廈門國際港務股份有限公司

XIAMEN INTERNATIONAL PORT CO., LTD*

Stock Code: 3378

2013 INTERIM REPORT

* For identification purpose only

XIAMEN INTERNATIONAL PORT CO., LTD*
廈門國際港務股份有限公司

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CONTENTS

CORPORATE INFORMATION

Executive Directors
LIN Kaibiao *(Chairman)*
MIAO Luping
HUANG Zirong
FANG Yao*
HONG Lijuan

Non-executive Directors
ZHENG Yongen
CHEN Dingyu
FU Chengjing
KE Dong*

Independent Non-executive Directors
LIU Feng
ZHEN Hong
HUI Wang Chuen
LIN Pengjiu
HUANG Shumeng

Supervisors
YAN Tengyun
LUO Jianzhong
WU Jianliang
WU Weijian
TANG Jinmu
XIAO Zuoping

Company Secretary
HONG Lijuan

Qualified Accountant
ZHANG Yibing *(ACCA)*

Authorised Representatives
FANG Yao
HONG Lijuan

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Haicang District, Xiamen City,
Fujian Province, the PRC

Principal Place of Business in Hong Kong
8th Floor, Gloucester Tower
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15 Queen's Road Central, Hong Kong

Auditors
International auditor:
PricewaterhouseCoopers
Certified Public Accountants

PRC auditor:
PricewaterhouseCoopers Zhong Tian LLP

Legal Advisers
as to Hong Kong law:
Vincent T. K. Cheung, Yap & Co.

as to PRC law:
King & Wood Mallesons

Principal Bankers
Industrial & Commercial Bank of China
China Construction Bank
Communications Bank of China
Bank of China
China Merchants Bank

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Stock Code on the Main Board of The Stock Exchange of Hong Kong Limited
HK03378

Listing Date
19 December 2005

* In addition to their directorships, Mr. FANG Yao was also newly appointed as the Vice Chairman of the Company on 27 August 2013 and Mr. KE Dong was also newly appointed as a deputy general manager of the Company on the same day.

FINANCIAL HIGHLIGHTS

The unaudited interim consolidated results for the six months ended 30 June 2013

	Six months ended 30 June		
	2013	2012	Change
	RMB'000	RMB'000 (Restated)	RMB'000
Revenues	**1,871,753**	1,422,628	449,125
Operating profit	**223,470**	200,452	23,018
Profit for the period	**187,337**	179,553	7,784
Profit attributable to owners of the Company	**125,804**	125,199	605
Earnings per share for profit attributable to owners of the Company during the period — Basic and diluted (in RMB cents)	**4.61**	4.59	0.02

INDEPENDENT REVIEW REPORT

羅兵咸永道

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
TO THE BOARD OF DIRECTORS OF XIAMEN INTERNATIONAL PORT CO., LTD.
(Incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 5 to 44, which comprise the interim condensed consolidated balance sheet of Xiamen International Port Co., Ltd. (the "Company") and its subsidiaries (together the "Group") as at 30 June 2013 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes (collectively the "Interim Financial Information"). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 ("HKAS 34") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors of the Company are responsible for the preparation and presentation of this Interim Financial Information in accordance with HKAS 34. Our responsibility is to express a conclusion on this Interim Financial Information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Information is not prepared, in all material respects, in accordance with HKAS 34.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 August 2013

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INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000 (Restated, Note 3(c))
ASSETS			
Non-current assets			
Investment properties	6	**101,825**	103,401
Property, plant and equipment	6	**2,453,657**	2,455,258
Land use rights	6	**838,131**	848,058
Intangible assets	6	**8,244**	6,634
Interests in joint ventures	7	**767,440**	767,940
Interests in associates	8	**566,228**	567,228
Available-for-sale financial assets		**58,005**	57,949
Long-term receivables and prepayments	10	**291,955**	140,013
Deferred income tax assets		**51,043**	54,182
Total non-current assets		**5,136,528**	5,000,663
Current assets			
Inventories		**449,926**	220,320
Accounts and notes receivable	9	**738,432**	748,719
Other receivables and prepayments	10	**359,853**	263,318
Term deposits with initial term of over three months		**115,238**	66,907
Restricted cash		**425,566**	413,119
Cash and cash equivalents		**685,054**	777,452
Total current assets		**2,774,069**	2,489,835
Total assets		**7,910,597**	7,490,498
EQUITY			
Equity attributable to owners of the Company			
Share capital	14	**2,726,200**	2,726,200
Reserves		**1,368,699**	1,392,794
		4,094,899	4,118,994
Non-controlling interests		**1,190,431**	1,152,475
Total equity		**5,285,330**	5,271,469

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

	Note	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000 (Restated, Note 3(c))
LIABILITIES			
Non-current liabilities			
Borrowings	13	**247,939**	535,875
Deferred government grants and income		**118,371**	94,969
Long-term payables and advances	12	**165,849**	80,064
Early retirement benefit obligations		**727**	919
Deferred income tax liabilities		**39,855**	38,804
Total non-current liabilities		**572,741**	750,631
Current liabilities			
Accounts and notes payable	11	**791,219**	752,013
Other payables and accruals	12	**577,227**	428,863
Derivative financial instrument		**—**	1,225
Borrowings	13	**661,073**	260,264
Taxes payable		**23,007**	26,033
Total current liabilities		**2,052,526**	1,468,398
Total liabilities		**2,625,267**	2,219,029
Total equity and liabilities		**7,910,597**	7,490,498
Net current assets		**721,543**	1,021,437
Total assets less current liabilities		**5,858,071**	6,022,100

The notes on pages 11 to 44 form an integral part of the interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	Unaudited Six months ended 30 June 2013 RMB'000	2012 RMB'000 (Restated, Note 3(c))
Revenues	15	**1,871,753**	1,422,628
Cost of sales		**(1,605,050)**	(1,163,637)
Gross profit		**266,703**	258,991
Other income		**57,293**	29,439
Other gains — net		**2,065**	2,723
Selling and marketing expenses		**(13,950)**	(15,692)
General and administrative expenses		**(88,641)**	(75,009)
Operating profit	16	**223,470**	200,452
Finance income	17	**21,167**	8,572
Finance costs	17	**(18,829)**	(10,587)
		225,808	198,437
Share of profits less losses of joint ventures	7	**5,620**	16,149
Share of profits less losses of associates	8	**141**	(122)
Profit before income tax expense		**231,569**	214,464
Income tax expense	18	**(44,232)**	(34,911)
Profit for the period		**187,337**	179,553
Profit attributable to:			
Owners of the Company		**125,804**	125,199
Non-controlling interests		**61,533**	54,354
		187,337	179,553
Earnings per share for profit attributable to owners of the Company during the period — Basic and diluted (in RMB cents)	20	**4.61**	4.59
Dividends	19	**—**	—

The notes on pages 11 to 44 form an integral part of the interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 30 June 2013 RMB'000	 2012 RMB'000 (Restated, Note 3(c))
Profit for the period	**187,337**	179,553
Other comprehensive income/(loss) for the period, net of tax		
Items that may be reclassified to profit or loss		
— Fair value gains/(losses) on available-for-sale financial assets, net of tax	**42**	(5,454)
Total comprehensive income for the period	**187,379**	174,099
Total comprehensive income for the period attributable to:		
— Owners of the Company	**125,846**	119,745
— Non-controlling interests	**61,533**	54,354
	187,379	174,099

The notes on pages 11 to 44 form an integral part of the interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited					
	Attributable to owners of the Company					
	Share capital RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2012 (Restated, Note 3(c))	2,726,200	(274,541)	1,472,839	3,924,498	1,028,148	4,952,646
Comprehensive income						
Profit for the period	—	—	125,199	125,199	54,354	179,553
Other comprehensive loss						
Fair value losses on available-for-sale financial assets	—	(5,454)	—	(5,454)	—	(5,454)
— Gross	—	(7,273)	—	(7,273)	—	(7,273)
— Related deferred income tax	—	1,819	—	1,819	—	1,819
Total comprehensive (loss)/income for the six months ended 30 June 2012	—	(5,454)	125,199	119,745	54,354	174,099
Transactions with owners						
Capital contribution from non-controlling shareholder of a subsidiary	—	—	—	—	6,000	6,000
2011 final dividend	—	—	(81,786)	(81,786)	—	(81,786)
Dividends paid to non-controlling shareholders of subsidiaries	—	—	—	—	(30,366)	(30,366)
Balance at 30 June 2012	2,726,200	(279,995)	1,516,252	3,962,457	1,058,136	5,020,593
Balance at 1 January 2013 (Restated, Note 3(c))	**2,726,200**	**(268,525)**	**1,661,319**	**4,118,994**	**1,152,475**	**5,271,469**
Comprehensive income						
Profit for the period	**—**	**—**	**125,804**	**125,804**	**61,533**	**187,337**
Other comprehensive income						
Fair value gains on available-for-sale financial assets	**—**	**42**	**—**	**42**	**—**	**42**
— Gross	**—**	**56**	**—**	**56**	**—**	**56**
— Related deferred income tax	**—**	**(14)**	**—**	**(14)**	**—**	**(14)**
Total comprehensive income for the six months ended 30 June 2013	**—**	**42**	**125,804**	**125,846**	**61,533**	**187,379**
Transactions with owners						
Capital contribution from non-controlling shareholder of a subsidiary	**—**	**—**	**—**	**—**	**13,600**	**13,600**
2012 final dividend (Note 19)	**—**	**—**	**(149,941)**	**(149,941)**	**—**	**(149,941)**
Dividends paid to non-controlling shareholders of subsidiaries	**—**	**—**	**—**	**—**	**(37,177)**	**(37,177)**
Balance at 30 June 2013	**2,726,200**	**(268,483)**	**1,637,182**	**4,094,899**	**1,190,431**	**5,285,330**

The notes on pages 11 to 44 form an integral part of the interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	
	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000 (Restated, Note 3(c))
Net cash generated from operating activities	**27,400**	209,938
Net cash used in investing activities	**(214,254)**	(985,282)
Net cash generated from financing activities	**94,903**	395,043
Net decrease in cash and cash equivalents	**(91,951)**	(380,301)
Cash and cash equivalents at beginning of period	**777,452**	872,820
Exchange (losses)/gains on cash and cash equivalents	**(447)**	132
Cash and cash equivalents at end of period	**685,054**	492,651

The notes on pages 11 to 44 form an integral part of the interim condensed consolidated financial information.

1. General information

Xiamen International Port Co., Ltd. (the "Company") was a joint stock limited company established in the People's Republic of China (the "PRC"). The Company's H-shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company and its subsidiaries (together the "Group") is principally engaged in container, bulk and general cargo loading and unloading businesses at Dongdu port area and Haicang port area in Xiamen and the relevant terminal area in the Qingzhou Operating Area in Fuzhou City, provision of ancillary value-added port services (including port-related logistics, shipping agency, tugboat berthing and unberthing services, tallying), building materials manufacturing, processing and selling, trading of merchandise, and investment holding.

The directors of the Company regard Xiamen Port Holding Group Co., Ltd. ("Xiamen Port Holding") as being the parent company of the Company.

This unaudited interim condensed consolidated financial information is presented in Renminbi ("RMB"), unless otherwise stated. This unaudited interim condensed consolidated financial information was approved for issue by the Board of Directors of the Company on 27 August 2013.

