



DALIAN PORT (PDA) COMPANY LIMITED

大連港股份有限公司

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

(於中華人民共和國註冊成立之外商投資股份有限公司)

(Stock Code 股份代號: 2880)



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Corporate Information

General Information on the Company

1. Chinese name	大連港股份有限公司
Abbreviated Chinese name	大連港
English name	Dalian Port (PDA) Company Limited
Abbreviated English name	Dalian Port
2. Legal representative	Mr. Hui Kai
3. Contact person	
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Qualified Accountant/Joint Company Secretary	Mr. Lee, Kin Yu Arthur Address: Room 2616, 26th Floor, Xingang Commercial Building, Jingang Road, Dalian International Logistics Park Zone, Liaoning Province, the PRC Telephone: 86 411 87599866 Facsimile: 86 411 87599897 E-mail: lijr@dlport.cn
4. Registered office	Xingang Commercial Building, Dayao Bay, Dalian Free Trade Zone, PRC
Postal Code	116000
Place of Business in PRC	Xingang Commercial Building, Jingang Road, Dalian International Logistics Park Zone, Liaoning Province, the PRC 116601
Place of Business in Hong Kong	8th Floor, Gloucester Tower, The Landmark, 15 Queen's Road, Central, Hong Kong
Company website	www.dlport.cn
Company e-mail	ir@dlport.cn

Corporate Information

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| 5. | <p>Designated newspapers for disclosure of the Company's information</p> <p>Website designated by the China Securities Regulatory Commission for publishing the A share annual reports</p> <p>Website for publishing the H share annual report</p> <p>Place for collection of annual report</p> | <p>China Securities Daily, Shanghai Securities Daily, Securities Times, Securities Daily</p> <p>www.sse.com.cn</p>
<p>www.hkexnews.hk</p> <p>Room 616, 6th Floor, No.1, Gangwan Street, Zhongshan District, Dalian, Liaoning, PRC</p> | | |
| 6. | <p>Places of listing</p> <p>Stock abbreviations</p> <p>Stock codes</p> | <table border="0"> <tr> <td style="vertical-align: top;"> <p>Shanghai Stock Exchange</p> <p>Dalian Port</p> <p>601880 (Shanghai)</p> </td> <td style="vertical-align: top; padding-left: 20px;"> <p>Hong Kong Stock Exchange</p> <p>Dalian Port</p> <p>2880 (Hong Kong)</p> </td> </tr> </table> | <p>Shanghai Stock Exchange</p> <p>Dalian Port</p> <p>601880 (Shanghai)</p> | <p>Hong Kong Stock Exchange</p> <p>Dalian Port</p> <p>2880 (Hong Kong)</p> |
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| 7. | <p>A share registrar and transfer office</p>
<p>H share registrar and transfer office</p> | <p>China Securities Depository and Clearing Corporation Limited, Shanghai Branch</p> <p>Computershare Hong Kong Investor Services Limited</p> | | |
| 8. | <p>PRC auditors</p> | <p>Ernst & Young Hua Ming (LLP)</p> <p>Address: Level 16, Ernst & Young Tower, Oriental Plaza, No.1 East Chang An Avenue, Dong Cheng District, Beijing, China</p> | | |
| 9. | <p>Other information</p> | <p>Legal counsel (as to Hong Kong law)</p> <p>Morrison & Foerster</p> <p>33/F Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong</p>
<p>Legal counsel (as to PRC law)</p> <p>Liaoning Huaxia Law Firm</p> <p>5th floor, Liyuan Mansion, 16 Mingze Street, Zhongshan District, Dalian City, Liaoning Province, PRC</p>
<p>Principal bankers</p> <p>Industrial and Commercial Bank of China</p> <p>Agriculture Bank of China</p> <p>China Construction Bank</p> <p>Bank of China</p> <p>Bank of Communications</p> | | |

Management Discussion and Analysis

Summary

In the first half of 2013, the global economic environment was highly volatile, as marked by a moderate pace of recovery. With the interweaving of upward momentum and downward pressure on China's economy, her economic landscape remained stable in general, albeit structural adjustment at a significantly accelerated rate. In the first half of the year, China's GDP grew by 7.6%, whereas total value of import and export trade increased by 8.6%.

In the first half of 2013, the total cargo throughput at the major ports of China amounted to 5.21 billion tonnes, an increase of 9.9% as compared with that of the corresponding period in 2012. Out of this figure, the throughput of domestic trade cargoes amounted to 3.23 billion tonnes, an increase of 10.8%, which is an indication of relatively fast growth. The throughput of foreign trade cargoes amounted to 1.63 billion tonnes, an increase of 7.9% over that of the same period of last year, which is an indication of slower growth. The container throughput grew to 91.466 million TEUs, an increase of 8.3% as compared with that for the corresponding period in 2012.

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

In the first half of 2013, the macro economic environment and industries relevant to the Group's principal business were set out as follows:

Oil Segment: In light of a slowdown in China's economic growth, the growth in the demand for domestic crude oil has slowed down. Against the backdrop of an adequate supply of international crude oil, China has imported a lower volume of crude oil. In the first half of 2013, China imported a total of 138 million tonnes of crude oil, a decrease of 1.5% as compared with the corresponding period in 2012.

Container Segment: In the first half of 2013, the continued growth in container cargo transportation for domestic trade fuelled the rapid development of container business segment. Meanwhile, along with the implementation of a number of relevant policies on supporting the accelerated development of container business by governments at provincial and municipal levels, fresh impetus was added to the sustainable development of the Container Segment of the Group.

Automobile Terminal Segment: In the first half of 2013, thanks to a number of favourable factors, China's automobile industry underwent rapid development, as noted from a 12.83% period-on-period growth in automobile production to 10,751,700 vehicles, and a 12.34% period-on-period increase in sales volume to 10,782,300 vehicles.

Ore Segment: In the first half of 2013, due to the relatively low profitability of China's steel industry, there was weak demand for imported iron ore. Due to preferred use of domestic ore instead of imported ore among major steel mills in northeast China in an attempt to reduce their costs, there was a fall in the volume of imported iron ore in northeast China. In the first half of the year, the volume of iron ore imports in northeast China was 16.82 million tonnes, a decrease of 6.5% period-on-period.

General Cargo Segment: In the first half of 2013, due to the downturn in the industrial sector, major ports of China handled a total of 303 million tonnes of coal, which represented a decrease of 0.7% period-on-period. The output of the crude steel in China in the first half of 2013 maintained its growth and reached a total volume of 390 million tonnes, which represented an increase of 7.4% period-on-period.

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Bulk Grain Segment: In the first half of 2013, due to a lower demand for domestic corn, there was a general decrease in corn transshipped from ports in Liaoning to other areas in China, contrasted to an increase in throughput of imported soybeans and barley.

Passenger and Ro-Ro Segment: In the first half of 2013, the slowdown in the economic growth in China had a negative impact on the transportation volume of the Passenger and Ro-Ro Segment to some extent, and as such the number of passengers and the volume of cargoes were lower than those of the same period of the previous year.

In the first half of 2013, the Group's major business segments had delivered sound results. The Group handled a total of approximately 20.88 million tonnes of oil and liquefied chemicals, representing an increase of 8.4% as compared with the same period of 2012, of which approximately 10.643 million tonnes were imported crude oil, representing an increase of 2.7% as compared with the corresponding period in 2012. In the Container Segment, the Group handled approximately 4.922 million TEUs, representing an increase of 20.2%, of which approximately 4.442 million TEUs were handled by the Group at Dalian port, representing an increase of 23.4%. In the Automobile Terminal Segment, the Group handled 159,827 vehicles, representing an increase of 49.2%. In the Ore Segment, the Group handled approximately 11.264 million tonnes, representing a decrease of 8.5%. In the General Cargo Segment, the Group handled approximately 16.421 million tonnes of cargoes, representing a slight increase of 0.6%. In the Bulk Grain Segment, the Group handled approximately 4.083 million tonnes of bulk grain, representing an increase of 12.5%. In the Passenger and Ro-Ro Segment, the Group transported approximately 1.633 million passengers, representing a decrease of 11.3% and approximately 517,000 vehicles, representing an increase of 15.1% as compared with the corresponding period in 2012.

Overall analysis of results

In the first half of 2013, the Group's profit attributable to shareholders amounted to RMB387,276,213.09, representing an increase of RMB87,124,887.42 or 29.0% as compared with RMB300,151,325.67 in the first half of 2012. The increase was due to the growth of gross profit (which was attributable to increases in the Group's throughput, new customers with high rental rate, oil tanks occupancy rate, and the revenue of the port logistics business generated by the commissioning of new assets), investment return and government subsidies.

In the first half of 2013, the Group's basic earnings were RMB8.75 cents per share, representing an increase of 29.0% from RMB6.78 cents in the first half of 2012.

In the first half of 2013, the Group's revenue amounted to RMB3,341,276,785.15, representing an increase of 63.1% from RMB2,048,221,533.54 in the first half of 2012. The overall revenue increase was attributable to the significant sales brought about by the new port-related trading business, the growth of the Group's throughput, increase in new customers with higher rental rate, an increase in oil tanks occupancy rate, and the revenue growth of port logistics business generated by the commissioning of new assets. Excluding the impact of such trading business, the growth of revenue was 8.7%.

In the first half of 2013, the Group's cost of sales and services amounted to RMB2,439,535,143.28 which increased by 98.4% as compared with RMB1,229,700,556.79 in the first half of 2012. Such increase was principally due to the cost of sales incurred by the new port-related trading business, and increases in labor costs, depreciation expenses as a result of the commissioning of new assets and berth-leasing costs on the back of gains in freight rates in the current year. Excluding the impact of such trading business, cost of sales and services increased by 8.6%.

Management Discussion and Analysis

In the first half of 2013, the Group's gross profit was RMB901,741,641.87 which increased by 10.2% from RMB818,520,976.75 in the first half of 2012. The gross margin was 27.0%, compared to 40.0% in 2012. As a new type of business, the gross profit margin of port-related trading business is lower than that of the traditional port operations. Excluding the impact of such trading business, the gross profit margin was 40.1%, which is roughly the same as for the same period in last year.

In the first half of 2013, the Group's financial expenses amounted to RMB202,422,195.93, representing an increase of 15.8% from RMB174,871,289.16 in the first half of 2012. The increase was due to short-term funding needs increased and the increased financing costs as certain capex investments were put into operation.

In the first half of 2013, the Group's investment income amounted to RMB96,520,109.40, representing an increase of 34.1% from RMB71,964,768.43 in the first half of 2012. The increase was mainly attributable to the sound operating results of the Group's certain investment enterprises in Oil Segment and Value-added Services Segment in the current year.

In the first half of 2013, the Group's non-operating revenue amounted to RMB120,494,799.15, representing an increase of 117.4% from RMB55,423,379.74 in the first half of 2012. The increase was mainly due to the government subsidies for the Group's Container Segment and the relocation compensation of the Heizuizi (“黑嘴子”) dock.

In the first half of 2013, the Group's income tax expenses amounted to RMB127,095,434.35, representing an increase of 11.4% from RMB114,113,783.59 in the first half of 2012. The increase was due to an increase in the taxable income caused by an increase of gross profit and non-operating revenue during the current year.

Assets and liabilities

As of 30 June 2013, the Group's total assets and net assets amounted to RMB27,242,456,927.10 and RMB14,395,222,389.03, respectively. The net asset value per share was RMB2.97, representing an increase of 1.3% as compared with that as of 31 December 2012. The increase was mainly due to the accumulation of assets from business operations.

As of 30 June 2013, the Group's total liabilities amounted to RMB12,847,234,538.07, of which total outstanding bank and other borrowings amounted to RMB10,372,537,459.55.

Financial resources and liquidity

As of 30 June 2013, the Group had a balance of cash and cash equivalents of RMB2,364,231,473.28, which represented a decrease of RMB130,241,087.47 as compared with 31 December 2012.

In the first half of 2013, the Group's net cash inflows generated from operating activities amounted to RMB504,217,136.84. The Group's operating activities have generated stable cash inflows. The Group's net cash flows used in financing activities and investing activities amounted to RMB462,812,323.80 and RMB172,020,464.90, respectively. With the stable cash inflows from its operating activities and receipts of equity investment, the Group applied these cash inflows to repay its loans and has maintained a sound financial position and a healthy debt profile.

As of 30 June 2013, the Group's bank and other borrowings amounted to RMB10,372,537,459.55 of which RMB7,028,496,455.51 would be due after one year and RMB3,344,041,004.04 would be due within one year. As at 30 June 2013, the Group's net gearing ratio was 55.4% (31 December 2012: 64.6%).

As of 30 June 2013, the Group's unutilized banking facilities amounted to RMB11,876,937,623.00.

As of 30 June 2013, the Group did not have any significant exposure to fluctuations in exchange rates and did not enter into any foreign exchange hedging contracts.

Management Discussion and Analysis

Use of proceeds (A Shares)

Net proceeds of the public offering of 762 million A Shares in 2010 (“A Shares IPO”) obtained by the Company amounted to approximately RMB2,772,091,500.00. As at 30 June 2013, the Company had utilized approximately RMB2,317,216,700.00 of the net proceeds and the balance of the net proceeds was RMB454,874,800.00.

There has been no material change in the proposed use of proceeds from the A Shares IPO as stated in the Company’s prospectus dated 3 December 2010 except for changes announced by the Company on 30 December 2011. As at 30 June 2013, the details of the use of proceeds were as follows:

Projects	Proceeds from A Shares IPO	Use of proceeds as of 30 June 2013	Balance
Construction of oil storage tanks with a total capacity of 1,000,000 m ³ in Xingang	760,000,000.00	462,069,900.00	297,930,100.00
Construction of oil storage tanks with a total capacity of 600,000 m ³ in the Xingang resort area	550,000,000.00	327,299,000.00	222,701,000.00
Construction of phase II of the Shatuozi oil storage tanks project in the Xingang Shatuozi area	29,600,000.00	29,600,000.00	–
LNG project	320,000,000.00	320,000,000.00	–
No.4 stacking yard for ore terminal	520,000,000.00	320,103,200.00	199,896,800.00
Purchase of gantry for ore terminal	37,200,000.00	37,200,000.00	–
Purchase of 300 bulk grain carriages	150,000,000.00	150,000,000.00	–
Ro-ro ships for carrying cars	230,000,000.00	212,000,000.00	18,000,000.00
Construction of railway siding in Muling	41,250,000.00	41,250,000.00	–
Construction of information systems	50,000,000.00	33,653,100.00	16,346,900.00
Increase in the registered capital of Dalian International Container Terminal Co., Ltd.	84,041,500.00	84,041,500.00	–
Total	2,772,091,500.00	2,017,216,700.00	754,874,800.00

Note:

- The balance as at 30 June 2013 shown in the above table was RMB754,874,800.00. With the deduction of RMB300,000,000.00 (the remaining RMB100,000,000.00 has been put into use in July 2013), the balance of the net proceeds was RMB454,874,800.00 (excluding an interest income of RMB61,431,700.00 earned on the proceeds), and RMB516,306,500.00 (including the interest income earned on the proceeds), respectively.
- In order to avoid idling of capital, improve capital utilization effectiveness and to reduce the financial costs, the Board passed a resolution during the third meeting of the third session of the Board approving the temporary use of certain idle cash from the A Shares IPO proceeds to improve the liquidity of the Company’s working capital. The Company was authorized to use idle cash of RMB400,000,000.00 out of the A Share IPO proceeds to supplement the Company’s working capital needs. Such an authorization is valid for a period of twelve months commencing on the date on which the Board passed the relevant resolution, i.e. 26 April 2013. The Company’s independent directors, supervisors, and sponsors expressed their respective opinions on the board resolution. The Company issued an announcement within two days after the conclusion of the board meeting.

Management Discussion and Analysis

Capital expenditure

In the first half of 2013, the Group's capital expenditure amounted to RMB550,018,226.84, which was mainly funded by the surplus cash generated from operating activities, the proceeds from the public offering of A Shares and the proceeds from the issuance of corporate bonds.

The performance analysis of each business segment in the first half of 2013 is as follows:

Oil Segment

The following table sets out the oil/liquefied chemicals throughput handled by the Group in the first half of 2013 and its comparative results in the first half of 2012.

	For the six months ended 30 June 2013 (<i>'000 tonnes</i>)	For the six months ended 30 June 2012 (<i>'000 tonnes</i>)	Increase/ (Decrease)
Crude oil	12,976	12,245	6.0%
—Foreign trade imported crude oil	10,643	10,360	2.7%
Refined oil	4,767	5,127	(7.0%)
Liquefied Chemicals	592	544	8.8%
LNG	2,545	1,351	88.4%
Total	20,880	19,267	8.4%

In the first half of 2013, in terms of oil/liquefied chemicals throughput, the Group handled a total of approximately 20.88 million tonnes, an increase of 8.4% on a period-over-period basis.

In the first half of 2013, the Group's crude oil throughput increased by 6.0% to approximately 12.976 million tonnes, of which approximately 10.643 million tonnes were imported crude oil, an increase of 2.7% as compared with the corresponding period in 2012. Due to higher index of Afrah-type tanker freight, PetroChina Jinzhou Petrochemical Company and PetroChina Jinxi Petrochemical Company raised the trans-shipment volume of crude oil imports handled at the Group's port. With the gradual elimination of the impact from the "7.16", there was a significant increase in trans-shipment volume of imported crude oil from CNPC International (中油國際) over last year.

In the first half of 2013, the Group's refined oil throughput amounted to approximately 4.767 million tonnes, a decrease of 7.0% as compared with the corresponding period in 2012. Given the downturn in China's economy and weak demand for refined oil, major refineries in the hinterland reduced their processing capacity and cut down their production scale, with a view to reducing their losses. Due to the increase in rail transportation prices, there was a bigger gap between the Group and the neighbouring ports in terms of railway-waterway integrated logistics costs. As such, there was a reduction in the refined oil volume from customers handled by the Group via rail-to-sea inter-modal.

In the first half of 2013, the Group's liquefied chemicals throughput was approximately 592,000 tonnes, an increase of 8.8% as compared with the corresponding period in 2012, which was attributable to the Company's efforts in exploring markets and tapping into new customers on the one hand, and the increase in trans-shipment volume demanded from some of the Group's existing customers on the other hand.

Management Discussion and Analysis

In the first half of 2013, the Group's LNG throughput amounted to 2.545 million tonnes, an increase of 88.4% as compared with the corresponding period in 2012. With the increase in the trans-shipment volume to the Group from customers, there was a substantial growth in the throughput of LNG business handled by the Group.

In the first half of 2013, the Group's imported crude oil business accounted for 100% (100% in the first half of 2012) of the total market share in Dalian and 66.8% (68.5% in the first half of 2012) of that in the Three North-eastern Provinces of China. The Group's oil/liquefied chemicals throughput accounted for 70.1% (69.5% in the first half of 2012) of the total market share in Dalian and 42.0% (41.0% in the first half of 2012) of the total market share in the Three North-eastern Provinces of China. The increase in the proportion of total oil handling throughput was mainly due to the Group's efforts in market exploration and the increase in oil trans-shipment volume from customers of the Group along with the gradual elimination of the impact of the "7.16 Exploration Accident".

In the first half of 2013, the revenue from oil/liquefied chemicals terminal and logistics services amounted to RMB543,919,494.43, which accounted for 16.3% (20.7% in the first half of 2012) of the Group's total revenue. This represented an increase of RMB120,612,325.46 or 28.5% as compared with that in the first half of 2012. The increase was mainly due to the growth of throughput increase in new customers with higher rental rate, increase in oil tanks occupancy rate, and increase in handling and rental income from new oil tanks which were put into use in the current year.

In the first half of 2013, the gross profit from oil/liquefied chemicals terminal and logistics services amounted to RMB285,448,709.27, representing an increase of 77,847,843.31 as compared with that in the first half of 2012. This profit accounted for 31.7% (25.4% in the first half of 2012) of the Group's total gross profit, and represented a gross margin of 52.5% (49.0% in the first half of 2012). Such an increase in gross margin was mainly attributable to the growth of revenue as a result of the increase in throughput.

In the first half of 2013, the Group's major measures taken and the progress of major projects related to the Group's Oil Segment were as follows:

- We completed the bonded application and processing for the crude oil storage tanks with a total capacity of 1.20 million cubic meters at Changxing Island oil terminal. At present, we have received the approval from the customs in respect of the bonded warehouses with a total storage capacity of 1.20 million, thereby providing favourable conditions for the growth of our Oil Segment.
- On the basis of the existing No. 8 storage tanks, an additional capacity of 350,000 cubic meters was successfully added to the public bonded storage tanks, thus paving a solid path for the expansion of our bonded business.
- We launched the Dalian Port – Laizhou Bay crude oil trans-shipment project. We have reached consensus with some of our customers on the "Dalian Port – Laizhou Port" logistics trans-shipment solutions. We expect to carry out refining crude oil trans-shipment business extending from Dalian to Shandong in the second half of the year.

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Container Segment

The following table sets out the container throughput handled by the Group in the first half of 2013 and its comparative results in the first half of 2012:

		For the six months ended 30 June 2013 (^{'000} TEUs)	For the six months ended 30 June 2012 (^{'000} TEUs)	Increase/ (Decrease)
Foreign Trade	Dalian	2,373	2,220	6.9%
	Other ports (note 1)	70	68	2.9%
	Sub-total	2,443	2,288	6.8%
Domestic Trade	Dalian	2,069	1,381	49.8%
	Other ports (note 1)	410	426	(3.8%)
	Sub-total	2,479	1,807	37.2%
Total	Dalian	4,442	3,601	23.4%
	Other ports (note 1)	480	494	(2.8%)
	Total	4,922	4,095	20.2%

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

In the first half of 2013, in terms of container throughput, the Group handled a total of approximately 4.922 million TEUs, representing an increase of 20.2% as compared to the corresponding period in 2012. At Dalian port, the Group handled approximately 4.442 million TEUs, representing a period-over-period increase of 23.4%, of which container throughput for foreign trade increased by 6.9%, and container throughput for domestic trade increased by 49.8% period-over-period. In the first half of 2013, as the Group took effective measures to step up efforts in expanding the markets for its container business, the Group's container business has grown at a relatively swifter pace.

In the first half of 2013, the Group's container terminal business accounted for 99.4% (99.5% in the first half of 2012) of the total market share in Dalian and 59.1% (56.2% in the first half of 2012) of that in the Three North-eastern Provinces of China. The Group's container throughput for foreign trade accounted for 100% (100% in the first half of 2012) of the total market share in Dalian and 96.2% (96.8% in the first half of 2012) of the total market share in the Three North-eastern Provinces of China.

Management Discussion and Analysis

In the first half of 2013, the revenue from container terminal and logistics services amounted to RMB606,947,970.85, accounted for 18.2% (26.4% in the first half of 2012) of the Group's total revenue, representing an increase of RMB65,849,999.48 or 12.2%, as compared with that in the first half of 2012. This revenue increase was mainly attributable to the growth of throughput the gain from disposal of land use rights, and rental from leasing of assets which were newly put into operation.

In the first half of 2013, the gross profit from container terminal and logistics services amounted to RMB220,051,626.95, representing an increase of RMB53,770,110.70 as compared with that in the first half of 2012. This profit accounted for 24.4% (20.3% in the first half of 2012) of the Group's total gross profit, and represented a gross margin of 36.3% (30.7% in the first half of 2012). Such increase in gross margin was mainly caused by the increased gross margin of handling business that has the highest proportion of income.

In the first half of 2013, the Group's major measures taken and the progress of major projects related to the Group's Container Segment were as follows:

- In relation to the opening of new routes, by implementing the preferential policies promoted by the government at the provincial and municipal levels, enhancing marketing efforts in business development, and leveraging on the stable operation of the existing lines, the Group has newly introduced three near-ocean routes. At the same time, we actively teamed up with the domestic shipping companies to promote the development of new routes. With the new addition of three domestic routes, our maritime network system was further improved.
- The Group accelerated the construction of empty container trans-shipment bases in Dalian. Based on the consolidation and expansion of empty container trans-shipment business with Maersk and Hai Feng (海豐), we commenced empty container trans-shipment business with APL. Zhong Yuan Mei (中遠美) line empty container trans-shipment business started trial operation. Meanwhile, with the promotion of the network construction surrounding the sub-lines of Bohai Rim and Huanghai, the Group ran the lines from Dalian to Weifang (濰坊) and to Jingtang (京唐) in the first half of 2013. Leveraging on its self-owned vessels, the Group intensified the current schedule of Dandong (丹東) and Chaofeidian (曹妃甸), thus further extending the reach of its sub-lines.
- In terms of land logistics, relying on inland ports, the Group has been constantly stepping up the construction of roadway-sea-rail integrated network systems. In the first half of 2013, the Group finished the preparation work for the Manzhouli (滿洲裡) cross-broader transit lines, thus establishing a solid foundation for running transit lines in the second half of the year. In terms of road transportation, with our self-owned trailers, we integrated the resources of other vehicles for the development of inland highway transportation.
- The Group focused on the development of logistic system and business system in the whole course. Through establishment of a logistic network service system and a business service platform, the Group accelerated the integration of resources and has enhanced the core competitive edges of the port.

Management Discussion and Analysis

Automobile Segment

The following table sets out the throughput handled by the Group's automobile terminal in the first half of 2013 and its comparative results in the first half of 2012.

		For the six months ended 30 June 2013	For the six months ended 30 June 2012	Increase/ (Decrease)
Vehicles (units)	Foreign Trade	9,047	12,620	(28.3%)
	Domestic Trade	150,780	94,482	59.6%
	Total	159,827	107,102	49.2%
Equipments (tonnes)		1,373	16,892	(91.9%)

In the first half of 2013, the Group handled a total of 159,827 vehicles, representing an increase of 49.2% as compared to the corresponding period in 2012.

In the first half of 2013, the Group's vehicle throughput accounted for 100% (99% in the first half of 2012) of the total market share in the Three North-eastern Provinces of China.

In the first half of 2013, the revenue from automobile terminal and logistics services amounted to RMB241,851,209.78, accounted for 7.2% (0.5% in the first half of 2012) of the Group's total revenue, representing an increase of RMB232,211,209.78 or 2408.8%, as compared with that in the first half of 2012. Such increase was mainly attributable to the commencement of automobile trading business. Excluding the impact of the new trading business, the revenue increased by RMB4,596,683.19 or 47.7%. Such increase was due to the newly added port road business and rental income of automobile ro-ro ships.

In the first half of 2013, the gross profit from automobile terminal and logistics services amounted to RMB8,968,134.35, representing an increase of RMB4,166,010.34 as compared with that in the first half of 2012. This profit accounted for 1.0% (0.6% in the first half of 2012) of the Group's total gross profit, and represented a gross margin of 3.7% (49.8% in the first half of 2012). Without the impact of trading business, the gross margin is 59.5%. Such increase in gross margin was mainly attributable to the increase in storage income and rental income of automobile ro-ro ships.

In the first half of 2013, the investment income from the automobile terminal and logistics services amounted to RMB3,844,475.55, a decrease of RMB1,389,168.61 or 26.5% as compared with the corresponding period in 2012. The decrease of investment income from this segment is caused by the decrease in the net profit of the automobile terminal with the decline in foreign trade import throughput under the unfavorable international economic and political environments.

Management Discussion and Analysis

In the first half of 2013, the Group's major measures taken and the progress of major projects related to the Group's Automobile Segment were as follows:

- The Group has strengthened cooperation with customers and established Dalian Hajia Automobile Terminal Co. Ltd with Shanghai Anji Automobile Logistics Co. Ltd., thus consolidating the position of Dalian as a base port for transportation of automobiles.
- The Group continued to draw on the throughput of domestic trade lines to Dalian, leveraged on the existing car-carrying vessel lines and cooperated with shipping companies to strengthen the market development for vehicles shipment between southern and northern China, and significantly increased the transshipment volume in Dalian by major customers. Meanwhile, the Group added the domestic trade lines between Dalian and Yantai, establishing regular two-way flows of vehicles transportation.
- Taking into consideration the decrease of import due to the relation tension between China and Japan, the Group maintained the throughput of foreign trade and reduced the unfavorable effects of macro elements through moving forward the Huachen export base to Dalian and implementing measures, such as service innovation.

Ore Segment

The following table sets out the throughput handled by the Group's ore terminal in the first half of 2013 and its comparative results in the first half of 2012.

	For the six months ended 30 June 2013 (^{'000 tonnes})	For the six months ended 30 June 2012 (^{'000 tonnes})	Increase/ (Decrease)
Ore	10,971	12,289	(10.7%)
Others	293	15	1853.3%
Total	11,264	12,304	(8.5%)

In the first half of 2013, the Group's ore terminal handled approximately 10.971 million tonnes of ore, a decrease of 10.7% as compared with the corresponding period in 2012.

In the first half of 2013, the Group's ore throughput accounted for 30.0% (30.4% in the first half of 2012) of the total throughput in the Three North-eastern Provinces of China.

In the first half of 2013, the revenue from ore terminal and logistics services amounted to RMB143,044,855.16, which accounted for 4.3% (8.0% in the first half of 2012) of the Group's total revenue. This represented a decrease of RMB20,363,699.13 or 12.5%, as compared with that in the first half of 2012. Such a decrease was mainly due to the throughput reduction and a decrease in handling revenue.

In the first half of 2013, the gross profit from ore terminal and logistics services amounted to RMB55,245,125.19, representing a decrease of RMB14,474,957.04 as compared with that in the first half of 2012. This profit accounted for 6.1% (8.5% in the first half of 2012) of the Group's total gross profit, and represented a gross margin of 38.6% (42.7% in the first half of 2012). Such a decrease was due to a reduction in throughput, a decrease in handling revenue, and a weakening of the diluted effect of fixed cost.

Management Discussion and Analysis

In the first half of 2013, the Group's major measures taken and the progress of major projects related to the Group's Ore Segment were as follows:

- The Group implemented product innovation and optimized working progress. Through building service brand of Zero-Loss, the Group enhanced its marketing ability.
- We made substantial progress in the building of an ore distribution center and a trade value-added services center. With a full range of pilot value-added services including iron ore bonded warehousing, ore mixing, crude ore screening/crushing, the Group laid a strong foundation for its ore distribution and trade value-added services centers in the Bohai Rim region.

General Cargo Segment

The following table sets out the throughput handled by the Group's general cargo terminal in the first half of 2013 and its comparative results in the first half of 2012.

	For the six months ended 30 June 2013 ('000 tonnes)	For the six months ended 30 June 2012 ('000 tonnes)	Increase/ (Decrease)
Steel	4,267	3,874	10.1%
Coal	6,458	6,252	3.3%
Timber	21	166	(87.3%)
Equipment	1,005	1,414	(28.9%)
Packed grain	339	246	37.8%
Others	4,331	4,367	(0.8%)
Total	16,421	16,319	0.6%

In the first half of 2013, the Group's general cargo terminal handled approximately 16.421 million tonnes cargo, a slight decrease of 0.6% as compared with the corresponding period in 2012.

In the first half of 2013, the volume of steel handled by the Group was approximately 4.267 million tonnes, an increase of 10.1% for the same period of 2012. Despite the steel market demand downturn, the Group maintained the growth of steel throughput by promoting Longzu transport efficiency and utilising the advantage of liner lines.

In the first half of 2013, the volume of coal handled by the Group was approximately 6.458 million tonnes, which represented an increase of 3.3% for the same period of 2012. The major reason for the growth is that the Group maintained the stable transport volume of major customers and procured the transport volume of international transport coal sources through market development.

In the first half of 2013, the volume of equipment handled by the Group was approximately 1.005 million tonnes, which represented a decrease of 28.9% as compared with the corresponding period in 2012. Influenced by the unfavorable international economy, some projects of major customers were postponed. This resulted in the decrease of transport volume of large equipments.

Management Discussion and Analysis

In the first half of 2013, the steel throughput handled by the Group's general cargo terminal accounted for 18.2% (17.7% in the first half of 2012) and the coal throughput accounted for 17.2% (14.8% in the first half of 2012) of the total market share in the Three North-eastern Provinces of China.

In the first half of 2013, the revenue from general cargo terminal and logistics services amounted to RMB201,955,343.90, which accounted for 6.0% (8.5% in the first half of 2012) of the Group's total revenue, representing an increase of RMB28,611,257.16 or 16.5%, as compared with that in the first half of 2012. Such increase was mainly attributable to the new steel-trading business. Excluding the impact of such trading business, the revenue represented an decrease of RMB2,254,067.77 or 1.3%. Such a decrease was mainly due to the log throughput reduction and a decrease in storage revenue.

In the first half of 2013, the gross profit from general cargo terminal and logistics services amounted to RMB7,668,370.21, representing a decrease of RMB13,733,896.53 as compared with that in the first half of 2012. This profit accounted for 0.9% (2.6% in the first half of 2012) of the Group's total gross profit, and represented a gross margin of 3.8% (12.3% in the first half of 2012). Without the impact of trading business, the gross margin is 5.6%, such a decrease was mainly due to labour costs increase owing to salaries and wages adjustment.

In the first half of 2013, the Group's major measures taken and the progress of major projects related to the Group's General Cargo Segment were as follows:

- Through reinforcing the market development and improving service quality and efficiency, the Group procured the product sources of major customers, increasing the throughput of major products.
- The Group focused on the steel management of Longzu transport, enabling the operation stability and service efficiency of Longzu transport. Meanwhile, through steel liner lines, the Group constructed the steel logistics service system and promoted the significant increase of steel throughput.
- Against the coal market downturn, the Group, with the breakthrough of international transport coal, enhanced the procurement of product sources and realized the counter-increase of coal throughput.
- The Group enhanced the near-port industry construction of Changxing Island and created the industry centers of coal and wood.

Management Discussion and Analysis

Bulk Grain Segment

The following table sets out the throughput handled by the Group's bulk grain terminal in the first half of 2013 and its comparative results in the first half of 2012.

	For the six months ended 30 June 2013 (^{'000} tonnes)	For the six months ended 30 June 2012 (^{'000} tonnes)	Increase/ (Decrease)
Corn	2,000	2,047	(2.3%)
Soy bean	1,089	742	46.8%
Barley	100	135	(25.9%)
Wheat	6	20	(70.0%)
Others	888	684	29.8%
Total	4,083	3,628	12.5%

In the first half of 2013, the throughput handled by the Group's bulk grain terminal was approximately 4.083 million tonnes, an increase of 12.5% as compared with the corresponding period in 2012.

