total market share in Dalian and 56.2% (56.3% in the first half of 2011) of that in the Three Northeastern Provinces of China. The Group's container throughput for foreign trade accounted for 100% (100% in the first half of 2011) of the total market share in Dalian and 96.8% (96.9% in the first half of 2011) of the total market share in the Three Northeastern Provinces of China.

In the first half of 2012, the revenue from container terminal and logistics services amounted to RMB529,282,971.37, which accounted for 25.8% (20.2% in the first half of 2011) of the Group's total revenue, represented an increase of RMB182,548,006.01 or 52.7% as compared with that in the first half of 2011. Without the consolidation of the income of DCT the Group's revenue grew by 17.3% over the same period of 2011. The increase was mainly contributed to the growth of container transportation business and income from disposal of land use rights.

In the first half of 2012, the gross profit from container terminal and logistics services amounted to RMB156,108,516.26, representing an increase of RMB38,746,317.33 or 33.0% as compared with that in the first half of 2011. This gross profit accounted for 19.1% (18.0% in the first half of 2011) of the Group's total gross profit and represented a gross margin of 29.5% (33.8% in the first half of 2011). Such decrease in the segment gross margin was mainly caused by the lower gross margin of transportation business as a result of increased operating costs.

In the first half of 2012, the Group's major measures taken and the progress of major projects related to the Group's Container Segment were as follows:

- In terms of shipping lines development, in addition to the existing principal shipping lines, the Group has procured the introduction of three new Near-Sea shipping lines and four new direct lines for domestic trade.
- The Group made great efforts to develop the business of empty container trans-shipment and restowage due to vessel-changing. In May 2012, the Group successfully procured the stowage business of COSCO. The Group also cooperated with shipping companies such as Maersk Line and New Haifeng with regard to empty container trans-shipment business, aiming to establish Dalian trans-shipment base for empty container. Meanwhile, leveraging on its self-owned vessels, the Group actively developed trans-shipment business within Bohai rim feeder and maintained trans-shipment business for Jinzhou port. The Group has also fully undertaken domestic trade business for Dandong, and the frequency of voyage schedule on feeder for Dandong has doubled due to the launching of such project. Additionally, Beiliang Trans-shipment project was also launched.

Management Discussion and Analysis

- In terms of logistics service on land, the Group made efforts to develop the regular rail business by introducing new routes of railway transportation services and enhancing the frequency of service schedule for the purpose of increasing the cargo volume. In the first half of 2012, a total of three new regular railway transportation routes has been introduced. The Group also continued to push forward the construction of highway container transportation system, for which the Group was engaged in providing highway transportation services in Shenyang areas, especially the distribution services between inland ports and customers' works, and accepted the carriage for the cargo on return trip from Dalian to Shenyang.
- By means of developing neighbouring-port industries, the Group proactively push forward customer-related logistics projects so as to increase the sources of containerizable cargo.

Automobile Segment

The following table sets out the throughput handled by the Group's automobile terminal in the first half of 2012 and its comparative results in the first half of 2011.

		For the six months ended 30 June 2012	For the six months ended 30 June 2011	Increase/ (Decrease)
Vehicles (unites)	Foreign Trade	12,620	20,251	(37.7%)
	Domestic Trade	94,482	59,051	60.0%
	Total	107,102	79,302	35.1%
Equipments (tonnes)		16,892	6,707	151.9%

In the first half of 2012, the Group handled a total of 107,102 vehicles, representing an increase of 35.1% as compared to the corresponding period in 2011.

In the first half of 2012, the Group's vehicle throughput accounted for 99% (96.5% in the first half of 2011) of the total volume handled by ports in the Three Northeastern Provinces of China.

In the first half of 2012, the revenue from automobile terminal and logistics services amounted to RMB9,640,000.00, which accounted for 0.5% (0% in the first half of 2011) of the Group's total revenue. Since the automobile terminal was owned by one of the Company's joint ventures, its income was not consolidated. The revenue from automobile terminal and logistics services was derived mainly from the lease income of the Group's automobile roll-on-roll-off ships.

In the first half of 2012, the gross profit from automobile terminal and logistics services amounted to RMB4,802,124.01. The value-added services of the auto segment accounted for 0.6% (0% in the first half of 2011) of the Group's total gross profit, and represented a gross margin of 49.8% (0% in the first half of 2011).

In the first half of 2012, the investment income from automobile terminal and logistics services amounted to RMB5,233,644.16, a decrease of RMB643,131.40 as compared with the corresponding period in 2011, mainly due to the decrease of throughput in foreign trade ro-ro business.

Management Discussion and Analysis

In the first half of 2012, the Group's major measures taken and the progress of major projects related to the Group's Automobile Segment were as follows:

- The Group strengthened cooperation with customers, and has procured Anji Automotive Logistics Co. Ltd to move its entrepot storage to Dalian automobile terminal. Meanwhile, leveraging on the existing car-carrying vessel lines and jointly with the shipping companies, the Group strengthened the market development for vehicles shipment between the south and the north, and the water transportation volume of vehicle for domestic trade has significantly increased by 60%. As a result of such measures, the status of Dalian port as a hub port for car-carrying has been further consolidated.
- Facing the decrease of export volume by exporters mainly due to the tariff increase in Brazil and Syria's political unrest, the Group successfully attracted more than 1,500 exported vehicles to be shipped through the Group's automobile terminals, which reduced the effect of the unfavourable factors.

Ore Segment

The following table sets out the throughput handled by the Group's ore terminal in the first half of 2012 and its comparative results in the first half of 2011.

	For the six months ended 30 June 2012 ('000 tonnes)	For the six months ended 30 June 2011 ('000 tonnes)	Increase/ (Decrease)
Ore	12,289	14,971	(17.9%)
Others	15	74	(79.7%)
Total	12,304	15,045	(18.2%)

In the first half of 2012, the Group's ore terminal handled approximately 12.289 million tonnes of ore, a decrease of 17.9% as compared with the corresponding period in 2011. Despite the decrease in demand, by leveraging on its deep-water berths, location and bonded function, the Group handled approximately 1.49 million tonnes of traded ore and bonded ore, increasing by 43.3% as compared to the corresponding period in 2011 and accounting for 100% of the total throughput of such ore in the Three Northeastern Provinces of China.

In the first half of 2012, the Group's ore throughput accounted for 30.4% (34% in the first half of 2011) of the total throughput in the Three Northeastern Provinces of China.

In the first half of 2012, the revenue from Ore Segment amounted to RMB163,408,554.29, which accounted for 8.0% (8.1% in the first half of 2011) of the Group's total revenue, represented an increase of RMB23,843,306.53 or 17.1% as compared with that in the first half of 2011. The increase was mainly due to increased loading rates, as well as the volume growth of bonded ore and ore for trading.

In the first half of 2012, the gross profit from the Ore Segment amounted to RMB69,720,082.23, representing an increase of RMB24,830,070.09 or 55.3% as compared with that in the first half of 2011, accounted for 8.5% (6.9% in the first half of 2011) of the Group's total gross profit, and represented a gross margin of 42.7% (32.2% in the first half of 2011). Such increase in gross margin was mainly caused by the adjustment of loading rates, the volume growth of bonded ore and ore for trading, and the effective implementation of cost control measures.

Management Discussion and Analysis

In the first half of 2012, the Group's major measures taken and the progress of major projects related to the Group's Ore Segment were as follows:

- The Group set about building its service brand of Zero-Loss, and has established a special working group to recommend the Group's high quality services to the customers, aiming to enhance the marketing ability of the Group.
- The Group continued to strengthen the cooperation with well-known traders at home and abroad as well as attracted small and medium-sized traders, to build unobstructed sales channel for traded ore, aiming to jointly establish Dalian port a spot commodity exchange for iron ore.
- Taking Dalian Port Bulk Logistics Centre as a platform, the Group has fully launched a series of value-added services such as bonded storage for iron ore and mixed ore, which laid the foundation for the Group to build the centre of ore distribution and value-added trade services within the Bohai rim.

General Cargo Segment

The following table sets out the throughput handled by the Group's general cargo terminal in the first half of 2012 and its comparative results in the first half of 2011.

	For the six months ended 30 June 2012 (^{'000 tonnes})	For the six months ended 30 June 2011 (^{'000 tonnes})	Increase/ (Decrease)
Steel	3,874	4,097	(5.4%)
Coal	6,252	6,639	(5.8%)
Timber	166	220	(24.5%)
Equipment	1,414	847	66.9%
Packed grain	246	327	(24.8%)
Others	4,366	4,304	1.4%
Total	16,318	16,434	(0.7%)

In the first half of 2012, the Group's general cargo terminal handled approximately 16.318 million tonnes cargo, a slight decrease of 0.7% as compared with the corresponding period in 2011.

In the first half of 2012, the volume of steel handled by the Group was approximately 3.874 million tonnes, a decrease of 5.4% from the same period of last year, mainly caused by the declining market demand for steel.

In the first half of 2012, the volume of coal handled by the Group was approximately 6.252 million tonnes, a decrease of 5.8% over the same period of 2011. The decrease was mainly due to the declining demand for coal from southern China as well as the impact of the increased imported coal on northern coal market.

In the first half of 2012, the volume of equipment handled by the Group was approximately 1,414,000 tonnes, a significant increase of 66.9% over the same period of 2011, mainly due to the continuous rapid development of machinery industry in the northeastern area of China and the Company's enhanced marketing efforts with an aim to develop itself into a hub port for the export of equipment manufactured in northeastern of China.

Management Discussion and Analysis

In the first half of 2012, the steel throughput and coal throughput handled by the Group's general cargo terminal accounted for 17.7% (18.1% in the first half of 2011) and 14.8% (15% in the first half of 2011) of the total throughput in the Three Northeastern Provinces of China, respectively.

In the first half of 2012, the revenue from General Cargo Segment amounted to RMB173,344,086.74, which accounted for 8.5% (10.2% in the first half of 2011) of the Group's total revenue, represented an decrease of RMB2,007,654.41 or 1.2% as compared with that in the first half of 2011. The decrease was mainly due to the decrease in throughput.

In the first half of 2012, the gross profit from the General Cargo Segment amounted to RMB21,402,266.74, representing an increase of RMB2,161,251.54 or 11.2% as compared with that in the first half of 2011, accounted for 2.6% (2.9% in the first half of 2011) of the Group's total gross profit, and represented a gross margin of 12.3% (11.0% in the first half of 2011). Such increase in gross margin was mainly caused by the improved efficiency resulting from the operational restructure of the segment and the adoption of services outsourcing to reduce cost.

In the first half of 2012, the Group's major measures taken and the progress of major projects related to the Group's General Cargo Segment were as follows:

- By regular customer visiting and the improvement of cargo transportation quality, the Group enhanced the solicitation of the steel transported by sea from the steel companies in the hinterland. Meanwhile, the Group adjusted the port charges for certain customers so as to improve the profitability.
- Facing the depressed coal market, the Group established close cooperation relationship at a deeper level with both the new and the old customers. It also took the initiative to adjust the direction of market development and attracted more imported coal to be handled by the Group's terminals.
- leveraging on the technical advantages in handling large-sized equipment, the Group has set up the brand for its high-quality and high-efficiency loading and discharging services for large-sized equipment and attracted more customers to ship their cargoes via the Group's general cargo terminals.

Bulk Grain Segment

The following table sets out the throughput handled by the Group's bulk grain terminal in the first half of 2012 and its comparative results in the first half of 2011.

	For the six months ended 30 June 2012 (^{'000 tonnes})	For the six months ended 30 June 2011 (^{'000 tonnes})	Increase/ (Decrease)
Corn	2,047	1,808	13.2%
Soy bean	742	448	65.6%
Barley	135	107	26.2%
Wheat	20	12	66.7%
Others	684	1,045	(34.5%)
Total	3,628	3,420	6.1%

Management Discussion and Analysis

In the first half of 2012, the throughput handled by the Group's bulk grain terminal was approximately 3.628 million tones, an increase of 6.1% as compared with the corresponding period in 2011.

In the first half of 2012, the Group's corn throughput was approximately 2.047 million tones, an increase of 13.2% as compared with the same period of last year, mainly due to (i) the Group has made all endeavors to obtain the corn cargo during the gold season of corn transportation in domestic trading via making market research and analysis in the areas of origin and sales; and (ii) increasing the cargo delivery volume and improving efficiency through integrating various grain truck resources, establishing strategic loading points, implementing entire train transportation and other measures.

In the first half of 2012, the Group's soy bean throughput was approximately 742,000 tonnes, an increase of 65.6% as compared with the same period of last year. With the increase of the consumption of soy beans by the oil processors this year, the soybean import volume has risen.

In the first half of 2012, the Group's barley throughput was approximately 135,000 tonnes, an increase of 26.2% as compared with the same period of last year.

In the first half of 2012, the throughput handled by the Group's bulk grain terminal accounted for 17.5% (16.0% in the first half of 2011) of the total throughput in the Three Northeastern Provinces of China.

In the first half of 2012, the revenue from Bulk Grain Segment amounted to RMB188,005,377.90, which accounted for 9.2% (9.2% in the first half of 2011) of the Group's total revenue, representing an increase of RMB30,532,147.38 or 19.4% as compared with that in the first half of 2011. The increase was mainly due to changes of grain items handled during the period, increase in handling high-margined grain, and higher tariffs for handling grain.

In the first half of 2012, the gross profit from the Bulk Grain Segment amounted to RMB110,962,815.39, representing an increase of RMB31,592,556.12 or 39.8% as compared with that in the first half of 2011, accounted for 13.6% (12.2% in the first half of 2011) of the Group's total gross profit, and represented a gross margin of 59.0% (50.4% in the first half of 2011). Such increase in gross margin was mainly caused by the changes of grain items handled during the period, increase in handling high-margined grain, and higher tariffs for handling grain.

In the first half of 2012, the Group's major measures taken and the progress of major projects related to the Group's Bulk Grain Segment were as follows:

- Deepening collaboration with key customers and adopting the truck and vessel integration logistics model. In the beginning of this year, the Group signed the transportation agreement for the year with many key customers to lock the annual throughput to the maximum extent and to balance monthly throughput. Also, the increase in frequency of service schedule between two ports and adding a new sea shipping line between Dalian and Shenzhen have improved the grain transportation capacity.
- 157,000 tonnes of corn was exported from the Group's port in the first half of 2012 as the result of the Group's great marketing efforts of paying regular visits to customers and coordinating actively with the railways for carrying capacity.
- Obtain cargoes of imported soy bean and barley via strategic cooperation and various marketing approaches. By analyzing cargo flow direction, storage capacity and cargo evacuation and providing high quality services and effective operation, the Group successfully get the cargoes from the international trading companies.

Management Discussion and Analysis

Passenger and Ro-Ro Segment

The following table sets out the passenger and roll-on roll-off throughput handled by the Group in the first half of 2012 and its comparative results in the first half of 2011.

	For the six months ended 30 June 2012	For the six months ended 30 June 2011	Increase/ (Decrease)
Passengers ('000 persons)	1,841	1,725	6.7%
Vehicles ('000 units) (Note 1)	449	304	47.7%

Note 1: Including Dalian Lvshun Port co., Ltd., and 中鐵渤海鐵路輪渡有限公司.

In the first half of 2012, the Group transported approximately 1.841 million passengers, an increase of 6.7% as compared with the corresponding period in 2011, and handled approximately 449,000 vehicles, an increase of 47.7% as compared with the corresponding period in 2011.

In the first half of 2012, the total inbound and outbound volume of both the roll-on and roll-off vehicles and the passengers via Dalian port was lower than the same period last year due to the impacts of the slackening domestic economy growth. After the Group added two ships to its fleet, its market influence and market share improved.

In the first half of 2012, the revenue from passenger and roll-on roll-off and logistics services amounted to RMB61,815,953.00, which accounted for 3.0% (2.7% in the first half of 2011) of the Group's total revenue, represented an increase of RMB15,614,252.10 or 33.8% as compared with that in the first half of 2011, Without the consolidation of the income of the newly-acquired Lvshun Port, the revenue of the reporting period grew by 11.2% over the same period of 2011. The increase was mainly due to the growth of the passenger and roll-on roll-off throughput.

In the first half of 2012, the gross profit from the passenger and roll-on roll-off and logistics services amounted to RMB26,139,120.19, representing an increase of RMB6,494,328.83 or 33.1% as compared with that in the first half of 2011, accounted for 3.2% (3.0% in the first half of 2011) of the Group's total gross profit, and represented a gross margin of 42.3% (42.5% in the first half of 2011), approximately the same as that of the first half of 2011.

In the first half of 2012, the Group's major measures taken and the progress of major projects related to the Group's Passenger and Ro-Ro Segment were as follows:

- MV. Qingshandao and MV. Changshandao built by China Shipping Passenger Liner Co., Ltd. were put into operation for the route from Dalian to Yantai and calls our port, so the Group's market influence and competitiveness have been further increased.
- Improving customer services and launching high-end passenger services. To satisfy various needs, the green channels for VIP, the disabled, the senior citizen and the children have been established with the collaboration with China Mobile, which has improved the image of the port.

Management Discussion and Analysis

Value-added Services Segment

Tuging

In the first half of 2011, the port services, ocean engineering and shipbuilding industries recorded a stable performance. The Group paid great attention to communication with its customers and improvement in tuging services to achieve a stable growth in the tuging business in Dalian.

In the market outside Dalian, facing changing market conditions, the Group timely changed tugboats' location and optimized tuging services so that it maintained a stable long-term customer base and developed relationships with customers. As at the end of June 2012, the Group leased out 1 additional tugboat to the other port outside Dalian. By the end of June 2012, the Group had a total of 39 tugboats and four pilot boats. Among these vessels, 16 tugboats were leased out under long-term leases to other ports outside Dalian. The Group retained a leading tuging services position amongst all port operators in China.

Tallying

In the first half of 2012, the total tallying throughput handled by the Group was approximately 20.589 million tonnes, an increase of 11.9% over the same period of last year.

Railway

In terms of the operation of railway transportation, the Group handled a total of 308,000 carriages, a decrease of 16.4% as compared with the corresponding period in 2011.

In the first half of 2012, the revenue from Value-added Services Segment amounted to RMB420,913,046.43, which accounted for 20.6% (23.4% in the first half of 2011) of the Group's total revenue, represented an increase of RMB19,986,001.86 or 5.0% as compared with that in the first half of 2011. The increase was mainly due to a steady growth of all lines of business in the segment. The revenue from tuging business amounted to RMB162,627,583.00 in the first half of 2012, and represented an increase of 5.0%.

In the first half of 2012, the gross profit from Value-added Services Segment amounted to RMB166,626,108.73, representing an increase of RMB9,092,882.36 or 5.8% as compared with that in the first half of 2011, accounted for 20.4% (24.1% in the first half of 2011) of the Group's total gross profit, and represented a gross margin of 39.6% (39.3% in the first half of 2011), approximately the same as that of the first half of 2011.

In the first half of 2012, in addition to the measures mentioned above, the Group actively implemented the strategic transformation, promoted the construction of the integrated platform of industry, commerce and trade, became a shareholder of Spot Commodity Exchange of Northeastern Asia, promoted the construction of transit centers of such bulk commodities as crude oil, ore, steel, grain, coal and timber, committed to the establishment of a grain trading company, an auto trading company and a steel trading market, cooperated with Spot Commodity Exchange of Northeastern Asia and established a spot commodity delivery warehouse in Changxing Island port area to attract the cargoes for transshipment there.

Management Discussion and Analysis

Prospects for 2012

In the second half of 2012, the world economy is still complicated and grim with the possible continuous difficulty for some time. It is expected the global economy will reach its bottom in the third quarter, and the world economy will recover gradually then. At the same time, with implementation of policies and measures to stable the growth, the domestic economy is expected to become stable. The Group anticipates to maintain its stable growth driven by the recovery of the global economy.

Risks and unfavorable factors

In the second half of the year, Europe's debt crisis will continue to affect most of the areas of the world, especially will lead to the drop of the exports of the emerging economies, slowdown the global economy beyond expectation, and increase risks of the hard landing of those economies. Also, as the effects of the domestic economic stimulus policies will takes some time to manifest and the timing of recovery of the economy remains uncertain.

Major Measures

Facing the changes in the world economic order and the adjustment of the domestic industrial structure, the Group will continue to implement relevant reforms and innovations with the means of changing development methods as per the overall national development strategy and the global port and shipping market development trend. To improve the Group's return performance, the following six major measures have been introduced: (i) introduction of new service products and improving service quality to increase throughput; (ii) strengthening financial management to increase profit; (iii) to promote the overall reform of all business segments to improve performance; (iv) to make full efforts to promote joint venture and cooperation to gain returns from new projects; (v) to accelerate the construction of three core port areas to improve construction management; and (vi) to enhance port safety management to improve port operation safety. The Group will focus on the business transformation from four aspects, namely, construction of comprehensive logistics system, establishment of integrated platform of industry, commerce and trade, enhancing attraction in harbor industries development, and innovation of products and services. The Group is aiming to build up a new port operation mode led by Spot Commodity Exchange of Northeastern Asia with the trading companies as the platform and support of the terminal operations. The auto logistics department will be established. At the same, the cost control will be implements rigorously to promote the continuous growth of the Company's overall revenues and returns.

In the second half of 2012, the Group's major measures to be taken for market development are as follows:

Oil Segment

Leveraging on two 300,000 tons crude oil terminals, scaled storage capacity and bonded warehouse, the Group will stabilize the bulk cargoes, and make great efforts to solicit the crude oil transshipment via the Group's oil terminal and crude oil trade cargo source.

Taking the opportunity of commencement of operation of No. 8 tanks, the Group will speed up the process of application for public bonded warehouse, develop a storage tank utilization plan, carry out market development activities to solicit new transshipment customers and transshipped cargo source in order to improve the utilization rate of tanks and realize the increase in storage volume and revenue.

Taking advantages of 240,000 m³ refined oil commercial reserve tanks to make full efforts to solicit the refined oil cargo that arrived in Dalian by the railways.

The Group will push forward the development of the Changxing Island public terminals and warehousing projects as planned to improve its competitive advantages in developing oil/liquefied chemicals business.

Management Discussion and Analysis

Container Segment

In terms of developing shipping routes, the Group will ensure the stable operation of the current routes, and enhance basic routes composition to consolidate its base port position. Meanwhile, the Group will work to increase the number of feeders. To strengthen the layout for shipping routes for domestic trade, the Group will also to expand the routes network for domestic trade.

In the aspect of transshipment business, the Group will utilize the government subsidy policy to drive the development of transshipment business of foreign trade, and will also proactively solicit the business of stowage from COSCO. The Group will continue to expand the transshipment cargo source from North Korea, and keep rapid development. The Group will also, by keeping the transshipment project from Jinzhou port and Dandong port to increase the transshipment volume and by promoting cooperation with Beiliang port in the transshipment project to expand its transshipment business field.

In the aspect of building inland transportation system, the Group will continue to improve the sea-to-rail inter-modal transportation network, maintain the container rail services competitiveness, and establish the service network between the North China and the South China. By accelerating construction of the road transportation system, the Group will optimize the operation mode of its containers fleet. Meanwhile, the Group will enhance the co-operation with other containers fleet operators to develop the comprehensive highway-railway logistics support system.

In the aspect of building the comprehensive logistics system, the Group will cooperate with shipping companies and logistics companies to establish the comprehensive logistics service system, and to transfer feeder services from the traditional “port-to-port” to “door-to-door”.

Automobile Segment

The Group will continue to strengthen the co-operation with hinterland automobile manufacturers, propel implementing the plan of water transportation and increasing the proportion of water transportation, and stabilize the Group’s position in the domestic trade of automobile transportation business between the North China and South China.

The Group will expand into its hinterland to solicit foreign trade cargo and improve its profitability.

To strengthen the construction of integrated automobile logistics system, the Group will expand the business of assembling the parts for exporting to increase the volume. At the same time, it will expand the business of vehicle logistics to provide the integrated logistics services to import and export customers for their vehicle exporting business.

The Group will push forward the project of automobile trade, participate in the business of automobile trade in order to bring the new cargo source and to generate new sources of revenue.

Ore Segment

With stabilizing the cargo source in the Northeastern market, the Group will continue to develop new products and new customers, and, by taking advantage of Dalian’s position as a Northeast Asia shipping center and financial center, to increase its market share.

The Group will build up service brand with zero-loss to attract nationwide steel manufactures. The Group will also promote the concept of “ore supermarket” to solicit different kinds of ores to the Group, as well as to meet the needs of customers for wholesale and retail sectors.

Management Discussion and Analysis

It is expected No. 4 stacking yard with the capacity of 2.3 million tones will be put into operation in October 2012. The total area of No. 4 stacking yard is 223,000 m², and its annual rotation volume is 7 million tones. With inclusion of No. 4 stacking yard, the total area of ore stacking yard of the Group will reach 595,000 m² with an stockpiling capacity of 8.22 million tonnes, that will improve the throughput capacity significantly.

General Cargo Segment

The Group will continue to strengthen the solicitation of steel, coal and equipment through various marketing methods, and to improve the competitiveness of the Group's general cargo business in Liaoning ports.

The Group will proactively push forward the harbor industry project in Dalianwan area. First of all, the Group will push forward the construction of the steel logistics park to attract steel factories, trade customers so as to expand the port service scope and generate new source of income. Secondly, the Group will push forward the commencement of operation of the Dalian Shuri straw base project on schedule. Thirdly, the Group will push forward the project of large-scaled equipment transportation and value-added services. Lastly, the Group will push forward construction of the port trade platform and the development of harbor industries.

The Group will promote the development of harbor industries in Changxing Island area. First of all, the Group will push forward construction of the timber handling area to promote the development of timber process industry. Secondly, the Group will strive for the grain process project to be located in Dalian so as to provide stable grain source for the Group. Thirdly, the Group will speed up construction of the coal upgrading project and Dalian coal emergency reserve base. Last, the Group will carry out the co-operation with Northeast Asia Spot Commodity Exchanges to attract customers to invest in Dalian port area.

Bulk Grain Segment

The Group will proactively plan for the annual grain transshipment co-operation mode, and strengthen the effort to integrate resources of grain carriers so as to increase the transshipment volume. Meanwhile, by rationalizing the use of logistics resource and optimizing allocation of resources, the Group will make efforts to solicit bulk grain source and keep stable increase in transshipment business from major customers.

The Group will push forward the cooperation in purchasing the grain carriers to strengthen its capability of soliciting cargo along the logistic service chain.

The Group will promote the establishment of the grain trade company for developing the grain trading business so as to bring new cargo source and to generate new sources of revenue.

The Group will strive for construction of the soybean processing project to provide the new cargo source for the business of bulk grain containerization.

Passenger and Ro-Ro Segment

The Group will keep close watch over the change in transportation capacity of local ports, optimize allocation of its passenger and ro-ro capacity among Dagang area, Dalianwan area and Lvshun area, and scientifically arrange the voyages schedule.

The Group will accelerate the project of Dalianwan passenger and ro-ro comprehensive logistics service center, and push forward the construction of the electronic business platform.

The Group will also strengthen the co-operation with the relevant companies to expand container uncoupling business.

Management Discussion and Analysis

Taking advantages of Lvshun port's geographical location, the Group will work to increase the voyage frequency for current shipping routes, and to proactively develop new shipping routes in Bohai Bay besides Peng Lai.

Value added services segment

With the acceleration of regional management and integration of port resources, the Group will adjust some measures to find new profit growth point by optimizing the allocation of resources.

In 2011, there were 4 horsepower reversible tugboats under construction. It is expected two of them will be put into operation at the end of 2012 and in the first half of 2013 respectively, which will satisfy the needs of large-scaled vessels.

In the second half of the year, the measures to be taken by the Group to control the cost are set out as follows:

To build up a financial target evaluation system and implement such system at various levels of the Group in order to strengthen the cost management and introduce the idea of "profit center connected with everyone" to the staff of the Group.

To strengthen the cost control, reduce the management costs, rationalize the business process, and reduce the overhead.

To reduce consumption and the capital expenditure to improve the investment return.

To optimize funds allocation and reduce the financial cost to improve the fund benefit.

To speed up the funds collection, reduce the balance of receivables to improve the utilization rate of funds.

Other Information

Directors', supervisors' and chief executives' interests

As at 30 June 2012, none of the directors, supervisors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") (i) as recorded in the register required to be kept under Section 352 of the SFO; or (ii) as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") (which shall be deemed to be also applicable to the Company's supervisors to the same extent as it applies to the Company's directors).

The Model Code

The Company has adopted a code of conduct governing director's and supervisor's dealings in the Company's securities transactions on terms no less exacting than the required standard set out in the Model Code. Upon specific enquiries, all directors and supervisors have confirmed that they had complied with the provisions of the Model Code and the code of conduct governing their dealing in the Company's securities transactions during the six months ended 30 June 2012.

The Code on Corporate Governance Practices

The Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules during the six month ended 30 June 2012, and so far as known to the directors of the Company, there has been no material deviation from the code.

Purchase, sale or redemption of listed securities

During the six months ended 30 June 2012, the Company has not redeemed any of its listed shares. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed shares during the aforesaid period.

Interim dividends

The board of directors did not recommend the payment of any interim dividend for the six months ended 30 June 2012.

Audit committee

The Audit Committee consists of two independent non-executive directors, namely Mr. Liu Yongze and Mr. Wan Kam To, Peter, and one non-executive director, namely Mr. Zhang Zuogang. The chairman of the Audit Committee is Mr. Liu Yongze. The Audit Committee has reviewed the interim results for the six months ended 30 June 2012.

Information on share capital and shareholders of the Company

The share capital structure of the Company as at 30 June 2012 is set out in the table below:

Type of shares	Number of shares	Percentage (%)
A shares	3,363,400,000	75.99
H Shares	1,062,600,000	24.01
Total	4,426,000,000	100

Other Information

Shareholdings of shareholders with notifiable interests

As at 30 June 2012, so far as known to the directors of the Company, the following persons had an interest or short position in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO.

Name of shareholder	Class of shares	Number of shares/ underlying shares held	Capacity	Percentage of the relevant class of share capital ¹	Percentage of the total share capital ²
Dalian Port Corporation Limited	A Shares	2,408,745,000 (long position)	Beneficial owner	71.62%	54.42%
N.Y.K. Line (Hong Kong) Limited	H Shares	114,800,000 (long position)	Beneficial owner	10.80%	2.59%
N.Y.K. Line Group (Hong Kong) Limited	H Shares	114,800,000 (long position)	Interest of controlled corporation	10.80%	2.59%
Nippon Yusen Kabushiki Kaisha	H Shares	114,800,000 (long position)	Interest of controlled corporation	10.80%	2.59%
Macquarie Group Limited	H Shares	96,131,390 (long position)	Beneficial owner	9.05%	2.17%

Notes:

- Number of shares in the relevant class of share capital: A shares — 3,363,400,000, H shares — 1,062,600,000.
- Total number of shares of share capital: 4,426,000,000.
- During the period from January 2012 to June 2012 and up to 30 June 2012, Dalian Port Corporation Limited (“**PDA**”) had purchased on the market a total of 53,000,000 H shares of the Company (the “**H Shares acquisition**”). As a result of the H Shares Acquisition, PDA holds a total of 2,461,745,000 shares of the company, representing approximately 55.62 % of the Company’s total issued share capital.

Save as disclosed above, as at 30 June 2012, so far as known to the directors of the Company, no other person had an interest or short position in the shares of the Company which would fall to be disclosed to the Company and The Stock Exchange of Hong Kong Limited under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO.

Changes to Information in respect of Directors and Supervisors

During the six months ended 30 June 2012, there was no change to information which are required to be disclosed and has been disclosed by the directors or supervisors of the Company pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Hong Kong Listing Rules.

Other Information

Human resources

As at 30 June 2012, the Group had a total of 6,793 full-time employees, the total number of employees of the Group and its invested businesses are 9,395.

In the first half of 2012, with the adjustment of the company organization structure, the staffing is cut from 118 to 87. The redundant staffs of the offices have been reassigned jobs through open recruiting or two-way selection, and the structure reformation realized stable transit, which not only meets the goal of reformation for streamline and efficiency but also provides powerful guarantee in terms of organization and labor resources for the company to deepen its development and to implement the strategy in all aspects.

At the same time, the management of human resources continues to implement strictly the relevant policies of various functional departments as well as national laws and regulations, evaded the potential risks of human resources management risks effectively on the basis of ensuring the systematism and standardization of human resources management.

Environmental protection responsibility

The Group has been attaching importance to the work of environmental protection and pollution prevention, and taken environmental protection as the key content of the company's sustainable development strategy. The company has established and operated the management system integrating quality, safety and environment. With building a modernized green enterprise as the objective, the company has performed the social responsibility of environmental protection with the normal operation of the company's environmental protection system and the promotion of energy saving and emission reduction. There has been no accident of environmental pollution. The detailed information is as follows. The environmental protection of various port areas are running normally, the pollution emission meet the specified criteria, and the requirements on environmental protection of port production are met; the company pays attention to the occupational health management and monitoring, and implemented the test of hazardous factors at the workplaces as per the management requirements, and there is no occupational health hazard accident in the first half of the year. Also, the company takes an active part in various public undertakings of environmental protection.

Safety management

The company has been adhering to the policy of "safety first, prevention focus, and comprehensive treatment" and consolidating the concept of "people first, safe development, and scientific growth". Guided by Opinion on Insisting on Scientific and Safe Development and Promoting Continuous and Stable Improvement on Safe Production by State Council, the company has kept on promoting nature safety construction and providing safety guarantee on operation and development via improving safety management system, enhancing safe production infrastructure construction, upgrading safety risk precontrol and emergency management capacity with the focus on the confirmation of the major responsibilities of the safe production. In the first half of the year, there was no accident of safe production or occupational hazard.

All the rectification measures on administration based on the 14 suggestions on the prevention of similar accidents proposed by the accident investigation report by the accident investigation team for the fire accident have been confirmed and those other items involving technical innovations have been listed into the investment plan and are now being implemented.

Report on Interim Review



Ernst & Young Hua Ming (2012) Zhuan Zi No. 6077447_E03

To the shareholders of Dalian Port (PDA) Company Limited:

We have reviewed the accompanying financial statements of Dalian Port (PDA) Company Limited and its subsidiaries, which comprise the consolidated and company balance sheets as at 30 June 2012 and the consolidated and company income statements, the statements of changes in equity and the statements of cash flows for the six-month period then ended and notes to these financial statements (collectively as the “interim financial statements”). The management is responsible for the preparation of interim financial statements in accordance with *Accounting Standards for Business Enterprises No. 32 — Interim Financial Reporting*. Our responsibility is to express a conclusion on these interim financial statements based on our review.

We conducted our review in accordance with Chinese Audit Standard on Review Engagements 2101 *Review of Financial Statements*. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that these interim financial statements are not prepared, in all material respects, in accordance with *Accounting Standards for Business Enterprises No. 32 — Interim Financial Reporting*.

Ernst & Young Hua Ming

Certified Public Accountants

Beijing, the People’s Republic of China

30 August 2012

Consolidated Balance Sheet

As at 30 June 2012
(Expressed in Renminbi Yuan)

	Note V	30 June 2012 (unaudited)	31 December 2011
ASSETS			
Current assets			
Cash and bank balances	1	2,060,910,319.25	2,254,079,359.16
Financial assets held for trading	2	100,531,483.20	—
Notes receivable	3	112,731,390.64	143,128,482.88
Dividends receivable	4	28,009,020.84	27,229,304.85
Interest receivable	5	4,815,651.38	17,077,678.32
Accounts receivable	6	721,153,032.42	436,020,259.55
Other receivables	7	236,189,847.20	198,696,714.61
Prepayments	8	54,950,307.68	24,501,915.18
Inventories	9	77,873,593.03	89,099,506.55
Non-current assets due within one year	10	5,610,000.00	4,864,200.00
Other current assets	11	3,850,000.00	702,830,000.00
Total current assets		3,406,624,645.64	3,897,527,421.10
Non-current assets			
Available-for-sale financial assets	12	23,916,958.92	26,577,769.81
Long-term equity investments	14	3,650,717,273.64	3,330,743,027.00
Investment properties	15	677,749,989.31	686,187,265.49
Fixed assets	16	11,585,311,929.60	11,911,976,078.46
Fixed assets pending for disposal	17	48,277,767.64	3,768,517.64
Construction in progress	18	5,618,120,939.97	5,325,978,500.87
Intangible assets	19	892,094,747.94	800,387,477.68
Goodwill	20	77,735,288.74	77,735,288.74
Long-term prepaid expenses	21	23,114,808.09	23,932,615.04
Deferred tax assets	22	66,401,842.10	58,981,104.65
Other non-current assets	24	1,029,703,221.72	1,030,059,257.33
Total non-current assets		23,693,144,767.67	23,276,326,902.71
TOTAL ASSETS		27,099,769,413.31	27,173,854,323.81

Consolidated Balance Sheet (continued)

As at 30 June 2012
(Expressed in Renminbi Yuan)

	Note V	30 June 2012 (unaudited)	31 December 2011
LIABILITIES AND OWNERS' EQUITY			
Current liabilities			
Short-term borrowings	26	669,500,000.00	621,000,000.00
Notes payable	27	14,516,733.00	74,030,000.00
Accounts payable	28	135,267,969.87	145,982,948.04
Advances from customers	29	48,734,172.49	87,042,910.65
Employee benefits payable	30	58,137,076.51	131,690,170.05
Taxes payable	31	68,069,817.44	83,917,133.10
Interest payable	32	153,286,369.21	197,604,619.49
Dividends payable	33	365,500,123.04	98,686,047.77
Other payables	34	894,161,929.74	917,684,830.77
Non-current liabilities due within one year	35	430,000,000.00	210,000,000.00
Bonds payable	37	—	200,000,000.00
Total current liabilities		2,837,174,191.30	2,767,638,659.87
Non-current liabilities			
Long-term borrowings	36	1,995,402,340.29	2,198,487,363.93
Bonds payable	37	7,837,106,621.80	7,829,944,589.64
Long-term payables	38	130,350.00	4,035,700.00
Deferred tax liabilities	22	76,510,975.22	77,337,293.53
Other non-current liabilities	39	641,204,340.98	656,746,024.14
Total non-current liabilities		10,550,354,628.29	10,766,550,971.24
Total liabilities		13,387,528,819.59	13,534,189,631.11
Owners' equity			
Share capital	40	4,426,000,000.00	4,426,000,000.00
Capital surplus	41	6,113,269,383.10	6,116,286,470.43
Surplus reserve	42	411,223,454.24	411,223,454.24
Retained earnings	43	1,699,938,354.18	1,664,362,022.29
Exchange differences on foreign currency translation		10,983,774.78	10,926,656.88
Equity attributable to owners of the parent		12,661,414,966.30	12,628,798,603.84
Non-controlling interests		1,050,825,627.42	1,010,866,088.86
Total owners' equity		13,712,240,593.72	13,639,664,692.70
TOTAL LIABILITIES AND OWNERS' EQUITY		27,099,769,413.31	27,173,854,323.81

The interim financial statements have been signed by:

Legal representative:
Hui Kai

Principal in charge of accounting and accounting department:
Su Chunhua

Consolidated Income Statement

For the six months ended 30 June 2012
(Expressed in Renminbi Yuan)

	Note V	For the six months ended	
		30 June 2012 (unaudited)	30 June 2011 (unaudited)
Revenue	44	2,048,221,533.54	1,714,544,622.36
Less: Cost of sales	44	1,229,700,556.79	1,061,501,293.83
Taxes and surcharges	45	93,503,982.15	71,290,731.34
General and administrative expenses	46	218,314,012.06	175,073,153.23
Financial expenses	47	174,871,289.16	37,278,671.78
Add: Gains on changes in fair values	48	531,483.20	1,530,201.65
Investment income	49	71,964,768.43	74,522,522.30
Including: Share of profits and losses of associates and jointly-controlled entities		18,798,732.71	68,190,143.20
Operating profit		404,327,945.01	445,453,496.13
Add: Non-operating income	50	57,708,788.33	29,073,775.07
Less: Non-operating expenses	51	2,285,408.59	907,731.90
Including: Losses on disposal of non-current assets		2,134,958.23	635,290.37
Total profit		459,751,324.75	473,619,539.30
Less: Income tax expenses	52	114,113,783.59	101,627,058.55
Net profit		345,637,541.16	371,992,480.75
Attributable to:			
Owners of the parent		300,151,325.67	337,726,075.10
Minority interests		45,486,215.49	34,266,405.65
Earnings per share			
Basic earnings per share	53	0.07	0.08
Diluted earnings per share		Not applicable	Not applicable
Other comprehensive income	54	(1,356,074.25)	1,547,778.72
Total comprehensive income		344,281,466.91	373,540,259.47
Attributable to:			
Owners of the parent		298,795,251.42	339,273,853.82
Minority interests		45,486,215.49	34,266,405.65

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2012
(Expressed in Renminbi Yuan)

		For the six months ended 30 June 2012 (unaudited)							
		Attributable to owners of the parent							
		Share capital	Capital surplus	Surplus reserve	Retained earnings	Exchange differences on foreign currency translation	Subtotal	Minority interests	Total owner's equity
I.	Opening balance of the period	4,426,000,000.00	6,116,286,470.43	411,223,454.24	1,664,362,022.29	10,926,656.88	12,628,798,603.84	1,010,866,088.86	13,639,664,692.70
II.	Movements for the period								
(I)	Net profit	–	–	–	300,151,325.67	–	300,151,325.67	45,486,215.49	345,637,541.16
(II)	Other comprehensive income	–	(1,413,192.15)	–	–	57,117.90	(1,356,074.25)	–	(1,356,074.25)
	Total comprehensive income	–	(1,413,192.15)	–	300,151,325.67	57,117.90	298,795,251.42	45,486,215.49	344,281,466.91
(III)	Capital contributions								
(1)	Capital injection from shareholders	–	–	–	–	–	–	4,000,000.00	4,000,000.00
(2)	Disposal of subsidiary	–	–	–	–	–	–	(218,717.78)	(218,717.78)
(IV)	Transfer within owners' equity								
(1)	Others	–	(1,603,895.18)	–	1,603,895.18	–	–	–	–
(V)	Profit distribution								
(1)	Profit distribution to shareholders (Note)	–	–	–	(265,560,000.00)	–	(265,560,000.00)	(9,075,459.86)	(274,635,459.86)
(2)	Appropriation of employee bonus and welfare fund	–	–	–	(618,888.96)	–	(618,888.96)	(232,499.29)	(851,388.25)
III.	Closing balance of the period	4,426,000,000.00	6,113,269,383.10	411,223,454.24	1,699,938,354.18	10,983,774.78	12,661,414,966.30	1,050,825,627.42	13,712,240,593.72

Note: Pursuant to the resolution in the third session of the board meeting in 2012 held on 29 March 2012, the Company proposed to pay a cash dividend to shareholders of RMB265,560,000, which is calculated based on the number of issued ordinary shares of 4,426,000,000 shares at RMB6 cents per share (inclusive of applicable tax). The distribution of the final dividends has been approved by the shareholders at the annual general meeting held on 27 June 2012.