2. Basis of preparation

The unaudited interim condensed consolidated financial information of the Company for the six months ended 30 June 2013 has been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The unaudited interim condensed consolidated financial information should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2012 (the "Annual Financial Statements"), which were prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA.

3. Accounting policies

Except as described below, the accounting policies applied in the unaudited interim condensed consolidated financial information are consistent with those applied and described in the Annual Financial Statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) New standards, amendments and interpretations to existing standards which are effective for accounting periods beginning on or after 1 January 2013 and adopted by the Group

The Group has adopted the following new standards, amendments and interpretations to existing standards which are currently relevant for the Group's business and mandatory for the first time for the financial year beginning 1 January 2013:

3. Accounting policies (Continued)

(a) New standards, amendments and interpretations to existing standards which are effective for accounting periods beginning on or after 1 January 2013 and adopted by the Group (continued)

HKAS 1 (Amendment) "Presentation of financial statements"	The main change resulting from the amendment is a requirement for entities to group items presented in "other comprehensive income" (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendment does not address which items are presented in OCI. This amendment results in presentation and disclosure, and there is no impact on earnings per share.
HKFRS 10 "Consolidated financial statements"	The objective of HKFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities to present consolidated financial statements. It defines the principle of control, and establishes controls as the basis for consolidation. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. It also sets out the accounting requirements for the preparation of consolidated financial statements. This standard has no impact to the Group.
HKAS 27 (revised 2011) "Separate financial statements"	HKAS 27 (revised 2011) includes the provisions on separate financial statements that are left after the control provisions of HKAS 27 have been included in the new HKFRS 10. This standard has no impact to the Group.
HKFRS 11 "Joint arrangements"	Under HKFRS 11, investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. Proportional consolidation of joint ventures is no longer allowed. Before 1 January 2013, the Group's interests in its jointly controlled entities were proportionately consolidated. Under HKFRS 11, the jointly controlled entities have been determined to be joint ventures by the Company. This resulted in the Group changing its accounting policy to account for its interests in joint ventures using equity method. The Group has applied the new policy for interests in joint ventures occurring on or after 1 January 2012 in accordance with the transition provisions of HKFRS 11. The Group recognised its investment in joint ventures at the beginning of the earliest period presented (1 January 2012), as the total of the carrying amounts of the assets and liabilities previously proportionately consolidated by the Group. This is the deemed cost of the Group's investments in joint ventures for applying equity accounting.

3. Accounting policies (Continued)

(a) New standards, amendments and interpretations to existing standards which are effective for accounting periods beginning on or after 1 January 2013 and adopted by the Group (continued)

HKFRS 11 "Joint arrangements" (continued)	Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition of profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures. Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group. The change in accounting policy has been applied as from 1 January 2012. There is no impact on the net assets and net profit of the periods presented. The financial effects of the change in accounting treatment of joint arrangements at 1 January 2012 and 31 December 2012 are shown in Note 3(c) below.
HKAS 28 (revised 2011) "Associates and joint ventures"	HKAS 28 (revised 2011) includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of HKFRS 11. The financial effects of the change in accounting treatment of joint arrangements at 1 January 2012 and 31 December 2012 are shown in Note 3(c) below.
HKFRS 12 "Disclosure of interests in other entities"	HKFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group has included disclosures for interests in other entities.
Amendment to HKFRSs 10, 11 and 12 on transition guidance	The amendment provides additional transition relief to HKFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosures related to unconsolidated structured entities, the amendment will remove the requirement to present comparative information for periods before HKFRS 12 is first applied. The financial effects of the change in accounting treatment of joint arrangements at 1 January 2012 and 31 December 2012 are shown in Note 3(c) below.

3. Accounting policies (Continued)

(a) New standards, amendments and interpretations to existing standards which are effective for accounting periods beginning on or after 1 January 2013 and adopted by the Group (continued)

HKFRS 7 (Amendment) "Financial instruments: Disclosures — Offsetting financial assets and financial liabilities"	The amendment requires new disclosure requirements which focus on quantitative information about recognised financial instruments that are offset in the statement of financial position, as well as those recognised financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset. As at 30 June 2013, the Group has no relevant financial instrument, and therefore this amendment has no impact to the Group.
HKFRS 13 "Fair value measurements"	HKFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements, which are largely aligned between HKFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs or US GAAP. As at 30 June 2013, the Group's financial assets carried at fair value only comprised of level 1 which can be quoted in active market, and the Group's non-financial assets are carried by cost method, and therefore this standard has no impact to the Group.

The Group also adopted the fourth 2011 annual improvements project. These annual improvements which are relevant for the Group's business include:

HKAS 1 (Amendment) "Presentation of financial statements"	This amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either as required by IAS 8, "Accounting policies, changes in accounting estimates and errors", or voluntarily. The Group has adopted HKFRS 11 and the financial effects of the change in accounting treatment of joint arrangements at 1 January 2012 and 31 December 2012 are shown in Note 3(c) below. The third balance sheet will be presented in the annual financial statements of the Group for the year ending 31 December 2013.

3. Accounting policies (Continued)

(a) New standards, amendments and interpretations to existing standards which are effective for accounting periods beginning on or after 1 January 2013 and adopted by the Group (continued)

HKAS 16 (Amendment) "Property, plant and equipment"	This amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment. There is no impact to the Group as the Group already had similar arrangement and had complied with it.
HKAS 32 (Amendment) "Financial instruments: Presentation"	This amendment clarifies the treatment of income tax relating to distributions and transaction costs. There is no impact to the Group as the Group already had similar arrangement and had complied with it.
HKAS 34 (Amendment) "Interim financial reporting"	This amendment clarifies the disclosure requirements for segment assets and liabilities in interim financial statements. There is no impact to the Group as the Group already had similar arrangement and had complied with it.

The following amendments and interpretations to existing standards are mandatory for the first time for the financial year beginning 1 January 2013, but are not currently relevant for the Group:

		Effective for accounting periods beginning on or after
HKFRS 1 (Amendment)	First time adoption, on government loans	1 January 2013
HKAS 19 (Amendment)	Employee benefits	1 January 2013
HK(IFRIC) — Int 20	Stripping costs in the production phase of a surface mine	1 January 2013

The improvement related to HKFRS 1 "First time adoption of IFRS" in the fourth 2011 annual improvement project is effective in the year of 2013, but is not currently relevant for the Group.

3. Accounting policies (Continued)

(b) Standards, amendments and interpretations to existing standards that are not yet effective for the financial year beginning 1 January 2013 and have not been early adopted

The HKICPA has also issued certain new standards, amendments and interpretations to existing standards (collectively the "New or Revised HKFRSs") which are not yet effective for the financial year beginning 1 January 2013 and have not been early adopted by the Group.

The Group will adopt the New or Revised HKFRSs in accordance with their respective effective dates.

(c) Adoption of HKFRS 11 "Joint arrangements"

The Group has interests in five joint arrangements: Xiamen Haicang International Container Terminals Co., Ltd., Xiamen International Container Terminals Co., Ltd., Xiamen Port YCH Logistics Co., Ltd., Xiamen Port Container Co., Ltd., and Xiamen Port Baohe Logistics Co., Ltd.. The Group has joint control over these arrangements as under the contractual agreements, unanimous consent is required from all parties to the agreements for all relevant activities. The Group's joint arrangements are structured as limited companies and provide the Group and the parties to the agreements with rights to the net assets of the limited companies under the arrangements. Therefore, the Group has reassessed the classification of these joint arrangements under HKFRS 11 and determined them to be joint ventures.

The effects of the change in accounting policies on the financial position, comprehensive income and the cash flows of the Group at 1 January 2012 and 31 December 2012 are summarised below. The change in accounting policy has no impact on the net assets and net profits of the Group.

3. Accounting policies (Continued)

(c) Adoption of HKFRS 11 "Joint arrangements" (continued)

Impact of change in accounting policy on consolidated balance sheet

Increase/(decrease)	31 December 2012 RMB'000	1 January 2012 RMB'000
ASSETS		
Non-current assets		
Investment properties	**29,038**	30,486
Property, plant and equipment	**(826,214)**	(770,811)
Land use rights	**(137,607)**	(141,177)
Intangible assets	**(48,155)**	(49,165)
Interests in joint ventures	**767,940**	760,625
Total non-current assets	**(214,998)**	(170,042)
Current assets		
Inventories	**(7,712)**	(7,948)
Accounts and notes receivable	**(17,677)**	(15,019)
Other receivables and prepayments	**(5,532)**	(4,338)
Term deposits with initial term of over three months	**(10,200)**	(12,750)
Restricted cash	**(1,065)**	(353)
Cash and cash equivalents	**(50,466)**	(53,356)
Total current assets	**(92,652)**	(93,764)
Total assets	**(307,650)**	(263,806)
LIABILITIES		
Non-current liabilities		
Borrowings	**(245,341)**	(203,102)
Deferred government grants and income	**(22,739)**	(24,022)
Total non-current liabilities	**(268,080)**	(227,124)
Current liabilities		
Accounts and notes payable	**(404)**	(383)
Other payables and accruals	**(29,952)**	(32,270)
Borrowings	**(6,000)**	—
Taxes payable	**(3,214)**	(4,029)
Total current liabilities	**(39,570)**	(36,682)
Total liabilities	**(307,650)**	(263,806)
EQUITY	**—**	—

3. Accounting policies (Continued)

(c) Adoption of HKFRS 11 "Joint arrangements" (continued)

Impact of change in accounting policy on consolidated statement of comprehensive income

(Decrease)/increase	Year ended 31 December 2012 RMB'000	Six months ended 30 June 2012 RMB'000
Revenues	(129,217)	(66,642)
Cost of sales	(77,161)	(37,983)
Gross profit	(52,056)	(28,659)
Other income	4,109	34
Other gains — net	158	(2)
Selling and marketing expenses	(801)	(1,084)
General and administrative expenses	(6,480)	(3,323)
Operating profit	(40,508)	(24,220)
Finance income	(1,720)	(967)
Finance costs	(10,470)	(5,526)
	(31,758)	(19,661)
Share of profits less losses of joint ventures	25,836	16,149
Profit before income tax expense	(5,922)	(3,512)
Income tax expense	(5,922)	(3,512)
Profit for the year/period	—	—

Impact of change in accounting policy on consolidated statement of cash flows

(Decrease)/increase	Year ended 31 December 2012 RMB'000	Six months ended 30 June 2012 RMB'000
Net cash generated from operating activities	(43,032)	(25,959)
Net cash used in investing activities	(94,097)	(28,083)
Net cash generated from financing activities	(48,175)	(5,727)
Net change in cash and cash equivalents	2,890	(3,603)

4. Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these unaudited interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's Annual Financial Statements, with the exception of changes in estimates that are required in determining the provision for income taxes.

5. Financial risk management

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The unaudited interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's Annual Financial Statements.

There have been no changes in the risk management department since year end or in any risk management policies since the year end.

5.2 Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group. Management monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements — for example, currency restrictions.

The Group's funding requirements primarily arise from equity investments, purchases of port infrastructure and loading machinery and repayments of bank borrowings. The Group finances its working capital requirements through a combination of funds generated from operations and additional bank borrowings.