In the first half of 2013, the Group's corn throughput was approximately two million tonnes, a decrease of 2.3% as compared with the same period of last year. The slight decrease in corn throughput was due to the fact that (i) corn products from North China enjoyed competitive edges in terms of quality, quantity and price over those from Northeast China, and the sales of corn products from Northeast China substantially reduced; and (ii) the domestic demand for corn feed decreased due to the outbreak of H7N9 in early April 2013, resulting in excess inventories at ports in north and south regions.

In the first half of 2013, the Group's soy bean throughput was approximately 1.089 million tonnes, which represented an increase of 46.8% as compared with the same period of last year. Since the turn of year, the Group actively adjusted the resource procurement strategy and concentrated on the import of goods from foreign traders. A higher year-on-year increase in the throughput of imported soybean from foreign traders was forged by enhancing operation efficiency and service quality.

In the first half of 2013, the throughput handled by the Group's bulk grain terminal accounted for 19% (17.5% in the first half of 2012) of the total throughput in the Three North-eastern Provinces of China.

In the first half of 2013, the revenue from bulk grain terminal and logistics services amounted to RMB1,039,904,097.10, which accounted for 31.1% (9.2% in the first half of 2012) of the Group's total revenue, representing an increase of RMB851,898,719.20 or 453.1%, as compared with that in the first half of 2012. Such increase was mainly attributable to the new grain-trading business. Without the impact of this new business, the revenue decreased by RMB3,632,997.47, or 1.9%. Such a decrease was attributable to rental revenue of railway carriage reduction, a decrease in storage revenue of overdue goods, and was partly offset by the increase in throughput and handling charges.

In the first half of 2013, the gross profit from bulk grain terminal and logistics services amounted to RMB113,465,128.63, representing an increase of RMB2,502,313.24 as compared with that in the first half of 2012. This profit accounted for 12.6% (13.6% in the first half of 2012) of the Group's total gross profit, and represented a gross margin of 10.9% (59.0% in the first half of 2012). Without the impact of the grain-trading business, the gross margin is 56.3%, which represented a decrease of 2.7 percentage points over that in the first half of 2012. Such a decrease was attributable to the increases in labour costs.

Management Discussion and Analysis

In the first half of 2013, the Group's major measures taken and the progress of major projects related to the Group's Bulk Grain Segment were as follows:

- The Group stepped up its marketing effort through visiting, cooperation and communication with customers at the origins of grain production, large-scale traders, adjacent ports and relevant functional units. We were keen on seeking cooperation opportunities and coordinating and reinforcing the gathering and distribution of resources in ports in order to create new channels for trades and sales.
- Securing new customers and resources was another key task taken by the Group while adjusting the resource procurement strategy in response to the market conditions. With our solid long-term customer base of foreign traders as a cornerstone, we explored new customer bases and engineered a significant increase in throughput of exported soybeans.
- In order to make the most out of our advantageous resources and strengthen long-term cooperation, the Group entered into annual lease agreement for grain carriers with our customers to establish long-term cooperation and subsequently set up a target for domestic corn transportation. On the other hand, the efficiency of advantageous resources, such as granaries and grain carriers, was enhanced in order to provide customers with long-term and efficient services.
- The Group actively developed the grain trading business for the interactive development between port logistics and grain trading.

Passenger and Ro-Ro Segment

The following table sets out the passenger and roll-on roll-off throughput handled by the Group in the first half of 2013 and its comparative results in the first half of 2012.

	For the six months ended 30 June 2013	For the six months ended 30 June 2012	Increase/ (Decrease)
Passengers ('000 persons)	1,633	1,841	(11.3%)
Vehicles ('000 units)	517	449	15.1%

In the first half of 2013, throughput of passenger was 1.633 million persons, representing a period-on-period decrease of 11.3%. Throughput of vehicle amounted to 517,000 units, representing a period-on-period increase of 15.1%.

In the first half of 2013, the pace of the domestic economic growth was considerably slower. As such, the volume of total inbound and outbound passengers recorded a period-on-period decrease.

In the first half of 2013, the revenue from passenger and roll-on roll-off and logistics services amounted to RMB61,631,785.13, which accounted for 1.8% (3.0% in the first half of 2012) of the Group's total revenue. This also represented a decrease of RMB184,167.87 or 0.3% as compared to the same period in the last year.

In the first half of 2013, the gross profit from passenger and roll-on roll-off and logistics services amounted to RMB18,241,396.43, representing an decrease of RMB7,897,723.76 as compared with that in the first half of 2012. This profit accounted for 2.0% (3.2% in the first half of 2012) of the Group's total gross profit, and represented a gross margin of 29.6% (42.3% in the first half of 2012). Such a decrease was due to increase in depreciation expense after Dalian bay passenger terminal was put into operation.

Management Discussion and Analysis

In the first half of 2013, the major measures taken and the progress of key projects related to the Group's Passenger and Ro-Ro Segment were as follow:

- We facilitated the development of Drop and Pull (甩掛) transportation business with the support of neighbouring-port Logistics Park Project in Dalian Bay.
- We speeded up the establishment of the electronic ticket sales system project for both passengers and vehicles.
- We negotiated with China Shipping on the cooperation between ports and shipping companies in relation to the provision of high-end customer services, including an express passage for both landing and boarding, an extension of VIP customer services for shipment and the establishment of a high-end customer service brand.

Value-added Services Segment

Tuging

In the first half of 2013, the Group secured an increase in income by voyage charter and reasonable resource allocation. At the same time, we laid down plans to establish tugboat base in an attempt to reduce regional operation cost and maintain a healthy development trend for our tuging business.

In the market outside Dalian, the Group adjusted our strategy in a timely manner and optimised resource allocation in response to the increasingly volatile market conditions, so as to maintain a stable long-term customer base and expand our market share. In the first half of the year, the Group produced four tugboats with 7,200 horsepower, of which two have been deployed in operation. By the end of June 2013, the Group had a total of 41 tugboats and four pilot boats. Among these vessels, 16 tugboats were leased out under long-term leases to other ports outside Dalian. The Group retained a leading tuging services position amongst all port operators in China.

Tallying

In the first half of 2013, the total tallying throughput handled by the Group was approximately 20.739 million tonnes, an increase of 0.7% over the same period of last year.

Railway

In terms of the operation of railway transportation, the Group handled a total of 297,000 carriages, a decrease of 3.6% as compared with the corresponding period in 2012.

In the first half of 2013, the revenue from port value-add services amounted to RMB421,913,005.20, which accounted for 12.6% (19.4% in the first half of 2012) of the Group's total revenue, representing an increase of RMB23,879,958.77 or 6.0% as compared with that in the first half of 2012. The increase was attributable to the increase in rental revenue of tugboat, engineering construction income, construction supervision income and IT service income. All these businesses were from the business development outside Dalian.

In the first half of 2013, the gross profit from port value-add services amounted to RMB134,193,855.63, representing a decrease of RMB9,552,253.10 as compared with that in the first half of 2012. This profit accounted for 14.9% (17.6% in the first half of 2012) of the Group's total gross profit, and represented a gross margin of 31.8% (36.1% in the first half of 2012). Such a decrease was mainly due to the increases in labour costs and a lower gross margin in IT services.

Management Discussion and Analysis

Prospects for the second half of 2013

In the second half of 2013, the world economy will continue to grow at a slow rate. However, with decreased dependence on stimulus packages, we are starting to see tentative signs of broad-based recovery, and envisage a favourable turnaround in the trend of slowdown of major emerging economies. The global financial situation will pick up, but will still be subject to possible volatility. International commodity prices will remain at a higher level and volatile, but it is unlikely for them to rise sharply. Major developed countries will continue to adhere to tight fiscal policies. Easing monetary policies are expected to remain in place.

Risk exposures and adverse factors

There is a remote chance for the slow recovery of the world economy to pick up in the short term. China's export growth will still be hampered by the sluggishness in external demand. A wide range of trade protectionist measures exercised by China will adversely affect the export of the relevant products. In view of the continued implementation of quantitative easing monetary policies by developed countries, China will be faced with an increased pressure of import-induced inflation. In light of abundant liquidity around the globe, the solid rebound in China's economy is likely to attract huge inflows of short-term capital. Due to heightened uncertainties in the world economic recovery and changes in cross-border capital flows, China will be exposed to greater pressure in the aspect of cross-border capital management.

Major measures taken in response to the prevailing environment

Faced with the prevailing changes in the world economic situation and the impact of domestic industrial restructuring, with port-cored business as a base, and transition development as a focus, we will embrace a business development philosophy that is based on the integration of ports, cities and districts, with a view to putting in place a comprehensive logistics system and an integrated industrial, commercial and trading platform and accelerating the construction of port industries, thereby realizing our goal of transformation and upgrading of our port.

In the second half of 2013, the Group's major measures to be taken for market development are as follows:

Oil Segment

- To take advantage of the crude oil berths with a capacity of 300,000 tonnes, large capacity of storage tanks and the advantages of bonded warehouses resources, we will continue to maintain service efficiency. On the basis of a stable customer base, we will be well-positioned to make every effort to solicit transportation volume of imported crude oil and refined oil.
- We will accelerate the expansion of the capacity of our public bonded warehouses, so as to boost the volume of bonded crude oil trading business and to achieve incremental income.
- We will vigorously implement the planning relating to petrochemical industries at Dalian port. To take advantage of the Northeast Asian Spot Goods Stock Exchange, we will extend great efforts in building up a petrochemical trading platform, in order to strive for the transition and upgrade of petrochemical companies from "trans-shipment storage ports" to "logistics & trade ports".
- We will reinforce the partnerships with relevant customers in the spectrum of crude oil trans-shipment business. Through solicitation of the imports of crude oil and the trans-shipments of crude oil around the Bohai Rim region, we will expand the imported crude oil markets and the crude oil transshipment markets, thereby extending into wider reach of radiation and distribution.

Management Discussion and Analysis

Container Segment

- In relation to route development, we will continue to maintain the existing route network in a stable and smooth manner. We will also actively introduce high-sea shipping routes for foreign trade containers and north-south direct shipment routes for domestic trade containers, in order to further improve and optimize our maritime service network system.
- In respect of trans-shipment operations, we will continue to increase the shipping capacity of internal branch routes. We will also step up the construction of branch network within the two inner seas (Bohai and Huang hai) rims. Taking advantage of the prevailing policies, we will actively carry out vessel change operations and empty container allocation operations. With an innovative trans-shipment service model, we will continue to make best efforts for the Dandong domestic trade trans-shipment project.
- In connection with the construction of inland systems, we will continue to improve sea-to-rail transportation networks and will step up the projects for the construction of container cross-broader trains transit. We will also accelerate the construction of road transport network systems. By expanding the scale of cooperation with other transportation service providers, vehicle operational efficiency will be improved and road logistics service systems will be enhanced.
- In the aspect of integrated logistics systems, taking advantage of the policies of the bonded ports, we will accelerate the construction of cold chain logistics projects. We will also step up the system design and development of highway cloud services platforms and projects.

Automobile Terminal Segment

- Building on the existing stable sources of automobile volume, the Group will continue to expand the vehicle volume transported by automobiles in northern China and southern China.
- The Group will continue to enhance its co-operation with automobile manufacturers in the hinterland, so as to maintain the stable operation of shipments between northern and southern China.
- The Group will solicit vehicle transportation for foreign trade exports in the hinterland, in order to bolster up its profitability.
- The Group will step into the automobile trading service business at an accelerated pace, so as to fuel a growth in the automobile business volume.

Ore Segment

- While stabilizing cargo sources in the northeast market, the Group will continue to enhance its access to exported ores and water-transported ores, in an effort to build up an ore distribution centre in the Bohai Rim region.
- We will work intensively with customers to promote our “Zero-Loss” service brand. We will also offer customers access to a wide range of logistic solutions on a tailor-made basis, so as to cater for various needs for logistic and value-added services from customers.
- Corporate competitiveness will be reinforced by soliciting coal transportation volume and operating a well-diversified variety of cargoes.

General Cargo Segment

- We will take full advantage of multi-port services. With main efforts in soliciting steel, coal, bulky equipment transportation volume, and through the offering of diversified and differentiated logistics services to customers, we will achieve a high concentration of cargo transportation at our port, thus enhancing the Group's competitive edges in its general cargo segment.

Management Discussion and Analysis

- We will step up the construction of bulk cargo trans-shipment bases at Dalian Bay Port.
- We will accelerate the building of port trade platforms and also cement cooperation with Northeast Asia Spot Commodity Exchanges, in order to attract more investments from customers at our port.
- We will promote the development of harbour industries in Changxing Island area.

Bulk Grain Segment

- We will take active steps to stay ahead of the ever-changing supply and demand in the market. By strategically promoting cargo transportation for internal and external trade in reaction to market trends, and by taking reasonable advantage of our logistics resources, we will be well-poised to optimize the allocation of our resources, thus driving a solid growth in our bulk grain source and transshipment business from major customers.
- The Group will continue to integrate the operations of land transportation and shipment. Our focus is to improve the service quality of corn transportation for major customers without sacrificing the current operation efficiency.
- We will coordinate with relevant departments to facilitate the purchase of 200 grain carriers and deploy them in our business as soon as possible. This will enhance the Group's coverage and transportation competitiveness in the grain logistic network in northeast China.
- A breakthrough in food trading will be achieved by making three-fold efforts: firstly, we will capture market opportunities that arise in different stages and improve our corn trading business by capitalizing on our advantages in capital, logistic setup and logistic costs; secondly, we will diversify our operation models, maintain strategic cooperation and seek cooperation opportunities in soybean and wheat products; thirdly, we will further enhance our risk control and management mechanism.

Passenger and Ro-Ro Segment

- The Group will continue to improve its business cooperation with relevant authorities and corporations. We will also build bridges to customers of drop and pull transportation, so as to foster the rapid development of drop and pull transportation business and forge new growth points for our business.
- We will integrate the ticket sales information system and put in place an electronic ticket sales model that is suitable for passengers and the Ro-Ro industry.
- We will adjust our marketing strategy in a timely manner in line with the characteristics of the passenger transportation market during peak traveling seasons, in order to reinforce our capacity in securing cargo transportation volume and increase our revenues.

Value-added Service Segment

- With the acceleration of regional management and integration of port resources, the Group will seek new profit growth through the optimization of resources allocation and the adjustment of tugboat structure.
- Another two tugboats with 7200 horsepower in total are expected to be put into operation in the second half of the year. We will make ourselves ready for pre-operation works in a timely manner and adjust the layout of tugboat resources in due course.

Other Information

Directors', supervisors' and chief executives' interests

As at 30 June 2013, none of the directors, supervisors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)(the “SFO”)) (i) as recorded in the register required to be kept under Section 352 of the SFO; or (ii) as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) (which shall be deemed to be also applicable to the Company’s supervisors to the same extent as it applies to the directors of the Company (the “Directors”).

The Model Code

The Company has adopted a code of conduct governing director’s and supervisor’s dealings in the Company’s securities transactions on terms no less exacting than the required standard set out in the Model Code. Upon specific enquiries, all Directors and supervisors have confirmed that they had complied with the provisions of the Model Code and the code of conduct governing their dealing in the Company’s securities transactions during the six months ended 30 June 2013.

The Code on Corporate Governance Practices

The Company has complied with the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the six months ended 30 June 2013, and so far as known to the Directors of the Company, there has been no material deviation from the code.

Purchase, sale or redemption of listed securities

During the six months ended 30 June 2013, the Company has not redeemed any of its listed shares. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company’s listed shares during the aforesaid period.

Interim dividends

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2013.

Audit committee

The Audit Committee consists of two independent non-executive Directors, namely Mr. Liu Yongze and Mr. Wan Kam To, Peter, and one non-executive Director, namely Mr. Zhang Zuogang. The chairman of the Audit Committee is Mr. Liu Yongze. The Audit Committee has reviewed the interim results for the six months ended 30 June 2013.

Information on share capital and shareholders of the Company

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

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

Other Information

Shareholdings of shareholders with notifiable interests

As at 30 June 2013, so far as known to the directors of the Company, the following persons had an interest or short position in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO.

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

Notes:

1. Number of shares in the relevant class of share capital: A shares – 3,363,400,000, H shares – 1,062,600,000.
2. Total number of shares of share capital: 4,426,000,000.
3. During the period from January 2012 to June 2012, Dalian Port Corporation Limited (“PDA”) had purchased on the market a total of 53,000,000 H shares of the Company (the “H Shares acquisition”). As at 30 June 2013, PDA holds a total of 2,461,745,000 shares of the Company, representing approximately 55.62 % of the Company’s total issued share capital.

Save as disclosed above, as at 30 June 2013, so far as known to the directors of the Company, no other person had an interest or short position in the shares of the Company which would fall to be disclosed to the Company and The Stock Exchange of Hong Kong Limited under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO.

Other Information

Changes of Directors and Supervisors

Mr. Zhang Fengge resigned as director of the Company with effect from 25 January 2013.

Mr. Fu Bin resigned as supervisor of the Company with effect from 25 January 2013.

Mr. Liu Yongze, an independent non-executive director of the Company, has tendered his resignation on 26 June 2013. Mr. Liu's resignation will become effective upon the appointment of an independent non-executive Director to fill his vacancy. As of the date of this report, the Company is still in the process of searching for director candidate.

Changes to Information in respect of Directors and Supervisors

During the six months ended 30 June 2013, there was no change to information which are required to be disclosed and has been disclosed by the directors or supervisors of the Company pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Hong Kong Listing Rules.

Others

The Group has been attaching importance to the work of pollution prevention and energy-saving emission reduction, and taken environmental protection as the key content of the Group's sustainable development strategy, and to promote the construction of the development of Dalian Port modern ecotype green port.

The Group has been attaching importance to the port safety management, strictly implementing the national, local work requirements of safety management, and continuously improving the level of safety management, safety production stability.

As at 30 June 2013, the Group had a total of 6,811 full-time employees, the total number of employees of the Group and its invested businesses are 9,413.

In the first half of 2013, the Company has intensified its effort on reform in corporate structure and system for management in human resources. In respect of adoption, development, application, retirement of, information management in respect to, and formulation of infrastructure for human resources, the Company endeavors to expand its vision and capitalize on the latest development, with a view to absorbing most advanced management philosophy and methodology, both domestic and foreign. Also, the Company will continue to consolidate the foundation in its management and conduct experiments in reform and innovation of corporate management.

Report on Interim Review



Ernst & Young Hua Ming (2013) Zhuan Zi No. 60777447_E05

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

We have reviewed the accompanying financial statements of Dalian Port (PDA) Company Limited and its subsidiaries, which comprise the consolidated and company balance sheets as at 30 June 2013 and the consolidated and company income statements, the statements of changes in equity and the statements of cash flows for the six-month period then ended and notes to these financial statements (collectively as the “interim financial statements”). The management is responsible for the preparation of interim financial statements in accordance with *Accounting Standard for Business Enterprises No.32 – Interim Financial Reporting*. Our responsibility is to express a conclusion on these interim financial statements based on our review.

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

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

Ernst & Young Hua Ming LLP

Beijing, the People's Republic of China
29 August 2013

Certified Public Accountant: **Meng Dong**

Certified Public Accountant: **Wang Tianqing**

Consolidated Balance Sheet

As at 30 June 2013
(Expressed in Renminbi Yuan)

	Note V	30 June 2013 (unaudited)	31 December 2012
ASSETS			
Current assets			
Cash and bank balances	1	2,397,999,870.32	2,507,326,672.09
Financial assets held for trading	2	7,554,712.20	–
Notes receivable	3	86,403,320.66	63,069,669.70
Dividends receivable	4	16,476,362.31	4,351,296.43
Interest receivable	5	4,403,711.24	4,065,075.97
Accounts receivable	6	584,436,258.18	473,175,991.01
Other receivables	7	397,928,300.67	295,204,982.42
Prepayments	8	42,469,142.94	224,396,334.74
Inventories	9	651,499,501.23	131,119,867.55
Non-current assets due within one year	10	1,000,000,000.00	1,005,610,000.00
Other current assets	11	231,789,660.92	4,870,000.00
Total current assets		5,420,960,840.67	4,713,189,889.91
Non-current assets			
Available-for-sale financial assets	12	17,500,358.66	18,924,264.64
Long-term equity investments	14	4,016,811,998.64	3,833,024,763.55
Investment properties	15	690,779,172.03	699,831,842.42
Fixed assets	16	13,685,239,881.25	12,773,054,294.56
Fixed assets pending for disposal	17	7,791,530.23	36,058,083.28
Construction in progress	18	2,519,944,530.39	4,689,753,318.12
Intangible assets	19	761,594,387.30	867,417,088.66
Goodwill	20	16,035,288.74	77,735,288.74
Long-term prepaid expenses	21	20,259,344.28	21,514,511.03
Deferred tax assets	22	60,802,091.97	60,732,174.17
Other non-current assets	24	24,737,502.94	37,544,912.58
Total non-current assets		21,821,496,086.43	23,115,590,541.75
TOTAL ASSETS		27,242,456,927.10	27,828,780,431.66

Consolidated Balance Sheet (continued)

As at 30 June 2013
(Expressed in Renminbi Yuan)

	Note V	30 June 2013 (unaudited)	31 December 2012
LIABILITIES AND OWNERS' EQUITY			
Current liabilities			
Short-term borrowings	26	533,322,377.17	1,278,033,101.12
Notes payable	27	62,545,378.72	16,730,000.00
Accounts payable	28	136,052,784.42	177,028,677.66
Advances from customers	29	325,702,613.81	92,795,891.74
Employee benefits payable	30	76,746,963.34	117,292,923.23
Taxes payable	31	43,877,556.82	73,953,249.60
Interest payable	32	152,389,689.16	194,319,909.95
Dividends payable	33	302,552,704.96	83,181,864.80
Other payables	34	741,245,915.58	853,633,931.38
Non-current liabilities due within one year	35	2,810,718,626.87	545,000,000.00
Bonds payable	37	-	160,000,000.00
Total current liabilities		5,185,154,610.85	3,591,969,549.48
Non-current liabilities			
Long-term borrowings	36	1,671,380,559.72	1,708,360,253.42
Bonds payable	37	5,357,115,895.79	7,844,512,916.99
Long-term payables		-	130,350.00
Deferred tax liabilities	22	13,234,330.41	75,717,224.83
Other non-current liabilities	38	620,349,141.30	633,098,324.44
Total non-current liabilities		7,662,079,927.22	10,261,819,069.68
Total liabilities		12,847,234,538.07	13,853,788,619.16
Owners' equity			
Share capital	39	4,426,000,000.00	4,426,000,000.00
Capital surplus	40	6,114,863,790.01	6,116,148,571.50
Surplus reserve	41	470,205,888.20	470,205,888.20
Retained earnings	42	2,107,350,290.86	1,940,095,861.84
Special reserve		9,958,003.28	2,653,944.19
Exchange differences on foreign currency translation		8,557,992.25	9,457,655.26
Equity attributable to owners of the parent		13,136,935,964.60	12,964,561,920.99
Non-controlling interests		1,258,286,424.43	1,010,429,891.51
Total owners' equity		14,395,222,389.03	13,974,991,812.50
TOTAL LIABILITIES AND OWNERS' EQUITY		27,242,456,927.10	27,828,780,431.66

The interim financial statements have been signed by:

Legal Representative:

Hui Kai

Chief Financial Officer:

Su Chunhua

Chief Accounting Officer:

Wang Ping

Consolidated Income Statement

For the six months ended 30 June 2013
(Expressed in Renminbi Yuan)

	Note V	For the six months ended	
		30 June 2013 (unaudited)	30 June 2012 (unaudited)
Revenue	43	3,341,276,785.15	2,048,221,533.54
Less: Cost of sales	43	2,439,535,143.28	1,229,700,556.79
Taxes and surcharges	44	106,076,391.23	93,503,982.15
Sales expenses		199,960.29	–
General and administrative expenses	45	239,033,197.64	218,314,012.06
Financial expenses	46	202,422,195.93	174,871,289.16
Impairment losses		(1,148,013.87)	–
Add: Gains on changes in fair values	47	54,712.20	531,483.20
Investment income	48	96,520,109.40	71,964,768.43
Including: Share of profits and losses of associates and jointly-controlled entities		50,619,226.36	18,798,732.71
Operating profit		451,732,732.25	404,327,945.01
Add: Non-operating income	49	121,533,706.50	57,708,788.33
Less: Non-operating expenses	50	1,038,907.35	2,285,408.59
Including: Losses on disposal of non-current assets		65,056.52	2,134,958.23
Total profit		572,227,531.40	459,751,324.75
Less: Income tax expenses	51	127,095,434.35	114,113,783.59
Net profit		445,132,097.05	345,637,541.16
Attributable to:			
Owners of the parent		387,276,213.09	300,151,325.67
Minority interests		57,855,883.96	45,486,215.49
Earnings per share			
Basic earnings per share	52	0.09	0.07
Diluted earnings per share		Not applicable	Not applicable
Other comprehensive income	53	(1,916,272.71)	(1,356,074.25)
Total comprehensive income		443,215,824.34	344,281,466.91
Attributable to:			
Owners of the parent		385,359,940.38	298,795,251.42
Minority interests		57,855,883.96	45,486,215.49

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2013
(Expressed in Renminbi Yuan)

For the six months ended 30 June 2013 (unaudited)									
Attributable to owners of the parent									
	Share capital	Capital surplus	Surplus reserve	Special reserve	Retained earnings	Exchange differences on foreign currency translation	Subtotal	Minority interests	Total owner's equity
I. Opening balance of the period	4,426,000,000.00	6,116,148,571.50	470,205,888.20	2,653,944.19	1,940,095,861.84	9,457,655.26	12,964,561,920.99	1,010,429,891.51	13,974,991,812.50
II. Movements for the period									
(I) Net profit	-	-	-	-	387,276,213.09	-	387,276,213.09	57,855,883.96	445,132,097.05
(II) Other comprehensive income	-	(1,016,609.70)	-	-	-	(899,663.01)	(1,916,272.71)	-	(1,916,272.71)
Total comprehensive income	-	(1,016,609.70)	-	-	387,276,213.09	(899,663.01)	385,359,940.38	57,855,883.96	443,215,824.34
(III) Capital contributions									
(1) New establishment of a subsidiary	-	-	-	-	-	-	-	202,450,000.00	202,450,000.00
(2) Disposal of a subsidiary	-	-	-	-	-	-	-	(8,000,000.00)	(8,000,000.00)
(IV) Transfer within owners' equity									
(1) Others	-	(1,278,215.93)	-	-	1,278,215.93	-	-	-	-
(V) Profit distribution									
(1) Profit distribution to shareholders (Note)	-	-	-	-	(221,300,000.00)	-	(221,300,000.00)	(5,813,644.24)	(227,113,644.24)
(VI) Special reserve									
(1) Accrual	-	-	-	12,875,577.37	-	-	12,875,577.37	1,385,535.53	14,261,112.90
(2) Usage	-	-	-	(5,571,518.28)	-	-	(5,571,518.28)	(38,918.66)	(5,610,436.94)
(VII) Others	-	1,010,044.14	-	-	-	-	1,010,044.14	17,676.33	1,027,720.47
III. Closing balance of the period	4,426,000,000.00	6,114,863,790.01	470,205,888.20	9,958,003.28	2,107,350,290.86	8,557,992.25	13,136,935,964.60	1,258,286,424.43	14,395,222,389.03

Note: Pursuant to the resolution in the third session of the board meeting in 2013 held on 28 March 2013, the Company proposed to pay a cash dividend to shareholders of RMB221,300,000, which is calculated based on the number of issued ordinary shares of 4,426,000,000 at RMB5 cents per share (inclusive of applicable tax). The distribution of the final dividends has been approved by the shareholders at the annual general meeting held on 28 June 2013.

Consolidated Statement of Changes in Equity (continued)

For the six months ended 30 June 2013
(Expressed in Renminbi Yuan)

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

Consolidated Statement of Cash Flows

For the six months ended 30 June 2013
(Expressed in Renminbi Yuan)

	Note V	For the six months ended	
		30 June 2013 (unaudited)	30 June 2012 (unaudited)
I. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from the sale of goods or rendering of services		3,411,314,720.92	1,758,140,338.77
Refunds of taxes		–	855,400.00
Cash received relating to other operating activities	54	45,140,649.08	30,601,479.65
Subtotal of cash inflows		3,456,455,370.00	1,789,597,218.42
Cash paid for goods and services		1,955,117,510.41	573,372,072.58
Cash paid to and on behalf of employees		621,276,707.78	584,577,942.41
Cash paid for all types of taxes		320,130,520.63	245,854,828.19
Cash paid relating to other operating activities	54	55,713,494.34	53,071,874.63
Subtotal of cash outflows		2,952,238,233.16	1,456,876,717.81
Net cash flows from operating activities	55	504,217,136.84	332,720,500.61
II. CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received from the sale of investments		158,598,981.52	706,949,675.00
Cash received from return on investments		57,918,236.82	69,444,924.82
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		28,046,704.24	9,716,390.45
Net cash received from disposal of a subsidiary	55	585,702,433.12	–
Withdrawal of cash restricted to use and deposited in financial institutions		1,473,944.17	17,668,409.54
Subtotal of cash inflows		831,740,299.87	803,779,399.81
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		498,419,427.62	458,070,678.81
Cash paid for acquisition of a subsidiary	55	5,926,389.27	–
Net cash paid for disposals of subsidiaries and other operating units	55	–	266,365.60
Cash restricted as to use and deposited in financial institutions		7,142,147.88	–
Cash paid for acquisition of investments		472,272,800.00	306,850,000.00
Cash paid relating to other investing activities		20,000,000.00	–
Subtotal of cash outflows		1,003,760,764.77	765,187,044.41
Net cash flows (used in)/from investing activities		(172,020,464.90)	38,592,355.40

Consolidated Statement of Cash Flows (continued)

For the six months ended 30 June 2013
(Expressed in Renminbi Yuan)

	Note V	For the six months ended	
		30 June 2013 (unaudited)	30 June 2012 (unaudited)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from borrowings		1,900,898,734.92	916,624,278.18
Cash received from capital contributions		202,450,000.00	4,000,000.00
Withdrawal of cash restricted as to use and deposited in financial institutions		11,380,167.17	–
Cash received relating to other financing activities		551.13	2,199,500.00
Subtotal of cash inflows		2,114,729,453.22	922,823,778.18
Cash repayments of borrowings		2,210,382,712.18	1,051,000,000.00
Cash paid for distribution of dividends or profits and for interest expenses		336,627,465.68	368,148,873.62
Including: Dividends paid to minority shareholders of subsidiaries		7,742,804.08	7,821,384.59
Cash restricted as to use and deposited in financial institutions		26,626,249.16	–
Cash paid relating to other financing activities	54	3,905,350.00	50,428,605.90
Subtotal of cash outflows		2,577,541,777.02	1,469,577,479.52
Net cash flows used in financing activities		(462,812,323.80)	(546,753,701.34)
IV. EFFECT OF CHANGES IN EXCHANGE RATE ON CASH		374,564.39	(59,785.04)
V. NET DECREASE IN CASH AND CASH EQUIVALENTS		(130,241,087.47)	(175,500,630.37)
Add: Cash and cash equivalents at the beginning of the period		2,494,472,560.75	2,230,657,276.32
VI. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	55	2,364,231,473.28	2,055,156,645.95

Balance Sheet

As at 30 June 2013
(Expressed in Renminbi Yuan)

	Note X	30 June 2013 (unaudited)	31 December 2012
ASSETS			
Current assets			
Cash and cash equivalents		1,008,322,146.94	1,401,052,125.17
Financial assets held for trading		7,554,712.20	–
Notes receivable		75,202,861.14	52,751,405.00
Accounts receivable	1	392,800,043.23	278,082,597.18
Prepayments		28,988,940.27	5,876,080.09
Interest receivable		5,222,609.75	5,768,794.18
Dividends receivable		342,662,874.23	333,252,630.57
Other receivables	2	245,135,414.81	175,580,928.39
Inventories		47,217,432.70	42,522,236.45
Other current assets		206,546,453.48	1,001,000,000.00
Other current assets due within one year		1,596,640,000.00	1,000,000,000.00
Total current assets		3,956,293,488.75	4,295,886,797.03
Non-current assets			
Available-for-sale financial assets		3,372,578.00	4,390,026.00
Long-term equity investments	3	6,527,444,308.22	6,745,039,149.65
Fixed assets		10,471,885,345.66	9,596,900,553.67
Fixed assets pending for disposal		7,188,954.01	35,477,051.31
Construction in progress		2,423,598,253.14	3,043,663,214.62
Intangible assets		264,933,106.38	269,887,541.46
Long-term prepaid expenses		1,167,207.00	1,282,892.58
Deferred tax assets		4,787,227.17	5,853,093.97
Other non-current assets		100,000,000.00	711,680,000.00
Total non-current assets		19,804,376,979.58	20,414,173,523.26
TOTAL ASSETS		23,760,670,468.33	24,710,060,320.29

Balance Sheet (continued)

As at 30 June 2013
(Expressed in Renminbi Yuan)

	30 June 2013 (unaudited)	31 December 2012
LIABILITIES AND OWNERS' EQUITY		
Current liabilities		
Short-term borrowings	–	979,500,000.00
Notes payable	65,995,378.72	16,730,000.00
Accounts payable	4,561,006.07	13,786,356.04
Advances from customers	135,361,053.76	43,445,262.44
Employee benefits payable	28,605,184.93	51,934,133.73
Taxes payable	19,847,437.09	31,132,037.68
Interest payable	147,386,709.03	187,037,798.40
Dividends payable	221,300,000.00	–
Other payables	570,787,421.16	702,561,675.36
Non-current liabilities due within one year	2,744,718,626.87	450,000,000.00
Total current liabilities	3,938,562,817.63	2,476,127,263.65
Non-current liabilities		
Long-term borrowings	1,300,000,000.00	1,300,000,000.00
Bonds payable	4,960,079,555.42	7,448,601,808.03
Long-term payables	–	130,350.00
Other non-current liabilities	577,738,104.31	595,008,696.31
Total non-current liabilities	6,837,817,659.73	9,343,740,854.34
Total liabilities	10,776,380,477.36	11,819,868,117.99
Owners' equity		
Share capital	4,426,000,000.00	4,426,000,000.00
Capital surplus	6,221,710,316.28	6,220,897,505.95
Surplus reserve	425,325,625.45	425,325,625.45
Special reserve	7,756,297.62	2,178,166.13
Retained earnings	1,903,497,751.62	1,815,790,904.77
Total owners' equity	12,984,289,990.97	12,890,192,202.30
TOTAL LIABILITIES AND OWNERS' EQUITY	23,760,670,468.33	24,710,060,320.29

Income Statement

For the six months ended 30 June 2013
(Expressed in Renminbi Yuan)

	Note X	For the six months ended	
		30 June 2013 (unaudited)	30 June 2012 (unaudited)
Revenue	4	1,428,791,272.43	1,318,849,875.69
Less: Cost of sales	4	839,185,703.84	756,381,110.12
Taxes and surcharges		53,840,904.13	48,098,871.64
General and administrative expenses		143,396,181.41	128,116,805.19
Financial expenses		178,962,020.16	149,983,314.74
Impairment losses		(418,000.00)	–
Add: Gains on changes in fair values		54,712.20	531,483.20
Investment income	5	117,984,965.81	83,505,290.14
Including: Share of profits and losses of associates and jointly-controlled entities		52,008,499.79	22,099,106.60
Operating profit		331,864,140.90	320,306,547.34
Add: Non-operating income		42,687,290.06	17,282,051.18
Less: Non-operating expenses		8,589.32	2,139,525.94
Including: Losses on disposal of non-current assets		8,589.32	–
Total profit		374,542,841.64	335,449,072.58
Less: Income tax expenses		65,535,994.79	71,911,821.86
Net profit		309,006,846.85	263,537,250.72
Other comprehensive income		(178,836.00)	(796,411.13)
Total comprehensive income		308,828,010.85	262,740,839.59

Statement of Changes in Equity

For the six months ended 30 June 2013
(Expressed in Renminbi Yuan)

	For the six months ended 30 June 2013 (unaudited)					
	Share capital	Capital surplus	Surplus reserve	Special reserve	Retained earnings	Total equity
I. Opening balance of the period	4,426,000,000.00	6,220,897,505.95	425,325,625.45	2,178,166.13	1,815,790,904.77	12,890,192,202.30
II. Movements for the period						
(I) Net profit	-	-	-	-	309,006,846.85	309,006,846.85
(II) Other comprehensive income	-	(178,836.00)	-	-	-	(178,836.00)
Total comprehensive income	-	(178,836.00)	-	-	309,006,846.85	308,828,010.85
(III) Profit appropriation						
(1) Profit distribution to shareholders (Note)	-	-	-	-	(221,300,000.00)	(221,300,000.00)
(IV) Special reserve						
(1) Accrual	-	-	-	10,861,336.22	-	10,861,336.22
(2) Usage	-	-	-	(5,283,204.73)	-	(5,283,204.73)
(V) Others	-	991,646.33	-	-	-	991,646.33
III. Closing balance of the period	4,426,000,000.00	6,221,710,316.28	425,325,625.45	7,756,297.62	1,903,497,751.62	12,984,289,990.97

Note: Details are set out in the note to the consolidated statement of changes in equity for the six months ended 30 June 2013.