Consolidated Statement of Changes in Equity (continued)

For the six months ended 30 June 2012
(Expressed in Renminbi Yuan)

	For the six months ended 30 June 2011 (unaudited)								
	Attributable to owners of the parent						Subtotal	Minority interests	Total owner's equity
	Share capital	Capital surplus	Surplus reserve	Retained earnings	Exchange differences on foreign currency translation				
I. Opening balance of the period	4,426,000,000.00	6,134,167,505.26	347,502,417.01	1,283,035,481.54	(479,519.45)	12,190,225,884.36	165,466,394.25	12,355,692,278.61	
II. Movements for the period									
(I) Net profit	—	—	—	337,726,075.10	—	337,726,075.10	34,266,405.65	371,992,480.75	
(II) Other comprehensive income	—	(4,222,622.16)	—	—	5,770,400.88	1,547,778.72	—	1,547,778.72	
Total comprehensive income	—	(4,222,622.16)	—	337,726,075.10	5,770,400.88	339,273,853.82	34,266,405.65	373,540,259.47	
(III) Transfer within owners' equity									
(1) Business combination not under common control	—	—	—	—	—	—	848,976,830.71	848,976,830.71	
(2) Capital contribution to a subsidiary	—	(1,033,843.59)	—	—	—	(1,033,843.59)	1,033,843.59	—	
(3) Others	—	(1,278,215.93)	—	1,278,215.93	—	—	—	—	
(IV) Profit distribution to shareholders	—	—	—	(221,300,000.00)	—	(221,300,000.00)	(3,093,500.00)	(224,393,500.00)	
III. Closing balance of the period	4,426,000,000.00	6,127,632,823.58	347,502,417.01	1,400,739,772.57	5,290,881.43	12,307,165,894.59	1,046,649,974.20	13,353,815,868.79	

Consolidated Statement of Cash Flows

For the six months ended 30 June 2012
(Expressed in Renminbi Yuan)

	Note V	For the six months ended	
		30 June 2012 (unaudited)	30 June 2011 (unaudited)
I. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from the sale of goods or rendering of services		1,758,140,338.77	1,618,066,753.53
Refunds of taxes		855,400.00	1,482,841.38
Cash received relating to other operating activities	55	30,601,479.65	28,732,945.52
Subtotal of cash inflows		1,789,597,218.42	1,648,282,540.43
Cash paid for goods and services		689,209,119.24	535,863,858.20
Cash paid to and on behalf of employees		462,778,322.37	348,238,350.24
Cash paid for all types of taxes		245,854,828.19	290,590,906.30
Cash paid relating to other operating activities	55	59,034,448.01	43,828,379.97
Subtotal of cash outflows		1,456,876,717.81	1,218,521,494.71
Net cash flows from operating activities	56	332,720,500.61	429,761,045.72
II. CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received from the sale of investments		706,949,675.00	55,000,000.00
Cash received from return on investments		69,444,924.82	20,498,802.90
Net cash received from acquisition of a subsidiary		—	14,546,796.94
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		9,716,390.45	52,984,351.25
Withdrawal of cash restricted as to use and deposited in financial institutions		17,668,409.54	—
Subtotal of cash inflows		803,779,399.81	143,029,951.09
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		458,070,678.81	920,193,588.02
Net cash paid for disposals of subsidiaries and other operating units	56	266,365.60	—
Cash paid for acquisition of investments		306,850,000.00	1,063,456,700.00
Subtotal of cash outflows		765,187,044.41	1,983,650,288.02
Net cash flows used in investing activities		38,592,355.40	(1,840,620,336.93)

Consolidated Statement of Cash Flows (continued)

For the six months ended 30 June 2012
(Expressed in Renminbi Yuan)

	Note V	For the six months ended	
		30 June 2012 (unaudited)	30 June 2011 (unaudited)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from the issuance of corporate bonds		—	2,326,350,000.00
Cash received from borrowings		916,624,278.18	2,860,000,000.00
Cash received from capital contributions		4,000,000.00	—
Cash received relating to other financing activities		2,199,500.00	—
Subtotal of cash inflows		922,823,778.18	5,186,350,000.00
Cash repayments of borrowings		1,051,000,000.00	1,350,000,000.00
Cash paid for distribution of dividends or profits and for interest expenses		368,148,873.62	303,226,432.49
Including: Dividends paid to minority shareholders of subsidiaries		7,821,384.59	2,040,000.00
Cash paid relating to other financing activities	55	50,428,605.90	493,268,543.23
Subtotal of cash outflows		1,469,577,479.52	2,146,494,975.72
Net cash flows from financing activities		(546,753,701.34)	3,039,855,024.28
IV. EFFECT OF CHANGES IN EXCHANGE RATE ON CASH		(59,785.04)	417,273.97
V. NET INCREASE IN CASH AND CASH EQUIVALENTS		(175,500,630.37)	1,629,413,007.04
Add: Cash and cash equivalents at the beginning of the period		2,230,657,276.32	3,257,584,874.53
VI. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	56	2,055,156,645.95	4,886,997,881.57

Balance Sheet

As at 30 June 2012
(Expressed in Renminbi Yuan)

	Note XI	30 June 2012 (unaudited)	31 December 2011
ASSETS			
Current assets			
Cash and cash equivalents		1,261,823,783.22	1,875,669,875.44
Financial assets held for trading		100,531,483.20	—
Notes receivable		104,195,919.61	122,716,407.37
Accounts receivable	1	543,582,882.78	294,863,097.01
Prepayments		13,058,693.73	7,096,975.97
Interest receivable		7,454,227.34	18,652,778.22
Dividends receivable		224,357,582.08	225,186,703.27
Other receivables	2	189,426,474.56	139,869,043.53
Inventories		46,770,935.38	46,518,461.97
Other current assets		971,000,000.00	1,064,830,000.00
Total current assets		3,462,201,981.90	3,795,403,342.78
Non-current assets			
Available-for-sale financial assets		9,847,952.00	11,968,023.50
Long-term equity investments	3	6,515,187,268.58	6,183,802,824.16
Fixed assets		8,308,583,000.94	8,528,104,987.46
Fixed assets pending for disposal		33,600,183.63	3,768,517.64
Construction in progress		4,067,215,231.61	3,838,307,137.18
Intangible assets		272,194,561.85	165,143,275.11
Long-term prepaid expenses		1,694,094.85	1,193,295.12
Deferred tax assets		7,391,268.87	7,136,711.84
Other non-current assets		1,609,200,000.00	1,619,200,000.00
Total non-current assets		20,824,913,562.33	20,358,624,772.01
TOTAL ASSETS		24,287,115,544.23	24,154,028,114.79

Balance Sheet (continued)

As at 30 June 2012
(Expressed in Renminbi Yuan)

	30 June 2012 (unaudited)	31 December 2011
LIABILITIES AND OWNERS' EQUITY		
Current liabilities		
Short-term borrowings	479,500,000.00	—
Notes payable	14,636,733.00	74,030,000.00
Accounts payable	5,642,773.61	9,682,820.83
Advances from customers	24,474,499.80	33,438,137.90
Employee benefits payable	21,303,457.40	73,187,481.84
Dividends payable	265,560,000.00	—
Taxes payable	36,737,665.28	33,450,997.09
Interest payable	148,546,141.40	185,061,438.99
Other payables	777,958,672.47	1,214,491,985.88
Non-current liabilities due within one year	350,000,000.00	150,000,000.00
Total current liabilities	2,124,359,942.96	1,773,342,862.53
Non-current liabilities		
Long-term borrowings	1,550,000,000.00	1,750,000,000.00
Bonds payable	7,442,312,748.75	7,436,255,297.31
Long-term payables	130,350.00	4,035,700.00
Other non-current liabilities	611,192,621.71	628,455,213.73
Total non-current liabilities	9,603,635,720.46	9,818,746,211.04
Total liabilities	11,727,995,663.42	11,592,089,073.57
Owners' equity		
Share capital	4,426,000,000.00	4,426,000,000.00
Capital surplus	6,218,290,439.46	6,219,086,850.59
Surplus reserve	366,343,191.49	366,343,191.49
Retained earnings	1,548,486,249.86	1,550,508,999.14
Total owners' equity	12,559,119,880.81	12,561,939,041.22
TOTAL LIABILITIES AND OWNERS' EQUITY	24,287,115,544.23	24,154,028,114.79

Income Statement

For the six months ended 30 June 2012
(Expressed in Renminbi Yuan)

	Note XI	For the six months ended	
		30 June 2012 (unaudited)	30 June 2011 (unaudited)
Revenue	4	1,318,849,875.69	1,185,682,428.42
Less: Cost of sales	4	756,381,110.12	742,492,790.65
Taxes and surcharges		48,098,871.64	43,482,401.50
General and administrative expenses		128,116,805.19	105,104,054.08
Financial expenses		149,983,314.74	31,575,474.69
Add: Gains on changes in fair values		531,483.20	1,530,201.65
Investment income	5	83,505,290.14	38,377,217.94
Including: Share of profits and losses of associates and jointly-controlled entities		22,099,106.60	28,730,338.84
Operating profit		320,306,547.34	302,935,127.09
Add: Non-operating income		17,282,051.18	23,167,927.91
Less: Non-operating expenses		2,139,525.94	857,530.73
Including: Losses on disposal of non-current assets		—	620,117.61
Total profit		335,449,072.58	325,245,524.27
Less: Income tax expenses		71,911,821.86	69,758,670.73
Net profit		263,537,250.72	255,486,853.54
Other comprehensive income		(796,411.13)	—
Total comprehensive income		262,740,839.59	255,486,853.54

Statement of Changes in Equity

For the six months ended 30 June 2012
(Expressed in Renminbi Yuan)

	For the six months ended 30 June 2012 (unaudited)				
	Share capital	Capital surplus	Surplus reserve	Retained earnings	Total equity
I. Opening balance of the period	4,426,000,000.00	6,219,086,850.59	366,343,191.49	1,550,508,999.14	12,561,939,041.22
II. Movements for the period					
(1) Net profit	—	—	—	263,537,250.72	263,537,250.72
(2) Other comprehensive income	—	(796,411.13)	—	—	(796,411.13)
Total comprehensive income	—	(796,411.13)	—	263,537,250.72	262,740,839.59
III. Profit appropriation					
(1) Profit distribution to shareholders (Note)	—	—	—	(265,560,000.00)	(265,560,000.00)
IV. Closing balance of the period	4,426,000,000.00	6,218,290,439.46	366,343,191.49	1,548,486,249.86	12,559,119,880.81

Note: Details are set out in note to the consolidated statement of changes in equity for the six months ended 30 June 2012.

Statement of Changes in Equity (continued)

For the six months ended 30 June 2011
(Expressed in Renminbi Yuan)

	For the six months ended 30 June 2011 (unaudited)				
	Share capital	Capital surplus	Surplus reserve	Retained earnings	Total equity
I. Opening balance of the period	4,426,000,000.00	6,225,781,495.28	302,622,154.25	1,198,319,664.04	12,152,723,313.57
II. Movements for the period					
(1) Net profit	—	—	—	255,486,853.54	255,486,853.54
(2) Other comprehensive income	—	—	—	—	—
Total comprehensive income	—	—	—	255,486,853.54	255,486,853.54
III. Profit appropriation					
(1) Profit distribution to shareholders	—	—	—	(221,300,000.00)	(221,300,000.00)
IV. Closing balance of the period	4,426,000,000.00	6,225,781,495.28	302,622,154.25	1,232,506,517.58	12,186,910,167.11

Statement of Cash Flows

For the six months ended 30 June 2012
(Expressed in Renminbi Yuan)

	Note XI	For the six months ended	
		30 June 2012 (unaudited)	30 June 2011 (unaudited)
I. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from the sale of goods or rendering of services		1,029,576,721.68	1,111,926,169.12
Cash received relating to other operating activities		24,236,777.02	29,407,194.59
Subtotal of cash inflows		1,053,813,498.70	1,141,333,363.71
Cash paid for goods and services		380,447,013.23	352,033,465.09
Cash paid to and on behalf of employees		310,460,979.18	236,961,066.66
Cash paid for all types of taxes		120,216,021.38	139,926,606.63
Cash paid relating to other operating activities		86,400,808.02	31,646,985.29
Subtotal of cash outflows		897,524,821.81	760,568,123.67
Net cash flows from operating activities	6	156,288,676.89	380,765,240.04
II. CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received from the sale of investments		795,888,190.00	442,000,000.00
Cash received from return on investments		112,918,732.11	92,128,033.41
Cash received from disposal of fixed assets, intangible assets and other long-term assets		8,710,510.78	52,505,731.29
Withdrawal of cash restricted as to use and deposited in financial institutions		17,668,409.54	—
Subtotal of cash inflows		935,185,842.43	586,633,764.70
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		434,667,079.26	806,295,469.42
Cash paid for acquisition of investments		1,000,000,000.00	1,759,264,300.00
Cash paid for acquisition of a subsidiary		—	80,110,000.00
Subtotal of cash outflows		1,434,667,079.26	2,645,669,769.42
Net cash flows used in investing activities		(499,481,236.83)	(2,059,036,004.72)

Statement of Cash Flows (continued)

For the six months ended 30 June 2012
(Expressed in Renminbi Yuan)

	For the six months ended	
	30 June 2012 (unaudited)	30 June 2011 (unaudited)
III. CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from the issuance of corporate bonds	—	2,326,350,000.00
Cash received from borrowings	679,500,000.00	1,950,000,000.00
Subtotal of cash inflows	679,500,000.00	4,276,350,000.00
Cash repayments of borrowings	200,000,000.00	600,000,000.00
Cash paid for distribution of dividends or profits and for interest expenses	295,884,816.98	180,256,091.31
Cash paid relating to other financing activities	436,600,305.76	136,393,850.15
Subtotal of cash outflows	932,485,122.74	916,649,941.46
Net cash flows from financing activities	(252,985,122.74)	3,359,700,058.54
IV. EFFECT OF CHANGES IN EXCHANGE RATE ON CASH	—	—
V. NET DECREASE/(INCREASE) IN CASH AND CASH EQUIVALENTS	(596,177,682.68)	1,681,429,293.86
Add: Cash and cash equivalents at the beginning of the period	1,852,247,792.60	2,829,874,153.32
VI. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,256,070,109.92	4,511,303,447.18

Notes to Financial Statements

30 June 2012
(Expressed in Renminbi Yuan)

I. General information

Dalian Port (PDA) Company Limited (the “Company”) was established in Liaoning Province, the People’s Republic of China (the “PRC”) as a joint stock limited company by Dalian Port Corporation Limited (“PDA”), Dalian Rongda Investment Company Limited, Dalian Haitai Holdings Company Limited, Dalian Detai Holdings Company Limited and Dalian Bonded Zhengtong Company Limited with the approval by Da Zheng [2005] No.153 issued by the People’s Government of Dalian City, Liaoning Province. Pursuant to the approval of the Administration for Industry and Commerce of Dalian City, Liaoning Province, the Company registered with the business licence number of 210200400039287. The H shares and A shares which are ordinary shares and issued by the Company have been listed and traded on the Stock Exchange of Hong Kong Limited and Shanghai Stock Exchange on 28 April 2006 and 6 December 2011, respectively. The Company is located in No. 1 Gangwan Street, Zhongshan District, Dalian, Liaoning Province, PRC. The Company and its subsidiaries (collectively, the “Group”) are principally engaged in the provision of oil/liquefied chemical terminal and related logistics services, container terminal and related logistics services, automobile terminal and related logistics services, ore terminal and related logistics services, general cargo terminal and related logistics services, bulk grain terminal and related logistics services, passenger and roll-on/roll-off terminal and related logistics services, and port value-added services and ancillary port operations.

As at 30 June 2012, the Company has issued 4,426,000,000 shares in total. Refer to Note V.40 Share capital for details.

The principal activities of the Company include the provision of terminal business and logistics services such as international and domestic cargo loading and discharging, transportation, transshipment and storage; tallying, piloting and tugging services for vessels sailing on international and domestic lines; and port logistics and port information technology consultation services.

The Company’s parent and ultimate holding company is PDA, which is established in PRC.

The financial statements were approved and authorised for issue by the board of directors on 30 August 2012.

II. Significant accounting policies and estimates

1. Basis of preparation

The financial statements have been prepared in accordance with Accounting Standards for Business Enterprises — *Basic Standard and 38 specific standards* issued in February 2006, and implementation guidance, interpretations and other relevant provisions issued subsequently by the Ministry of Finance (the “MOF”) (collectively referred as “Accounting Standards for Business Enterprises”).

The financial statements have been prepared in accordance with Accounting Standards for Enterprises No.32 — *Interim Financial Reporting* issued by the MOF and do not include all the information and disclosures of the audited financial statements for the year ended 31 December 2011. Accordingly, these interim financial statements should be read in conjunction with the Group’s financial statements for the year ended 31 December 2011 which were prepared in accordance with Accounting Standards for Business Enterprises.

The financial statements are presented on a going concern basis.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

II. Significant accounting policies and estimates (continued)

1. Basis of preparation (continued)

Except for certain financial instruments, the financial statements have been prepared under the historical cost convention. If the assets are impaired, corresponding provisions for impairment shall be provided according to relevant provisions.

2. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements present truly and completely the financial position of the Group and the Company as at 30 June 2012, and of their financial performance and their cash flows for the six months ended 30 June 2012 in accordance with Accounting Standards for Business Enterprises. The accounting policies adopted in the preparation of these interim financial statements are consistent with those Accounting Standards for Business Enterprises followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011.

3. Accounting period

The accounting year of the Group is from 1 January to 31 December and the accounting period for these interim financial statements is from 1 January 2012 to 30 June 2012.

4. Reporting currency

The Group's reporting and presentation currency is Renminbi ("RMB"). Unless otherwise stated, the unit of the currency is RMB Yuan.

The subsidiaries, jointly-controlled entities and associates of the Group outside Mainland China may determine their own functional currencies based on their specific economic environments. In preparation of financial statements, their functional currencies shall be translated into RMB.

5. Consolidated financial statements

The consolidation scope of consolidated financial statements is determined on the basis of control, including the financial statements for the six-month period ended 30 June 2012 of the Company and all of its subsidiaries. A subsidiary is an enterprise or entity that is controlled by the Company.

In the preparation of the consolidated financial statements, the subsidiaries use the same accounting year and accounting policies as those of the Company. All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Where the amount of losses for the current period attributed to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess amount is allocated against minority interests. A change in the minority interests, without a loss of control, is accounted for as an equity transaction.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

II. Significant accounting policies and estimates (continued)

5. Consolidated financial statements (continued)

For subsidiaries acquired through a business combination involving entities not under common control, the operating results and cash flows of the acquiree are included in the consolidated financial statements from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, adjustments are made to the subsidiaries' financial statements based on the fair values of the identifiable assets, liabilities and contingent liabilities at the acquisition date.

For subsidiaries acquired through a business combination involving entities under common control, the operating results and cash flows of the acquiree are included in the consolidated financial statements from the beginning of the combination period. In preparing the consolidated financial statements, adjustments are made to related items of prior year's financial statements, as if the reporting entities after the combination had existed from the date when the combining entities first came under control of the ultimate controlling party.

6. Cash and cash equivalents

Cash comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are short-term, highly liquid investments held by the Group, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

7. Foreign currency transactions and translation of the financial statements prepared in foreign currencies

The Group translates the amounts of foreign currency transactions occurred into its functional currency.

Foreign currency transactions are initially recorded using the functional currency rates ruling at the dates of the transactions. Monetary items denominated in foreign currencies are translated into the functional currency at the spot exchange rates at the balance sheet date. The resulting exchange differences from settlements and translations of monetary items are recognised in the income statement, except those arising from the foreign currency borrowings specifically for the purpose of acquisition or construction of qualifying assets, which are dealt with using the principal of capitalisation of borrowing costs. Non-monetary items denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rates as at the dates of 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 is determined, the resulting exchange differences are recognised in profit or loss for the current period or as other comprehensive income in accordance with the nature of non-monetary items.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

II. Significant accounting policies and estimates (continued)

7. Foreign currency transactions and translation of the financial statements prepared in foreign currencies (continued)

For foreign operations, the Group translates their functional currency amounts into RMB in preparing the financial statements as follows: asset and liability items in the balance sheet are translated using the spot exchange rates at the balance sheet date, and equity items other than “retained earnings” are translated using the spot exchange rates at the dates of the transactions; revenue and expense items in the income statement are translated using the average exchange rate for the period during which the transactions occur. The resulting exchange differences are recognised in other comprehensive income and presented as a separate component of equity in the balance sheet. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement. If the disposal only involves a portion of a particular foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement on a pro rata basis.

Foreign currency cash flows and the cash flows of foreign subsidiaries are translated using the average exchange rates for the period during which the cash flows occur. The effect of exchange rate changes on cash is separately presented as an adjustment item in the statement of cash flows.

8. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition and derecognition

The Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of a financial instrument.

The Group derecognises a financial asset (or part of a financial asset, or part of a group of similar financial assets) when the following conditions are met:

- (1) the rights to receive cash flows from the asset have expired; or
- (2) 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.

If the underlying obligation of a financial liability has been discharged or cancelled or has expired, the financial liability is derecognised. If an existing financial liability is replaced by the same creditor with a new financial liability that has substantially different terms, or if the terms of an existing financial liability are substantially revised, such replacement or revision is accounted for as the derecognition of the original liability and the recognition of a new liability, and the resulting difference is recognised in profit or loss for the current period.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

II. Significant accounting policies and estimates (continued)

8. Financial instruments (continued)

Recognition and derecognition (continued)

Regular way purchases or sales of financial assets are recognised and derecognised on the trade date. Regular way purchases or sales of financial assets mean that the financial assets are received or delivered under the terms of a contract within a period as specified by regulations or convention in the marketplace. Trade date is the date that the Group commits to purchase or sell the asset.

Classification and measurement of financial assets

Financial assets are, on initial recognition, classified into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, available-for-sale financial assets and derivatives designated as effective hedging instruments. A financial asset is recognised initially at fair value. In the case of financial assets at fair value through profit or loss, relevant transaction costs are directly charged to profit and loss of the current period; transaction costs relating to financial assets of other categories are included in the amount initially recognised.

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 those designated upon initial recognition at fair value through profit or loss. A financial asset held for trading is the financial asset that meets one of the following conditions: (i) the financial asset is acquired for the purpose of selling in a short term; (ii) the financial asset is a part of a portfolio of identifiable financial instruments that are collectively managed, and there is objective evidence indicating that the enterprise recently manages this portfolio for the purpose of short-term profits; or (iii) the financial asset is a derivative, except for a derivative that is designated as an effective hedging instrument, or a financial guarantee contract, or a derivative that is linked to and must be settled by delivery of an unquoted equity instrument (without a quoted price from an active market) whose fair value cannot be reliably measured. For such kind of financial assets, fair values are adopted for subsequent measurement. All the realised or unrealised gains or losses on these financial assets are recognised in profit or loss for the current period. Dividend income or interest income related to financial assets at fair value through profit or loss is charged to profit or loss for the current period.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity date that an entity has the positive intention and ability to hold to maturity. Such financial assets are subsequently measured at amortised cost using the effective interest method. Gains or losses arising from amortisation or impairment and derecognition are recognised in profit or loss for the current period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are subsequently measured at amortised cost using the effective interest method. Gains or losses arising from amortisation or impairment are recognised in profit or loss for the current period.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

II. Significant accounting policies and estimates (continued)

8. Financial instruments (continued)

Classification and measurement of financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as any of the other categories at initial recognition. After initial recognition, available-for-sale financial assets are measured at fair value. The discount/premium is amortised using the effective interest method and recognised as interest income or expense. A gain or loss arising from a change in the fair value of an available-for-sale financial asset is recognised as other comprehensive income in capital reserve, except for impairment losses and foreign exchange gains and losses resulted from monetary financial assets, until the financial asset is derecognised or determined to be impaired, at which time the accumulated gain or loss previously recognised is transferred to profit or loss for the current period. Interest and dividends relating to an available-for-sale financial asset are recognised in profit or loss for the current period.

Classification and measurement of financial liabilities

The Group's financial liabilities are, on initial recognition, classified into financial liabilities at fair value through profit or loss, other financial liabilities or derivatives designated as effective hedging instruments. For financial liabilities at fair value through profit or loss, the relevant transaction costs are directly recognised in profit or loss for the current period, and transaction costs relating to other financial liabilities are included in the amounts initially recognised.

The subsequent measurement of financial liabilities depends on its category as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and those designated at fair value through profit or loss. A financial liability held for trading is the financial liability that meets one of the following conditions: i) the financial liability is assumed for the purpose of repurchasing it in a short term; ii) the financial liability is a part of a portfolio of identifiable financial instruments that are collectively managed, and there is objective evidence indicating that the enterprise recently manages this portfolio for the purpose of short-term profits; or iii) the financial liability is a derivative, except for a derivative that is designated and effective hedging instrument, or a financial guarantee contract, or a derivative that is linked to and must be settled by delivery of an unquoted equity instrument (without a quoted price from an active market) whose fair value cannot be reliably measured. For such a kind of financial liabilities, fair values are adopted for subsequent measurement. All the realised or unrealised gains or losses on these financial liabilities are recognised in profit or loss for the current period.

Other financial liabilities

After initial recognition, such financial liabilities are measured at amortised cost by using the effective interest method.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

II. Significant accounting policies and estimates (continued)

8. Financial instruments (continued)

Fair value of financial instruments

The fair value of financial assets and liabilities for which there are active markets is determined by reference to the quoted market prices. For financial instruments where there are no active markets, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions between knowledgeable and willing parties, reference to the current fair value of another instrument that is substantially the same, a discounted cash flow analysis; and option pricing models or other valuation models.

Impairment of financial assets

The Group assesses at the balance sheet date the carrying amount of every financial asset. If there is objective evidence indicating a financial asset may be impaired, a provision is provided for the impairment. Objective evidence that a financial asset is impaired is one or more events that occur after the initial recognition of the asset and have an impact (which can be reliably estimated) on the expected future cash flows of the financial asset.

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on a financial asset has incurred, the carrying amount of the asset is reduced to the present value of expected future cash flows (excluding future credit losses that have not been incurred). The present value of expected future cash flows is discounted at the financial asset's original effective interest rate (i.e., effective interest rate computed on initial recognition) and includes the value of any related collateral. If a financial asset has a variable interest rate, the Group uses the current effective interest rate stipulated in the contract as the discount rate to calculate the present value of future cash flows.

For a financial asset that is individually significant, the asset is individually assessed for impairment, and the amount of impairment is recognised in profit or loss if there is objective evidence of impairment. For a financial asset that is not individually significant, it is individually assessed for impairment. If no objective evidence of impairment incurs for an individually assessed financial asset (whether the financial asset is individually significant or not individually significant), it is included in a group of financial assets with similar credit risk characteristics and collectively assessed for impairment. Assets for which an impairment loss is individually recognised are not included in a group of financial assets with similar credit risk characteristics and collectively assessed for impairment.

If, subsequent to the Group's recognition of an impairment loss on a financial asset carried at amortised cost, there is objective evidence of a recovery in the value of the financial asset and the recovery can be related to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed and recognised in profit or loss. However, the reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment loss not been recognised at the date the impairment is reversed.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

II. Significant accounting policies and estimates (continued)

8. Financial instruments (continued)

Impairment of financial assets (continued)

Available-for-sale financial assets

If there is objective evidence that an available-for-sale asset is impaired, the accumulated losses arising from decline in fair value previously recognised in other comprehensive income are removed and recognised in profit or loss. The accumulated losses that removed from other comprehensive income are the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss on the financial asset previously recognised in profit or loss.

If, after an impairment loss has been recognised on an available-for-sale debt instrument, the fair value of the debt instrument increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed with the amount of the reversal recognised in profit or loss. The impairment loss on an available-for-sale equity instrument is not reversed through profit or loss, and any increase of fair value that occurs after the impairment is recognised directly in other comprehensive income.

Financial assets carried at cost

If there is objective evidence that such an asset is impaired, the difference between its carrying amount and the present value of expected future cash flows which are discounted at the current market interest rate is recognised as an impairment loss in profit or loss. Once an impairment loss is recognised, it is not reversed.

For a long-term equity investment accounted for according to Accounting Standard for Business Enterprises No. 2 — *Long-term Equity Investments* which is not quoted in an active market and for whose the fair value cannot be reliably measured, any impairment is accounted for in accordance with the above principles.

Transfers of financial assets

If the Group transfers substantially all the risks and rewards of ownership of the financial asset, the Group derecognises the financial asset; if the Group retains substantially all the risks and rewards of ownership of the financial asset, the Group does not derecognise the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it accounts for the transactions as follows: (i) if the Group has not retained control, it derecognises the financial asset and recognises any resulting assets or liabilities; (ii) if the Group has retained control, it continues to recognise the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises an associated liability.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

II. Significant accounting policies and estimates (continued)

9. Receivables

- (1) Receivables that are individually significant and individually assessed for impairment

As at the balance sheet date, receivables greater than RMB5,000,000 are considered as individually significant and are subject to separate impairment assessment. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the carrying amount of the receivable and the present value of estimated future cash flows.

- (2) Receivables that are not individually significant but individually assessed for impairment

The Group performs an ageing analysis and impairment is assessed for the receivables that are individually not significant but with long age. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the carrying amount of the receivable and the present value of estimated future cash flows.

10. Inventories

Inventories include raw materials, work in progress, finished goods, turnover materials and property development costs. Property development costs mainly include land cost, earlier-stage development cost, construction cost, infrastructure cost, supporting facility cost and other expenditure relating to construction.

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other costs. The cost of inventories transferred out is assigned by using the weighted average method. Turnover materials include low-value consumables and packing materials, which are amortised by using the equal-split amortisation method.

The Group adopts a perpetual inventory system.

At the balance sheet date, inventories are stated at the lower of cost and net realisable value. If the cost of inventories is higher than the net realisable value, a provision is made in profit or loss. If factors that previously resulted in the provision for the inventories disappear and make the net realisable value higher than the carrying amount, the amount of the write-down is reversed to the extent of the amount of the provision for the inventories, and the reversed amount is recognised in profit or loss for the current period.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to completion and the estimated expenses and the related taxes necessary to make the sale. The provision for the decline in value is made on an individual basis. For inventories with a large quantity and a lower unit cost, the provision for the decline in value is made on a category basis.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

II. Significant accounting policies and estimates (continued)

11. Long-term equity investments

Long-term equity investments include investments in subsidiaries, jointly-controlled entities and associates, as well as investments where the Group does not have control, joint control or significant influence over the investees and which are not quoted in an active market and the fair values of which cannot be reliably measured.

A long-term equity investment is recorded at its initial investment cost on acquisition. For a long-term equity investment acquired through a business combination, the initial investment cost of the long-term equity investment is the acquirer's share of the owner's equity of the party being acquired at the combination date for a business combination under common control; the initial investment cost of the long-term equity investment is the cost of acquisition for a business combination not under common control (for a business combination not under common control achieved in stages, the initial investment cost is measured at the carrying amount of the equity investments in the acquiree before the acquisition date plus the additional investment cost incurred on the acquisition date). The cost of combination includes the assets transferred and the liabilities incurred or assumed by the acquirer, and the fair value of equity securities issued. For a long-term equity investment acquired otherwise than through a business combination, the initial investment cost is determined as follows: for a long-term equity investment acquired by paying cash, the initial investment cost is the actual purchase price paid and those costs, taxes and other necessary expenditures directly attributable to the acquisition of the long-term equity investment; for a long-term equity investment acquired by the issue of equity securities, the initial investment cost is the fair value of the securities issued; for a long-term equity investment contributed by the investors, the initial investment cost is the value stipulated in the investment contract or agreement, except where the value stipulated in the investment contract or agreement is not fair.

For a long-term equity investment where the Group does not have joint control or significant influence over the investee, the investment is not quoted in an active market and its fair value cannot be reliably measured, the Group uses the cost method. For a long-term equity investment where the Company can exercise control over the investee, the Company uses the cost method in the Company's financial statements. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Under the cost method, the long-term equity investment is measured at its initial investment cost. Except for the cash dividend or profit distribution declared but unpaid that is included in the price or consideration paid upon acquisition of a long-term equity investment, the Company recognises its share of cash dividends or profit distributions declared by the investee as investment income in the current period, and considers whether the long-term equity investment is impaired according to the policies related to asset impairment.

The equity method is adopted when the Group holds joint control, or exercises significant influence on the investee. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the financial and operational decisions relating to the activity require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but without control or joint control with other parties over those policies.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

II. Significant accounting policies and estimates (continued)

11. Long-term equity investments (continued)

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the investing enterprise's interest in the fair values of the investee's identifiable net assets at the acquisition date, the long-term equity investment is measured at the initial investment cost. Where the initial investment cost is less than the investing enterprise's interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference is charged to profit or loss for the current period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognises its share of the net profits or losses made by the investee as investment income or losses, and adjusts the carrying amount of the investment accordingly. The Group recognises its share of the investee's net profits or losses after making appropriate adjustments to the investee's net profits or losses based on the fair value of the investee's identifiable assets at the acquisition date, using the Group's accounting policies and periods, and eliminating the portion of the profits or losses arising from internal transactions with its jointly-controlled enterprises and associates, attributable to the investing entity according to its share ratio (but impairment losses for assets arising from internal transactions are recognised in full). For any long-term equity investment differences (debit side) arising from investments in jointly-controlled enterprises and associates held before the first-time adoption of new Accounting Standards for Business Enterprises, the investment income and loss is recognised after deducting the debit balance to be amortised over the remaining period on the straight-line basis. The carrying amount of the investment is reduced based on the Group's share of any profit distributions or cash dividends declared by the investee. The Group's share of net losses of the investee is recognised to the extent that the carrying amount of the investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero, except that the Group has incurred obligations to assume additional losses. The Group adjusts the carrying amount of the long-term equity investment for any changes in shareholders' equity of the investee (other than net profits or losses), includes the corresponding adjustments in the shareholders' equity of the Group and transfers the changes to profit or loss for the current period on a pro-rata basis according to the proportion disposed of.

On disposal of a long-term equity investment, the difference between the proceeds actually received and the carrying amount is recognised in profit or loss for the current period. For a long-term equity investment accounted for using the equity method, any changes in the shareholders' equity of the investee included in the shareholders' equity of the Group are transferred to profit or loss for the current period on a pro-rata basis according to the proportion disposed of.

For a long-term equity investment in a subsidiary, jointly-controlled entity or associate, refer to Note II.22 for the test for impairment and recognition of provision for impairment. For other long-term equity investments where the investment is not quoted in an active market and its fair value cannot be measured reliably, refer to Note II.8 for the test for impairment and recognition of provision for impairment.

12. Investment property

Investment property is a property held to earn rentals or for capital appreciation or both. Investment property includes a land use right that is leased out, a land use right held for transfer upon capital appreciation, and a building that is leased out.

Notes to Financial Statements (continued)

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II. Significant accounting policies and estimates (continued)

12. Investment property (continued)

An investment property is measured initially at its cost. If the economic benefits relating to an investment property will probably flow in and the cost can be reliably measured, subsequent costs incurred for the property is included in the cost of the investment property. Otherwise, subsequent costs are recognised in profit or loss for the period in which they are incurred.

The Group uses the cost model for subsequent measurement of its investment property. The accounting policy for depreciation and amortisation of investment property is the same as that for buildings and land use rights.

For an investment property that is subsequently measured using the cost model, refer to Note II.22 for the test for impairment and recognition of provision for impairment.

13. Fixed assets

A fixed asset is recognised only when the economic benefits associated with the asset will probably flow to the Group and the cost of the asset can be measured reliably. Subsequent expenditure incurred for a fixed asset that meets the recognition criteria is included in the cost of the fixed asset, and the carrying amount of the component of the fixed asset that is replaced is derecognised. Otherwise, such expenditure is recognised in profit or loss for the period in which they are incurred.

Fixed assets are initially measured at cost and the effect of any expected costs of abandoning the assets is considered. The cost of a purchased fixed asset comprises the purchase price, relevant taxes and any directly attributable expenditure for bringing the asset to working condition for its intended use.

Depreciation is calculated using the straight-line method. The estimated useful lives, estimated residual values and annual depreciation rates of fixed assets are as follows:

	Estimated useful life	Estimated residual value	Annual depreciation rate
Buildings	20 – 45 years	5 – 10%	2 – 4.8%
Terminal facilities	50 years	5 – 10%	1.8 – 1.9%
Storage facilities	40 years	0%	2.5%
Oil tanks and pipelines	18 – 28 years	4%	3.4 – 5.3%
Loading equipment	10 – 20 years	5 – 10%	4.5 – 9.5%
Machinery and equipment	12 years	5%	7.9%
Vessels	28 years	4 – 10%	3.2 – 3.4%
Transportation equipment	7 – 10 years	5 – 10%	9 – 13.6%
Other equipment	5 – 11 years	4 – 10%	8.18 – 19.2%

Notes to Financial Statements (continued)

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II. Significant accounting policies and estimates (continued)

13. Fixed assets (continued)

Where the individual component parts of an item of fixed assets have different useful lives or provide benefits to the enterprise in different patterns, different depreciation rates are applied.

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least at each financial year-end, and makes adjustments if necessary.

For the test for impairment and recognition of provision for impairment related to a fixed asset, refer to Note II.22.

14. Construction in progress

The cost of construction in progress is determined according to the actual expenditure incurred for the construction, including all necessary construction expenditure incurred during the construction period, borrowing costs that are capitalised before the construction gets ready for its intended use and other relevant expenses.

Construction in progress is transferred to fixed assets or intangible assets when the asset is ready for its intended use.

For the test for impairment and recognition of provision for impairment related to construction in progress, refer to Note II.22.

15. Borrowing costs

Borrowing costs are interest and other costs incurred by the Group in connection with the borrowing of funds. Borrowing costs include interest, amortisation of discounts or premiums related to borrowings, ancillary costs incurred in connection with the arrangement of borrowings, and exchange differences arising from foreign currency borrowings.

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised. The amounts of other borrowing costs incurred are recognised as an expense in the period in which they are incurred. Qualifying assets are assets (fixed assets, investment property, inventories, etc.) that necessarily take a substantial period of time for acquisition, construction or production to get ready for their intended use or sale.

The capitalisation of borrowing costs commences only when all of the following conditions are satisfied:

- (1) expenditures for the asset are being incurred;
- (2) borrowing costs are being incurred; and
- (3) activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced.

Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Any borrowing costs subsequently incurred are recognised as an expense in the period in which they are incurred.

Notes to Financial Statements (continued)

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II. Significant accounting policies and estimates (continued)

15. Borrowing costs (continued)

During the capitalisation period, the amount of interest to be capitalised for each accounting period is determined as follows:

- (1) Where funds are borrowed for a specific purpose, the amount of interest to be capitalised is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds.
- (2) Where funds are borrowed for a general purpose, the amount of interest to be capitalised on such borrowings is determined by applying a weighted average interest rate to the weighted average of the excess amounts of accumulated expenditure on the asset over and above the amounts of specific-purpose borrowings.

Capitalisation of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted for a continuous period of more than three months by activities other than those necessary to prepare the asset for its intended use or sale. Borrowing costs incurred during these periods recognised as an expense for the current period until the acquisition, construction or production is resumed.

16. Intangible assets

An intangible asset is recognised only when the economic benefits associated with the asset will probably flow to the Group and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition.

The useful life of an intangible asset is determined according to the period over which it is expected to generate economic benefits for the Group. An intangible asset is regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group.

The useful lives of the intangible assets are as follows:

	Useful life
Land use right	50 years
Software	2 – 10 years
Customer relationships	10 years
Port information platform	10 years
Sea area use right	10 – 50 years
Port facilities use right	50 years
Container flat vehicle use right	10 years
Golf membership	10 – 46 years

Notes to Financial Statements (continued)

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II. Significant accounting policies and estimates (continued)

16. Intangible assets (continued)

Land use rights that are purchased by the Group are accounted for as intangible assets. Buildings, such as plants that are developed and constructed by the Group, and the relevant land use rights and buildings, are accounted for as intangible assets and fixed assets, respectively. Payments for the land and buildings purchased are allocated between the land use rights and the buildings; if they cannot be reasonably allocated, all of the land use rights and buildings are accounted for as fixed assets.

An intangible asset with a finite useful life is amortised using the straight-line method over its useful life. For an intangible asset with a finite useful life, the Group reviews the useful life and amortisation method at least at each financial year-end and makes adjustment if necessary.

For the test for impairment and recognition of provision for impairment related to an intangible asset, refer to Note II.22.

17. Long-term prepaid expenses

Long-term prepaid expenses are amortised using the straight-line method over their expected beneficial period which are as follows:

	Beneficial period
Public facilities in bonded ports	20 years
Building decoration	5 years
Others	5 years

18. Revenue

Revenue is recognised only when it is probable that the associated economic benefits will flow to the Group, its amount can be measured reliably, and all of the following conditions are satisfied.

Revenue from the sale of goods

The Group has transferred to the buyer the significant risks and rewards of ownership of the goods; the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; the associated costs incurred or to be incurred can be measured reliably. The amount of revenue arising from the sale of goods is determined in accordance with the consideration received or receivable from the buyer under contract or agreement, except where the consideration received or receivable under contract or agreement is not fair value. Where the consideration receivable under contract or agreement is deferred, such that the arrangement is in substance of a financing nature, the amount of revenue arising on the sale of goods is measured at the fair value of the consideration receivable.

Notes to Financial Statements (continued)

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II. Significant accounting policies and estimates (continued)

18. Revenue (continued)

Revenue from the rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably at the balance sheet date, revenue associated with the transaction is recognised using the percentage of completion method, or otherwise, the revenue is recognised to the extent of costs incurred that are expected to be recoverable. The outcome of a transaction involving the rendering of services can be estimated reliably when all of the following conditions are satisfied: the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the Group; the stage of completion of the transaction can be measured reliably; the costs incurred and to be incurred for the transaction can be measured reliably. The Group determines the stage of completion of a transaction involving the rendering of services by using the proportion of costs incurred to date to the estimated total costs. The total service revenue on a transaction involving the rendering of services is determined in accordance with the consideration received or receivable from the recipient of services under contract or agreement, except where the consideration received or receivable under contract or agreement is not fair.

When the Group has entered into a contract or agreement with other enterprises comprising both sales of goods and the rendering of services, if the sales of goods component and the rendering of services component can be separately identified and measured, they are accounted for separately; if the sales of goods and the rendering of services cannot be separately identified, or can be separately identified but cannot be separately measured, the contract is treated as the sales of goods.

Interest income

It is determined according to the length of period for which the Group's currency fund is used by others and the effective interest rate.

Royalty income

It is determined according to the period and the method of charging as stipulated in the relevant contracts or agreements.

Lease income

Lease income from operating leases is recognised on a straight-line basis. Contingent rents are charged to profit or loss in the period in which they actually arise.

Notes to Financial Statements (continued)

30 June 2012
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II. Significant accounting policies and estimates (continued)

19. Government grants

Government grants are recognised only when the attached conditions are met and they can be received. Government grants are measured at the amount received or receivable when in the form of a monetary asset, and at fair value when in the form of a non-monetary asset. Where the fair value is not reliably determinable, the government grants are measured at the nominal amount. Government grants related to income are recognised as deferred income and recognised in profit or loss over the periods in which the related costs are recognised if it is a compensation for related expenses or losses to be incurred by the entity in subsequent periods, and are recognised immediately in profit or loss for the current period if it is a compensation for related expenses or losses already incurred. Government grants related to an asset are recognised as deferred income and evenly amortised to profit or loss over the useful life of the related asset. The government grants measured at a nominal amount, however, is recognised immediately in profit or loss for the current period.