5. Financial risk management (Continued)

5.2 Liquidity risk (Continued)

The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000
Unaudited				
At 30 June 2013				
Bank borrowings	**692,835**	**83,845**	**161,411**	**37,719**
Long-term payables	**—**	**164,835**	**369**	**645**
Accounts and notes payable	**791,219**	**—**	**—**	**—**
Other payables and accruals	**577,227**	**—**	**—**	**—**
	2,061,281	**248,680**	**161,780**	**38,364**
Audited				
At 31 December 2012 (Restated)				
Bank borrowings	294,965	352,569	193,653	42,806
Long-term payables	—	73,251	3,334	3,479
Accounts and notes payable	752,013	—	—	—
Other payables and accruals	428,863	—	—	—
Derivative financial instrument	1,225	—	—	—
	1,477,066	425,820	196,987	46,285

5.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

5. Financial risk management (Continued)

5.3 Fair value estimation (Continued)

The following table presents the Group's assets that are measured at fair value at 30 June 2013.

	Unaudited			
	Level 1 RMB'000	**Level 2 RMB'000**	**Level 3 RMB'000**	**Total RMB'000**
Assets				
Available-for-sale financial assets				
— Equity investments	**53,549**	**—**	**—**	**53,549**

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2012.

	Audited			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Available-for-sale financial assets				
— Equity investments	53,493	—	—	53,493
Liabilities				
Financial liabilities at fair value through profit or loss				
— Derivative financial instrument	—	(1,225)	—	(1,225)

During the six months ended 30 June 2013, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets.

During the six months ended 30 June 2013, there were no reclassifications or transfer of financial assets.

5. Financial risk management (Continued)

5.4 Fair value of financial assets and liabilities measured at amortised cost

The fair value of borrowings are as follows:

	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000 (restated)
Non-current	**243,438**	524,971
Current	**656,470**	260,264
	899,908	785,235

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Available-for-sale financial assets (excluding equity investments)
- Long-term receivables and prepayments
  - — Payments made to Build and Transfer project (Note 10(a))
- Accounts and notes receivable
- Other receivables and prepayments
- Term deposits with initial term of over three months
- Restricted cash
- Cash and cash equivalents
- Accounts and notes payable
- Other payables and accruals

6. Capital expenditure

During the six months period, the capital expenditure of the Group is set out as follows:

	Unaudited				
	Investment properties RMB'000	Property, plant and equipment RMB'000	Land use rights RMB'000	Intangible assets RMB'000	Total RMB'000
Net book amount as at 1 January 2013	**103,401**	**2,455,258**	**848,058**	**6,634**	**3,413,351**
Additions	**90**	**86,612**	**206**	**2,980**	**89,888**
Disposals	**—**	**(437)**	**—**	**(10)**	**(447)**
Depreciation and amortisation charge	**(1,666)**	**(87,776)**	**(10,133)**	**(1,360)**	**(100,935)**
Net book amount as at 30 June 2013	**101,825**	**2,453,657**	**838,131**	**8,244**	**3,401,857**
Net book amount as at 1 January 2012 (Restated)	93,941	2,459,952	853,206	6,468	3,413,567
Additions	—	87,709	23,233	35	110,977
Disposals	—	(1,972)	—	—	(1,972)
Depreciation and amortisation charge	(1,633)	(83,994)	(10,466)	(764)	(96,857)
Net book amount as at 30 June 2012 (Restated)	92,308	2,461,695	865,973	5,739	3,425,715

7. Interests in joint ventures

Movement in interests in joint ventures is set out as follows:

	Unaudited Six months ended 30 June 2013 RMB'000	Unaudited Six months ended 30 June 2012 RMB'000 (Restated)
At 1 January	**767,940**	760,625
Dividends received	**(6,120)**	—
Amortisation of unrealised gains on transactions	**3,774**	4,005
Share of results before income tax expense	**2,559**	15,656
Share of income tax expense	**(713)**	(3,512)
	5,620	16,149
At 30 June	**767,440**	776,774

The summary of the aggregated financial information of the Group's interests in joint ventures is as follows:

	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000
Total assets	**1,384,402**	1,373,110
Total liabilities	**357,853**	342,287

	Unaudited Six months ended 30 June 2013 RMB'000	Unaudited Six months ended 30 June 2012 RMB'000
Revenues	**57,499**	72,773
Profit for the period	**1,846**	12,144

8. Interests in associates

Movement in interests in associates is set out as follows:

	Unaudited Six months ended 30 June 2013 RMB'000	2012 RMB'000
At 1 January	**567,228**	35,766
Addition of an associate	**—**	530,001
Dividends received	**(1,141)**	(403)
Share of results before income tax expense	**602**	244
Share of income tax expense	**(461)**	(366)
	141	(122)
At 30 June	**566,228**	565,242

The Group's share of the results and of the aggregated assets (including goodwill) and liabilities of the associates are as follows:

	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000
Total assets	**778,249**	799,403
Total liabilities	**212,021**	232,175

	Unaudited Six months ended 30 June 2013 RMB'000	2012 RMB'000
Revenues	**45,661**	16,222
Profit/(loss) for the period	**141**	(122)

9. Accounts and notes receivable

	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000 (Restated)
Accounts receivable	**688,183**	678,450
Less: provision for impairment	**(19,979)**	(27,405)
	668,204	651,045
Due from fellow subsidiaries (Note 22(b))	**825**	2,032
Due from joint ventures (Note 22(b))	**4,269**	4,271
Due from an associate (Note 22(b))	**6,362**	5,767
Due from other related parties (Note 22(b))	**7,983**	7,353
Notes receivable	**50,789**	78,251
	738,432	748,719

Majority of the Group's revenues is on open account terms and in accordance with the terms specified in the contracts governing the relevant transactions. A credit period, which may be extended for up to six months, may be granted to large or long-established customers with good repayment histories. Revenues from small, new or short-term customers are normally expected to be settled shortly after provision of services or delivery of goods.

Ageing analysis of accounts and notes receivable at respective balance sheet dates are as follows:

	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000 (Restated)
Less than 6 months	**701,242**	717,920
6 months to 1 year	**28,140**	15,215
1 year to 2 years	**17,034**	25,916
2 years to 3 years	**2,522**	6,606
Over 3 years	**9,473**	10,467
	758,411	776,124
Less: provision for impairment	**(19,979)**	(27,405)
	738,432	748,719

10. Other receivables and prepayments (including long-term receivables and prepayments)

	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000 (Restated)
Other receivables	**291,039**	135,376
Advances to suppliers	**197,484**	179,974
Less: provision for impairment	**(7,965)**	(8,196)
	480,558	307,154
Due from parent company (Note 22(b))	**622**	24,967
Due from fellow subsidiaries (Note 22(b))	**577**	1,400
Due from joint ventures (Note 22(b))	**8,722**	2,858
Due from associates (Note 22(b))	**2,991**	4,088
Prepayments and deposits	**144,674**	54,920
Interest receivable	**13,664**	7,944
	651,808	403,331
Less: long-term receivables and prepayments		
— Payments made to Build and Transfer project (a)	**(163,196)**	(82,825)
— Prepayments for operating leasing in the Qingzhou Operating Area (b)	**(61,828)**	(1,000)
— Prepayments for acquisition of land use right	**(37,590)**	(37,388)
— Prepayments for acquisition of property, plant and equipment	**(17,084)**	(15,643)
— Prepayment for capital injection to a newly-established subsidiary	**(11,000)**	—
— Others	**(1,257)**	(3,157)
	(291,955)	(140,013)
Current portion	**359,853**	263,318

10. Other receivables and prepayments (including long-term receivables and prepayments) (Continued)

(a) In July 2012, Xiamen Port Development Co., Ltd. ("XPD"), a subsidiary of the Company, and CCCC Third Harbour Engineering Co.,Ltd. ("CCCC") entered into a Build-Transfer ("BT") Agreement (the "BT Agreement") with Zhangzhou Gulei Transportation Development Co., Ltd. ("Gulei") regarding investment and construction of the BT Project. The total investment amount of the BT Project is estimated to be approximately RMB523 million which will be contributed by XPD and CCCC of RMB423 million and RMB100 million respectively. The construction period of the BT Project is approximately 18 months. According to the BT Agreement, XPD shall be responsible for the implementation of all investing and financing activities in respect of the BT Project while CCCC shall be responsible for implementing all of the construction work and post-completion maintenance work for two years after the completion of project construction. Upon the completion of the BT Project, Gulei shall settle the repurchase price (including the estimated total investment amount of RMB523 million plus investment return which will be calculated at an annual interest rate of 8.63% to 10.70%) to XPD and CCCC by instalment, and all the possession rights of the BT Project will be transferred to Gulei upon the full settlement of the repurchase price. As at 30 June 2013, payment made by XPD together with the associated interests amounted to a total of RMB163,196,000 (31 December 2012: RMB82,825,000), which will be repaid as part of the repurchase price and thus is presented as long-term receivable.

(b) The Company and its subsidiary, Fuzhou Haiying Port Co., Ltd., entered into a ten-year operating lease with Fuzhou Zhongying Gangwu Co., Ltd.. RMB1,000,000 and RMB89,000,000 was paid by the Company in year of 2012 and 2013 respectively as the rental deposits, which will be refunded at the end of lease term. The difference at any point in time between cash paid and annual charge is recognised as a prepayment or accrual on the balance sheet. As at 30 June 2013, the prepayment for the coming year of approximately RMB28,172,000 was recorded in short-term prepayment, and the rest of approximately RMB61,828,000 was disclosed as long-term prepayments.

11. Accounts and notes payable

	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000 (Restated)
Accounts payable	**483,424**	456,417
Due to parent company (Note 22(b))	**28,842**	40,319
Due to fellow subsidiaries (Note 22(b))	**12,986**	14,667
Due to joint ventures (Note 22(b))	**1,253**	2,498
Due to an associate (Note 22(b))	**10,265**	8,466
Notes payable	**254,449**	229,646
	791,219	752,013

11. Accounts and notes payable (Continued)

Ageing analysis of accounts and notes payable at respective balance sheet dates are as follows:

	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000 (Restated)
Within 1 year	788,552	748,924
1 year to 2 years	1,836	1,552
2 years to 3 years	494	751
Over 3 years	337	786
	791,219	752,013

12. Other payables and accruals (including long-term payables and advances)

	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000 (Restated)
Due to parent company (Note 22(b))	3,276	3,624
Due to fellow subsidiaries (Note 22(b))	10,465	1,335
Due to other related parties (Note 22(b))	9,013	10,250
Payables for purchases of property, plant and equipment and construction-in-progress	73,371	86,123
Salary and welfare payables	86,889	132,960
Customer deposits	168,221	133,019
Accrued expenses	3,470	3,761
Dividends payable to		
— shareholders of the Company	151,131	17,277
— non-controlling shareholders of subsidiaries (Note 22(b))	23,774	4,106
Other payables (a)	213,466	116,472
	743,076	508,927
Less: long-term payables and advances		
— Advance received for resumption of land (a)	(164,705)	(55,563)
— Others	(1,144)	(24,501)
	(165,849)	(80,064)
Current portion	577,227	428,863

12. Other payables and accruals (including long-term payables and advances) (Continued)

(a) The Company, together with its subsidiaries XPD, Xiamen Port Power Supply Service Co.,Ltd., and Xiamen Port (Group) Domestic Shipping Agency Co., Ltd., entered into agreements ("Land Resumption Agreements") with the Xiamen Land Development Centre regarding the resumption of land and certain assets situated thereon in Dongdu port area ("Land and Assets Resumption"), which took effect on 1 November 2012. Pursuant to the Land Resumption Agreements, the total compensation ("Compensation") for the Land and Assets Resumption amounts to RMB1,086,614,353, which will be paid by Xiamen Land Development Centre by instalments. The subject land and assets shall be surrendered to the Xiamen Land Development Centre within 30 months after the Land Resumption Agreements took effect.