Statement of Changes in Equity (continued)

For the six months ended 30 June 2013
(Expressed in Renminbi Yuan)

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

Statement of Cash Flows

For the six months ended 30 June 2013
(Expressed in Renminbi Yuan)

	Note XI	For the six months ended	
		30 June 2013 (unaudited)	30 June 2012 (unaudited)
I. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from the sale of goods or rendering of services		1,316,119,044.93	1,029,576,721.68
Cash received relating to other operating activities		185,377,842.65	24,236,777.02
Subtotal of cash inflows		1,501,496,887.58	1,053,813,498.70
Cash paid for goods and services		352,963,465.75	312,634,870.73
Cash paid to and on behalf of employees		406,040,073.26	378,273,121.68
Cash paid for all types of taxes		137,670,379.81	120,216,021.38
Cash paid relating to other operating activities		245,419,286.04	86,400,808.02
Subtotal of cash outflows		1,142,093,204.86	897,524,821.81
Net cash flows from operating activities	6	359,403,682.72	156,288,676.89
II. CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received from the sale of investments		1,797,578,981.52	795,888,190.00
Cash received from return on investments		117,397,404.08	112,918,732.11
Cash received from disposal of fixed assets, intangible assets and other long-term assets		28,964,183.89	8,710,510.78
Cash received from disposal of a subsidiary and other operating units		596,800,000.00	–
Withdrawal of cash restricted as to use and deposited in financial institutions		1,473,944.17	17,668,409.54
Subtotal of cash inflows		2,542,214,513.66	935,185,842.43
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		457,641,588.61	434,667,079.26
Cash paid for acquisition of investments		1,340,972,800.00	1,000,000,000.00
Cash paid for acquisition of a subsidiary		7,142,147.88	–
Subtotal of cash outflows		1,805,756,536.49	1,434,667,079.26
Net cash flows from/(used in) investing activities		736,457,977.17	(499,481,236.83)

Statement of Cash Flows (continued)

For the six months ended 30 June 2013
(Expressed in Renminbi Yuan)

	For the six months ended	
	30 June 2013 (unaudited)	30 June 2012 (unaudited)
III. CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from borrowings	-	679,500,000.00
Subtotal of cash inflows	-	679,500,000.00
Cash repayments of borrowings	1,179,500,000.00	200,000,000.00
Cash paid for distribution of dividends or profits and for interest expenses	294,705,208.58	295,884,816.98
Cash paid relating to other financing activities	20,054,633.25	436,600,305.76
Subtotal of cash outflows	1,494,259,841.83	932,485,122.74
Net cash flows used in financing activities	(1,494,259,841.83)	(252,985,122.74)
IV. EFFECT OF CHANGES IN EXCHANGE RATE ON CASH	-	-
V. NET DECREASE IN CASH AND CASH EQUIVALENTS	(398,398,181.94)	(596,177,682.68)
Add: Cash and cash equivalents at the beginning of the period	1,399,578,181.00	1,852,247,792.60
VI. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,001,179,999.06	1,256,070,109.92

Notes to Financial Statements

30 June 2013
(Expressed in Renminbi Yuan)

I. General information

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

As at 30 June 2013, the Company has issued 4,426,000,000 shares in total. Refer to Note V.39 Share capital for details.

The principal activities of the Company include the provision of terminal business and logistics services such as international and domestic cargo loading and discharging, transportation, transshipment, storage and etc.; tallying, piloting and tugging services for vessels sailing on international and domestic lines; port logistics and port information technology consultation services; petroleum storage (restricted to those applying for free trade zone qualification and those at port storage facilities); refined oil products storage (restricted to those applying for free trade zone qualification and those at port storage facilities); import and export of goods and technology (excluding articles prohibited by relevant laws and regulations; import and export of articles restricted by laws and regulations may only conduct with the grant of license) (with capital contribution from foreign party of no more than 25%).

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

The financial statements were approved and authorised for issue by the board of directors on 29 August 2013.

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

II. Significant accounting policies and estimates

1. Basis of preparation

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

The financial statements have been prepared in accordance with Accounting Standard for Business Enterprises No. 32 – *Interim Financial Reporting* issued by the MOF and do not include all the information and disclosures of the audited financial statements for the year ended 31 December 2012. Accordingly, these interim financial statements should be read in conjunction with the Group’s financial statements for the year ended 31 December 2012 which were prepared in accordance with Accounting Standards for Business Enterprises.

The financial statements are presented on a going concern basis.

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

2. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements present truly and completely the financial position of the Group and the Company as at 30 June 2013, and of their financial performance and their cash flows for the six months ended 30 June 2013 in accordance with Accounting Standards for Business Enterprises. The accounting policies adopted in the preparation of these interim financial statements are consistent with those Accounting Standards for Business Enterprises followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2012.

3. Accounting period

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

4. Reporting currency

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

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

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

II. Significant accounting policies and estimates (continued)

5. Business combination

A business combination is a transaction or event that brings together two or more separate entities into one reporting entity. Business combinations are classified into business combinations under common control and business combinations not under common control.

Business combinations under common control

A business combination under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. For a business combination under common control, the party that, on the combination date, obtains control of another entity participating in the combination is the acquiring party, while that other entity participating in the combination is a party being acquired. The combination date is the date on which the acquiring party effectively obtains control of the party being acquired.

Assets and liabilities that are obtained by the acquirer in a business combination are measured at their carrying amounts at the combination date as recorded by the party being acquired. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued as consideration) is adjusted to share premium under capital reserve and the balance of "capital reserve transferred from capital reserve under the old accounting system". If the capital reserve is not sufficient to absorb the difference, any excess is adjusted against retained earnings.

Business combinations not under common control

A business combination not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the combination. For a business combination not under common control, the party that, on the acquisition date, obtains control of another entity participating in the combination is the acquirer, while that other entity participating in the combination is the acquiree. Acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

The acquirer measures the acquiree's identifiable assets, liabilities and contingent liabilities acquired in the business combination at their fair values on the acquisition date.

Where the aggregate of the fair value of the considerations paid (or the fair value of the equity securities issued) and any fair value of the acquirer's previously held equity interest exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill. Goodwill is subsequently measured at cost less any accumulated impairment losses. Where the fair value of the considerations paid (or the fair value of the equity securities issued) is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer reassesses the measurement of the fair value of the considerations paid (or the fair value of the equity securities issued) and any fair value of the acquirer's previously held equity interest, if after that reassessment, the aggregate of the fair value of the considerations paid (or the fair value of the equity securities issued) and any fair value of the acquirer's previously held equity interest is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognises the difference immediately in the income statement for the current period.

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

II. Significant accounting policies and estimates (continued)

6. Consolidated financial statements

The consolidation scope of consolidated financial statements is determined on the basis of control, including the financial statements for the six-month period ended 30 June 2013 of the Company and all of its subsidiaries. A subsidiary is an enterprise or entity that is controlled by the Company.

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

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

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

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

7. Cash and cash equivalents

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

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

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

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

II. Significant accounting policies and estimates (continued)

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

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

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

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

9. Financial instruments

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

Recognition and derecognition

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

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

II. Significant accounting policies and estimates (continued)

9. Financial instruments (continued)

Recognition and derecognition (continued)

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

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

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

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

Classification and measurement of financial assets

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

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

II. Significant accounting policies and estimates (continued)

9. Financial instruments (continued)

Classification and measurement of financial assets (continued)

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

Financial assets at fair value through profit or loss

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

Held-to-maturity investments

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

Loans and receivables

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

Available-for-sale financial assets

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

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

II. Significant accounting policies and estimates (continued)

9. Financial instruments (continued)

Classification and measurement of financial liabilities

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

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

Financial liabilities at fair value through profit or loss

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

Other financial liabilities

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

Fair value of financial instruments

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

Impairment of financial assets

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

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

II. Significant accounting policies and estimates (continued)

9. Financial instruments (continued)

Impairment of financial assets (continued)

Financial assets carried at amortised cost

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

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

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

Available-for-sale financial assets

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

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised directly in other comprehensive income.

If, after an impairment loss has been recognised on an available-for-sale debt instrument, the fair value of the debt instrument increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed with the amount of the reversal recognised in profit or loss.

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

II. Significant accounting policies and estimates (continued)

9. Financial instruments (continued)

Impairment of financial assets (continued)

Financial assets carried at cost

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

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

Transfers of financial assets

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

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

10. Receivables

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

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

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

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

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

II. Significant accounting policies and estimates (continued)

11. Inventories

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

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

The Group adopts a perpetual inventory system.

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

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

12. Long-term equity investments

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

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

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

II. Significant accounting policies and estimates (continued)

12. Long-term equity investments (continued)

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

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

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

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

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

Notes to Financial Statements (continued)

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II. Significant accounting policies and estimates (continued)

12. Long-term equity investments (continued)

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

For a long-term equity investment in a subsidiary, jointly-controlled entity or associate, refer to Note II.23 for the test for impairment and recognition of provision for impairment. For other long-term equity investments where the investment is not quoted in an active market and its fair value cannot be measured reliably, refer to Note II.9 for the test for impairment and recognition of provision for impairment.

13. Investment property

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

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

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

For an investment property that is subsequently measured using the cost model, refer to Note II.23 for the test for impairment and recognition of provision for impairment.

14. Fixed assets

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

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

Notes to Financial Statements (continued)

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II. Significant accounting policies and estimates (continued)

14. Fixed assets (continued)

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

	Estimated useful life	Estimated residual value	Annual depreciation rate
Buildings	20 – 45 years	5 – 10%	2.0 – 4.8%
Terminal facilities	50 years	5 – 10%	1.8 – 1.9%
Storage facilities	40 years	0 – 10%	2.3 – 2.5%
Oil tanks and pipelines	18 – 28 years	4%	3.4 – 5.3%
Loading equipment	10 – 20 years	5 – 10%	4.5 – 9.5%
Machinery and equipment	12 years	5%	7.9%
Vessels	28 years	4 – 10%	3.2 – 3.4%
Transportation equipment	7 – 10 years	5 – 10%	9.0 – 13.6%
Other equipment	5 – 11 years	4 – 10%	8.2 – 19.2%

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

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

For the test for impairment and recognition of provision for impairment related to a fixed asset, refer to Note II.23.

15. Construction in progress

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

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

For the test for impairment and recognition of provision for impairment related to construction in progress, refer to Note II.23.

Notes to Financial Statements (continued)

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II. Significant accounting policies and estimates (continued)

16. Borrowing costs

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

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

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

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

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

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

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

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

Notes to Financial Statements (continued)

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II. Significant accounting policies and estimates (continued)

17. Intangible assets

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

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

The useful lives of the intangible assets are as follows:

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

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

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

For the test for impairment and recognition of provision for impairment related to an intangible asset, refer to Note II.23.

Notes to Financial Statements (continued)

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II. Significant accounting policies and estimates (continued)

18. Long-term prepaid expenses

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

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

19. Revenue

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

Revenue from the sale of goods

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

Revenue from the rendering of services

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

Notes to Financial Statements (continued)

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II. Significant accounting policies and estimates (continued)

19. Revenue (continued)

Revenue from the rendering of services (continued)

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

Interest income

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

Royalty income

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

Lease income

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

20. Government grants

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

Notes to Financial Statements (continued)

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II. Significant accounting policies and estimates (continued)

21. Income tax

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

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

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

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

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

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

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

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

Notes to Financial Statements (continued)

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II. Significant accounting policies and estimates (continued)

21. Income tax (continued)

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

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

22. Leases

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

In the case of the lessee of an operating lease

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

In the case of the lessor of an operating lease

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

23. Impairment of assets

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

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

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

Notes to Financial Statements (continued)

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II. Significant accounting policies and estimates (continued)

23. Impairment of assets (continued)

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

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

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

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

24. Employee benefits

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

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

25. Profit distribution

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

Notes to Financial Statements (continued)

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II. Significant accounting policies and estimates (continued)

26. Related parties

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

27. Segment reporting

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

An operating segment is a component of the Group:

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

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

28. Safety production expenses

The safety production expenses accrued in accordance with the regulations are recorded in the relevant product cost or profit or loss of current period and special reserve. The treatment for usage of the safety production expenses depends on whether fixed assets are formed or not. If the usage of the safety production expenses is of expenditure, it is directly reversed against the special reserve. If the usage of the safety production expenses forms fixed assets, the expenditure incurred is accumulated and recognised as fixed assets when the intended usage condition is achieved. Meanwhile, the special reserve of equivalent amount is reversed and recognised as accumulated depreciation.

29. Significant accounting judgements and estimates

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

Notes to Financial Statements (continued)

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II. Significant accounting policies and estimates (continued)

29. Significant accounting judgements and estimates (continued)

Judgements

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

Operating leases – the Group as lessor

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

Classification between investment properties and owner-occupied properties

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

Estimation uncertainty

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

Useful lives and residual values of fixed assets

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

Notes to Financial Statements (continued)

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II. Significant accounting policies and estimates (continued)

29. Significant accounting judgements and estimates (continued)

Estimation uncertainty (continued)

Impairment of accounts and other receivables

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

Impairment of goodwill

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

Impairment of available-for-sale financial assets

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

Deferred tax assets

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

Impairment of non-financial assets other than goodwill

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

Notes to Financial Statements (continued)

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III. Taxation

1. Major tax items and rates are as follows:

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

2. Tax preferences and official approval

Land use tax

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

VAT

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

CIT

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

Notes to Financial Statements (continued)

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IV. Consolidation scope of the consolidated financial statements

1. Subsidiaries

Subsidiaries of the Group are as follows:

	Type of subsidiary	Place of registration	Legal representative	Principal activities	Registered capital RMB'0000	Scope of business	Code of organisation
<u>Subsidiaries acquired from PDA as equity injection at the date of incorporation</u>							
Dalian Port Container Development Co., Ltd.	Limited liability	Dalian	Xu Song	Container services	277,146	Container loading	73640137-6
Dalian Port Jifa Logistics Co., Ltd.	Limited liability	Dalian	Xu Song	Logistics services	87,090	Depot leasing and operating	24238906-3
Dalian Port Logistics Technology Co., Ltd.	Limited liability	Dalian	Zhang Chunquan	Software development	1,000	Development and sale of software	72886169-8
Dalian Jifa Shipping Agency Co, Ltd.	Limited liability	Dalian	Tong Xuefeng	Vessel agency	50	Vessel agency	75157502-4
Dalian International Logistics Park Development Co., Ltd.	Limited liability	Dalian	Zhang Jian	Property development	15,000	Operation and development of a bonded logistics park	74093552-2
Dalian Port Jihuo Logistics Co., Ltd.	Limited liability	Dalian	Ju Hongbin	Freight agency	200	Freight and vessel agency	72604986-6
Dalian Jifa Bohai Rim Container Lines Co., Ltd.	Limited liability	Dalian	Zhang Chunquan	Transportation	4,923	Container transportation	72889006-3
Dalian International Container Services Co., Ltd.	Limited liability	Dalian	Zhang Chunquan	Freight agency	USD1,440,000	International transportation agency services	60486391-5
Dalian Jifa International Freight Co., Ltd.	Limited liability	Dalian	Tong Xuefeng	Freight agency	500	Freight agency	75608995-7
Dalian Jifa Port Engineering Co., Ltd.	Limited liability	Dalian	Huang Xiao	Technology services	1,200	Equipment technology supporting	76079479-8
Dalian Techport Service Co., Ltd.	Limited liability	Dalian	Xu Song	Software development	350	Development and sale of software	77304690-8
Dalian ETDZ Jin Xin Petro-chemistry Co., Ltd.	Limited liability	Dalian	Sun Dequan	Sale of goods	500	Sale of fuels	24130984-2
Dalian Jifa Shipping Management Co., Ltd.	Limited liability	Dalian	Zhang Chunquan	Vessel management services	26,000	Vessel leasing and management services	77729051-0
<u>Subsidiaries acquired from establishment or investment</u>							
Asia Pacific Ports Company Limited	Limited company	HK	N/A	Logistics services	HKD75,000,000	Investment holding	N/A
Harbour Full Group Limited	Limited company	BVI	N/A	Logistics services	USD50,000	Investment holding	N/A
Asia Pacific Ports Investment Co., Ltd.	Limited company	HK	N/A	Logistics services	HKD1	Investment holding	N/A
Asia Pacific Ports (Dalian) Co., Ltd.	Limited liability	Dalian	Xu Song	Logistics services	USD31,580,000	Operation of port facilities	68304705-0
Asia Pacific Ports Development Co., Ltd.	Limited liability	HK	N/A	Logistics services	USD1	Shipping and ports investment	N/A
Dalian Gangyue Car-carrying Vessel Management Co., Ltd.	Limited liability	Dalian	Xu Song	Shipping services	19,600	Leasing and management of car-carrying vessel	68302634-8
Dalian Container Terminal Co., Ltd.	Limited liability	Dalian	Zhang Chunquan	Terminal services	135,000	Cargo loading, discharging and storage services	60487463-0
Heilongjiang Suimu Logistics Co., Ltd.	Limited liability	Muling	Ju Hongbin	Logistics services	4,500	Logistics and storage related services	69263421-4
秦皇島集港船舶代理有限公司	Limited liability	Qinhuangdao	Wang Jun	Logistics services	50	International transportation agency services	59359119-1
大連金港汽車聯合國際貿易有限公司	Limited liability	Dalian	Xusong	Trading services	1,000	Motor trading services	58807526-4
大連港糧油貿易有限公司	Limited liability	Dalian	Zhushiliang	Trading services	1,000	Grain trading services	05113292-7
大連市鋼材物流園有限公司	Limited liability	Dalian	Yin Shihui	Trading services	800	Steel trading services	05114199-7
大連港航招標代理有限公司	Limited liability	Dalian	Xu Shengke	Construction management services	100	Construction bidding agency services	05111846-3
大連港潤燃氣有限公司	Limited liability	Dalian	Sun Dequan	LNG charging	1,000	Service and goods related to LNG	06441984-7
大連港海嘉汽車碼頭有限公司	Limited liability	Dalian	Xu Song	Construction and operation of auto dock	40,000	Loading and discharging and storage services	06443615-3

Notes to Financial Statements (continued)

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

1. Subsidiaries (continued)

	Type of subsidiary	Place of registration	Legal representative	Principal activities	Registered capital RMB'0000	Scope of business	Code of organisation
<u>Subsidiaries acquired in business combinations involving entities under common control</u>							
Dalian Ocean Shipping Tally Co., Ltd.	Limited liability	Dalian	Xu Song	Tallying services	309	Cargo tallying services	78246116-9
Dalian Port Soft Technology Co., Ltd.	Limited liability	Dalian	Liu Wei	Software development	1,000	Development and sale of software	76077248-4
Dalian Portsoft Network Co., Ltd.	Limited liability	Dalian	Liu Wei	Software development	1,000	Development and sale of software	66114935-5
Dalian Port Construction Supervision & Consultation Co., Ltd.	Limited liability	Dalian	Xu Jian	Supervision services	1,000	Supervisory and consulting services	24123682-3
Dalian Port Telecommunications Engineering Co., Ltd.	Limited liability	Dalian	Liu Wei	Telecommunications services	1,000	Telecommunications engineering consulting services	24183141-1
Dalian Golden Bay Grain Logistics Co., Ltd.	Limited liability	Dalian	Fu Bin	Logistics services	9,733	Storage and transportation services	77728428-4
Dalian Port Corporation Zhuanghe Terminal Co., Ltd.	Limited liability	Dalian	Zhu Shiliang	Terminal services	3,000	Port transportation, loading and discharging services	79202572-3
Dalian Port Power Supply Co., Ltd.	Limited liability	Dalian	Wang Anyuan	Construction	2,000	Power cable installation	11866435-5
大連長興島臨港工業區萬鵬港口建設監理諮詢有限公司	Limited liability	Dalian	Zhu Lijian	Supervisory services	10	Supervisory and consulting services	69141320-9
<u>Subsidiaries acquired in business combinations involving entities not under common control</u>							
DCT Logistics Co., Ltd.	Limited liability	Dalian	Zhang Chunquan	Logistics services	15,200	Container logistics services	72885637-0
Dalian Port net Co., Ltd.	Limited liability	Dalian	Xu Song	Information services	USD2,800,000	Information services	72346333-2
Dalian Jiayi Logistics Co., Ltd.	Limited liability	Dalian	Xu Song	Freight agency	2,650	Freight agency and container loading and discharging services	72348332-5
Dalian Lvshun Port Co., Ltd.	Limited liability	Lvshun	Liu Wei	Terminal services	35,000	Port construction and operation	66922205-1
大連鑫海客運有限公司	Limited liability	Lvshun	Liu Wei	Agency services	50	Ticket agency services	69600259-9
Dalian Shunda Logistics Co., Ltd.	Limited liability	Dalian	Gao Ming	Logistics services	2,901	Bonded storage and transportation service	60486170-9

Notes to Financial Statements (continued)

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

1. Subsidiaries (continued)

	Investment cost at the end of the period	Percentage of shareholding		Percentage of voting rights (%)	In scope of consolidation	Minority interests	Minority interests used to offset the profits or losses of minority shareholders
		Directly (%)	Indirectly (%)				
<u>Subsidiaries acquired from PDA as equity injection at the date of incorporation</u>							
Dalian Port Container Development Co., Ltd.	3,009,297,222.35	100.00	-	100.00	Yes	-	-
Dalian Port Jifa Logistics Co., Ltd.	963,144,309.37	-	100.00	100.00	Yes	-	-
Dalian Port Logistics Technology Co., Ltd.	9,715,289.71	-	100.00	100.00	Yes	-	-
Dalian Jifa Shipping Agency Co., Ltd.	691,822.80	-	100.00	100.00	Yes	-	-
Dalian International Logistics Park Development Co., Ltd.	135,000,000.00	-	90.00	90.00	Yes	3,816,451.89	-
Dalian Port Jihuo Logistics Co., Ltd.	2,040,392.67	-	100.00	100.00	Yes	-	-
Dalian Jifa Bohai Rim Container Lines Co., Ltd.	67,345,151.04	-	97.36	97.36	Yes	1,390,196.44	-
Dalian International Container Services Co., Ltd.	USD1,066,000.00	-	75.00	75.00	Yes	3,932,946.29	-
Dalian Jifa International Freight Co., Ltd.	5,328,134.09	-	100.00	100.00	Yes	-	-
Dalian Jifa Port Engineering Co., Ltd.	12,047,877.11	-	100.00	100.00	Yes	-	-
Dalian Techport Service Co., Ltd.	2,043,136.26	-	60.00	60.00	Yes	(1,393,337.46)	-
Dalian ETDZ Jin Xin Petro-chemistry Co., Ltd.	6,629,301.65	100.00	-	100.00	Yes	-	-
Dalian Jifa Shipping Management Co., Ltd.	262,704,875.71	90.77	9.23	100.00	Yes	-	-
<u>Subsidiaries acquired from establishment or investment</u>							
Asia Pacific Ports Company Limited	HKD75,000,000.00	100.00	-	100.00	Yes	-	-
Harbour Full Group Limited	USD50,000.00	-	100.00	100.00	Yes	-	-
Asia Pacific Ports Investment Co., Ltd.	HKD1.00	-	100.00	100.00	Yes	-	-
Asia Pacific Ports (Dalian) Co., Ltd.	USD31,580,000.00	-	100.00	100.00	Yes	-	-
Asia Pacific Ports Development Co., Ltd.	USD1.00	-	100.00	100.00	Yes	-	-
Dalian Gangyue Car-carrying Vessel Management Co., Ltd.	196,045,337.00	51.00	49.00	100.00	Yes	-	-
Dalian Container Terminal Co., Ltd.	709,654,954.71	-	51.00	51.00	Yes	729,908,287.30	-
Heilongjiang Suimu Logistics Co., Ltd.	41,250,000.00	-	91.67	91.67	Yes	3,750,000.00	-
秦皇島集港船船代理有限公司	500,000.00	-	100.00	100.00	Yes	-	-
大連金港聯合汽車國際貿易有限公司	6,000,000.00	60.00	-	60.00	Yes	5,363,380.91	-
大連港糧油貿易有限公司	10,000,000.00	100.00	-	100.00	Yes	-	-
大連市鋼材物流園有限公司	8,000,000.00	100.00	-	100.00	Yes	-	-
大連港航招標代理有限公司	1,000,000.00	-	100.00	100.00	Yes	-	-
大連港潤燃氣有限公司	2,550,000.00	51.00	-	51.00	Yes	2,450,000.00	-
大連港海嘉汽車碼頭有限公司 (Note 3)	200,000,000.00	50.00	-	50.00	Yes	200,000,000.00	-

Notes to Financial Statements (continued)

30 June 2013
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IV. Consolidation scope of the consolidated financial statements (continued)

1. Subsidiaries (continued)

	Investment cost at the end of the period	Percentage of shareholding		Percentage of voting rights (%)	In scope of consolidation	Minority interests	Minority interests used to offset the profits or losses of minority shareholders
		Directly (%)	Indirectly (%)				
<u>Subsidiaries acquired in business combinations involving entities under common control</u>							
Dalian Ocean Shipping Tally Co., Ltd.	14,259,172.03	84.00	-	84.00	Yes	1,723,604.09	-
Dalian Portsoft Technology Co., Ltd. (Note 1)	11,126,271.39	49.00	-	60.00	Yes	12,221,241.31	-
Dalian Portsoft Network Co., Ltd.	10,000,000.00	-	100.00	100.00	Yes	-	-
Dalian Port Construction Supervision & Consultation Co., Ltd.	18,278,125.97	75.00	-	75.00	Yes	11,129,442.92	-
Dalian Port Telecommunications Engineering Co., Ltd.	8,137,212.61	45.00	20.00	65.00	Yes	6,368,762.85	-
Dalian Golden Bay Grain Logistics Co., Ltd. (Note 2)	53,156,426.75	37.50	-	75.00	Yes	125,401,089.60	-
Dalian Port Corporation Zhuanghe Terminal Co., Ltd.	-	100.00	-	100.00	Yes	-	-
Dalian Port Power Supply Co., Ltd.	25,895,508.24	100.00	-	100.00	Yes	-	-
大連長興島臨港工業區萬騰港口建設監理諮詢有限公司	100,000.00	-	100.00	100.00	Yes	-	-
<u>Subsidiaries acquired in business combinations involving entities not under common control</u>							
DCT Logistics Co., Ltd.	176,809,813.23	-	100.00	100.00	Yes	-	-
Dalian Portnet Co., Ltd.	USD2,000,000.00	-	71.43	71.43	Yes	19,195,581.14	-
Dalian Jiyi Logistics Co., Ltd.	29,800,000.00	-	100.00	100.00	Yes	-	-
Dalian Lvshun Port Co., Ltd.	217,580,000.00	60.00	-	60.00	Yes	133,028,777.15	-
大連鑫海客運有限公司	500,000.00	-	100.00	100.00	Yes	-	-
Dalian Shunda Logistics Co., Ltd.	20,881,800.00	-	100.00	100.00	Yes	-	-

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

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

Note 3: Another shareholder of this entity gives consent to the decisions of the Company pursuant to the joint venture agreement with the shareholder. Accordingly, the Company has de-facto control over the entity.

Notes to Financial Statements (continued)

30 June 2013
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IV. Consolidation scope of the consolidated financial statements (continued)

2. Changes in consolidation scope

Except for the newly established subsidiaries and the subsidiaries disposed of (Note IV.3, 4 and 5), the consolidation scope of the consolidated financial statements remains the same as last year.

3. Entity newly included and not included in the consolidation scope in the current period

Entity newly included in the consolidation scope during the period is as follows:

	Net assets at the end of the period	Net profit from the acquisition date to 30 June 2013
Dalian Shunda Logistics Co., Ltd.	21,131,800.00	169,482.93

The subsidiaries not included in the consolidation scope in this period are as follows:

	Net assets at the disposal date	Net profit from 1 January 2013 to the disposal date
Fujian Ninglian Port Co., Ltd. (Note)	20,000,000.00	–
Dalian Port Petroleum & Chemical Co., Ltd.	535,100,000.00	–

Note: The Group lost control on Fujian Ninglian Port Co., Ltd. in the current period as a result of unilateral capital contribution from a minority shareholder.

4. Business combination not under common control in the current period

The Group originally held 50% equity interests in Dalian Shunda Logistics Co., Ltd. In the first half of 2013, the Group acquired the remaining 50% equity interests of Dalian Shunda Logistics Co., Ltd. for a consideration of RMB10,315,900.00. The Group has completed all the procedures relating to the transfer of the equity interests and paid all the consideration by 22 May 2013. The acquisition date was 22 May 2013.

Notes to Financial Statements (continued)

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

4. Business combination not under common control in the current period (continued)

The operating results and cash flows of Dalian Shunda Logistics Co., Ltd. from the acquisition date to the end of the current period are as follows:

	From 22 May 2013 to 30 June 2013
Revenue	868,212.27
Net profit	169,482.93
Net cash flows from operating activities	525,287.79
Net cash flows from/(used in) investing activities	-
Net cash flows from/(used in) financing activities	-

The fair values and carrying amounts of the identifiable assets and liabilities of Dalian Shunda Logistics Co., Ltd. at the acquisition date were as follows:

	Fair value	Carrying amount
Cash and bank balances	4,222,307.02	4,222,307.02
Accounts receivable	1,184,730.39	1,184,730.39
Prepayments	182,289.90	182,289.90
Interests receivable	5,382.01	5,382.01
Other receivables	3,275,138.61	3,275,138.61
Inventories	268,642.10	268,642.10
Fixed assets	6,744,468.68	9,268,166.56
Intangible assets	5,047,962.78	5,047,962.78
Deferred tax assets	630,924.47	-
Accounts payable	(92,801.81)	(92,801.81)
Advances from customers	(107,138.98)	(107,138.98)
Employee benefits payable	(47,876.65)	(47,876.65)
Taxes payable	(24,265.09)	(24,265.09)
Other payables	(157,963.43)	(157,963.43)
Net assets	<u>21,131,800.00</u>	<u>23,024,573.41</u>
Gain on acquisition	<u>250,000.00</u>	
Cost of the business combination (Note)	<u>20,881,800.00</u>	

Note: Including the share acquisition price of RMB10,315,900.00 and the fair value of the original 50% equity interests of Dalian Shunda Logistics Co., Ltd. held by the Group amounting to RMB10,565,900.00.

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

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

5. Companies ceased to be subsidiaries due to disposal of shares resulting in loss of control

On 30 October 2012, the Company entered into an equity transfer agreement with its parent company PDA to sell 100% equity interests in Dalian Port Petrochemical Co., Ltd. ("DPPC") at a consideration of RMB597,614,200.00. The equity transfer has been approved at the Company's 2013 first extraordinary general meeting on 25 January 2013 and approved by the State-owned Assets Supervision and Administration Commission of Dalian on 10 April 2013. The disposal date was 10 April 2013. DPPC has not been included in the Group's consolidation scope since 10 April 2013. The relevant financial information of DPPC is as follows:

	10 April 2013 Carrying amount	31 December 2012 Carrying amount
Current assets	15,279,505.68	25,329,968.13
Non-current assets	1,584,540,051.30	1,557,053,872.83
Current liabilities	(1,003,019,556.98)	(985,583,840.96)
Non-current liabilities	(61,700,000.00)	(61,700,000.00)
Net assets	535,100,000.00	535,100,000.00
Transfer of the goodwill arising from the acquisition of DPPC in prior year	61,700,000.00	
Disposal gain	814,200.00	
Disposal consideration	597,614,200.00	

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

	Average exchange rate		Exchange rate at the end of the period/year	
	For the six months ended 30 June 2013	For the year ended 31 December 2012	30 June 2013	31 December 2012
	USD	6.2342	6.3108	6.1787
HKD	0.8033	0.8136	0.7966	0.8109

Notes to Financial Statements (continued)

30 June 2013
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V. Notes to consolidated financial statements

1. Cash and cash equivalents

	30 June 2013 (unaudited)			31 December 2012		
	Original currency	Exchange rate	RMB equivalents	Original currency	Exchange rate	RMB equivalents
Cash						
– RMB			133,415.37			122,167.37
Bank deposits						
– RMB			2,332,535,188.47			2,467,694,876.29
– USD	5,491,661.80	6.1787	33,931,330.74	3,492,956.56	6.2855	21,954,978.43
– JPY	18,584,551.44	0.0626	1,163,392.92	1,021,643.97	0.0730	74,580.01
– HKD	2,550,378.22	0.7966	2,031,631.29	2,914,635.27	0.8109	2,363,477.74
Others cash balances						
– RMB			27,317,007.75			14,212,860.92
– HKD	1,114,616.85	0.7966	887,903.78	1,114,479.38	0.8109	903,731.33
			<u>2,397,999,870.32</u>			<u>2,507,326,672.09</u>

As at 30 June 2013, there were cash and bank balances of RMB33,768,397.04 that were restricted as to use (31 December 2012: RMB12,854,111.34) (Note V.25 (3)).