20. Income tax

Income tax comprises current and deferred tax. Income tax is recognised as income or an expense in profit or loss for the current period, or recognised directly in shareholders' equity if it arises from a business combination or relates to a transaction or event which is recognised directly in shareholders' equity.

Current income tax liabilities or assets for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

For temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, and temporary differences between the carrying amounts and the tax bases of items which have not been recognised as assets and liabilities but the tax bases of which can be determined for tax purposes, deferred taxes are provided using the liability method.

A deferred tax liability is recognised for all taxable temporary differences, except:

- (1) where the taxable temporary differences arise from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction which contains both of the following characteristics: (i) the transaction is not a business combination; and (ii) at the time of the transaction, it affects neither accounting profit nor taxable profit or deductible loss; and
- (2) in respect of taxable temporary differences associated with investments in subsidiaries, associates and jointly-controlled entities, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

II. Significant accounting policies and estimates (continued)

20. Income tax (continued)

A deferred tax asset is recognised for deductible temporary differences, carryforward of unused deductible tax losses and tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of deductible tax losses and tax credits can be utilised, except:

- (1) where the deferred tax asset arises from a transaction that is not a business combination and, at the time of the transaction, neither the accounting profit nor taxable profit or loss is affected; and
- (2) in respect of the deductible temporary differences associated with investments in subsidiaries, associates and jointly-controlled entities, a deferred tax asset is only recognised to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised in the future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, according to the requirements of tax laws. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects at the balance sheet date to recover the assets or settle the liabilities.

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future periods to allow the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at the balance sheet date and are recognised 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 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.

21. Leases

A finance lease is a lease that transfers in substance all the risks and rewards incident to ownership of an asset. An operating lease is a lease other than a finance lease.

In the case of the lessee of an operating lease

Lease payments under an operating lease are recognised by a lessee on a straight-line basis over the lease term, and either included in the cost of the related asset or charged to profit or loss for the current period. Contingent rents are charged to profit or loss in the period in which they actually arise.

In the case of the lessor of an operating lease

Rent income under an operating lease is recognised by a lessor on a straight-line basis over the lease term through profit or loss. Contingent rents are charged to profit or loss in the period in which they actually arise.

Notes to Financial Statements (continued)

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II. Significant accounting policies and estimates (continued)

22. Impairment of assets

The Group determines the impairment of assets, other than the impairment of inventories, deferred income taxes, financial assets and long-term equity investments, which are accounted for using the cost method and have no quoted market prices in active markets, and whose fair value cannot be reliably measured, using the following methods:

The Group assesses at the balance sheet date whether there is any indication that an asset may be impaired. If any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset and performs test for impairment. Goodwill arising from a business combination and an intangible asset with an indefinite useful life are tested for impairment at least at each year-end, irrespective of whether there is any indication that the asset may be impaired. Intangible assets that have not been ready for intended use are tested for impairment each year.

The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. The Group estimates the recoverable amount on an individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the asset group to which the asset belongs. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or the asset group.

When the recoverable amount of an asset or asset group is less than its carrying amount, the carrying amount is reduced to the recoverable amount. The reduction in carrying amount is treated as an impairment loss and is recognised in profit or loss for the current period. A provision for impairment loss of the asset is recognised accordingly.

For the purpose of impairment testing, the carrying amount of goodwill acquired in a business combination is allocated from the acquisition date on a reasonable basis to each of the related asset groups; if it is impossible to allocate to the related asset groups, it is allocated to each of the related sets of asset groups. Each of the related asset groups or sets of asset groups is an asset group or a set of asset groups that is able to benefit from the synergies of the business combination and is not larger than a reportable segment determined by the Group.

In testing an asset group or a set of asset groups to which goodwill has been allocated for impairment, if there is any indication of impairment, the Group firstly tests the asset group or set of asset groups excluding the amount of goodwill allocated for impairment, i.e., it determines and compares the recoverable amount with the related carrying amount and recognises any impairment loss. After that, the Group tests the asset group or set of asset groups including goodwill for impairment, and compares the carrying amount (including the portion of the carrying amount of goodwill allocated) of the related asset group or set of asset groups to its recoverable amount. If the carrying amount of the asset group or set of asset groups is higher than its recoverable amount, the amount of the impairment loss firstly reduces the carrying amount of the goodwill allocated to the asset group or set of asset groups, and then reduces the carrying amount of other assets (other than the goodwill) within the asset group or set of asset groups, pro rata on the basis of the carrying amount of each asset.

Once the above impairment loss is recognised, it cannot be reversed in the subsequent accounting periods.

Notes to Financial Statements (continued)

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II. Significant accounting policies and estimates (continued)

23. Employee benefits

Employee benefits are all forms of consideration other than share-based payments given and other relevant expenditures incurred by the Group in exchange for service rendered by employees. In the accounting period in which an employee has rendered service to the Group, the employee benefits payable are recognised as liabilities. For employee benefits payable due in more than one year after the balance sheet date, if the discounted value is significant, they are presented at the present value.

The employees of the Group participate in social insurance plans, such as pension insurance plan, medical insurance plan, and unemployment insurance plan, and a housing fund, which are managed by the local government, and the relevant expenditure is recognised, when incurred, in the costs of the relevant assets or profit or loss for the current period.

24. Profit distribution

Cash dividends of the Company are recognised as a liability when they are approved by the shareholders in general meetings.

25. Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, these two parties are identified as related parties. Two parties or more are identified as related parties as well if they are subject to control, joint control or significant influence from the same party.

26. Segment reporting

The Group identifies operating segments based on the internal organisation structure, management requirements and internal reporting system, and discloses segment information of reportable segments which is determined on the basis of operating segments.

An operating segment is a component of the Group:

- (1) that engages in business activities from which it may earn revenues and incur expenses;
- (2) whose operating results are regularly reviewed by the Company's management to make decisions about resources to be allocated to the segment and assess its performance; and
- (3) when the information on its financial position, operating results and cash flows is available to the Group.

If two or more operating segments have similar economic characteristics and satisfy certain conditions, they are aggregated into one single operating segment.

Notes to Financial Statements (continued)

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II. Significant accounting policies and estimates (continued)

27. Significant accounting judgements and estimates

The preparation of the financial statements requires management to make judgements and estimations that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the balance sheet date. However, uncertainty about these assumptions and estimations could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have significant effect on the amounts recognised in the financial statements:

Operating leases — the Group as lessor

The Group has entered into operating leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately, the Group accounts for the portions separately. If the portions could not be sold, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future accounting periods, are described below.

Useful lives and residual value of fixed assets

The Group's management determines the estimated useful lives and residual values of fixed assets and consequently related depreciation charges. This estimate is based on the historical experience of the actual useful lives and residual values of fixed assets of similar nature and functions. It can change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives and residual values are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

Notes to Financial Statements (continued)

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II. Significant accounting policies and estimates (continued)

27. Significant accounting judgements and estimates (continued)

Estimation uncertainty (continued)

Impairment of accounts and other receivables

Impairment of accounts and other receivables is made based on assessment of the recoverability of accounts and other receivables. The identification of impairment of accounts and other receivables requires management judgement and estimates. Provision is made when there is objective evidence that the Group will not be able to collect the debts. Where the actual outcome or expectation in future is different from the original estimate, such differences will impact the carrying value of the receivables and bad and doubtful debt expenses/write-back in the period in which the estimate has been changed.

Impairment of goodwill

The Group determines whether the goodwill is impaired at least on annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the present value requires the Group to make an estimate of the expected future cash flows from an asset group or set of asset groups and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Details are set out in Note V.20.

Impairment of available-for-sale financial assets

The Group classifies certain assets as available-for-sale financial assets and recognises movements of their fair values in equity. When the fair value declines, management makes assumptions about the decline in value to determine whether there is an impairment that should be recognised in the income statement.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

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 each balance sheet date. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets 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.

Notes to Financial Statements (continued)

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II. Significant accounting policies and estimates (continued)

28. Changes in accounting estimates

The Group analysed the current technical status and actual usage condition of its oil tanks and pipelines and vessels. In order to make the useful lives of the said fixed assets to be closer to their estimated useful lives and present the Group's financial position and operating results more fairly, the Group has changed the useful lives of the said fixed assets since 1 January 2012. Details are set out below:

	Useful lives	
	Before change	After change
Oil tanks and pipelines	18 years	18 – 28 years
Vessels	10 – 20 years	28 years

The above changes in accounting estimates have been approved by the board of directors at the third meeting of the Company's third session of the board meeting in 2011.

The effect of the above mentioned changes is summarised as follows:

The Group

For the six months ended 30 June 2012

	Ending balance/amount for the six months ended 30 June 2012 before changes in accounting estimates Dr/(Cr)	Changes in accounting estimates Dr/(Cr)	Ending balance/amount for the six months ended 30 June 2012 after changes in accounting estimates Dr/(Cr)
Fixed assets	11,554,583,804.37	30,728,125.23	11,585,311,929.60
Cost of sales	1,260,428,682.02	(30,728,125.23)	1,229,700,556.79
Retained earnings	(1,669,210,228.95)	(30,728,125.23)	(1,699,938,354.18)
Total profit	(429,023,199.52)	(30,728,125.23)	(459,751,324.75)
Net profit	(322,591,447.24)	(23,046,093.92)	(345,637,541.16)

Notes to Financial Statements (continued)

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II. Significant accounting policies and estimates (continued)

28. Changes in accounting estimates (continued)

The Company

For the six months ended 30 June 2012

	Ending balance/amount for the six months ended 30 June 2012 before changes in accounting estimates Dr/(Cr)	Changes in accounting estimates Dr/(Cr)	Ending balance/amount for the six months ended 30 June 2012 after changes in accounting estimates Dr/(Cr)
Fixed assets	8,288,818,559.73	19,764,441.21	8,308,583,000.94
Cost of sales	776,145,551.33	(19,764,441.21)	756,381,110.12
Retained earnings	(1,528,721,808.65)	(19,764,441.21)	(1,548,486,249.86)
Total profit	(315,684,631.37)	(19,764,441.21)	(335,449,072.58)
Net profit	(248,713,919.81)	(14,823,330.91)	(263,537,250.72)

III. Taxation

1. Major tax items and rates are as follows:

Value added tax ("VAT")	—	Output VAT is calculated at 17% on the taxable sales and is levied after deducting deductible input VAT for the current period.
Business tax	—	It is levied at 3% to 5% on the taxable revenue.
City maintenance and construction tax	—	It is levied at 7% on the VAT and business taxes paid.
Corporate income tax ("CIT")	—	It is levied at 25% on the taxable profit, except for certain subsidiaries established in Mainland China which enjoy tax preferences and those subsidiaries incorporated outside Mainland China which are subject to local income tax regulations.
Property tax	—	It is calculated at a tax rate of 1.2% based on 70% of costs of properties or a tax rate of 12% based on rental income of the properties.

Notes to Financial Statements (continued)

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III. Taxation (continued)

2. Tax preferences and official approval

Land use tax

According to the Tentative Regulations of the People's Republic of China of Urban Land Use Tax and 《關於對交通部門的港口用地徵免土地使用稅問題的規定》(Guo Shui Di [1989] No. 123), land used for dock is exempted from land use tax. Accordingly, the land use rights held by the Group used for dock are exempted from land use tax.

VAT

According to 《財政部國家稅務總局海關總署關於鼓勵軟件產業和集成電路產業發展有關稅收政策問題的通知》(Cai Shui [2000] No. 25) and 《進一步鼓勵軟件產業和集成電路產業發展若干政策的通知》(Guo Fa [2011] No. 4), VAT paid by those VAT ordinary tax payers who sell self-developed software which were taxed at the statutory rate of 17% will be refunded for the portion exceeding 3% of the actual tax burden. The tax refund should be restricted to be used for software development and expanding reproduction, and are exempted from CIT. Dalian Port Logistics Technology Co., Ltd. ("DPLT"), Dalian Jifa Technology Co., Ltd. ("DJT") and Dalian Portsoft Technology Co., Ltd. ("DPT") can enjoy the aforesaid preferential tax policy.

CIT

DPLT, DJT, DPT and Dalian Portnet Co., Ltd. are subject to a preferential CIT rate of 15% as they are accredited by relevant government authorities as High and New Technology Enterprises ("HNTE").

Notes to Financial Statements (continued)

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IV. Consolidation scope of the consolidated financial statements

1. Subsidiaries

Subsidiaries of the Group are as follows:

	Type of subsidiary	Place of registration	Legal representative	Principal activities	Registered capital RMB'0000	Scope of business	Code of organisation
<u>Subsidiaries acquired from PDA as equity injection at the date of incorporation</u>							
Dalian Port Container Development Co., Ltd. ("DPC")	Limited liability	Dalian	Hui Kai	Container services	260,746	Container loading	73640137-6
Dalian Port Jifa Logistics Co., Ltd.	Limited liability	Dalian	Hui Kai	Logistics services	75,890	Depot leasing and operating	24238906-3
Dalian Port Logistics Technology Co., Ltd.	Limited liability	Dalian	Qu Wei	Software development	1,000	Development and sale of software	72886169-8
Dalian Jifa Shipping Agency Co., Ltd.	Limited liability	Dalian	Qu Wei	Vessel agency	50	Vessel agency	75157502-4
Dalian International Logistics Park Development Co., Ltd.	Limited liability	Dalian	Zhang Jian	Property development	15,000	Operation and development of a bonded logistics park	74093552-2
Dalian Port Jihuo Logistics Co., Ltd.	Limited liability	Dalian	Zhang Chunquan	Freight agency	200	Freight and vessel agency	72604986-6
Dalian Jifa Bohai Rim Container Lines Co., Ltd.	Limited liability	Dalian	Qu Wei	Transportation	4,923	Container transportation	72888006-3
Dalian International Container Services Co., Ltd.	Limited liability	Dalian	Xu Song	Freight agency	USD1,440,000	International transportation agency services	60486391-5
Dalian Jifa International Freight Co., Ltd.	Limited liability	Dalian	Qu Wei	Freight agency	500	Freight agency	75608995-7
Dalian TBT Consulting Co., Ltd.	Limited liability	Dalian	Li Guanghui	Software development	100	Development and sale of software	75990868-X
Dalian Jifa Port Engineering Co., Ltd.	Limited liability	Dalian	Qu Wei	Technology services	1,200	Equipment technology supporting	76079479-8
Dalian Techport Service Co., Ltd.	Limited liability	Dalian	Xu Song	Software development	350	Development and sale of software	77304690-8
Dalian ETDZ Jin Xin Petro-chemistry Company Limited	Limited liability	Dalian	Sun Dequan	Sale of goods	500	Sale of fuels	24130984-2
Dalian Jifa Shipping Management Co., Ltd.	Limited liability	Dalian	Zhang Chunquan	Vessel management services	26,000	Vessel leasing and management services	77729051-0
<u>Subsidiaries acquired from establishment or investment</u>							
Asia Pacific Ports Company Limited	Limited company	HK	N/A	Logistics services	HKD75,000,000	Investment holding	N/A
Asia Pacific Carrier Ltd.	Limited company	British Virgin Islands ("BVI")	N/A	Logistics services	USD50,000	Shipping and related services	N/A
Harbour Full Group Limited	Limited company	BVI	N/A	Logistics services	USD50,000	Investment holding	N/A
Asia Pacific Ports Investment Co., Ltd.	Limited company	HK	N/A	Logistics services	HKD10,000	Investment holding	N/A
Asia Pacific Ports (Dalian) Co., Ltd.	Limited liability	Dalian	Xu Song	Logistics services	USD31,580,000	Operation of port facilities	68304705-0
Asia Pacific Ports Development Co., Ltd.	Limited liability	HK	N/A	Logistics services	USD1	Shipping and ports investment	N/A
Dalian Gangyue Car-carrying Vessel Management Co., Ltd.	Limited liability	Dalian	Xu Song	Shipping services	19,600	Leasing and management of car-carrying vessel	68302634-8
Dalian Container Terminal Co., Ltd.	Limited liability	Dalian	Zhang Chunquan	Terminal services	135,000	Cargo loading, discharging and storage services	60487463-0
Heilongjiang Suimu Logistics Co., Ltd.	Limited liability	Muling	Ju Hongbin	Logistics services	4,500	Logistics and storage related services	69263421-4
福建寧連港口有限公司	Limited liability	Ningde	Xusong	Terminal services	2,000	Port construction and operation	58957279-9
秦皇島集港船舶代理有限公司	Limited liability	Qinhuangdao	Liyang	Logistics services	50	International transportation agency services	59359119-1
大連金港汽車聯合國際貿易有限公司	Limited liability	Dalian	Xusong	Trading services	1,000	Motor trading services	58807526-4

Notes to Financial Statements (continued)

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IV. Consolidation scope of the consolidated financial statements (continued)

1. Subsidiaries (continued)

	Type of subsidiary	Place of registration	Legal representative	Principal activities	Registered capital RMB'0000	Scope of business	Code of organisation
<u>Subsidiaries acquired in business combinations involving entities under common control</u>							
Dalian Ocean Shipping Tally Co., Ltd.	Limited liability	Dalian	Xu Song	Tallying services	309	Cargo tallying services	78246116-9
Dalian Portsoft Technology Co., Ltd.	Limited liability	Dalian	Liu Wei	Software development	1,000	Development and sale of software	76077248-4
Dalian Portsoft Network Co., Ltd.	Limited liability	Dalian	Liu Wei	Software development	1,000	Development and sale of software	66114935-5
Dalian Port Construction Supervision & Consultation Co., Ltd.	Limited liability	Dalian	Xu Jian	Supervision services	1,000	Supervisory and consulting services	24123682-3
Dalian Port Telecommunications Engineering Co., Ltd.	Limited liability	Dalian	Liu Wei	Telecommunications services	1,000	Telecommunications engineering consulting services	24183141-1
Dalian Port Construction Management Co., Ltd.	Limited liability	Dalian	Xu Jian	Port construction services	500	Construction implementation and management services	79692326-4
Dalian Golden Bay Grain Logistics Co., Ltd.	Limited liability	Dalian	Fu Bin	Logistics services	9,733	Storage and transportation services	77728428-4
Dalian Port Corporation Zhuanghe Terminal Co., Ltd.	Limited liability	Dalian	Zhan Wei	Terminal services	3,000	Port transportation, loading and discharging services	79202572-3
Dalian Port Power Supply Co., Ltd.	Limited liability	Dalian	Wang Anyuan	Construction	2,000	Power cable installation	11866435-5
大連長興島臨港工業區萬鵬港口建設監理諮詢有限公司	Limited liability	Dalian	Zhu Liyan	Supervisory services	10	Supervisory and consulting services	69141320-9
<u>Subsidiaries acquired in business combinations involving entities not under common control</u>							
DCT Logistics Co., Ltd.	Limited liability	Dalian	Zhang Chunquan	Logistics services	10,000	Container logistics services	72885637-0
Dalian Portnet Co., Ltd.	Limited liability	Dalian	Xu Song	Information services	USD 2,800,000	Information services	72346333-2
Dalian Jiye Logistics Co., Ltd.	Limited liability	Dalian	Ju Hongbin	Freight agency	2,650	Freight agency and container loading and discharging services	72348332-5
Dalian Port Petroleum & Chemical Co., Ltd.	Limited liability	Dalian	Sun Dequan	Terminal operation	35,000	Storage and transportation of petroleum and petroleum products	74094577-1
Dalian Lvshun Port Co., Ltd.	Limited liability	Dalian	Liu Wei	Terminal services	35,000	Port construction and operation	66922205-1
大連鑫海客運有限公司	Limited liability	Dalian	Liu Wei	Agency services	50	Ticket agency services	69600259-9

Notes to Financial Statements (continued)

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IV. Consolidation scope of the consolidated financial statements (continued)

1. Subsidiaries (continued)

	Investment cost at the end of the period	Percentage of shareholding		Percentage of voting rights (%)	In scope of consolidation	Minority interests	Minority interests used to offset the profits or losses of minority shareholders
		Directly (%)	Indirectly (%)				
<i>Subsidiaries acquired from PDA as equity injection at the date of incorporation</i>							
Dalian Port Container Development Co., Ltd. ("DPC")	2,845,297,222.35	100.00	—	100.00	Yes	—	—
Dalian Port Jifa Logistics Co., Ltd.	851,144,309.37	—	100.00	100.00	Yes	—	—
Dalian Port Logistics Technology Co., Ltd.	9,715,289.71	—	100.00	100.00	Yes	—	—
Dalian Jifa Shipping Agency Co., Ltd.	500,000.00	—	100.00	100.00	Yes	—	—
Dalian International Logistics Park Development Co., Ltd.	135,000,000.00	—	90.00	90.00	Yes	6,317,570.78	—
Dalian Port Jihuo Logistics Co., Ltd.	2,194,494.61	—	100.00	100.00	Yes	—	—
Dalian Jifa Bohai Rim Container Lines Co., Ltd.	67,345,151.04	—	97.36	97.36	Yes	600,287.18	—
Dalian International Container Services Co., Ltd.	USD1,066,000.00	—	75.00	75.00	Yes	3,317,953.75	—
Dalian Jifa International Freight Co., Ltd.	5,256,204.82	—	100.00	100.00	Yes	—	—
Dalian TBT Consulting Co., Ltd.	1,174,745.53	—	100.00	100.00	Yes	—	—
Dalian Jifa Port Engineering Co., Ltd.	12,047,877.11	—	100.00	100.00	Yes	—	—
Dalian Techport Service Co., Ltd.	2,043,136.26	—	60.00	60.00	Yes	(433,327.34)	—
Dalian ETDZ Jin Xin Petro-chemistry Company Limited	6,629,301.65	100.00	—	100.00	Yes	—	—
Dalian Jifa Shipping Management Co., Ltd.	260,984,354.73	90.77	9.23	100.00	Yes	—	—
<i>Subsidiaries acquired from establishment or investment</i>							
Asia Pacific Ports Company Limited	HKD75,000,000.00	100.00	—	100.00	Yes	—	—
Harbour Full Group Limited	USD50,000.00	—	100.00	100.00	Yes	—	—
Asia Pacific Ports Investment Co., Ltd.	HKD1.00	—	100.00	100.00	Yes	—	—
Asia Pacific Ports (Dalian) Co., Ltd.	USD31,580,000.00	—	100.00	100.00	Yes	—	—
Asia Pacific Ports Development Co., Ltd.	USD1	—	100.00	100.00	Yes	—	—
Dalian Gangyue Car-carrying Vessel Management Co., Ltd.	190,542,604.50	51.00	49.00	100.00	Yes	—	—
Dalian Container Terminal Co., Ltd.	709,654,954.71	—	51.00	51.00	Yes	720,334,814.20	—
Heilongjiang Suimu Logistics Co., Ltd.	41,250,000.00	—	91.67	91.67	Yes	3,750,000.00	—
福建寧連港口有限公司	12,000,000.00	60.00	—	60.00	Yes	8,000,000.00	—
秦皇島集港船舶代理有限公司	500,000.00	—	100.00	100.00	Yes	—	—
大連金港聯合汽車國際貿易有限公司	6,000,000.00	60.00	—	60.00	Yes	4,004,356.14	—

Notes to Financial Statements (continued)

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(Expressed in Renminbi Yuan)

IV. Consolidation scope of the consolidated financial statements (continued)

1. Subsidiaries (continued)

	Investment cost at the end of the period	Percentage of shareholding		Percentage of voting rights (%)	In scope of consolidation	Minority interests	Minority interests used to offset the profits or losses of minority shareholders
		Directly (%)	Indirectly (%)				
<u>Subsidiaries acquired in business combinations involving entities under common control</u>							
Dalian Ocean Shipping Tally Co., Ltd.	14,259,172.03	84.00	—	84.00	Yes	4,481,726.27	—
Dalian Portsoft Technology Co., Ltd. (Note 1)	11,126,271.39	49.00	—	60.00	Yes	11,808,044.61	—
Dalian Portsoft Network Co., Ltd.	10,000,000.00	—	100.00	100.00	Yes	—	—
Dalian Port Construction Supervision & Consultation Co., Ltd.	18,278,125.97	75.00	—	75.00	Yes	8,032,657.97	—
Dalian Port Telecommunications Engineering Co., Ltd.	8,137,212.61	45.00	20.00	65.00	Yes	4,745,384.82	—
Dalian Port Construction Management Co., Ltd.	13,778,541.68	100.00	—	100.00	Yes	—	—
Dalian Golden Bay Grain Logistics Co., Ltd. (Note 2)	53,156,426.75	37.50	—	75.00	Yes	116,900,450.55	—
Dalian Port Corporation Zhuanghe Terminal Co., Ltd.	—	100.00	—	100.00	Yes	—	—
Dalian Port Power Supply Co., Ltd.	25,895,508.24	100.00	—	100.00	Yes	—	—
大連長興島臨港工業區萬鵬港口建設監理 諮詢有限公司	100,000.00	—	100.00	100.00	Yes	—	—
<u>Subsidiaries acquired in business combinations involving entities not under common control</u>							
DCT Logistics Co., Ltd.	124,809,813.23	—	100.00	100.00	Yes	—	—
Dalian Portnet Co., Ltd.	USD2,000,000.00	—	71.43	71.43	Yes	17,982,949.95	—
Dalian Jiye Logistics Co., Ltd.	28,500,000.00	—	95.00	95.00	Yes	980,254.05	—
Dalian Port Petroleum & Chemical Co., Ltd.	596,800,000.00	100.00	—	100.00	Yes	—	—
Dalian Lvshun Port Co., Ltd.	217,580,000.00	60.00	—	60.00	Yes	140,002,504.51	—
大連鑫海客運有限公司	500,000.00	—	100.00	100.00	Yes	—	—

Note 1: The Company has control over this entity as the Company has majority voting rights in the board of the entity.

Note 2: Another shareholder of this entity gives consent to the decisions of the Company pursuant to a consent agreement with the shareholder. Accordingly, the Company has de-facto control over the entity.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

IV. Consolidation scope of the consolidated financial statements (continued)

2. Changes in consolidation scope

Except for the newly established subsidiaries and disposed subsidiaries (Note IV.3), the consolidation scope of the consolidated financial statements remains the same as last year.

3. Entity not in the consolidation scope in the current period

In April 2012, the Group disposed of the subsidiary, Asia Pacific Carrier Ltd.. The subsidiary had no business operation in the current period with no profit or loss from the beginning of the period to the disposal date.

4. Exchange rates applied to financial statement items of entities outside Mainland China:

	Average exchange rate		Exchange rate at the end of the period/year	
	For the six months ended	For the year ended	30 June 2012	31 December 2011
	30 June 2012	31 December 2011		
USD	6.3061	6.4445	6.3249	6.3009
HKD	0.8126	0.8279	0.8152	0.8107

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements

1. Cash and cash equivalents

	30 June 2012 (unaudited)			31 December 2011		
	Original currency	Exchange rate	RMB equivalents	Original currency	Exchange rate	RMB equivalents
Cash						
– RMB			159,582.74			118,013.22
Bank deposits						
– RMB			2,041,848,293.33			2,212,402,560.31
– USD	2,369,125.90	6.3249	14,984,484.43	2,091,030.36	6.3009	13,175,373.18
– JPY	50,898.49	0.0796	4,051.52	1,090,819.36	0.0811	88,465.45
– HKD	2,920,789.81	0.8152	2,381,027.85	3,664,944.58	0.8107	2,971,170.57
Others cash balances						
– RMB			934,881.15			24,729,079.22
– HKD	733,560.14	0.8152	597,998.23	733,560.15	0.8107	594,697.21
			<u>2,060,910,319.25</u>			<u>2,254,079,359.16</u>

As at 30 June 2012, there were cash and bank balances of RMB5,753,673.30 that were restricted as to use (31 December 2011: RMB23,422,082.84) (Note V.25(3)).

Cash at banks earns interest at floating rates based on current bank deposit rates. Short term time deposits are made for varying periods of between seven days and six months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates.

2. Financial assets held for trading

	30 June 2012 (unaudited)	31 December 2011
Open monetary fund	100,531,483.20	—

As at 30 June 2012, there was no material restriction on the realisation of the Group's financial assets held for trading.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

3. Notes receivable

	30 June 2012 (unaudited)	31 December 2011
Bank acceptance bills	112,731,390.64	143,128,482.88

As at 30 June 2012, the pledged bank acceptance notes were as follows:

Issuer	Period of the notes	Amount (Note)
First	6 months	2,000,000.00

As at 31 December 2011, the pledged bank acceptance notes were as follows:

Issuer	Period of the notes	Amount (Note)
First	6 months	5,000,000.00
Second	6 months	5,000,000.00
Third	6 months	5,000,000.00
Fourth	6 months	5,000,000.00
		<u>20,000,000.00</u>

Note: Bank acceptance notes with a carrying value of RMB2,000,000.00 (31 December 2011: RMB20,000,000.00) were pledged to obtain bank acceptance notes payable of RMB2,000,000.00 (31 December 2011: RMB20,000,000.00) (Note V.25(3)).

As at 30 June 2012, there were no discounted notes or notes that were transferred to account receivable due to issuer's failure in performance (31 December 2011: Nil).

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

4. Dividends receivable

For the six months ended 30 June 2012 (unaudited)

	Opening balance	Increase	Decrease	Closing balance
<u>Ageing within one year</u>				
Dalian Singamas International Container Co., Ltd	1,241,352.65	—	—	1,241,352.65
Dalian Dagang China Shipping Container Terminal Co., Ltd.	2,074,762.79	—	(2,074,762.79)	—
Dalian Port Container Terminal Co., Ltd.	23,754,168.19	—	—	23,754,168.19
Dalian Assembling Transportation Logistics Co., Ltd.	159,021.22	—	(159,021.22)	—
太倉興港拖輪有限公司	—	450,000.00	(450,000.00)	—
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	—	4,947,000.00	(4,947,000.00)	—
大仁輪渡有限公司	—	1,144,561.36	(1,144,561.36)	—
Dalian Port PetroChina International Terminal Co., Ltd.	—	1,739,921.76	(1,739,921.76)	—
Dalian China Oil Dock Management Co., Ltd.	—	3,013,500.00	—	3,013,500.00
Dalian United International Shipping Agency	—	1,690,000.00	(1,690,000.00)	—
Dalian Wanpeng Port Engineering Examination & Testing Co., Ltd.	—	72,000.00	(72,000.00)	—
	27,229,304.85	13,056,983.12	(12,277,267.13)	28,009,020.84

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

4. Dividends receivable (continued)

For the year ended 31 December 2011

	Opening balance	Increase	Decrease	Closing balance
<u>Ageing within one year</u>				
Dalian Singamas International Container Co., Ltd	757,470.18	1,506,736.82	(1,022,854.35)	1,241,352.65
Dalian Dagang China Shipping Container Terminal Co., Ltd.	1,057,521.71	3,757,183.68	(2,739,942.60)	2,074,762.79
Dalian Port Container Terminal Co., Ltd.	8,612,437.46	23,754,168.19	(8,612,437.46)	23,754,168.19
Dalian Assembling Transportation Logistics Co., Ltd.	81,352.13	159,021.22	(81,352.13)	159,021.22
Dalian Container Terminal Co., Ltd.	78,818,744.72	—	(78,818,744.72)	—
太倉興港拖輪有限公司	—	600,000.00	(600,000.00)	—
China United Tally Co., Ltd.	—	1,840,666.21	(1,840,666.21)	—
Dalian China Oil Dock Management Co., Ltd.	—	8,006,600.00	(8,006,600.00)	—
Dalian Port Container Terminal Co., Ltd.	—	15,000,000.00	(15,000,000.00)	—
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	—	5,191,000.00	(5,191,000.00)	—
Dalian Wanpeng Port Engineering Examination & Testing Co., Ltd.	—	48,000.00	(48,000.00)	—
大連港口設計研究院有限公司	—	223,330.23	(223,330.23)	—
大仁輪渡有限公司	—	875,067.64	(875,067.64)	—
	89,327,526.20	60,961,773.99	(123,059,995.34)	27,229,304.85

Management of the Company is of the opinion that no impairment provision was necessary for dividends receivable at the balance sheet date.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

5. Interest receivable

	30 June 2012 (unaudited)	31 December 2011
Opening balance	17,077,678.32	1,563,707.73
Increase	54,425,668.36	40,376,599.28
Decrease	(66,687,695.30)	(24,862,628.69)
Closing balance	4,815,651.38	17,077,678.32

Management of the Company is of the opinion that no impairment provision was necessary for interest receivable at the balance sheet date.

6. Accounts receivable

The credit terms of accounts receivable are usually 90 days. Accounts receivable are interest-free.

An ageing analysis of accounts receivable is as follows:

	30 June 2012 (unaudited)	31 December 2011
Within 1 year	696,005,942.60	417,704,800.13
1 to 2 years	20,204,733.48	13,974,521.53
2 to 3 years	844,551.53	2,177,027.76
Over 3 years	6,950,726.55	5,016,831.87
Less: Provision for bad debts	724,005,954.16 (2,852,921.74)	438,873,181.29 (2,852,921.74)
	721,153,032.42	436,020,259.55

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

6. Accounts receivable (continued)

Movements in the provision for bad debts are as follows:

	For the six months ended 30 June 2012 (unaudited)	For the year ended 31 December 2011
Opening balance	2,852,921.74	2,939,524.54
Increase due to change in consolidation scope	—	56,953.00
Write-off	—	(143,555.80)
Closing balance	2,852,921.74	2,852,921.74

	30 June 2012 (unaudited)				31 December 2011			
	Ending balance		Bad debt provision		Ending balance		Bad debt provision	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Individually significant and subject to separate provision	507,220,718.63	70.06	—	—	277,099,942.76	63.14	—	—
Not individually significant but subject to separate provision	216,785,235.53	29.94	2,852,921.74	1.32	161,773,238.53	36.86	2,852,921.74	1.76
	724,005,954.16	100.00	2,852,921.74		438,873,181.29	100.00	2,852,921.74	

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

6. Accounts receivable (continued)

As at 30 June 2012 and 31 December 2011, accounts receivable that were not individually significant but subject to separate provision are as follows:

	Ending balance	Provision for bad debts	Percentage (%)	Reason
First	4,089,278.71	1,942,004.58	47.49	Partly uncollectable
Second	418,000.00	418,000.00	100.00	Uncollectable
Others	492,917.16	492,917.16	100.00	Uncollectable
	<u>5,000,195.87</u>	<u>2,852,921.74</u>		

As at 30 June 2012, there was no other accounts receivable due from any shareholder holding 5% or more of the Company's voting shares (At 31 December 2011: Nil).

As at 30 June 2012 and 31 December 2011, accounts receivable due from related parties are disclosed in Note VI Related parties and related party transactions.

As at 30 June 2012, the top five accounts receivable were as follows:

	Relationship	Amount	Ageing	Percentage of accounts receivable (%)
PetroChina Dalian Petrochemical Company	Third party	99,894,945.00	Within 1 year	13.80
Dalian West Pacific Petrochemical Co., Ltd.	Third party	95,504,180.98	Within 1 year	13.19
Dalian Angang International Trade Transportation Agency Co., Ltd.	Third party	72,479,421.17	1 to 2 years	10.01
中國石油國際事業有限公司	Third party	46,779,681.00	Within 1 year	6.46
RGL Group Co., Ltd.	Third party	36,810,093.53	Within 1 year	5.08
		<u>351,468,321.68</u>		<u>48.54</u>

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

6. Accounts receivable (continued)

As at 31 December 2011, the top five accounts receivable were as follows:

	Relationship	Amount	Ageing	Percentage of accounts receivable (%)
Dalian West Pacific Petrochemical Co., Ltd.	Third party	36,116,827.32	Within 1 year	8.23
Benxi Steel Group Corporation	Third party	35,818,044.48	Within 1 year	8.16
RGL Group Co., Ltd.	Third party	32,614,996.34	Within 1 year	7.43
Shenyang Oriental Steel Co., Ltd.	Third party	26,370,684.03	Within 1 year	6.01
Dalian Angang International Trade Transportation Agency Co., Ltd.	Third party	19,321,153.41	Within 1 year	4.40
		150,241,705.58		34.23

7. Other receivables

An ageing analysis of other receivables is as follows:

	30 June 2012 (unaudited)	31 December 2011
Within 1 year	197,208,627.12	165,317,088.91
1 to 2 years	14,037,289.07	11,017,659.38
2 to 3 years	3,909,998.39	2,825,460.36
Over 3 years	22,639,347.19	21,141,920.53
	237,795,261.77	200,302,129.18
Less: Provision for bad debts	(1,605,414.57)	(1,605,414.57)
	236,189,847.20	198,696,714.61

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

7. Other receivables (continued)

Movements in the provision for bad debts are as follows:

	For the six months ended 30 June 2012 (unaudited)	For the year ended 31 December 2011
Opening balance	1,605,414.57	93,710.07
Increase due to change in consolidation scope	—	1,511,704.50
Write-off	—	—
Closing balance	1,605,414.57	1,605,414.57

	30 June 2012 (unaudited)				31 December 2011			
	Ending balance		Bad debt provision		Ending balance		Bad debt provision	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Individually significant and subject to separate provision	156,491,650.00	65.81	—	—	117,972,449.44	58.90	—	—
Not individually significant but subject to separate provision	81,303,611.77	34.19	1,605,414.57	1.97	82,329,679.74	41.10	1,605,414.57	1.95
	237,795,261.77	100.00	1,605,414.57		200,302,129.18	100.00	1,605,414.57	

As at 30 June 2012, other receivables that were not individually significant but subject to separate provision are as follows:

	Ending balance	Provision for bad debts	Percentage (%)	Reason
Top one	767,356.50	81,427.50	10.61	Partly uncollectable
Top two	561,978.00	561,978.00	100.00	Uncollectable
Others	1,889,451.07	962,009.07	50.91	Partly uncollectable
	3,218,785.57	1,605,414.57		

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

7. Other receivables (continued)

As at 31 December 2011, other receivables that were not individually significant but subject to separate provision are as follows:

	Ending balance	Provision for bad debts	Percentage (%)	Reason
Top one	1,052,579.50	81,427.50	7.74	Partly uncollectable
Top two	561,978.00	561,978.00	100.00	Uncollectable
Others	1,939,187.07	962,009.07	49.61	Partly uncollectable
	<u>3,553,744.57</u>	<u>1,605,414.57</u>		

As at 30 June 2012, the top five other receivables were as follows:

	Relationship	Amount	Ageing	Percentage of other receivables (%)
Dalian Financial Bureau*	Third party	126,561,900.00	Within 1 year	53.22
Dalian Financial Bureau	Third party	18,000,000.00	4 to 5 years	7.57
Dalian Port Container Terminal Co., Ltd.	Jointly-controlled entity	11,815,000.00	Within 1 year	4.97
Dalian Port Pilotage Station	Third party	4,406,200.00	Within 1 year	1.85
PDA	Parent	3,808,787.65	1 to 2 years	1.60
		<u>164,591,887.65</u>		<u>69.21</u>

* Government grants (Details are set out in Note V.50)

Notes to Financial Statements (continued)

30 June 2012
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V. Notes to consolidated financial statements (continued)

7. Other receivables (continued)

As at 31 December 2011, the top five other receivables were as follows:

	Relationship	Amount	Ageing	Percentage of other receivables (%)
Dalian Financial Bureau	Third party	88,270,000.00	Within 1 year	44.07
Dalian Financial Bureau	Third party	18,000,000.00	4 to 5 years	8.99
Dalian North Petroleum Logistics Co., Ltd.	Associate	8,403,780.00	Within 1 year	4.20
Hualin Tyre Co. Ltd.	Third party	5,433,976.10	Within 1 year	2.71
PDA	Parent	4,970,631.92	Within 1 year	2.48
		<u>125,078,388.02</u>		<u>62.45</u>

As at 30 June 2012, except for the receivables due from the parent, PDA, of RMB3,808,787.65 (At 31 December 2011: RMB4,970,631.92), there was no other receivable due from any shareholder holding 5% or more of the Company's voting shares.

Other receivables due from related parties as at 30 June 2012 and 31 December 2011 are disclosed in Note VI Related parties and related party transactions.

8. Prepayments

An ageing analysis of prepayments is as follows:

	30 June 2012 (unaudited)		31 December 2011	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	54,261,972.48	98.75	23,771,426.18	97.02
1 to 2 years	8,335.20	0.02	730,489.00	2.98
2 to 3 years	680,000.00	1.23	—	—
	54,950,307.68	100.00	24,501,915.18	100.00

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

8. Prepayments (continued)

As at 30 June 2012, the top five prepayments were as follows:

	Relationship	Amount	Ageing	Percentage of prepayments (%)
大連沈鐵港口物流有限公司	Third party	10,004,000.00	Within 1 year	18.21
吉林內陸港貨運有限公司	Third party	6,000,000.00	Within 1 year	10.92
Dalian Xinyang Transportation Co., Ltd.	Third party	5,830,924.35	Within 1 year	10.61
Harbin Railway Bureau Manzhouli Station	Third party	4,482,559.50	Within 1 year	8.15
Ping An Insurance (Group) Company of China, Ltd.	Third party	3,235,868.65	Within 1 year	5.89
		<u>29,553,352.50</u>		<u>53.78</u>

As at 31 December 2011, the top five prepayments were as follows:

	Relationship	Amount	Ageing	Percentage of prepayments (%)
Dalian Xinyang Transportation Co., Ltd.	Third party	5,830,924.35	Within 1 year	23.80
中海客輪有限公司	Third party	2,517,124.41	Within 1 year	10.27
Dalian Jihang Int. Logistics Co., Ltd.	Third party	2,262,052.08	Within 1 year	9.23
Liaoning Electric Power Co., Ltd. Dalian Branch	Third party	1,598,396.32	Within 1 year	6.52
Harbin Inland Port	Third party	<u>1,475,148.20</u>	Within 1 year	<u>6.02</u>
		<u>13,683,645.36</u>		<u>55.84</u>

As at 30 June 2012, except for the prepayments to the parent, PDA, of RMB1,761,000.00, there was no other prepayment to any shareholder holding 5% or more of the Company's voting shares (At 31 December 2011: Nil).