As part of the Land and Assets Resumption exercise, on 28 December 2012, XPD surrendered the usage right of a piece of the subject land in Dongdu Berth No.1 and the relevant assets situated thereon ("Surrendered Land and Assets") to Xiamen Land Development Centre, a disposal gain of which was recognised in the consolidated income statement for the year ended 31 December 2012. By 30 June 2013, the Company and XPD have received the instalments of Compensation of RMB325,260,000, of which RMB160,555,000 was attributable to the above disposal of the Surrendered Land and Assets, and the remaining received instalments of RMB164,705,000 (31 December 2012: RMB55,563,000) was recorded as long-term payables and advances.

13. Borrowings

	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000 (Restated)
Non-current		
Long-term bank borrowings	**247,939**	535,875
Current		
Short-term bank borrowings	**331,304**	193,877
Long-term bank borrowings — current portion	**329,769**	66,387
	661,073	260,264
Total borrowings	**909,012**	796,139
Representing:		
— guaranteed (a)	**274,506**	329,156
— secured (b)	**432,083**	339,371
— unguaranteed and unsecured	**202,423**	127,612
Total borrowings	**909,012**	796,139

13. Borrowings (Continued)

(a) As at 30 June 2013, a bank borrowing of RMB212,000,400 (31 December 2012: RMB238,500,400) is guaranteed by Xiamen Port Holding; a bank borrowing of RMB57,505,806 (31 December 2012: RMB60,655,102) is guaranteed by a state-owned bank and a bank borrowing of RMB5,000,000 (31 December 2012: RMB30,000,000) is guaranteed by XPD.

(b) As at 30 June 2013, a bank borrowing of RMB77,475,000 (31 December 2012: RMB40,762,000) is secured by letters of credit; a bank borrowing of USD41,000,000 (approximately equivalent to RMB261,048,000, 31 December 2012: USD41,000,000) is secured by bank deposits of RMB260,000,000; a bank borrowing of RMB55,238,000 (31 December 2012: RMB37,562,000) is secured by bank deposits of USD9,500,000 (31 December 2012: USD6,000,000) and a bank borrowing of RMB38,322,000 (31 December 2012: Nil) is secured by bank deposits of RMB41,500,000.

Movements in borrowings are analysed as follows:

	Unaudited Six months ended 30 June 2013 RMB'000	 2012 RMB'000 (Restated)
At 1 January	**796,139**	236,456
Additions	**393,391**	545,734
Repayments	**(278,792)**	(138,041)
Exchange differences	**(1,726)**	(1,250)
At 30 June	**909,012**	642,899

Interests on borrowings for the six months ended 30 June 2013 is RMB19,505,000 (same period of 2012: RMB11,186,000).

14. Share capital

	Domestic shares of RMB1 each RMB'000	H shares of RMB1 each RMB'000	Total RMB'000
As at 30 June 2013 and 31 December 2012	1,739,500	986,700	2,726,200

The domestic shares and H-shares rank pari passu in all material respects except that the dividends in respect of H-shares are to be paid by the Company in Hong Kong dollars whereas all dividends in respect of domestic shares are to be paid by the Company in RMB. In addition, the transfer of domestic shares is subject to certain restriction imposed by PRC law from time to time.

During the six months ended 30 June 2013, there was no movement in the share capital of the Company.

15. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the senior executive management team, including the chairman and the chief executive officer that makes strategic decisions.

Management considers the business from service/product perspective and assesses the performance of the following segments: (1) container loading and unloading and storage business; (2) bulk/general cargo loading and unloading business; (3) ancillary value-added port services; (4) manufacturing and selling of building materials; and (5) trading business of merchandise. As all of the Group's activities are conducted in the PRC, virtually all of the Group's revenues and operating profits are earned within the PRC and all assets of the Group are located in the PRC, which is considered as one geographic location with similar risks and returns. As such, management did not evaluate segment on geographical basis.

The Group has no single customer accounted for greater than 10% of the total accounts receivable as at 30 June 2013 and the total revenues of the six months ended 30 June 2013.

15. Segment information (Continued)

The segment results provided to management for the reportable segments for the six months ended 30 June 2013 and 2012 are as follows:

	Six months ended 30 June 2013 (Unaudited)					
	Container loading and unloading and storage business RMB'000	Bulk/ general cargo loading and unloading business RMB'000	Ancillary value-added port services RMB'000	Manufacturing and selling of building materials RMB'000	Trading business of merchandise RMB'000	Total RMB'000
Total segment revenues	355,491	89,150	485,451	168,648	832,134	1,930,874
Inter-segment revenues	–	–	(59,121)	–	–	(59,121)
Revenues	355,491	89,150	426,330	168,648	832,134	1,871,753
Operating profit	76,351	6,992	97,128	29,989	13,010	223,470
Finance income						21,167
Finance costs						(18,829)
						225,808
Share of profits less losses of joint ventures	3,250	–	2,370	–	–	5,620
Share of profits less losses of associates	(1,181)	–	1,190	132	–	141
Profit before income tax expense						231,569
Income tax expense						(44,232)
Profit for the period						187,337
Other information						
Depreciation	41,387	14,911	28,525	4,344	275	89,442
Amortisation	6,196	1,572	3,710	12	3	11,493
Net provision for/(reversal of) impairment of — receivables	11	(1,742)	(620)	(5,860)	554	(7,657)

15. Segment information (Continued)

The segment results provided to management for the reportable segments for the six months ended 30 June 2013 and 2012 are as follows (Continued):

	Six months ended 30 June 2012 (Unaudited and restated)					
	Container loading and unloading and storage business RMB'000	Bulk/general cargo loading and unloading business RMB'000	Ancillary value-added port services RMB'000	Manufacturing and selling of building materials RMB'000	Trading business of merchandise RMB'000	Total RMB'000
Total segment revenues	322,957	97,281	379,507	211,188	462,080	1,473,013
Inter-segment revenues	–	–	(50,385)	–	–	(50,385)
Revenues	322,957	97,281	329,122	211,188	462,080	1,422,628
Operating profit	70,998	6,038	91,989	18,196	13,231	200,452
Finance income						8,572
Finance costs						(10,587)
						198,437
Share of profits less losses of joint ventures	7,903	–	8,246	–	–	16,149
Share of profits less losses of associates	(304)	–	160	22	–	(122)
Profit before income tax expense						214,464
Income tax expense						(34,911)
Profit for the period						179,553
Other information						
Depreciation	40,871	15,479	25,825	3,163	289	85,627
Amortisation	5,752	2,222	3,226	21	9	11,230
Net provision for/(reversal of) impairment of						
– inventories	–	–	–	–	(1,967)	(1,967)
– receivables	–	165	849	(775)	(2,570)	(2,331)

15. Segment information (Continued)

The segment information provided to management for the reportable segments as at 30 June 2013 and 31 December 2012 is as follows:

	Container loading and unloading and storage business RMB'000	Bulk/general cargo loading and unloading business RMB'000	Ancillary value-added port services RMB'000	Manufacturing and selling of building materials RMB'000	Trading business of merchandise RMB'000	Total RMB'000
Unaudited						
As at 30 June 2013						
Segment assets	**3,607,938**	**387,891**	**2,748,097**	**257,150**	**800,473**	**7,801,549**
Include:						
Interests in joint ventures	**242,738**	**–**	**524,702**	**–**	**–**	**767,440**
Interests in associates	**528,224**	**–**	**34,580**	**3,424**	**–**	**566,228**
Additions to non-current assets	**21,996**	**11,850**	**54,144**	**1,366**	**532**	**89,888**
Segment liabilities	**445,768**	**163,924**	**518,575**	**104,411**	**420,715**	**1,653,393**
Audited and restated						
As at 31 December 2012						
Segment assets	3,514,900	395,046	2,694,789	271,127	502,505	7,378,367
Include:						
Interests in joint ventures	239,488	–	528,452	–	–	767,940
Interests in associates	529,405	–	34,531	3,292	–	567,228
Additions to non-current assets	44,031	33,941	173,061	5,228	597	256,858
Segment liabilities	336,101	77,197	594,491	134,903	214,136	1,356,828

Management assesses the performance of the operating segments based on operating profit. Finance income and costs are not included in the result for each operating segment that is reviewed by management. Other information provided, except as noted below, to management is measured in a manner consistent with that in the unaudited interim condensed consolidated financial information.

Segment assets mainly exclude deferred income tax assets and available-for-sale financial assets. These are part of the reconciliation to total balance sheet assets.

Segment liabilities mainly exclude items such as deferred income tax liabilities, taxes payable, derivative financial instrument and borrowings. These are part of the reconciliation to total balance sheet liabilities.

15. Segment information (Continued)

Sales between segments are carried out on terms agreed by the parties involved. The revenue from external parties reported to the management meeting is measured in a manner consistent with that in the unaudited interim condensed consolidated income statement.

Reportable segments' assets are reconciled to total assets as follows:

	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000 (Restated)
Total segment assets	**7,801,549**	7,378,367
Add: Deferred income tax assets	**51,043**	54,182
Available-for-sale financial assets	**58,005**	57,949
Total assets per consolidated balance sheet	**7,910,597**	7,490,498

Reportable segments' liabilities are reconciled to total liabilities as follows:

	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000 (Restated)
Total segment liabilities	**1,653,393**	1,356,828
Add: Deferred income tax liabilities	**39,855**	38,804
Taxes payable	**23,007**	26,033
Derivative financial instrument	**—**	1,225
Borrowings	**909,012**	796,139
Total liabilities per consolidated balance sheet	**2,625,267**	2,219,029

16. Operating profit

Operating profit is stated after crediting and charging the followings:

	Unaudited Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000 (Restated)
Crediting:		
Gain on disposal of derivative financial instrument	**1,225**	—
Fair value gain on derivative financial instrument	**—**	1,237
Dividend income	**1,072**	494
Gain on disposal of property, plant and equipment	**151**	700
Reversal of impairment of		
— inventories	**—**	1,967
— receivables	**8,222**	3,345
Charging:		
Cost of inventories sold/consumed	**999,372**	683,583
Depreciation of		
— investment properties	**1,666**	1,633
— property, plant and equipment	**87,776**	83,994
Amortisation of		
— land use rights	**10,133**	10,466
— intangible assets	**1,360**	764
Provision for impairment of		
— receivables	**565**	1,014

17. Finance income and costs

	Unaudited Six months ended 30 June 2013 RMB'000	2012 RMB'000 (Restated)
Interest income	20,093	8,618
Net foreign exchange gain/(loss)	1,074	(46)
	21,167	8,572
Interests on bank borrowings	(19,505)	(11,186)
Less: amounts capitalised	676	599
	(18,829)	(10,587)
Finance income/(costs), net	2,338	(2,015)

Borrowing costs capitalised are related to the construction of property, plant and equipment. The weighted average interest rate on such capitalised borrowings for the six months ended 30 June 2013 was 6.04% (same period of 2012: 6.89% (restated)) per annum.

18. Income tax expense

The Group is not subject to Hong Kong profits tax as it has no assessable income arising in or derived from Hong Kong during the six months ended 30 June 2013 and 2012.