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

As at 30 June 2013, the Group held cash and bank balances of RMB16,258,744.78 (31 December 2012: RMB2,939,324.09) that were deposited overseas.

2. Financial assets held for trading

	30 June 2013 (unaudited)	31 December 2012
Open monetary fund	7,554,712.20	–

As at 30 June 2013, there was no material restriction on the realisation of the Group's financial assets held for trading.

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

3. Notes receivable

	30 June 2013 (unaudited)	31 December 2012
Bank acceptance bills	86,403,320.66	63,069,669.70

As at 30 June 2013, there were no bank acceptance notes (31 December 2012: RMB2,000,000.00) pledged to obtain bank acceptance notes payable.

As at 30 June 2013, there were no discounted notes or notes that were transferred to accounts receivable due to issuers' failure in performance (31 December 2012: Nil).

As at 30 June 2013, the top five notes receivable that had been endorsed to other parties but not become due were as follows (unaudited):

Issuer	Issue date	Due date	Amount
Company A	2013.01.29	2013.07.29	3,000,000.00
Company B	2013.01.18	2013.07.18	2,200,000.00
Company C	2013.04.08	2013.10.08	2,100,000.00
Company D	2013.02.27	2013.08.27	2,000,000.00
Company E	2013.01.06	2013.07.06	2,000,000.00
			<u>11,300,000.00</u>

As at 31 December 2012, the top five notes receivable that had been endorsed to other parties but not become due were as follows:

Issuer	Issue date	Due date	Amount
Company A	2012.10.08	2013.04.08	4,470,000.00
Company B	2012.08.28	2013.02.28	3,000,000.00
Company C	2012.09.12	2013.02.28	1,660,000.00
Company D	2012.10.23	2013.04.23	1,047,250.00
Company E	2012.12.05	2013.06.05	1,000,000.00
			<u>11,177,250.00</u>

Notes to Financial Statements (continued)

30 June 2013
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V. Notes to consolidated financial statements (continued)

4. Dividends receivable

For the six months ended 30 June 2013 (unaudited)

	Opening balance	Increase	Decrease	Closing balance
<u>Ageing within one year</u>				
Dalian Dagang China Shipping Container Terminal Co., Ltd.	1,999,848.00	-	-	1,999,848.00
Dalian Assembling Transportation Logistics Co., Ltd.	22,887.36	-	(22,887.36)	-
Dalian Port PetroChina International Terminal Co., Ltd.	-	6,312,540.00	(6,312,540.00)	-
Dalian Harbour ECL Logistics Co., Ltd.	-	199,338.62	-	199,338.62
China United Tally Co., Ltd. Dalian	-	539,094.55	-	539,094.55
Dalian China Oil Dock Management Co., Ltd.	-	3,234,000.00	-	3,234,000.00
大連港散貨物流中心	-	172,494.31	(172,494.31)	-
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	-	2,112,000.00	(2,112,000.00)	-
太倉興港拖輪有限公司	-	450,000.00	(450,000.00)	-
Sino Rail Bohai Train Ferry Co., Ltd.	-	8,175,520.07	-	8,175,520.07
Dalian Wanpeng Port Engineering Examination & Testing Co., Ltd.	-	140,000.00	(140,000.00)	-
大連港盛招標代理有限公司	-	105,000.00	(105,000.00)	-
Da-In Ferry Co., Ltd.	-	638,350.93	(638,350.93)	-
<u>Above one year</u>				
Dalian Singamas International Container Co., Ltd.	2,328,561.07	-	-	2,328,561.07
	4,351,296.43	22,078,338.48	(9,953,272.60)	16,476,362.31

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

4. Dividends receivable (continued)

For the year ended 31 December 2012

	Opening balance	Increase	Decrease	Closing balance
<u>Ageing within one year</u>				
Dalian Dagang China Shipping Container Terminal Co., Ltd.	2,074,762.79	1,999,848.00	(2,074,762.79)	1,999,848.00
Dalian Port Container Terminal Co., Ltd.	23,754,168.19	–	(23,754,168.19)	–
Dalian Assembling Transportation Logistics Co., Ltd.	159,021.22	22,887.36	(159,021.22)	22,887.36
Dalian Port Design & Research Institute Co., Ltd.	–	58,000.00	(58,000.00)	–
Sino Rail Bohai Train Ferry Co., Ltd.	–	9,214,058.46	(9,214,058.46)	–
太倉興港拖輪有限公司	–	900,000.00	(900,000.00)	–
China United Tally Co., Ltd. Dalian	–	2,710,701.15	(2,710,701.15)	–
Dalian Port PetroChina International Terminal Co., Ltd.	–	1,739,921.76	(1,739,921.76)	–
Dalian China Oil Dock Management Co., Ltd.	–	3,013,500.00	(3,013,500.00)	–
Dalian Port Container Terminal Co., Ltd.	–	10,000,000.00	(10,000,000.00)	–
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	–	4,947,000.00	(4,947,000.00)	–
Dalian United International Shipping Agency Co., Ltd.	–	1,690,000.00	(1,690,000.00)	–
Dalian Wanpeng Port Engineering Examination & Testing Co., Ltd.	–	72,000.00	(72,000.00)	–
Dalian Harbour ECL Logistics Co., Ltd.	–	59,381.18	(59,381.18)	–
Da-In Ferry Co., Ltd.	–	1,144,561.36	(1,144,561.36)	–
<u>Above one year</u>				
Dalian Singamas International Container Co., Ltd.	1,241,352.65	1,087,208.42	–	2,328,561.07
	<u>27,229,304.85</u>	<u>38,659,067.69</u>	<u>(61,537,076.11)</u>	<u>4,351,296.43</u>

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

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

5. Interest receivable

	30 June 2013 (unaudited)	31 December 2012
Opening balance	4,065,075.97	17,077,678.32
Increase	55,277,607.49	105,027,774.94
Decrease	(54,938,972.22)	(118,040,377.29)
Closing balance	4,403,711.24	4,065,075.97

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

6. Accounts receivable

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

An ageing analysis of accounts receivable is as follows:

	30 June 2013 (unaudited)	31 December 2012
Within 1 year	518,337,783.96	425,351,291.01
1 to 2 years	53,482,258.17	35,721,475.05
2 to 3 years	8,655,151.92	8,414,281.22
Over 3 years	7,443,823.92	7,715,850.68
	587,919,017.97	477,202,897.96
Less: Provision for bad debts	(3,482,759.79)	(4,026,906.95)
	584,436,258.18	473,175,991.01

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

6. Accounts receivable (continued)

Movements in the provision for bad debts are as follows:

	For the six months ended 30 June 2013 (unaudited)	For the year ended 31 December 2012
Opening balance	4,026,906.95	2,852,921.74
Accrual	-	1,173,985.21
Reversal	(544,147.16)	-
Closing balance	3,482,759.79	4,026,906.95

	30 June 2013 (unaudited)				31 December 2012			
	Ending balance		Bad debt provision		Ending balance		Bad debt provision	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Individually significant and subject to separate provision	355,040,406.79	60.39	-	-	278,912,667.15	58.45	-	-
Not individually significant but subject to separate provision	232,878,611.18	39.61	3,482,759.79	1.50	198,290,230.81	41.55	4,026,906.95	2.03
	587,919,017.97	100.00	3,482,759.79		477,202,897.96	100.00	4,026,906.95	

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

6. Accounts receivable (continued)

As at 30 June 2013, accounts receivable that were not individually significant but subject to separate provision are as follows (unaudited):

	Ending balance	Provision for bad debts	Percentage (%)	Reason
First	4,089,258.23	1,942,004.58	47.49	Partly uncollectable
Second	1,173,985.21	1,173,985.21	100.00	Uncollectable
Others	373,827.95	366,770.00	98.11	Partly uncollectable
	<u>5,637,071.39</u>	<u>3,482,759.79</u>		

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

	Ending balance	Provision for bad debts	Percentage (%)	Reason
First	4,089,258.23	1,942,004.58	47.49	Partly uncollectable
Second	1,173,985.21	1,173,985.21	100.00	Uncollectable
Third	418,000.00	418,000.00	100.00	Uncollectable
Others	492,917.16	492,917.16	100.00	Uncollectable
	<u>6,174,160.60</u>	<u>4,026,906.95</u>		

As at 30 June 2013, the accounts receivable due from any shareholder holding 5% or more of the Company's voting shares were RMB155,811.40 (31 December 2012: Nil).

As at 30 June 2013 and 31 December 2012, accounts receivable due from related parties are disclosed in Note VI Related parties and related party transactions.

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

6. Accounts receivable (continued)

As at 30 June 2013, the top five accounts receivable were as follows (unaudited):

	Relationship	Amount	Ageing	Percentage of accounts receivable (%)
Petroliam Nasional Berhad	Third party	95,817,930.97	Within 1 year	16.30
Shenyang Oriental Steel Co., Ltd.	Third party	63,199,049.00	Within 2 years	10.75
PetroChina Company Limited	Third party	30,504,521.25	Within 1 year	5.19
RGL Group Co., Ltd.	Third party	27,476,177.14	Within 2 years	4.67
Bengang Sted plates Co., Ltd.	Third party	22,916,965.29	Within 1 year	3.90
		<u>239,914,643.65</u>		<u>40.81</u>

As at 31 December 2012, the top five accounts receivable were as follows:

	Relationship	Amount	Ageing	Percentage of accounts receivable (%)
PetroChina Company Limited	Third party	55,366,747.85	Within 1 year	11.60
RGL Group Co., Ltd.	Third party	37,976,756.44	Within 2 years	7.96
Shenyang Oriental Steel Co., Ltd.	Third party	36,747,977.03	Within 2 years	7.70
本溪北營鋼鐵(集團)股份有限公司	Third party	35,582,397.65	Within 1 year	7.46
Petroliam Nasional Berhad	Third party	23,417,930.97	Within 1 year	4.91
		<u>189,091,809.94</u>		<u>39.63</u>

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

7. Other receivables

An ageing analysis of other receivables is as follows:

	30 June 2013 (unaudited)	31 December 2012
Within 1 year	341,225,746.61	263,230,087.44
1 to 2 years	30,059,761.20	8,972,948.86
2 to 3 years	3,197,249.77	2,054,477.87
Over 3 years	24,512,238.06	22,480,773.22
	398,994,995.64	296,738,287.39
Less: Provision for bad debts	(1,066,694.97)	(1,533,304.97)
	397,928,300.67	295,204,982.42

Movements in the provision for bad debts are as follows:

	For the six months ended 30 June 2013 (unaudited)	For the year ended 31 December 2012
Opening balance	1,533,304.97	1,605,414.57
Accrual	-	5,502.00
Reversal	(466,610.00)	-
Write-off	-	(77,611.60)
	1,066,694.97	1,533,304.97
Closing balance	1,066,694.97	1,533,304.97

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

7. Other receivables (continued)

	30 June 2013 (unaudited)				31 December 2012			
	Ending balance		Bad debt provision		Ending balance		Bad debt provision	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Individually significant and subject to separate provision	300,590,115.90	75.34	-	-	219,156,925.90	73.86	-	-
Not individually significant but subject to separate provision	98,404,879.74	24.66	1,066,694.97	1.08	77,581,361.49	26.14	1,533,304.97	1.98
	398,994,995.64	100.00	1,066,694.97		296,738,287.39	100.00	1,533,304.97	

As at 30 June 2013, other receivables that were not individually significant but subject to separate provision are as follows (unaudited):

	Ending balance	Provision for bad debts	Percentage (%)	Reason
First	561,978.00	561,978.00	100.00	Uncollectable
Second	116,856.00	116,856.00	100.00	Uncollectable
Others	1,425,947.97	387,860.97	27.20	Partly uncollectable
	2,104,781.97	1,066,694.97		

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

7. Other receivables (continued)

As at 31 December 2012, other receivables that were not individually significant but subject to separate provision are as follows:

	Closing balance	Provision for bad debts	Percentage (%)	Reason
First	750,659.50	81,427.50	10.85	Partly uncollectable
Second	561,978.00	561,978.00	100.00	Uncollectable
Others	2,109,179.47	889,899.47	42.19	Partly uncollectable
	<u>3,421,816.97</u>	<u>1,533,304.97</u>		

As at 30 June 2013, the top five other receivables were as follows (unaudited):

	Relationship	Amount	Ageing	Percentage of other receivables (%)
Dalian Financial Bureau	Third party	229,950,855.00	Within 2 years	57.63
大連保稅區嘉誠 汽車貿易有限公司	Third party	18,152,554.79	Within 1 year	4.55
Dalian Financial Bureau	Third party	18,000,000.00	Above 5 years	4.51
天津鈺馳國際貿易有限公司	Third party	15,641,680.68	Within 1 year	3.92
大連市土地儲備中心	Third party	9,715,400.00	Within 3 years	2.43
		<u>291,460,490.47</u>		<u>73.04</u>

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

7. Other receivables (continued)

As at 31 December 2012, the top five other receivables were as follows:

	Relationship	Amount	Ageing	Percentage of other receivables (%)
Dalian Financial Bureau	Third party	155,889,875.00	Within 1 year	52.53
Dalian Financial Bureau	Third party	18,000,000.00	Above 5 years	6.07
大連市土地儲備中心	Third party	9,965,359.80	Within 2 years	3.36
青島奔寶名車匯	Third party	9,136,771.19	Within 1 year	3.08
樺林輪胎有限公司	Third party	8,233,714.25	Within 1 year	2.77
		<u>201,225,720.24</u>		<u>67.81</u>

As at 30 June 2013, except for the receivables due from the parent, PDA, of RMB2,908,488.00 (31 December 2012: RMB5,232,965.78), there was no other receivable due from any shareholder holding 5% or more of the Company's voting shares.

Other receivables due from related parties as at 30 June 2013 and 31 December 2012 are disclosed in Note VI Related parties and related party transactions.

8. Prepayments

An ageing analysis of prepayments is as follows:

	30 June 2013 (unaudited)		31 December 2012	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	36,038,632.22	84.86	217,969,755.15	97.14
1 to 2 years	22,744.00	0.05	6,426,579.59	2.86
2 to 3 years	6,407,766.72	15.09	–	–
	42,469,142.94	100.00	224,396,334.74	100.00

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

8. Prepayments (continued)

As at 30 June 2013, the top five prepayments were as follows (unaudited):

	Relationship	Amount	Ageing	Percentage of prepayments (%)
PICC Property and Casualty Company Limited	Third party	9,449,901.14	Within 1 year	22.25
Liaoning Electric Power Co., Ltd. Dalian Branch	Third party	6,959,428.08	Within 1 year	16.39
Dalian Xinyang Transportation Co., Ltd.	Third party	5,830,924.35	Within 3 years	13.73
Shenyang Railway Bureau	Third party	3,206,898.59	Within 1 year	7.55
Dalian Port Construction Engineering Co., Ltd.	Associate of PDA	2,880,000.00	Within 1 year	6.78
		<u>28,327,152.16</u>		<u>66.70</u>

As at 31 December 2012, the top five prepayments were as follows:

	Relationship	Amount	Ageing	Percentage of prepayments (%)
吉林糧食進出口貿易有限公司	Third party	197,722,000.00	Within 1 year	88.11
Dalian Xinyang Transportation Co., Ltd.	Third party	5,830,924.35	Within 2 years	2.60
大連中綠糧油有限公司	Third party	5,657,049.00	Within 1 year	2.52
Liaoning Electric Power Co., Ltd. Dalian Branch	Third party	5,418,518.87	Within 1 year	2.41
哈爾濱敬業達科技開發有限公司	Third party	1,696,000.00	Within 1 year	0.76
		<u>216,324,492.22</u>		<u>96.40</u>

As at 30 June 2013, there was no other prepayment to any shareholder holding 5% or more of the Company's voting shares (31 December 2012: Nil).

Prepayments to related parties as at 30 June 2013 and 31 December 2012 are disclosed in Note VI Related parties and related party transactions.

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

9. Inventories

	30 June 2013 (unaudited)			31 December 2012		
	Ending balance	Provision	Carrying amount	Ending balance	Provision	Carrying amount
Raw materials	76,035,968.75	2,037,642.99	73,998,325.76	71,024,114.78	2,037,642.99	68,986,471.79
Work in progress	2,266,442.44	-	2,266,442.44	-	-	-
Finished goods	574,318,645.33	-	574,318,645.33	58,048,387.64	-	58,048,387.64
Property development cost	916,087.70	-	916,087.70	4,085,008.12	-	4,085,008.12
	653,537,144.22	2,037,642.99	651,499,501.23	133,157,510.54	2,037,642.99	131,119,867.55

As at 30 June 2013, inventories with a carrying amount of RMB120,356,841.90 (31 December 2012: RMB20,537,425.32) were restricted as to use (Note V. 25 (4)).

There was no movement for the provision during the period.

10. Non-current assets due within one year

	30 June 2013 (unaudited)	31 December 2012
Entrusted investment (Note)	1,000,000,000.00	1,000,000,000.00
Loan to a jointly-controlled entity	-	5,610,000.00
	1,000,000,000.00	1,005,610,000.00

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

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

11. Other current assets

		30 June 2013 (unaudited)	31 December 2012
Loans to a jointly-controlled entity	(1)	8,390,000.00	4,870,000.00
Loan to an associate	(2)	13,432,800.00	–
Entrusted investment	(3)	150,000,000.00	–
Accumulated deductible value added taxes (“VAT”)	(4)	59,966,860.92	–
		231,789,660.92	4,870,000.00

- (1) The Group commissioned Dalian Port Corporation Finance Co., Ltd. to provide unsecured loans of RMB1,760,000.00, RMB5,610,000.00 and RMB1,020,000.00 to its jointly-controlled entity, Liaoning Con-Rail International Logistics Co., Ltd. The loans with interest rates of 6.00%, 6.00% and 6.56% per annum are repayable in full on 19 April, 18 January 2014 and 2 September 2013, respectively.
- (2) The Group commissioned Dalian Port Corporation Finance Co., Ltd. to provide an unsecured loan of RMB13,432,800.00 to its associate, China Shipping Gang Lian Co., Ltd. The loan bears interest at a rate of 6% per annum and is repayable in full on 27 June 2014.
- (3) Entrusted investment was a financial product acquired from Shanghai Pudong Development Bank Co., Ltd. by the Group. The annual yield rate of return is 3.50%. The expiry date is 24 July 2013.
- (4) The accumulated deductible VAT represented the input VAT which has not been deducted by the end of current period. The input VAT arose from the purchase of goods which were subject to VAT.

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

12. Available-for-sale financial assets

	30 June 2013 (unaudited)	31 December 2012
Available-for-sale equity investments – H shares	14,127,780.66	14,534,238.64
Available-for-sale equity investments – A shares	3,372,578.00	4,390,026.00
	17,500,358.66	18,924,264.64

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

The above available-for-sale A shares represent newly issued shares acquired through subscription in the primary market and yet to be traded in the secondary market.

The above available-for-sale financial assets are measured at fair value.

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

13. Jointly-controlled entities and associates

30 June 2013 (unaudited)

	Type of enterprise	Place of registration	Legal representative	Type of business	Registered capital RMB'0000	Code of organisation
<u>Jointly-controlled entities</u>						
大連港通利船務代理有限公司	Limited liability	Dalian	Zhanghong	Domestic freight and vessel agency	60	73642304-9
Dalian Harbour ECL Logistics Co., Ltd.	Limited liability	Dalian	Xu Song	Storage loading and discharging services	USD9,000,000	75155081-2
Odjell Terminals (Dalian) Co., Ltd.	Limited liability	Dalian	Xu Song	Construction and operation of storage terminal	USD28,000,000	60485936-9
Dalian Port PetroChina International Terminal Co., Ltd.	Limited liability	Dalian	Zhang Hongyan	Loading and discharging of refined oil and the related consulting services	25,000	67998086-8
Dalian Assembling Transportation Logistics Co., Ltd.	Limited liability	Dalian	Ju Hongbin	International container storage services	3,000	67996100-X
Dalian United International Shipping Agency Co., Ltd.	Limited liability	Dalian	Hu Hongxian	Vessel agency and shipping consulting services	500	24237571-0
Dalian Vanguard International Logistics Co., Ltd.	Limited liability	Dalian	Xu Song	International container storage services	7,400	67996584-4
Dalian Yidu Jifa Cold Logistics Co., Ltd.	Limited liability	Dalian	Zhang Chunquan	Freight and storage agency	3,600	75606813-6
China United Tally Co., Ltd. Dalian	Limited liability	Dalian	Xu Song	Tallying services	280	76444766-2
Dalian China Oil Dock Management Co., Ltd.	Limited liability	Dalian	Dong Renping	Oil terminal services	1,000	71690643-0
Liaoning Electronic Port Co., Ltd.	Limited liability	Dalian	Zhou Xiaoyu	Computer supporting and data analysis services	1,200	67997824-X
Liaoning Con-Rail International Logistics Co., Ltd.	Limited liability	Dalian	Zhang Chunquan	Logistics and storage services	1,600	75076324-2
Dalian Dagang China Shipping Container Terminal Co., Ltd.	Limited liability	Dalian	Zeng Xiaomin	Container terminal services	1,000	71138833-9
Dalian Port Container Terminal Co., Ltd.	Limited liability	Dalian	Zhang Chunquan	Container services	73,000	76442085-7
Dalian International Container Terminal Co., Ltd.	Limited liability	Dalian	Fang Meng	International container terminal services	140,000	71788096-5
Dalian Jilong Logistics Co., Ltd.	Limited liability	Dalian	Ju Hongbin	Logistics and storage services	7,000	71696834-0
Dalian Automobile Terminal Co., Ltd.	Limited liability	Dalian	Xu Song	International trading, loading, discharging and storage	32,000	75606659-5
Dalian Singamas International Container Co., Ltd.	Limited liability	Dalian	Zhang Chunquan	Container services	USD13,250,000	71695281-6
China Unite Northeast Rail Containers Co., Ltd.	Limited liability	Dalian	Zhu Youwen	International container services	53,500	79202427-X
ODFJELL AP Port Holding Pte. Ltd.	Private limited	Singapore	N/A	Investment holding	USD100,000	N/A
Dalian Changxing Island Port Co., Ltd.	Limited liability	Dalian	Jiang Luning	Terminal services	62,000	79202683-0
大連港散貨物流中心有限公司	Limited liability	Dalian	Zhu Shiliang	Logistics	500	58201884-0
Odjell Dalian Port Consulting Co., Ltd.	Limited liability	Dalian	Wang Hongsuo	Technical training	600	58204259-2
Dalian Changxing Island Port Investment & Development Co., Ltd.	Limited liability	Dalian	Dong Yanhong	Development and construction of terminal facilities	95,000	69140687-7
大連舜德集發供應鏈管理有限公司	Limited liability	Dalian	Yin Li	Import and export of goods and technology	5,000	06441373-6

Notes to Financial Statements (continued)

30 June 2013
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V. Notes to consolidated financial statements (continued)

13. Jointly-controlled entities and associates (continued)

30 June 2013 (unaudited) (continued)

	Type of enterprise	Place of registration	Legal representative	Type of business	Registered capital RMB'0000	Code of organisation
<u>Associates</u>						
大連普集倉儲設施有限公司	Limited liability	Dalian	Yang Chuande	Other storage services	USD80,000,000	79204040-5
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	Limited liability	Dalian	Li Huaming	Crude oil tank leasing services	10,000	77728456-7
Shenyang Prologis-Jifa Logistics Development Co., Ltd.	Limited liability	Shenyang	Yang Chuande	Other storage services	USD16,670,000	79849254-1
太倉興港拖輪有限公司	Limited liability	Suzhou	Zhu Shiliang	Vessel tugging services	300	76050857-9
PetroChina Dalian LNG Co., Ltd.	Limited liability	Dalian	Wang Lixin	LNG related services	260,000	68707182-4
SINOECL Auto Liners, Limited	Limited liability	HK	N/A	Shipping services	HKD4,150,000	N/A
Jadeway Limited	Limited liability	HK	N/A	Shipping services	HKD10,000	N/A
Dalian North Petroleum Logistics Co., Ltd.	Limited liability	Dalian	Yue Lianjun	Development and construction of petroleum and petroleum products	30,000	55495911-7
China Shipping Gang Lian Co., Ltd.	Limited liability	Dalian	Meng Qingkuan	Shipping agency	30,000	66922139-0
Dalian Wanpeng Port Engineering Examination & Testing Co., Ltd.	Limited liability	Dalian	Zhu Liyan	Construction examination	500	74787065-3
Dalian Port Corporation Finance Co., Ltd.	Limited liability	Dalian	Hui Kai	Financial services	50,000	58203640-8
Sino Rail Bohai Train Ferry Co., Ltd.	Limited liability	Yantai	Li Hongwei	Ferry transportation	120,000	71092935-9
中世國際物流有限公司	Limited liability	Wuhu	Zheng Zhaorui	International freight agency	30,000	56896799-4
大連鑫海揚環保工程有限公司	Limited liability	Dalian	He Yedong	Ballast water disposal and garbage recycling	200	69143298-7
大連港盛招標代理有限公司	Limited liability	Dalian	Ma Shuyuan	Bidding agency services Construction of petroleum and chemical terminals;	200	56552295-7
中海油(寧德)石化碼頭有限公司	Limited liability	Ningde	Wu Xubin	Supply chain management; general domestic trading	1,000	06878701-4

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

13. Jointly-controlled entities and associates (continued)

30 June 2013 (unaudited) (continued)

	Total assets at the end of the period	Total liabilities at the end of the period	Total net assets at the end of the period	Revenue for the period	Net profit/(loss) for the period
<u>Jointly-controlled entities</u>					
大連港通利船務代理有限公司	4,343,650.76	78,822.25	4,264,828.51	788,961.09	300,948.47
Dalian Harbour ECL Logistics Co., Ltd.	62,178,304.58	1,291,003.34	60,887,301.24	4,545,056.06	306,993.74
Odfjell Terminals (Dalian) Co., Ltd.	498,774,962.12	84,627,126.59	414,147,835.53	52,629,084.33	21,546,542.41
Dalian Port PetroChina International Terminal Co., Ltd.	578,820,099.63	296,647,264.81	282,172,834.82	45,250,000.00	19,161,106.20
Dalian Assembling Transportation Logistics Co., Ltd.	35,460,619.39	2,278,706.99	33,181,912.40	8,644,108.72	1,715,971.65
Dalian United International Shipping Agency Co., Ltd.	45,538,933.45	28,237,363.68	17,301,569.77	8,271,251.89	2,270,914.63
Dalian Vanguard International Logistics Co., Ltd.	191,836,720.37	123,034,440.41	68,802,279.96	18,721,973.46	(622,160.81)
Dalian Yidu Jifa Cold Logistics Co., Ltd.	161,562,709.91	60,304,941.24	101,257,768.67	62,688,543.02	18,643,174.96
China United Tally Co., Ltd. Dalian	9,875,423.07	2,814,588.82	7,060,834.25	12,610,049.95	1,610,908.28
Dalian China Oil Dock Management Co., Ltd.	41,223,255.39	16,867,873.96	24,355,381.43	54,779,517.22	(1,507,979.53)
Liaoning Electronic Port Co., Ltd.	33,197,261.39	25,369,277.80	7,827,983.59	1,545,050.41	(1,569,028.48)
Liaoning Con-Rail International Logistics Co., Ltd.	27,712,137.99	21,224,921.67	6,487,216.32	16,636,193.41	401,459.80
Dalian Dagang China Shipping Container Terminal Co., Ltd.	17,415,699.72	3,475,875.79	13,939,823.93	8,389,210.00	1,485,422.81
Dalian Port Container Terminal Co., Ltd.	1,928,109,537.82	1,182,906,772.57	745,202,765.25	211,346,483.89	6,102,897.39
Dalian International Container Terminal Co., Ltd.	3,169,779,967.20	1,854,207,867.55	1,315,572,099.65	122,301,194.62	(23,366,438.39)
Dalian Jilong Logistics Co., Ltd.	261,919,624.01	146,436,360.24	115,483,263.77	33,513,368.36	2,999,655.46
Dalian Automobile Terminal Co., Ltd.	482,960,663.06	137,695,507.86	345,265,155.20	36,145,035.28	10,572,566.46
Dalian Singamas International Container Co., Ltd.	147,293,645.54	47,474,577.67	99,819,067.87	24,695,732.39	775,028.17
China Unite Northeast Rail Containers Co., Ltd.	504,063,021.21	27,335,474.67	476,727,546.54	17,314,594.47	(1,954,916.20)
ODFJELL AP Port Holding Pte. Ltd.	90,417.70	4,189.56	86,228.14	-	(2,179.92)
Dalian Changxing Island Port Co., Ltd.	1,625,079,895.42	1,118,834,235.88	506,245,659.54	42,446,376.10	(19,642,643.67)
大連港散貨物流中心有限公司	8,425,742.99	4,006,263.40	4,419,479.59	228,000.00	(670,195.46)
Odfjell Dalian Port Consulting Co., Ltd.	5,104,740.38	1,043,649.13	4,061,091.25	189,000.00	(415,452.18)
Dalian Changxing Island Port Investment & Development Co., Ltd.	2,924,650,372.56	1,975,248,372.56	949,402,000.00	-	(598,000.00)
大連舜德集發供應鏈管理有限公司	49,970,303.68	-	49,970,303.68	-	(29,696.32)

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

13. Jointly-controlled entities and associates (continued)

30 June 2013 (unaudited) (continued)

	Total assets at the end of the period	Total liabilities at the end of the period	Total net assets at the end of the period	Revenue for the period	Net profit/(loss) for the period
<u>Associates</u>					
大連普集倉儲設施有限公司	724,385,151.74	217,453,787.40	506,931,364.34	14,665,153.25	(16,279,948.60)
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	1,624,834,671.90	1,432,275,216.96	192,559,454.94	122,374,100.00	8,998,965.38
Shenyang Prologis-Jifa Logistics Development Co., Ltd.	131,709,163.71	7,324,873.23	124,384,290.48	8,319,686.76	2,212,244.38
太倉興港拖輪有限公司	10,399,176.60	3,215,170.44	7,184,006.16	12,776,236.03	1,306,800.48
PetroChina Dalian LNG Co., Ltd.	3,910,075,606.94	1,094,570,790.63	2,815,504,816.31	424,528,232.66	133,253,884.56
SINOECL Auto Liners, Limited	38,906,857.39	79,823,174.01	(40,916,316.62)	56,465,011.41	10,664,523.08
Jadeway Limited	347,520,553.04	363,410,305.26	(15,889,752.22)	26,466,479.30	2,301,607.93
Dalian North Petroleum Logistics Co., Ltd.	519,579,232.63	215,311,788.72	304,267,443.91	22,240,000.00	4,103,435.38
China Shipping Gang Lian Co., Ltd.	963,539,165.69	726,380,476.27	237,158,689.42	8,000,000.00	(32,656,717.65)
Dalian Wanpeng Port Engineering Examination & Testing Co., Ltd.	5,832,419.37	224,482.73	5,607,936.64	2,046,806.00	306,095.14
Dalian Port Corporation Finance Finance Co., Ltd.	2,887,910,509.56	2,314,517,807.97	573,392,701.59	62,074,186.84	32,444,700.23
Sino Rail Bohai Train Ferry Co., Ltd.	2,430,548,490.47	1,139,238,137.17	1,291,310,353.30	362,588,056.31	32,209,619.82
中世國際物流有限公司	318,750,443.86	18,457,014.88	300,293,428.98	58,221,104.94	(725,073.44)
大連鑫海陽環保工程有限公司	2,000,000.00	-	2,000,000.00	-	-
大連港盛招標代理有限公司	27,178,666.80	24,899,988.03	2,278,678.77	5,407,862.68	117,636.70
中海油(寧德)石化碼頭有限公司	10,000,000.00	-	10,000,000.00	-	-

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

13. Jointly-controlled entities and associates (continued)

31 December 2012

	Type of enterprise	Place of registration	Legal representative	Type of business	Registered capital RMB'0000	Code of organisation
<u>Jointly-controlled entities</u>						
大連港通利船務代理有限公司	Limited liability	Dalian	Zhang Hong	Domestic freight and vessel agency	60	73642304-9
Dalian Harbour ECL Logistics Co., Ltd.	Limited liability	Dalian	Xu Song	Storage loading and discharging services	USD9,000,000	75155081-2
Odfjell Terminals (Dalian) Co., Ltd.	Limited liability	Dalian	Xu Song	Construction and operation of storage terminal	USD28,000,000	60485936-9
Dalian Port Petro China International Terminal Co., Ltd.	Limited liability	Dalian	Sun Hongwei	Loading and discharging of refined oil and the related consulting services	25,000	67998086-8
Dalian Assembling Transportation Logistics Co., Ltd.	Limited liability	Dalian	Ju Hongbin	International container storage services	3,000	67996100-X
Dalian United International Shipping Agency	Limited liability	Dalian	Hu Hongxian	Vessel agency and shipping consulting services	500	24237571-0
Dalian Vanguard International Logistics Co., Ltd.	Limited liability	Dalian	Xu Song	International container storage services	7,400	67996584-4
Dalian Yidu Jifa Cold Logistics Co., Ltd.	Limited liability	Dalian	Zhang Chunquan	Freight and storage agency	3,600	75606813-6
China United Tally Co., Ltd. Dalian	Limited liability	Dalian	Xu Song	Tallying services	280	76444766-2
Dalian China Oil Dock Management Co., Ltd.	Limited liability	Dalian	Dong Renping	Oil terminal services	1,000	71690643-0
Liaoning Electronic Port Co., Ltd.	Limited liability	Dalian	Gao lian	Computer supporting and data analysis services	1,200	67997824-X
Liaoning Con-Rail International Logistics Co., Ltd.	Limited liability	Dalian	Zhang Chunquan	Logistics and storage services	1,600	75076324-2
Dalian Dagang China Shipping Container Terminal Co., Ltd.	Limited liability	Dalian	Zeng Xiaomin	Container terminal services	1,000	71138833-9
Dalian Port Container Terminal Co., Ltd.	Limited liability	Dalian	Zhang chunquan	Container services	73,000	76442085-7
Dalian International Container Terminal Co., Ltd.	Limited liability	Dalian	Fang Meng	International container terminal services	140,000	71788096-5
Dalian Jilong Logistics Co., Ltd.	Limited liability	Dalian	Ju Hongbin	Logistics and storage services	7,000	71696834-0
Dalian Automobile Terminal Co., Ltd.	Limited liability	Dalian	Xu Song	International trading, loading, discharging and storage	32,000	75606659-5
Dalian Singamas International Container Co., Ltd.	Limited liability	Dalian	Zhang Chunquan	Container services	USD13,250,000	71695281-6
Dalian Shunda Logistics Services Corporation	Limited liability	Dalian	Ju Hongbin	Logistics and storage services	USD5,020,000	60486170-9
China Unite Northeast Rail Containers Co., Ltd.	Limited liability	Dalian	Zhu Youwen	International container services	25,500	79202427-X
ODFJELL AP Port Holding Pte. Ltd.	Private limited	Singapore	N/A	Investment holding	USD100,000	N/A
Dalian Changxing Island Port Co., Ltd.	Limited liability	Dalian	Jiang Luning	Terminal services	62,000	79202683-0
大連港散貨物流中心有限公司	Limited liability	Dalian	Xu Song	Logistics	500	58201884-0
Odfjell Dalian Port Consulting Co., Ltd.	Limited liability	Dalian	Wang Hongsuo	Technical training	600	58204259-2
Dalian Changxing Island Port Investment & Development Co., Ltd.	Limited liability	Dalian	Dong Yanhong	Development and construction of terminal facilities	95,000	69140687-7