Prepayments to related parties as at 30 June 2012 and 31 December 2011 are disclosed in Note VI Related parties and related party transactions.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

9. Inventories

	30 June 2012 (unaudited)			31 December 2011		
	Ending balance	Provision	Carrying amount	Ending balance	Provision	Carrying amount
Raw materials	73,306,507.43	2,037,642.99	71,268,864.44	83,006,839.65	2,037,642.99	80,969,196.66
Work in progress	258,145.55	—	258,145.55	166,757.18	—	166,757.18
Finished goods	2,596,631.88	—	2,596,631.88	2,373,577.43	—	2,373,577.43
Property development cost	3,749,951.16	—	3,749,951.16	5,589,975.28	—	5,589,975.28
	79,911,236.02	2,037,642.99	77,873,593.03	91,137,149.54	2,037,642.99	89,099,506.55

The movements of the provision for inventories are as follows:

	For the six months ended 30 June 2012 (unaudited)	For the year ended 31 December 2011
Opening balance	2,037,642.99	—
Increase due to change in consolidation scope	—	2,037,642.99
Write-off	—	—
Closing balance	2,037,642.99	2,037,642.99

10. Non-current assets due within one year

	30 June 2012 (unaudited)	31 December 2011
Loan to an associate	—	4,864,200.00
Loan to a jointly-controlled entity (Note)	5,610,000.00	—
	5,610,000.00	4,864,200.00

Note: The Group commissioned Agricultural Bank of China to provide an unsecured loan of RMB5,610,000.00 to its jointly-controlled entity, Liaoning Con-Rail International Logistics Co., Ltd. in 2011. The loan bears interest at a rate of 5.265% per annum and is repayable in full on 18 January 2013.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

11. Other current assets

	30 June 2012 (unaudited)	31 December 2011
Loans to a jointly-controlled entity (Note)	3,850,000.00	2,830,000.00
Entrusted investment	—	700,000,000.00
	3,850,000.00	702,830,000.00

Note: The loans to a jointly-controlled entity were provided by Dalian Port Corporation Finance Company Limited to Liaoning Con-Rail International Logistics Co., Ltd.. The amounts are RMB1,020,000.00 and RMB2,830,000.00, respectively. The loans are repayable in full on 26 March and 19 April 2013 with an interest rate of 6.56% per annum.

12. Available-for-sale financial assets

	30 June 2012 (unaudited)	31 December 2011
Available-for-sale equity investments — H shares	14,069,006.92	14,609,746.31
Available-for-sale equity investments — A shares	9,847,952.00	11,968,023.50
	23,916,958.92	26,577,769.81

The above available-for-sale H shares represent an investment of approximately 0.24% shareholding of Sinotrans Shipping Limited (a company listed on the Main Board of the Stock Exchange of Hong Kong Ltd., the stock code of which is 00368). The shares were acquired through strategic allotment.

The above available-for-sale A shares represent newly issued shares acquired through subscription in the primary market and yet to be traded in the secondary market. The above available-for-sale financial assets are measured at fair value.

Notes to Financial Statements (continued)

30 June 2012
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V. Notes to consolidated financial statements (continued)

13. Jointly-controlled entities and associates

30 June 2012

	Type of enterprise	Place of registration	Legal representative	Type of business	Registered capital RMB'0000	Code of organisation
<u>Jointly-controlled entities</u>						
大連港通利船務代理有限公司	Limited liability	Dalian	Zhang Hong	Domestic freight and vessel agency	60	73642304-9
Dalian Harbour ECL Logistics Co., Ltd.	Limited liability	Dalian	Xu Song	Storage loading and discharging services	USD9,000,000	75155081-2
Odfjell Terminals (Dalian) Ltd.	Limited liability	Dalian	Xu Song	Construction and operation of storage terminal discharging services	USD28,000,000	60485936-9
Dalian Port PetroChina International Terminal Co., Ltd.	Limited liability	Dalian	Sun Hongwei	Loading, discharging and consulting	25,000	67998086-8
Dalian Assembling Transportation Logistics Co., Ltd.	Limited liability	Dalian	Ju Hongbin	International container storage services	3,000	67996100-X
Dalian United International Shipping Agency	Limited liability	Dalian	Hu Hongxian	Vessel agency and shipping consulting services	500	24237571-0
Dalian Vanguard International Logistics Co., Ltd.	Limited liability	Dalian	Xu Song	International container storage services	7,400	67996584-4
Dalian Yidu Jifa Cold Logistics Co., Ltd.	Limited liability	Dalian	Xu Song	Freight and storage agency	3,600	75606813-6
China United Tally Co., Ltd. Dalian	Limited liability	Dalian	Fu Bin	Tallying services	280	76444766-2
Dalian China Oil Dock Management Co., Ltd.	Limited liability	Dalian	Dong Renping	Oil terminal services	1,000	71690643-0
Liaoning Electronic Port Co., Ltd.	Limited liability	Dalian	Yu Jianjun	Computer supporting and data analysis services	1,200	67997824-X
Liaoning Con-Rail International Logistics Co., Ltd.	Limited liability	Dalian	Xu Song	Logistics and storage services	1,600	75076324-2
Dalian Dagang China Shipping Container Terminal Co., Ltd.	Limited liability	Dalian	Zeng Xiaomin	Container terminal services	1,000	71138833-9
Dalian Port Container Terminal Co., Ltd.	Limited liability	Dalian	Zhang Chunquan	Container services	73,000	76442085-7
Dalian International Container Terminal Co., Ltd.	Limited liability	Dalian	Fang Meng	International container terminal services	140,000	71788096-5
Dalian Jilong Logistics Co., Ltd.	Limited liability	Dalian	Xu Song	Logistics and storage services	7,000	71696834-0
Dalian Automobile Terminal Co., Ltd.	Limited liability	Dalian	Xu Song	International trading, loading, discharging and storage	32,000	75606659-5
Dalian Singamas International Container Co., Ltd.	Limited liability	Dalian	Zhang Chunquan	Container services	USD13,250,000	71695281-6
Dalian Shunda Logistics Services Corporation	Limited liability	Dalian	Ju Hongbin	Logistics and storage services	USD5,800,000	60486170-9
China Unite Northeast Rail Containers Co., Ltd.	Limited liability	Dalian	Zhu Youwen	International container services	25,500	79202427-X
ODFJELL AP Port Holding Pte. Ltd.	Private limited	Singapore	N/A	Investment holding	USD100,000	N/A
Dalian Changxing Island Port Co., Ltd.	Limited liability	Dalian	Fu bin	Terminal services	62,000	79202683-0
大連港散貨物流中心有限公司	Limited liability	Dalian	Xu Song	Logistics	500	58201884-0
Odfjell Dalian Port Consulting Co., Ltd.	Limited liability	Dalian	Wang Hongsuo	Consulting services	600	58204259-2
大連長興島港口投資發展有限公司	Limited liability	Dalian	Dong Yanhong	Terminal services	65,000	69140687-7

Notes to Financial Statements (continued)

30 June 2012
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V. Notes to consolidated financial statements (continued)

13. Jointly-controlled entities and associates (continued)

30 June 2012 (continued)

	Type of enterprise	Place of registration	Legal representative	Type of business	Registered capital RMB'0000	Code of organisation
<u>Associates</u>						
Dalian Prologis-Jifa Logistics Development Co., Ltd.	Limited liability	Dalian	Yang Chuande	Other storage services	USD80,000,000	79204040-5
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	Limited liability	Dalian	Zhang Jingfu	Crude oil tank leasing services	10,000	77728456-7
Shenyang Prologis-Jifa Logistics Development Co., Ltd.	Limited liability	Shenyang	Yang Chuande	Other storage services	USD16,670,000	79849254-1
太倉興港拖輪有限公司	Limited liability	Suzhou	Wang Zengtai	Vessel tugging services	300	76050857-9
PetroChina Dalian LNG Co., Ltd.	Limited liability	Dalian	Wang Weihe	LNG related services	260,000	68707182-4
SINOECL Auto Liners, Limited	Limited company	HK	N/A	Shipping services	HKD4,150,000	N/A
Jadeway Limited	Limited company	HK	N/A	Shipping services	HKD10,000	N/A
Dalian North Petroleum Logistics Co., Ltd.	Limited liability	Dalian	Yue Lianjun	Development and construction of petroleum and petroleum products	14,800	55495911-7
China Shipping Gang Lian Co., Ltd.	Limited liability	Dalian	Meng Qingkuan	Shipping agency	30,000	66922139-0
Dalian Wanpeng Port Engineering Examination & Testing Co., Ltd.	Limited liability	Dalian	Zhu Liyan	Construction examination	180	74787065-3
Dalian Port Corporation Finance Company Limited	Limited liability	Dalian	Zhang Zuogang	Financial services	50,000	58203640-8
中鐵渤海鐵路輪渡有限公司	Limited liability	Yantai	Qu Jianming	Ferry transportation	120,000	71092935-9
中世國際物流有限公司	Limited liability	Wuhu	Ma Deji	International freight agency	30,000	56896799-4
大連鑫海陽環保工程有限公司	Limited liability	Dalian	He Yedong	Ballast water disposal and garbage recycling	200	69143298-7

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

13. Jointly-controlled entities and associates (continued)

30 June 2012 (continued)

	Total assets at the end of the period	Total liabilities at the end of the period	Total net assets at the end of the period	Revenue for the period	Net profit/(loss) for the period
Jointly-controlled entities					
大連港通利船務代理有限公司	3,795,059.76	43,682.75	3,751,377.01	964,493.52	271,552.33
Dalian Harbour ECL Logistics Co., Ltd.	61,590,378.77	603,647.36	60,986,731.41	2,956,230.09	343,929.92
Odfjell Terminals (Dalian) Ltd.	541,249,501.93	147,068,465.56	394,181,036.37	51,788,904.90	20,430,855.96
Dalian Port PetroChina International Terminal Co., Ltd.	603,026,532.62	347,356,042.38	255,670,490.24	29,120,000.00	5,283,840.96
Dalian Assembling Transportation Logistics Co., Ltd.	34,721,734.35	1,931,954.15	32,789,780.20	9,417,248.33	1,659,715.82
Dalian United International Shipping Agency	69,421,517.43	56,119,705.03	13,301,812.40	7,669,299.75	2,217,701.43
Dalian Vanguard International Logistics Co., Ltd.	181,103,235.36	113,446,439.69	67,656,795.67	13,706,537.63	(1,700,108.78)
Dalian Yidu Jifa Cold Logistics Co., Ltd.	122,981,192.07	54,275,734.97	68,705,457.10	34,280,690.34	7,305,013.94
China United Tally Co., Ltd. Dalian	14,026,307.70	3,257,363.26	10,768,944.44	10,774,788.68	173,132.15
Dalian China Oil Dock Management Co., Ltd.	47,937,947.21	19,560,034.89	28,377,912.32	53,784,643.54	2,514,551.36
Liaoning Electronic Port Co., Ltd.	29,222,957.53	21,083,839.09	8,139,118.44	1,172,658.11	(1,666,628.12)
Liaoning Con-Rail International Logistics Co., Ltd.	21,320,473.91	18,718,578.26	2,601,895.65	8,786,969.59	(2,480,647.96)
Dalian Dagang China Shipping Container Terminal Co., Ltd.	16,088,859.28	2,382,783.69	13,706,075.59	8,242,504.00	1,355,498.15
Dalian Port Container Terminal Co., Ltd.	1,953,657,341.09	1,207,053,025.04	746,604,316.05	202,602,412.83	16,005,608.63
Dalian International Container Terminal Co., Ltd.	3,215,587,396.92	1,897,036,804.97	1,318,550,591.95	144,017,827.00	(12,340,658.05)
Dalian Jilong Logistics Co., Ltd.	263,452,531.06	153,297,989.91	110,154,541.15	26,559,647.88	(1,304,829.51)
Dalian Automobile Terminal Co., Ltd.	430,922,676.76	107,098,459.76	323,824,217.00	35,523,829.77	13,312,800.15
Dalian Singamas International Container Co., Ltd.	148,492,121.55	47,815,210.05	100,676,911.50	27,031,287.47	1,659,381.19
Dalian Shunda Logistics Services Corporation	26,546,305.93	930,364.66	25,615,941.27	3,904,119.29	(1,558,370.36)
China Unite Northeast Rail Containers Co., Ltd.	519,135,915.97	317,417,500.37	201,718,415.60	19,898,620.67	(12,355,494.93)
ODFJELL AP Port Holding Pte. Ltd.	607,436.69	34,830.47	572,606.22	—	(14,224.95)
Dalian Changxing Island Port Co., Ltd.	1,460,695,161.23	905,676,197.52	555,018,963.71	32,166,364.53	(28,601,315.60)
大連港散貨物流中心有限公司	3,725,287.19	30,440.28	3,694,846.91	150,460.00	(891,507.59)
Odfjell Dalian Port Consulting Co., Ltd.	5,606,498.98	133,708.13	5,472,790.85	18,000.00	(527,209.15)
大連長興島港口投資發展有限公司	1,866,278,681.19	1,232,652,740.39	633,625,940.80	—	(4,384,659.20)

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V. Notes to consolidated financial statements (continued)

13. Jointly-controlled entities and associates (continued)

30 June 2012 (continued)

	Total assets at the end of the period	Total liabilities at the end of the period	Total net assets at the end of the period	Revenue for the period	Net profit/(loss) for the period
<u>Associates</u>					
Dalian Prologis-Jifa Logistics Development Co., Ltd.	720,139,068.52	186,724,925.43	533,414,143.09	14,736,812.62	(11,039,765.17)
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	1,275,245,294.22	1,079,735,860.29	195,509,433.93	123,050,200.00	22,505,340.74
Shenyang Prologis-Jifa Logistics Development Co., Ltd.	133,284,238.31	12,030,530.40	121,253,707.91	6,101,813.00	801,360.15
太倉興港拖輪有限公司	10,151,443.71	3,461,042.91	6,690,400.80	13,891,350.00	1,206,961.57
PetroChina Dalian LNG Co., Ltd.	3,828,011,040.52	1,233,468,268.51	2,594,542,772.01	252,574,998.60	32,784,998.58
SINOECL Auto Liners, Ltd.	14,689,256.23	57,264,066.89	(42,574,810.66)	23,125,808.25	(8,333,472.86)
Jadeway Limited	306,285,819.21	409,253,666.97	(102,967,847.76)	18,490,990.66	9,236,698.72
Dalian North Petroleum Logistics Co., Ltd.	335,599,290.56	190,092,537.60	145,506,752.96	21,840,000.00	6,371,367.35
China Shipping Gang Lian Co., Ltd.	1,001,569,562.50	730,483,616.89	271,085,945.61	12,312,561.96	(34,230,187.77)
Dalian Wanpeng Port Engineering Examination & Testing Co., Ltd.	2,330,306.13	229,738.73	2,100,567.40	1,608,428.00	101,112.34
Dalian Port Corporation Finance Company Limited	2,011,112,190.12	1,494,418,794.50	516,693,395.62	30,623,575.17	16,379,667.00
中鐵渤海鐵路輪渡有限公司	2,803,269,244.48	1,462,788,173.26	1,340,481,071.22	369,696,288.21	35,595,714.59
中世國際物流有限公司	311,707,475.88	11,310,535.77	300,396,940.11	14,347,108.74	(489,204.18)
大連鑫海陽環保工程有限公司	200,000.00	—	200,000.00	—	—

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V. Notes to consolidated financial statements (continued)

13. Jointly-controlled entities and associates (continued)

31 December 2011

	Type of enterprise	Place of registration	Legal representative	Type of business	Registered capital RMB'0000	Code of organisation
<u>Jointly-controlled entities</u>						
大連港通利船務代理有限公司	Limited liability	Dalian	Zhang Hong	Domestic freight and vessel agency	60	73642304-9
Dalian Harbour ECL Logistics Co., Ltd.	Limited liability	Dalian	Xu Song	Storage loading and discharging services	USD9,000,000	75155081-2
Odfjell Terminals (Dalian) Ltd.	Limited liability	Dalian	Xu Song	Construction and operation of storage terminal	USD28,000,000	60485936-9
Dalian Port PetroChina International Terminal Co., Ltd.	Limited liability	Dalian	Sun Hongwei	Loading, discharging and consulting of refined oil	25,000	67998086-8
Dalian Assembling Transportation Logistics Co., Ltd.	Limited liability	Dalian	Ju Hongbin	International container storage services	3,000	67996100-X
Dalian United International Shipping Agency	Limited liability	Dalian	Hu Hongxian	Vessel agency and shipping consulting services	500	24237571-0
Dalian Vanguard International Logistics Co., Ltd.	Limited liability	Dalian	Sun Hong	International container storage services	7,400	67996584-4
Dalian Yidu Jifa Cold Logistics Co., Ltd.	Limited liability	Dalian	Xu Song	Freight and storage agency	3,600	75606813-6
China United Tally Co., Ltd. Dalian	Limited liability	Dalian	Fu Bin	Tallying services	280	76444766-2
Dalian China Oil Dock Management Co., Ltd.	Limited liability	Dalian	Dong Renping	Oil terminal services	1,000	71690643-0
Liaoning Electronic Port Co., Ltd.	Limited liability	Dalian	Yu Jianjun	Computer supporting and data analysis services	1,200	67997824-X
Liaoning Con-Rail International Logistics Co., Ltd.	Limited liability	Dalian	Xu Song	Logistics and storage services	1,600	75076324-2
Dalian Dagang China Shipping Container Terminal Co., Ltd.	Limited liability	Dalian	Zeng Xiaomin	Container terminal services	1,000	71138833-9
Dalian Port Container Terminal Co., Ltd.	Limited liability	Dalian	Sun Qian	Container services	73,000	76442085-7
Dalian International Container Terminal Co., Ltd.	Limited liability	Dalian	Fang Meng	International container terminal services	140,000	71788096-5
Dalian Jilong Logistics Co., Ltd.	Limited liability	Dalian	Xu Song	Logistics and storage services	7,000	71696834-0
Dalian Automobile Terminal Co., Ltd.	Limited liability	Dalian	Xu Song	International trading, loading, discharging and storage	32,000	75606659-5
Dalian Singamas International Container Co., Ltd.	Limited liability	Dalian	Sun Qian	Container services	USD13,250,000	71695281-6
Dalian Shunda Logistics Services Corporation	Limited liability	Dalian	Ju Hongbin	Logistics and storage services	USD5,800,000	60486170-9
China Unite Northeast Rail Containers Co., Ltd.	Limited liability	Dalian	Zhu Youwen	International container services	25,500	79202427-X
ODFJELL AP Port Holding Pte. Ltd.	Private limited	Singapore	N/A	Investment holding	USD100,000	N/A
Dalian Changxing Island Port Co., Ltd.	Limited liability	Dalian	Fu Bin	Terminal services	62,000	79202683-0
大連港散貨物流中心有限公司	Limited liability	Dalian	Xu Song	Logistics	500	58201884-0

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V. Notes to consolidated financial statements (continued)

13. Jointly-controlled entities and associates (continued)

31 December 2011 (continued)

	Type of enterprise	Place of registration	Legal representative	Type of business	Registered capital RMB'0000	Code of organisation
Associates						
Dalian Prologis-Jifa Logistics Development Co., Ltd.	Limited liability	Dalian	Yang Chuande	Other storage services	USD80,000,000	79204040-5
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	Limited liability	Dalian	Zhang Jingfu	Crude oil tank leasing services	10,000	77728456-7
Shenyang Prologis-Jifa Logistics Development Co., Ltd.	Limited liability	Shenyang	Yang Chuande	Other storage services	USD16,670,000	79849254-1
太倉興港拖輪有限公司	Limited liability	Suzhou	Wang Zengtai	Vessel tugging services	300	76050857-9
PetroChina Dalian LNG Co., Ltd.	Limited liability	Dalian	Wang Weihe	LNG related services	260,000	68707182-4
SINOECL Auto Liners, Limited	Limited company	HK	N/A	Shipping services	HKD4,149,300	N/A
Jadeway Limited	Limited company	HK	N/A	Shipping services	HKD10,000	N/A
Dalian North Petroleum Logistics Co., Ltd.	Limited liability	Dalian	Yue Lianjun	Development and construction of petroleum and petroleum products	14,800	55495911-7
China Shipping Gang Lian Co., Ltd.	Limited liability	Dalian	Meng Qingkuan	Shipping agency	30,000	66922139-0
Dalian Wanpeng Port Engineering Examination and Testing Co., Ltd.	Limited liability	Dalian	Zhu Liyan	Construction examination	180	74787065-3
Dalian Port Corporation Finance Company Limited	Limited liability	Dalian	Zhang Zuogang	Financial services	50,000	58203640-8
中鐵渤海鐵路輪渡有限公司	Limited liability	Yantai	Qu Jianming	Ferry transportation	120,000	71092935-9
中世國際物流有限公司	Limited liability	Wuhu	Ma Deji	International freight agency	30,000	56896799-4
大連鑫海陽環保工程有限公司	Limited liability	Dalian	He Yedong	Ballast water disposal and garbage recycling	200	69143298-7

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

13. Jointly-controlled entities and associates (continued)

31 December 2011

	Total assets at the end of the year	Total liabilities at the end of the year	Total net assets at the end of the year	Revenue for the year	Net profit/(loss) for the year
<u>Jointly-controlled entities</u>					
大連港通利船務代理有限公司	3,595,892.86	116,068.18	3,479,824.68	2,463,893.45	897,710.99
Dalian Harbour ECL Logistics Co., Ltd.	61,246,501.14	603,699.65	60,642,801.49	5,256,940.67	354,270.33
Odfjell Terminals (Dalian) Ltd.	519,236,896.16	145,486,715.75	373,750,180.41	78,634,104.50	23,906,476.94
Dalian Port PetroChina International Terminal Co., Ltd.	604,546,461.57	350,679,968.77	253,866,492.80	58,400,000.00	10,899,620.14
Dalian Assembling Transportation Logistics Co., Ltd.	32,799,047.05	1,668,982.67	31,130,064.38	18,851,669.85	3,510,023.58
Dalian United International Shipping Agency	53,439,067.70	38,974,956.73	14,464,110.97	13,962,490.96	4,027,089.50
Dalian Vanguard International Logistics Co., Ltd.	184,736,940.36	115,380,035.91	69,356,904.45	7,255,926.39	(4,301,892.35)
Dalian Yidu Jifa Cold Logistics Co., Ltd.	123,776,805.82	62,376,362.66	61,400,443.16	64,857,122.13	13,913,500.33
China United Tally Co., Ltd. Dalian	13,675,020.23	2,803,691.95	10,871,328.28	28,490,621.22	5,421,402.31
Dalian China Oil Dock Management Co., Ltd.	39,310,354.36	4,532,798.76	34,777,555.60	98,559,009.46	8,914,194.64
Liaoning Electronic Port Co., Ltd.	27,416,602.09	17,610,855.53	9,805,746.56	3,287,777.82	43,941.95
Liaoning Con-Rail International Logistics Co., Ltd.	20,291,385.35	17,424,617.77	2,866,767.58	21,147,871.07	(2,215,776.03)
Dalian Dagang China Shipping Container Terminal Co., Ltd.	18,315,734.58	5,965,157.14	12,350,577.44	18,860,163.40	3,913,908.30
Dalian Port Container Terminal Co., Ltd.	1,938,231,653.06	1,207,632,945.64	730,598,707.42	396,223,428.00	71,819,102.60
Dalian International Container Terminal Co., Ltd.	3,205,800,171.84	1,874,908,921.84	1,330,891,250.00	237,329,559.20	1,435,928.03
Dalian Jilong Logistics Co., Ltd.	247,618,455.92	136,159,085.26	111,459,370.66	47,754,998.56	3,737,540.03
Dalian Automobile Terminal Co., Ltd.	412,072,909.81	101,561,492.96	310,511,416.85	67,710,054.90	27,292,782.00
Dalian Singamas International Container Co., Ltd.	159,709,234.69	60,691,704.38	99,017,530.31	53,438,246.48	3,026,788.74
Dalian Shunda Logistics Services Corporation	33,033,875.86	936,594.23	32,097,281.63	10,046,231.96	(1,405,958.02)
China Unite Northeast Rail Containers Co., Ltd.	549,442,961.53	335,369,051.00	214,073,910.53	15,484,197.57	(28,084,561.74)
ODFJELL AP Port Holding Pte. Ltd.	783,917.85	26,592.12	757,325.73	—	(24,592.71)
Dalian Changxing Island Port Co., Ltd.	1,480,823,646.00	897,203,366.69	583,620,279.31	93,849,663.12	485,209.07
大連港散貨物流中心有限公司	4,586,354.50	—	4,586,354.50	—	(413,645.50)

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

13. Jointly-controlled entities and associates (continued)

31 December 2011 (continued)

	Total assets at the end of the year	Total liabilities at the end of the year	Total net assets at the end of the year	Revenue for the year	Net profit/(loss) for the year
<u>Associates</u>					
Dalian Prologis-Jifa Logistics Development Co., Ltd.	689,862,500.38	145,408,592.12	544,453,908.26	29,821,678.63	(14,290,140.02)
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	1,249,466,161.25	1,051,727,068.06	197,739,093.19	246,776,500.00	49,470,940.93
Shenyang Prologis-Jifa Logistics Development Co., Ltd.	136,659,902.88	16,207,555.12	120,452,347.76	6,002,436.45	1,916,165.63
太倉興港拖輪有限公司	8,634,112.54	1,650,673.31	6,983,439.23	28,778,290.00	3,669,279.50
PetroChina Dalian LNG Co., Ltd.	3,879,286,012.99	1,317,528,239.56	2,561,757,773.43	—	(17,140,107.79)
SINOECL Auto Liners, Limited	22,808,716.70	56,723,585.21	(33,914,868.51)	65,031,970.05	2,854,982.87
Jadeway Limited	296,717,018.17	420,203,088.59	(123,486,070.42)	36,707,134.69	(16,038,161.73)
Dalian North Petroleum Logistics Co., Ltd.	326,142,696.72	184,904,770.70	141,237,926.02	—	(3,974,228.20)
China Shipping Gang Lian Co., Ltd.	1,033,447,970.86	728,161,253.42	305,286,717.44	61,588,960.92	(12,473,547.44)
Dalian Wanpeng Port Engineering Examination and Testing Co., Ltd.	2,365,112.12	185,657.06	2,179,455.06	3,356,146.00	307,570.13
Dalian Port Corporation Finance Company Limited	500,894,840.56	581,111.94	500,313,728.62	1,879,285.28	313,728.62
中鐵渤海鐵路輪渡有限公司	2,483,181,554.46	1,207,831,253.67	1,275,350,300.79	642,538,089.03	58,501,958.46
中世國際物流有限公司	300,000,000.00	—	300,000,000.00	—	—
大連鑫海陽環保工程有限公司	200,000.00	—	200,000.00	—	—

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

14. Long-term equity investments

For the six months ended 30 June 2012 (unaudited)

	Investment cost	Opening balance	Movements during the year	Ending balance	Percentage of shareholding (%)	Percentage of voting rights (%)	Cash dividend during the year
Equity method:							
<i>Jointly-controlled entities</i>							
大連港通利船務代理有限公司	1,311,300.00	1,856,202.70	135,776.16	1,991,978.86	50.00	50.00	—
Dalian Harbour ECL Logistics Co., Ltd.	30,111,142.43	30,321,411.19	171,964.96	30,493,376.15	50.00	50.00	—
Odfjell Terminals (Dalian) Ltd.	86,878,185.37	130,645,336.90	11,172,660.89	141,817,997.79	50.00	50.00	—
Dalian Port PetroChina International Terminal Co., Ltd.	125,000,000.00	126,933,246.40	901,998.72	127,835,245.12	50.00	50.00	1,739,921.76
Dalian Assembling Transportation Logistics Co., Ltd. (Note 1)	21,000,000.00	22,130,064.38	—	22,130,064.38	70.00	60.00	—
Dalian United International Shipping Agency	2,175,192.85	7,232,055.49	(581,149.26)	6,650,906.23	50.00	50.00	1,690,000.00
Dalian Vanguard International Logistics Co., Ltd.	37,000,000.00	34,678,452.22	(850,054.40)	33,828,397.82	50.00	50.00	—
Dalian Yidu Jifa Cold Logistics Co., Ltd.	18,000,000.00	30,700,221.58	3,652,506.98	34,352,728.56	50.00	50.00	—
China United Tally Co., Ltd. Dalian	5,103,200.33	5,435,664.14	86,566.08	5,522,230.22	50.00	50.00	—
Dalian China Oil Dock Management Co., Ltd.	16,301,068.34	17,172,410.34	(1,798,145.29)	15,374,265.05	49.00	49.00	3,013,500.00
Liaoning Electronic Port Co., Ltd.	6,000,000.00	5,391,544.06	(1,433,314.06)	3,958,230.00	50.00	50.00	—
Liaoning Con-Rail International Logistics Co., Ltd.	8,000,000.00	1,433,383.80	(5,568.11)	1,427,815.69	50.00	50.00	—
Dalian Dagang China Shipping Container Terminal Co., Ltd	5,798,464.21	7,039,829.16	772,633.94	7,812,463.10	57.00	57.00	—
Dalian Port Container Terminal Co., Ltd.	255,500,000.00	207,968,341.29	6,732,627.01	214,700,968.30	35.00	35.00	—
Dalian International Container Terminal Co., Ltd.	560,000,000.00	531,741,224.49	(4,805,052.90)	526,936,171.59	40.00	40.00	—
Dalian Jilong Logistics Co., Ltd.	21,000,000.00	33,437,811.20	(391,448.86)	33,046,362.34	30.00	30.00	—
Dalian Automobile Terminal Co., Ltd.	152,503,640.00	150,006,564.74	5,061,679.20	155,068,243.94	40.00	40.00	—
Dalian Singamas International Container Co., Ltd.	42,859,398.30	44,237,370.09	723,988.02	44,961,358.11	43.63	43.63	—
Dalian Shunda Logistics Services Corporation	19,256,515.00	16,894,711.31	(3,240,670.20)	13,654,041.11	50.00	50.00	—
China Unite Northeast Rail Containers Co., Ltd.	102,000,000.00	85,629,564.23	(4,942,197.96)	80,687,366.27	40.00	40.00	—
ODFJELL AP Port Holding Pte. Ltd.	314,717.79	291,974.92	1,620.69	293,595.61	50.00	50.00	—
Dalian Changxing Island Port Co., Ltd.	248,000,000.00	233,448,111.72	(11,440,526.24)	222,007,585.48	40.00	40.00	—
大連港散貨物流中心有限公司	2,000,000.00	2,000,000.00	(522,061.24)	1,477,938.76	40.00	40.00	—
Odfjell Dalian Port Consulting Co., Ltd.	3,000,000.00	—	3,000,000.00	3,000,000.00	50.00	50.00	—
大連港長興島投資發展有限公司	313,147,800.00	—	313,147,800.00	313,147,800.00	45.00	45.00	—
Jointly-controlled entities total	2,082,260,624.62	1,726,625,496.35	315,551,634.13	2,042,177,130.48			6,443,421.76

Notes to Financial Statements (continued)

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(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

14. Long-term equity investments (continued)

For the six months ended 30 June 2012 (unaudited) (continued)

	Investment cost	Opening balance	Movements during the year	Ending balance	Percentage of shareholding (%)	Percentage of voting rights (%)	Cash dividend during the year
Equity method: (continued)							
<i>Associates</i>							
China Shipping Gang Lian Co., Ltd.	90,000,000.00	91,728,623.03	(10,269,056.33)	81,459,566.70	30.00	30.00	—
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	20,288,520.00	35,720,881.88	(438,656.30)	35,282,225.58	20.00	20.00	4,947,000.00
Dalian Wapeng Port Engineering Examination & Testing Co., Ltd.	720,000.00	871,782.02	(31,555.07)	840,226.95	40.00	40.00	72,000.00
Dalian Prologis-Jifa Logistics Development Co., Ltd.	239,636,434.98	187,539,836.90	(4,045,148.07)	183,494,688.83	40.00	40.00	—
Shenyang Prologis-Jifa Logistics Development Co., Ltd.	48,876,656.89	48,180,939.10	320,544.06	48,501,483.16	40.00	40.00	—
太倉興港拖輪有限公司	900,000.00	2,095,031.77	(87,911.53)	2,007,120.24	30.00	30.00	450,000.00
PetroChina Dalian LNG Co., Ltd.	520,000,000.00	512,351,554.69	6,556,999.72	518,908,554.41	20.00	20.00	—
SINOECL Auto Liners, Limited	4,540,396.87	—	—	—	20.00	20.00	—
Jadeway Limited	1,667.40	—	—	—	20.00	20.00	—
Dalian North Petroleum Logistics Co., Ltd.	29,600,000.00	28,247,585.20	1,274,273.47	29,521,858.67	20.00	20.00	—
中鐵渤海鐵路輪渡有限公司	274,500,286.56	278,003,004.56	4,591,255.76	282,594,260.32	17.50	17.50	—
中世國際物流有限公司	90,000,000.00	90,000,000.00	—	90,000,000.00	30.00	30.00	—
Dalian Port Corporation Finance Company Limited	200,000,000.00	200,000,000.00	6,551,866.80	206,551,866.80	40.00	40.00	—
大連鑫海陽環保工程有限公司	200,000.00	200,000.00	—	200,000.00	40.00	40.00	—
Associates total	1,519,263,962.70	1,474,939,239.15	4,422,612.51	1,479,361,851.66			5,469,000.00
Equity method total	3,601,524,587.32	3,201,564,735.50	319,974,246.64	3,521,538,982.14			11,912,421.76
Cost method:							
秦皇島港新港灣集裝箱碼頭有限公司	60,000,000.00	60,000,000.00	—	60,000,000.00	15.00	15.00	—
錦州新時代集裝箱碼頭有限公司	52,843,634.00	52,843,634.00	—	52,843,634.00	15.00	15.00	—
山東威海港股份有限公司	11,900,000.00	11,900,000.00	—	11,900,000.00	9.97	9.97	—
大仁輪渡有限公司	1,900,057.50	1,900,057.50	—	1,900,057.50	7.50	7.50	1,144,561.36
大連港口設計研究院有限公司	634,600.00	634,600.00	—	634,600.00	5.80	5.80	—
大連韓銀誠達清潔能源有限公司	1,500,000.00	1,500,000.00	—	1,500,000.00	5.00	5.00	—
大連保稅區北良油品貿易有限公司	400,000.00	400,000.00	—	400,000.00	20.00	20.00	—
Cost method total	129,178,291.50	129,178,291.50	—	129,178,291.50			1,144,561.36
	3,730,702,878.82	3,330,743,027.00	319,974,246.64	3,650,717,273.64			13,056,983.12

Notes to Financial Statements (continued)

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(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

14. Long-term equity investments (continued)

For the year ended 31 December 2011

	Investment cost	Opening balance	Movements during the year	Ending balance	Percentage of shareholding (%)	Percentage of voting rights (%)	Cash dividend during the year
Equity method:							
<i>Jointly-controlled entities</i>							
大連港通利船務代理有限公司	1,311,300.00	1,407,347.20	448,855.50	1,856,202.70	50.00	50.00	—
Dalian Harbour ECL Logistics Co., Ltd.	30,111,142.43	11,122,090.58	19,199,320.61	30,321,411.19	50.00	50.00	—
Odfjell Terminals (Dalian) Ltd.	86,878,185.37	131,790,266.88	(1,144,929.98)	130,645,336.90	50.00	50.00	15,000,000.00
Dalian Port PetroChina International Terminal Co., Ltd.	125,000,000.00	121,483,436.33	5,449,810.07	126,933,246.40	50.00	50.00	—
Dalian Assembling Transportation Logistics Co., Ltd. (Note 1)	21,000,000.00	21,779,062.02	351,002.36	22,130,064.38	70.00	60.00	159,021.22
Dalian Container Terminal Co., Ltd.	700,093,890.12	704,618,664.15	(704,618,664.15)	—	51.00	51.00	—
Dalian United International Shipping Agency	2,175,192.85	5,218,510.74	2,013,544.75	7,232,055.49	50.00	50.00	—
Dalian Vanguard International Logistics Co., Ltd.	37,000,000.00	36,829,398.40	(2,150,946.18)	34,678,452.22	50.00	50.00	—
Dalian Yidu Jifa Cold Logistics Co., Ltd.	18,000,000.00	23,743,471.41	6,956,750.17	30,700,221.58	50.00	50.00	—
China United Tally Co., Ltd. Dalian	5,103,200.33	4,584,098.58	851,565.56	5,435,664.14	50.00	50.00	1,840,666.21
Dalian China Oil Dock Management Co., Ltd.	16,301,068.34	22,342,384.86	(5,169,974.52)	17,172,410.34	49.00	49.00	8,006,600.00
Liaoning Electronic Port Co., Ltd.	6,600,000.00	5,368,992.54	22,551.52	5,391,544.06	55.00	50.00	—
Liaoning Con-Rail International Logistics Co., Ltd.	8,000,000.00	2,541,271.81	(1,107,888.01)	1,433,383.80	50.00	50.00	—
Dalian Dagang China Shipping Container Terminal Co., Ltd	5,798,464.21	2,717,127.03	4,322,702.13	7,039,829.16	57.00	57.00	2,074,762.79
Dalian Port Container Terminal Co., Ltd.	255,500,000.00	206,711,993.88	1,256,347.41	207,968,341.29	35.00	35.00	23,754,168.19
Dalian International Container Terminal Co., Ltd.	560,000,000.00	531,035,642.96	705,581.53	531,741,224.49	40.00	40.00	—
Dalian Jilong Logistics Co., Ltd.	21,000,000.00	32,316,549.19	1,121,262.01	33,437,811.20	30.00	30.00	—
Dalian Automobile Terminal Co., Ltd.	152,503,640.00	139,588,153.94	10,418,410.80	150,006,564.74	40.00	40.00	—
Dalian Singamas International Container Co., Ltd.	42,859,398.30	31,819,657.05	12,417,713.04	44,237,370.09	43.63	43.63	1,241,352.65
Dalian Shunda Logistic Services Corporation	21,718,000.00	17,813,708.33	(918,997.02)	16,894,711.31	50.00	50.00	—
China Unite Northeast Rail Containers Co., Ltd.	102,000,000.00	58,863,388.91	26,766,175.32	85,629,564.23	40.00	40.00	—
ODFJELL AP Port Holding Pte. Ltd.	314,717.79	330,323.63	(38,348.71)	291,974.92	50.00	50.00	—
Dalian Changxing Island Port Co., Ltd.	248,000,000.00	153,214,222.62	80,233,889.10	233,448,111.72	40.00	40.00	—
大連散貨物流中心有限公司	2,000,000.00	—	2,000,000.00	2,000,000.00	40.00	40.00	—
Jointly-controlled entities total	2,469,268,199.74	2,267,239,763.04	(540,614,266.69)	1,726,625,496.35			52,076,571.06

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

14. Long-term equity investments (continued)

For the year ended 31 December 2011 (continued)

	Investment cost	Opening balance	Movements during the year	Ending balance	Percentage of shareholding (%)	Percentage of voting rights (%)	Cash dividend during the year
Equity method: (continued)							
Associates							
中海港聯航運有限公司	90,000,000.00	95,328,623.03	(3,600,000.00)	91,728,623.03	30.00	30.00	—
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	20,288,520.00	30,930,387.09	4,790,494.79	35,720,881.88	20.00	20.00	5,191,000.00
Dalian Wapeng Port Engineering Examination & Testing Co., Ltd.	720,000.00	405,857.97	465,924.05	871,782.02	40.00	40.00	48,000.00
Dalian Prologis-Jifa Logistic Development Co., Ltd.	239,636,434.98	192,514,372.35	(4,974,535.45)	187,539,836.90	40.00	40.00	—
Shenyang Prologis-Jifa Logistic Development Co., Ltd.	48,876,656.89	47,414,472.85	766,466.25	48,180,939.10	40.00	40.00	—
太倉興港拖輪有限公司	900,000.00	1,594,247.92	500,783.85	2,095,031.77	30.00	30.00	600,000.00
PetroChina Dalian LNG Co., Ltd.	520,000,000.00	520,000,000.00	(7,648,445.31)	512,351,554.69	20.00	20.00	—
SINOECL Auto Liners, Limited	4,540,396.87	—	—	—	20.00	20.00	—
Jadeway Limited	1,667.40	—	—	—	20.00	20.00	—
Dalian North Petroleum Logistics Co., Ltd.	29,600,000.00	29,042,430.84	(794,845.64)	28,247,585.20	20.00	20.00	—
中鐵渤海鐵路輪渡有限公司	274,500,286.56	—	278,003,004.56	278,003,004.56	17.50	17.50	—
中世國際物流有限公司	90,000,000.00	—	90,000,000.00	90,000,000.00	30.00	30.00	—
Dalian Port Corporation Finance Company Limited	200,000,000.00	—	200,000,000.00	200,000,000.00	40.00	40.00	—
大連鑫海陽環保工程有限公司	200,000.00	—	200,000.00	200,000.00	40.00	40.00	—
Associates total	1,519,263,962.70	917,230,392.05	557,708,847.10	1,474,939,239.15			5,839,000.00
Equity method total	3,988,532,162.44	3,184,470,155.09	17,094,580.41	3,201,564,735.50			57,915,571.06
Cost method:							
秦皇島港新港灣集裝箱碼頭有限公司	60,000,000.00	60,000,000.00	—	60,000,000.00	15.00	15.00	—
錦州新時代集裝箱碼頭有限公司	52,843,634.00	52,843,634.00	—	52,843,634.00	15.00	15.00	—
山東威海港股份有限公司	11,900,000.00	11,900,000.00	—	11,900,000.00	9.97	9.97	—
大仁輪渡有限公司	1,900,057.50	1,900,057.50	—	1,900,057.50	7.50	7.50	875,067.64
大連港口設計研究院有限公司	634,600.00	634,600.00	—	634,600.00	5.80	5.80	223,330.23
大連韓銀誠達清潔能源有限公司	1,500,000.00	1,500,000.00	—	1,500,000.00	5.00	5.00	—
大連保稅區北良油品質貿易有限公司	400,000.00	400,000.00	—	400,000.00	20.00	20.00	—
Cost method total	129,178,291.50	129,178,291.50	—	129,178,291.50			1,098,397.87
	4,117,710,453.94	3,313,648,446.59	17,094,580.41	3,330,743,027.00			59,013,968.93

Note 1: Dalian Assembling Transportation Logistics Co., Ltd. ("DATL") was established by the Group's subsidiary DCT Logistics Co., Ltd. ("DCTL") and Dalian Customs Institution Service Center (大連海關機構服務中心) in July 2008. DCTL holds a 70% equity interest. According to the Articles of Associations of DATL, the two shareholders have joint control over DATL and the long-term equity investment in DATL is accounted for using the equity method.

As at 30 June 2012 and 31 December 2011, the Group's long-term equity investments were investments in unlisted companies.

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

15. Investment properties

	Buildings	Land use rights	Container terminals	Total
Cost:				
At 1 January 2011	3,990,556.11	72,333,139.51	930,176,552.02	1,006,500,247.64
Transferred to property, plant and equipment	—	—	(195,840,526.00)	(195,840,526.00)
Transferred to intangible assets	—	(11,003,955.42)	—	(11,003,955.42)
Disposals	(2,272,426.59)	—	(4,396,648.10)	(6,669,074.69)
Reclassification	15,349,874.94	—	(15,349,874.94)	—
At 1 January 2012 and 30 June 2012	17,068,004.46	61,329,184.09	714,589,502.98	792,986,691.53
Accumulated depreciation:				
At 1 January 2011	2,568,167.44	5,298,421.10	115,227,118.66	123,093,707.20
Depreciation charged	449,592.60	1,318,263.79	16,143,091.74	17,910,948.13
Transferred to property, plant and equipment	—	—	(28,380,713.13)	(28,380,713.13)
Transferred to intangible assets	—	(1,448,810.74)	—	(1,448,810.74)
Disposals	(1,369,247.75)	—	(3,006,457.67)	(4,375,705.42)
Reclassification	2,727,154.94	—	(2,727,154.94)	—
At 1 January 2012	4,375,667.23	5,167,874.15	97,255,884.66	106,799,426.04
Depreciation charged (unaudited)	224,796.30	642,744.46	7,569,735.42	8,437,276.18
At 30 June 2012	4,600,463.53	5,810,618.61	104,825,620.08	115,236,702.22
Carrying amount:				
At 30 June 2012 (unaudited)	12,467,540.93	55,518,565.48	609,763,882.90	677,749,989.31
At 31 December 2011	12,692,337.23	56,161,309.94	617,333,618.32	686,187,265.49

The land under the above land use rights are located in Mainland China and the terms of the rights are 50 years.