As the year of 2013 is the second year which the Company enjoys the 50% reduction in corporate income tax, the applicable corporate income tax rate for the Company is 12.5% for the six months ended 30 June 2013 (2012: 12.5%). Other than the Company's subsidiary, China Ocean Shipping Agency (Xiamen) Co., Ltd. ("Xiamen Agency") whose applicable corporate income tax rate is 15% (2012: 15%), for the six months ended 30 June 2013, the applicable corporate income tax rate for the Company's subsidiaries is 25% (2012: 25%).

18. Income tax expense (Continued)

The amount of income tax expense charged to the unaudited interim condensed consolidated income statement represents:

	Unaudited Six months ended 30 June 2013 RMB'000	 2012 RMB'000 (Restated)
PRC corporate income tax expense	**40,056**	31,588
Deferred income tax charge	**4,176**	3,323
	44,232	34,911

19. Dividends

At a meeting held on 21 March 2013, the directors of the Company proposed a final dividend (the "2012 Final Dividend") of RMB5.5 cents per share (tax inclusive) for the year ended 31 December 2012, which was subsequently approved at the annual general meeting on 31 May 2013. The 2012 Final Dividend has been reflected as an appropriation of retained earnings for the six months ended 30 June 2013.

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2013 (same period of 2012: Nil).

20. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of the Company's shares in issue during the period.

	Unaudited Six months ended 30 June 2013	2012
Profit attributable to owners of the Company (in RMB)	**125,804,000**	125,199,000
Weighted average number of the Company's shares in issue	**2,726,200,000**	2,726,200,000
Basic earnings per share (in RMB cents)	**4.61**	4.59

Diluted earnings per share is equal to basic earnings per share as the Company has no potential dilutive shares.

21. Commitments

(a) Capital Commitments

	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000 (Restated)
Purchases of property, plant and equipment contracted for but not yet incurred	**111,812**	172,842

Committed capital expenditure as at 30 June 2013 mainly related to the construction and upgrade of port and storage infrastructure, acquisitions of new loading and other machineries, acquisitions of vessels and renovation of buildings. These commitments were entered into by the Group with its suppliers before 30 June 2013 but the related capital expenditure had not been incurred as at that date.

(b) Commitment for deposit of BT project

As at 30 June 2013, the total commitment for BT project is estimated to be approximately RMB269,000,000 (31 December 2012: RMB343,000,000). Details are set out in Note 10(a).

22. Significant related party transactions

(a) During the six months ended 30 June 2013 and 2012, the Group had the following significant transactions with related parties:

		Unaudited Six months ended 30 June 2013 RMB'000	2012 RMB'000 (Restated)
Transactions with the parent company			
Expenses			
Operating lease rental in respect of land, port facilities and office premises	(i)	**23,176**	22,068
Transactions with fellow subsidiaries			
Revenues			
Electricity supply and maintenance services rendered	(vi)	**8,965**	4,246
Expenses			
Operating lease rental in respect of land, port facilities and office premises	(i)	**3,269**	2,520
Comprehensive service fee	(ii)	**12,233**	11,910
Labour services	(iii)	**12,122**	10,976
Others			
Purchases of property, plant and equipment	(iv)	**4,585**	6,811
Transactions with joint ventures			
Revenues			
Custom inspection services rendered	(vii)	**2,094**	4,141
Transportation services rendered	(vii)	**4,513**	6,096
Electricity supply and maintenance services rendered	(vi)	**3,124**	1,141
Transactions with associate			
Revenues			
Loading and unloading services rendered	(v)	**7,567**	5,764
Expenses			
Labour services	(iii)	**22,323**	5,909
Operating lease rental in respect of land, port facilities and office premises	(i)	**5,208**	4,167
Transactions with other related parties			
Revenues			
Loading and unloading services rendered	(v)	**25,011**	25,553

22. Significant related party transactions (Continued)

(a) During the six months ended 30 June 2013 and 2012, the Group had the following significant transactions with related parties (continued):

(i) Operating lease for land, port facilities and office premises was determined based on the terms stipulated in a lease agreement entered into between the parties involved.

(ii) The comprehensive services provided to the Group were determined based on the terms stipulated in the comprehensive services agreement.

(iii) The related labour services were provided based on the terms mutually agreed by the parties involved.

(iv) The purchases of property, plant and equipment were for berth construction services, building construction services and other related port engineering services. The terms were mutually agreed by the parties involved.

(v) The loading and unloading services rendered to the related parties were provided based on the terms mutually agreed among the contracted parties.

(vi) The electricity supply and maintenance services rendered to the related parties were provided based on the terms mutually agreed among the contracted parties.

(vii) The custom inspection services and transportation services rendered to the related parties were provided based on the terms mutually agreed among the contracted parties.

22. Significant related party transactions (Continued)

(b) The balances with related parties of the Group at the balance sheet dates are as follows:

	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000 (Restated)
Balances with the parent company		
Other receivables and prepayments	**622**	24,967
Accounts payable	**28,842**	40,319
Other payables and accruals	**3,276**	3,624
Dividends payable	**93,660**	16,087
Balances with fellow subsidiaries		
Accounts receivable	**825**	2,032
Other receivables and prepayments	**577**	1,400
Accounts payable	**12,986**	14,667
Other payables and accruals	**10,465**	1,335
Balances with joint ventures		
Accounts receivable	**4,269**	4,271
Dividends receivable	**6,120**	—
Other receivables and prepayments	**2,602**	2,858
Accounts payable	**1,253**	2,498
Balances with associates		
Accounts receivable	**6,362**	5,767
Other receivables and prepayments	**2,991**	4,088
Accounts payable	**10,265**	8,466
Balance with non-controlling shareholders of subsidiaries		
Dividends payable	**23,774**	4,106
Balances with other related parties		
Accounts receivable	**7,983**	7,353
Other payables and accruals	**9,013**	10,250

22. Significant related party transactions (Continued)

(c) Key management compensation:

	Unaudited Six months ended 30 June 2013 RMB'000	2012 RMB'000
Basic salaries, housing allowances, other allowances and benefits-in-kind	**1,669**	1,486
Contributions to pension plans	**207**	166
	1,876	1,652

23. Contingent liabilities

As at 30 June 2013, the Group had no significant contingent liability (31 December 2012: Nil).

24. Event occurring after the balance sheet date

(a) On 8 July 2013, a resolution was passed at the first extraordinary general meeting of 2013 of the Company to approve the merger and synchronous contribution agreement on the establishment of Xiamen Container Terminal Group Co., Ltd. (tentatively named), the joint venture contract of Xiamen Container Terminal Group Co., Ltd. and the Articles of Association of Xiamen Container Terminal Group Co., Ltd. which were entered into among the Company and its controlling shareholder Xiamen Port Holding, Xiamen Xiangyu Logistics Group Corporation, Xiamen ITG Group Corp., Ltd., and New World (Xiamen) Port Investments Limited, and the transactions contemplated thereunder, so as to integrate the assets and businesses of the relevant container terminals in Xiamen port, and to approve the relevant transactions in respect of acquisition of 6.55% JV equity interests in Xiamen Container Terminal Group Co., Ltd. by the Company from Xiamen Port Holding. The foregoing transactions shall be subject to the approval procedures as required by relevant government authorities in accordance with the relevant laws and regulations.

(b) In May 2013, the Ministry of Finance and the State Administration of Taxation issued a circular Cai Shui [2013] No. 37 ("Circular 37") and made it clear that the nationwide pilot collection of value added tax in lieu of business tax in the transportation industry and certain modern services industries has been approved by the State Council, and will be carried out on 1 August 2013. According to the Circular 37, except for the tangible personal property financial leasing services, cost cannot be deducted when calculating the sales amount of the pilot taxpayer.

MANAGEMENT DISCUSSION AND ANALYSIS

Operating Results Review

In the first half of 2013, the overall global economy was still in the downturn. Although affected by adverse factors such as weakened aggregate demand from market, a rise in operating cost and slowdown in domestic industrial production, the gross domestic production (GDP) of the PRC for the first half of the year increased by 7.6% as compared with the corresponding period of last year, with an aggregate exports and imports of 8.6% higher than that as recorded in corresponding period of last year, representing a continuous roll back of growth rate for both GDP and foreign trade. Faced with the complexity and volatility in economy and trade both home and abroad, the Group adopted various corresponding measures proactively. By strengthening strategic cooperation with major shipping companies and reinforcing the coordination and communication with other terminals to ensure the relatively stable conditions of shipping line market and port loading and unloading tariff; by actively expanding the hinterland of ports and developing container domestic feeder-line business, international container transshipment and domestic trade container transshipment business; and at the same time, by further promoting internal control, systematizing various management tasks and strictly monitoring various costs and expenses, the Group's production and operation is able to maintain a relatively stable development.

For the six months ended 30 June 2013, the revenues of the Group amounted to approximately RMB1,871,753,000, representing an increase of approximately 31.6% as compared to approximately RMB1,422,628,000 (restated) in the corresponding period in 2012. Profit attributable to the owners of the Company was approximately RMB125,804,000, representing an increase of approximately 0.5% as compared to approximately RMB125,199,000 in the corresponding period in 2012. Basic and diluted earnings per share attributable to owners of the Company were approximately RMB4.61 cents (the corresponding period in 2012: approximately RMB4.59 cents). The increase in revenues was mainly due to the increase in revenues from the trading of merchandise, ancillary value-added port services and container loading and unloading and storage business of the Group, which was partially offset by the decrease in revenues from manufacturing and selling of building materials and bulk/general cargo loading and unloading business.

Business Review

The Group was principally engaged in port terminal businesses, operating 16 berths in Dongdu port area and Haicang port area in Xiamen (inclusive of berth No. 1 in Haicang port area) and berth No. 8 in Qingzhou Operating Area in Fuzhou City ("Fuzhou Zhongying Terminal"), including container port operation, bulk/general cargo port operations and ancillary value-added port services.

In addition, the Group also operated manufacturing, processing and selling business of building materials, as well as the trading business of merchandise (such as chemical raw materials, steel and ore).

Container Port Business

During the first half of 2013, a container throughput of 2,187,854 TEUs was achieved by the Group with details of the container throughput achieved by each terminal as follows:

	Container throughput Six months ended 30 June		
	2013 (TEUs)	2012 (TEUs)	Increase/ (decrease)
The Haitian Terminal and Hairun Terminal (international trade)#	**1,152,016**	1,065,665	8.10%
XICT and XHICT (international trade)*	**394,101**	527,686	(25.32%)
Berth No.1 of Dongdu Terminal (domestic trade)☆	**544,372**	374,478	45.37%
Throughput of Xiamen region	**2,090,489**	1,967,829	6.23%
Fuzhou Zhongying Terminal (international trade and domestic trade)Δ	**97,365**	—	100.00%
Total throughput	**2,187,854**	1,967,829	11.18%

\# Since July 2009, Hairun Terminal leased and operated berth No. 6 in Haicang port area of Xiamen port due to the needs of business development, and therefore, for the purpose of operation information set out herein, the related operating figures of Hairun Terminal also contain the figures of berth No. 6 in Haicang port area of Xiamen port, which are consolidated in the calculation.

* Xiamen International Container Terminals Ltd. ("XICT") and Xiamen Haicang International Container Terminals Ltd. ("XHICT") are jointly controlled entities established by Xiamen Haicang Port Company Limited, one of the Company's subsidiaries, and the Company respectively, with Hutchison Ports Xiamen Limited. Since 1 September 2008, due to the commencement of operations in unification between XICT and XHICT, the relevant operation information of XICT also contains the figures of XHICT correspondingly, which are consolidated in the calculation and 100% calculated into port business. The Company adopted HKFRS 11 "Joint arrangements" for the financial year beginning 1 January 2013 and assessed the Group's jointly controlled entities as joint ventures and the interest of which was equity accounted for. Proportional consolidation of the joint ventures' financial results is no longer allowed and the financial information of the comparative period has been restated. The Company is still engaged in port business in the above terminals in 2013, and therefore the relevant operation information is set out herein.