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

13. Jointly-controlled entities and associates (continued)

31 December 2012 (continued)

	Type of enterprise	Place of registration	Legal representative	Type of business	Registered capital RMB'0000	Code of organisation
<u>Associates</u>						
大連普集倉儲設施有限公司	Limited liability	Dalian	Yang Chuande	Other storage services	USD80,000,000	79204040-5
Dalian Petro China International Warehousing and Transportation Co., Ltd.	Limited liability	Dalian	Li Huaming	Crude oil tank leasing services	10,000	77728456-7
Shenyang Prologis-Jifa Logistics Development Co., Ltd.	Limited liability	Shenyang	Yang Chuande	Other storage services	USD16,670,000	79849254-1
太倉興港拖輪有限公司	Limited liability	Suzhou	Zhu Shiliang	Vessel tugging services	300	76050857-9
Petro China Dalian LNG Co., Ltd.	Limited liability	Dalian	Wang Lixin	LNG related services	260,000	68707182-4
SINOECL Auto Liners, Limited	Limited company	HK	N/A	Shipping services	HKD4,150,000	N/A
Jadeway Limited	Limited company	HK	N/A	Shipping services	HKD10,000	N/A
Dalian North Petroleum Logistics Co., Ltd.	Limited liability	Dalian	Yue Lianjun	Development and construction of petroleum and petroleum products	14,800	55495911-7
China Shipping Gang Lian Co., Ltd.	Limited liability	Dalian	Meng Qingkuan	Shipping agency	30,000	66922139-0
Dalian Wanpeng Port Engineering Examination and Testing Co., Ltd.	Limited liability	Dalian	Zhu Liyan	Construction examination	180	74787065-3
Dalian Port Corporation Finance Co., Ltd.	Limited liability	Dalian	Zhang Zuogang	Financial services	50,000	58203640-8
Sino Rail Bohai Train Ferry Co., Ltd.	Limited liability	Yantai	Li Hongwei	Ferry transportation	120,000	71092935-9
中世國際物流有限公司	Limited liability	Wuhu	Zheng Zhaorui	International freight agency	30,000	56896799-4
大連鑫海陽環保工程有限公司	Limited liability	Dalian	He Yedong	Ballast water disposal and garbage recycling	200	69143298-7
大連港盛招標代理有限公司	Limited liability	Dalian	Ma Shuyuan	Bidding agency	200	56552295-7

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

13. Jointly-controlled entities and associates (continued)

31 December 2012 (continued)

	Total assets at the end of the year	Total liabilities at the end of the year	Total net assets at the end of the year	Revenue for the year	Net profit/(loss) for the year
<u>Jointly-controlled entities</u>					
大連港通利船務代理有限公司	4,165,307.98	201,427.94	3,963,880.04	1,896,053.61	484,055.36
Dalian Harbour ECL Logistics Co., Ltd.	61,489,361.21	522,347.39	60,967,013.82	6,126,315.45	442,974.69
Odfjell Terminals (Dalian) Co., Ltd.	523,655,469.98	131,585,421.48	392,070,048.50	96,248,921.31	38,391,587.52
Dalian Port Petro China International Terminal Co., Ltd.	591,146,037.22	315,509,228.60	275,636,808.62	75,120,000.00	25,250,159.34
Dalian Assembling Transportation Logistics Co., Ltd.	33,170,547.84	1,704,607.09	31,465,940.75	19,402,563.65	3,358,763.73
Dalian United International Shipping Agency Co., Ltd.	65,017,824.90	49,987,169.76	15,030,655.14	15,261,770.98	3,946,544.17
Dalian Vanguard International Logistics Co., Ltd.	195,518,626.19	126,094,185.42	69,424,440.77	32,894,107.45	67,536.32
Dalian Yidu Jifa Cold Logistics Co., Ltd.	134,782,779.41	52,326,324.80	82,456,454.61	80,837,874.76	21,056,011.45
China United Tally Co., Ltd. Dalian	8,282,267.87	1,760,657.49	6,521,610.38	22,387,993.97	1,071,684.41
Dalian China Oil Dock Management Co., Ltd.	38,353,571.61	4,703,029.58	33,650,542.03	100,949,524.40	7,854,507.08
Liaoning Electronic Port Co., Ltd.	30,456,148.31	21,059,136.24	9,397,012.07	4,330,809.51	(408,734.49)
Liaoning Con-Rail International Logistics Co., Ltd.	28,855,002.89	22,769,246.37	6,085,756.52	32,415,100.80	3,218,988.94
Dalian Dagang China Shipping Container Terminal Co., Ltd.	19,009,549.78	6,617,062.66	12,392,487.12	18,892,645.00	3,773,397.78
Dalian Port Container Terminal Co., Ltd.	1,885,364,080.07	1,146,859,545.90	738,504,534.17	400,247,596.98	7,606,509.21
Dalian International Container Terminal Co., Ltd.	3,188,428,379.88	1,850,580,081.68	1,337,848,298.20	291,930,284.93	6,552,485.30
Dalian Jilong Logistics Co., Ltd.	253,999,386.08	141,515,777.77	112,483,608.31	60,352,592.46	1,024,237.65
Dalian Automobile Terminal Co., Ltd.	467,583,834.50	133,224,199.30	334,359,635.20	68,966,504.05	23,848,218.35
Dalian Singamas International Container Co., Ltd.	148,743,430.61	49,699,390.91	99,044,039.70	54,357,575.19	2,650,939.03
Dalian Shunda Logistics Co., Ltd.	24,405,046.50	482,247.34	23,922,799.16	7,275,975.07	(3,251,512.47)
China Unite Northeast Rail Containers Co., Ltd.	504,311,225.59	305,628,762.85	198,682,462.74	38,534,795.03	(15,391,447.79)
ODFJELL AP Port Holding Pte. Ltd.	603,338.48	47,649.62	555,688.86	45,374.40	395.67
Dalian Changxing Island Port Co., Ltd.	1,568,041,660.62	1,042,430,239.51	525,611,421.11	67,178,704.07	(58,198,156.75)
大連港散貨物流中心有限公司	10,038,704.85	4,553,831.30	5,484,873.55	7,785,454.86	892,796.37
Odfjell Dalian Port Consulting Co., Ltd.	5,664,586.13	1,188,042.70	4,476,543.43	667,540.00	(1,523,456.57)
Dalian Changxing Island Port Investment & Development Co., Ltd.	2,422,130,658.57	1,472,130,658.57	950,000,000.00	-	-

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

13. Jointly-controlled entities and associates (continued)

31 December 2012 (continued)

	Total assets at the end of the year	Total liabilities at the end of the year	Total net assets at the end of the year	Revenue for the year	Net profit/(loss) for the year
<u>Associates</u>					
大連普集倉儲設施有限公司	768,111,147.12	244,899,834.18	523,211,312.94	30,843,001.08	(21,242,595.32)
Dalian Petro China International Warehousing and Transportation Co., Ltd.	1,517,226,686.32	1,323,106,196.76	194,120,489.56	247,452,600.00	21,116,396.37
Shenyang Prologis-Jifa Logistics Development Co., Ltd.	131,555,878.02	8,812,043.18	122,743,834.84	12,776,570.73	2,291,487.08
太倉興港拖輪有限公司	9,537,610.88	2,160,405.21	7,377,205.67	28,807,140.52	3,393,766.44
Petro China Dalian LNG Co., Ltd.	3,983,866,070.60	1,303,923,585.85	2,679,942,484.75	583,392,850.45	113,567,811.32
SINOECL Auto Liners, Limited	29,001,249.55	15,242,127.87	13,759,121.68	74,933,355.62	(4,005,910.28)
Jadeway Limited	292,529,707.22	351,624,665.22	(59,094,958.00)	30,221,137.24	48,389,539.37
Dalian North Petroleum Logistics Co., Ltd.	444,644,452.38	296,480,443.85	148,164,008.53	43,920,000.00	9,028,622.92
China Shipping Gang Lian Co., Ltd.	985,490,873.27	713,779,765.70	271,711,107.57	28,995,950.97	(33,605,025.81)
Dalian Wanpeng Port Engineering Examination and Testing Co., Ltd.	3,721,574.86	269,733.36	3,451,841.50	4,191,161.00	452,386.44
Dalian Port Corporation Finance Co., Ltd.	2,431,356,874.67	1,890,408,873.31	540,948,001.36	77,368,838.51	40,634,272.74
Sino Rail Bohai Train Ferry Co., Ltd.	2,503,808,899.70	1,199,018,772.44	1,304,790,127.26	947,165,456.57	52,271,507.97
中世國際物流有限公司	301,194,521.22	(14,264.59)	301,208,785.81	81,496,691.42	448,475.00
大連鑫海陽環保工程有限公司	200,000.00	-	200,000.00	-	-
大連港盛招標代理有限公司	22,791,478.71	20,330,436.64	2,461,042.07	11,150,238.13	299,373.58

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

14. Long-term equity investments

For the six months ended 30 June 2013 (unaudited)

	Investment cost	Opening balance	Movements during the period	Ending balance	Percentage of shareholding (%)	Percentage of voting rights (%)	Cash dividend during the period
Equity method:							
<u>Jointly-controlled entities</u>							
大連港通利船務代理有限公司	1,311,300.00	2,098,230.35	150,474.25	2,248,704.60	50.00	50.00	-
Dalian Harbour ECL Logistics Co., Ltd.	30,111,142.43	30,483,506.91	(39,856.29)	30,443,650.62	50.00	50.00	199,338.62
Odfjell Terminals (Dalian) Co., Ltd.	86,878,185.37	141,719,736.78	11,996,126.43	153,715,863.21	50.00	50.00	-
Dalian Port Petro China International Terminal Co., Ltd.	125,000,000.00	137,818,404.31	3,268,013.10	141,086,417.41	50.00	50.00	6,312,540.00
Dalian Assembling Transportation Logistics Co., Ltd. (Note 1)	21,000,000.00	22,465,940.75	-	22,465,940.75	70.00	60.00	-
Dalian United International Shipping Agency Co., Ltd.	2,175,192.85	7,515,327.57	1,135,457.33	8,650,784.90	50.00	50.00	-
Dalian Vanguard International Logistics Co., Ltd.	37,000,000.00	34,712,220.35	(311,080.40)	34,401,139.95	50.00	50.00	-
Dalian Yidu Jifa Cold Logistics Co., Ltd.	18,000,000.00	41,228,227.31	9,321,587.50	50,549,814.81	50.00	50.00	-
China United Tally Co., Ltd. Dalian	5,103,200.33	3,260,805.20	269,611.92	3,530,417.12	50.00	50.00	539,094.55
Dalian China Oil Dock Management Co., Ltd.	16,301,068.34	16,586,622.77	(4,571,404.15)	12,015,218.62	49.00	49.00	3,234,000.00
Liaoning Electronic Port Co., Ltd.	6,600,000.00	4,698,506.03	(784,514.24)	3,913,991.79	50.00	50.00	-
Liaoning Con-Rail International Logistics Co., Ltd.	8,000,000.00	3,042,878.26	200,729.91	3,243,608.17	50.00	50.00	-
Dalian Dagang China Shipping Container Terminal Co., Ltd.	5,798,464.21	7,063,717.69	868,360.90	7,932,078.59	57.00	57.00	-
Dalian Port Container Terminal Co., Ltd.	255,500,000.00	211,866,044.66	2,701,346.09	214,567,390.75	35.00	35.00	-
Dalian International Container Terminal Co., Ltd.	560,000,000.00	534,655,254.09	(9,280,970.20)	525,374,283.89	40.00	40.00	-
Dalian Jilong Logistics Co., Ltd.	21,000,000.00	33,745,082.49	899,896.64	34,644,979.13	30.00	30.00	-
Dalian Automobile Terminal Co., Ltd.	152,503,640.00	159,024,931.23	4,098,767.14	163,123,698.37	40.00	40.00	-
Dalian Singamas International Container Co., Ltd.	42,859,398.30	44,200,038.37	338,144.80	44,538,183.17	43.63	43.63	-
Dalian Shunda Logistics Co., Ltd.	20,881,800.00	12,591,452.06	(12,591,452.06)	-	-	-	-
China Unite Northeast Rail Containers Co., Ltd.	214,000,000.00	79,472,985.14	111,218,033.52	190,691,018.66	40.00	40.00	-
ODFJELL AP Port Holding Pte. Co., Ltd.	314,717.79	278,267.61	(4,873.46)	273,394.15	50.00	50.00	-
Dalian Changxing Island Port Co., Ltd.	248,000,000.00	210,244,568.44	(7,746,304.63)	202,498,263.81	40.00	40.00	-
大連港散貨物流中心有限公司	2,000,000.00	2,193,949.42	(426,157.59)	1,767,791.83	40.00	40.00	172,494.31
Odfjell Dalian Port Consulting Co., Ltd.	3,000,000.00	2,238,271.71	(207,726.09)	2,030,545.62	50.00	50.00	-
Dalian Changxing Island Port Investment & Development Co., Ltd.	463,147,800.00	463,147,800.00	-	463,147,800.00	46.58	50.00	-
大連舜德集發供應鏈管理有限公司	10,000,000.00	-	10,000,000.00	10,000,000.00	20.00	20.00	-
Total for jointly-controlled entities	2,356,485,909.62	2,206,352,769.50	120,502,210.42	2,326,854,979.92			10,457,467.48

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

14. Long-term equity investments (continued)

For the six months ended 30 June 2013 (unaudited) (continued)

	Investment cost	Opening balance	Movements during the period	Ending balance	Percentage of shareholding (%)	Percentage of voting rights (%)	Cash dividend during the period
Equity method: (continued)							
<u>Associates</u>							
China Shipping Gang Lian Co., Ltd.	90,000,000.00	82,579,840.01	(11,432,233.18)	71,147,606.83	30.00	30.00	-
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	20,288,520.00	35,084,467.75	(312,206.92)	34,772,260.83	20.00	20.00	2,112,000.00
Dalian Wanpeng Port Engineering Examination & Testing Co., Ltd.	2,000,000.00	1,380,736.60	862,438.05	2,243,174.65	40.00	40.00	140,000.00
大連普集倉儲設施有限公司	239,636,434.98	179,784,319.33	(6,141,221.44)	173,643,097.89	40.00	40.00	-
Shenyang Prologis-Jifa Logistics Development Co., Ltd.	48,876,656.89	49,097,533.93	664,020.71	49,761,554.64	40.00	40.00	-
太倉興港拖輪有限公司	900,000.00	2,212,031.77	(56,829.92)	2,155,201.85	30.00	30.00	450,000.00
PetroChina Dalian LNG Co., Ltd.	520,000,000.00	535,988,496.95	27,112,466.31	563,100,963.26	20.00	20.00	-
SINOECL Auto Liners, Limited	4,540,396.87	-	-	-	20.00	20.00	-
Jadeway Limited	1,667.40	-	-	-	20.00	20.00	-
Dalian North Petroleum Logistics Co., Ltd.	60,000,000.00	29,632,512.78	31,220,976.01	60,853,488.79	20.00	20.00	-
Sino Rail Bohai Train Ferry Co., Ltd.	274,500,286.56	273,924,483.74	(3,821,830.85)	270,102,652.89	17.50	17.50	8,175,520.07
中世國際物流有限公司	90,000,000.00	90,362,635.74	(274,607.05)	90,088,028.69	30.00	30.00	-
Dalian Port Corporation Finance Co., Ltd.	200,000,000.00	216,379,200.54	12,977,880.09	229,357,080.63	40.00	40.00	-
大連港盈招標代理有限公司	829,605.00	867,443.41	(63,827.14)	803,616.27	35.00	35.00	105,000.00
大連鑫海陽環保工程有限公司	200,000.00	200,000.00	-	200,000.00	40.00	40.00	-
中海油(寧德)石化碼頭有限公司	2,450,000.00	-	2,450,000.00	2,450,000.00	24.50	24.50	-
Total for associates	1,554,223,567.70	1,497,493,702.55	53,185,024.67	1,550,678,727.22			10,982,520.07
Total for the equity method	3,910,709,477.32	3,703,846,472.05	173,687,235.09	3,877,533,707.14			21,439,987.55
<u>Cost method:</u>							
秦皇島港新港灣集裝箱碼頭有限公司	60,000,000.00	60,000,000.00	-	60,000,000.00	15.00	15.00	-
錦州新時代集裝箱碼頭有限公司	52,843,634.00	52,843,634.00	-	52,843,634.00	15.00	15.00	-
山東威海港股份有限公司	11,900,000.00	11,900,000.00	-	11,900,000.00	9.97	9.97	-
Da-In Ferry Co., Ltd.	1,900,057.50	1,900,057.50	-	1,900,057.50	7.50	7.50	638,350.93
Dalian Port Design and Research Institute Co., Ltd.	634,600.00	634,600.00	-	634,600.00	5.80	5.80	-
大連韓銀誠達清潔能源開發有限公司	-	1,500,000.00	(1,500,000.00)	-	0.00	0.00	-
大連北良油品貿易有限公司	-	400,000.00	(400,000.00)	-	0.00	0.00	-
Fujian Ninglian Port Co., Ltd.	12,000,000.00	-	12,000,000.00	12,000,000.00	12.00	12.00	-
Total for the cost method	139,278,291.50	129,178,291.50	10,100,000.00	139,278,291.50			638,350.93
	4,049,987,768.82	3,833,024,763.55	183,787,235.09	4,016,811,998.64			22,078,338.48

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

14. Long-term equity investments (continued)

For the year ended 31 December 2012

	Investment cost	Opening balance	Movements during the period	Ending balance	Percentage of shareholding (%)	Percentage of voting rights (%)	Cash dividend during the period
Equity method:							
<u>Jointly-controlled entities</u>							
大連港通利船務代理有限公司	1,311,300.00	1,856,202.70	242,027.65	2,098,230.35	50.00	50.00	-
Dalian Harbour ECL Logistics Co., Ltd.	30,111,142.43	30,321,411.19	162,095.72	30,483,506.91	50.00	50.00	59,381.18
Odjell Terminals (Dalian) Co., Ltd.	86,878,185.37	130,645,336.90	11,074,399.88	141,719,736.78	50.00	50.00	10,000,000.00
Dalian Port PetroChina International Terminal Co., Ltd.	125,000,000.00	126,933,246.40	10,885,157.91	137,818,404.31	50.00	50.00	1,739,921.76
Dalian Assembling Transportation Logistics Co., Ltd.	21,000,000.00	22,130,064.38	335,876.37	22,465,940.75	70.00	60.00	22,887.36
Dalian United International Shipping Agency Co., Ltd.	2,175,192.85	7,232,055.49	283,272.08	7,515,327.57	50.00	50.00	1,690,000.00
Dalian Vanguard International Logistics Co., Ltd.	37,000,000.00	34,678,452.22	33,768.13	34,712,220.35	50.00	50.00	-
Dalian Yidu Jifa Cold Logistics Co., Ltd.	18,000,000.00	30,700,221.58	10,528,005.73	41,228,227.31	50.00	50.00	-
China United Tally Co., Ltd. Dalian	5,103,200.33	5,435,664.14	(2,174,858.94)	3,260,805.20	50.00	50.00	2,710,701.15
Dalian China Oil Dock Management Co., Ltd.	16,301,068.34	17,172,410.34	(585,787.57)	16,586,622.77	49.00	49.00	3,013,500.00
Liaoning Electronic Port Co., Ltd.	6,000,000.00	5,391,544.06	(693,038.03)	4,698,506.03	50.00	50.00	-
Liaoning Con-Rail International Logistics Co., Ltd.	8,000,000.00	1,433,383.80	1,609,494.46	3,042,878.26	50.00	50.00	-
Dalian Dagang China Shipping Container Terminal Co., Ltd.	5,798,464.21	7,039,829.16	23,888.53	7,063,717.69	57.00	57.00	1,999,848.00
Dalian Port Container Terminal Co., Ltd.	255,500,000.00	207,968,341.29	3,897,703.37	211,866,044.66	35.00	35.00	-
Dalian International Container Terminal Co., Ltd.	560,000,000.00	531,741,224.49	2,914,029.60	534,655,254.09	40.00	40.00	-
Dalian Jilong Logistics Co., Ltd.	21,000,000.00	33,437,811.20	307,271.29	33,745,082.49	30.00	30.00	-
Dalian Automobile Terminal Co., Ltd.	152,503,640.00	150,006,564.74	9,018,366.49	159,024,931.23	40.00	40.00	-
Dalian Singamas International Container Co., Ltd.	42,859,398.30	44,237,370.09	(37,331.72)	44,200,038.37	43.63	43.63	1,087,208.42
Dalian Shunda Logistics Co., Ltd.	19,256,515.00	16,894,711.31	(4,303,259.25)	12,591,452.06	50.00	50.00	-
China Unite Northeast Rail Containers Co., Ltd.	102,000,000.00	85,629,564.23	(6,156,579.09)	79,472,985.14	40.00	40.00	-
ODFJELL AP Port Holding Pte. Ltd.	314,717.79	291,974.92	(13,707.31)	278,267.61	50.00	50.00	-
Dalian Changxing Island Port Co., Ltd.	248,000,000.00	233,448,111.72	(23,203,543.28)	210,244,568.44	40.00	40.00	-
大連散貨物流中心有限公司	2,000,000.00	2,000,000.00	193,949.42	2,193,949.42	40.00	40.00	-
Odjell Dalian Port Consulting Co., Ltd.	3,000,000.00	-	2,238,271.71	2,238,271.71	50.00	50.00	-
Dalian Changxing Island Port Investment & Development Co., Ltd.	463,147,800.00	-	463,147,800.00	463,147,800.00	46.58	50.00	-
Total for jointly-controlled entities	2,232,260,624.62	1,726,625,496.35	479,727,273.15	2,206,352,769.50			22,323,447.87

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

14. Long-term equity investments (continued)

For the year ended 31 December 2012 (continued)

	Investment cost	Opening balance	Movements during the period	Ending balance	Percentage of shareholding (%)	Percentage of voting rights (%)	Cash dividend during the period
Equity method: (continued)							
Associates							
China Shipping Gang Lian Co., Ltd.	90,000,000.00	91,728,623.03	(9,148,783.02)	82,579,840.01	30.00	30.00	-
Dalian Petro China International Warehousing Land Transportation Co., Ltd.	20,288,520.00	35,720,881.88	(636,414.13)	35,084,467.75	20.00	20.00	4,947,000.00
Dalian Wanpeng Port Engineering Examination & Testing Co., Ltd.	1,120,000.00	871,782.02	508,954.58	1,380,736.60	40.00	40.00	72,000.00
大連普集倉儲設施有限公司	239,636,434.98	187,539,836.90	(7,755,517.57)	179,784,319.33	40.00	40.00	-
Shenyang Prologis-Jifa Logistics Development Co., Ltd.	48,876,656.89	48,180,939.10	916,594.83	49,097,533.93	40.00	40.00	-
太倉興港拖輪有限公司	900,000.00	2,095,031.77	117,000.00	2,212,031.77	30.00	30.00	900,000.00
Petro China Dalian LNG Co., Ltd.	520,000,000.00	512,351,554.69	23,636,942.26	535,988,496.95	20.00	20.00	-
SINOECL Auto Liners, Limited	4,540,396.87	-	-	-	20.00	20.00	-
Jadeway Limited	1,667.40	-	-	-	20.00	20.00	-
Dalian North Petroleum Logistics Co., Ltd.	29,600,000.00	28,247,585.20	1,384,927.58	29,632,512.78	20.00	20.00	-
Sino Rail Bohai Train Ferry Co., Ltd.	274,500,286.56	278,003,004.56	(4,078,520.82)	273,924,483.74	17.50	17.50	9,214,058.46
中世國際物流有限公司	90,000,000.00	90,000,000.00	362,635.74	90,362,635.74	30.00	30.00	-
Dalian Port Corporation Finance Co., Ltd.	200,000,000.00	200,000,000.00	16,379,200.54	216,379,200.54	40.00	40.00	-
大連鑫海陽環保工程有限公司	200,000.00	200,000.00	-	200,000.00	40.00	40.00	-
大連港盛招標代理有限公司	829,605.00	-	867,443.41	867,443.41	35.00	35.00	-
Total for associates	1,520,493,567.70	1,474,939,239.15	22,554,463.40	1,497,493,702.55			15,133,058.46
Total for the equity method	3,752,754,192.32	3,201,564,735.50	502,281,736.55	3,703,846,472.05			37,456,506.33
Cost method:							
秦皇島港新港灣集裝箱碼頭有限公司	60,000,000.00	60,000,000.00	-	60,000,000.00	15.00	15.00	-
錦州新時代集裝箱碼頭有限公司	52,843,634.00	52,843,634.00	-	52,843,634.00	15.00	15.00	-
山東威海港股份有限公司	11,900,000.00	11,900,000.00	-	11,900,000.00	9.97	9.97	-
Da-In Ferry Co., Ltd.	1,900,057.50	1,900,057.50	-	1,900,057.50	7.50	7.50	1,144,561.36
Dalian Port Design & Research Institute Co., Ltd.	634,600.00	634,600.00	-	634,600.00	5.80	5.80	58,000.00
大連韓銀誠達清潔能源有限公司	1,500,000.00	1,500,000.00	-	1,500,000.00	5.00	5.00	-
大連保稅區北良油品貿易有限公司	400,000.00	400,000.00	-	400,000.00	20.00	20.00	-
Total for the cost method	129,178,291.50	129,178,291.50	-	129,178,291.50			1,202,561.36
	3,881,932,483.82	3,330,743,027.00	502,281,736.55	3,833,024,763.55			38,659,067.69

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

As at 30 June 2013 and 31 December 2012, the Group's long-term equity investments were investments in unlisted companies.

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V. Notes to consolidated financial statements (continued)

15. Investment properties

	Buildings	Land use rights	Container terminals	Total
Cost:				
At 1 January 2012	17,068,004.46	61,329,184.09	714,429,502.98	792,826,691.53
Additions	–	–	706,499.00	706,499.00
Transferred from construction in progress	–	–	3,135,066.00	3,135,066.00
Transferred from intangible assets	–	8,456,599.51	–	8,456,599.51
Transferred from fixed assets	8,862,769.26	–	15,349,874.94	24,212,644.20
At 31 December 2012 and 30 June 2013 (unaudited)	25,930,773.72	69,785,783.60	733,620,942.92	829,337,500.24
Accumulated depreciation:				
At 1 January 2012	4,375,667.23	5,167,874.15	97,095,884.66	106,639,426.04
Depreciation charged	271,437.22	1,285,525.56	15,327,962.12	16,884,924.90
Transferred from intangible assets	–	796,932.80	–	796,932.80
Transferred from fixed assets	1,922,753.06	–	3,261,621.02	5,184,374.08
At 31 December 2012 and at 1 January 2013	6,569,857.51	7,250,332.51	115,685,467.80	129,505,657.82
Depreciation charged	347,074.04	757,955.66	7,947,640.69	9,052,670.39
At 30 June 2013 (unaudited)	6,916,931.55	8,008,288.17	123,633,108.49	138,558,328.21
Carrying amount:				
At 30 June 2013 (unaudited)	19,013,842.17	61,777,495.43	609,987,834.43	690,779,172.03
At 31 December 2012	19,360,916.21	62,535,451.09	617,935,475.12	699,831,842.42

The above investment properties are located in Mainland China and held on medium-term leases.

At 30 June 2013, the investment properties above were all leased out under operating lease arrangements.

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

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

16. Fixed assets

	Buildings	Terminal facilities	Oil tanks and pipelines	Loading equipment	Transportation equipment	Vessels	Storage facilities	Machinery and equipment	Other equipment	Total
Cost:										
At 1 January 2012	1,160,194,472.09	4,290,055,769.33	2,287,769,559.99	2,797,498,795.53	813,736,207.72	1,551,224,695.74	1,844,066,364.54	744,353,506.70	532,580,271.14	16,021,479,642.78
Additions	812,980.57	329,640.00	-	1,303,617.44	732,828.60	-	410,000.00	2,966,065.59	5,399,765.29	11,954,907.49
Transferred from construction in progress	17,332,755.62	585,704,700.70	181,339,760.05	5,624,317.10	10,468,357.94	-	654,344,813.96	76,020,336.84	9,981,969.37	1,540,817,011.58
Reclassifications	22,237,904.16	83,807,371.74	(151,049,606.72)	-	-	-	-	37,296,494.45	7,707,836.37	-
Transferred to investment properties	(8,862,769.26)	(1,414,972.59)	-	-	-	-	(13,934,902.35)	-	-	(24,212,644.20)
Transferred to construction in progress	(6,862,844.16)	-	-	-	-	-	-	-	-	(6,862,844.16)
Disposals	(21,426,561.45)	(38,370,167.19)	-	(68,889,500.40)	(26,149,036.08)	(115,647.53)	(20,729,661.47)	(2,778,245.04)	(15,738,275.55)	(194,197,094.71)
At 31 December 2012 and 1 January 2013	1,163,425,947.57	4,920,112,341.99	2,318,059,713.32	2,735,537,229.67	798,788,358.18	1,551,109,048.21	2,464,156,614.68	857,858,158.54	539,931,566.62	17,348,978,978.78
Acquisition of a subsidiary	2,806,883.70	-	-	5,046,930.07	1,529,706.00	-	16,426,682.71	352,646.00	493,904.22	26,656,752.70
Additions	1,028,416.02	-	-	11,082,023.10	2,282,778.51	-	-	1,444,505.12	2,416,596.56	18,234,319.31
Transferred from construction in progress	196,892,232.20	336,980,773.40	69,679,815.08	78,066,125.82	-	98,536,555.33	372,938,726.46	41,943,713.88	15,763,823.60	1,210,801,765.77
Reclassifications	-	(4,151,752.00)	-	4,137,200.00	-	-	-	14,552.00	-	-
Disposal of a subsidiary	-	-	-	-	(1,481,245.37)	-	-	(195,149.20)	(626,007.59)	(2,302,402.16)
Disposals	-	(38,286.07)	-	(54,614,695.10)	(1,646,867.29)	-	-	(1,371,257.00)	(1,188,673.16)	(58,859,778.62)
At 30 June 2013 (unaudited)	1,364,153,479.49	5,252,903,077.32	2,387,739,528.40	2,779,254,813.56	799,452,730.03	1,649,645,603.54	2,853,522,023.85	900,047,169.34	556,791,210.25	18,543,509,635.78
Accumulated depreciation:										
At 1 January 2012	213,500,308.99	643,656,187.66	524,609,636.10	1,354,110,932.00	233,873,578.68	254,501,259.75	378,772,911.94	301,648,053.63	204,830,695.57	4,109,503,564.32
Depreciation charged	36,395,483.85	93,591,643.08	74,117,136.26	151,538,104.90	40,479,883.97	54,496,894.83	51,193,434.33	60,340,534.97	34,153,855.37	596,306,971.56
Reclassifications	153,052.32	1,806,145.06	(5,046,159.79)	-	(10,586.49)	-	-	3,188,753.14	(91,204.24)	-
Transferred to investment properties	(2,279,063.78)	(370,797.05)	-	-	-	-	(2,534,513.25)	-	-	(5,184,374.08)
Transferred to construction in progress	(179,891.57)	-	-	-	-	-	-	-	-	(179,891.57)
Disposals	(5,913,380.90)	(12,756,374.38)	-	(65,037,278.16)	(20,788,551.74)	(2,670.36)	(4,886,790.46)	(2,247,480.34)	(12,889,059.67)	(124,521,586.01)
At 31 December 2012 and 1 January 2013	241,676,508.91	725,926,804.37	593,680,612.57	1,440,611,758.74	253,554,324.42	308,995,484.22	422,545,042.56	362,929,861.40	226,004,287.03	4,575,924,684.22
Acquisition of a subsidiary	1,834,962.99	-	-	5,597,939.28	991,450.02	-	10,999,818.02	137,329.59	350,784.12	19,912,284.02
Depreciation charged	17,522,373.97	49,284,015.75	40,477,017.99	80,001,622.56	20,704,740.43	28,084,406.57	30,872,432.03	32,755,818.77	16,121,506.50	315,823,934.57
Disposal of a subsidiary	-	-	-	-	(557,486.39)	-	-	(22,666.48)	(168,021.76)	(748,174.63)
Disposals	-	(6,556.29)	-	(49,031,459.39)	(1,543,410.76)	-	-	(1,023,415.79)	(1,038,131.42)	(52,642,973.65)
At 30 June 2013 (unaudited)	261,033,845.87	775,204,263.83	634,157,630.56	1,477,179,861.19	273,149,617.72	337,079,890.79	464,417,292.61	394,776,927.49	241,270,424.47	4,858,269,754.53
Carrying amount:										
At 30 June 2013 (unaudited)	1,103,119,633.62	4,477,698,813.49	1,753,581,897.84	1,302,074,952.37	526,303,112.31	1,312,565,712.75	2,389,104,731.24	505,270,241.85	315,520,785.78	13,685,239,881.25
At 31 December 2012	921,749,438.66	4,194,185,537.62	1,724,379,100.75	1,294,925,470.93	545,234,033.76	1,242,113,563.99	2,041,611,572.12	494,928,297.14	313,927,279.59	12,773,054,294.56

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V. Notes to consolidated financial statements (continued)

16. Fixed assets (continued)

As at 30 June 2013, certain vessels of the Group with an aggregate carrying amount of approximately RMB51,561,969.97 (31 December 2012: RMB52,728,719.56) were pledged (Note V.25(1)). Apart from this, there were no other restricted fixed assets.