At 30 June 2012, the investment properties above were all leased out under operating lease arrangements.

Management is of the opinion that no provision for impairment was necessary for investment properties at the balance sheet date.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

16. Fixed assets

	Buildings	Terminal facilities	Oil tanks and pipelines	Loading equipment	Transportation equipment	Vessels	Storage facilities	Machinery and equipment	Other equipment	Total
Cost:										
At 1 January 2011	953,379,109.50	3,064,849,455.09	2,083,348,871.36	1,725,506,031.76	532,717,787.37	1,069,366,063.13	1,165,664,752.92	557,138,753.38	413,732,462.46	11,575,703,286.97
Additions	2,937,727.70	895,973.29	—	29,999,541.00	2,489,532.62	—	208,000.00	6,080,993.13	5,333,089.56	47,944,857.30
Change in consolidation scope and acquisition of a subsidiary	155,730,850.93	676,841,507.87	1,144,000.00	900,523,025.17	17,544,295.70	3,000.00	628,992,537.09	57,189,859.59	58,644,374.20	2,496,593,450.55
Transferred from construction in progress	57,277,068.02	326,737,440.65	337,832,135.98	153,434,197.42	278,118,539.94	521,247,413.22	35,266,172.18	58,198,041.20	25,475,582.67	1,794,586,581.28
Transferred from investment properties	—	195,840,526.00	—	—	—	—	—	—	—	195,840,526.00
Reclassification	542,157.26	25,255,970.76	(143,687,993.39)	—	710,376.72	—	13,934,902.35	66,281,419.29	36,963,167.01	—
Disposals	(9,672,441.32)	(365,104.33)	(867,453.96)	(11,963,999.82)	(17,844,324.63)	(39,391,780.61)	—	(1,515,559.89)	(7,568,404.76)	(89,189,069.32)
At 31 December 2011 and 1 January 2012	1,160,194,472.09	4,290,055,769.33	2,267,769,559.99	2,797,498,795.53	813,736,207.72	1,551,224,695.74	1,844,066,364.54	744,353,506.70	532,580,271.14	16,021,479,642.78
Additions	346,781.37	—	—	461,204.24	541,463.60	—	—	526,395.28	1,230,804.03	3,106,648.52
Transferred from construction in progress	—	3,262,263.45	—	3,376,124.80	10,459,973.32	—	—	1,794,173.13	587,330.50	19,479,865.20
Reclassifications	5,046,045.25	70,297,227.38	(110,013,074.63)	4,137,200.00	—	—	—	30,532,602.00	—	—
Transferred to CIP	(6,862,844.16)	—	—	—	—	—	—	—	—	(6,862,844.16)
Disposals	(6,786,127.49)	(34,392,034.03)	—	(53,887,067.62)	(3,347,221.30)	(115,647.53)	(20,729,661.47)	(1,847,804.86)	(11,167,438.39)	(132,273,002.69)
At 30 June 2012 (unaudited)	1,151,938,327.06	4,329,223,226.13	2,177,756,485.36	2,751,586,256.95	821,390,423.34	1,551,109,048.21	1,823,336,703.07	775,358,872.25	523,230,967.28	15,904,930,309.65
Accumulated depreciations:										
At 1 January 2011	149,677,677.06	387,936,802.64	410,446,394.91	795,228,691.43	197,079,698.74	219,420,218.98	140,150,317.88	208,626,040.89	137,299,728.93	2,645,865,571.46
Depreciation charged	33,580,621.12	77,858,740.36	126,309,732.51	133,243,106.99	38,657,006.41	70,983,232.35	40,066,026.15	45,126,137.83	31,846,636.14	597,671,239.86
Change in consolidation scope and acquisition of a subsidiary	46,030,292.27	148,969,447.75	106,206.81	436,514,855.33	11,047,898.70	—	196,187,531.61	30,537,747.17	39,202,287.98	908,596,267.62
Transferred from investment properties	—	28,380,713.13	—	—	—	—	—	—	—	28,380,713.13
Reclassifications	(13,482,839.53)	629,169.46	(12,200,997.74)	9,002.90	519,698.40	—	2,369,036.30	18,776,132.20	3,380,798.01	—
Disposals	(2,305,441.93)	(118,685.68)	(51,700.39)	(10,884,724.65)	(13,430,723.57)	(35,902,191.58)	—	(1,418,004.46)	(6,898,755.49)	(71,010,227.75)
At 31 December 2011 and 1 January 2012	213,500,308.99	643,656,187.66	524,609,636.10	1,354,110,932.00	233,873,578.68	254,501,259.75	378,772,911.94	301,648,053.63	204,830,695.57	4,109,503,564.32
Depreciation charged	17,913,678.45	46,256,086.00	36,624,538.85	76,419,971.28	20,276,751.17	27,263,947.06	21,966,306.83	31,177,680.33	16,685,933.57	294,584,883.54
Transferred to CIP	(95,872.85)	—	—	—	—	—	—	—	—	(95,872.85)
Disposals	(3,761,278.43)	(11,291,166.20)	—	(50,954,315.28)	(2,789,214.73)	—	(4,886,790.46)	(1,493,439.88)	(9,197,999.98)	(84,374,204.96)
At 30 June 2012 (unaudited)	227,556,836.16	678,621,107.46	561,234,174.95	1,379,576,588.00	251,361,115.12	281,765,206.81	385,852,428.31	331,332,294.08	212,318,629.16	4,319,618,380.05
Carrying amount:										
At 30 June 2012 (unaudited)	924,381,490.90	3,650,602,118.67	1,616,522,310.41	1,372,009,668.95	570,029,308.22	1,269,343,841.40	1,427,484,274.76	444,026,578.17	310,912,338.12	11,585,311,929.60
At 31 December 2011	946,694,163.10	3,646,399,581.67	1,763,159,923.89	1,443,387,863.53	579,862,629.04	1,296,723,435.99	1,465,293,452.60	442,705,453.07	327,749,575.57	11,911,976,078.46

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

16. Fixed assets (continued)

As at 30 June 2012, certain vessels of the Group with an aggregate carrying amount of approximately RMB53,895,468.54 (31 December 2011: RMB55,062,217.93) were pledged (Note V.25(1)). Apart from this, there were no other restricted fixed assets.

As at 30 June 2012, the Group was in the process of obtaining certain buildings' ownership certificates, which have an aggregate carrying amount of RMB48,107,242.88 (31 December 2011: RMB43,914,323.15). Management of the Company is of the opinion that there are neither legal nor other obstacles in getting the certificates once the register formalities are completed and the relevant charges are paid.

As at 30 June 2012, there were no temporarily idled fixed assets (31 December 2011: Nil).

Management of the Company is of the opinion that no provision for impairment of fixed assets was necessary at the balance sheet date.

Fixed assets leased out under operating lease arrangements are as follows:

	30 June 2012 Carrying amount (unaudited)	31 December 2011 Carrying amount
Buildings	57,027,038.67	62,282,461.62
Terminal facilities	497,649,916.60	325,229,968.04
Oil tanks and pipelines	237,372,240.08	245,909,702.09
Loading equipment	9,195,639.36	8,203,501.19
Machinery and equipment	85,439,333.19	90,722,921.02
Transportation equipment	367,469,668.58	398,329,108.06
Other equipment	39,002,488.79	37,898,647.16
Vessels	244,954,017.76	250,774,854.45
Total	1,538,110,343.03	1,419,351,163.63

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

17. Fixed assets pending for disposal

	30 June 2012 (unaudited)	31 December 2011	Reason
Buildings	3,323,545.94	—	Demolition
Terminal facilities	22,691,921.03	—	Demolition
Loading equipment	987,546.69	—	Demolition
Transportation equipment	3,594,339.46	3,768,517.64	Disposal, retirement
Storage facilities	15,842,871.01	—	Demolition
Machinery and equipment	352,415.23	—	Demolition, disposal, retirement
Other equipment	1,485,128.28	—	Demolition, disposal, retirement
	48,277,767.64	3,768,517.64	

18. Construction in progress

	30 June 2012 (unaudited)			31 December 2011		
	Ending balance	Impairment	Carrying amount	Ending balance	Impairment	Carrying amount
大連港老港區搬遷 改造大連灣雜貨及 滾裝泊位擴建工程	1,656,228,662.53	—	1,656,228,662.53	1,499,557,385.25	—	1,499,557,385.25
大窯灣二期13-16#泊位	789,636,842.62	—	789,636,842.62	765,501,144.69	—	765,501,144.69
大連港石化1#庫區	352,804,035.67	—	352,804,035.67	342,026,627.82	—	342,026,627.82
礮石4#堆場	306,870,149.61	—	306,870,149.61	280,637,051.11	—	280,637,051.11
大連港石化碼頭	300,124,937.56	—	300,124,937.56	290,914,883.02	—	290,914,883.02
新港18-21#泊位	244,905,639.16	—	244,905,639.16	221,407,568.36	—	221,407,568.36
大連港石化主管廊	188,164,838.89	—	188,164,838.89	182,416,805.97	—	182,416,805.97
新港8#原油罐組	182,349,131.16	—	182,349,131.16	182,266,280.12	—	182,266,280.12
新港沙坨子導流堤	166,669,325.66	—	166,669,325.66	161,829,519.33	—	161,829,519.33
新港9#原油罐組	150,226,712.86	—	150,226,712.86	262,222,685.06	—	262,222,685.06
Others	1,280,140,664.25	—	1,280,140,664.25	1,137,198,550.14	—	1,137,198,550.14
Total	5,618,120,939.97	—	5,618,120,939.97	5,325,978,500.87	—	5,325,978,500.87

As at 30 June 2012, construction in progress of RMB90,407,082.65 was pledged (31 December 2011: RMB86,450,874.33) (Note V.25(2)).

Management of the Company is of the opinion that no provision for impairment of construction in progress was necessary at the balance sheet date.

Notes to Financial Statements (continued)

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(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

18. Construction in progress (continued)

For the six months ended 30 June 2012 (unaudited)

	Budget	Opening balance	Additions	Transferred to fixed assets or intangible assets	Disposals	Closing balance	Source of funds	% of budget
大連港老港區搬遷改造大連灣雜貨及滾裝泊位擴建工程	2,741,120,900.00	1,499,557,385.25	156,671,277.28	—	—	1,656,228,662.53	Loans from financial institution and other sources	60
大窯灣二期13-16#泊位	3,783,000,000.00	765,501,144.69	24,135,697.93	—	—	789,636,842.62	Proceeds from public offering loans from financial institutions and other sources	53
大連港石化1#庫區	400,000,000.00	342,026,627.82	10,777,407.85	—	—	352,804,035.67	Loans from financial institutions and other sources	88
礮石4#堆場	570,600,000.00	280,637,051.11	26,233,098.50	—	—	306,870,149.61	Proceeds from public offering	54
大連港石化碼頭	310,000,000.00	290,914,883.02	9,210,054.54	—	—	300,124,937.56	Loans from financial institutions and other sources	97
新港18-21#泊位	413,770,000.00	221,407,568.36	23,498,070.80	—	—	244,905,639.16	Loans from financial institutions and other sources	59
大連港石化主管廊	200,000,000.00	182,416,805.97	5,748,032.92	—	—	188,164,838.89	Loans from financial institutions and other sources	94
新港8#原油罐組	260,000,000.00	182,266,280.12	82,851.04	—	—	182,349,131.16	Proceeds from public offering	69
新港沙坨子導流堤	171,060,000.00	161,829,519.33	4,839,806.33	—	—	166,669,325.66	Loans from financial institutions and other sources	97
新港9#原油罐組	598,400,000.00	262,222,685.06	—	(111,995,972.20)	—	150,226,712.86	Proceeds from public offering	44
Others		1,137,198,550.14	162,818,489.11	(19,876,375.00)	—	1,280,140,664.25		
Total		5,325,978,500.87	424,014,786.30	(131,872,347.20)	—	5,618,120,939.97		

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

18. Construction in progress (continued)

For the year ended 31 December 2011

	Budget	Opening balance	Additions	Change in consolidation scope and acquisition of a subsidiary	Transferred to fixed assets or intangible assets	Disposals	Closing balance	Source of funds	% of budget
大連港老港區搬遷 改造大連灣雜貨及 滾裝泊位擴建工程	2,835,110,000.00	728,727,685.80	770,829,699.45	—	—	—	1,499,557,385.25	Loans from financial institutions and other sources	53
大窯灣二期13-16#泊位	3,783,000,000.00	840,965,410.31	97,345,734.38	—	(172,810,000.00)	—	765,501,144.69	Proceeds from public offering, loans from financial institutions and other sources	53
大連港石化1#庫區	400,000,000.00	321,291,459.48	20,735,168.34	—	—	—	342,026,627.82	Loans from financial institutions and other sources	86
礮石4#堆場	570,600,000.00	72,053,922.39	208,583,128.72	—	—	—	280,637,051.11	Loans from financial institutions	49
大連港石化碼頭	310,000,000.00	272,655,341.04	18,259,541.98	—	—	—	290,914,883.02	Loans from financial institutions and other sources	94
新港18-21#泊位	413,770,000.00	81,603,367.41	139,804,200.95	—	—	—	221,407,568.36	Loans from financial institutions and other sources	54
大連港石化主管廊	200,000,000.00	171,357,891.63	11,058,914.34	—	—	—	182,416,805.97	Loans from financial institutions and other sources	91
新港7#-8#原油罐組	718,500,000.00	259,697,327.79	234,804,527.53	—	(312,235,575.20)	—	182,266,280.12	Proceeds from public offering	69
新港沙坨子導流堤	213,000,000.00	146,960,119.92	14,869,399.41	—	—	—	161,829,519.33	Loans from financial institutions and other sources	76
新港9#原油罐組	598,400,000.00	212,640,867.24	49,718,441.82	—	(136,624.00)	—	262,222,685.06	Proceeds from public offering	44
Others		1,509,145,499.34	814,142,027.81	197,372,317.82	(1,315,621,033.02)	(67,840,261.81)	1,137,198,550.14		
Total		4,617,098,892.35	2,380,150,784.73	197,372,317.82	(1,800,803,232.22)	(67,840,261.81)	5,325,978,500.87		

Notes to Financial Statements (continued)

30 June 2012
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V. Notes to consolidated financial statements (continued)

18. Construction in progress (continued)

30 June 2012 (unaudited)

	Stage of completion	Accumulated capitalised interest	Interest capitalised during the period	Capitalisation rate
大連港老港區搬遷改造大連灣雜貨及滾裝泊位擴建工程	60%	284,599,020.51	50,256,172.53	6.4%
大窯灣二期13-16#泊位	53%	235,226,490.59	22,436,362.50	5.8%
新港18-21#泊位	59%	28,794,092.92	7,681,385.85	6.2%
大連港石化1#庫區	88%	22,487,987.47	7,664,362.01	6.0%
大連港石化碼頭	97%	19,098,686.15	6,519,015.77	6.0%
新港沙坨子導流堤	97%	18,317,650.77	4,732,006.33	5.8%
大連港石化主管廊	94%	11,993,764.56	4,087,718.10	6.0%
大連港石化碼頭設備	99%	9,679,692.84	3,299,035.55	6.0%
大連港石化鐵路車場	99%	7,069,752.40	2,409,514.94	6.0%
礦石泊位碼頭改造	83%	6,628,785.88	2,581,216.78	5.8%
Others		39,857,899.62	17,069,831.58	5.8%
		683,753,823.71	128,736,621.94	

31 December 2011

	Stage of completion	Accumulated capitalised interest	Interest capitalised during the period	Capitalisation rate
大連港老港區搬遷改造大連灣雜貨及滾裝泊位擴建工程	53%	234,342,847.98	105,697,126.98	5.4%
大窯灣二期13-16#泊位	53%	212,790,128.09	41,147,054.24	4.5%
新港18-21#泊位	54%	21,112,707.07	13,079,726.49	5.6%
大連港石化1#庫區	86%	14,823,625.46	14,823,625.46	6.0%
大連港石化碼頭	96%	12,579,670.38	12,579,670.38	6.0%
新港沙坨子導流堤	76%	13,585,644.44	7,180,154.48	4.5%
大連港石化主管廊	91%	7,906,046.46	7,906,046.46	6.0%
大連港石化碼頭設備	97%	6,380,657.29	6,380,657.29	6.0%
大連港石化鐵路車場	97%	4,660,237.46	4,660,237.46	6.0%
礦石泊位碼頭改造	78%	4,047,569.10	3,180,187.27	4.5%
Others		22,788,068.04	17,017,666.11	4.5%
		555,017,201.77	233,652,152.62	

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

19. Intangible assets

	Land use rights	Port information platform	Customer relationships	Container flat vehicle use rights	Software	Golf membership	Sea area use rights	Port facilities use rights	Total
Cost									
At 1 January 2011	252,421,046.61	64,310,000.00	15,970,000.00	46,660,098.18	90,524,095.00	1,340,000.00	96,962,376.91	—	568,187,616.70
Change in consolidation scope and acquisition of a subsidiary	212,420,765.90	—	—	—	14,357,586.86	637,376.00	3,455,982.72	253,448,422.59	484,320,134.07
Additions	2,141,235.20	—	—	—	3,215,430.00	—	—	—	5,356,665.20
Transferred from construction in progress	—	—	—	—	6,216,640.94	—	—	—	6,216,640.94
Transferred from investment properties	11,003,955.42	—	—	—	—	—	—	—	11,003,955.42
Disposals	(10,410,833.04)	—	—	—	(1,193,470.81)	—	—	—	(11,604,303.85)
At 31 December 2011 and 1 January 2012	467,576,170.09	64,310,000.00	15,970,000.00	46,660,098.18	113,120,281.99	1,977,376.00	100,418,359.63	253,448,422.59	1,063,480,708.48
Additions (unaudited)	—	—	—	—	190,040.00	—	—	—	190,040.00
Transferred from construction in progress (unaudited)	111,995,972.20	—	—	—	396,509.80	—	—	—	112,392,482.00
At 30 June 2012 (unaudited)	579,572,142.29	64,310,000.00	15,970,000.00	46,660,098.18	113,706,831.79	1,977,376.00	100,418,359.63	253,448,422.59	1,176,063,230.48
Accumulated amortisation									
At 1 January 2011	22,115,951.77	16,613,416.67	4,635,000.00	13,123,152.66	39,213,942.97	469,000.14	—	—	96,170,464.21
Additions	8,528,760.29	6,431,000.00	1,597,000.00	2,916,256.20	9,789,732.53	144,317.28	2,480,984.50	3,922,528.59	35,810,579.39
Change in consolidation scope and acquisition of a subsidiary	57,448,663.47	—	—	—	4,858,024.06	159,343.39	—	68,992,321.60	131,458,352.52
Transferred from investment properties	1,448,810.74	—	—	—	—	—	—	—	1,448,810.74
Disposals	(642,001.37)	—	—	—	(1,152,974.69)	—	—	—	(1,794,976.06)
31 December 2011 and 1 January 2012	88,900,184.90	23,044,416.67	6,232,000.00	16,039,408.86	52,708,724.87	772,660.81	2,480,984.50	72,914,850.19	263,093,230.80
Additions (unaudited)	5,623,491.24	3,215,500.00	798,500.00	1,458,128.10	5,786,683.10	93,211.50	1,284,718.74	2,615,019.06	20,875,251.74
At 30 June 2012 (unaudited)	94,523,676.14	26,259,916.67	7,030,500.00	17,497,536.96	58,495,407.97	865,872.31	3,765,703.24	75,529,869.25	283,968,482.54
Carrying amount									
At 30 June 2012 (unaudited)	485,048,466.15	38,050,083.33	8,939,500.00	29,162,561.22	55,211,423.82	1,111,503.69	96,652,656.39	177,918,553.34	892,094,747.94
At 31 December 2011	378,675,985.19	41,265,583.33	9,738,000.00	30,620,689.32	60,411,557.12	1,204,715.19	97,937,375.13	180,533,572.40	800,387,477.68

The land under the above land use rights are located in Mainland China and the terms of the rights are 50 years.

As at 30 June 2012, land use rights of RMB16,781,724.19 (31 December 2011: RMB16,957,605.19) were pledged (Note V.25(2)).

Management of the Company is of the opinion that no provision for impairment of intangible assets was necessary at the balance sheet date.

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

20. Goodwill

30 June 2012

	Opening and closing balance (unaudited)
Dalian Jiye Logistics Co., Ltd. ("Dalian Jiye")	2,397,589.82
DCT Logistics Co., Ltd. ("DCTL")	6,218,460.29
Dalian Portnet Co., Ltd. ("DPN")	7,419,238.63
Dalian Port Petroleum & Chemical Co., Ltd. ("DPPC")	61,700,000.00
	<u>77,735,288.74</u>
Less: Impairments	—
	<u>77,735,288.74</u>

31 December 2011

	Opening and closing balance
Dalian Jiye Logistics Co., Ltd. ("Dalian Jiye")	2,397,589.82
DCT Logistics Co., Ltd. ("DCTL")	6,218,460.29
Dalian Portnet Co., Ltd. ("DPN")	7,419,238.63
Dalian Port Petroleum & Chemical Co., Ltd. ("DPPC")	61,700,000.00
	<u>77,735,288.74</u>
Less: Impairments	—
	<u>77,735,288.74</u>

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

20. Goodwill (continued)

The basis of determining the recoverable amounts of the above asset groups and their major underlying assumptions are summarised below:

DCTL, DPN and Dalian Jiyi

The recoverable amounts of DCTL, DPN and Dalian Jiyi have been determined based on the present values of cash flow projections of the asset groups based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 12% (2011: 12%). The growth rate used to extrapolate the cash flows beyond the five-year period is 3% (2011: 3%). This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the valuation related to the estimation of cash inflows and outflows which include budgeted sales and budgeted gross margin. This estimation is determined based on the past performance of the asset groups and the management's expectation for the market development.

DPPC

The recoverable amount of DPPC has been determined based on the present value of cash flow projections of the asset group based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 12% (2011: 12%). The growth rate used to extrapolate the cash flows beyond the five-year period is 5% (2011: 5%). This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the valuation related to the estimation of cash inflows and outflows which include budgeted sales and budgeted gross margin. This estimation is determined based on the management's expectation for the market development and the future performance of the asset group.

21. Long-term prepaid expenses

	Public facilities in the bonded port	Decorations	Others	Total
At 1 January 2011	12,690,388.25	4,687,680.41	3,467,500.59	20,845,569.25
Additions	—	1,890,866.39	1,960,109.20	3,850,975.59
Change in consolidation scope and acquisition of a subsidiary	1,818,612.48	633,674.80	—	2,452,287.28
Amortisation	(827,923.94)	(2,082,474.95)	(305,818.19)	(3,216,217.08)
At 31 December 2011 and 1 January 2012	13,681,076.79	5,129,746.65	5,121,791.60	23,932,615.04
Additions (unaudited)	—	201,396.83	529,154.00	730,550.83
Amortisation (unaudited)	(427,533.72)	(820,065.81)	(300,758.25)	(1,548,357.78)
30 June 2012 (unaudited)	13,253,543.07	4,511,077.67	5,350,187.35	23,114,808.09

Notes to Financial Statements (continued)

30 June 2012
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V. Notes to consolidated financial statements (continued)

22. Deferred tax assets/liabilities

Deferred tax assets and deferred tax liabilities are listed as follows:

Recognised deferred tax assets and liabilities:

	30 June 2012 (unaudited)	31 December 2011
Deferred tax assets:		
Accrued employee benefits	387,572.00	387,572.00
Unrealised inter-group profit	41,447,560.06	34,292,292.98
Accrued land appreciation tax	4,500,149.85	4,500,149.85
Asset impairment provision	1,566,353.20	1,566,353.20
Tax paid on advance received	3,041,909.03	3,041,909.03
Accrued land development cost	8,177,911.66	8,177,911.66
Temporary difference on amortisation of decoration	130,333.33	130,333.33
Temporary difference on amortisation of software	401,750.05	401,750.05
Expenses without invoices	784,854.49	784,854.49
Deductible losses	3,448,063.93	3,448,063.93
Changes in fair values of available-for-sale financial assets	2,514,184.50	2,248,714.13
Others	1,200.00	1,200.00
	66,401,842.10	58,981,104.65
Deferred tax liabilities:		
Fair value adjustment on assets acquired in a business combination not under common control	76,510,975.22	77,337,293.53

Unrecognised deferred tax assets are as follows:

	30 June 2012 (unaudited)	31 December 2011
Deductible losses	50,028,162.92	35,761,201.40

Notes to Financial Statements (continued)

30 June 2012
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V. Notes to consolidated financial statements (continued)

22. Deferred tax assets/liabilities (continued)

Deductible losses that were not recognised as deferred tax assets will expire in the following years:

	30 June 2012 (unaudited)	31 December 2011
2012	9,376,079.23	9,376,079.23
2013	8,355,699.14	8,355,699.14
2014	10,923,662.03	10,923,662.03
2015	21,427,361.56	21,427,361.56
2016	94,067,442.63	94,067,442.63
2017	57,747,904.17	—
	201,898,148.76	144,150,244.59

23. Provision for impairment of assets

30 June 2012 (unaudited)

	Opening balance	Provision	Write-off	Closing balance
Provision for bad debts:	4,458,336.31	—	—	4,458,336.31
Accounts receivable	2,852,921.74	—	—	2,852,921.74
Other receivables	1,605,414.57	—	—	1,605,414.57
Provision for inventories	2,037,642.99	—	—	2,037,642.99
	6,495,979.30	—	—	6,495,979.30

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

23. Provision for impairment of assets (continued)

31 December 2011

	Opening balance	Provision	Increase due to change in consolidation scope	Write-off	Closing balance
Provision for bad debts:	3,033,234.61	—	1,568,657.50	(143,555.80)	4,458,336.31
Accounts receivable	2,939,524.54	—	56,953.00	(143,555.80)	2,852,921.74
Other receivables	93,710.07	—	1,511,704.50	—	1,605,414.57
Provision for inventories	—	—	2,037,642.99	—	2,037,642.99
	3,033,234.61	—	3,606,300.49	(143,555.80)	6,495,979.30

24. Other non-current assets

		30 June 2012 (unaudited)	31 December 2011
Loans to jointly-controlled entities		—	5,610,000.00
Loans to associates	(1)	29,703,221.72	24,449,257.33
Entrusted investment	(2)	1,000,000,000.00	1,000,000,000.00
		1,029,703,221.72	1,030,059,257.33

As at 30 June 2012, other non-current assets comprised:

- (1) The Group provided an unsecured loan of RMB19,058,198.35 to its associate Jadeway Limited in 2009. The loan bears an interest rate of 1% per annum and is repayable on 29 January 2029.

The Group provided unsecured loans of RMB6,616,929.15 and RMB4,028,094.22 to its associate SINOECL Auto Liners Limited in 2010 and 2011, respectively. The loans bear an interest rate of 1% per annum and are repayable on 2 December 2029.

- (2) The entrusted investment of RMB1,000,000,000.00 was a single trust investment with designated usage entrusted by Huachen Trust Co., Ltd. The entrusted investment was used to provide entrusted loans to third parties. The expected annual rate of return is 9%. The entrusted investment will expire on 19 October 2013. Its principal and income were guaranteed by Huaxin Huitong Group Co., Ltd..

Notes to Financial Statements (continued)

30 June 2012
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V. Notes to consolidated financial statements (continued)

25. Assets with restricted ownership

At 30 June 2012 (unaudited)

		Opening balance	Increase	Decrease	Closing balance
Guaranteed assets:					
Fixed assets	(1)	55,062,217.93	—	(1,166,749.39)	53,895,468.54
Construction in progress	(2)	86,450,874.33	3,956,208.32	—	90,407,082.65
Intangible assets	(2)	16,957,605.19	—	(175,881.00)	16,781,724.19
Pledged assets:					
Cash and bank balances	(3)	23,422,082.84	—	(17,668,409.54)	5,753,673.30
Notes receivable	(3)	20,000,000.00	—	(18,000,000.00)	2,000,000.00
		201,892,780.29	3,956,208.32	(37,011,039.93)	168,837,948.68

At 31 December 2011

		Opening balance	Increase	Decrease	Closing balance
Guaranteed assets:					
Fixed assets	(1)	57,395,716.84	—	(2,333,498.91)	55,062,217.93
Construction in progress	(2)	—	86,450,874.33	—	86,450,874.33
Intangible assets	(2)	—	16,957,605.19	—	16,957,605.19
Pledged assets:					
Cash and bank balances	(3)	1,266,425.76	22,155,657.08	—	23,422,082.84
Notes receivable	(3)	—	20,000,000.00	—	20,000,000.00
		58,662,142.60	145,564,136.60	(2,333,498.91)	201,892,780.29

(1) As at 30 June 2012, certain vessels of the Group with a carrying amount of RMB53,895,468.54 (31 December 2011: RMB55,062,217.93) were pledged to secure a bank loan of RMB18,200,000.00 (31 December 2011: RMB18,200,000.00) (Note V.36).

(2) As at 30 June 2012, certain construction in progress with a carrying amount of RMB90,407,082.65 (31 December 2011: RMB86,450,874.33) and land use rights with a carrying amount of RMB16,781,724.19 (31 December 2011: RMB16,957,605.19) were pledged to secure a bank loan of RMB36,570,185.31 (31 December 2011: RMB30,445,907.13) (Note V.36). The amortization amount of the land use rights was RMB175,881.00 for the six months ended 30 June 2012.

Notes to Financial Statements (continued)

30 June 2012
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V. Notes to consolidated financial statements (continued)

25. Assets with restricted ownership (continued)

- (3) As at 30 June 2012, cash and bank balances of RMB5,753,673.30 (31 December 2011: RMB23,422,082.84) were pledged to secure the bank acceptance notes of RMB12,516,733.00 (31 December 2011: RMB54,030,000.00); and notes receivable of RMB2,000,000.00 (31 December 2011: RMB20,000,000.00) were pledged to secure bank acceptance notes payable of RMB2,000,000.00 (31 December 2011: RMB20,000,000.00).

26. Short-term borrowings

	30 June 2012 (unaudited)	31 December 2011
Credit borrowings (Note)	669,500,000.00	21,000,000.00
Guaranteed borrowings	—	600,000,000.00
	669,500,000.00	621,000,000.00

As at 30 June 2012, the interest rates for the above borrowings were 6.00% to 7.22% per annum (31 December 2011: 4.00% to 6.56% per annum).

Note: The Group obtained short-term borrowings of RMB160,000,000.00 and RMB30,000,000.00 from its associate, Dalian Port Corporation Finance Company Limited. The borrowings are unsecured, bear interest rates of 6.56% and 7.22% per annum and are repayable in full on 8 April 2013 and 16 February 2013, respectively.

As at 30 June 2012, the Group had no expired short-term borrowings (31 December 2011: Nil).

27. Notes payable

	30 June 2012 (unaudited)	31 December 2011
Bank acceptance notes	14,516,733.00	74,030,000.00

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

28. Accounts payable

Accounts payable are interest-free and the terms are usually 90 days.

An ageing analysis of accounts payable is as follows:

	30 June 2012 (unaudited)	31 December 2011
Within 1 year	125,646,115.96	142,155,524.21
1 to 2 years	9,134,848.91	3,554,033.31
2 to 3 years	487,005.00	273,390.52
	135,267,969.87	145,982,948.04

As at 30 June 2012, except for the accounts payable due to the parent, PDA, of RMB480,000.00 (31 December 2011: Nil), there was no other account payable due to any shareholder holding 5% or more of the Company's voting shares.

As at 30 June 2012 and 31 December 2011, accounts payable due to related parties are disclosed in Note VI Related parties and related party transactions.

As at 30 June 2012, the Group had no significant accounts payable with ageing above one year (31 December 2011: Nil).

29. Advances from customers

	30 June 2012 (unaudited)	31 December 2011
Advances for leasing bulk grain vehicle	7,826,901.55	19,566,574.16
Advances for public facilities maintenance	11,136,795.85	12,167,636.11
Transportation charges	8,409,340.86	16,288,131.94
Port construction fee	—	11,451,112.76
Others	21,361,134.23	27,569,455.68
	48,734,172.49	87,042,910.65

As at 30 June 2012, there was no advance from any shareholder holding more than 5% (including 5%) of the voting rights of the Company (31 December 2011: Nil).

As at 30 June 2012 and 31 December 2011, advances from related parties are disclosed in Note VI Related parties and related party transactions.

Notes to Financial Statements (continued)

30 June 2012
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V. Notes to consolidated financial statements (continued)

29. Advances from customers (continued)

As at 30 June 2012 and 31 December 2011, significant advances from customers with ageing over one year are as follows:

	30 June 2012	31 December 2011	Reasons for being outstanding
Advances for public facility maintenance	11,136,795.85	12,167,636.11	Transfer as stipulated by the contact

30. Employee benefits payable

30 June 2012 (unaudited)

	Opening balance	Increase	Decrease	Closing balance
Salaries, bonuses, allowances and subsidies	70,554,622.41	260,777,484.41	(287,442,248.21)	43,889,858.61
Staff welfare	—	21,975,187.21	(21,975,187.21)	—
Social insurances	1,545,560.21	68,877,211.20	(67,422,429.03)	3,000,342.38
Including: Medical insurance	280,112.51	16,344,834.71	(16,304,093.37)	320,853.85
Pension insurance	622,161.97	42,788,167.38	(42,790,646.51)	619,682.84
Supplementary pension insurance	434,000.00	2,371,448.73	(953,071.09)	1,852,377.64
Unemployment insurance	98,120.88	4,291,219.86	(4,290,962.87)	98,377.87
Work injury insurance	86,976.92	1,572,737.77	(1,574,035.35)	85,679.34
Maternity insurance	24,187.93	1,508,802.75	(1,509,619.84)	23,370.84
Housing funds	450,242.90	44,215,501.49	(44,656,604.39)	9,140.00
Monetary housing subsidies	44,734,550.80	76,923.00	(44,450,197.00)	361,276.80
Labour union fund and employee education fund	1,186,103.16	6,922,782.45	(7,420,252.54)	688,633.07
Compensation for termination of employment relationship	—	8,120.00	(8,120.00)	—
Other allowances	13,219,090.57	47,622,536.77	(50,653,801.69)	10,187,825.65
	131,690,170.05	450,475,746.53	(524,028,840.07)	58,137,076.51

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

30. Employee benefits payable (continued)

31 December 2011

	Opening balance	Increase	Decrease	Closing balance
Salaries, bonuses, allowances and subsidies	47,741,373.03	530,829,005.53	(508,015,756.15)	70,554,622.41
Staff welfare	—	55,467,605.04	(55,467,605.04)	—
Social insurances	404,369.31	135,741,837.28	(134,600,646.38)	1,545,560.21
Including: Medical insurance	117,909.83	28,488,942.81	(28,326,740.13)	280,112.51
Pension insurance	164,732.31	77,098,408.48	(76,640,978.82)	622,161.97
Supplementary pension insurance	—	16,322,681.77	(15,888,681.77)	434,000.00
Unemployment insurance	52,370.16	7,729,925.58	(7,684,174.86)	98,120.88
Work injury insurance	59,110.24	3,026,650.65	(2,998,783.97)	86,976.92
Maternity insurance	10,246.77	3,075,227.99	(3,061,286.83)	24,187.93
Housing funds	6,378,647.00	70,153,426.65	(76,081,830.75)	450,242.90
Monetary housing subsidies	25,055,028.80	35,000,000.00	(15,320,478.00)	44,734,550.80
Labour union fund and employee education fund	927,773.49	17,398,387.61	(17,140,057.94)	1,186,103.16
Compensation for termination of employment relationship	—	223,294.50	(223,294.50)	—
Other allowances	3,170,998.60	112,685,482.28	(102,637,390.31)	13,219,090.57
	<u>83,678,190.23</u>	<u>957,499,038.89</u>	<u>(909,487,059.07)</u>	<u>131,690,170.05</u>

As at 30 June 2012, no defaulted payables were included in the employee benefits payable (31 December 2011: Nil).

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

31. Taxes payable

	30 June 2012 (unaudited)	31 December 2011
VAT	(3,045,934.29)	(1,692,074.45)
Business tax	28,559,685.48	34,643,064.59
CIT	36,955,967.14	38,575,813.70
City maintenance and construction tax	2,021,628.57	2,519,722.60
Education surcharge	1,282,732.02	1,639,154.54
Land appreciation tax	108,121.20	517,282.25
Individual income tax	788,954.31	5,153,356.04
Others	1,398,663.01	2,560,813.83
	68,069,817.44	83,917,133.10

32. Interest payable

	30 June 2012 (unaudited)	31 December 2011
Interest on bank loans	4,480,781.13	4,338,868.40
Interest on corporate bonds (Note V.37)	148,782,254.75	192,751,084.50
Interest on entrusted loans	23,333.33	514,666.59
	153,286,369.21	197,604,619.49

Notes to Financial Statements (continued)

30 June 2012
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V. Notes to consolidated financial statements (continued)

33. Dividends payable

	30 June 2012 (unaudited)	31 December 2011
Singapore Dalian Port Investment Pte Ltd.	91,264,154.04	91,264,154.04
United States Sankyo Holdings Limited	2,896,414.78	1,642,339.51
Dalian Bonded Zhengtong Company Limited	6,293,574.22	5,779,554.22
PDA	144,524,700.00	—
Dalian Rongda Investment Company Limited	1,028,040.00	—
Dalian Haitai Holdings Company Limited	514,020.00	—
Dalian Detai Holdings Company Limited	514,020.00	—
H share shareholders	63,756,000.00	—
A share shareholders	45,709,200.00	—
National Social Security Fund Council	9,000,000.00	—
	365,500,123.04	98,686,047.77

34. Other payables

	At 30 June 2012 (unaudited)	31 December 2011
Investment payable	113,147,800.00	—
Construction payables	572,838,877.40	679,428,224.06
Deposits due to related parties (Note)	982,907.27	47,506,163.17
Compensation collected	21,494,402.99	24,498,859.07
Port construction fee collected	8,905,050.26	491,514.00
Fare collected	1,715,936.96	6,709,655.59
Rental payables	19,131,210.67	15,079,025.00
Subsidies received	6,200,100.00	3,001,324.00
Others	149,745,644.19	140,970,065.88
	894,161,929.74	917,684,830.77

Note: Deposits due to related parties represent the demand deposits collected by the finance centre of the Company from PDA and its subsidiaries, jointly-controlled entities and associates which bear the current deposit interest rate and are repayable on demand.

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V. Notes to consolidated financial statements (continued)

34. Other payables (continued)

As at 30 June 2012, except for the other payables due to the parent, PDA, of RMB120,264,717.81 (31 December 2011: RMB12,695,268.50), there was no other account payable due to any shareholder holding 5% or more of the Company's voting shares.

Other payables due to related parties as at 30 June 2012 and 31 December 2011, are disclosed in Note VI Related parties and related party transactions.

As at 30 June 2012, significant other payables with ageing over one year are as follows:

	Amount	Reasons for not being repaid
No.3 Engineering Company Ltd. of CCCC First Harbor Engineering Company Ltd.	90,020,680.19	Unsettled construction payables
Dalian Port Construction Engineering Co., Ltd.	24,192,329.99	Unsettled construction payables
Dalian Port Machinery and Electric Co., Ltd.	22,523,580.52	Unsettled construction payables
Changjiang Wuhan Waterway Engineering Company	20,236,384.13	Unsettled construction payables
Sunshine Property Insurance Company	16,494,402.99	Unsettled insurance compensation
	173,467,377.82	

Among the aforesaid significant other payables with ageing over one year, an amount of RMB14,301,875.09 was repaid after the balance sheet date.

35. Non-current liabilities due within one year

Long-term borrowings due within one year are as follows:

	30 June 2012 (unaudited)	31 December 2011
Credit borrowings	430,000,000.00	210,000,000.00

As at 30 June 2012, no expired borrowings with extension were included in the long-term borrowings within one year (31 December 2011: Nil).

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

35. Non-current liabilities due within one year (continued)

As at 30 June 2012, long-term borrowings due within one year are as follows:

	Starting date	Maturity date	Currency	Interest rate (%)	30 June 2012	31 December 2011
Dalian Ganjingzi Rural Cooperative Bank	2011.04.21	2013.04.19	RMB	5.985	200,000,000.00	—
China Construction Bank, Dalian Zhongshan Branch	2010.10.21	2012.12.08	RMB	6.345	150,000,000.00	150,000,000.00
China Bohai Bank, Dalian Branch	2010.01.17	2013.01.16	RMB	5.985	50,000,000.00	—
Bank of China, Dalian Dayaowan Branch	2006.12.31	2012.12.31	RMB	6.080	20,000,000.00	20,000,000.00
Bank of China, Dalian Xigang Branch	2009.07.17	2012.07.17	RMB	5.940	10,000,000.00	20,000,000.00
China Bohai Bank, Dalian Branch	2010.03.31	2012.01.17	RMB	5.985	—	20,000,000.00
					430,000,000.00	210,000,000.00

As at 30 June 2012, no expired borrowings were included in the long-term borrowings within one year (31 December 2011: Nil).

36. Long-term borrowings

	30 June 2012 (unaudited)	31 December 2011
Pledged borrowings	54,770,185.31	48,645,907.13
Guaranteed borrowings	289,632,154.98	289,841,456.80
Credit borrowings (Note)	1,651,000,000.00	1,860,000,000.00
	1,995,402,340.29	2,198,487,363.93

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

36. Long-term borrowings (continued)

The long-term borrowings are repayable as follows:

	30 June 2012	31 December 2011
2013	301,000,000.00	551,000,000.00
2014	306,000,000.00	286,000,000.00
2015	576,832,154.98	556,041,456.80
2016	510,445,907.13	505,445,907.13
2016 and after	301,124,278.18	300,000,000.00
	1,995,402,340.29	2,198,487,363.93

Note: Credit borrowings comprised the unsecured long-term loans borrowed by the Group from its associates Dalian Assembling Transportation Logistics Co., Ltd. and Dalian Port Corporation Finance Company Limited. The amounts were RMB21,000,000.00 and RMB20,000,000.00 with interest rates of 4.00% and 6.65% per annum, respectively. The due dates are 10 April 2015 and 21 March 2014, of respectively.

As at 30 June 2012, certain of the Group's long-term bank borrowings of RMB18,200,000.00 (31 December 2011: RMB18,200,000.00) were secured by certain vessels of the Group with an aggregate carrying amount of RMB53,895,468.54 (31 December 2011: RMB55,062,217.93).