☆ Due to the needs of business development, Dongdu Terminal has leased berth No. 3 of Songyu Terminal in Xiamen port since February 2012 to operate the domestic trade container business, and therefore, for the purpose of operation information set out herein, the related operating figures of berth No. 1 of Dongdu Terminal also contain the relevant figures of berth No. 3 Songyu Terminal in Xiamen port, which are consolidated in the calculation.

Δ Since 20 November 2012, the Group also leased and operated Fuzhou Zhongying Terminal from Fuzhou Zhongying Gangwu Co., Ltd. (福州中盈港務有限公司) for operation of container and general cargo loading and unloading business and the port-related comprehensive logistics business. Therefore, for the purpose of operation information set out herein, Fuzhou Zhongying Terminal's figure of the corresponding period in 2012 is not included, which results in the relevant container throughput increased by 100% over the corresponding period in 2012.

During the first half of the year of 2013, the container business of the Group maintained a stable growth. The container business in Xiamen region has increased by approximately 6.23% over the corresponding period in 2012, of which the container throughput of domestic trade container transshipment business increased by approximately 318.7%, as compared with the corresponding period of the previous year, to approximately 0.316 million TEUs, accounting for approximately 58% of domestic trade container throughput and resulting in a growth of over 45% in domestic trade container business in Xiamen region in the first half of the year; the container throughput of domestic feeder-line container business increased by 25.3%, as compared with the corresponding period of the previous year, to approximately 0.205 million TEUs. The significant growth of the above domestic trade and domestic feeder-line container business has a comparatively larger contribution to the sustainable growth of the Group's container throughput in Xiamen region in the first half of the year. On the other hand, the performance of XICT and XHICT was affected by a number of factors including the business migration to the self-operated terminals of neighbouring relevant shipping operators and the decline in throughput of European shipping lines arising from the weak European economy, resulting in a decrease of approximately 25% of the container throughput in the first half of the year, as compared with the corresponding period of the previous year.

In view of the above-mentioned situation of XICT and XHICT, the Group has implemented proper response measures. Firstly, the Group will proactively follow up with the plans in respect of additional or amended routes with relevant shipping operators and enhance the marketing initiatives, so as to secure new business. Secondly, the Group will equip itself for the trend of larger-scale carriers domination and speed up the upgrading and improvement work for relevant terminals in Haicang, so as to enhance the berthing capacity to satisfy the needs of terminal development. Thirdly, the Group will further develop and utilize terminal depot and other resources and actively expand the relevant value-added business.

Bulk/General Cargo Port Business

In the first half of 2013, the bulk/general cargo throughput handled by the Group amounted to 4,658,428 tonnes with details as follows:

	Bulk/general cargo throughput Six months ended 30 June		
	2013 (Tonnes)	2012 (Tonnes)	Increase
Berths No. 2 to No. 4 of Dongdu Terminal*	**3,425,846**	3,249,215	5.44%
XICT and XHICT	**1,189,450**	109,678	984.49%
Throughput of Xiamen region	**4,615,296**	3,358,893	37.41%
Fuzhou Zhongying Terminal$^{\Delta}$	**43,132**	—	100.00%
Total throughput	**4,658,428**	3,358,893	38.69%

* Dongdu Terminal has leased part of berth No. 8 (Mingda Terminal) in Haicang port area of Xiamen port for the operation of loading and unloading and transshipment businesses since November 2009. Therefore, for the purpose of the operation information set out herein, the relevant operating figures of bulk/general cargo of Dongdu Terminal also contains the figures of Mingda Terminal, which are consolidated in the calculation.

Δ Since 20 November 2012, the Group also leased Fuzhou Zhongying Terminal from Fuzhou Zhongying Gangwu Co., Ltd. for operation of container and general cargo loading and unloading and the port-related comprehensive logistics business. Therefore, for the purpose of operation information set out herein, Fuzhou Zhongying Terminal's figure of the corresponding period in 2012 is not included, which results in the relevant bulk/general cargo throughput increased by 100% over the corresponding period in 2012.

The Group's bulk/general cargo business for Xiamen region in the first half of the current year increased by approximately 37.41% as compared with the first half of the year 2012, of which the bulk/general cargo business of Dongdu Terminal slightly increased by approximately 5.44% in the first half of the year as there was an increase in business volume of various types of cargos, including imported food, zircon mines, chemical fertilizers and pulp paper. As for XICT and XHICT, the bulk/general cargo business has recorded a significant increase of approximately 984.49% in the first half of the year. This is mainly due to the significant growth in the new, lower-tariff sand gravel export business with a throughput of 1,020,000 tonnes, as well as the favourable development of business for other existing cargo types.

Ancillary value-added port services

During the first half of the year, the ancillary value-added port services of the Group maintained a relatively stable growth as a whole. The market shares of shipping agency, tallying, tugboat berthing and unberthing businesses and port-related logistics services in Xiamen port remained stable during the first half of the year, of which the off-port market of the tugboat berthing and unberthing business was on smooth expansion, and the business revenue from its off-port market has reached to about 41% of the business revenue from its on-port market. During the reporting period, with the continuous efforts of the Group, the fast freight train connecting Ganzhou, Jiangxi with Xiamen was put into operation, which not only realized the transportation designed for "place scheduled, route scheduled, frequency scheduled, time scheduled and price scheduled", but also greatly shortened the shipping time from Ganzhou to Xiamen port. In this regard, the sea-rail joint transportation business achieved certain breakthrough development. While the Group handled a total container volume of 9,062 TEUs in respect of sea-rail joint transportation, representing a moderate decrease as compared with the corresponding period of the previous year due to the recession of the foreign trade business in the port hinterland and other factors. In addition, the bonded logistics business of the Group was also affected by the sluggish foreign trade in the PRC, "one day trip" in Xiamen Bonded Logistics Park as well as on-site assembly business underperformed during the first half of the year. On the contrary, the warehouse leasing business increased slightly as a result of the expansion of major customers business by the Group. Furthermore, the Group also allowed the overall profits from the bonded logistics business to maintain a continuous growth through providing value-added services for customers.

Trading business of merchandise

During the first half of the year 2013, leveraging on the port operation platform and adhering to the port and trade integration and prudent operation philosophy, the Group was mainly engaged in the domestic trading agency business for large-scale raw materials, and proactively explored new areas for business growth as well, which promoted the boost of the cargo throughput of the Group and the growth of the port-related comprehensive logistics business. In addition, the Group responded to the rigorous economic environment positively and further improved the business model. Based on the principles of overall risk management, the Group strictly controlled the various risk points in the trading business, and strived to ensure that the level of risk is within its control.

Financial Review

Revenue

Revenues of the Group increased by approximately 31.6% from approximately RMB1,422,628,000 (restated) for the six months ended 30 June 2012 to approximately RMB1,871,753,000 for the six months ended 30 June 2013. The increase was mainly due to the increase in revenues from trading business of merchandise, ancillary value-added port services and container loading and unloading and storage business, partially offset by the decrease in revenues from manufacturing and selling of building materials and bulk/general cargo loading and unloading business.

Revenue by business sector

Business	Six months ended 30 June		
	2013 (RMB'000)	2012 (RMB'000) (Restated)*	Increase/ (decrease)
Container loading and unloading and storage business	**355,491**	322,957	10.1%
Bulk/general cargo loading and unloading business	**89,150**	97,281	(8.4%)
Ancillary value-added port services	**426,330**	329,122	29.5%
Manufacturing and selling of building materials	**168,648**	211,188	(20.1%)
Trading business of merchandise	**832,134**	462,080	80.1%
Total	**1,871,753**	1,422,628	31.6%

* The Company adopted HKFRS 11 "Joint arrangements" for the financial year beginning 1 January 2013 and assessed the Group's jointly controlled entities as joint ventures and the interest of which was equity accounted for. Proportional consolidation of the joint ventures' financial results is no longer allowed and the financial information of the comparative period has been restated.

The reasons for the change of revenue of each business sector for the six months ended 30 June 2013 compared with the corresponding period of last year are as follows:

1. The container throughput of the Group for the six months ended 30 June 2013 presented a significant increase of 24.6% (excluding XICT and XHICT), yet since the proportion of the throughput of domestic trade container transshipment business, domestic feeder-line business and on-port lightering operations with a lower tariff in the total container throughput had increased, the average revenue per TEU decreased. As a result, the revenue of container loading and unloading and storage business presented a mild increase of approximately 10.1%.

2. The proportion of the throughput of stone blocks with a higher tariff in the total throughput had decreased, which resulted in the revenue decrease of the bulk/general cargo loading and unloading business.

3. The increase in cargo throughput of Xiamen port drived the increase in revenue of the ancillary value-added port services of the Group.

4. The decreased revenue of manufacturing and selling of building materials of the Group was mainly due to the slowdown of the progress of construction projects and the shrinkage of the production volume in concrete industry.

5. The Group expanded the scope of trading business, which resulted in the significant increase of revenue of the trading business of merchandise.

Cost of Sales

Cost of sales of the Group increased by approximately 37.9% from approximately RMB1,163,637,000 (restated) for the six months ended 30 June 2012 to approximately RMB1,605,050,000 for the six months ended 30 June 2013. Such increase was primarily due to the increase in cost of inventories sold, employee benefit expenses, the cost of transportation and labour outsourcing and rental expenses.

- Cost of inventories sold of the Group increased by approximately 81.4% from approximately RMB446,896,000 (restated) for the six months ended 30 June 2012 to approximately RMB810,690,000 for the six months ended 30 June 2013. The increase was mainly due to the Group's expanding of the scope of trading business of merchandise, which led to the corresponding increase in revenue and cost.

- Employee benefit expenses of the Group included in the cost of sales increased by approximately 12.5% from approximately RMB206,546,000 (restated) for the six months ended 30 June 2012 to approximately RMB232,343,000 for the six months ended 30 June 2013. Such increase was mainly due to the increase in the overall business volume of the Group for the six months ended 30 June 2013, and the average salary per headcount and the bonus paid related to the business volume increased accordingly.

- The cost of transportation and labour outsourcing of the Group increased by approximately 26.1% from approximately RMB69,059,000 (restated) for the six months ended 30 June 2012 to approximately RMB87,054,000 for the six months ended 30 June 2013. Such increase was mainly due to more transportation and labour works were outsourced to meet the increase in container throughput of the Group's port business.

- Rental expenses of the Group included in the cost of sales increased by approximately 42.8% from approximately RMB39,508,000 (restated) for the six months ended 30 June 2012 to approximately RMB56,405,000 for the six months ended 30 June 2013. Such increase was mainly due to the Group's leasing of the Fuzhou Zhongying Terminal from Fuzhou Zhongying Gangwu Co. Ltd. from November 2012 for operation of container and general cargo loading and unloading and the port-related comprehensive logistics business, which led to the corresponding increase in rental expenses.

Liquidity, Financial Resources and Capital Structure

The Group mainly used its cash for investments, operating costs, construction of terminals and berths and repayment of loans. As at 30 June 2013, the Group's cash and cash equivalents amounted to approximately RMB685,054,000 (31 December 2012: approximately RMB777,452,000 (restated)). The decrease was mainly due to the payment made by the Group for the BT Project in Zhangzhou.