As at 30 June 2013, the Group was in the process of obtaining certain buildings' ownership certificates, which have an aggregate carrying amount of RMB55,617,420.08 (31 December 2012: RMB40,785,054.92). Management of the Company is of the opinion that there are neither legal nor other obstacles in getting the certificates once the register formalities are completed and the relevant charges are paid.

As at 30 June 2013, there were no temporarily idle fixed assets (31 December 2012: Nil).

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

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

	30 June 2013 Carrying amount (unaudited)	31 December 2012 Carrying amount
Buildings	56,617,425.33	57,400,752.47
Terminal facilities	828,998,324.93	843,825,677.27
Oil tanks and pipelines	223,946,772.49	232,616,608.69
Loading equipment	11,726,287.06	13,403,046.44
Transportation equipment	379,126,221.14	390,106,851.32
Vessels	470,405,473.60	490,960,788.17
Machinery and equipment	131,449,476.88	90,828,344.82
Other equipment	36,476,959.05	37,045,226.74
Total	2,138,746,940.48	2,156,187,295.92

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

17. Fixed assets pending for disposal

	30 June 2013 (unaudited)	31 December 2012	Reason
Buildings	162,887.39	2,935,582.75	Demolition
Terminal facilities	1,764,720.85	23,230,482.72	Demolition
Loading equipment	459,669.28	1,083,390.51	Demolition, disposal, retirement
Transportation equipment	3,782,017.64	3,768,517.64	Disposal, retirement
Storage facilities	–	2,000,266.49	Demolition
Machinery and equipment	20,417.39	283,575.11	Disposal, retirement
Other equipment	1,601,817.68	2,756,268.06	Demolition, disposal, retirement
	7,791,530.23	36,058,083.28	

18. Construction in progress

	30 June 2013 (unaudited)			31 December 2012		
	Ending balance	Impairment	Carrying amount	Ending balance	Impairment	Carrying amount
大連港老港區搬遷改造						
大連灣雜貨及滾裝						
泊位擴建工程	524,596,283.50	–	524,596,283.50	1,171,469,810.16	–	1,171,469,810.16
大窯灣二期13-16#泊位	457,423,512.54	–	457,423,512.54	435,639,708.64	–	435,639,708.64
新港9#原油罐組	249,795,562.60	–	249,795,562.60	166,740,245.67	–	166,740,245.67
礮石4#堆場	352,253,332.52	–	352,253,332.52	338,497,972.03	–	338,497,972.03
新港18-21#泊位	280,213,250.78	–	280,213,250.78	269,050,373.05	–	269,050,373.05
新港沙坨子圍堰加固						
改造工程	45,741,850.13	–	45,741,850.13	–	–	–
大連港石化1#庫區	–	–	–	364,013,479.35	–	364,013,479.35
大連港石化碼頭	–	–	–	310,549,866.45	–	310,549,866.45
大連港石化主管廊	–	–	–	194,143,294.21	–	194,143,294.21
Others	609,920,738.32	–	609,920,738.32	1,439,648,568.56	–	1,439,648,568.56
Total	2,519,944,530.39	–	2,519,944,530.39	4,689,753,318.12	–	4,689,753,318.12

As at 30 June 2013, construction in progress of RMB102,288,942.45 was pledged (31 December 2012: RMB98,128,450.67) (Note V.25(2)).

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

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

18. Construction in progress (continued)

For the six months ended 30 June 2013 (unaudited)

	Budget	Opening balance	Additions	Decrease due to disposal of a subsidiary	Transferred to fixed assets or intangible assets	Disposals	Closing balance	Source of funds	% of budget
大連港老港區搬遷改造 大連灣雜貨及滾裝 泊位擴建工程	2,741,120,000.00	1,171,469,810.16	81,131,995.36	-	(728,005,522.02)	-	524,596,283.50	Loans from financial institutions and other sources	80
大窯灣二期13-16#泊位	3,783,000,000.00	435,639,708.64	21,783,803.90	-	-	-	457,423,512.54	Proceeds and loans from financial institutions and other sources Loans from financial institutions	56
新港9#原油罐組	598,400,000.00	166,740,245.67	83,055,316.93	-	-	-	249,795,562.60	Proceeds from public offering	61
礮石4#堆場	470,600,000.00	338,497,972.03	13,755,360.49	-	-	-	352,253,332.52	Proceeds from public offering	80
新港18-21#泊位	413,770,000.00	269,050,373.05	11,162,877.73	-	-	-	280,213,250.78	Loans from financial institutions and other sources	69
新港沙陀子圍堰加固 改造工程	78,087,300.00	-	45,741,850.13	-	-	-	45,741,850.13	Loans from financial institutions and other sources	59
大連港石化1#庫區	400,000,000.00	364,013,479.35	-	(364,013,479.35)	-	-	-	Loans from financial institutions and other sources	N/A
大連港石化碼頭	310,000,000.00	310,549,866.45	-	(310,549,866.45)	-	-	-	Loans from financial institutions and other sources	N/A
大連港石化主管廊	200,000,000.00	194,143,294.21	-	(194,143,294.21)	-	-	-	Loans from financial institutions and other sources	N/A
Others		1,439,648,568.56	275,040,802.99	(620,444,685.78)	(484,323,947.45)	-	609,920,738.32		
Total		4,689,753,318.12	531,672,007.53	(1,489,151,325.79)	(1,212,329,469.47)	-	2,519,944,530.39		

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

18. Construction in progress (continued)

For the year ended 31 December 2012

	Budget	Opening balance	Additions	Transferred to fixed assets or intangible assets	Disposals	Closing balance	Source of funds	% of budget
大連港老港區搬遷改造 大連灣雜貨及滾裝 泊位擴建工程	2,741,120,000.00	1,499,557,385.25	304,302,415.24	(632,389,990.33)	-	1,171,469,810.16	Loans from financial institutions and other sources	64
大窯灣二期13-16#泊位	3,783,000,000.00	765,501,144.69	75,046,132.88	(404,907,568.93)	-	435,639,708.64	Proceeds and loans from financial institutions and other sources	55
大連港石化1#庫區	400,000,000.00	342,026,627.82	21,986,851.53	-	-	364,013,479.35	Loans from financial institutions and other sources	91
大連港石化碼頭	310,000,000.00	290,914,883.02	19,634,983.43	-	-	310,549,866.45	Loans from financial institutions and other sources	99
新港9#原油罐組	598,400,000.00	262,222,685.06	16,513,532.81	(111,995,972.20)	-	166,740,245.67	Proceeds from public offering	48
礮石4#堆場	570,600,000.00	280,637,051.11	57,860,920.92	-	-	338,497,972.03	Proceeds from public offering	60
大連港石化主管廊	200,000,000.00	182,416,805.97	11,726,488.24	-	-	194,143,294.21	Loans from financial institutions and other sources	97
新港18-21#泊位	377,320,000.00	221,407,568.36	47,642,804.69	-	-	269,050,373.05	Loans from financial institutions and other sources	71
新港沙坨子導流堤	213,000,000.00	161,829,519.33	13,952,111.68	(175,781,631.01)	-	-	Loans from financial institutions and other sources	83
Others		1,319,464,830.26	456,065,227.61	(335,881,489.31)	-	1,439,648,568.56		
Total		5,325,978,500.87	1,024,731,469.03	(1,660,956,651.78)	-	4,689,753,318.12		

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

18. Construction in progress (continued)

30 June 2013 (unaudited)

	Stage of completion	Accumulated capitalised interest	Interest capitalised during the period	Capitalisation rate
大連港老港區搬遷改造大連灣雜貨及滾裝泊位擴建工程	80%	8,000,000.00	8,000,000.00	5.9%
大窯灣二期13-16#泊位	56%	114,037,507.87	11,062,951.32	5.8%
新港18-21#泊位	69%	45,643,116.97	8,036,760.90	6.4%
新港沙坨子圍堰加固改造工程	59%	180,396.86	180,396.86	6.4%
Others		10,093,352.74	3,007,626.38	5.8%
		177,954,374.44	30,287,735.46	

31 December 2012

	Stage of completion	Accumulated capitalised interest	Interest capitalised during the year	Capitalisation rate
大連港老港區搬遷改造大連灣雜貨及滾裝泊位擴建工程	64%	203,476,558.82	95,544,975.72	5.9%
大窯灣二期13-16#泊位	55%	102,974,556.55	43,744,428.46	5.8%
新港18-21#泊位	71%	37,606,356.07	16,493,649.00	6.2%
大連港石化1#庫區	91%	30,247,772.42	15,424,146.96	6.4%
大連港石化碼頭	99%	25,668,957.17	13,089,286.79	6.4%
大連港石化主管廊	97%	16,132,375.63	8,226,329.17	6.4%
大連港石化碼頭設備	99%	13,019,802.08	6,639,144.79	6.4%
大連港石化鐵路車場	99%	9,509,266.31	4,849,028.85	6.4%
大窯灣北岸汽車物流中心	8%	8,054,440.28	6,015,186.32	4.5%
礮石泊位碼頭改造	88%	9,125,805.52	5,078,236.42	5.8%
Others		49,811,045.77	24,353,343.27	
		505,626,936.62	239,457,755.75	

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

19. Intangible assets

	Land use rights	Port information platform	Customer relationships	Container flat vehicle use rights	Software	Golf membership	Sea area use rights	Port facilities use rights	Total
Cost									
At 1 January 2012	467,576,170.09	64,310,000.00	15,970,000.00	46,660,098.18	113,120,281.99	1,977,376.00	100,418,359.63	253,448,422.59	1,063,480,708.48
Additions	-	-	-	-	1,146,510.00	-	-	-	1,146,510.00
Transferred from construction in progress	111,935,972.20	-	-	-	5,008,602.00	-	-	-	117,004,574.20
Transferred to investment properties	(8,456,599.51)	-	-	-	-	-	-	-	(8,456,599.51)
Disposals	-	-	-	-	(7,220.00)	-	-	-	(7,220.00)
At 31 December 2012 and 1 January 2013	571,115,542.78	64,310,000.00	15,970,000.00	46,660,098.18	119,268,173.99	1,977,376.00	100,418,359.63	253,448,422.59	1,173,167,973.17
Acquisition of a subsidiary	14,683,500.00	-	-	-	736,500.00	-	-	-	15,420,000.00
Additions	-	-	-	-	30,000.00	-	-	77,000.00	107,000.00
Transferred from construction in progress	-	-	-	-	1,527,703.70	-	-	-	1,527,703.70
Disposal of a subsidiary	-	-	-	-	-	-	(96,962,376.91)	-	(96,962,376.91)
Disposals	(62,004.60)	-	-	-	-	-	-	-	(62,004.60)
At 30 June 2013 (unaudited)	585,737,038.18	64,310,000.00	15,970,000.00	46,660,098.18	121,562,377.69	1,977,376.00	3,455,982.72	253,525,422.59	1,093,198,295.36
Accumulated amortisation									
At 1 January 2012	88,900,184.90	23,044,416.67	6,232,000.00	16,039,408.86	52,708,724.87	772,660.81	2,480,984.50	72,914,850.19	263,093,230.80
Additions	13,398,795.03	6,431,000.00	1,597,000.00	2,916,256.20	11,169,523.28	147,756.36	2,571,437.52	5,230,038.12	43,461,806.51
Transferred to investment properties	(796,932.80)	-	-	-	-	-	-	-	(796,932.80)
Disposals	-	-	-	-	(7,220.00)	-	-	-	(7,220.00)
At 31 December 2012 and 1 January 2013	101,502,047.13	29,475,416.67	7,829,000.00	18,955,665.06	63,871,028.15	920,417.17	5,052,422.02	78,144,888.31	305,750,884.51
Acquisition of a subsidiary	10,092,057.91	-	-	-	279,979.31	-	-	-	10,372,037.22
Additions	5,894,677.82	3,215,500.00	798,500.00	1,458,128.10	5,532,972.66	73,878.18	926,598.84	2,617,585.74	20,517,941.34
Disposal of a subsidiary	-	-	-	-	-	-	(5,027,678.88)	-	(5,027,678.88)
Disposals	(9,176.13)	-	-	-	-	-	-	-	(9,176.13)
At 30 June 2013 (unaudited)	117,479,606.73	32,690,916.67	8,627,500.00	20,413,793.16	69,683,980.12	994,295.35	951,341.98	80,762,474.05	331,603,908.06
Carrying amount:									
At 30 June 2013 (unaudited)	468,257,431.45	31,619,083.33	7,342,500.00	26,246,305.02	51,878,397.57	983,080.65	2,504,640.74	172,762,948.54	761,594,387.30
At 31 December 2012	469,613,495.65	34,834,583.33	8,141,000.00	27,704,433.12	55,397,145.84	1,056,958.83	95,365,937.61	175,303,534.28	867,417,088.66

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

19. Intangible assets (continued)

The above land use rights are located in Mainland China and held under medium-term leases.

As at 30 June 2013, land use rights of RMB16,429,962.19 (31 December 2012: RMB16,605,843.19) were pledged (Note V.25 (2)).

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

20. Goodwill

30 June 2013

	Opening balance	Disposal of a subsidiary	Closing balance (unaudited)
Dalian Jiyi Logistics Co., Ltd.	2,397,589.82	–	2,397,589.82
DCT Logistics Co., Ltd.	6,218,460.29	–	6,218,460.29
Dalian Portnet Co., Ltd.	7,419,238.63	–	7,419,238.63
Dalian Port Petroleum & Chemical Co., Ltd.	61,700,000.00	(61,700,000.00)	–
	77,735,288.74	(61,700,000.00)	16,035,288.74
Less: Impairments	–	–	–
	77,735,288.74	(61,700,000.00)	16,035,288.74

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

20. Goodwill (continued)

31 December 2012

	Opening and closing balances
Dalian Jiye Logistics Co., Ltd.	2,397,589.82
DCT Logistics Co., Ltd.	6,218,460.29
Dalian Portnet Co., Ltd.	7,419,238.63
Dalian Port Petroleum & Chemical Co., Ltd.	<u>61,700,000.00</u>
	77,735,288.74
Less: Impairments	<u>–</u>
	<u>77,735,288.74</u>

21. Long-term prepaid expenses

	Public facilities in the bonded port			Decorations	Others	Total
At 1 January 2012	13,681,076.79	5,129,746.65	5,121,791.60	23,932,615.04		
Additions	–	259,978.00	678,406.16	938,384.16		
Amortisation	<u>(855,067.55)</u>	<u>(1,501,704.65)</u>	<u>(999,715.97)</u>	<u>(3,356,488.17)</u>		
At 31 December 2012 and 1 January 2013	12,826,009.24	3,888,020.00	4,800,481.79	21,514,511.03		
Additions	–	–	4,900.00	4,900.00		
Amortisation	<u>(427,533.72)</u>	<u>(481,558.22)</u>	<u>(350,974.81)</u>	<u>(1,260,066.75)</u>		
30 June 2013 (unaudited)	<u>12,398,475.52</u>	<u>3,406,461.78</u>	<u>4,454,406.98</u>	<u>20,259,344.28</u>		

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

22. Deferred tax assets/liabilities

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

Recognised deferred tax assets and liabilities:

	30 June 2013 (unaudited)	31 December 2012
Deferred tax assets:		
Unrealised inter-group profit	50,296,370.26	49,683,417.21
Accrued asset impairment provision	1,728,045.10	1,861,225.01
Tax paid on advance received	2,268,778.83	2,526,488.90
Accrued land development cost	3,863,262.13	3,863,262.13
Temporary difference on amortisation of decoration	62,333.33	62,333.33
Temporary difference on amortisation of software	448,250.05	448,250.05
Expenses without invoices	84,344.59	396,658.44
Changes in fair values of available-for-sale financial assets	2,040,320.50	1,980,708.50
Others	10,387.18	(90,169.40)
	60,802,091.97	60,732,174.17
Deferred tax liabilities:		
Fair value adjustment on assets acquired in a business combination not under common control	13,234,330.41	75,717,224.83

Unrecognised deferred tax assets are as follows:

	30 June 2013 (unaudited)	31 December 2012
Deductible losses	55,154,356.15	46,510,975.27

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

22. Deferred tax assets/liabilities (continued)

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

	30 June 2013 (unaudited)	31 December 2012
2013	8,355,699.14	8,355,699.14
2014	10,505,468.82	10,448,388.14
2015	21,127,232.00	19,399,163.53
2016	102,683,565.96	94,067,442.63
2017	58,025,016.53	55,901,565.81
2018	22,964,060.89	–
	223,661,043.34	188,172,259.25

23. Provision for impairment of assets

30 June 2013 (unaudited)

	Opening balance	Provision	Decrease	Closing balance
Provision for bad debts:	5,560,211.92	–	(1,010,757.16)	4,549,454.76
Accounts receivable	4,026,906.95	–	(544,147.16)	3,482,759.79
Other receivables	1,533,304.97	–	(466,610.00)	1,066,694.97
Provision for inventories	2,037,642.99	–	–	2,037,642.99
	7,597,854.91	–	(1,010,757.16)	6,587,097.75

31 December 2012

	Opening balance	Provision	Decrease	Closing balance
Provision for bad debts:	4,458,336.31	1,179,487.21	(77,611.60)	5,560,211.92
Accounts receivable	2,852,921.74	1,173,985.21	–	4,026,906.95
Other receivables	1,605,414.57	5,502.00	(77,611.60)	1,533,304.97
Write-down of inventories to net realisable value	2,037,642.99	–	–	2,037,642.99
	6,495,979.30	1,179,487.21	(77,611.60)	7,597,854.91

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

24. Other non-current assets

	30 June 2013 (unaudited)	31 December 2012
Loans to associates (Note)	24,737,502.94	27,544,912.58
Prepayment for share acquisition	-	10,000,000.00
	24,737,502.94	37,544,912.58

Note: In 2009, the Group provided an unsecured loan of RMB14,569,926.98 to its associate, Jadeway Limited. The loan bears interest at 1% per annum. The loan will be repaid by equal installment in 10 years from 29 January 2029.

During the period from 2009 to 2011, the Group provided unsecured loans with a total amount of RMB10,167,575.96 to an associate, SINOECL Auto Liners. The loans bear interest at 1% per annum and will be repaid by equal installment in 10 years from 2 December 2029.

25. Assets with restricted ownership

At 30 June 2013 (unaudited)

	Note	Opening balance	Increase	Decrease	Closing balance
Guaranteed assets:					
Fixed assets	(1)	52,728,719.56	-	(1,166,749.59)	51,561,969.97
Construction in progress	(2)	98,128,450.67	4,160,491.78	-	102,288,942.45
Intangible assets	(2)	16,605,843.19	-	(175,881.00)	16,429,962.19
Pledged assets:					
Cash and bank balances	(3)	12,854,111.34	20,914,285.70	-	33,768,397.04
Notes receivable		2,000,000.00	-	(2,000,000.00)	-
Inventories	(4)	20,537,425.32	99,819,416.58	-	120,356,841.90
		202,854,550.08	124,894,194.06	(3,342,630.59)	324,406,113.55

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

25. Assets with restricted ownership (continued)

At 31 December 2012

	Opening balance	Increase	Decrease	Closing balance
Guaranteed assets:				
Fixed assets	55,062,217.93	–	(2,333,498.37)	52,728,719.56
Construction in progress	86,450,874.33	11,677,576.34	–	98,128,450.67
Intangible assets	16,957,605.19	–	(351,762.00)	16,605,843.19
Pledged assets:				
Cash and bank balances	23,422,082.84	–	(10,567,971.50)	12,854,111.34
Notes receivable	20,000,000.00	–	(18,000,000.00)	2,000,000.00
Inventories	–	20,537,425.32	–	20,537,425.32
	<u>201,892,780.29</u>	<u>32,215,001.66</u>	<u>(31,253,231.87)</u>	<u>202,854,550.08</u>

Note:

- (1) As at 30 June 2013, certain vessels of the Group with a carrying amount of RMB51,561,969.97 (31 December 2012: RMB52,728,719.56) were pledged to secure a bank loan of RMB12,200,000.00 (31 December 2012: RMB12,200,000.00) (Note V.36).
- (2) As at 30 June 2013, certain items of construction in progress with a carrying amount of RMB102,288,942.45 (31 December 2012: RMB98,128,450.67) and land use rights with a carrying amount of RMB16,429,962.19 (31 December 2012: RMB16,605,843.19) were pledged to secure a bank loan of RMB51,244,843.77 (31 December 2012: RMB51,244,843.77) (Note V.36).
- (3) As at 30 June 2013, cash and bank balances of RMB7,142,147.88 (31 December 2012: RMB1,473,944.17) were pledged to secure the bank acceptance notes of RMB65,995,378.72 (31 December 2012: RMB14,730,000.00).

As at 30 June 2013, cash and bank balances of RMB21,286,249.16 (31 December 2012: 11,380,167.17) were pledged to secure irrevocable letters of credit of RMB189,781,011.11 (31 December 2012: RMB101,514,282.03).

As at 30 June 2013, a deposit of RMB5,340,000.00 (31 December 2012: Nil) was pledged to secure borrowings of negotiation under a guarantee for import letter of credit of RMB5,340,314.76 (31 December 2012: Nil).
- (4) As at 30 June 2013, inventories of RMB120,356,841.90 (31 December 2012: RMB20,537,425.32) and the related documents regarding the relevant import letter of credit were pledged to secure borrowings of negotiation under a guarantee for import letter of credit of RMB200,982,062.41 (31 December 2012: RMB38,533,101.12) (Note V. 26).

Notes to Financial Statements (continued)

30 June 2013
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V. Notes to consolidated financial statements (continued)

26. Short-term borrowings

		30 June 2013 (unaudited)	31 December 2012
Credit borrowings	(1)	30,000,000.00	1,009,500,000.00
Guaranteed borrowings	(2)	297,000,000.00	230,000,000.00
Pledged borrowings	(3)	206,322,377.17	38,533,101.12
		533,322,377.17	1,278,033,101.12

As at 30 June 2013, the interest rates for the above borrowings were 4.00% to 6.60% per annum (31 December 2012: 4.00% to 6.56% per annum).

- (1) The Group obtained short-term borrowings of RMB20,000,000.00 from Dalian Port Corporation Finance Co., Ltd. and RMB10,000,000.00 commissioned by its associate Dalian Harbour ECL Logistics Co., Ltd. from Dalian port Corporation Finance Co., Ltd. The borrowings are unsecured, bear interest rates of 5.60% and 6.60% per annum and are repayable in full on 12 November 2013 and 6 May 2014, respectively.
- (2) The guaranteed borrowing is the short-term borrowing of RMB297,000,000.00 obtained from an associate, Dalian Port Corporation Finance Co., Ltd. The borrowing bears interest at 5.70% per annum and is repayable in full on 18 December 2013. The borrowing was guaranteed by the Company.
- (3) The pledged borrowings were borrowings of negotiation under a guarantee obtained by the Group for the foreign trade import business. As at 30 June 2013, the Group pledged inventories of RMB120,356,841.90 to secure borrowings of negotiation under a guarantee for import of RMB206,322,377.17 (31 December 2012: RMB38,533,101.12).

As at 30 June 2013, the Group have no short-term borrowings due to but not yet paid (31 December 2012: Nil).

Notes to Financial Statements (continued)

30 June 2013
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V. Notes to consolidated financial statements (continued)

27. Notes payable

	30 June 2013 (unaudited)	31 December 2012
Bank acceptance notes	62,545,378.72	16,730,000.00

28. Accounts payable

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

An ageing analysis of accounts payable is as follows:

	30 June 2013 (unaudited)	31 December 2012
Within 1 year	124,515,216.33	164,469,205.32
1 to 2 years	8,810,477.57	11,232,104.82
2 to 3 years	2,060,357.00	1,056,977.00
Above 3 years	666,733.52	270,390.52
	136,052,784.42	177,028,677.66

As at 30 June 2013, there was no account payable due to any shareholder holding 5% or more of the Company's voting shares (31 December 2012: Nil).

As at 30 June 2013 and 31 December 2012, accounts payable due to related parties are disclosed in Note VI Related parties and related party transactions.

As at 30 June 2013, the Group had no significant accounts payable with ageing above one year (31 December 2012: Nil).

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

29. Advances from customers

	30 June 2013 (unaudited)	31 December 2012
Advances for leasing bulk grain vehicle	122,136,665.00	26,400,397.77
Advances for public facilities maintenance	9,075,115.33	10,105,955.59
Customs duties	6,683,508.51	11,423,818.42
Receipts from the sale of grain	86,337,500.00	20,246,884.00
Receipts from the sale of vehicles	74,627,569.70	–
Others	26,842,255.27	24,618,835.96
	325,702,613.81	92,795,891.74

As at 30 June 2013, there was no advance from any shareholder holding more than 5% (including 5%) of the voting rights of the Company (31 December 2012: Nil).

As at 30 June 2013 and 31 December 2012, advances from related parties are disclosed in Note VI Related parties and related party transactions.

As at 30 June 2013 and 31 December 2012, significant advances from customers with ageing over one year are as follows:

	30 June 2013 (unaudited)	31 December 2012	Reasons for being outstanding
Advances for public facility maintenance	9,075,115.33	10,105,955.59	Transfer as stipulated by the contract

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

30. Employee benefits payable

30 June 2013 (unaudited)

	Opening balance	Increase	Decrease	Closing balance
Salaries, bonuses, allowances and subsidies	100,205,918.98	297,597,232.03	(339,692,661.55)	58,110,489.46
Staff welfare	–	24,392,333.39	(24,392,333.39)	–
Social insurances	2,808,078.41	85,706,815.57	(82,291,383.53)	6,223,510.45
Including: Medical insurance	271,920.84	20,715,166.20	(20,750,654.23)	236,432.81
Pension insurance	584,719.42	52,063,287.96	(51,427,842.69)	1,220,164.69
Supplementary pension insurance	1,751,256.51	4,057,554.10	(1,166,032.35)	4,642,778.26
Unemployment insurance	95,011.62	5,144,500.46	(5,171,285.13)	68,226.95
Work injury insurance	82,828.79	1,816,623.69	(1,861,531.05)	37,921.43
Maternity insurance	22,341.23	1,909,683.16	(1,914,038.08)	17,986.31
Housing funds	–	49,801,521.55	(49,803,593.01)	(2,071.46)
Monetary housing subsidies	442,090.00	–	(442,090.00)	–
Labour union fund and employee education fund	1,078,889.66	7,874,808.58	(8,079,504.26)	874,193.98
Other allowances	12,757,946.18	62,848,354.91	(64,065,460.18)	11,540,840.91
Total	117,292,923.23	528,221,066.03	(568,767,025.92)	76,746,963.34

31 December 2012

	Opening balance	Increase	Decrease	Closing balance
Salaries, bonuses, allowances and subsidies	70,554,622.41	591,755,840.55	(562,104,543.98)	100,205,918.98
Staff welfare	–	51,890,135.75	(51,890,135.75)	–
Social insurances	1,545,560.21	163,935,324.90	(162,672,806.60)	2,808,078.51
Including: Medical insurance	280,112.51	35,912,374.32	(35,920,565.99)	271,920.84
Pension insurance	622,161.97	89,392,391.77	(89,429,834.32)	584,719.42
Supplementary pension insurance	434,000.00	22,074,464.06	(20,757,207.55)	1,751,256.51
Unemployment insurance	98,120.88	8,931,297.98	(8,934,407.14)	95,011.72
Work injury insurance	86,976.92	3,410,137.06	(3,414,285.19)	82,828.79
Maternity insurance	24,187.93	3,510,906.14	(3,512,752.84)	22,341.23
Other	–	703,753.57	(703,753.57)	–
Housing funds	450,242.90	84,269,950.53	(84,720,193.43)	–
Monetary housing subsidies	44,734,550.80	800,129.40	(45,092,590.20)	442,090.00
Labour union fund and employee education fund	1,186,103.16	16,463,219.65	(16,570,433.15)	1,078,889.66
Compensation for termination of employment relationship	–	97,308.00	(97,308.00)	–
Other allowances	13,219,090.57	239,877,241.29	(240,338,385.78)	12,757,946.08
Total	131,690,170.05	1,149,089,150.07	(1,163,486,396.89)	117,292,923.23

As at 30 June 2013, no defaulted payables were included in the employee benefits payable (31 December 2012: Nil).

Notes to Financial Statements (continued)

30 June 2013
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V. Notes to consolidated financial statements (continued)

31. Taxes payable

	30 June 2013 (unaudited)	31 December 2012
VAT	432,340.35	(1,556,741.42)
Business tax	14,258,052.32	33,526,287.25
CIT	24,914,672.24	26,383,558.31
City maintenance and construction tax	1,036,813.29	2,468,367.64
Education surcharge	740,026.95	1,762,654.13
Land appreciation tax	7,031.89	6,303,329.74
Individual income tax	1,810,412.31	3,569,602.18
Others	678,207.47	1,496,191.77
	43,877,556.82	73,953,249.60

32. Interest payable

	30 June 2013 (unaudited)	31 December 2012
Interest on bank loans	3,451,559.05	5,316,203.32
Interest on corporate bonds (Note V.35 and 37)	148,914,796.79	189,003,706.63
Interest on entrusted loans	23,333.32	-
	152,389,689.16	194,319,909.95

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

33. Dividends payable

	30 June 2013 (unaudited)	31 December 2012
Singapore Dalian Port Investment Pte. Ltd.	74,798,086.67	74,798,086.67
United States Sankyo Holdings Limited	675,064.07	2,604,223.91
Dalian Bonded Zhengtong Company Limited	6,207,904.22	5,779,554.22
PDA	120,437,250.00	–
H share shareholders	53,130,000.00	–
A share shareholders	39,991,900.00	–
National Social Security Fund Council	7,312,500.00	–
	302,552,704.96	83,181,864.80

34. Other payables

	30 June 2013 (unaudited)	31 December 2012
Construction payables	538,436,646.03	650,048,966.79
Deposits due to related parties	312,329.25	311,778.12
Compensation collected	16,495,902.99	21,494,402.99
Port construction fee collected	15,374,728.74	10,300,044.56
Fare collected	1,897,975.80	4,765,839.50
Rental payables	14,103,676.50	24,173,291.05
Subsidies received	13,387,500.00	13,387,500.00
Payable to PDA	2,215,110.17	3,259,477.38
Others	139,022,046.10	125,892,630.99
	741,245,915.58	853,633,931.38

As at 30 June 2013, except for the other payables due to the parent, PDA, of RMB2,215,110.17 (31 December 2012: RMB3,259,477.38), there was no other account payable due to any shareholder holding 5% or more of the Company's voting shares.

Notes to Financial Statements (continued)

30 June 2013
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V. Notes to consolidated financial statements (continued)

34. Other payables (continued)

Other payables due to related parties as at 30 June 2013 and 31 December 2012, are disclosed in Note VI Related parties and related party transactions.

As at 30 June 2013, significant other payables with ageing over one year are as follows (unaudited):

	Amount	Reasons for not being repaid
No.3 Engineering Company Ltd. of CCCC		
First Harbor Engineering Company Ltd.	68,325,019.90	Unsettled construction payables
Dalian Port Machinery and Electric Co., Ltd.	23,101,907.38	Unsettled construction payables
Changjiang Wuhan Waterway Engineering Company	16,619,797.13	Unsettled construction payables
Sunshine Property Insurance Company	16,494,402.99	Temporary receipt of insurance compensation
Dalian Huarui Heavy Industry Group Co., Ltd.	15,586,000.00	Unsettled construction payables
	<u>140,127,127.40</u>	

35. Non-current liabilities due within one year

	30 June 2013 (unaudited)	31 December 2012
Long-term borrowings due within one year	316,000,000.00	545,000,000.00
Bonds payable due within one year	2,494,718,626.87	–
	<u>2,810,718,626.87</u>	<u>545,000,000.00</u>

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

	30 June 2013 (unaudited)	31 December 2012
Credit borrowings	300,000,000.00	540,000,000.00
Pledged borrowings (Note V.36)	16,000,000.00	5,000,000.00
	<u>316,000,000.00</u>	<u>545,000,000.00</u>

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

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

As at 30 June 2013, long-term borrowings due within one year are as follows (unaudited):

	Starting date	Maturity date	Currency	Interest rate (%)	30 June 2013
China Construction Bank, Dalian Zhongshan Branch	2009.12.09	2013.12.08	RMB	6.120	250,000,000.00
Bank of China, Dalian Dayaowan Branch	2006.01.11	2013.12.31	RMB	6.223	20,000,000.00
Dalian Port Corporation Finance Co., Ltd.	2012.03.22	2014.03.21	RMB	4.000	20,000,000.00
Bank of China, Dalian Xigang Branch	2009.07.21	2013.07.20	RMB	5.895	10,000,000.00
Agricultural Bank of China Development Zone Branch	2010.03.29	2014.03.28	RMB	6.210	6,000,000.00
					306,000,000.00

As at 31 December 2012, long-term borrowings due within one year are as follows:

	Starting date	Maturity date	Currency	Interest rate (%)	31 December 2012
Dalian Ganjingzi Rural Cooperative Bank	2011.04.21	2013.04.19	RMB	5.540	200,000,000.00
China Construction Bank, Dalian Zhongshan Branch	2009.12.09	2013.12.08	RMB	5.900	250,000,000.00
China Bohai Bank, Dalian Branch	2010.01.12	2013.01.07	RMB	5.535	50,000,000.00
Bank of China, Dalian Dayaowan Branch	2006.01.11	2013.12.31	RMB	6.698	20,000,000.00
Bank of China, Dalian Xigang Branch	2009.07.21	2013.07.20	RMB	5.940	20,000,000.00
					540,000,000.00

As at 30 June 2013, no expired borrowings were included in the long-term borrowings within one year (31 December 2012: Nil).

As at 30 June 2013, bonds payable within one year are as follows (unaudited):

	Date of issuance	Maturity period	Amount issued	Accumulated adjustment in interest	Closing balance	Interest payable at the end of the period
Medium-term notes	2009.05.26	5 years	1,500,000,000.00	(3,168,823.88)	1,496,831,176.12	5,091,090.94
Medium-term notes	2009.06.01	5 years	1,000,000,000.00	(2,112,549.25)	997,887,450.75	3,394,060.62
			2,500,000,000.00	(5,281,373.13)	2,494,718,626.87	8,485,151.56

The medium-term notes above were transferred from bonds payable to non-current liabilities during the period (Note V.37).