As at 30 June 2012, certain of the Group's long-term bank borrowings of RMB36,570,185.31 (31 December 2011: RMB30,445,907.13) were secured by certain construction in progress and land use rights of the Group with aggregate carrying values of RMB90,407,082.65 (31 December 2011: RMB86,450,874.33) and RMB16,781,724.19 (31 December 2011: RMB16,957,605.19), respectively.

As at 30 June 2012, certain of the Group's bank loans of RMB289,632,154.98 (31 December 2011: RMB289,841,456.80) were denominated in USD and were secured by a guarantee provided by the Company.

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

36. Long-term borrowings (continued)

As at 30 June 2012, the top five long-term borrowings were as follows:

	Starting date	Maturity date	Currency	Interest rate	Balance at 30 June 2012	
					Foreign currency	RMB
China Construction Bank, Dalian Zhongshan Branch	2009.12.9	2017.12.8	RMB	6.345%		1,300,000,000.00
China Merchants Bank, Hong Kong Branch	2010.4.21	2015.4.20	USD	LIBOR+1.30%	46,000,000.00	289,632,263.62
China Construction Bank, Dalian Zhongshan Branch	2011.1.31	2016.1.30	RMB	6.210%		250,000,000.00
Dalian Port Corporation Finance Co., Ltd.	2012.4.11	2015.4.10	RMB	4.000%		21,000,000.00
Bank of China, Dalian Xigang Branch	2009.7.21	2013.7.20	RMB	5.940%		20,000,000.00
						<u>1,880,632,263.62</u>

As at 31 December 2011, the top five long-term borrowings were as follows:

	Starting date	Maturity date	Currency	Interest rate	Balance at 31 December 2011	
					Foreign currency	RMB
China Construction Bank, Dalian Zhongshan Branch	2009.12.9	2017.12.8	RMB	6.345%		1,300,000,000.00
China Merchants Bank, Hong Kong Branch	2011.4.21	2015.4.20	USD	LIBOR+1.30%	46,000,000.00	289,841,456.80
China Construction Bank, Dalian Zhongshan Branch	2011.1.31	2016.1.30	RMB	5.598%		250,000,000.00
Dalian Ganjingzi Rural Cooperative Bank	2011.4.21	2013.4.19	RMB	5.985%		200,000,000.00
China Bohai Bank, Dalian Branch	2011.1.12	2013.1.7	RMB	5.985%		50,000,000.00
						<u>2,089,841,456.80</u>

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

37. Bonds payable

For the six months ended 30 June 2012 (unaudited)

	Opening balance	Increase	Decrease	Closing balance
Non-current:				
Medium-term notes	2,486,715,932.16	2,668,329.21	—	2,489,384,261.37
Corporate bonds	5,343,228,657.48	4,493,702.95	—	5,347,722,360.43
	<u>7,829,944,589.64</u>	<u>7,162,032.16</u>	<u>—</u>	<u>7,837,106,621.80</u>
Current:				
Short-term financing bonds	200,000,000.00	—	(200,000,000.00)	—
	<u>8,029,944,589.64</u>	<u>7,162,032.16</u>	<u>(200,000,000.00)</u>	<u>7,837,106,621.80</u>

For the year ended 31 December 2011

	Opening balance	Increase	Decrease	Closing balance
Non-current:				
Medium-term notes	2,481,670,772.08	5,045,160.08	—	2,486,715,932.16
Corporate bonds	—	5,343,228,657.48	—	5,343,228,657.48
	<u>2,481,670,772.08</u>	<u>5,348,273,817.56</u>	<u>—</u>	<u>7,829,944,589.64</u>
Current:				
Short-term financing bonds	—	200,000,000.00	—	200,000,000.00
	<u>2,481,670,772.08</u>	<u>5,548,273,817.56</u>	<u>—</u>	<u>8,029,944,589.64</u>

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

37. Bonds payable (continued)

As at 30 June 2012, bonds payable are listed as follows:

	Date of issuance	Maturity period	Amount issued	Accumulated adjustment in interest	Closing balance	Interest payable at the end of the period
Medium-term note	2009.5.26	5 years	1,500,000,000.00	(6,369,443.17)	1,493,630,556.83	5,533,794.50
Medium-term note	2009.6.1	5 years	1,000,000,000.00	(4,246,295.46)	995,753,704.54	2,951,357.07
Corporate bonds	2011.5.23	10 years	2,350,000,000.00	(22,738,074.85)	2,327,261,925.15	13,658,690.07
Corporate bonds	2011.9.26	7 years	2,650,000,000.00	(24,333,437.77)	2,625,666,562.23	122,549,794.53
Corporate bonds	2011.10.27	3 years	400,000,000.00	(5,206,126.95)	394,793,873.05	4,088,618.58
			7,900,000,000.00	(62,893,378.20)	7,837,106,621.80	148,782,254.75

As at 31 December 2011, bonds payable are as follows:

	Date of issuance	Maturity period	Amount issued	Accumulated adjustment in interest	Closing balance	Interest payable at the end of the year
Medium-term note	2009.5.26	5 years	1,500,000,000.00	(7,970,440.70)	1,492,029,559.30	37,450,000.00
Medium-term note	2009.6.01	5 years	1,000,000,000.00	(5,313,627.14)	994,686,372.86	24,966,666.67
Corporate bonds	2011.5.23	10 years	2,350,000,000.00	(23,716,498.38)	2,326,283,501.62	76,094,931.51
Corporate bonds	2011.9.26	7 years	2,650,000,000.00	(26,744,136.47)	2,623,255,863.53	42,606,917.81
Corporate bonds	2011.10.27	3 years	400,000,000.00	(6,310,707.67)	393,689,292.33	4,195,068.51
Short-term financing bonds	2011.4.14	1 year	200,000,000.00	—	200,000,000.00	7,437,500.00
			8,100,000,000.00	(70,055,410.36)	8,029,944,589.64	192,751,084.50

On 23 May 2011, the Company issued corporate bonds in an aggregate principal amount of RMB2,350,000,000.00 with a maturity period of 10 years. The interest rate is fixed and the nominal interest rate of the bond is 5.3% per annum. The relevant issuance cost amounted to RMB25,156,495.00.

On 28 September 2011, the Company issued corporate bonds in an aggregate principal amount of RMB2,650,000,000.00 with a maturity period of seven years. By the end of the fifth year from the insurance of the bonds, the Company has the right to increase the nominal interest rate of the bonds and the bond holders have the right to sell back a portion or all of the bonds to the Company. The interest rate is fixed and the nominal interest rate of is 6.05% per annum. The interests are payable each year. The relevant issuance cost amounted to RMB27,775,729.25.

On 28 October 2011, the Group issued corporate bonds in an aggregate principal amount of RMB400,000,000.00 with a maturity period of three years. The interest rate is fixed and the nominal interest rate is 5.80% per annum. The interest is payable each half year. The relevant issuance cost amounted to RMB6,700,000.00.

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

37. Bonds payable (continued)

On 26 May 2009, the Company issued a medium-term note in an aggregate principal amount of RMB1,500,000,000.00 with a maturity period of five years. The interest rate is fixed and the nominal interest rate of the note is 4.28% per annum. On 1 June 2009, the Company issued a medium-term note in an aggregate principal amount of RMB1,000,000,000.00 with a maturity period of five years. The interest rate is fixed and the nominal interest rate of the note is 4.28% per annum.

38. Long-term payables

	30 June 2012 (unaudited)	31 December 2011
Issuance costs for medium-term notes	4,035,700.00	7,941,050.00
Less: Long-term payables due within one year	3,905,350.00	3,905,350.00
	130,350.00	4,035,700.00

As at 30 June 2012, the balance represented the costs for issuance of the medium-term notes that are payable to a financial institution. The amount is unsecured, interest-free and repayable in the future two years.

39. Other non-current liabilities

	30 June 2012 (unaudited)	31 December 2011
Deferred income	641,204,340.98	656,746,024.14
Including:		
Government grants related to assets:		
Relocation compensation (1)	611,102,621.73	628,355,213.73
Construction of vessels (2)	6,435,360.20	6,830,969.00
Equipment reconstruction (3)	1,869,356.88	1,952,339.22
Government grants related to income:		
Operation subsidy (4)	21,357,502.19	19,357,502.19
Others	439,499.98	250,000.00
	641,204,340.98	656,746,024.14

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

39. Other non-current liabilities (continued)

- (1) The amount was received in respect of the compensation for the relocation of the terminals. The amount will be recognised in the income statement over the estimated useful lives of the new terminals upon commencement of their operations.
- (2) The amount was received in relation to the subsidy for the construction of vessels. The amount will be recognised in the income statement over the useful lives of the relevant assets.
- (3) The amount was received in respect of the subsidy of RMB1,980,000.00 in 2011 for the equipment reconstruction. The amount will be recognised in the income statement over the useful lives of the relevant assets.
- (4) The amount was received in respect of the subsidy for the first five years of an operation of a subsidiary, Heilongjiang Suimu Logistics Co., Ltd. The amount will be recognised in the income statement over the next five years upon commencement of the operation of this subsidiary.

40. Share capital

30 June 2012 (unaudited)

	Opening balance	Movements during the period			Closing balance
		New shares issued	Others	Subtotal	
1. Restricted shares					
(1) State-owned shares	2,554,995,000	—	—	—	2,554,995,000
(2) State-owned legal entity shares	—	—	—	—	—
(3) Other domestic shares	—	—	—	—	—
Subtotal	2,554,995,000	—	—	—	2,554,995,000
2. Non-restricted shares					
(1) RMB ordinary shares	808,405,000	—	—	—	808,405,000
(2) Overseas listed shares	1,062,600,000	—	—	—	1,062,600,000
Subtotal	1,871,005,000	—	—	—	1,871,005,000
Total	4,426,000,000	—	—	—	4,426,000,000

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

40. Share capital (continued)

31 December 2011

	Opening balance	Movements during the year			Closing balance
		New shares issued	Others	Subtotal	
1. Restricted shares					
(1) State-owned shares	2,564,312,000	—	(9,317,000)	(9,317,000)	2,554,995,000
(2) State-owned legal entity shares	37,268,000	—	(37,268,000)	(37,268,000)	—
(3) Other domestic shares	342,820,000	—	(342,820,000)	(342,820,000)	—
Subtotal	2,944,400,000	—	(389,405,000)	(389,405,000)	2,554,995,000
2. Non-restricted shares					
(1) RMB ordinary shares	419,000,000	—	389,405,000	389,405,000	808,405,000
(2) Overseas listed shares	1,062,600,000	—	—	—	1,062,600,000
Subtotal	1,481,600,000	—	389,405,000	389,405,000	1,871,005,000
Total	4,426,000,000	—	—	—	4,426,000,000

41. Capital reserve

For the six months ended 30 June 2012 (unaudited)

	Opening balance	Increase	Decrease	Closing balance
Share premium	6,103,901,654.75	—	—	6,103,901,654.75
Others	12,384,815.68	—	(3,017,087.33)	9,367,728.35
	6,116,286,470.43	—	(3,017,087.33)	6,113,269,383.10

The decrease in the capital reserve during the period was due to the change in the fair value of available-for-sale financial assets which resulted in the decrease of the capital reserve by RMB1,413,192.15, and transfer of the recognition of the asset revaluation surplus arising from acquisitions of subsidiaries and business combinations achieved in stages in the previous years to retained earnings of RMB1,603,895.18.

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

41. Capital reserve (continued)

For the year ended 31 December 2011

	Opening balance	Increase	Decrease	Closing balance
Share premium	6,103,901,654.75	—	—	6,103,901,654.75
Others	30,265,850.51	2,300,211.81	(20,181,246.64)	12,384,815.68
	<u>6,134,167,505.26</u>	<u>2,300,211.81</u>	<u>(20,181,246.64)</u>	<u>6,116,286,470.43</u>

42. Surplus reserve

For the six months ended 30 June 2012 (unaudited)

	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	410,249,919.87	—	—	410,249,919.87
Reserve fund	353,065.88	—	—	353,065.88
Enterprise expansion fund	620,468.49	—	—	620,468.49
	<u>411,223,454.24</u>	<u>—</u>	<u>—</u>	<u>411,223,454.24</u>

For the year ended 31 December 2011

	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	346,528,882.64	63,721,037.23	—	410,249,919.87
Reserve fund	353,065.88	—	—	353,065.88
Enterprise expansion fund	620,468.49	—	—	620,468.49
	<u>347,502,417.01</u>	<u>63,721,037.23</u>	<u>—</u>	<u>411,223,454.24</u>

According to the company law and the Company's articles of association, the Company should appropriate 10% of its net profit to the statutory surplus reserve. Where the accumulated amount of surplus reserve reaches 50% or more of the Company's registered capital, the appropriation may not be needed.

After the appropriation to the statutory surplus reserve, the Company may also appropriate its discretionary surplus reserve. Upon approval, the discretionary surplus reserve can be used to recover the accumulated losses of the Company or increase the share capital.

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V. Notes to consolidated financial statements (continued)

43. Retained earnings

	For the six months ended 30 June 2012 (unaudited)	For the year ended 31 December 2011
Retained earnings at the beginning of the period/year	1,664,362,022.29	1,283,035,481.54
Profit attributable to the parent	300,151,325.67	666,337,610.41
Transfer from capital reserve	1,603,895.18	2,556,431.85
Less: Appropriation to statutory surplus reserve	—	63,721,037.23
Ordinary shares cash dividends payable (Note)	265,560,000.00	221,300,000.00
Appropriation of employee bonus and welfare fund	618,888.96	2,546,464.28
Retained earnings at the end of the period/year	1,699,938,354.18	1,664,362,022.29

Note: In accordance with the resolution of the annual general meeting dated 27 June 2012, the Company proposed a cash dividend to equity holders of the Company of RMB0.6 per 10 shares (inclusive of applicable tax), based on the number of total issued shares of 4,426,000,000.

44. Revenue and cost of sales

Revenue, which is also the Group's turnover, represents the value of services rendered after trade discounts; the gross rental income received and receivable from investment properties during the year.

Revenue is as follows:

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Revenue from the principal operations	1,880,748,107.86	1,593,196,052.89
Revenue from other operations	167,473,425.68	121,348,569.47
	2,048,221,533.54	1,714,544,622.36

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V. Notes to consolidated financial statements (continued)

44. Revenue and cost of sales (continued)

Cost of sales is as follows:

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Cost of the principal operations	1,093,491,187.74	948,355,819.00
Cost of other operations	136,209,369.05	113,145,474.83
	1,229,700,556.79	1,061,501,293.83

Revenue by segment is as follows:

	For the six months ended 30 June 2012 (unaudited)		For the six months ended 30 June 2011 (unaudited)	
	Revenue	Cost of sales	Revenue	Cost of sales
Container terminal and logistics services	529,282,971.37	373,174,455.12	346,734,965.36	229,372,766.44
Oil/liquefied chemical terminal and logistics services	423,307,168.97	215,706,303.01	390,323,246.51	216,217,988.94
Automobile terminal and logistics services	9,640,000.00	4,837,875.99	—	—
Passenger and roll-on/roll-off terminal and logistics services	61,815,953.00	35,676,832.81	46,201,700.90	26,556,909.54
Bulk grain terminal and logistics services	188,005,377.90	77,042,562.51	157,473,230.52	78,102,971.25
Ore terminal and logistics services	163,408,554.29	93,688,472.06	139,565,247.76	94,675,235.62
General cargo terminal and logistics services	173,344,086.74	151,941,820.00	175,351,741.15	156,110,725.95
Port value-added services and ancillary port operations	420,913,046.43	254,286,937.70	400,927,044.57	243,393,818.20
Unallocated	78,504,374.84	23,345,297.59	57,967,445.59	17,070,877.89
	2,048,221,533.54	1,229,700,556.79	1,714,544,622.36	1,061,501,293.83

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V. Notes to consolidated financial statements (continued)

44. Revenue and cost of sales (continued)

Revenue from the top five customers for the six months ended 30 June 2012 is as follows:

	Amount	Percentage of revenue (%)
West Pacific Petrochemical Company Ltd. Dalian	114,416,263.40	5.59
PetroChina Dalian Petrochemical Company	97,378,548.80	4.75
China Ocean Shipping Agency (Dalian) Co., Ltd.	87,459,609.86	4.27
Dalian Port Container Terminal Co., Ltd.	79,964,551.07	3.90
China Marine Shipping Agency Liaoning Co., Ltd.	48,218,123.45	2.35
	427,437,096.58	20.86

Revenue from the top five customers for the six months ended 30 June 2011 is as follows:

	Amount	Percentage of revenue (%)
PetroChina Dalian Petrochemical Company	103,683,100.11	6.05
West Pacific Petrochemical Company Ltd. Dalian	96,001,791.46	5.60
PetroChina International Co., Ltd.	72,068,339.58	4.20
Dalian Angang International Trade Transportation Agency Co., Ltd.	71,135,306.50	4.15
Dalian Port Container Terminal Co., Ltd.	62,750,864.58	3.66
	405,639,402.23	23.66

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V. Notes to consolidated financial statements (continued)

44. Revenue and cost of sales (continued)

Revenue is analysed as follows:

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Loading services	895,942,893.50	695,966,424.63
Logistics services	340,481,259.88	335,637,994.14
Storage services	227,838,517.91	203,724,297.60
Port management services	96,434,589.66	92,911,018.03
Leasing services	143,647,794.00	111,393,091.86
Agency services	26,951,765.68	24,724,316.08
Tallying services	30,703,098.52	28,229,529.38
Utility services	48,744,843.12	35,089,331.19
Information services	26,859,310.36	25,872,554.16
Others	210,617,460.91	160,996,065.29
	2,048,221,533.54	1,714,544,622.36

45. Taxes and surcharges

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Business tax	75,501,697.11	62,999,552.34
City maintenance and construction tax and education surcharge	8,307,590.12	7,545,748.75
Land appreciation tax	9,694,694.92	745,430.25
	93,503,982.15	71,290,731.34

Basis for the provision and payment of taxes and surcharges is disclosed in Note III Taxation.

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

46. General and administrative expenses

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Payroll	125,351,596.28	102,548,437.15
Depreciation and amortisation	21,969,671.14	18,494,307.31
Tax expenses	10,574,936.03	8,796,309.45
Entertainment expenses	7,870,132.14	8,099,224.40
Others	52,547,676.47	37,134,874.92
	218,314,012.06	175,073,153.23

47. Financial expenses

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Interest expense	323,171,270.91	189,854,110.77
Including: Interest on bank loans, overdrafts, and other loans wholly repayable within five years	171,553,635.63	161,347,610.77
Interest on other loans	151,617,635.28	28,506,500.00
Less: Interest income	19,214,933.42	26,373,203.38
Less: Capitalised interest	129,040,623.59	120,603,869.79
Foreign exchange differences	(333,098.10)	(6,600,451.69)
Others	288,673.36	1,002,085.87
	174,871,289.16	37,278,671.78

The amount of capitalised interest had been included in construction in progress.

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

48. Gains on changes in fair values

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Financial assets held for trading	531,483.20	1,530,201.65

49. Investment income

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Dividend income from long-term equity investment under the cost method	1,144,561.36	875,067.64
Share of profit from long-term equity investment under the equity method	18,798,732.71	68,190,143.20
including: Profit from associates	9,891,612.51	4,038,281.00
Profit from jointly-controlled entities	8,907,120.20	64,151,862.20
Investment income from entrusted investments	48,875,000.00	—
Gain on disposal of financial assets held for trading	3,194,122.18	5,457,311.46
Loss on disposal of subsidiary	(47,647.82)	—
	71,964,768.43	74,522,522.30

Among the dividend income from long-term equity investment under the cost method, the investee with investment income accounting for more than 5% of the Group's total profit or being one of the top five investees in terms of proportion of its investment income to the Group's total profit is shown below:

Investee	For the six months ended 30 June 2012	For the six months ended 30 June 2011	Reason for changes
Da-In Ferry Co., Ltd.	1,144,561.36	875,067.64	Dividend distribution

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

49. Investment income (continued)

Among the income from long-term equity investment under the cost method, the top five investees in terms of their proportions of investment income to the Group's total profit are as follows:

Investees	For the six months ended 30 June 2012	For the six months ended 30 June 2011	Reasons for fluctuation
Odfjell Terminals (Dalian) Ltd.	11,172,660.89	8,224,182.51	Performance fluctuation
Dalian Port Container Terminal Co., Ltd.	6,732,627.01	13,820,346.85	Performance fluctuation
PetroChina Dalian LNG Co., Ltd.	6,556,999.72	—	Commence of operation
Dalian Port Corporation Finance Company Limited	6,551,866.80	—	Commence of operation
Dalian Automobile Terminal Co., Ltd.	5,061,679.20	5,812,476.41	Performance fluctuation
	36,075,833.62	27,857,005.77	

As at 30 June 2012, there was no significant restriction on the remittance of the Group's investment income.

For the six months ended 30 June 2012, the Group's investment income of RMB617,937.48 was generated from the investment on listed companies (For the six months ended 30 June 2011: RMB5,457,311.46).

50. Non-operating income

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Gain on disposal of non-current assets	57,800.95	3,284,318.98
Including: Gain on disposal of fixed assets	57,800.95	8,390.36
Gain on disposal of intangible assets	—	3,275,928.62
Government grants	57,581,283.16	22,943,042.18
Others	69,704.22	2,846,413.91
	57,708,788.33	29,073,775.07

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

50. Non-operating income (continued)

Government grants credited to the income statement during the period are as follows:

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Recognition of deferred income	17,741,183.16	17,648,200.80
Financial subsidy (Note)	38,984,700.00	3,812,000.00
Refund of turnover tax	855,400.00	1,482,841.38
	57,581,283.16	22,943,042.18

Note: According to the “大連市人民政府關於促進大連港口集裝箱業務加快發展的意見” (大政發[2011] No. 61) in August 2011 issued by Dalian municipal government and the “關於促進大連港口集裝箱加快發展補貼資金發放的實施細則的通知” (大港口發[2011] No. 147) jointly issued by Port of Dalian Authority and Dalian Financial Bureau in September 2011, the Group recognised a government subsidy income of RMB38,291,900.00 for the six months period ended 30 June 2012.

51. Non-operating expenses

	For the six months ended 30 June 2012	For the six months ended 30 June 2011
Loss on disposal of non-current assets	2,134,958.23	635,290.37
Including: Loss on disposal of fixed assets	2,134,958.23	635,290.37
Others	150,450.36	272,441.53
	2,285,408.59	907,731.90

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

52. Income tax expenses

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Current income tax expense	122,095,368.98	117,470,613.03
Deferred income tax expense	(7,981,585.39)	(15,843,554.48)
	114,113,783.59	101,627,058.55

The reconciliation of the total profit to the income tax expenses is as follows:

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Total profit	459,751,324.75	473,619,539.30
Income tax expense at the statutory rate (Note)	114,937,831.19	118,404,884.83
Effect of different tax rates applicable to subsidiaries in Mainland China	(786,262.59)	(1,223,535.76)
Effect of different tax rates applicable to subsidiaries outside Mainland China	1,694,474.61	680,437.10
Adjustments in respect of current income tax of previous years	260,649.14	1,158,736.73
Income not subject to tax	(5,146,203.49)	(6,476,397.66)
Investment income	(4,985,823.52)	(15,978,842.02)
Expenses not deductible for tax	1,117,277.32	348,462.42
Tax losses utilised from previous years	—	(626,583.89)
Tax losses not recognised	7,021,840.93	5,339,896.80
	114,113,783.59	101,627,058.55

Note: The income tax of the Group is calculated based on the estimated taxable profit from Mainland China and the applicable tax rate. Taxes arising from the taxable income in other regions are calculated at the applicable tax rates according to existing laws, interpretations and practices of the regions in which the Group operates.

The current income tax expenses of the Group were all incurred in Mainland China for the six months ended 30 June 2012.

Notes to Financial Statements (continued)

30 June 2012
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V. Notes to consolidated financial statements (continued)

53. Basic earnings per share (“EPS”)

The basic EPS is calculated by dividing the net profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue.

The calculation of the basic EPS is as follows:

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Earnings		
Net profit of the year attributable to ordinary shareholders of the Company	300,151,325.67	337,726,075.10
Shares		
Weighted average number of ordinary shares in issue	4,426,000,000.00	4,426,000,000.00

54. Other comprehensive income

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Fair value changes in available-for-sale financial assets	(1,678,662.52)	(4,222,622.16)
Deferred tax relating to available-for-sale financial assets	265,470.37	—
	(1,413,192.15)	(4,222,622.16)
Exchange differences on foreign currency translations	57,117.90	5,770,400.88
	(1,356,074.25)	1,547,778.72

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

55. Notes to items in the statement of cash flows

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Cash received from other operating activities:		
Government grants received	3,901,976.00	3,812,000.00
Bank interest income received	26,640,199.43	16,763,069.46
Others	59,304.22	8,157,876.06
	30,601,479.65	28,732,945.52
Cash paid for other operating activities:		
Entertainment	7,870,132.14	8,099,224.40
Labour	5,962,573.38	4,069,878.85
Rental	6,953,610.21	4,945,572.96
Insurance	6,569,203.65	4,264,143.95
Fuel	4,156,128.07	3,709,564.59
Office charges	3,438,227.08	2,590,661.20
Utility fees	1,888,481.62	1,773,826.26
Travel	2,428,808.73	1,861,050.17
Repair and maintenance	3,540,405.52	1,848,347.27
Commuting fees	1,910,041.60	1,384,122.20
Communication	899,443.65	808,517.99
Port construction fee collected	3,037,576.50	—
Others	10,379,815.86	8,473,470.13
	59,034,448.01	43,828,379.97
Cash paid for other financing activities:		
Repayment of an amount due to PDA	—	416,968,000.00
Issuance cost of medium-term notes	3,905,350.00	3,905,350.00
Issuance cost of corporate bonds	—	1,506,495.00
Deposits paid to related companies	46,523,255.90	70,888,698.23
	50,428,605.90	493,268,543.23

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

56. Supplementary information to the consolidated statement of cash flows

(1) Supplementary information to the consolidated statement of cash flows

Reconciliation of net profit to cash flows from operating activities:

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Net profit	345,637,541.16	371,992,480.75
Add: Depreciation of fixed assets	294,584,893.54	281,019,352.21
Amortisation of intangible assets	20,875,251.74	15,599,141.21
Depreciation of investment properties	8,437,276.18	9,495,913.53
Amortisation of long-term prepaid expenses	1,548,357.78	1,262,313.07
Recognition of deferred income	(17,741,183.16)	(17,648,200.80)
Negative goodwill arising from acquisition of a long-term equity investment in an associate	—	(2,538,843.74)
Gain on disposal of fixed assets, intangible assets and other long-term assets	2,077,157.28	(2,649,028.61)
Financial expenses	193,797,549.22	59,480,387.33
Interest income on entrusted loans	(488,502.07)	(1,409,402.40)
Investment income	(71,964,768.43)	(74,522,522.30)
Gains on changes in fair values	(531,483.20)	(1,530,201.65)
Increase in deferred tax assets	(7,155,267.08)	(15,125,795.90)
Decrease in deferred tax liabilities	(826,318.31)	(717,758.58)
Decrease/(increase) in inventories	11,225,913.52	(24,313,583.92)
Increase in operating receivables	(323,655,939.71)	(107,466,959.88)
Decrease in operating payables	(123,099,977.85)	(61,166,244.60)
Net cash flows from operating activities	332,720,500.61	429,761,045.72
Net increase in cash and cash equivalents:		
Cash at the end of the period	2,055,156,645.95	4,886,997,881.57
Less: Cash at the beginning of the period	2,230,657,276.32	3,257,584,874.53
Net (decrease)/increase in cash and cash equivalents	(175,500,630.37)	1,629,413,007.04

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

56. Supplementary information to the consolidated statement of cash flows (continued)

(2) Disposal of subsidiary and other operating units

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Cash and cash equivalents received from disposal of a subsidiary and other operating units	280,428.83	—
Less: Cash and cash equivalents received from the subsidiary and other operating units	546,794.43	—
Cash paid for disposal of the subsidiary and other operating units	(266,365.60)	—
Current assets and net assets of the subsidiary disposal	546,794.43	—

(3) Cash and cash equivalents

	30 June 2012 (unaudited)	31 December 2011
Cash		
Including: Cash on hand	159,582.74	118,013.22
Cash at banks that can be readily drawn on demand	2,053,464,183.83	2,228,637,569.51
Other cash and cash equivalents that can be readily drawn on demand	1,532,879.38	1,901,693.59
Cash and cash equivalents at the end of the period/year	2,055,156,645.95	2,230,657,276.32

Notes to Financial Statements (continued)

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VI. Related parties and related party transactions

1. Parent

	Type of the company	Place of registration	Legal representative	Type of business	Registered capital (RMB)	Percentage of shareholding (%)	Percentage of voting rights (%)	Code of organisation
PDA	State-owned	Dalian	Hui Kai	Port business	4 billion	55.62	55.62	11842055-3

The Company's parent and ultimate holding company is PDA.

During the period, there was no change in the registered capital of the parent.

2. Subsidiaries

The general information of subsidiaries is set out in Note IV Consolidation scope of the consolidated financial statements.

3. Jointly-controlled entities and associates

The general information of the jointly-controlled entities and associates is set out in Note V.13.

4. Other related parties

	Related party relationship	Code of organisation
大連港勞務公司	Subsidiary of the parent	11841131-5
大連港保安服務公司	Subsidiary of the parent	24236458-7
大連港置地有限公司	Subsidiary of the parent	71135122-9
大連經濟技術開發區海灣貨運公司	Subsidiary of the parent	11837238-7
大連海港大廈	Subsidiary of the parent	24168740-5
大連港燃氣汽車運輸隊	Subsidiary of the parent	74090724-9
大連港鯰魚灣渡假村	Subsidiary of the parent	24237442-7
大連保稅區永德信房地產開發建設有限公司	Subsidiary of the parent	75156903-8
大連港萬通物流有限公司	Subsidiary of the parent	11837932-7
大連宏譽大廈有限公司	Subsidiary of the parent	60480207-1
大連迅捷機械服務有限公司	Subsidiary of the parent	60485938-5
Dalian Port Machinery Co., Ltd.	Subsidiary of the parent	11841433-X
大連港東旺汽車修配廠	Subsidiary of the parent	24166772-X
大連萬通榮海船務有限公司	Subsidiary of the parent	79202273-3
葫蘆島綏中煤炭碼頭有限公司	Subsidiary of the parent	69617352-3
英瑞控股有限公司	Subsidiary of the parent	74788882-9
大連港集團(錦州)遼西港口投資開發有限公司	Subsidiary of the parent	55259470-8
瓦房店太平灣港有限公司	Subsidiary of the parent	55499914-3

Notes to Financial Statements (continued)

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VI. Related parties and related party transactions (continued)

4. Other related parties (continued)

	Related party relationship	Code of organisation
大連創意產業項目發展有限公司	Subsidiary of the parent	66921189-7
丹東海洋紅港口投資開發有限公司	Subsidiary of the parent	56462822-3
大連港城家園房地產開發有限公司	Subsidiary of the parent	56551965-1
莊河北黃海港口投資開發有限公司	Subsidiary of the parent	56552286-9
錦州遼西大連港置業有限公司	Subsidiary of the parent	57094454-8
錦州凌港投資開發建設有限公司	Subsidiary of the parent	57723846-X
長海縣廣鹿碼頭建設管理有限公司	Subsidiary of the parent	58202031-8
寧德港口發展有限公司	Subsidiary of the parent	58751395-5
Dalian Port Corporation Finance Company Limited	Subsidiary of the parent	58203640-8
大連東北亞國際航運中心船舶交易市場有限公司	Subsidiary of the parent	58805416-4
大連經濟技術開發區灣港儲運公司	Jointly-controlled entity of the parent	11838593-8
大連中油船用燃料運銷有限責任公司	Associate of the parent	74788099-0
Dalian Wanpeng Infrastructure Co., Ltd.	Associate of the parent	75991518-5
Dalian Port Machinery and Electric Co., Ltd.	Associate of the parent	24183221-1
大連救生筏檢驗有限公司	Associate of the parent	24107508-9
大連水產品交易市場有限公司	Associate of the parent	79691219-4
大連龍港船務有限公司	Associate of the parent	24167860-5
Dalian Port Construction Engineering Co., Ltd.	Associate of the parent	11843148-X
大連港鍋爐安裝有限公司	Associate of the parent	24168462-6
大連港日興實業有限公司新港加油站	Associate of the parent	75990360-0
大連港日興園林綠化工程有限公司	Associate of the parent	75158191-8
Dalian Port New Harbour Construction Engineering Co., Ltd.	Associate of the parent	11868471-9
大連港實綠化工程有限公司	Associate of the parent	67405219-X
大連港實業有限公司	Associate of the parent	24124937-6
大連港物業管理有限公司	Associate of the parent	24238883-7
大連港地產集團有限公司	Associate of the parent	24123742-5
大連中油海港石油銷售有限公司	Associate of the parent	69603539-0
龍棲灣港口投資發展有限公司	Associate of the parent	68966326-8
Dalian Port Design and Research Institute Co., Ltd.	Associate of the parent	E5761614-X

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VI. Related parties and related party transactions (continued)

5. Major transactions with related parties

(1) Sales or purchases of goods, and rendering or receiving of services

	Type of goods or services (Note)	For the six months ended 30 June 2012 (unaudited)		For the six months ended 30 June 2011 (unaudited)	
		Amount	Percentage (%)	Amount	Percentage (%)
Purchases of goods and services					
<u>Transactions with the parent</u>					
PDA	Comprehensive services	3,340,151.49	3.79	1,761,825.56	7.29
<u>Transactions with jointly-controlled entities and associates</u>					
Dalian Changxing Island Port Co., Ltd.	Comprehensive services	99,704.47	0.11	—	—
大連港通利船務代理有限公司	Comprehensive services	964,493.52	1.09	1,718,170.06	7.11
Dalian Port Container Terminal Co., Ltd.	Comprehensive services	484,100.00	0.56	—	—
Dalian Wanpeng Port Engineering Examination & Testing Co., Ltd.	Comprehensive services	97.37	—	370,159.00	1.53
		1,548,395.36	1.76	2,088,329.06	8.64
<u>Transactions with other related parties</u>					
大連救生筏檢驗有限公司	Maintenance services	31,837.00	0.04	28,862.00	0.12
大連交通國際旅行社有限公司	Comprehensive services	—	—	4,580.00	0.02
大連港置地有限公司	Comprehensive services	22,279.41	0.03	—	—
大連港實業綠化工程有限公司	Comprehensive services	279,937.00	0.32	64,937.00	0.27
大連宏譽大廈有限公司	Property management services	1,048,749.04	1.19	728,216.15	3.02
Dalian Port Machinery Co., Ltd.	Construction services and labour services	4,462,428.55	5.06	6,324,136.10	26.18
大連中油海港石油銷售有限公司	Purchase of fuel services	62,809,659.15	71.16	—	—
大連港實業有限公司	Comprehensive services	12,141,768.29	13.76	11,561,384.36	47.87

Notes to Financial Statements (continued)

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VI. Related parties and related party transactions (continued)

5. Major transactions with related parties (continued)

(1) Sales or purchases of goods, and rendering or receiving of services (continued)

	Type of goods or services (Note)	For the six months ended 30 June 2012 (unaudited)		For the six months ended 30 June 2011 (unaudited)	
		Amount	Percentage (%)	Amount	Percentage (%)
Purchases of goods and services (continued)					
<u>Transactions with other related parties (continued)</u>					
Dalian Port Construction Engineering Co., Ltd.	Maintenance services	367,145.14	0.42	403,772.47	1.67
大連港東旺汽車修配廠	Maintenance services	37,888.39	0.04	79,608.55	0.33
大連港保安服務公司	Security services	1,240,546.06	1.41	723,420.00	3.00
大連港實業有限公司新港加油站	Purchase of fuel services	683,763.04	0.78	—	—
大連海港大廈	Comprehensive services	49,895.13	0.06	—	—
大連港日興鍋爐安裝有限公司	Maintenance services	—	—	300,000.00	1.24
大連港物業管理有限公司	Comprehensive services	154,606.24	0.18	83,326.00	0.35
		83,330,502.44	94.45	20,302,242.63	84.07
		88,219,049.29	100.00	24,152,397.25	100.00

The purchases of goods and receiving of services from related parties have been conducted in accordance with the terms or agreements mutually agreed between the parties.

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VI. Related parties and related party transactions (continued)

5. Major transactions with related parties (continued)

(1) Sales or purchases of goods, and rendering or receiving of services (continued)

	Type of goods or services (Note)	For the six months ended 30 June 2012 (unaudited)		For the six months ended 30 June 2011 (unaudited)	
		Amount	Percentage (%)	Amount	Percentage (%)
Sales of goods and rendering of services					
<u>Transactions with the parent</u>					
PDA	Comprehensive services	6,747,314.11	6.31	7,931,149.15	8.82
<u>Transactions with jointly-controlled entities and associates</u>					
Dalian Port Container Terminal Co., Ltd. 太倉興港拖輪有限公司	Comprehensive services Transportation services	26,678,402.27	24.97	25,865,088.00	28.78
Dalian International Container Terminal Co., Ltd.	Comprehensive services	4,762,381.00	4.47	4,980,000.00	5.54
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	Comprehensive services	27,458,283.78	25.69	19,668,986.09	21.89
Dalian Port Corporation Finance Company Limited	Comprehensive services	645,062.52	0.60	—	—
Dalian Singamas International Container Co., Ltd.	Comprehensive services	1,350,997.01	1.26	—	—
China Unite Northeast Rail Containers Co., Ltd.	Comprehensive services	728,844.88	0.68	300,988.36	0.33
Dalian Shunda Logistic Services Corporation	Comprehensive services	743,132.00	0.70	170,000.00	0.19
Dalian Dagang China Shipping Container Terminal Co., Ltd.	Comprehensive services	300,932.83	0.28	252,149.60	0.28
Dalian Automobile Terminal Co., Ltd.	Comprehensive services	1,936,958.30	1.81	998,551.48	1.11
Dalian Jilong Logistics Co., Ltd.	Comprehensive services	1,593,691.76	1.49	2,332,196.57	2.59
Dalian Prologis-Jifa Logistics Development Co., Ltd.	Comprehensive services	687,332.55	0.64	69,999.98	0.08
Shenyang Prologis-Jifa Logistics Development Co., Ltd.	Telecommunications services	1,415.28	—	606,985.46	0.68
Dalian Container Terminal Co., Ltd.	Telecommunications services	—	—	272,522.17	0.30
Odfjell Terminals (Dalian) Ltd.	Comprehensive services	—	—	3,807,573.85	4.24
	Comprehensive services	3,922,970.50	3.67	1,280,547.23	1.42

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

5. Major transactions with related parties (continued)

(1) Sales or purchases of goods, and rendering or receiving of services (continued)

	Type of goods or services (Note)	For the six months ended 30 June 2012 (unaudited)		For the six months ended 30 June 2011 (unaudited)	
		Amount	Percentage (%)	Amount	Percentage (%)
Sales of goods and rendering of services (continued)					
<u>Transactions with jointly-controlled entities and associates (continued)</u>					
Dalian Yidu Jifa Cold Logistics Co., Ltd.	Comprehensive services	4,584,010.40	4.29	488,118.21	0.54
Liaoning Con-Rail International Logistics Co., Ltd.	Comprehensive services	431,205.79	0.40	421,093.02	0.47
Dalian China Oil Dock Management Co., Ltd.	Comprehensive services	5,557,283.07	5.20	7,710,177.04	8.58
Dalian United International Shipping Agency	Comprehensive services	505,920.00	0.47	307,920.00	0.34
China United Tally Co., Ltd. Dalian	Information services	234,851.88	0.22	388,218.48	0.43
Dalian Changxing Island Port Co., Ltd.	Comprehensive services	4,279,052.71	4.00	257,614.53	0.29
Dalian Port PetroChina International Terminal Co., Ltd.	Comprehensive services	1,514,363.68	1.42	195,845.80	0.22
Dalian Assembling Transportation Logistics Co., Ltd.	Comprehensive services	651,637.92	0.61	1,014,551.92	1.13
Liaoning Electronic Port Co., Ltd.	Comprehensive services	—	—	4,347,088.53	4.84
PetroChina Dalian LNG Co., Ltd.	Software services	—	—	390,051.27	0.43
Dalian Vanguard International Logistics Co., Ltd.	Construction services	22,500.00	0.02	3,085,731.34	3.43
Dalian North Petroleum Logistics Co., Ltd.	Construction services	2,007,923.83	1.88	1,250,000.00	1.39
大連長興島港口投資發展有限公司	Transportation services	840,000.00	0.79	—	—
		91,439,153.96	85.56	80,461,998.93	89.52

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

5. Major transactions with related parties (continued)

(1) Sales or purchases of goods, and rendering or receiving of services (continued)

	Type of goods or services (Note)	For the six months ended 30 June 2012 (unaudited)		For the six months ended 30 June 2011 (unaudited)	
		Amount	Percentage (%)	Amount	Percentage (%)
Sales of goods and rendering of services (continued)					
<u>Transactions with jointly-controlled entities and associates (continued)</u>					
大連海港大廈	Telecommunications services	561,427.91	0.53	13,857.64	0.02
大連中信海港投資有限公司	Comprehensive services	650,103.66	0.61	—	—
大連中油海港石油銷售有限公司	Comprehensive services	26,656.51	0.02	—	—
大連中油船用燃料運銷有限公司	Comprehensive services	383,182.00	0.36	—	—
大連東北亞國際航運中心船舶交易 市場有限公司	Comprehensive services	79,541.71	0.07	—	—
葫蘆島綏中煤炭碼頭有限公司	Comprehensive services	1,160,900.00	1.09	—	—
寧德港口發展有限公司	Comprehensive services	21,128.21	0.02	—	—
大連港置地有限公司	Comprehensive services	29,310.10	0.03	—	—
大連港萬通物流有限公司	Telecommunications services and labour services	102,225.00	0.10	79,912.00	0.09
大連港實業有限公司	Telecommunications services	1,224,415.16	1.15	251,459.94	0.28
大連港物業管理有限公司	Telecommunications services	6,425.00	0.01	7,170.00	0.01
Dalian Port Design and Research Institute Co., Ltd.	Telecommunications services	—	—	7,303.20	0.01
大連宏譽大廈有限公司	Telecommunications services	526,140.06	0.49	786.60	—
大連保稅區永德信房地產開發建設 有限公司	Comprehensive services	662,012.89	0.62	398,724.12	0.44
Dalian Port Construction Engineering Co., Ltd.	Comprehensive services	562,516.43	0.53	514,283.88	0.57
大連港機械有限公司	Telecommunications services	239,704.91	0.22	13,930.00	0.02
Dalian New Harbour Construction Engineering Co., Ltd.	Telecommunications services	2,130.00	—	2,630.00	—

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

5. Major transactions with related parties (continued)

(1) Sales or purchases of goods, and rendering or receiving of services (continued)

	Type of goods or services (Note)	For the six months ended 30 June 2012 (unaudited)		For the six months ended 30 June 2011 (unaudited)	
		Amount	Percentage (%)	Amount	Percentage (%)
Sales of goods and rendering of services (continued)					
<u>Transactions with jointly-controlled entities and associates (continued)</u>					
大連港日興鍋爐安裝有限公司	Telecommunications services	2,580.00	—	2,930.00	—
大連港實業綠化工程有限公司	Telecommunications services	3,390.00	—	3,460.00	—
大連港保安服務公司	Telecommunications services	—	—	3,092.60	—
大連水產品交易有限公司	Comprehensive services	1,435,709.10	1.34	18,325.00	0.02
Dalian Port Machinery and Electric Co., Ltd.	Comprehensive services	—	—	84,250.00	0.10
Dalian Wanpeng Infrastructure Co. Ltd.	Comprehensive services	881.84	—	69,638.62	0.08
大連創意產業項目發展有限公司	Telecommunications services	1,001,827.37	0.94	18,608.50	0.02
		8,682,207.86	8.13	1,490,362.10	1.66
		106,868,675.93	100.00	89,883,510.18	100.00

The sales of goods and rendering of services to related parties have been conducted in accordance with the terms or agreements mutually agreed between the parties.