Borrowings of the Group increased by approximately 14.2% from approximately RMB796,139,000 (restated) as at 31 December 2012 to approximately RMB909,012,000 as at 30 June 2013, which was mainly to meet the demand of the Group's ocean shipping agency business development and the operation in Fuzhou Zhongying Terminal.

As at 30 June 2013, the Group's guaranteed loans amounted to approximately RMB274,506,000, of which approximately RMB212,000,000 was guaranteed by Xiamen Port Holding, approximately RMB57,506,000 was guaranteed by a state-owned bank and RMB5,000,000 was guaranteed by XPD; the Group's secured loans amounted to approximately RM432,083,000, of which approximately RMB77,475,000 was secured by letters of credit, approximately RMB261,048,000 was secured by bank deposits of RMB260,000,000, approximately RMB55,238,000 was secured by bank deposits of USD9,500,000 and approximately RMB38,322,000 was secured by bank deposits of RMB41,500,000.

Gearing Ratio

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the interim condensed consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as "equity" (as shown in the interim condensed consolidated balance sheet) plus net debt.

The gearing ratios as at 30 June 2013 and 31 December 2012 are as follows:

	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000 (Restated)
Total borrowings	**909,012**	796,139
Less: Cash and cash equivalents	**(685,054)**	(777,452)
Net debt	**223,958**	18,687
Total equity	**5,285,330**	5,271,469
Total capital	**5,509,288**	5,290,156
Gearing ratio (%)	**4.07%**	0.35%

As at 30 June 2013, the Group had a net debt position.

Other Financial Information

As at 30 June 2013, the Group's available-for-sale financial assets increased from approximately RMB57,949,000 to approximately RMB58,005,000 as compared with 31 December 2012. The increase was mainly contributed by the increase in fair value of securities investments being held by the Group.

Capital Expenditure Commitments

As at 30 June 2013, the Group's capital expenditure commitments amounted to approximately RMB111,812,000, primarily consisting of expenditure on constructing and improving port terminal and storage infrastructure, acquisition of loading machineries and other equipment, purchase of vessels and building renovation.

Exchange Rate and Interest Rate Risk

The Group's bank borrowings are denominated in both RMB and USD. To the extent that RMB appreciates (or depreciates) against USD, the value of bank borrowings and repayment cost of such borrowings will decrease (or increase) correspondingly. Furthermore, since only a minor part of the business revenue of the Group is settled in foreign currencies, the fluctuation in RMB exchange rate has no material effect on the business operations of the Group. The Group believes that the appreciation of RMB had no material effect on the operating results and financial position of the Group as at 30 June 2013. The Group has not used any means to hedge its foreign currency exposure. Nevertheless, the foreign currency exposure is still monitored by the directors of the board (the "Board"), who will consider hedging any significant foreign currency exposure should the need arise.

Contingent Liabilities

As at 30 June 2013, the Group had no significant contingent liabilities.

Employees

As at 30 June 2013, the Group had a total of 5,727 employees, representing an increase of 57 employees as compared to 31 December 2012. Employees' remunerations of the Group were determined by their positions, individual performance, qualifications and the prevailing practices of the industry. Employees may be offered bonus or awards according to the Group's annual operating results and the assessment results of their performance. In addition, the payment of rewards is an impetus to motivate each employee. The enterprise annuity will enhance the pension insurance treatment of the employees after retirement, and employees are also entitled to enjoying public holidays as stipulated by the relevant regimes.

Establishment of New Companies and Other Significant Events

On 8 January 2013, Sanming Port Development Co., Ltd (三明港務發展有限公司) ("Sanming Port"), an indirect subsidiary of the Company, invested to establish Sanming Port Customs Declaration Co., Ltd (三明港務報關有限公司) ("Sanming Port Customs Declaration") in the Modern Logistics Industry Development Zone in Sha County, Sanming City, Fujian Province, which is principally engaged in the customs brokerage businesses (customs declaration, inspection and quarantine declaration of import & export cargo) and customs clearance agency. The registered capital of Sanming Port Customs Declaration, a wholly-owned subsidiary of Sanming Port, is RMB1,500,000 and the relevant industrial and commercial registration formalities have been completed.

On 15 April 2013, Xiamen Port Trading Co., Ltd (廈門港務貿易有限公司) ("Port Trading"), an indirect subsidiary of the Company, invested to establish Shanghai Haiheng Industrial Co., Ltd (上海海衡實業有限公司) ("Haiheng Industrial") in Baoshan District, Shanghai City, which is principally engaged in the import and export business of cargo and technologies, consultation on business information, forwarding agency, etc., with a view to facilitating the development of the integration of port and trade. The registered capital of Haiheng Industrial, a wholly-owned subsidiary of Port Trading, is RMB10,000,000 and the relevant industrial and commercial registration formalities have been completed.

On 16 May, 2013, Xiamen Agency, an indirect subsidiary of the Company, invested to establish Xiamen Agency Cruise Agency Co., Ltd. ("Agency Cruise") in the 3rd Floor, No.1 Huyu Road, Huli District, Xiamen, mainly engaged in domestic cruise agency business. The registered capital of Agency Cruise, a wholly-owned subsidiary of Xiamen Agency, is RMB 2,000,000 and the relevant industrial and commercial registration formalities have been completed.

On 18 February 2013, a resolution was passed at the 20th meeting of the third session of the Board of the Company to approve the Company's acquisition of 20% equity interests in Xiamen Port Group Electricity Service Co., Ltd (廈門港務集團港電服務有限公司, "Xiamen Electricity", a subsidiary of the Company) from Xiamen Port Group Haitian Container Terminals Co., Ltd (廈門港務集團海天集裝箱有限公司, a subsidiary of the Company), and the above equity transfer formalities have been completed, therefore Xiamen Electricity became a wholly-owned subsidiary of the Company.

On 25 February 2013, a resolution was passed at the 21st meeting of the third session of the Board of the Company to approve the Merger and Synchronous Contribution Agreement on the Establishment of Xiamen Container Terminal Group Co., Ltd. (tentatively named) (廈門集裝箱碼頭集團有限公司), the Joint Venture Contract of Xiamen Container Terminal Group Co., Ltd. and the Articles of Association of Xiamen Container Terminal Group Co., Ltd. which are to be entered into among the Company and its controlling shareholder Xiamen Port Holding, Xiamen Xiangyu Logistics Group Corporation, Xiamen ITG Group Corp., Ltd., and New World (Xiamen) Port Investments Limited, so as to integrate the assets and businesses of the relevant container terminals in Xiamen port. On the same day, the above agreement, contract and the articles of association were formally signed (for details, please refer to the announcement of the Company dated 25 February 2013). On 8 July 2013, a resolution was passed at the first extraordinary general meeting of 2013 of the Company to approve the above-mentioned agreements, the transactions contemplated thereunder and the relevant transactions in respect of acquisition of 6.55% JV equity interests in Xiamen Container Terminal Group Co., Ltd. by the Company from Xiamen Port Holding (for details, please refer to the notice and circular of the Company dated 6 May 2013). The foregoing transactions shall be subject to the approval procedures as required by relevant government authorities in accordance with the relevant laws and regulations.

Subsequent Events

On 4 July 2013, XPD, a subsidiary of the Company, and Zhangzhou Shi Economy Development Co., Ltd. jointly invested to establish Zhangzhou Shi Longchi Port Development Co. Ltd. ("Longchi Port") in No. 15 Longchi Commercial Street, Jinshan Village, Jiaomei Town, Zhangzhou Taiwanese Investment Zone, mainly engaged in the investment, development and construction of terminal and port ancillary facilities and port services facilities as well as other operation projects not provided under the laws and regulations. The registered capital of Longchi Port is RMB100,000,000, of which XPD holding 55% of the equity interests. The relevant industrial and commercial registration formalities have been completed.

Prospect and Outlook

Overall, the domestic and international economic environment in the second half of the year will be more complex. Internationally, although the economy in the United States and Japan have gradually recovered this year, the economy of the other countries, especially in Europe, still remain in the doldrums. The overall recovery of the global economy is relatively slow. According to the "Global Economic Prospects" report published by the World Bank in June this year, the World Bank has lowered its prediction on the global economic growth rate to 2.2% from its previous estimate of 2.4%

and the global economy will show a trend of slow growth. In China, according to the analysis of the National Bureau of Statistics, the national economy overall ran smoothly in the first half of the year with the key indicators still in the expected reasonable range. While, with the continuous implementation of the proactive fiscal policy and prudent monetary policy, acceleration of industrialization and urbanization, as well as upgrading of consumption structure and better combination of "ensuring steady economic growth, adjusting the economic structure and promoting reform", the national economy in China will continue to maintain a relatively stable growth in the second half of the year. Furthermore, according to the analysis of the General Administration of Customs of China, due to a variety of factors, including downturn in external demand, rises in exchange rate, labour and other export costs, frequent trade friction, slowdown in domestic industrial production and overcapacity in many industries, China's foreign trade will face increased challenges in the second half of this year.

The above changes in the domestic and international economic environment will have a significant impact on the sustainable development of port operations in Xiamen. Taking the Xiamen port itself for example, the operation commencement of Yuanhai Terminal (berths No.14 to No. 17 in Haicang port area) and Tongda Terminal (berth No.13 in Haicang port area) of Xiamen port has diverted part of the business of the Group and affected the growth of the Group's container and bulk/general cargo businesses. Facing the complicated and challenging economic environment, the Group will strengthen our confidence, actively utilize our overall advantages, positively respond to market competition, further explore the new potentials and make progress while ensuring stability to ensure a stable return for all shareholders of the Company. Based on our actual circumstances, the Group will focus on the following work in the second half of this year:

- To uphold the overall marketing strategy. Firstly, the Group will improve the customer and market-oriented overall marketing model, make full use of its comprehensive and integrated logistics service chain of the ports and its strong capability in offering overall ancillary services, and continue to develop extended services, whereby making efforts in improving its professional service capacity of creating more values for customers. Secondly, the Group will strengthen its marketing capability, optimize the customer structure, adjust the supply structure and continuously reinforce the exploration of basic and direct customers.

- To strive to stabilize shipping lines market. Firstly, the Group will further promote the major customer strategy, strengthen business cooperation with major shipping operators, carry out broader strategic alliances, so as to achieve complementary advantages and mutual development and better stabilize the Group's existing shipping lines. Secondly, the Group will closely monitor the market development trends, strengthen the research and judgment, optimize resource allocation in conventional and emerging markets, cooperate with shipping operators to accelerate the development of emerging markets with high demand, and seek to attract the new routes berthing at the terminals under the Group.

- To actively develop hinterlands. Firstly, the Group will consolidate and develop feeder terminals. The priority is to further improve the equipments and facilities of Fuzhou Zhongying Terminal, coordinate and optimize the port customs procedures, and expand the business in feeder terminals. Secondly, the Group will expand the business of land-based ports. With a focus on the construction of land-based ports, the Group will further consolidate the cargo-canvassing network resources and facilitate the synergetic development between land-based ports and sea-rail joint transportation business, so as to provide more cargo sources for Xiamen port.

- To expand business scale. Firstly, the Group will expand the container business and boost its growth. The priority is to expand the business with major customers and the container incremental business, including the domestic trade containers transshipment, domestic feeder-lines transshipment, international container transshipment and on-port lightering. Secondly, the Group will promote the operational capacity of the bulk/general cargo terminals through speeding up the construction of berths No.20 and No.21 in Haicang port area, so as to enhance its competitiveness in this regard and promote steady growth of the business. Thirdly, the Group will improve the port services platform and enhance the synergies between the port loading and unloading business and the ancillary value-added port services to promote interactive development.