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

36. Long-term borrowings

	30 June 2013 (unaudited)	31 December 2012
Pledged borrowings	47,444,843.77	58,444,843.77
Guaranteed borrowings	282,935,715.95	288,915,409.65
Credit borrowings	1,341,000,000.00	1,361,000,000.00
	1,671,380,559.72	1,708,360,253.42

The long-term borrowings are repayable as follows:

	30 June 2013 (unaudited)	31 December 2012
In the second year	590,135,715.95	306,000,000.00
In the third to fifth years (inclusive of the third and fifth years)	1,080,000,000.00	1,381,561,316.74
Beyond five years	1,244,843.77	20,798,936.68
	1,671,380,559.72	1,708,360,253.42

As at 30 June 2013, certain of the Group's long-term bank borrowings of RMB12,200,000.00 were secured by certain vessels of the Group with an aggregate carrying amount of RMB51,561,969.97 (31 December 2012: RMB52,728,719.56), part of these loans amounted to RMB6,000,000.00 will be repayable within one year.

As at 30 June 2013, certain of the Group's long-term bank borrowings of RMB51,244,843.77 were secured by certain items of construction in progress and land use rights of the Group with aggregate carrying values of RMB102,288,942.45 (31 December 2012: RMB98,128,450.67) and RMB16,429,962.19 (31 December 2012: RMB16,605,843.19), respectively, part of these loans amounted to RMB10,000,000.00 will be repayable within one year.

As at 30 June 2013, certain of the Group's bank loans of RMB282,935,715.95 (31 December 2012: RMB288,915,409.65) were denominated in USD46,000,000.00 and were secured by a guarantee provided by the Company.

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

36. Long-term borrowings (continued)

As at 30 June 2013, the top five long-term borrowings were as follows (unaudited):

	Starting date	Maturity date	Currency	Interest rate (%)	Balance at 30 June 2013	
					Foreign currency	RMB
China Construction Bank, Dalian Zhongshan Branch	2009.12.9	2017.12.8	RMB	6.120		1,050,000,000.00
China Merchants Bank, Hong Kong Branch	2010.4.23	2015.4.23	USD	LIBOR+1.30	46,000,000.00	282,935,715.95
China Construction Bank, Dalian Zhongshan Branch	2011.1.31	2016.1.30	RMB	6.120		250,000,000.00
Bank of Communications Co., Ltd. Dalian Branch	2011.3.23	2019.3.22	RMB	6.550-7.205		46,244,843.77
Dalian Port Corporation Finance Co., Ltd.	2012.4.11	2015.4.10	RMB	4.000		21,000,000.00
						<u>1,650,180,559.72</u>

As at 31 December 2012, the top five long-term borrowings were as follows:

	Starting date	Maturity date	Currency	Interest rate (%)	Balance at 31 December 2012	
					Foreign currency	RMB
China Construction Bank, Dalian Zhongshan Branch	2009.12.9	2017.12.8	RMB	5.900		1,050,000,000.00
China Merchants Bank, Hong Kong Branch	2010.4.23	2015.4.23	USD	LIBOR+1.30	46,000,000.00	288,915,409.65
China Construction Bank, Dalian Zhongshan Branch	2011.1.31	2016.1.30	RMB	5.760		250,000,000.00
Bank of Communications Co., Ltd. Dalian Branch	2011.3.23	2019.3.22	RMB	5.895-6.550		46,244,843.77
Dalian Port Corporation Finance Co., Ltd.	2012.4.11	2015.4.10	RMB	4.000		21,000,000.00
						<u>1,656,160,253.42</u>

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

37. Bonds payable

For the six months ended 30 June 2013 (unaudited)

	Opening balance	Increase	Decrease	Closing balance
Non-current:				
Medium-term notes (Note)	2,492,124,237.13	2,594,389.74	(2,494,718,626.87)	–
Corporate bonds	5,352,388,679.86	4,727,215.93	–	5,357,115,895.79
	<u>7,844,512,916.99</u>	<u>7,321,605.67</u>	<u>(2,494,718,626.87)</u>	<u>5,357,115,895.79</u>
Current:				
Short-term financing bonds	160,000,000.00	–	(160,000,000.00)	–
	<u>8,004,512,916.99</u>	<u>7,321,605.67</u>	<u>(2,654,718,626.87)</u>	<u>5,357,115,895.79</u>

For the year ended 31 December 2012

	Opening balance	Increase	Decrease	Closing balance
Non-current:				
Medium-term notes	2,486,715,932.16	5,408,304.97	–	2,492,124,237.13
Corporate bonds	5,343,228,657.48	9,160,022.38	–	5,352,388,679.86
	<u>7,829,944,589.64</u>	<u>14,568,327.35</u>	<u>–</u>	<u>7,844,512,916.99</u>
Current:				
Short-term financing bonds	200,000,000.00	160,000,000.00	(200,000,000.00)	160,000,000.00
	<u>8,029,944,589.64</u>	<u>174,568,327.35</u>	<u>(200,000,000.00)</u>	<u>8,004,512,916.99</u>

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

37. Bonds payable (continued)

As at 30 June 2013, bonds payable are listed as follows (unaudited):

	Date of issuance	Maturity period	Amount issued	Accumulated adjustment in interest	Closing balance	Interest payable at the end of the period
Corporate bonds	2011.05.23	10 years	2,350,000,000.00	(20,681,031.69)	2,329,318,968.31	13,823,012.92
Corporate bonds	2011.09.26	7 years	2,650,000,000.00	(19,239,412.89)	2,630,760,587.11	122,549,794.55
Corporate bonds	2011.10.27	3 years	400,000,000.00	(2,963,659.63)	397,036,340.37	4,056,837.76
			5,400,000,000.00	(42,884,104.21)	5,357,115,895.79	140,429,645.23

Note: On 26 May 2009 and 1 June 2009, the Company issued medium-term notes in aggregate principal amounts of RMB1,500,000,000.00 and RMB1,000,000,000.00, respectively. The maturity period of the notes is five years. The interest rate is fixed and the nominal interest rate is 4.28% per annum. The interest is repayable every half year and the principal is repayable when the notes fall due. These notes had been reclassified to non-current liabilities due within one year in this period (Note V.35).

As at 31 December 2012, bonds payable are as follows:

	Date of issuance	Maturity period	Amount issued	Accumulated adjustment in interest	Closing balance	Interest payable at the end of the period
Medium-term note	2009.05.26	5 years	1,500,000,000.00	(4,725,457.72)	1,495,274,542.28	37,454,926.55
Medium-term note	2009.06.01	5 years	1,000,000,000.00	(3,150,305.15)	996,849,694.85	24,969,951.04
Corporate bonds	2011.05.23	10 years	2,350,000,000.00	(21,707,094.11)	2,328,292,905.89	76,609,862.23
Corporate bonds	2011.09.26	7 years	2,650,000,000.00	(21,815,334.99)	2,628,184,665.01	43,046,164.40
Corporate bonds	2011.10.27	3 years	400,000,000.00	(4,088,891.04)	395,911,108.96	4,120,580.21
Short-term financing bonds	2012.08.23	9 months	160,000,000.00	-	160,000,000.00	2,802,222.20
			8,060,000,000.00	(55,487,083.01)	8,004,512,916.99	189,003,706.63

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V. Notes to consolidated financial statements (continued)

37. Bonds payable (continued)

On 23 May 2011, the Company issued corporate bonds in an aggregate principal amount of RMB2,350,000,000.00 with a maturity period of 10 years. The interest rate is fixed and the nominal interest rate of the bond is 5.30% per annum. The relevant issuance cost amounted to RMB25,156,495.00.

On 26 September 2011, the Company issued corporate bonds in an aggregate principal amount of RMB2,650,000,000.00 with a maturity period of seven years. By the end of the fifth year from the issuance of the bonds, the Company has the right to increase the nominal interest rate of the bonds and the bond holders have the right to sell back a portion or all of the bonds to the Company. The interest rate is fixed and the nominal interest rate is 6.05% per annum. The interests are payable each year. The relevant issuance cost amounted to RMB27,775,729.25.

On 27 October 2011, the Group issued corporate bonds in an aggregate principal amount of RMB400,000,000.00 with a maturity period of three years. The interest rate is fixed and the nominal interest rate is 5.80% per annum. The interest is payable every half year. The relevant issuance cost amounted to RMB6,700,000.00.

38. Other non-current liabilities

	Note	30 June 2013 (unaudited)	31 December 2012
Deferred income		620,349,141.30	633,098,324.44
Including:			
Government grants related to assets:			
Relocation compensation	(1)	576,597,437.68	593,850,029.68
Construction of vessels	(2)	5,644,142.60	6,039,751.40
Equipment reconstruction	(2)	2,703,392.20	2,786,374.54
Government grants related to income:			
Operation subsidy	(3)	35,113,502.19	30,113,502.19
Others		290,666.63	308,666.63
		620,349,141.30	633,098,324.44

Note:

- (1) The amount was received in respect of the compensation for the relocation of the terminals. The amount will be recognised in the consolidated income statement over the estimated useful lives of the new terminals upon commencement of their operations.

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

38. Other non-current liabilities (continued)

- (2) The amount was received in respect of the subsidy for the construction of vessels and the equipment reconstruction. The amount will be recognised in the consolidated income statement over the useful lives of the relevant assets.
- (3) The amount was received in respect of the subsidy of operation of a subsidiary. The amount will be recognised in the consolidated income statement after the commencement of operation of this subsidiary.

39. Share capital

30 June 2013 (unaudited)

	Opening and closing balances
1. Restricted shares	
(1) State-owned shares	2,554,995,000
(2) State-owned legal entity shares	-
(3) Other domestic shares	-
Subtotal	<u>2,554,995,000</u>
2. Non-restricted shares	
(1) RMB ordinary shares	808,405,000
(2) Shares listed overseas (Note)	<u>1,062,600,000</u>
Subtotal	<u>1,871,005,000</u>
Total	<u>4,426,000,000</u>

Notes to Financial Statements (continued)

30 June 2013
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V. Notes to consolidated financial statements (continued)

39. Share capital (continued)

31 December 2012

	Opening and closing balances
1. Restricted shares	
(1) State-owned shares	2,554,995,000
(2) State-owned legal entity shares	–
(3) Other domestic shares	–
Subtotal	<u>2,554,995,000</u>
2. Non-restricted shares	
(1) RMB ordinary shares	808,405,000
(2) Shares listed overseas	<u>1,062,600,000</u>
Subtotal	<u>1,871,005,000</u>
Total	<u>4,426,000,000</u>

Note: As at 30 June 2013, the shares listed overseas included 53,000,000 shares that were held by PDA through HKSCC NOMINEES LIMITED (31 December 2012: 53,000,000 shares).

40. Capital reserve

For the six months ended 30 June 2013 (unaudited)

	Opening balance	Increase	Decrease	Closing balance
Share premium	6,103,901,654.75	–	–	6,103,901,654.75
Changes in fair values of available-for-sale financial assets (Note 1)	(5,483,063.31)	–	(1,016,609.70)	(6,499,673.01)
Others (Note 2)	17,729,980.06	1,010,044.14	(1,278,215.93)	17,461,808.27
	<u>6,116,148,571.50</u>	<u>1,010,044.14</u>	<u>(2,294,825.63)</u>	<u>6,114,863,790.01</u>

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

40. Capital reserve (continued)

For the year ended 31 December 2012

	Opening balance	Increase	Decrease	Closing balance
Share premium	6,103,901,654.75	–	–	6,103,901,654.75
Changes in fair values of available-for-sale financial assets	(6,907,694.26)	1,424,630.95	–	(5,483,063.31)
Others	19,292,509.94	1,282,278.89	(2,844,808.77)	17,729,980.06
	<u>6,116,286,470.43</u>	<u>2,706,909.84</u>	<u>(2,844,808.77)</u>	<u>6,116,148,571.50</u>

Note 1: The Group disposed of certain available-for-sale financial assets. When the available-for-sale financial assets were disposed of, the accumulated losses from fair value changes of RMB378,459.22 previously recognised were transferred from capital reserve to the current period's loss. The losses from the fair value changes of the Group's remaining available-for-sale financial assets resulted in the decrease in the capital reserve of RMB1,454,680.92. The deferred tax assets of RMB59,612.00 relating to the fair value changes of the above available-for-sale financial assets were recovered.

Note 2: Other increase mainly represented the special reserve accrued by the Group's associates and jointly-controlled entities during the period. Other decrease mainly represented the transfer of the recognition of the asset revaluation surplus arising from acquisitions of subsidiaries and business combinations achieved in stages in the previous years to retained earnings of RMB1,278,215.93.

41. Surplus reserve

For the six months ended 30 June 2013 (unaudited)

	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	469,232,353.83	–	–	469,232,353.83
Reserve fund	353,065.88	–	–	353,065.88
Enterprise expansion fund	620,468.49	–	–	620,468.49
	<u>470,205,888.20</u>	<u>–</u>	<u>–</u>	<u>470,205,888.20</u>

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

41. Surplus reserve (continued)

For the year ended 31 December 2012

	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	410,249,919.87	58,982,433.96	–	469,232,353.83
Reserve fund	353,065.88	–	–	353,065.88
Enterprise expansion fund	620,468.49	–	–	620,468.49
	<u>411,223,454.24</u>	<u>58,982,433.96</u>	<u>–</u>	<u>470,205,888.20</u>

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

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

42. Retained earnings

	For the six months ended 30 June 2013 (unaudited)	For the year ended 31 December 2012 (unaudited)
Retained earnings at the beginning of the period/year	1,940,095,861.84	1,664,362,022.29
Profit attributable to the parent	387,276,213.09	600,089,816.53
Transfer from capital reserve	1,278,215.93	2,556,431.85
Less: Appropriation to statutory surplus reserve	–	58,982,433.96
Cash dividends payable for ordinary shares (Note)	221,300,000.00	265,560,000.00
Appropriation of employee bonus and welfare fund	–	2,369,974.87
Retained earnings at the end of the period/year	<u>2,107,350,290.86</u>	<u>1,940,095,861.84</u>

Note: In accordance with the resolution of the annual general meeting dated 28 June 2013, the Company proposed a cash dividend to equity holders of the Company of RMB5 cents per share (inclusive of applicable tax), based on the number of total issued shares of 4,426,000,000.

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

43. Revenue and cost of sales

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

Revenue is as follows:

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Revenue from the principal operations	3,129,820,766.42	1,880,748,107.86
Revenue from other operations	211,456,018.73	167,473,425.68
	3,341,276,785.15	2,048,221,533.54

Cost of sales is as follows:

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Cost of the principal operations	2,285,567,332.92	1,093,491,187.74
Cost of other operations	153,967,810.36	136,209,369.05
	2,439,535,143.28	1,229,700,556.79

Notes to Financial Statements (continued)

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(Expressed in Renminbi Yuan)

V. Notes to consolidated financial statements (continued)

43. Revenue and cost of sales (continued)

Revenue by segment is as follows:

	For the six months ended 30 June 2013 (unaudited)		For the six months ended 30 June 2012 (unaudited)	
	Revenue	Cost of sales	Revenue	Cost of sales
Container terminal and logistics services	606,947,970.85	386,896,343.90	541,097,971.37	374,816,455.12
Oil/Liquefied chemical terminal and logistics services	543,919,494.43	258,470,785.16	423,307,168.97	215,706,303.01
Automobile terminal and logistics services	241,851,209.78	232,883,075.43	9,640,000.00	4,837,876.00
Passenger and roll-on/roll-off terminal and logistics services	61,631,785.13	43,390,388.70	61,815,953.00	35,676,832.81
Bulk grain terminal and logistics services	1,039,904,097.10	926,438,968.47	188,005,377.90	77,042,562.51
Ore terminal and logistics services	143,044,855.16	87,799,729.97	163,408,554.29	93,688,472.06
General cargo terminal and logistics services	201,955,343.90	194,286,973.69	173,344,086.74	151,941,820.00
Port value-added services and ancillary port operations	421,913,005.20	287,719,149.57	398,033,046.43	254,286,937.70
Unallocated	80,109,023.60	21,649,728.39	89,569,374.84	21,703,297.58
	3,341,276,785.15	2,439,535,143.28	2,048,221,533.54	1,229,700,556.79

Notes to Financial Statements (continued)

30 June 2013
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V. Notes to consolidated financial statements (continued)

43. Revenue and cost of sales (continued)

Revenue from the top five customers for the six months ended 30 June 2013 is as follows (unaudited):

	Amount	Percentage of revenue (%)
遼源吉糧油脂有限公司	429,140,840.57	12.84
吉糧(四平)紅嘴油脂有限公司	287,124,035.33	8.59
PetroChina Company Limited (Note)	260,113,214.08	7.78
West Pacific Petrochemical Co., Ltd. Dalian	127,368,471.68	3.81
China National Cereals, Oils and Foodstuffs Corporation (Note)	95,823,815.13	2.87
	1,199,570,376.79	35.89

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

	Amount	Percentage of revenue (%)
PetroChina Company Limited (Note)	254,790,213.02	12.44
West Pacific Petrochemical Co., Ltd. Dalian	114,416,263.40	5.59
China Ocean Shipping Agency (Dalian) Co., Ltd.	92,911,799.05	4.54
Dalian Port Container Terminal Co., Ltd.	84,690,147.23	4.13
China Marine Shipping Agency Liaoning Co., Ltd.	48,218,123.45	2.35
	595,026,546.15	29.05

Note: Including all entities known to be controlled by the customers.

Notes to Financial Statements (continued)

30 June 2013
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V. Notes to consolidated financial statements (continued)

43. Revenue and cost of sales (continued)

Revenue is analysed by types as follows:

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Loading services	933,391,587.22	895,942,893.50
Logistics services	301,878,747.17	340,481,259.88
Storage services	300,038,188.86	227,838,517.91
Port management services	101,038,325.70	96,434,589.66
Leasing services	196,441,483.34	143,647,794.00
Agency services	39,278,490.24	26,951,765.68
Tallying services	29,982,927.12	30,703,098.52
Utility services	53,564,453.40	48,744,843.12
Project construction and supervision services	53,642,273.96	41,766,393.86
Information services	31,111,554.00	26,859,310.36
Commodity trading	1,114,011,568.19	–
Sales of goods	57,385,611.82	40,061,930.85
Others	129,511,574.13	128,789,136.20
	3,341,276,785.15	2,048,221,533.54

44. Taxes and surcharges

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Business tax	82,810,478.95	75,501,697.11
City maintenance and construction tax and education surcharge	10,169,548.51	8,307,590.12
Land appreciation tax	13,096,363.77	9,694,694.92
	106,076,391.23	93,503,982.15

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

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

45. General and administrative expenses

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Payroll	151,540,367.86	131,314,169.66
Depreciation and amortisation	19,503,283.19	21,969,671.14
Tax expenses	10,089,222.10	10,574,936.03
Entertainment expenses	13,218,792.73	7,870,132.14
Office charges	2,246,902.04	3,438,227.08
Intermediary fees	3,140,855.19	2,561,199.55
Rental expenses	9,555,720.78	6,953,610.21
Property insurance expenses	6,075,651.11	6,569,203.65
Others	23,662,402.64	27,062,862.60
	239,033,197.64	218,314,012.06

46. Financial expenses

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Interest expense	294,276,046.48	323,171,270.91
Including: Interest on bank loans, overdrafts, and other loans wholly repayable within five years	148,191,716.46	171,553,635.63
Interest on other loans	146,084,330.02	151,617,635.28
Less: Interest income	14,223,116.81	19,214,933.42
Less: Capitalised interest	72,256,985.83	129,040,623.59
Foreign exchange differences	(6,432,278.27)	(333,098.10)
Others	1,058,530.36	288,673.36
	202,422,195.93	174,871,289.16

The amount of capitalised interest had been included in construction in progress, and transferred to fix assets as construction in progress completed.

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

47. Gains on changes in fair values

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Financial assets held for trading	54,712.20	531,483.20

48. Investment income

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Dividend income from long-term equity investments under the cost method	638,350.93	1,144,561.36
Share of profit from long-term equity investments under the equity method	50,619,226.36	18,798,732.71
including: Profit from associates	29,975,855.34	9,891,612.51
Profit from jointly-controlled entities	20,643,371.02	8,907,120.20
Investment income from entrusted investments (Note V.10 and 11)	45,892,083.34	48,875,000.00
Investment income from available-for-sale financial assets	115,218.00	201,410.00
(Loss)/gain on disposal of available-for-sale financial assets	(378,459.22)	416,527.48
Gain on disposal of financial assets held for trading	498,440.74	2,576,184.70
Gain/(loss) on disposal of a subsidiary	814,200.00	(47,647.82)
Investment loss from a business combination achieved in stages	(1,678,950.75)	-
	96,520,109.40	71,964,768.43

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

Investee	For the six months ended 30 June 2013	For the six months ended 30 June 2012	Reason for changes
Da-In Ferry Co., Ltd.	638,350.93	1,144,561.36	Dividend distribution

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

48. Investment income (continued)

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

Investees	For the six months ended 30 June 2013	For the six months ended 30 June 2012	Reasons for fluctuation
PetroChina Dalian LNG Co., Ltd.	26,650,776.91	6,556,999.72	Performance fluctuation
Dalian Port Corporation Finance Co., Ltd.	12,977,880.09	6,551,866.80	Performance fluctuation
Odfjell Terminals (Dalian) Co., Ltd.	11,730,504.12	11,172,660.89	Performance fluctuation
Dalian Port PetroChina International Terminal Co., Ltd.	9,580,553.10	2,641,920.48	Performance fluctuation
Dalian Yidu Jifa Cold Logistics Co., Ltd.	9,321,587.50	3,652,506.98	Performance fluctuation
	70,261,301.72	30,575,954.87	

As at 30 June 2013, there was no significant restriction on the remittance of the Group's investment income.

For the six months ended 30 June 2013, the Group's investment loss of RMB263,241.22 was generated from the investment on listed companies (For the six months ended 30 June 2012: investment income of RMB617,937.48).

49. Non-operating income

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Gain on disposal of non-current assets	3,049,779.80	57,800.95
Including: Gain on disposal of fixed assets	3,049,779.80	57,800.95
Relocation compensation	24,654,742.67	–
Government grants	92,017,163.14	57,581,283.16
Negative goodwill from an acquisition	250,000.00	–
Others	1,562,020.89	69,704.22
	121,533,706.50	57,708,788.33

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

49. Non-operating income (continued)

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

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Recognition of deferred income	17,749,183.14	17,741,183.16
Financial subsidy (Note)	74,267,980.00	38,984,700.00
Refund of turnover tax	–	855,400.00
	92,017,163.14	57,581,283.16

Note: According to “大連市人民政府關於促進大連港口集裝箱業務加快發展的意見” (大政發[2011] No. 61) in August 2011 issued by Dalian municipal government and “關於促進大連港口集裝箱加快發展補貼資金發放的實施細則的通知” (大港口發[2011] No. 147) jointly issued by Port of Dalian Authority and Dalian Financial Bureau in September 2011, the Group recognised a government subsidy income of RMB74,060,980.00 for the six months period ended 30 June 2013 (ended 30 June 2012: RMB38,291,900.00).

50. Non-operating expenses

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Loss on disposal of non-current assets	65,056.52	2,134,958.23
Including: Loss on disposal of fixed assets	65,056.52	2,134,958.23
Others	973,850.83	150,450.36
	1,038,907.35	2,285,408.59

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

51. Income tax expenses

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Current income tax expense	127,888,634.57	122,095,368.98
Deferred income tax expense	(793,200.22)	(7,981,585.39)
	127,095,434.35	114,113,783.59

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

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Total profit	572,227,531.40	459,751,324.75
Income tax expense at the statutory rate (Note)	143,056,882.85	114,937,831.19
Effect of different tax rates applicable to subsidiaries in Mainland China	(486,896.20)	(786,262.59)
Effect of different tax rates applicable to subsidiaries outside Mainland China	1,790,551.73	1,694,474.61
Adjustments in respect of current income tax of previous years	(1,352,576.64)	260,649.14
Income not subject to tax	(10,527,757.93)	(5,146,203.49)
Investment income	(12,814,394.32)	(4,985,823.52)
Expenses not deductible for tax	2,071,802.61	1,117,277.32
Tax losses not recognised	5,357,822.25	7,021,840.93
Tax charged at the Group's effective income tax rate	127,095,434.35	114,113,783.59

Note: The income tax of the Group is calculated based on the estimated taxable profit from Mainland China and the applicable tax rate 25%. Taxes arising from the taxable income in other regions are calculated at the applicable tax rates according to existing laws, interpretations and practices of the regions in which the Group operates.

The current income tax expenses of the Group were all incurred in Mainland China for the six months ended 30 June 2013.

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

52. Basic earnings per share (“EPS”)

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

The calculation of the basic EPS is as follows:

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Earnings		
Net profit of the year attributable to ordinary shareholders of the Company	387,276,213.09	300,151,325.67
Shares		
Weighted average number of ordinary shares in issue	4,426,000,000.00	4,426,000,000.00

53. Other comprehensive income

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Fair value changes in available-for-sale financial assets	(1,076,221.70)	(1,678,662.52)
Deferred tax relating to available-for-sale financial assets	59,612.00	265,470.37
	(1,016,609.70)	(1,413,192.15)
Exchange differences on foreign currency translations	(899,663.01)	57,117.90
	(1,916,272.71)	(1,356,074.25)

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

54. Notes to items in the statement of cash flows

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Cash received from other operating activities:		
Government grants received	29,861,742.67	3,901,976.00
Bank interest income received	13,716,885.52	26,640,199.43
Others	1,562,020.89	59,304.22
	45,140,649.08	30,601,479.65
Cash paid for other operating activities:		
Entertainment	13,218,792.73	7,870,132.14
Rental	9,555,720.78	6,953,610.21
Agency fee	3,080,627.19	2,561,199.55
Insurance	6,075,651.11	6,569,203.65
Fuel	2,258,261.30	4,156,128.07
Office charges	2,246,902.04	3,438,227.08
Utility fees	1,776,639.14	1,888,481.62
Travel	1,966,934.00	2,428,808.73
Repair and maintenance	2,033,040.60	3,540,405.52
Commuting fees	1,658,613.32	1,910,041.60
Communication	851,069.41	899,443.65
Others	10,991,242.72	10,856,192.81
	55,713,494.34	53,071,874.63
Cash paid for other financing activities:		
Issuance cost of medium-term notes	3,905,350.00	3,905,350.00
Deposits paid to related companies	-	46,523,255.90
	3,905,350.00	50,428,605.90

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

55. Supplementary information to the consolidated statement of cash flows

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

Reconciliation of net profit to cash flows from operating activities:

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Net profit	445,132,097.05	345,637,541.16
Add: Impairment losses	(1,148,013.87)	–
Depreciation of fixed assets	315,823,934.57	294,584,893.54
Amortisation of intangible assets	20,517,841.34	20,875,251.74
Depreciation of investment properties	9,052,670.39	8,437,276.18
Amortisation of long-term prepaid expenses	1,260,066.75	1,548,357.78
Recognition of deferred income	(17,749,183.14)	(17,741,183.16)
Increase in special reserve	8,650,675.96	–
(Gain)/loss on disposal of fixed assets, intangible assets and other long-term assets	(2,984,723.28)	2,077,157.28
Financial expenses	215,586,782.38	193,797,549.22
Interest income on entrusted loans	(392,564.02)	(488,502.07)
Investment income	(96,520,109.40)	(71,964,768.43)
Negative goodwill arising from an acquisition	(250,000.00)	–
Gains on changes in fair values	(54,712.20)	(531,483.20)
Decrease/(increase) in deferred tax assets	620,618.67	(7,155,267.08)
Decrease in deferred tax liabilities	(782,894.42)	(826,318.31)
(Increase)/decrease in inventories	(520,550,541.49)	11,225,913.52
Increase in other current assets	(59,966,860.92)	–
Decrease/(increase) in operating receivables	10,491,437.98	(323,655,939.71)
Increase/(decrease) in operating payables	177,480,614.49	(123,099,977.85)
Net cash flows from operating activities	504,217,136.84	332,720,500.61

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

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

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

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Net movement in cash and cash equivalents:		
Cash and cash equivalents at the end of the period	2,364,231,473.28	2,055,156,645.95
Less: Cash and cash equivalents at the beginning of the period	2,494,472,560.75	2,230,657,276.32
Net decrease in cash and cash equivalents	(130,241,087.47)	(175,500,630.37)

(2) Acquisition and disposal of a subsidiary and other operating units

The information of acquisition of a subsidiary

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Consideration of the acquisition	10,315,900.00	–
Cash and cash equivalents paid for the acquisition	10,148,696.29	–
Less: Cash and cash equivalents in the subsidiary acquired	4,222,307.02	–
Net cash paid for the acquisition	5,926,389.27	–
Net assets of a subsidiary acquired	21,131,800.00	–
Current assets	9,138,490.03	–
Non-current assets	12,423,355.93	–
Current liabilities	430,045.96	–

Notes to Financial Statements (continued)

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V. Notes to consolidated financial statements (continued)

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

(2) Acquisition and disposal of a subsidiary and other operating units (continued)

The information of disposal of a subsidiary

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Consideration for disposal of a subsidiary	597,614,200.00	–
Cash and cash equivalents received from disposal of a subsidiary	597,614,200.00	280,428.83
Less: Cash and cash equivalents held by the subsidiary disposed of	11,911,766.88	546,794.43
Net cash received/(paid) for the disposal	585,702,433.12	(266,365.60)
Current assets and net assets of the subsidiary disposed of	535,100,000.00	546,794.43
Current assets	15,279,505.68	546,794.43
Non-current assets	1,584,540,051.30	–
Current liabilities	1,003,019,556.98	–
Non-current liabilities	61,700,000.00	–

(3) Cash and cash equivalents

	30 June 2013 (unaudited)	31 December 2012
Cash		
Including: Cash on hand	133,415.37	122,167.37
Cash at banks that can be readily drawn on demand	2,335,669,660.87	2,479,233,801.13
Other cash and cash equivalents that can be readily drawn on demand	28,428,397.04	15,116,592.25
Cash and cash equivalents at the end of the period/year	2,364,231,473.28	2,494,472,560.75

Notes to Financial Statements (continued)

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VI. Related parties and related party transactions

1. Parent

	Type of the company	Place of registration	Legal representative	Type of business	Registered capital (RMB)	Percentage of shareholding (%)	Percentage of voting rights (%)	Code of organisation
PDA	State-owned	Dalian	Hui Kai	Port business	4 billion	54.42	54.42	11842055-3

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

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

2. Subsidiaries

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

3. Jointly-controlled entities and associates

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

4. Other related parties

	Related party relationship	Code of organisation
大連保稅區永德信房地產開發建設有限公司	Subsidiary of the parent	75156903-8
大連港置地有限公司	Subsidiary of the parent	71135122-9
大連郵輪城有限公司	Subsidiary of the parent	58805664-5
大連萬峰置業有限公司	Subsidiary of the parent	05808242-4
大連迅捷機械服務有限公司	Subsidiary of the parent	60485938-5
大連創意產業項目發展有限公司	Subsidiary of the parent	66921189-7
大連宏譽大廈有限公司	Subsidiary of the parent	60480207-1
大連宏譽家政服務有限公司	Subsidiary of the parent	06441837-7
大連海港大廈	Subsidiary of the parent	24168740-5
錦州遼西大連港置業有限公司	Subsidiary of the parent	57094454-8
葫蘆島綏中煤炭碼頭有限公司	Subsidiary of the parent	69617352-3
大連港集團(錦州)遼西港口投資開發有限公司	Subsidiary of the parent	55259470-8
錦州凌港投資開發建設有限公司	Subsidiary of the parent	57723846-X
瓦房店太平灣港有限公司	Subsidiary of the parent	55499914-3
大連太平灣投資開發有限公司	Subsidiary of the parent	05809374-8
大連太平灣建設工程有限公司	Subsidiary of the parent	06443638-0
大連太平灣陽光置業有限公司	Subsidiary of the parent	06441290-1
莊河北黃海港口投資開發有限公司	Subsidiary of the parent	56552286-9

Notes to Financial Statements (continued)

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VI. Related parties and related party transactions (continued)

4. Other related parties (continued)

	Related party relationship	Code of organisation
丹東海洋紅投資開發有限公司	Subsidiary of the parent	56462822-3
大連港萬通物流有限公司	Subsidiary of the parent	11837932-7
大連萬通榮海船務有限公司	Subsidiary of the parent	79202273-3
大連龍港船務有限公司	Subsidiary of the parent	24167860-5
大連經濟技術開發區海灣貨運公司	Subsidiary of the parent	11837238-7
Dalian Port Machinery Co., Ltd.	Subsidiary of the parent	11841433-X
大連港東旺汽車修配廠	Subsidiary of the parent	24166772-X
長海縣廣鹿碼頭建設管理有限公司	Subsidiary of the parent	58202031-8
寧德港口發展有限公司	Subsidiary of the parent	58751395-5
Dalian Port Corporation Finance Co., Ltd.	Subsidiary of the parent	58203640-8
大連東北亞國際航運中心船舶交易市場有限公司	Subsidiary of the parent	58805416-4
大連國際船員培訓中心	Subsidiary of the parent	66110847-3
大連港航船舶價格評估有限公司	Subsidiary of the parent	05110271-X
大連東北亞國際航運中心船舶物資交易市場有限公司	Subsidiary of the parent	05806552-8
大連東北亞國際航運中心航運金融研究院有限公司	Subsidiary of the parent	05806557-9
大連東北亞國際航運中心人力資源研究院有限公司	Subsidiary of the parent	05806560-8
大連東北亞國際航運中心航運信息研究院有限公司	Subsidiary of the parent	05806562-4
大連港保安服務公司	Subsidiary of the parent	24236458-7
大連港勞務公司	Subsidiary of the parent	11841131-5
英瑞控股有限公司	Subsidiary of the parent	74788882-9
Dalian Port Petrochemical Co., Ltd.	Subsidiary of the parent	74094577-1
大連中油海港石油銷售有限公司	Associate of the parent	69603539-0
大連經濟技術開發區灣港儲運公司	Associate of the parent	11838593-8
大連中油船用燃料運銷有限公司	Associate of the parent	74788099-0
大連救生筏檢驗有限公司	Associate of the parent	24107508-9
Dalian Port Construction Engineering Co., Ltd.	Associate of the parent	11843148-X
大連港地產集團有限公司	Associate of the parent	24123702-5
Dalian Port Machinery and Electric Co., Ltd.	Associate of the parent	24183221-1
大連水產品交易有限公司	Associate of the parent	79691219-4
錦州龍棲灣港口發展有限公司	Associate of the parent	68966326-8
Dalian Wanpeng Infrastructure Co. Ltd.	Associate of the parent	75991518-5
大連港實業有限公司	Associate of the parent	24124937-6
大連港物業管理有限公司	Associate of the parent	24238883-7
大連港實綠化工程有限公司	Associate of the parent	67405219-X
大連港日興園林綠化工程有限公司	Associate of the parent	75158191-8
大連港鍋爐安裝有限公司	Associate of the parent	24168462-6
Dalian New Harbour Construction Engineering Co., Ltd.	Associate of the parent	11868471-9
日興公司新港加油站	Associate of the parent	75990360-0
大連中信海港投資有限公司	Associate of the parent	55060128-1
大連港航清潔能源創業投資基金	Associate of the parent	05114470-9
大連裝備租賃有限公司	Associate of the parent	59442846-8