Note: The comprehensive services include services related to loading, storage, agency, tallying, information, container supplementary business, technical maintenance for equipment, and water and electricity.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

5. Major transactions with related parties (continued)

(2) Leases

	Type of assets leased	Rental income for the six months ended 30 June 2012 (unaudited)	Rental income for the six months ended 30 June 2011 (unaudited)
Operating leases of assets to related parties			
Dalian Port Container Terminal Co., Ltd.	Berths	53,286,148.80	41,195,000.00
Dalian Jilong Logistics Co., Ltd.	Storage facilities	1,913,239.98	1,913,239.98
Dalian China Oil Dock Management Co., Ltd.	Berths and facilities	25,394,197.80	25,195,280.14
Liaoning Con-Rail International Logistics Co., Ltd.	Loading equipment	308,823.90	150,000.00
Dalian Assembling Transportation Logistics Co., Ltd.	Buildings	368,000.00	368,000.00
Dalian Yidu Jifa Cold Logistics Co., Ltd.	Loading equipment	226,054.38	—
Dalian International Container Terminal Co., Ltd. 大連港萬通物流有限公司	Berths	60,681.60	—
	Machinery and equipment	51,406.60	—
大連水產品交易有限公司	Machinery and equipment	75,000.00	—
Dalian Container Terminal Co., Ltd.	Storages facilities	—	5,296,337.59
Dalian Prologis-Jifa Logistics Development Co., Ltd.	Buildings	—	390,051.27
Dalian Dagang China Shipping Container Terminal Co., Ltd.	Storages facilities	—	901,706.85
		81,683,553.06	75,409,615.83

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

5. Major transactions with related parties (continued)

(2) Leases (continued)

	Type of assets leased	Rental expense for the six months ended 30 June 2012 (unaudited)	Rental expense for the six months ended 30 June 2011 (unaudited)
Operating leases of assets from related parties			
大連保稅區永德信房地產開發建設有限公司	Buildings	1,393,445.63	1,209,199.77
Dalian International Container Terminal Co., Ltd.	Buildings	1,002,760.00	724,920.00
大連宏譽大廈有限公司	Buildings	544,166.12	27,228.00
大連海港大廈	Buildings	1,320,817.98	771,607.50
Dalian Port PetroChina International Terminal Co., Ltd.	Berths	29,120,000.00	28,960,000.00
Dalian Port Container Terminal Co., Ltd.	Storages facilities	1,599,098.00	1,709,698.00
PDA	Buildings and terminal facilities	11,288,235.20	9,739,382.13
大連港實業有限公司	Vehicles	174,060.00	—
Dalian Container Terminal Co., Ltd.	Storages facilities	—	1,969,646.34
Dalian Port Machinery Co., Ltd.	Buildings	—	55,800.00
Dalian Changxing Island Port Co., Ltd.	Buildings	—	114,200.00
		46,442,582.93	45,281,681.74

The rental of assets leased to or from the related parties has been determined in accordance with the terms or agreements mutually agreed between the parties.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

5. Major transactions with related parties (continued)

(3) Guarantees

Guarantees received from a related party

For the six months ended 30 June 2012 (unaudited)

	Guaranteed amount	Commencement date	Termination date	Fully performed or not
PDA	600,000,000.00	2011.4.12	2012.4.11	Yes
PDA	2,350,000,000.00	2011.5.23	2021.11.22	No
PDA	2,650,000,000.00	2012.9.26	2019.3.25	No

For the six months ended 30 June 2011 (unaudited)

	Guaranteed amount	Commencement date	Termination date	Fully performed or not
PDA	600,000,000.00	2011.4.12	2012.4.11	No
PDA	250,000,000.00	2010.11.29	2011.11.23	No
PDA	2,350,000,000.00	2011.5.23	2021.11.22	No

The above guarantees were received from the related party without any charges.

Guarantees provided to related parties

For the six months ended 30 June 2012 (unaudited)

	Guaranteed amount	Commencement date	Termination date	Fully performed or not
China Unite Northeast Rail Containers Co., Ltd.	116,000,000.00	2009.7.31	2017.7.30	No

For the six months ended 30 June 2011 (unaudited)

	Guaranteed amount	Commencement date	Termination date	Fully performed or not
China Unite Northeast Rail Containers Co., Ltd.	116,000,000.00	2009.7.31	2017.7.30	No

The above guarantees were received from or provided to related parties without any charges.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

5. Major transactions with related parties (continued)

(4) Loans or borrowings

Borrowings from related parties

For the six months ended 30 June 2012 (unaudited)

	Amount	Interest rate	Starting date	Maturity date
Dalian Assembling Transportation Logistics Co., Ltd.	21,000,000.00	4.00%	2012.4.11	2015.4.10
Dalian Port Corporation Finance Co., Ltd.	20,000,000.00	6.65%	2012.3.22	2014.3.21
Dalian Port Corporation Finance Co., Ltd.	160,000,000.00	6.56%	2012.4.9	2013.4.8
Dalian Port Corporation Finance Co., Ltd.	15,000,000.00	7.22%	2012.2.17	2013.2.16
Dalian Port Corporation Finance Co., Ltd.	15,000,000.00	7.22%	2012.4.10	2013.2.16

For the six months ended 30 June 2011 (unaudited)

	Amount	Interest rate	Starting date	Maturity date
Dalian Assembling Transportation Logistics Co., Ltd.	10,000,000.00	4.00%	2011.2.15	2012.2.14
Dalian Assembling Transportation Logistics Co., Ltd.	5,000,000.00	4.00%	2011.5.20	2012.5.19

Interest expenses paid

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Dalian Assembling Transportation Logistics Co., Ltd.	422,333.33	535,555.19
Dalian Port Corporation Finance Company Limited	3,050,850.00	—
	3,473,183.33	535,555.19

The borrowings from related parties bear interest rates mutually agreed between the parties by reference to the interest rates of the same type of bank loans as stipulated by the People's Bank of China.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

5. Major transactions with related parties (continued)

(4) Loans or borrowings (continued)

Loans to related parties

For the six months ended 30 June 2012 (unaudited)

	Amount	Interest rate	Starting date	Maturity date
Liaoning Con-Rail International Logistics Co., Ltd.	2,830,000.00	6.56%	2012.4.20	2013.4.19
Liaoning Con-Rail International Logistics Co., Ltd.	1,020,000.00	6.56%	2012.3.26	2013.3.25

For the six months ended 30 June 2011 (unaudited)

	Amount	Interest rate	Starting date	Maturity date
China Unite Northeast Rail Containers Co., Ltd.	16,000,000.00	4.815%	2011.1.14	2012.7.13
Liaoning Con-Rail International Logistics Co., Ltd.	1,755,000.00	6.31%	2011.4.21	2012.4.20
Liaoning Con-Rail International Logistics Co., Ltd.	1,075,000.00	6.31%	2011.6.28	2012.6.27
Liaoning Con-Rail International Logistics Co., Ltd.	5,610,000.00	5.265%	2011.1.19	2013.1.18
SINOECL Auto Liners, Limited	3,398,030.25	HIBOR+2%	2011.1.21	2013.12.2

Interest income received

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
SINOECL Auto Liners, Limited	140,451.04	127,560.63
Jadeway Limited	86,830.18	173,715.85
Dalian International Container Terminal Co., Ltd.	—	503,786.25
China Unite Northeast Rail Containers Co., Ltd.	—	359,520.00
Liaoning Con-Rail International Logistics Co., Ltd.	261,220.85	233,735.40
Dalian Vanguard International Logistics Co., Ltd.	—	312,360.75
	488,502.07	1,710,678.88

The loans to related parties bear interest rates mutually agreed between the parties by reference to the interest rates of the same type of bank loans as stipulated by the People's Bank of China.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

5. Major transactions with related parties (continued)

(5) Acquisition or transfer of assets

	For the six months ended 30 June 2012 (unaudited)		For the six months ended 30 June 2011 (unaudited)	
	Amount	Percentage (%)	Amount	Percentage (%)
Acquisition of assets from:				
PDA	2,426,842.97	4.09	22,082,220.00	11.86
Dalian Port Machinery and Electronics Co., Ltd.	14,466,518.54	24.40	41,515,627.25	22.29
Dalian Port Construction Engineering Co., Ltd.	38,395,448.18	64.76	80,741,956.55	43.36
Dalian Port Machinery Co., Ltd.	—	—	2,720,000.00	1.46
Dalian Port New Harbour Construction Engineering Co., Ltd.	1,595,863.86	2.69	1,658,703.88	0.89
大連港日興鍋爐安裝工程公司	1,611,985.44	2.72	26,280,093.00	14.11
大連港口設計研究院有限公司	—	—	782,700.00	0.42
Dalian Wanpeng Infrastructure Co., Ltd.	794,349.00	1.34	10,452,553.03	5.61
	59,291,007.99	100.00	186,233,853.71	100.00

The prices of assets acquired from related parties are in accordance with the terms or agreements mutually agreed between the parties.

	For the six months ended 30 June 2012 (unaudited)		For the six months ended 30 June 2011 (unaudited)	
	Amount	Percentage (%)	Amount	Percentage (%)
Transfer of assets to:				
Dalian North Petroleum Logistics Co., Ltd.	—	—	84,662,820.00	100.00
Dalian Yidu Jifa Cold Logistics Co., Ltd.	638,385.65	100.00	—	—
	638,385.65	100.00	84,662,820.00	100.00

The prices of assets transferred to related parties are in accordance with the terms or agreements mutually agreed between the parties.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

5. Major transactions with related parties (continued)

(6) Deposits in related parties

From 1 January 2012, the deposits of the Group's subsidiaries which were previously deposited in the Company's affiliated finance centre have been gradually transferred to the Company's associate Dalian Port Corporation Finance Company Limited. As at 30 June 2012, the Group's subsidiaries had a total deposit of RMB914,054,216.07 in Dalian Port Corporation Finance Company Limited.

(7) Compensation of key management personal

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Compensation of key management personal	2,193,782.90	2,275,051.52

6. Parent and subsidiaries

Investments in subsidiaries

		For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Unlisted shares, at cost		4,237,325,096.98	4,234,037,137.40
<u>Amounts due from subsidiaries included in current assets</u>			
Interest-bearing	(1)	971,000,000.00	362,000,000.00
Interest-free	(2)	227,102,538.67	232,511,308.31
		1,198,102,538.67	594,511,308.31
<u>Amounts due to subsidiaries included in current liabilities</u>			
Interest-bearing		—	386,171,699.86
Interest-free	(2)	54,821,447.64	53,986,807.60
		54,821,447.64	440,158,507.46

(1) The balance comprises unsecured loans provided by the Company through entrusting the relevant banks and unsecured loans provided by the affiliated finance centre to the subsidiaries. The relevant loans will fall due within one year.

(2) The amounts due from and due to subsidiaries included in the Company's current assets and liabilities are unsecured, interest-free and payable on demand or due within one year.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

7. Amounts due from related parties

	30 June 2012 (unaudited)		31 December 2011	
	Amount	Percentage (%)	Amount	Percentage (%)
Accounts receivable:				
<u>Amounts due from jointly-controlled entities and associates</u>				
Dalian Vanguard International Logistics Co., Ltd.	2,854,680.84	9.67	29,727.50	0.18
Dalian Container Terminal Co., Ltd.	3,786,373.47	12.83	3,894,728.76	23.37
China Unite Northeast Rail Containers Co., Ltd.	531,859.00	1.80	203,000.00	1.22
Dalian International Container Terminal Co., Ltd.	5,297,032.61	17.94	2,646,421.34	15.88
Dalian Yidu Jifa Cold Logistics Co., Ltd.	32,998.00	0.11	166,024.35	1.00
Dalian Automobile Terminal Co., Ltd.	212,237.00	0.72	86,311.00	0.52
Odfjell Terminals (Dalian) Ltd.	450,641.66	1.53	139,800.04	0.84
Dalian Port Container Terminal Co., Ltd.	4,511,492.12	15.28	1,241,915.62	7.45
Dalian United International Shipping Agency	2,847,414.00	9.65	2,273,860.80	13.65
Dalian Singamas International Container Co., Ltd.	6,620.00	0.02	29,629.00	0.18
Liaoning Con-Rail International Logistics Co., Ltd.	307,411.95	1.04	139,811.95	0.83
Dalian Changxing Island Port Co., Ltd.	1,376,315.76	4.66	30,807.20	0.18
Dalian Jilong Logistics Co., Ltd.	23,790.00	0.08	—	—
Dalian Dagang China Shipping Container Terminal Co., Ltd.	478,870.00	1.62	—	—
Dalian Shunda Logistic Services Corporation	1,632.00	0.01	—	—
Dalian Port PetroChina International Terminal Co., Ltd.	44,000.00	0.15	—	—
Dalian Assembling Transportation Logistics Co., Ltd.	248,000.00	0.84	—	—
Dalian North Petroleum Logistics Co., Ltd.	—	—	380,000.00	2.28
Dalian Prologis-Jifa Logistics Development Co., Ltd.	1,417,771.39	4.80	1,417,771.39	8.51
Shenyang Prologis-Jifa Logistics Development Co., Ltd.	979,387.26	3.32	979,387.26	5.88
	25,408,527.06	86.07	13,659,196.21	81.97
<u>Amounts due from other related parties</u>				
大連保稅區永德信房地產開發建設有限公司	1,117,061.09	3.78	471,531.20	2.83
大連港萬通物流有限公司	2,175,517.00	7.37	2,530,493.00	15.19
大連港城家園房地產開發有限公司	—	—	1,666.66	0.01
Dalian Port Machinery and Electric Co., Ltd.	819,987.00	2.78	—	—
	4,112,565.09	13.93	3,003,690.86	18.03
	29,521,092.15	100.00	16,662,887.07	100.00

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

7. Amounts due from related parties (continued)

	30 June 2012 (unaudited)		31 December 2011	
	Amount	Percentage (%)	Amount	Percentage (%)
Notes receivable:				
<u>Amounts due from jointly-controlled entities</u>				
Dalian Automobile Terminal Co., Ltd.	500,000.00	60.24	—	—
Dalian Changxing Island Port Co., Ltd.	330,000.00	39.76	—	—
	830,000.00	100.00	—	—
Other receivables:				
<u>Amounts due from jointly-controlled entities and associates</u>				
Dalian Vanguard International Logistics Co., Ltd.	357,041.80	1.17	4,570,053.14	15.14
Dalian Container Terminal Co., Ltd.	328,580.77	1.08	572,084.43	1.90
Dalian International Container Terminal Co., Ltd.	1,179,774.43	3.88	1,024,039.37	3.39
Dalian Yidu Jifa Cold Logistics Co., Ltd.	2,000,000.00	6.57	2,045,270.00	6.78
Dalian Automobile Terminal Co., Ltd.	142,893.73	0.47	977,641.69	3.23
PetroChina Dalian LNG Co., Ltd.	1,994,500.00	6.55	539,200.00	1.79
Odfjell Terminals (Dalian) Ltd.	56,116.72	0.19	233,339.60	0.77
Dalian Port Container Terminal Co., Ltd.	12,667,150.70	41.61	745,819.00	2.47
Dalian United International Shipping Agency	205,192.00	0.67	248,530.00	0.82
Dalian Assembling Transportation Logistics Co., Ltd.	77,190.00	0.25	14,669.00	0.05
Dalian Jilong Logistics Co., Ltd.	20,000.00	0.07	252,479.00	0.83
Dalian Changxing Island Port Co., Ltd.	1,984,094.82	6.52	1,920,931.51	6.36
Liaoning Con-Rail International Logistics Co., Ltd.	113,746.67	0.37	—	—
Dalian Dagang China Shipping Container Terminal Co., Ltd.	214,071.68	0.70	—	—
Dalian Shunda Logistics Services Corporation	12,912.00	0.04	—	—
China Unite Northeast Rail Containers Co., Ltd.	50,000.00	0.16	—	—
大連長興島港口投資發展有限公司	625,178.20	2.05	—	—
Dalian Port Corporation Finance Company Limited	2,929.00	0.01	2,929.00	0.01
Dalian North Petroleum Logistics Co., Ltd.	1,655,660.00	5.45	8,403,780.00	27.84
Dalian Prologis-Jifa Logistics Development Co., Ltd.	—	—	146,827.00	0.49
大連港散貨物流中心有限公司	—	—	100.00	—
PetroChina Dalian LNG Co., Ltd.	22,818.00	0.07	—	—
	23,709,850.52	77.88	21,697,692.74	71.87
<u>Amount due from the parent PDA</u>	3,808,787.65	12.51	4,970,631.92	16.47

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

7. Amounts due from related parties (continued)

	30 June 2012 (unaudited)		31 December 2011	
	Amount	Percentage (%)	Amount	Percentage (%)
Other receivables: (continued)				
<u>Amounts due from other related parties</u>				
大連保稅區永德信房地產開發建設有限公司	33,125.00	0.11	33,125.00	0.11
大連創意產業項目發展有限公司	557,397.00	1.83	557,397.00	1.85
大連宏譽大廈有限公司	20,387.00	0.07	18,614.00	0.06
大連港萬通物流有限公司	83,000.00	0.27	83,000.00	0.27
Dalian Port Machinery Co., Ltd.	77,712.00	0.26	47,693.00	0.16
大連中油海港石油銷售有限公司	210,000.00	0.69	138,250.39	0.46
大連海港大廈	6,120.00	0.02	6,120.00	0.02
Dalian Port Machinery and Electric Co., Ltd.	—	—	971,368.50	3.22
Dalian Port New Harbour Construction Engineering Co., Ltd.	40,577.00	0.13	40,577.00	0.13
Dalian Port Construction Engineering Co., Ltd.	1,039,660.70	3.42	1,275,463.02	4.23
大連經濟開發區灣港儲運有限公司	331,641.44	1.09	347,875.00	1.15
大連港實業有限公司	523,910.64	1.72	—	—
	2,923,530.78	9.61	3,519,482.91	11.66
	30,442,168.95	100.00	30,187,807.57	100.00
Prepayments:				
<u>Amount prepaid to the parent</u>				
PDA	1,761,000.00	24.92	—	—
<u>Amounts prepaid to other related party</u>				
大連中油海港石油銷售有限公司	5,270,943.47	74.59	1,686,895.07	100.00
Dalian Port Machinery and Electric Co., Ltd.	34,263.00	0.49	—	—
	5,305,206.47	75.08	1,686,895.07	100.00
	7,066,206.47	100.00	1,686,895.07	100.00
Interest receivable:				
<u>Amount due from a jointly-controlled entity</u>				
Liaoning Con-Rail International Logistics Co., Ltd.	15,220.21	100.00	5,456.05	100.00

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

7. Amounts due from related parties (continued)

	Note	30 June 2012 (unaudited)		31 December 2011	
		Amount	Percentage (%)	Amount	Percentage (%)
Non-current assets due within one year:	Note V.10				
<u>Amounts due from a jointly-controlled entity and an associate</u>					
Liaoning Con-Rail International Logistics Co., Ltd.		5,610,000.00	100.00	—	—
SINOECL Auto Liners, Limited		—	—	4,862,200.00	100.00
		5,610,000.00	100.00	4,862,200.00	100.00
Other current asset:	Note V.11				
<u>Amount due from a jointly-controlled entity</u>					
Liaoning Con-Rail International Logistics Co., Ltd.		3,850,000.00	100.00	2,830,000.00	100.00
Other non-current assets:	Note V.24				
<u>Amounts due from a jointly-controlled entity and associates</u>					
Liaoning Con-Rail International Logistics Co., Ltd.		—	—	5,610,000.00	18.67
Jadeway Limited		19,058,198.35	64.16	18,866,643.99	62.76
SINOECL Auto Liners, Limited		10,645,023.37	35.84	5,582,613.34	18.57
		29,703,221.72	100.00	30,059,257.33	100.00

Except for the amounts due from related parties included in non-current assets due within one year, other current and non-current assets and the amounts due from related parties are unsecured, interest-free and have no fixed repayment terms.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

8. Amounts due to related parties

	30 June 2012 (unaudited)		31 December 2011	
	Amount	Percentage (%)	Amount	Percentage (%)
Other payables:				
<u>Amounts due to jointly-controlled entities and associates</u>				
Dalian Dagang China Shipping Container Terminal Co., Ltd.	20,000.00	0.01	20,000.00	0.01
Dalian International Container Terminal Co., Ltd.	364,569.00	0.11	37,000.00	0.01
Dalian Port Container Terminal Co., Ltd.	612,710.90	0.18	100,042.90	0.04
China United Tally Co., Ltd. Dalian	12,000.00	0.00	12,000.00	—
Dalian Yidu Jifa Cold Logistics Co., Ltd.	20,900.00	0.01	20,800.00	0.01
Dalian Automobile Terminal Co., Ltd.	—	—	7,985.00	—
Dalian United International Shipping Agency	300,500.00	0.09	310,800.00	0.12
Dalian Singamas International Container Co., Ltd.	214,203.50	0.06	20,700.00	0.01
Dalian Assembling Transportation Logistics Co., Ltd.	55,955.00	0.02	50,000.00	0.02
Dalian Shunda Logistics Services Corporation	66,635.50	0.02	20,000.00	0.01
Liaoning Con-Rail International Logistics Co., Ltd.	5,710.00	—	—	—
Odfjell Terminals (Dalian) Ltd.	138,411.00	0.04	—	—
Dalian Jilong Logistics Co., Ltd.	184,804.00	0.06	—	—
Dalian Wanpeng Port Engineering Examination & Testing Co., Ltd.	—	—	96,907.77	0.04
Dalian North Petroleum Logistics Co., Ltd.	50,000.00	0.02	—	—
	2,046,398.90	0.62	696,235.67	0.27
<u>Amount due to the parent</u>				
PDA	120,264,717.81	36.28	12,695,268.50	5.10

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

8. Amounts due to related parties (continued)

	30 June 2012 (unaudited)		31 December 2011	
	Amount	Percentage (%)	Amount	Percentage (%)
Other payables: (continued)				
<u>Amounts due to other related parties</u>				
Dalian Port Machinery Co., Ltd.	1,842,271.78	0.56	5,683,223.22	2.28
大連保安服務公司	—	—	1,032,961.03	0.41
大連保稅區永德信房地產開發建設有限公司	362,379.99	0.11	117,167.16	0.05
大連宏譽大廈有限公司	180,514.99	0.05	882,465.05	0.35
大連海港大廈有限公司	—	—	83,821.56	0.03
大連港萬通物流有限公司	50,000.00	0.02	560,312.63	0.22
大連港東旺汽車修配廠	—	—	286,477.44	0.11
大連港勞務公司	—	—	1,074,123.86	0.43
Dalian Port Construction Engineering Co., Ltd.	142,283,136.30	42.92	164,005,168.59	65.79
大連港燃氣車運輸隊	679,782.15	0.21	630,897.02	0.25
大連港置地有限公司	—	—	119,273.41	0.05
大連經濟技術開發區海灣貨運公司	303,125.12	0.09	302,433.34	0.12
瓦房店太平灣港有限公司	—	—	525,445.31	0.22
大連創意產業項目發展有限公司	—	—	5,000.00	—
Dalian Wanpeng Infrastructure Co., Ltd.	3,365,090.43	1.02	3,929,583.43	1.58
Dalian Port Machinery and Electric Co., Ltd.	41,281,507.94	12.44	33,960,532.11	13.63
大連港實業有限公司	12,499.98	—	209,500.00	0.08
大連港實綠化工程有限公司	120,300.00	0.04	120,300.00	0.05
Dalian New Harbour Construction Engineering Co., Ltd.	3,778,239.10	1.14	5,772,797.89	2.32
大連港日興園林綠化工程有限公司	620,342.54	0.19	640,342.54	0.26
大連港鍋爐安裝有限公司	14,004,240.96	4.22	14,608,040.29	5.87
Dalian Port Design and Research Institute Co., Ltd.	—	—	1,333,300.00	0.53
大連中油海港石油銷售有限公司	92,499.96	0.03	—	—
大連中信海港投資有限公司	205,000.00	0.06	—	—
	209,180,931.24	63.10	235,883,165.88	94.63
	331,492,047.95	100.00	249,274,670.05	100.00
Interest payable:				
<u>Amounts due to a jointly-controlled entity and an associate</u>				
Dalian Assembling Transportation Logistics Co., Ltd.	23,333.33	7.41	—	—
Dalian Port Corporation Finance Company Limited	291,555.55	92.59	—	—
	314,888.88	100.00	—	—

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

8. Amounts due to related parties (continued)

	30 June 2012 (unaudited)		31 December 2011	
	Amount	Percentage (%)	Amount	Percentage (%)
Notes payable:				
<u>Other related parties</u>				
Dalian Wanpeng Infrastructure Co., Ltd.	—	—	6,450,000.00	19.00
Dalian Port New Harbour Construction Engineering Co., Ltd.	—	—	2,430,000.00	7.16
大連港日興園林綠化工程有限公司	—	—	1,000,000.00	2.95
大連港鍋爐安裝有限公司	280,000.00	10.41	2,750,000.00	8.10
Dalian Port Machinery Co., Ltd.	300,000.00	11.15	1,450,000.00	4.27
Dalian Port Construction Engineering Co., Ltd.	2,110,000.00	78.44	19,860,000.00	58.52
	2,690,000.00	100.00	33,940,000.00	100.00
Accounts payable:				
<u>Amounts due to jointly-controlled entities</u>				
Dalian International Container Terminal Co., Ltd.	423,900.00	7.44	102,528.30	1.51
Dalian Singamas International Container Co., Ltd.	—	—	2,735.82	0.04
Dalian Assembling Transportation Logistics Co., Ltd.	—	—	813,472.00	11.97
Dalian Jilong Logistics Co., Ltd.	—	—	1,735.50	0.03
Dalian Port Container Terminal Co., Ltd.	185,833.00	3.26	—	—
	609,733.00	10.70	920,471.62	13.55
<u>Amounts due to other related parties</u>				
Dalian Port New Harbour Construction Engineering Co., Ltd.	536,189.41	9.41	536,189.41	7.89
Dalian Port Machinery and Electric Co., Ltd.	3,428,610.00	60.20	5,292,185.60	77.90
Dalian Port Machinery Co., Ltd.	2,500.00	0.05	2,500.00	0.04
Dalian Port Construction Engineering Co., Ltd.	52,294.00	0.92	42,294.00	0.62
Dalian Wanpeng Infrastructure Co., Ltd.	350,000.00	6.15	—	—
大連保稅區永德信房地產開發建設有限公司	151,529.58	2.66	—	—
大連宏譽大廈有限公司	76,389.22	1.34	—	—
大連港實業有限公司	7,860.00	0.14	—	—
	4,605,372.21	80.87	5,873,169.01	86.45
<u>Amounts due to the parent</u>				
PDA	480,000.00	8.43	—	—
	5,695,105.21	100.00	6,793,640.63	100.00

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

8. Amounts due to related parties (continued)

	Note	30 June 2012 (unaudited)		31 December 2011	
		Amount	Percentage (%)	Amount	Percentage (%)
Short-term borrowings:					
<u>Amounts due to a jointly-controlled entity and an associate</u>					
Dalian Assembling Transportation Logistics Co., Ltd.		—	—	21,000,000.00	100.00
Dalian Port Corporation Finance Company Limited	Note V.26	190,000,000.00	100.00	—	—
		190,000,000.00	100.00	21,000,000.00	100.00
Long-term borrowings:					
<u>Amounts due to a jointly-controlled entity and an associate</u>					
Dalian Assembling Transportation Logistics Co., Ltd.	Note V.36	21,000,000.00	51.22	21,000,000.00	100.00
Dalian Port Corporation Finance Company Limited	Note V.36	20,000,000.00	48.78	—	—
		41,000,000.00	100.00	21,000,000.00	100.00
Advances from customers:					
<u>Advances from jointly-controlled entities and associates</u>					
Dalian Port Container Terminal Co., Ltd.		11,136,795.85	96.79	12,207,716.64	87.86
Dalian Assembling Transportation Logistics Co., Ltd.		368,000.00	3.20	—	—
大連港萬通物流有限公司		1,766.50	0.01	—	—
Dalian International Container Terminal Co., Ltd.		—	—	16,032.21	0.11
Dalian Yidu Jifa Cold Logistics Co., Ltd.		—	—	75,129.03	0.54
Dalian Automobile Terminal Co., Ltd.		—	—	70,860.21	0.51
Odfjell Terminals (Dalian) Ltd.		—	—	108,609.00	0.78

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

8. Amounts due to related parties (continued)

Note	30 June 2012 (unaudited)		31 December 2011	
	Amount	Percentage (%)	Amount	Percentage (%)
Advances from customers: (continued)				
<u>Advances from jointly-controlled entities and associates (continued)</u>				
Dalian United International Shipping Agency	—	—	36,000.00	0.26
Dalian Singamas International Container Co., Ltd.	—	—	252,971.03	1.82
Dalian Jilong Logistics Co., Ltd.	—	—	660,580.41	4.75
Dalian Shunda Logistic Services Corporation	—	—	80,271.18	0.58
Dalian Wanpeng Port Engineering Examination & Testing Co., Ltd.	—	—	5,341.15	0.04
Dalian Prologis-Jifa Logistics Development Co., Ltd.	—	—	2,759.72	0.02
	11,506,562.35	100.00	13,516,270.58	97.27
<u>Advances from other related parties</u>				
Dalian Wanpeng Infrastructure Co., Ltd.	—	—	16,145.22	0.12
大連港萬通物流有限公司	—	—	2,301.50	0.02
大連港實業有限公司	—	—	233,791.64	1.68
大連港實綠化工程有限公司	—	—	19,605.31	0.14
Dalian Port Construction Engineering Co., Ltd.	—	—	107,100.11	0.77
	—	—	378,943.78	2.73
	11,506,562.35	100.00	13,895,214.36	100.00

Except for the amounts due to related parties included in short-term borrowings and deposits due to related parties included in other payables, the amounts due to related parties are unsecured, interest-free and have no fixed repayment terms.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VII. Commitments

	30 June 2012 (unaudited)	31 December 2011
Capital commitments:		
Contracted, but not provided	447,027,876.05	636,304,367.79
Authorised but not contracted	4,935,067,330.07	4,519,040,220.64
	5,382,095,206.12	5,155,344,588.43
Investment commitments:		
Authorised, but not contracted	10,000,000.00	24,600,000.00
Contracted, but not fulfilled	—	—
	10,000,000.00	24,600,000.00

VIII. Other important items

1. Net current assets

	30 June 2012 Group (unaudited)	31 December 2011 Group	30 June 2012 Company (unaudited)	31 December 2011 Company
Current assets	3,406,624,645.64	3,897,527,421.10	3,462,201,981.90	3,795,403,342.78
Less: Current liabilities	2,837,174,191.30	2,767,638,659.87	2,124,359,942.96	1,773,342,862.53
Net current assets	569,450,454.34	1,129,888,761.23	1,337,842,038.94	2,022,060,480.25

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

2. Total assets less current liabilities

	30 June 2012 Group (unaudited)	31 December 2011 Group	30 June 2012 Company (unaudited)	31 December 2011 Company
Total assets	27,099,769,413.31	27,173,854,323.81	24,287,115,544.23	24,154,028,114.79
Less: Current liabilities	2,837,174,191.30	2,767,638,659.87	2,124,359,942.96	1,773,342,862.53
Total assets less current liabilities	24,262,595,222.01	24,406,215,663.94	22,162,755,601.27	22,380,685,252.26

3. Leases

As lessor

Fixed assets under operating leases are disclosed in Note V.16.

As lessee

For the six months ended 30 June 2012, the operating lease expenses charged to the income statement amounted to RMB116,320,898.06 (For the six months ended 2011: RMB89,664,532.57).

Significant operating leases

Pursuant to the leasing contracts with the lessor, the Group had total future minimum lease payments under non-cancellable leases falling due as follows:

	30 June 2012 (unaudited)	31 December 2011
Within one year, inclusive	44,548,599.27	42,729,627.33
First to second years, inclusive	3,749,166.67	3,799,500.00
Second to third years, inclusive	3,520,000.00	3,520,000.00
Third to fourth years, inclusive	3,520,000.00	3,520,000.00
Fourth to fifth years, inclusive	3,520,000.00	3,520,000.00
After five years	54,560,000.00	56,320,000.00
	113,417,765.94	113,409,127.33

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

4. Assets and liabilities measured at fair value

30 June 2012 (unaudited)

	Opening balance	Profit or loss from changes in fair value during the period	Accumulated changes in fair value recognised in equity	Impairment	Closing balance
Financial assets:					
Available-for-sale financial assets	26,577,769.81	—	(1,678,662.52)	—	23,916,958.92
Financial assets held for trading	—	531,483.20	—	—	100,531,483.20
	26,577,769.81	531,483.20	(1,678,662.52)	—	124,448,442.12

31 December 2011

	Opening balance	Profit or loss from changes in fair value during the period	Accumulated changes in fair value recognised in equity	Impairment	Closing balance
Financial assets:					
Available-for-sale financial assets	26,804,054.61	—	(16,590,971.20)	—	26,577,769.81

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

5. Financial assets and financial liabilities denominated in foreign currencies

30 June 2012 (unaudited)

	Opening balance	Profit or loss from changes in fair value during the period	Accumulated changes in fair value recognised in equity	Impairment	Closing balance
Financial assets:					
Cash and bank balances	16,829,706.41	—	—	—	17,967,562.03
Available-for-sale financial assets	14,609,746.31	—	(616,781.02)	—	14,069,006.92
Loans and receivables	29,064,795.37	—	—	—	29,703,221.72
	60,504,248.09	—	(616,781.02)	—	61,739,790.67
Financial liabilities:					
Long-term borrowings	289,841,456.80	—	—	—	289,632,154.98

31 December 2011

	Opening balance	Profit or loss from changes in fair value during the period	Accumulated changes in fair value recognised in equity	Impairment	Closing balance
Financial assets:					
Cash and bank balances	21,696,245.42	—	—	—	16,829,706.41
Available-for-sale financial assets	23,853,194.61	—	(8,116,525.73)	—	14,609,746.31
Loans and receivables	25,590,961.60	—	—	—	29,064,795.37
	71,140,401.63	—	(8,116,525.73)	—	60,504,248.09
Financial liabilities:					
Long-term borrowings	754,763,068.52	—	—	—	289,841,456.80

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

6. Segment information

Operating segments

For management purposes, the Group is organised into business units based on their products and services and has eight reportable segments as follows:

(1) Oil/liquefied chemical terminal and logistics services	Loading and discharging, storage and transshipment of oil products and liquefied chemicals and port management services
(2) Container terminal and logistics services	Loading and discharging, storage and transshipment of containers, leasing of terminals and related facilities and various container logistics services and sale of properties
(3) Passenger and roll-on/roll-off terminal and logistics services	Passenger transportation and general cargo roll-on and roll-off and provision of related logistics services
(4) Automobile terminal and logistics services	Loading and discharging of automobiles and related logistics services
(5) Ore terminal and logistics services	Loading and unloading of ore and provision of related logistics services
(6) Bulk grain terminal and logistics services	Loading and unloading of grains and provision of related logistics services
(7) General cargo terminal and logistics services	Loading and unloading of general cargoes and provision of related logistics services
(8) Port value-added services and ancillary port operations	Tallying, tugging, transportation, power supply, information technology and construction services

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted total profit. The adjusted total profit is measured consistently with the Group's total profit except for certain revenue and expenses attributable to headquarters. Segment assets and liabilities exclude certain assets and liabilities attributable to headquarters as these assets and liabilities are managed by the Group.

The above reporting segments are the basis on which the Group reports its segment information and no operating segments have been aggregated to form the above reportable segments.

Intersegment revenue is eliminated on consolidation. Intersegment sales and transactions are conducted in accordance with the terms mutually agreed between the parties.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

6. Segment information (continued)

Operating segments (continued)

For the six months ended 30 June 2012 (unaudited)

	Oil/liquefied chemical terminal and logistics services RMB'000	Container terminal and logistics services RMB'000	Passenger and roll-on/ roll-off terminal and logistics services RMB'000	Automobile terminal and logistics services RMB'000	Ore terminal and logistics services RMB'000	Bulk grain terminal and logistics services RMB'000	General cargo terminal and logistics services RMB'000	Port value-added services and ancillary port operations RMB'000	Unallocated RMB'000	Total RMB'000
Revenue	423,308	529,283	61,816	9,640	163,409	188,005	173,344	420,913	78,504	2,048,222
Less: Cost of sales and services	215,707	373,174	35,677	4,838	93,688	77,043	151,942	254,287	23,345	1,229,701
Gross profit	207,601	156,109	26,139	4,802	69,721	110,962	21,402	166,626	55,159	818,521
Less: Tax and surcharge	17,922	33,408	2,412	540	6,134	7,451	6,428	14,421	4,788	93,504
General and administrative expenses	18,291	54,320	9,768	232	12,922	13,140	15,744	53,979	39,918	218,314
Financial expenses	14,040	10,762	1,793	(1,190)	(14)	(739)	(34)	(1,905)	152,158	174,871
Add: Gains on changes in fair value	—	—	—	—	—	—	—	531	—	531
Investment income	27,322	(2,508)	(4,533)	5,234	(522)	—	(11,441)	9,538	48,875	71,965
Operating profit	184,670	55,111	7,633	10,454	50,157	91,110	(12,177)	110,200	(92,830)	404,328
Add: Non-operating income	17,253	39,067	11	—	—	5	869	504	—	57,709
Less: Non-operating expenses	101	56	2,019	—	—	3	—	98	8	2,285
Total profit	201,822	94,122	5,625	10,454	50,157	91,112	(11,308)	110,606	(92,838)	459,752
Less: Income tax expenses	46,419	32,023	3,830	55	12,672	22,785	178	18,712	(22,560)	114,114
Net profit	155,403	62,099	1,795	10,399	37,485	68,327	(11,486)	91,894	(70,278)	345,638
Total assets	8,108,100	6,329,316	829,581	726,574	2,171,375	1,456,841	3,276,114	1,711,518	2,490,350	27,099,769
Total liabilities	1,659,350	785,119	88,958	13,534	87,113	20,217	194,257	98,666	10,440,315	13,387,529
Supplementary information:										
Depreciation and amortisation	87,498	78,479	8,747	4,856	42,967	33,505	29,978	29,518	9,898	325,446
Interest income	448	1,020	64	138	17	739	34	2,341	14,902	19,703
Capital expenditure	97,081	44,008	13,321	3,022	30,841	1,477	160,677	77,192	424	428,043
Intersegment sales	3,049	747	—	—	—	—	—	70,539	—	74,335

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

6. Segment information (continued)

Operating segments (continued)

For the six months ended 30 June 2011 (unaudited)

	Oil/liquefied chemical terminal and logistics services RMB'000	Container terminal and logistics services RMB'000	Passenger and roll-off/ terminal and logistics services RMB'000	Automobile terminal and logistics services RMB'000	Ore terminal and logistics services RMB'000	Bulk grain terminal and logistics services RMB'000	General cargo terminal and logistics services RMB'000	Port value- added services and ancillary port operations RMB'000	Unallocated RMB'000	Total RMB'000
Revenue	390,324	346,735	46,202	—	139,565	157,473	175,352	400,927	57,967	1,714,545
Less: Cost of sales and services	216,218	229,372	26,557	—	94,675	78,103	156,111	243,394	17,071	1,061,501
Gross profit	174,106	117,363	19,645	—	44,890	79,370	19,241	157,533	40,896	653,044
Less: Tax and surcharges	17,340	16,556	1,721	—	5,269	6,845	6,399	13,677	3,484	71,291
General and administrative expenses	17,459	38,400	7,076	71	10,708	11,024	13,462	49,116	27,757	175,073
Financial expenses	(3,101)	8,511	(53)	(11)	(1)	(36)	(4)	(3,914)	35,887	37,278
Add: Gains on changes in fair value	—	—	—	—	—	—	—	1,530	—	1,530
Investment income	18,739	39,433	(2,184)	5,877	—	—	4,958	7,699	—	74,522
Operating profit	161,147	93,329	8,717	5,817	28,914	61,537	4,342	107,883	(26,232)	445,454
Add: Non-operating income	20,540	600	2,543	—	—	—	1,437	3,954	—	29,074
Less: Non-operating expenses	—	8	17	—	—	—	535	348	—	908
Total profit	181,687	93,921	11,243	5,817	28,914	61,537	5,244	111,489	(26,232)	473,620
Less: Income tax expenses	35,571	16,803	2,557	—	7,127	15,384	709	27,544	(4,068)	101,627
Net profit	146,116	77,118	8,686	5,817	21,787	46,153	4,535	83,945	(22,164)	371,993
Total assets	7,424,955	6,197,631	876,031	811,297	2,069,531	1,498,685	2,549,961	2,032,777	4,083,767	27,544,635
Total liabilities	2,547,405	941,778	98,938	45,903	91,704	37,280	188,636	566,131	9,673,044	14,190,819
Supplementary information:										
Depreciation and amortisation	101,013	47,465	3,189	18	40,584	35,758	29,898	40,614	8,838	307,377
Interest income	483	797	55	18	1	36	4	5,026	19,953	26,373
Capital expenditure	378,550	87,507	24,508	78,922	167,274	134,080	258,364	7,329	6,333	1,142,867
Intersegment sales	355	568	—	—	—	200	1,035	69,166	—	71,324

Notes to Financial Statements (continued)

30 June 2012
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VIII. Other important items (continued)

6. Segment information (continued)

Other information

Information about products and services

The revenue classified by category is disclosed in Note V.44.

Geographical information

The entire group's operations and all its customers are located in Mainland China. Accordingly, all revenue is generated from the customers in Mainland China and major non-current assets are located in Mainland China.

Information about a major customer

For the six months ended 30 June 2012, revenue of RMB206,014,213.02 (For the six months ended 30 June 2011: RMB219,959,793.84) representing 10% or more of the Group's total revenue was derived from sales to a single customer in the segment of oil/liquefied chemical terminal and logistics services, including sales to a group of entities which are known to be under control with that customer.