- To improve the service quality. Firstly, the Group will establish a customer-centered service system with a focus on enhancing the refined operational and services level, and further improve the services level through securing schedule punctuality and operational efficiency of single vessel/machine of all the terminals, as well as the efficiency of retrieving and unloading of containers in the depots and improving the transshipment services, etc. Secondly, the Group will strengthen the design and development of the value-added service projects, proactively design a comprehensive logistics service scheme for customers, strive for providing them with value-added services and coordinate the port customs clearance services, so as to develop new business growth points. Thirdly, the Group will accelerate the upgrading and rebuilding of the relevant berths in Haicang port area and improve the berthing capacity of terminals, so as to cater for the operational requirements of larger vessels.

- To strengthen internal control. Firstly, the Group will promote the institutionalization of all management work of the Company, taking into consideration of the relevant intermediary agencies' recommendations on the internal control and risk management and the requirements for the quality management system of the Company, so as to continuously perfect the internal control system. Secondly, the Group will further propel the overall budget control, focus on strengthening the step tracking, monitoring, assessment and management on costs, strictly control all costs, lift the scientific management level, and enhance the corporate operation efficiency.

- To promote the integration of port resources. Firstly, the Group will stringently implement the resolutions passed at the first extraordinary general meeting of 2013 of the Company, proactively speed up the relevant government approval procedures for the integration of the port resources, and expedite the establishment of Xiamen Container Terminal Group Co., Ltd. Secondly, the Group will make well preparation for the resources integration after the establishment of Xiamen Container Terminal Group Co., Ltd., and strive to optimize the deployment of resources, business coordination and efficiency improvement while ensuring the effective matching of the port business.

- Pursuant to the "Options and Rights of First Refusal Agreement" entered into between the Company and Xiamen Port Holding, the Group will actively follow up the progress of construction works of relevant terminals of Xiamen Port Holding, so as to facilitate the Board of the Company to make the appropriate decisions based on the management and operational circumstances at the time.

OTHER INFORMATION

Share Capital

The table below sets out the share capital structure of the Company as at 30 June 2013:

Class of shares	Number of shares	Proportion (%)
Domestic shares	1,739,500,000	63.81
H shares	986,700,000	36.19
Total	2,726,200,000	100.00

There was no movement in the share capital of the Company during the six months ended 30 June 2013.

Interim Dividend

The Board of the Company did not recommend the payment of any interim dividend during the six months ended 30 June 2013 (same period of 2012: Nil).

Share Option Scheme

The Company did not adopt any share option scheme.

Directors', Supervisors' and Chief Executives' Interests in Shares

As at 30 June 2013, other than Mr. HUI Wang Chuen, an Independent Non-executive Director of the Company (details of which are set out below), none of the directors of the Company ("Directors"), supervisors of the Company ("Supervisors"), chief executives of the Company or their associates had any interests in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which would have to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any Director, Supervisor or chief executives of the Company was deemed or taken to be under such provisions of the SFO), or which would be required, pursuant to section 352 of the SFO, to be entered in the register required to be kept by the Company or which would be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as contained in Appendix 10 to Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules").

Name of Director	Class of Shares	Number of Shares	Capacity	As a % of the H shares
HUI Wang Chuen (許宏全)	H shares (Long Position)	5,000,000	Beneficial owner	0.51%

All the interests stated above represent long positions. No short positions were recorded in the register maintained by the Company under section 352 of the SFO as at 30 June 2013.

Substantial Shareholders' in Interests

As at 30 June 2013, so far as was known to the Directors, Supervisors or chief executives of the Company, the following persons (other than Directors, Supervisors or chief executives of the Company) had an interest or short position in the shares and underlying 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	Capacity	As a % of the relevant class of share capital	As a % of the total share capital
Xiamen Port Holding	Domestic shares (Long Position)	1,702,900,000	Beneficial owner	97.89%	62.46%
China Shipping (Group) Co. (Note)	H shares (Long Position)	78,894,000	Interest of controlled corporation	8.00%	2.89%
China Shipping (Hong Kong) Holdings Co., Limited (Note)	H shares (Long Position)	78,894,000	Interest of controlled corporation	8.00%	2.89%
China Shipping Terminal Development (Hong Kong) Company Limited (Note)	H shares (Long Position)	78,894,000	Beneficial owner	8.00%	2.89%

Note: The 78,894,000 shares referred to the same batch of shares.

Save as disclosed above, as at 30 June 2013, so far as was known to the Directors, Supervisors or chief executives of the Company, no other persons (other than the Directors, Supervisors or chief executives of the Company) had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange 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.

All the interests stated above represent long positions. No short positions were recorded in the register maintained by the Company under section 352 of the SFO as at 30 June 2013.

Purchase, Sale and Redemption of Securities

For the six months ended 30 June 2013, the Group had not purchased, sold or repurchased any securities of the Company.

Acquisition and Disposal

For the six months ended 30 June 2013, other than (i) the Company's acquisition of 20% equity interests in Xiamen Electricity from Xiamen Port Group Haitian Container Terminals Co., Ltd; and (ii) the merger of and contribution to the establishment of Xiamen Container Terminal Group Co., Ltd. among the relevant companies, including the Company and Xiamen Port Holding, as well as the relevant transaction arrangement in respect of the acquisition of 6.55% equity interests in a joint venture, namely, Xiamen Container Terminal Group Co., Ltd by the Company from Xiamen Port Holding, the Group did not make any major acquisitions or disposals of its subsidiaries, joint ventures and associated companies.

Corporate Governance

Compliance with the Corporate Governance Code

The Company is committed to maintaining a high level of corporate governance standards to enhance the transparency of corporate governance and to ensure better protection of the interests of the shareholders as a whole.

The Company has been complying with the code provisions set out in the Corporate Governance Code (the "Corporate Governance Code") under Appendix 14 to the Listing Rules and has adopted the Corporate Governance Code. For the six months ended 30 June 2013, the Company had complied with all the code provisions and most of the recommended best practices set out in the Corporate Governance Code. Also, so far as was known to the Directors, no incident of non-compliance of the Corporate Governance Code was noted by or reported to the Company. In addition, at the Board meeting held on 27 August 2013, the Company has adopted the Board Diversity Policy, details of which can be found on the Company's website.

The Board

As at the date of this report, the third session of the Board of the Company comprised 14 Directors, details of which are as follows:

Executive Directors:
Mr. LIN Kaibiao *(Chairman)*
Ms. MIAO Luping
Mr. HUANG Zirong
Mr. FANG Yao*
Ms. HONG Lijuan

Non-executive Directors:
Mr. ZHENG Yongen
Mr. CHEN Dingyu
Mr. FU Chengjing
Mr. KE Dong*

Independent Non-executive Directors:
Mr. LIU Feng
Mr. ZHEN Hong
Mr. HUI Wang Chuen
Mr. LIN Pengjiu
Mr. HUANG Shumeng

* In addition to their directorships, Mr. FANG Yao was also newly appointed as the Vice Chairman of the Company on 27 August 2013 and Mr. KE Dong was also newly appointed as a deputy general manager of the Company on the same day.

The Supervisory Committee

As at the date of this report, the third session of the Supervisory Committee of the Company comprised 6 Supervisors, details of which are as follows:

Supervisors:
Mr. YAN Tengyun *(Chairman of the Supervisory Committee)*
Mr. LUO Jianzhong
Mr. WU Jianliang
Mr. WU Weijian
Mr. TANG Jinmu
Mr. XIAO Zuoping

Nomination Committee

The Nomination Committee comprises Mr. LIN Kaibiao, the Chairman and an Executive Director of the Company and two Independent Non-executive Directors, namely Mr. LIU Feng and Mr. HUI Wang Chuen. The Nomination Committee is chaired by Mr. LIN Kaibiao. The primary functions of the Nomination Committee are to: review the structure, quorum and composition of the Board, identify individuals suitably qualified to become Board members and assess the independence of Independent Non-executive Directors, make recommendations to the Board on relevant matters relating to the succession planning for Directors, in particular, the Chairman and the general manager, as well as monitor the implementation of the Company's Board Diversity Policy. The above-mentioned terms of reference have been published on the websites of the Hong Kong Stock Exchange and the Company according to the regulations.

Audit Committee

The Audit Committee comprises two Independent Non-executive Directors, namely Mr. LIU Feng and Mr. ZHEN Hong and one Non-executive Director, Mr. FU Chengjing. The Audit Committee is chaired by Mr. LIU Feng. The primary functions of the Audit Committee are: to propose the re-appointment, oversee the performance and approve the remuneration of the external auditors; to review the completeness and accuracy of the Company's financial accounts; to evaluate and supervise the Company's financial reporting procedures and to oversee the Company's internal control procedures and their effectiveness. The above-mentioned terms of reference have been published on the websites of the Hong Kong Stock Exchange and the Company according to the regulations.

The Audit Committee has reviewed the Company's interim results for the six months ended 30 June 2013 and agreed with the accounting policies adopted by the Company.

Remuneration Committee

The Remuneration Committee comprises two Independent Non-executive Directors, namely Mr. HUI Wang Chuen and Mr. LIU Feng, and one Non-executive Director, Mr. CHEN Dingyu. The Remuneration Committee is chaired by Mr. HUI Wang Chuen. The primary functions of the Remuneration Committee are to: formulate the remuneration policy for the Directors, Supervisors and senior management of the Group, review and formulate their remunerations and benefits, as well as make recommendations on the remunerations of Directors, Supervisors and senior management to the Board. The above-mentioned terms of reference have been published on the websites of the Hong Kong Stock Exchange and the Company according to the regulations.

Business Strategy Committee

The Business Strategy Committee comprises one Independent Non-executive Director, Mr. ZHEN Hong, and three Executive Directors, namely Mr. LIN Kaibiao, Ms. MIAO Luping, Mr. FANG Yao, and two Non-executive Directors, namely Mr. CHEN Dingyu, Mr. FU Chengjing. The Business Strategy Committee is chaired by Mr. ZHEN Hong. The Business Strategy Committee is responsible for considering, evaluating and reviewing long-term strategic development plan and material capital operations and asset management projects, such as major investments and financing exercises, as well as acquisitions and disposals, and making recommendations to the Board in respect thereof. Meanwhile, it assumes responsibility for carrying out subsequent evaluation of investment projects and for reviewing and considering business development direction of the Company. The above-mentioned terms of reference have been published on the Company's website.

Code for Securities Transactions by Directors and Supervisors

The Company originally adopted the Model Code set out in Appendix 10 of the Listing Rules, and with regard to the Company's actual circumstances, the Company prepared a Model Code for Securities Transactions by Directors for Xiamen International Port Co., Ltd (the "Code") on terms no less than the required standard set out in the Model Code. The Code was adopted as the code of conduct for securities transactions by the Directors, Supervisors and senior management of the Company after the consideration and approval by the Board. Upon making specific enquiries to all Directors, Supervisors and senior management, the Company confirmed that they had complied with the standards required in the Model Code and the Code throughout the six months ended 30 June 2013, and the Company had not been aware of any violations of this kind during the six months ended 30 June 2013.

Post Balance Sheet Events

Details of the post balance sheet events are set out in the note 24 to the unaudited condensed consolidated interim financial information.