7. Financial instruments and risks

The Group's major financial instruments comprise bank borrowings, bonds payable, financial assets held for trading and cash and bank balances. The main purpose of these financial instruments is to raise funds for the Group's operations. The Group has various other financial assets and liabilities such as accounts receivable and accounts payable, which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and market risk.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

7. Financial instruments and risks (continued)

Financial instruments by category

The carrying amounts of each category of financial instruments at each balance sheet date are as follows:

30 June 2012 (unaudited)

Financial assets

	Financial assets held for trading RMB'000	Loans and receivables RMB'000	Available- for-sale financial assets RMB'000	Total RMB'000
Cash and bank balances	—	2,060,910	—	2,060,910
Financial assets held for trading	100,531	—	—	100,531
Notes receivable	—	112,731	—	112,731
Accounts receivable	—	721,153	—	721,153
Interest receivable	—	4,816	—	4,816
Dividends receivable	—	28,009	—	28,009
Other receivables	—	236,190	—	236,190
Other current assets	—	3,850	—	3,850
Available-for-sale financial assets	—	—	23,917	23,917
Non-current assets due within one year	—	5,610	—	5,610
Other non-current assets	—	1,029,703	—	1,029,703
	100,531	4,202,972	23,917	4,327,420

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

7. Financial instruments and risks (continued)

Financial instruments by category (continued)

30 June 2012 (unaudited) (continued)

Financial liabilities

	Other financial liabilities RMB'000
Short-term borrowings	669,500
Notes payable	14,517
Accounts payable	135,268
Employee benefits payable	58,137
Interest payable	153,286
Dividends payable	365,500
Other payables	894,162
Non-current liabilities due within one year	430,000
Long-term borrowings	1,995,402
Bonds payable	7,837,107
Long-term payables	130
	12,553,009

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

7. Financial instruments and risks (continued)

Financial instruments by category (continued)

The carrying amounts of each category of financial instruments at each balance sheet date are as follows:

31 December 2011

Financial assets

	Loans and receivables RMB'000	Available-for-sale financial assets RMB'000	Total RMB'000
Cash and bank balances	2,254,079	—	2,254,079
Notes receivable	143,128	—	143,128
Accounts receivable	436,020	—	436,020
Interest receivable	17,078	—	17,078
Dividends receivable	27,229	—	27,229
Other receivables	198,697	—	198,697
Other current assets	702,830	—	702,830
Available-for-sale financial assets	—	26,578	26,578
Non-current assets due within one year	4,864	—	4,864
Other non-current assets	1,030,059	—	1,030,059
	<u>4,813,984</u>	<u>26,578</u>	<u>4,840,562</u>

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

7. Financial instruments and risks (continued)

Financial instruments by category (continued)

31 December 2011 (continued)

Financial liabilities

	Other financial liabilities RMB'000
Short-term borrowings	621,000
Notes payable	74,030
Accounts payable	145,983
Employee benefits payable	131,690
Interest payable	197,605
Dividends payable	98,686
Other payables	917,685
Non-current liabilities due within one year	210,000
Long-term borrowings	2,198,487
Bonds payable	8,029,945
Long-term payables	4,036
	12,629,147

Credit risk

Credit risk is the risk of financial losses on one party of a financial instrument due to the failure of the counterparty to meet its obligations.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, account receivable balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the special approval of the credit control department of the Group.

Other financial assets of the Group include cash and bank balances, financial assets held for trading, available-for-sale financial assets, interest receivable, dividends receivable, other receivables and other current/non-current assets. The credit risk on these financial assets arises from default of the counterparty, with a maximum exposure equal to the carrying amounts.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

7. Financial instruments and risks (continued)

Credit risk (continued)

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer. As at 30 June 2012, the Group had certain concentration of credit risk as 49% (31 December 2011: 34%) of the Group's accounts receivable were due from the five largest customers. The Group did not hold any collateral or other credit enhancements over the account receivable balances.

Further quantitative data in respect of the Group's exposure to credit risk arising from accounts receivable and other receivables are disclosed in Notes V.6 and 7.

As at 30 June 2012 and 31 December 2011, the analysis of the Group's accounts receivable that are undue but unimpaired and accounts receivable that are past due but not impaired is as follows:

	30 June 2012 (unaudited)	31 December 2011
Undue and unimpaired	361,209,671.41	404,952,244.77
Past due and unimpaired — within 3 months	231,406,496.37	10,681,051.60
Past due and unimpaired — over 3 months	128,536,864.64	20,386,963.18
	721,153,032.42	436,020,259.55

Liquidity risk

Liquidity risk is the risk that an enterprise may encounter deficiency of funds in meeting obligations associated with financial liabilities.

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, bonds payable and other interest-bearing loans. As at 30 June 2012, 10% (31 December 2011: 9%) of the Group's interest-bearing debts would fall due within one year.

The Group relies sufficient operating cash inflows to meet its obligations associated with matured debts and external financing to fulfil its commitments to future capital expenditure. As at 30 June 2012, the Company has obtained bank loan facilities of RMB32,198,000,000 provided by several domestic banks to meet the future capital commitments and financing needs. Out of the total amount of the bank facilities, RMB24,427,850,000 has not been utilised.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

7. Financial instruments and risks (continued)

Liquidity risk (continued)

The maturity profile of the Group's financial liabilities at each balance sheet date, based on the contractual undiscounted payments, is as follows:

30 June 2012 (unaudited)

	On demand RMB'000	Less than 3 months RMB'000	3 months to 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Notes payable	—	—	14,517	—	—	14,517
Accounts payable	135,268	—	—	—	—	135,268
Employee benefits payable	—	14,247	43,890	—	—	58,137
Interest payable	—	127,054	26,232	—	—	153,286
Dividends payable	99,940	265,560	—	—	—	365,500
Other payables	777,109	113,148	3,905	—	—	894,162
Bank borrowings	—	50,987	1,217,507	1,950,860	309,042	3,528,396
Bonds payable	—	37,775	228,518	4,169,700	6,139,500	10,575,493
Long-term payables	—	—	—	130	—	130
	1,012,317	608,771	1,534,569	6,120,690	6,448,542	15,724,889

31 December 2011

	On demand RMB'000	Less than 3 months RMB'000	3 months to 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Notes payable	—	20,000	54,030	—	—	74,030
Accounts payable	145,983	—	—	—	—	145,983
Employee benefits payable	—	131,690	—	—	—	131,690
Interest payable	—	16,477	181,128	—	—	197,605
Dividends payable	7,422	—	91,264	—	—	98,686
Other payables	913,227	—	4,458	—	—	917,685
Bank borrowings	—	68,994	906,028	2,204,935	318,664	3,498,621
Bonds payable	—	—	432,844	4,299,900	6,424,375	11,157,119
Long-term payables	—	—	—	4,036	—	4,036
	1,066,632	237,161	1,669,752	6,508,871	6,743,039	16,225,455

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

7. Financial instruments and risks (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. The market risk mainly includes interest rate risk, foreign exchange risk and equity investment price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The main risk that the Group faces is its liabilities with a floating rate.

The Group manages its interest expenses through maintaining an appropriate combination of fixed rate borrowings and floating rate borrowings.

The sensitivity analyses below reflected the impact on net profit and shareholders' equity (mainly through the impact on floating rate borrowings) when there is a reasonable possible change in interest rates, with all other variables held constant.

	Increase/ (decrease) in basis points	Increase/ (decrease) in total profit	Increase/ (decrease) in shareholders' equity (Note)
For the six months ended 30 June 2012 (unaudited)			
RMB	50	(11,178,850.93)	—
USD	50	(1,448,160.77)	—
RMB	(50)	11,178,850.93	—
USD	(50)	1,448,160.77	—
For the six months ended 30 June 2011 (unaudited)			
RMB	50	(9,226,191.21)	—
USD	50	(3,688,808.79)	—
RMB	(50)	9,226,191.21	—
USD	(50)	3,688,808.79	—

Note: Excluding retained earnings

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

7. Financial instruments and risks (continued)

Market risk (continued)

Foreign exchange risk

Foreign exchange risk is the risk of fluctuation on fair value or future cash flows of financial instruments resulting from changes in foreign exchange rates. The Group's foreign exchange risk mainly arises from the financial assets and financial liabilities denominated in USD, HKD and JPY held by the Group.

The following table demonstrates the sensitivity to a reasonably possible change in the USD, HKD and JPY exchange rates, with all other variables held constant, of the Group's total profit and the Group's equity.

	Increase/ (decrease) in exchange rates	Increase/ (decrease) in total profit	Increase/ (decrease) in shareholders' equity (Note)
30 June 2012 (unaudited)			
RMB strengthens against USD	1%	2,759,609.16	—
RMB strengthens against HKD	1%	(133,741.63)	(141,471.01)
RMB strengthens against JPY	1%	(190,622.47)	—
		<u>2,435,245.06</u>	<u>(141,471.01)</u>
RMB weakens against USD	(1%)	(2,759,609.16)	—
RMB weakens against HKD	(1%)	133,741.63	141,471.01
RMB weakens against JPY	(1%)	190,622.47	—
		<u>(2,435,245.06)</u>	<u>141,471.01</u>

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

7. Financial instruments and risks (continued)

Market risk (continued)

Foreign exchange risk (continued)

	Increase/ (decrease) in exchange rates	Increase/ (decrease) in total profit	Increase/ (decrease) in shareholders' equity (Note)
31 December 2011			
RMB strengthens against USD	1%	2,766,660.42	—
RMB strengthens against HKD	1%	(137,640.19)	(146,097.46)
RMB strengthens against JPY	1%	(189,552.19)	—
		<u>2,439,468.04</u>	<u>(146,097.46)</u>
RMB weakens against USD	(1%)	(2,766,660.42)	—
RMB weakens against HKD	(1%)	137,640.19	146,097.46
RMB weakens against JPY	(1%)	189,552.19	—
		<u>(2,439,468.04)</u>	<u>146,097.46</u>

Note: Excluding retained earnings

Equity investment price risk

Equity investment price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of share indices and the values of individual securities. As at 30 June 2012, the Group was exposed to equity investment price risk arising from individual equity investments classified as available-for-sale equity investments (Note V.12). The Group's listed investments are listed on the Shanghai, Shenzhen and Hong Kong stock exchanges and are valued at quoted market prices at the balance sheet date.

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

7. Financial instruments and risks (continued)

Market risk (continued)

Equity investment price risk (continued)

The market equity indices for the following stock exchanges, at the close of business of the trading day in the period closest to the balance sheet date, and their respective highest and lowest points during the period were as follows:

	2012 30 June	For the six months ended 30 June 2012 Highest/Lowest	2011 31 December	2011 Highest/Lowest
Shanghai — A Share Index	2,331	2,578/2,359	2,304	3,202/2,269
Shenzhen — A Share Index	964	1,010/814	907	1,373/889
Hong Kong — Heng Seng Index	19,441	21,760/18,056	18,434	24,420/16,250

The following table demonstrates the sensitivity to every 5% change in the fair values of the equity investments on the Group's total profit and shareholders' equity, with all other variables held constant and before any impact on tax. For the purpose of this analysis, for the available-for-sale investments, the effect is deemed to be on the changes in fair values of available-for-sale equity investments and no account is given for factors such as impairment which might impact the income statement.

	Carrying amount of equity investments	Change in total profit	Change in shareholders' equity
30 June 2012 (unaudited)			
Available-for-sale equity investments			
Shanghai	3,534,816.00	—	176,740.80
Shenzhen	6,313,136.00	—	315,656.80
Hong Kong	14,069,006.92	—	703,450.35
	23,916,958.92	—	1,195,847.95
31 December 2011			
Available-for-sale equity investments			
Shanghai	4,012,708.00	—	200,635.40
Shenzhen	7,955,315.50	—	397,765.78
Hong Kong	14,609,746.31	—	730,487.32
	26,577,769.81	—	1,328,888.50

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

7. Financial instruments and risks (continued)

Fair value

The carrying amounts and fair values of each category of financial instruments are as follows:

	Carrying amount		Fair value	
	30 June 2012 RMB'000 (unaudited)	31 December 2011 RMB'000	30 June 2012 RMB'000 (unaudited)	31 December 2011 RMB'000
<u>Financial assets</u>				
Cash and bank balances	2,060,910	2,254,079	2,060,910	2,254,079
Financial assets held for trading	100,531	—	100,531	—
Notes receivable	112,731	143,128	112,731	143,128
Accounts receivable	721,153	436,020	721,153	436,020
Interest receivable	4,816	17,078	4,816	17,078
Dividends receivable	28,009	27,229	28,009	27,229
Other receivables	236,190	198,697	236,190	198,697
Other current assets	3,850	702,830	3,850	702,830
Non-current assets due within one year	5,610	4,864	5,610	4,864
Available-for-sale financial assets	23,917	26,578	23,917	26,578
Other non-current assets	1,029,703	1,030,059	1,029,703	1,030,059
	4,327,420	4,840,562	4,327,420	4,840,562
<u>Financial liabilities</u>				
Short-term borrowings	669,500	621,000	669,500	621,000
Notes payable	14,517	74,030	14,517	74,030
Accounts payable	135,268	145,983	135,268	145,983
Employee benefits payable	58,137	131,690	58,137	131,690
Interest payable	153,286	197,605	153,286	197,605
Dividends payable	365,500	98,686	365,500	98,686
Other payables	894,162	917,685	894,162	917,685
Non-current liabilities due within one year	430,000	210,000	430,000	210,000
Long-term borrowings	1,995,402	2,198,487	1,995,402	2,198,487
Bonds payable	7,837,107	8,029,945	7,837,107	8,029,945
Long-term payables	130	4,036	130	4,036
	12,553,009	12,629,147	12,553,009	12,629,147

Notes to Financial Statements (continued)

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(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

7. Financial instruments and risks (continued)

Fair value (continued)

The 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. The following methods and assumptions were used to estimate the fair values.

The fair values of cash and bank balances, notes receivable, accounts receivable, other current assets, notes payable, accounts payable and etc. approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of other non-current assets, long/short-term borrowings, bonds payable and long-term payables have been calculated by discounting the expected future cash flows using rates currently available for instruments on similar terms, credit risk and remaining maturities.

The fair values of listed financial instruments are based on quoted market prices.

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

Level 1: fair values are measured using unadjusted quoted prices of identical assets or liabilities in active markets that the entity can assess at the measurement date. Level 2: fair values are measured using adjusted quoted prices of similar assets or liabilities in active markets or identical or similar assets or liabilities in inactive markets that the entity can assess at the measurement date. Level 3: for situations in which quoted prices for identical or similar assets or liabilities are not available in comparable markets, fair values are measured based on other inputs that represent the assumptions that market participants would use when pricing the asset or liability.

Financial instruments measured at fair value:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
30 June 2012 (unaudited)				
Financial assets held for trading	100,531	—	—	100,531
Available-for-sale financial assets	23,917	—	—	23,917
31 December 2011				
Available-for-sale financial assets	26,578	—	—	26,578

Notes to Financial Statements (continued)

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VIII. Other important items (continued)

8. Employee benefit expense

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Employee benefit expense, including directors' remuneration:		
Salaries, allowances and benefits in kind	343,214,224.47	292,563,276.77
Pension scheme contributions	45,159,616.11	40,245,932.96
	388,373,840.58	332,809,209.73

The Group's full-time employees in Mainland China are covered by a government-sponsored defined contribution pension scheme, and are entitled to a monthly pension from their retirement dates. The PRC government is responsible for the pension liability to these retired employees. The Group is required to make annual contributions to the retirement plan of a rate of 20% of employees' basic salaries. The related pension costs are expensed as incurred.

IX. Contingency

Guarantee

The Company's associate, Dalian North Petroleum Logistics Co., Ltd. ("DCPL"), applied to the Bank of China for a bank loan of RMB220 million for a period of no more than 10 years. China Zhenhua Oil Co., Ltd., which is the substantial shareholder (with a 29% equity interest) of DNPL, provided a guarantee for the bank loan.

Pursuant to the directors' resolution at the fourth meeting in 2011 of the second board of directors, the Company provided a counter guarantee for 20% of the guarantee liability actually assumed by China Zhenhua Oil Co., Ltd. to the Bank of China for DNPL. The counter guarantee was unconditional and non-cancellable and the relevant counter guarantee contract was signed on 25 October 2011. The counter guarantee period was two years since the date China Zhenhua Oil Co., Ltd. had the guarantee responsibility to the Bank of China according to the guarantee contract. If China Zhenhua Oil Co., Ltd. fulfilled its guarantee obligation to the Bank of China more than one time according to the guarantee contract, the counter guarantee period provided by the Company would have been calculated separately.

Notes to Financial Statements (continued)

30 June 2012
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X. Notes to the company's financial statements

1. Accounts receivable

	30 June 2012 (unaudited)	31 December 2011
Within 1 year	530,723,613.65	286,424,620.91
1 to 2 years	11,976,535.13	7,555,742.10
2 to 3 years	221,568.00	661,166.00
Over 3 years	1,209,918.00	770,320.00
	544,131,634.78	295,411,849.01
Less: Provision for bad debts	(548,752.00)	(548,752.00)
	543,582,882.78	294,863,097.01

Movements in the provision for bad debts were as follows:

	For the six months ended 30 June 2012 (unaudited)	2011
Opening balance	548,752.00	548,752.00
Increase	—	—
Closing balance	548,752.00	548,752.00

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

X. Notes to the company's financial statements (continued)

1. Accounts receivable (continued)

	30 June 2012 (unaudited)				31 December 2011			
	Ending balance		Bad debt provision		Ending balance		Bad debt provision	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Individually significant and subject to separate provision	462,437,865.60	84.99	—	—	228,494,695.05	77.35	—	—
Not individually significant but subject to separate provision	81,693,769.18	15.01	548,752.00	0.67	66,917,153.96	22.65	548,752.00	0.82
	544,131,634.78	100.00	548,752.00		295,411,849.01	100.00	548,752.00	

As at 30 June 2012, top five accounts receivable were as follows:

	Relationship	Amount	Ageing	Percentage of accounts receivable (%)
PetroChina Dalian Petrochemical Company	Third party	99,894,945.00	Within 1 year	18.36
Dalian West Pacific Petrochemical Co., Ltd.	Third party	95,197,439.40	Within 1 year	17.50
Dalian Angang International Trade Transportation Agency Co., Ltd.	Third party	72,479,421.17	Within 2 years	13.32
RGL Group Co., Ltd.	Third party	36,810,093.53	Within 1 year	6.76
Shenyang Oriental Steel Co., Ltd.	Third party	32,846,908.83	Within 1 year	6.04
		337,228,807.93		61.98

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

X. Notes to the company's financial statements (continued)

1. Accounts receivable (continued)

As at 31 December 2011, top five accounts receivable were as follows:

	Relationship	Amount	Ageing	Percentage of accounts receivable (%)
Dalian West Pacific Petrochemical Co., Ltd.	Third party	35,982,746.40	Within 1 year	12.18
Benxi Steel Group Corporation	Third party	35,818,044.48	Within 1 year	12.12
RGL Group Co., Ltd.	Third party	32,614,996.34	Within 1 year	11.04
Shenyang Oriental Steel Co., Ltd.	Third party	26,370,684.03	Within 1 year	8.93
Dalian Angang International Trade Transportation Agency Co., Ltd.	Third party	19,321,153.41	Within 1 year	6.54
		150,107,624.66		50.81

Accounts receivable due from subsidiaries and jointly-controlled entities were as follows:

	30 June 2012 (unaudited)	31 December 2011
Amounts due from subsidiaries	1,242,164.00	2,166,196.57
Amounts due from jointly-controlled entities	6,691,917.33	6,204,307.40
Amounts due from other related entities	3,292,578.09	3,002,024.20
	11,226,659.42	11,372,528.17

The above accounts receivable are unsecured, interest-free and repayable on demand.

As at 30 June 2012, there was no account receivable due from any shareholder holding 5% or more of the Company's voting shares (31 December 2011: Nil).

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

X. Notes to the company's financial statements (continued)

2. Other receivables

An ageing analysis of the other receivables was as follows:

	30 June 2012 (unaudited)	31 December 2011
Within 1 year	161,111,244.95	113,968,978.94
1 to 2 years	6,393,801.30	6,169,274.53
2 to 3 years	2,211,660.37	1,145,188.78
Over 3 years	19,803,478.01	18,679,311.35
	189,520,184.63	139,962,753.60
Less: Provision for bad debts	(93,710.07)	(93,710.07)
	189,426,474.56	139,869,043.53

Movements in the provision for bad debts were as follows:

	For the six months ended 30 June 2012 (unaudited)	For the year ended 31 December 2011
Opening balance	93,710.07	93,710.07
Increase	—	—
Closing balance	93,710.07	93,710.07

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

X. Notes to the company's financial statements (continued)

2. Other receivables (continued)

	30 June 2012 (unaudited)				31 December 2011			
	Ending balance		Bad debt provision		Ending balance		Bad debt provision	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Individually significant and subject to separate provision	158,574,900.00	83.67	—	—	112,673,780.00	80.50	—	—
Not individually significant but subject to separate provision	30,945,284.63	16.33	93,710.07	0.30	27,288,973.60	19.50	93,710.07	0.34
	189,520,184.63	100.00	93,710.07		139,962,753.60	100.00	93,710.07	

As at 30 June 2012, the top five other receivables were as follows:

	Relationship	Amount	Ageing	Percentage of other receivables (%)
Dalian Financial Bureau	Third party	126,561,900.00	Within 1 year	66.78
Dalian Financial Bureau	Third party	18,000,000.00	4 to 5 years	9.50
Dalian Port Container Terminal Co., Ltd.	Jointly-controlled entity	12,476,758.60	Within 1 year	6.58
Dalian Port Pilotage Station	Third party	4,406,200.00	Within 1 year	2.32
Dalian Angang International Trade Transportation Agency Co., Ltd.	Third party	3,104,231.25	1 to 2 years	1.64
		164,549,089.85		86.82

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

X. Notes to the company's financial statements (continued)

2. Other receivables (continued)

As at 31 December 2011, the top five other receivables were as follows:

	Relationship	Amount	Ageing	Percentage of other receivables (%)
Dalian Financial Bureau	Third party	88,270,000.00	Within 1 year	63.07
Dalian Financial Bureau	Third party	18,000,000.00	4 to 5 years	12.86
Dalian North Petroleum Logistics Co., Ltd.	Associate	8,403,780.00	Within 1 year	6.00
Dalian Angang International Trade Transportation Agency Co., Ltd.	Third party	3,104,231.25	Within 1 year	2.22
Dalian Port Pilotage Station	Third party	3,021,093.52	Within 1 year	2.16
		<u>120,799,104.77</u>		<u>86.31</u>

Other receivables due from subsidiaries, jointly-controlled entities, associates, PDA and other related parties were as follows:

	30 June 2012 (unaudited)	31 December 2011
Amounts due from subsidiaries	669,575.20	3,529,137.48
Amounts due from jointly-controlled entities	14,568,893.87	26,349.60
Amounts due from associates	—	9,060,932.69
Amount due from PDA	1,007,817.00	1,426,725.00
Amounts due from other related parties	1,571,087.40	914,244.68
	<u>17,817,373.47</u>	<u>14,957,389.45</u>

The above other receivables due from related parties are unsecured, interest-free and repayable on demand.

As at 30 June 2012, except for the above amount due from PDA, there was no other receivables due from any shareholder holding 5% or more of the Company's voting rights (31 December 2011: Nil).

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

X. Notes to the company's financial statements (continued)

3. Long-term equity investments

For the six months ended 30 June 2012 (unaudited)

	Investment cost	Opening balance	Movements during the year	Ending balance	Percentage of shareholding %	Percentage of voting rights %	Cash dividend declared during the period
Cost method:							
Dalian Port Container Development Co., Ltd.	2,845,297,222.35	2,845,297,222.35	—	2,845,297,222.35	100.00	100.00	—
Asia Pacific Ports Company Limited	76,155,000.00	76,155,000.00	—	76,155,000.00	100.00	100.00	—
Dalian ETDZ Jin Xin Petrochemistry Company Limited	6,629,301.65	6,629,301.65	—	6,629,301.65	100.00	100.00	—
Dalian Jifa Shipping Management Co., Ltd.	236,984,354.73	236,984,354.73	—	236,984,354.73	70.00	70.00	—
Dalian Gangyue Car-carrying Vessel Management Co., Ltd.	99,960,000.00	99,960,000.00	—	99,960,000.00	51.00	51.00	—
Dalian Ocean Shipping Tally Co., Ltd.	14,259,172.03	14,259,172.03	—	14,259,172.03	84.00	84.00	—
Dalian Portsoft Technology Co., Ltd.	11,126,271.39	11,126,271.39	—	11,126,271.39	49.00	49.00	—
Dalian Port Construction Supervision & Consultation Co., Ltd.	18,278,125.97	18,278,125.97	—	18,278,125.97	75.00	75.00	—
Dalian Port Telecommunications Engineering Co., Ltd.	6,137,212.61	6,137,212.61	—	6,137,212.61	45.00	45.00	—
Dalian Port Construction Management Co., Ltd.	11,066,501.26	13,778,541.68	(2,712,040.42)	11,066,501.26	100.00	100.00	—
Dalian Golden Bay Grain Logistics Co., Ltd.	53,156,426.75	53,156,426.75	—	53,156,426.75	37.50	75.00	—
Dalian Port Power Supply Co., Ltd.	25,895,508.24	25,895,508.24	—	25,895,508.24	100.00	100.00	—
Dalian Port Petroleum and Chemical Co., Ltd.	596,800,000.00	596,800,000.00	—	596,800,000.00	100.00	100.00	—
Dalian Lvshun Port Co., Ltd.	217,580,000.00	217,580,000.00	—	217,580,000.00	60.00	60.00	—
福建寧連港口有限公司	12,000,000.00	12,000,000.00	—	12,000,000.00	60.00	60.00	—
Shandong Weihai Port Co., Ltd.	11,900,000.00	11,900,000.00	—	11,900,000.00	9.97	9.97	—
Da-In Ferry Co., Ltd.	1,900,057.50	1,900,057.50	—	1,900,057.50	7.50	7.50	—
大連金港聯合汽車國際貿易有限公司	6,000,000.00	—	6,000,000.00	6,000,000.00	60.00	60.00	—
Cost method total	4,251,125,154.48	4,247,837,194.90	3,287,959.58	4,251,125,154.48			—

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

X. Notes to the company's financial statements (continued)

3. Long-term equity investments (continued)

For the six months ended 30 June 2012 (unaudited) (continued)

	Investment cost	Opening balance	Movements during the year	Ending balance	Percentage of shareholding %	Percentage of voting rights %	Cash dividend declared during the period
Equity method:							
Jointly-controlled entities							
大連港通利船務代理有限公司	1,311,300.00	1,856,202.70	135,776.17	1,991,978.87	50.00	50.00	—
Dalian Harbour ECL Logistics Co., Ltd.	30,111,142.43	30,321,411.19	171,964.96	30,493,376.15	50.00	50.00	—
Odfjell Terminals (Dalian) Ltd.	86,878,185.37	130,645,336.90	11,172,660.89	141,817,997.79	50.00	50.00	—
Dalian Port PetroChina International Terminal Co., Ltd.	125,000,000.00	126,933,246.40	901,998.72	127,835,245.12	50.00	50.00	1,739,921.76
China United Tally Co., Ltd. Dalian	5,103,200.33	5,435,664.14	86,566.08	5,522,230.22	49.00	49.00	—
Dalian China Oil Dock Management Co., Ltd.	16,301,068.34	17,172,410.34	(1,798,145.29)	15,374,265.05	49.00	49.00	3,013,500.00
Dalian Automobile Terminal Co., Ltd.	152,503,640.00	150,006,564.74	5,061,679.20	155,068,243.94	40.00	40.00	—
Dalian Changxing Island Port Co., Ltd.	248,000,000.00	233,448,111.72	(11,440,526.24)	222,007,585.48	40.00	40.00	—
大連港散貨物流中心有限公司	2,000,000.00	2,000,000.00	(522,061.24)	1,477,938.76	40.00	40.00	—
Odfjell Dalian Port Consulting Co., Ltd.	3,000,000.00	—	3,000,000.00	3,000,000.00	50.00	50.00	—
大連港長興島投資發展有限公司	313,147,800.00	—	313,147,800.00	313,147,800.00	45.00	45.00	—
Jointly-controlled entities total	983,356,336.47	697,818,948.13	319,917,713.25	1,017,736,661.38			4,753,421.76
Associates							
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	20,288,520.00	35,720,881.88	(438,656.30)	35,282,225.58	20.00	20.00	4,947,000.00
太倉興港拖輪有限公司	900,000.00	2,095,031.77	(87,911.53)	2,007,120.24	30.00	30.00	450,000.00
PetroChina Dalian LNG Co., Ltd.	520,000,000.00	512,351,554.69	6,556,999.72	518,908,554.41	20.00	20.00	—
Dalian North Petroleum Logistics Co., Ltd.	29,600,000.00	28,247,585.20	1,274,273.47	29,521,858.67	20.00	20.00	—
中海港聯航運有限公司	90,000,000.00	91,728,623.03	(10,269,056.33)	81,459,566.70	30.00	30.00	—
中鐵渤海鐵路輪渡有限公司	274,500,286.56	278,003,004.56	4,591,255.76	282,594,260.32	17.50	17.50	—
CDC International Logistics Co., Ltd.	90,000,000.00	90,000,000.00	—	90,000,000.00	30.00	30.00	—
Dalian Port Corporation Finance Company Limited	200,000,000.00	200,000,000.00	6,551,866.80	206,551,866.80	40.00	40.00	—
Associates total	1,225,288,806.56	1,238,146,681.13	8,178,771.59	1,246,325,452.72			5,397,000.00
Equity method total	2,208,645,143.03	1,935,965,629.26	328,096,484.84	2,264,062,114.10			10,150,421.76
	6,459,770,297.51	6,183,802,824.16	331,384,444.42	6,515,187,268.58			10,150,421.76

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

X. Notes to the company's financial statements (continued)

3. Long-term equity investments (continued)

2011

	Investment cost	Opening balance	Movements during the year	Ending balance	Percentage of shareholding %	Percentage of voting rights %	Cash dividend declared during the year
Cost method:							
Dalian Port Container Development Co., Ltd.	2,845,297,222.35	2,304,047,222.35	541,250,000.00	2,845,297,222.35	100.00	100.00	133,554,037.07
Asia Pacific Ports Company Limited	76,155,000.00	76,155,000.00	—	76,155,000.00	100.00	100.00	—
Dalian ETDZ Jin Xin Petrochemistry Company Limited	6,629,301.65	6,629,301.65	—	6,629,301.65	100.00	100.00	3,100,357.81
Dalian Jifa Shipping Management Co., Ltd.	236,984,354.73	56,984,354.73	180,000,000.00	236,984,354.73	70.00	70.00	—
Dalian Gangyue Car-carrying Vessel Management Co., Ltd.	99,960,000.00	99,960,000.00	—	99,960,000.00	51.00	51.00	—
Dalian Ocean Shipping Tally Co., Ltd.	14,259,172.03	14,259,172.03	—	14,259,172.03	84.00	84.00	12,308,516.04
Dalian Portsoft Technology Co., Ltd.	11,126,271.39	11,126,271.39	—	11,126,271.39	49.00	49.00	1,960,000.00
Dalian Port Construction Supervision & Consultation Co., Ltd.	18,278,125.97	18,278,125.97	—	18,278,125.97	75.00	75.00	6,000,000.00
Dalian Port Telecommunication Engineering Co., Ltd.	6,137,212.61	6,137,212.61	—	6,137,212.61	45.00	45.00	1,354,500.00
Dalian Port Construction Management Co., Ltd.	13,778,541.68	13,778,541.68	—	13,778,541.68	100.00	100.00	5,575,121.19
Dalian Golden Bay Grain Logistics Co., Ltd.	53,156,426.75	53,156,426.75	—	53,156,426.75	37.50	75.00	—
Dalian Port Corporation Zhuanghe Terminal Co., Ltd.	—	—	—	—	100.00	100.00	—
Dalian Port Power Supply Co., Ltd.	25,895,508.24	25,895,508.24	—	25,895,508.24	100.00	100.00	3,757,193.35
Dalian Port Petroleum and Chemical Co., Ltd.	596,800,000.00	396,800,000.00	200,000,000.00	596,800,000.00	100.00	100.00	—
Dalian Lvshun Port Co., Ltd.	217,580,000.00	—	217,580,000.00	217,580,000.00	60.00	60.00	—
福建寧連港口有限公司	12,000,000.00	—	12,000,000.00	12,000,000.00	60.00	60.00	—
Shandong Weihai Port Co., Ltd.	11,900,000.00	11,900,000.00	—	11,900,000.00	9.97	9.97	—
Da-In Ferry Co., Ltd.	1,900,057.50	1,900,057.50	—	1,900,057.50	7.50	7.50	875,067.64
Cost method total	4,247,837,194.90	3,097,007,194.90	1,150,830,000.00	4,247,837,194.90			168,484,793.10

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

X. Notes to the company's financial statements (continued)

3. Long-term equity investments (continued)

2011 (continued)

	Investment cost	Opening balance	Movements during the year	Ending balance	Percentage of shareholding %	Percentage of voting rights %	Cash dividend declared during the year
Equity method:							
Jointly-controlled entities							
大連港通利船務代理有限公司	1,311,300.00	1,407,347.20	448,855.50	1,856,202.70	50.00	50.00	—
Dalian Harbour ECL Logistics Co., Ltd.	30,147,500.00	11,122,090.58	19,199,320.61	30,321,411.19	50.00	50.00	—
Odfjell Terminals (Dalian) Ltd.	86,878,185.37	131,790,266.88	(1,144,929.98)	130,645,336.90	50.00	50.00	15,000,000.00
Dalian Port PetroChina International Terminal Co., Ltd.	125,000,000.00	121,483,436.33	5,449,810.07	126,933,246.40	50.00	50.00	—
China United Tally Co., Ltd. Dalian	5,103,200.33	4,584,098.58	851,565.56	5,435,664.14	49.00	49.00	1,840,666.21
Dalian China Oil Dock Management Co., Ltd.	16,301,068.34	22,342,384.86	(5,169,974.52)	17,172,410.34	49.00	49.00	8,006,600.00
Dalian Automobile Terminal Co., Ltd.	152,503,640.00	139,588,153.94	10,418,410.80	150,006,564.74	40.00	40.00	—
Dalian Changxing Island Port Co., Ltd.	232,893,844.88	153,214,222.62	80,233,889.10	233,448,111.72	40.00	40.00	—
大連散貨物流中心有限公司	2,000,000.00	—	2,000,000.00	2,000,000.00	40.00	40.00	—
Jointly-controlled entities total	652,138,738.92	585,532,000.99	112,286,947.14	697,818,948.13			24,847,266.21
Associates							
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	20,288,520.00	30,930,387.09	4,790,494.79	35,720,881.88	20.00	20.00	5,191,000.00
太倉興港拖輪有限公司	900,000.00	1,594,247.92	500,783.85	2,095,031.77	30.00	30.00	600,000.00
PetroChina Dalian LNG Co., Ltd.	520,000,000.00	520,000,000.00	(7,648,445.31)	512,351,554.69	20.00	20.00	—
Dalian North Petroleum Logistics Co., Ltd.	29,600,000.00	29,042,430.84	(794,845.64)	28,247,585.20	20.00	20.00	—
中海港聯航運有限公司	95,044,267.30	95,328,623.03	(3,600,000.00)	91,728,623.03	30.00	30.00	—
中鐵渤海鐵路輪渡有限公司	277,012,443.74	—	278,003,004.56	278,003,004.56	17.50	17.50	—
CDC International Logistics Co., Ltd.	90,000,000.00	—	90,000,000.00	90,000,000.00	30.00	30.00	—
Dalian Port Corporation Finance Company Limited	200,000,000.00	—	200,000,000.00	200,000,000.00	40.00	40.00	—
Associates total	1,232,845,231.04	676,895,688.88	561,250,992.25	1,238,146,681.13			5,791,000.00
Equity method total	1,884,983,969.96	1,262,427,689.87	673,537,939.39	1,935,965,629.26			30,638,266.21
	6,132,821,164.86	4,359,434,884.77	1,824,367,939.39	6,183,802,824.16			199,123,059.31

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

X. Notes to the company's financial statements (continued)

4. Revenue and cost of sales

Revenue is as follows:

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Revenue from the principal operations	1,136,584,108.11	1,032,947,066.41
Revenue from other operations	182,265,767.58	152,735,362.01
	1,318,849,875.69	1,185,682,428.42

Cost of sales is as follows:

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Cost of the principal operations	633,136,998.01	638,163,959.35
Cost of other operations	123,244,112.11	104,328,831.30
	756,381,110.12	742,492,790.65

Revenue by segment is as follows:

	For the six months ended 30 June 2012 (unaudited)		For the six months ended 30 June 2011 (unaudited)	
	Revenue	Cost of sales	Revenue	Cost of sales
Oil/Liquefied chemical terminal and logistics services	368,192,225.47	202,815,664.15	338,778,845.36	196,979,726.42
Port value-added services and ancillary port operations	309,087,773.58	195,871,231.11	270,109,211.53	228,358,962.47
General cargo terminal and logistics services	164,135,402.45	144,784,213.79	181,734,175.66	140,811,933.26
Bulk grain terminal and logistics services	169,353,377.90	74,229,254.17	120,940,333.53	63,639,980.96
Ore terminal and logistics services	163,408,554.29	93,688,472.06	157,184,716.28	80,633,772.54
Passenger and roll-on/roll-off terminal and logistics services	44,398,994.26	18,461,150.75	40,779,486.14	17,553,111.60
Others	100,273,547.74	26,531,124.09	76,155,659.92	14,515,303.40
	1,318,849,875.69	756,381,110.12	1,185,682,428.42	742,492,790.65

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

X. Notes to the company's financial statements (continued)

4. Revenue and cost of sales (continued)

Revenue from the top five customers in the six months end 30 June 2012 is as follows:

	Amount	Percentage of revenue (%)
West Pacific Petrochemical Company Ltd. Dalian	114,416,263.40	8.68
PetroChina Dalian Petrochemical Company	97,378,548.80	7.38
PetroChina International Co., Ltd.	41,344,255.40	3.13
PetroChina Fuel Oil Company Limited	40,515,974.00	3.07
本鋼板材股份有限公司	38,977,781.40	2.96
	332,632,823.00	25.22

Revenue from the top five customers in the six months end 30 June 2011 is as follows:

	Amount	Percentage of revenue (%)
PetroChina Dalian Petrochemical Company	103,683,100.11	8.74
West Pacific Petrochemical Company Ltd. Dalian	96,001,791.46	8.10
Dalian Tader Coal SCM Co., Ltd.	40,623,376.00	3.43
Dalian Angang Group International Trade Transportation Agency Co., Ltd.	38,108,166.21	3.21
Benxi Steel Group Corporation	37,905,862.50	3.20
	316,322,296.28	26.68

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

X. Notes to the company's financial statements (continued)

4. Revenue and cost of sales (continued)

Revenue is analysed as follows:

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Logistics services	232,188,580.33	227,867,164.31
Loading services	607,034,304.17	522,028,205.77
Storage services	143,807,324.65	135,437,893.82
Agency services	4,429,606.24	3,568,921.98
Port management services	95,688,854.66	92,580,999.13
Leasing services	76,052,657.03	64,183,231.23
Utility services	58,293,409.94	44,576,235.79
Others	101,355,138.67	95,439,776.39
	1,318,849,875.69	1,185,682,428.42

5. Investment income

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Investment income from long-term equity investments under the cost method	9,337,061.36	4,189,567.64
Investment income from long-term equity investments under the equity method	22,099,106.60	28,730,338.84
Including: Investment income from associates	13,575,771.59	5,406,265.28
Investment income from jointly-controlled entities	8,523,335.01	23,324,073.56
Investment income from the disposal of tradable financial instruments	3,194,122.18	5,457,311.46
Investment income from entrusted investments	48,875,000.00	—
	83,505,290.14	38,377,217.94

Notes to Financial Statements (continued)

30 June 2012
(Expressed in Renminbi Yuan)

X. Notes to the company's financial statements (continued)

6. Supplementary information to the statement of cash flows

Reconciliation of net profit to cash flows from operating activities:

	For the six months ended 30 June 2012 (unaudited)	For the six months ended 30 June 2011 (unaudited)
Net profit	263,537,250.72	255,486,853.54
Add: Depreciation of fixed assets	207,061,449.45	225,818,223.04
Amortisation of intangible assets	5,310,795.26	4,676,422.39
Recognition of deferred income	(17,262,592.02)	(17,252,592.00)
Negative goodwill arising from acquisition of a long-term equity investment in an associate	—	(2,538,843.74)
Loss/(gain) from disposal of fixed assets, intangible assets and other non-current assets	2,034,630.92	(2,655,854.39)
Gains on changes in fair value	(531,483.20)	(1,530,201.65)
Financial expenses	166,823,117.82	57,571,273.16
Interest income on entrusted loans	(35,735,363.90)	(23,519,837.91)
Investment income	(83,505,290.14)	(38,377,217.94)
Decrease/(increase) in deferred tax assets	10,913.34	(6,971,376.59)
Increase in inventories	(252,473.41)	(15,115,503.21)
Increase in operating receivables	(286,796,930.79)	(48,272,030.65)
Decrease in operating payables	(64,405,347.16)	(6,554,074.01)
Net cash flows from operating activities	156,288,676.89	380,765,240.04

Supplementary Information to Financial Statements

For the six months ended 30 June 2012
(Expressed in Renminbi Yuan)

I. Summary of extraordinary profit or loss

The Group recognises extraordinary profit or loss for the six months ended 30 June 2012 in accordance with “Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public — Extraordinary Profit or Loss (2008)” (the CSRC Announcement [2008] No. 43).

	For the six months ended 30 June 2012 (unaudited)
Profit/(loss) from disposal of non-current assets, including the offset portion of impairment provision for such assets	(2,077,157.28)
Government grants charged to profit or loss for the current period (except for those closely related to the normal operation of the Company and gained constantly at a fixed amount or quantity according to a certain standard based on state policies)	703,200.00
Investment income from the disposal of financial assets held for trading	3,194,122.18
Profit from entrusting others with investment or asset management	48,875,000.00
Profit from outward entrusted loans	488,502.07
Non-operating income and expenses other than the above items	(81,281.41)
Total extraordinary profit or loss	51,102,385.56
Impact on income tax	(12,591,053.78)
Impact on minority interests (after tax)	(204,243.99)
	38,307,087.79

Supplementary Information to Financial Statements (continued)

For the six months ended 30 June 2012
(Expressed in Renminbi Yuan)

II. Return on net assets and earnings per share

For the six months ended 30 June 2012 (unaudited)

	Weighted average return on net assets	Basic earnings per share
Net profit attributable to ordinary shareholders of the Company	2.35%	0.07
Net profit after deducting extraordinary profit or loss attributable to ordinary shareholders of the Company	2.05%	0.06

For the six months ended 30 June 2011 (unaudited)

	Weighted average return on net assets	Basic earnings per share
Net profit attributable to ordinary shareholders of the Company	2.73%	0.08
Net profit after deducting extraordinary profit or loss attributable to ordinary shareholders of the Company	2.62%	0.07

No dilutive potential ordinary shares have been issued by the Company.



DALIAN PORT (PDA) COMPANY LIMITED

大連港股份有限公司

(A sino-foreign joint stock limited company incorporated in the People's Republic of China)

(於中華人民共和國註冊成立之外商投資股份有限公司)

(Stock Code 股份代號：2880)

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