Notes to Financial Statements (continued)

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VI. Related parties and related party transactions (continued)

5. Major transactions with related parties

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

	Type of goods or services (Note)	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Purchases of goods and services			
<u>Transactions with the parent</u>			
PDA	Comprehensive services	4,950,845.93	3,340,151.49
<u>Transactions with jointly-controlled entities and associates</u>			
大連港通利船務代理有限公司	Comprehensive services	985,636.49	964,493.52
China Unite Northeast Rail Containers Co., Ltd.	Comprehensive services	483,798.20	–
大連港盛招標代理有限公司	Agency services	326,692.24	–
Dalian International Container Terminal Co., Ltd.	Comprehensive services	200,000.00	–
Dalian Changxing Island Port Co., Ltd.	Comprehensive services	102,708.80	99,704.47
Dalian Wanpeng Port Engineering Examination & Testing Co., Ltd.	Comprehensive services	89,280.00	97.37
Dalian Port Corporation Finance Co., Ltd.	Comprehensive services	51,300.00	–
Dalian Port Container Terminal Co., Ltd.	Comprehensive services	–	484,100.00
		2,239,415.73	1,548,395.36

Notes to Financial Statements (continued)

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VI. Related parties and related party transactions (continued)

5. Major transactions with related parties (continued)

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

	Type of goods or services (Note)	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Purchases of goods and services (continued)			
<u>Transactions with other related parties</u>			
大連中油海港石油銷售有限公司	Purchase of fuel services	31,652,893.69	62,809,659.15
大連港實業有限公司	Comprehensive services	12,062,551.95	12,141,768.29
Dalian Port Machinery Co., Ltd.	Construction services and labour services	3,731,524.39	4,462,428.55
Dalian Port Construction Engineering Co., Ltd.	Maintenance services	283,554.25	367,145.14
大連港保安服務公司	Security services	806,775.00	1,240,546.06
大連宏譽大廈有限公司	Property management services	245,710.06	1,048,749.04
大連港實綠化工程有限公司	Comprehensive services	183,186.00	279,937.00
大連港物業管理有限公司	Comprehensive services	138,965.16	154,606.24
大連海港大廈	Comprehensive services	118,340.08	49,895.13
大連救生筏檢驗有限公司	Maintenance services	45,418.00	31,837.00
日興公司新港加油站	Purchase of fuel services	22,872.11	683,763.04
大連港東旺汽車修配廠	Maintenance services	5,069.39	37,888.39
大連港置地有限公司	Comprehensive services	-	22,279.41
		49,296,860.08	83,330,502.44
		56,487,121.74	88,219,049.29

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

Notes to Financial Statements (continued)

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(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

5. Major transactions with related parties (continued)

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

	Type of goods or services (Note)	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Sales of goods and rendering of services			
<u>Transactions with the parent</u>			
PDA	Comprehensive services	4,076,913.61	6,747,314.11
<u>Transactions with jointly-controlled entities and associates</u>			
Dalian Port Container Terminal Co., Ltd.	Comprehensive services	18,014,268.28	26,678,402.27
Dalian International Container Terminal Co., Ltd. 太倉興港拖輪有限公司	Comprehensive services Transportation services	15,963,944.69 6,551,340.00	27,458,283.78 4,762,381.00
Dalian North Petroleum Logistics Co., Ltd.	Comprehensive services	5,825,175.12	2,007,923.83
Dalian Changxing Island Port Co., Ltd.	Comprehensive services	5,756,276.23	4,279,052.71
Dalian China Oil Dock Management Co., Ltd.	Comprehensive services	4,378,299.58	5,557,283.07
Dalian Yidu Jifa Cold Logistics Co., Ltd.	Comprehensive services	2,236,361.65	4,584,010.40
Dalian Changxing Island Port Investment & Development Co., Ltd.	Supervision services	2,065,000.00	840,000.00
Dalian Automobile Terminal Co., Ltd.	Comprehensive services	1,362,511.71	1,593,691.76
Dalian Dagang China Shipping Container Terminal Co., Ltd.	Comprehensive services	1,136,378.13	1,936,958.30
Dalian Assembling Transportation Logistics Co., Ltd.	Comprehensive services	997,924.00	651,637.92
Odfjell Terminals (Dalian) Co., Ltd.	Comprehensive services	963,084.20	3,922,970.50

Notes to Financial Statements (continued)

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VI. Related parties and related party transactions (continued)

5. Major transactions with related parties (continued)

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

	Type of goods or services (Note)	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Sales of goods and rendering of services (continued)			
<u>Transactions with jointly-controlled entities and associates (continued)</u>			
Liaoning Con-Rail International Logistics Co., Ltd.	Comprehensive services	913,228.99	431,205.79
China Unite Northeast Rail Containers Co., Ltd.	Comprehensive services	711,231.00	743,132.00
Dalian United International Shipping Agency Co., Ltd.	Comprehensive services	505,640.00	505,920.00
Dalian Singamas International Container Co., Ltd.	Comprehensive services	482,584.94	728,844.88
Dalian Vanguard International Logistics Co., Ltd.	Information services	365,746.52	22,500.00
PetroChina Dalian LNG Co., Ltd.	Supervision services	165,100.00	–
Dalian Harbour ECL Logistics Co., Ltd.	Comprehensive services	98,252.55	–
China United Tally Co., Ltd. Dalian	Information services	84,095.20	234,851.88
Dalian Jilong Logistics Co., Ltd.	Comprehensive services	45,593.32	687,332.55
Dalian Port PetroChina International Terminal Co., Ltd.	Comprehensive services	17,208.01	1,514,363.68
Dalian Port Corporation Finance Co., Ltd.	Telecommunications services	12,107.23	1,350,997.01
大連港散貨物流中心有限公司	Telecommunications services	1,800.00	–
Dalian Wanpeng Port Engineering Examination & Testing Co., Ltd.	Telecommunications services	1,080.80	–
大連港通利船務代理有限公司	Telecommunications services	605.68	–
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	Construction services	–	645,062.52
大連普集倉儲設施有限公司	Telecommunications services	–	1,415.28
Dalian Shunda Logistics Co., Ltd.	Comprehensive services	–	300,932.83
		68,654,837.83	91,439,153.96

Notes to Financial Statements (continued)

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VI. Related parties and related party transactions (continued)

5. Major transactions with related parties (continued)

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

	Type of goods or services (Note)	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Sales of goods and rendering of services (continued)			
<u>Transactions with other related parties</u>			
瓦房店太平灣港有限公司	Supervision services	4,288,437.75	–
Dalian Port Machinery and Electric Co., Ltd.	Construction services	852,855.00	–
大連保稅區永德信房地產開發建設有限公司	Comprehensive services	767,817.21	662,012.89
大連港萬通物流有限公司	Comprehensive services	518,436.82	102,225.00
大連港實業有限公司	Telecommunications services	799,781.43	1,224,415.16
大連宏譽大廈有限公司	Telecommunications services	472,406.95	526,140.06
大連海港大廈	Telecommunications services	243,120.79	561,427.91
Dalian Port Construction Engineering Co., Ltd.	Telecommunications services	194,648.86	562,516.43
大連中油船用燃料運銷有限公司	Comprehensive services	148,145.01	383,182.00
Dalian Port Machinery Co., Ltd.	Telecommunications services	96,166.39	239,704.91
大連萬峰置業有限公司	Information services	40,598.29	–
大連中信海港投資有限公司	Comprehensive services	21,920.00	650,103.66
大連東北亞國際航運中心船舶交易市場有限公司		19,753.71	79,541.71
大連港置地有限公司	Telecommunications services	11,338.48	29,310.10
大連水產品交易有限公司	Telecommunications services	347,831.95	1,435,709.10
大連創意產業項目發展有限公司	Telecommunications services	4,380.64	1,001,827.37
大連港物業管理有限公司	Telecommunications services	4,255.00	6,425.00
大連港實綠化工程有限公司	Telecommunications services	3,390.00	3,390.00
大連救生筏檢驗有限公司	Telecommunications services	2,920.00	–

Notes to Financial Statements (continued)

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VI. Related parties and related party transactions (continued)

5. Major transactions with related parties (continued)

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

	Type of goods or services (Note)	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Sales of goods and rendering of services (continued)			
<u>Transactions with other related parties (continued)</u>			
大連港地產集團有限公司	Telecommunications services	7,800.00	–
Dalian New Harbour Construction Engineering Co., Ltd.	Telecommunications services	2,170.00	2,130.00
大連港鍋爐安裝有限公司	Telecommunications services	3,175.00	2,580.00
大連港東旺汽車修配廠	Telecommunications services	630.00	–
大連港集團(錦州)遼西港口投資開發有限公司	Telecommunications services	450.00	–
Dalian Wanpeng Infrastructure Co. Ltd.	Comprehensive services	305.44	881.84
大連萬通榮海船務有限公司	Comprehensive services	150.00	–
大連大港宏譽家政服務有限公司	Telecommunications services	102.24	–
大連中油海港石油銷售有限公司	Comprehensive services	–	26,656.51
寧德港口發展有限公司	Comprehensive services	–	21,128.21
葫蘆島綏中煤炭碼頭有限公司	Comprehensive services	–	1,160,900.00
		8,852,986.96	8,682,207.86
		81,584,738.40	106,868,675.93

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

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

Notes to Financial Statements (continued)

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VI. Related parties and related party transactions (continued)

5. Major transactions with related parties (continued)

(2) Leases

	Type of assets leased	Commencement date	Termination date	Rental income for the six months ended 30 June 2013 (unaudited)
Operating leases of assets to related parties				
Dalian Port Container Terminal Co., Ltd. (Note)	Buildings	2005.5.30	2019.12.31	41,195,000.00
Dalian Port Container Terminal Berth Co., Ltd.	Berths	2012.1.1	delivery date	26,750,000.00
Dalian China Oil Dock Management Co., Ltd.	Berths and facilities	2013.1.1	2013.12.31	30,956,071.04
大連港實業有限公司	Vehicles	2012.6.1	2013.5.31	873,026.16
Dalian Jilong Logistics Co., Ltd.	Storage facilities	2011.8.1	2020.3.31	2,259,871.58
				102,033,968.78

	Type of assets leased	Commencement date	Termination date	Rental income for the six months ended 30 June 2012 (unaudited)
Dalian Port Container Terminal Co., Ltd.	Buildings	2005.5.30	2019.12.31	41,195,000.00
Dalian Port Container Terminal Co., Ltd. (Note)	Berths	2012.1.1	delivery date	12,091,148.80
Dalian Jilong Logistics Co., Ltd.	Storage facilities	2011.8.1	2020.3.31	1,913,239.98
Dalian China Oil Dock Management Co., Ltd.	Berths and facilities	2012.1.1	2012.12.31	25,394,197.80
				80,593,586.58

Note: In 2012, the Company leased the container berth No.15 to Dalian Port Container Terminal Co., Ltd. The rent for the container berth is RMB53,500,000.00 per annum since 2013. According to the lease agreement, the lease arrangement will not be expired until Dalian Port Container Terminal Co., Ltd. complete the acquisition of container berth No.15 from the Company. As at the reporting date, the Company and Dalian Port Container Terminal Co., Ltd. have not determined the acquisition date of the container berth No.15.

Notes to Financial Statements (continued)

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VI. Related parties and related party transactions (continued)

5. Major transactions with related parties (continued)

(2) Leases (continued)

	Type of assets leased	Commencement date	Termination date	Rental income for the six months ended 30 June 2013 (unaudited)
Operating leases of assets from related parties				
Dalian Port PetroChina International Terminal Co., Ltd.	Berths	2013.1.1	2013.12.31	45,250,000.00
PDA	Land use right	2013.1.1	2013.12.31	12,909,322.35
PDA	Island mole	2007.1.1	2032.12.31	1,760,000.00
PDA	Land use rights and buildings	2013.1.1	2013.12.31	1,421,916.35
PDA	Storages facilities	2013.1.1	2031.3.19	819,369.50
PDA	Berthing facilities	2007.10.1	2013.12.31	709,200.00
Dalian China Oil Dock Management Co., Ltd.	Terminal facilities	2013.1.1	2013.8.31	2,190,000.00
大連保稅區永德信房地產開發建設有限公司	Buildings	2013.1.1	2013.12.31	1,806,928.12
Dalian Port Container Terminal Co., Ltd.	Storages facilities	2013.1.1	2013.12.31	1,562,938.00
Dalian International Container Terminal Co., Ltd.	Buildings	2013.1.1	2013.12.31	1,529,900.00
大連海港大廈	Buildings	2013.1.1	2013.12.31	1,123,076.32
大連宏譽大廈有限公司	Buildings	2013.1.1	2013.12.31	561,894.35
				102,033,968.78

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VI. Related parties and related party transactions (continued)

5. Major transactions with related parties (continued)

(2) Leases (continued)

	Type of assets leased	Commencement date	Termination date	Rental income for the six months ended 30 June 2012 (unaudited)
Dalian Port PetroChina International Terminal Co., Ltd.	Berths	2012.1.1	2012.12.31	29,120,000.00
PDA	Land use rights	2012.1.1	2012.12.31	8,315,545.20
PDA	Island mole	2007.1.1	2032.12.31	1,760,000.00
PDA	Land use rights and buildings	2012.1.1	2012.12.31	503,490.00
PDA	Berthing facilities	2007.10.1	2013.12.31	709,200.00
大連保稅區永德信房地產開發建設有限公司	Buildings	2012.1.1	2012.12.31	1,393,445.63
Dalian Port Container Terminal Co., Ltd.	Storages facilities	2012.1.1	2012.12.31	1,599,098.00
Dalian International Container Terminal Co., Ltd.	Buildings	2012.1.1	2012.12.31	1,002,760.00
大連海港大廈	Buildings	2012.1.1	2012.12.31	1,320,817.98
大連宏譽大廈有限公司	Buildings	2012.1.1	2012.12.31	544,166.12
				46,268,522.93

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

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

5. Major transactions with related parties (continued)

(3) Guarantees

Guarantees received from a related party

For the six months ended 30 June 2013 (unaudited)

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

For the six months ended 30 June 2012 (unaudited)

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

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

Guarantees provided to related parties

For the six months ended 30 June 2013 (unaudited)

	Guaranteed amount	Commencement date	Termination date	Fully performed or not
China Unite Northeast Rail Containers Co., Ltd.	116,000,000.00	2009.7.31	2013.3.21	Yes (Note)

For the six months ended 30 June 2012 (unaudited)

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

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

Note: As at 21 March 2013, China Unite Northeast Rail Containers Co., Ltd. repaid the guaranteed borrowing in advance.

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

5. Major transactions with related parties (continued)

(4) Loans or borrowings

Borrowings from related parties

For the six months ended 30 June 2013 (unaudited)

	Amount	Interest rate	Starting date	Maturity date
Dalian Port Corporation Finance Co., Ltd.	30,000,000.00	5.60%	2013.5.13	2013.11.12
Dalian Port Corporation Finance Co., Ltd.	619,000,000.00	5.70%	2013.2.1	2013.12.18
Dalian Harbour ECL Logistics Co., Ltd.	10,000,000.00	6.60%	2013.5.7	2014.5.6

For the six months ended 30 June 2012 (unaudited)

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

Interest expenses paid

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Dalian Assembling Transportation Logistics Co., Ltd.	424,666.66	422,333.33
Dalian Port Corporation Finance Co., Ltd.	16,168,130.55	3,050,850.00
Dalian Harbour ECL Logistics Co., Ltd.	82,500.00	—
	16,675,297.21	3,473,183.33

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

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

5. Major transactions with related parties (continued)

(4) Loans or borrowings (continued)

Loans to related parties

For the six months ended 30 June 2013 (unaudited)

	Amount	Interest rate	Starting date	Maturity date
Liaoning Con-Rail International Logistics Co., Ltd.	5,610,000.00	6.00%	2013.1.19	2014.1.18
Liaoning Con-Rail International Logistics Co., Ltd.	1,760,000.00	6.00%	2013.4.20	2014.4.19
China Shipping Gang Lian Co., Ltd.	13,432,800.00	6.00%	2013.6.28	2014.6.27

For the six months ended 30 June 2012 (unaudited)

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

Interest income received

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
SINOECL Auto Liners, Limited	51,699.52	140,451.04
Jadeway Limited	67,290.23	86,830.18
Liaoning Con-Rail International Logistics Co., Ltd.	273,574.27	261,220.85
	392,564.02	488,502.07

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

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

5. Major transactions with related parties (continued)

(5) Acquisition or transfer of assets

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Acquisition of assets from:		
PDA	–	2,426,842.97
Dalian Port Machinery and Electronics Co., Ltd.	13,716,039.54	14,466,518.54
Dalian Port Construction Engineering Co., Ltd.	86,243,881.87	38,395,448.18
Dalian Port Machinery Co., Ltd.	3,404,880.00	–
Dalian Port New Harbour Construction Engineering Co., Ltd.	4,687,190.00	1,595,863.86
大連港日興鍋爐安裝工程公司	11,825,962.59	1,611,985.44
Dalian Port Design and Research Institute Co., Ltd.	4,369,918.00	–
Dalian Wanpeng Infrastructure Co., Ltd.	1,946,972.00	794,349.00
大連港萬通物流有限公司	156,667.07	–
	126,351,511.07	59,291,007.99

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

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Transfer of assets to:		
Dalian International Container Terminal Co., Ltd.	85,470.09	–
Odfjell Terminals (Dalian) Co., Ltd.	52,828.47	–
Dalian Changxing Island Port Co., Ltd.	272.00	–
瓦房店太平灣港有限公司	6,142.42	–
Dalian Automobile Terminal Co., Ltd.	242,801.20	–
PDA	8,539.33	–
Dalian Yidu Jifa Cold Logistics Co., Ltd.	–	638,385.65
	396,053.51	638,385.65

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

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

5. Major transactions with related parties (continued)

(6) Transfer of shares to a related party

On 10 April 2013, as approved by the State-owned Assets Supervision and Administration Commission of Dalian, the Company transferred its 100% equity interests in Dalian Port Petrochemical Co., Ltd. to its parent company, PDA, at a consideration of RMB597,614,200.00 (Note IV.5).

(7) Deposits in related parties

As at 30 June 2013, the Group's deposits in Dalian Port Corporation Finance Co., Ltd. were RMB1,084,095,493.32 and the Group gained interest income of RMB4,541,817.68.

(8) Compensation of key management personnel

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Compensation of key management personnel	2,499,427.02	2,193,782.90

6. Parent and subsidiaries

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
<u>Investments in subsidiaries</u>		
Unlisted shares, at cost	4,002,008,595.72	4,237,325,096.98
<u>Amounts due from subsidiaries included in current assets</u>		
Interest-bearing (1)	42,000,000.00	971,000,000.00
Interest-free (2)	337,541,976.23	227,102,538.67
	379,541,976.23	1,198,102,538.67
Amounts due to subsidiaries included in current liabilities Interest-free (2)	24,908,144.17	54,821,447.64

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

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

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

7. Amounts due from related parties

	Note	30 June 2013 (unaudited)		31 December 2012	
		Amount	Percentage (%)	Amount	Percentage (%)
Accounts receivable:					
<u>Amounts due from jointly-controlled entities and associates</u>					
Dalian Vanguard International Logistics Co., Ltd.		491,990.00	0.08	406,990.00	0.09
Dalian China Oil Dock Management Co., Ltd.		5,291,288.10	0.91	3,622,651.77	0.76
China Unite Northeast Rail Containers Co., Ltd.		351,564.00	0.06	89,900.00	0.02
Dalian International Container Terminal Co., Ltd.		10,432,248.13	1.77	3,925,000.89	0.82
Dalian Yidu Jifa Cold Logistics Co., Ltd.		217,000.04	0.04	19,056.00	0.00
Dalian Automobile Terminal Co., Ltd.		879,790.85	0.15	306,654.00	0.06
Odfjell Terminals (Dalian) Co., Ltd.		481,901.25	0.08	975,590.83	0.20
Dalian Port Container Terminal Co., Ltd.		5,908,043.64	1.01	1,466,588.72	0.31
Dalian United International Shipping Agency Co., Ltd.		1,773,502.00	0.30	2,005,677.39	0.42
Dalian Singamas International Container Co., Ltd.		85,000.00	0.01	10,082.17	0.00
Liaoning Con-Rail International Logistics Co., Ltd.		493,911.95	0.08	150,000.00	0.03
Dalian Harbour ECL Logistics Co., Ltd.		16,217.00	0.00	129,731.45	0.03
Dalian Jilong Logistics Co., Ltd.		15,300.00	0.00	3,020.00	0.00
Dalian Dagang China Shipping Container Terminal Co., Ltd.		945,518.60	0.16	432,887.00	0.09
Dalian Shunda Logistics Co., Ltd. (Note)		-	-	231.00	0.00
Dalian Changxing Island Port Investment & Development Co., Ltd.		414,000.00	0.07	-	-
Dalian Assembling Transportation Logistics Co., Ltd.		586,502.17	0.10	21,226.00	0.00
China United Tally Co., Ltd. Dalian		-	-	531.00	0.00
Dalian North Petroleum Logistics Co., Ltd.		462,350.00	0.08	79,296.55	0.02
大連普集倉儲設施有限公司		1,417,771.39	0.24	1,417,771.39	0.30
Dalian Changxing Island Port Co., Ltd.		559,048.24	0.10	234,048.24	0.05
Shenyang Prologis-Jifa Logistics Development Co., Ltd.		979,387.26	0.17	979,387.26	0.21
大連港散貨物流有限公司		3,980,232.00	0.68	3,980,232.00	0.83
		35,782,566.62	6.09	20,256,553.66	4.24
<u>Amount due from the parent</u>					
PDA	Note V.6	155,811.40	0.03	-	-

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

7. Amounts due from related parties (continued)

	30 June 2013 (unaudited)		31 December 2012	
	Amount	Percentage (%)	Amount	Percentage (%)
Accounts receivable: (continued)				
<u>Amounts due from other related parties</u>				
大連龍港船務有限公司	–	–	214,780.00	0.05
大連港萬通物流有限公司	130,204.20	0.02	3,857,320.00	0.81
Dalian Port Machinery and Electric Co., Ltd.	1,593,272.15	0.27	1,520,417.15	0.32
大連中信海港投資有限公司	–	–	220,344.00	0.05
大連中油船用燃料運銷有限公司	–	–	10,895.81	0.00
	1,723,476.35	0.29	5,823,756.96	1.23
	37,661,854.37	6.41	26,080,310.62	5.47
Other receivables:				
<u>Amounts due from jointly-controlled entities and associates</u>				
Dalian Vanguard International Logistics Co., Ltd.	120,439.00	0.03	120,439.00	0.04
Dalian China Oil Dock Management Co., Ltd.	413,428.11	0.10	887,906.47	0.30
Dalian International Container Terminal Co., Ltd.	602,348.46	0.15	504,070.24	0.17
Dalian Automobile Terminal Co., Ltd.	152,232.42	0.04	148,907.09	0.05
Dalian Port PetroChina International Terminal Co., Ltd.	1,909,300.00	0.48	1,909,300.00	0.64
Odfjell Terminals (Dalian) Co., Ltd.	54,479.00	0.01	48,626.00	0.02
Dalian Port Container Terminal Co., Ltd.	925,364.10	0.23	767,799.50	0.26
Dalian United International Shipping Agency Co., Ltd.	76,638.00	0.02	240,032.00	0.08
Dalian Assembling Transportation Logistics Co., Ltd.	383,593.57	0.10	8,384.00	0.00
Dalian Jilong Logistics Co., Ltd.	20,000.00	0.01	20,000.00	0.01
Dalian Changxing Island Port Investment & Development Co., Ltd.	817,282.20	0.20	817,282.20	0.28
Liaoning Con-Rail International Logistics Co., Ltd.	100,166.54	0.03	–	–

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

7. Amounts due from related parties (continued)

	Note	30 June 2013 (unaudited)		31 December 2012	
		Amount	Percentage (%)	Amount	Percentage (%)
Other receivables: (continued)					
<u>Amounts due from jointly-controlled entities and associates (continued)</u>					
Dalian Dagang China Shipping Container Terminal Co., Ltd.		214,235.39	0.05	16,228.02	0.00
China Unite Northeast Rail Containers Co., Ltd.		50,000.00	0.01	50,000.00	0.02
Dalian Port Corporation Finance Co., Ltd.		–	–	139,690.10	0.05
PetroChina Dalian LNG Co., Ltd.		31,918.00	0.01	22,818.00	0.01
Dalian North Petroleum Logistics Co., Ltd.		4,757,392.12	1.19	840,000.00	0.28
大連普集倉儲設施有限公司		–	–	146,827.00	0.05
Dalian Changxing Island Port Co., Ltd.		190,436.95	0.05	190,436.95	0.06
China Shipping Gang Lian Co., Ltd.		291,204.48	0.07	–	–
		11,110,458.34	2.78	6,878,746.57	2.32
<u>Amount due from the parent</u>					
PDA	Note V.7	2,908,488.00	0.73	5,232,965.78	1.77

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

7. Amounts due from related parties (continued)

	30 June 2013 (unaudited)		31 December 2012	
	Amount	Percentage (%)	Amount	Percentage (%)
Other receivables: (continued)				
<u>Amounts due from other related parties</u>				
大連保稅區永德信房地產開發建設有限公司	33,125.00	0.01	33,125.00	0.01
大連創意產業項目發展有限公司	–	–	1,216,273.00	0.41
大連宏譽大廈有限公司	20,387.00	0.01	20,387.00	0.01
大連港海港大廈	27,677.07	0.01	6,120.00	0.00
大連中油海港石油銷售有限公司	166,000.00	0.04	126,000.00	0.04
Dalian Port Machinery and Electric Co., Ltd.	65,512.00	0.02	65,512.00	0.02
Dalian Port New Harbour Construction Engineering Co., Ltd.	–	–	40,577.00	0.02
Dalian Port Construction Engineering Co., Ltd.	1,056,895.70	0.26	142,651.02	0.05
大連港實業有限公司	738,790.98	0.19	–	–
大連宏譽家政服務有限公司	216.00	0.00	–	–
Dalian Port Petroleum and Chemical Co., Ltd.	611,093.00	0.15	–	–
Dalian Port Corporation Finance Co., Ltd.	2,929.00	0.00	–	–
大連港鍋爐安裝有限公司	40,577.00	0.01	–	–
	2,763,202.75	0.70	1,650,645.02	0.56
	16,782,149.09	4.21	13,762,357.37	4.65

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

7. Amounts due from related parties (continued)

	30 June 2013 (unaudited)		31 December 2012	
	Amount	Percentage (%)	Amount	Percentage (%)
Prepayments:				
<u>Amounts prepaid to other related parties</u>				
大連港資產經營管理公司	1,895,816.00	4.46	–	–
大連港實業有限公司	–	–	13,418.86	0.01
Dalian Port Construction Engineering Co., Ltd.	2,880,000.00	6.78	–	–
大連中油海港石油銷售有限公司	2,100,855.41	4.95	878,948.44	0.39
	6,876,671.41	16.19	892,367.30	0.40
Interests receivable:				
<u>Amounts due from an associate and a jointly-controlled entity</u>				
Dalian Port Corporation Finance Co., Ltd.	22,237.50	0.50	1,407,652.21	34.63
Liaoning Con-Rail International Logistics Co., Ltd.	14,142.12	0.32	18,786.82	0.46
	36,379.62	0.82	1,426,439.03	35.09

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

7. Amounts due from related parties (continued)

	Note	30 June 2013 (unaudited)		31 December 2012	
		Amount	Percentage (%)	Amount	Percentage (%)
Non-current assets due within one year:					
Amount due from a jointly-controlled entity					
Liaoning Con-Rail International Logistics Co., Ltd.		-	-	5,610,000.00	0.56
Other current assets:	Note V.11				
Amounts due from a jointly-controlled entity and an associate					
Liaoning Con-Rail International Logistics Co., Ltd.		8,390,000.00	3.62	4,870,000.00	100.00
China Shipping Gang Lian Co., Ltd.		13,432,800.00	5.80	-	-
		21,822,800.00	9.42	4,870,000.00	100.00
Other non-current assets:	Note V.24				
Amounts due from a jointly-controlled entity and associates					
SINOECL Auto Liners, Limited		10,167,575.96	41.10	10,544,919.21	28.09
Jadeway Limited		14,569,926.98	58.90	16,999,993.37	45.28
Dalian North Petroleum Logistics Co., Ltd.		-	-	10,000,000.00	26.63
		24,737,502.94	100.00	37,544,912.58	100.00

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

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

8. Amounts due to related parties

	Note	30 June 2013 (unaudited)		31 December 2012	
		Amount	Percentage (%)	Amount	Percentage (%)
Other payables:					
<u>Amounts due to jointly-controlled entities and associates</u>					
Dalian Dagang China Shipping Container Terminal Co., Ltd.		20,000.00	0.00	20,000.00	0.00
Dalian International Container Terminal Co., Ltd.		377,980.00	0.05	75,833.00	0.02
Dalian Port Container Terminal Co., Ltd.		275,840.00	0.04	463,195.00	0.05
China United Tally Co., Ltd. Dalian		12,000.00	0.00	12,000.00	0.00
Dalian Yidu Jifa Cold Logistics Co., Ltd.		20,800.00	0.00	20,800.00	0.00
Dalian Automobile Terminal Co., Ltd.		47,446.74	0.01	37,678.00	0.00
Dalian United International Shipping Agency Co., Ltd.		140,372.00	0.02	300,800.00	0.04
Dalian Singamas International Container Co., Ltd.		20,700.00	0.00	29,713.00	0.00
Dalian Assembling Transportation Logistics Co., Ltd.		50,000.00	0.01	50,000.00	0.01
Odfjell Terminals (Dalian) Co., Ltd.		248,271.00	0.03	252,706.00	0.03
Liaoning Con-Rail International Logistics Co., Ltd.		-	-	9,274.00	0.00
Dalian Jilong Logistics Co., Ltd.		-	-	42,625.50	0.00
Dalian Shunda Logistics Co., Ltd. (Note)		-	-	64,897.00	0.01
Dalian Changxing Island Port Co., Ltd.		-	-	77.00	0.00
Dalian Port Corporation Finance Co., Ltd.		-	-	66,146.66	0.02
		1,213,409.74	0.16	1,445,745.16	0.18
<u>Amount due to the parent</u>					
PDA	Note V.34	2,215,110.17	0.30	3,259,477.38	0.38

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

8. Amounts due to related parties (continued)

	30 June 2013 (unaudited)		31 December 2012	
	Amount	Percentage (%)	Amount	Percentage (%)
Other payables: (continued)				
<u>Amounts due to other related parties</u>				
Dalian Port Machinery Co., Ltd.	1,136,964.60	0.15	3,282,470.58	0.38
大連港保安服務公司	20,000.00	0.00	–	–
大連保稅區永德信房地產開發建設有限公司	360,072.03	0.05	–	–
大連宏譽大廈有限公司	264,711.50	0.04	–	–
大連港萬通物流有限公司	404,482.88	0.05	700.00	0.00
大連經濟技術開發區海灣貨運公司	312,329.25	0.04	311,778.12	0.04
大連創意產業項目發展有限公司	–	–	5,000.00	0.00
Dalian Port Construction Engineering Co., Ltd.	152,444,494.17	20.57	184,321,025.36	21.59
Dalian Wanpeng Infrastructure Co. Ltd.	3,155,546.43	0.43	4,721,966.43	0.55
Dalian Port Machinery and Electric Co., Ltd.	48,357,037.74	6.52	40,538,977.39	4.75
大連港實業有限公司	150,048.37	0.02	1,348.40	0.00
大連港實綠化工程有限公司	119,065.30	0.02	145,816.30	0.02
Dalian New Harbour Construction Engineering Co., Ltd.	2,252,248.78	0.30	6,287,473.64	0.74
大連港日興園林綠化工程有限公司	5,000.00	0.00	5,000.00	0.00
大連港鍋爐安裝有限公司	6,306,527.16	0.85	15,911,437.05	1.86
	215,288,528.21	29.04	255,532,993.27	29.93
	218,717,048.12	29.50	260,238,215.81	30.49
Interest payable:				
<u>Amounts due to a jointly-controlled entity and an associate</u>				
Dalian Port Corporation Finance Co., Ltd.	499,777.80	0.33	–	–
Dalian Assembling Transportation Logistics Co., Ltd.	23,333.32	0.02	–	–
	523,111.12	0.35	–	–

Notes to Financial Statements (continued)

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VI. Related parties and related party transactions (continued)

8. Amounts due to related parties (continued)

	30 June 2013 (unaudited)		31 December 2012	
	Amount	Percentage (%)	Amount	Percentage (%)
Notes payable:				
<u>Other related parties</u>				
Dalian Wanpeng Infrastructure Co., Ltd.	700,000.00	1.12	350,000.00	2.09
Dalian Port New Harbour Construction Engineering Co., Ltd.	500,000.00	0.80	–	–
大連港鍋爐安裝有限公司	652,900.00	1.04	–	–
Dalian Port Construction Engineering Co., Ltd.	21,292,478.72	34.04	11,080,000.00	66.23
	23,145,378.72	37.00	11,430,000.00	68.32
Accounts payable:				
<u>Amounts due to jointly-controlled entities</u>				
Dalian International Container Terminal Co., Ltd.	650,000.00	0.48	300,000.00	0.17
Dalian Port Container Terminal Co., Ltd.	371,666.00	0.27	–	–
Dalian Singamas International Container Co., Ltd.	–	–	854.99	0.00
	1,021,666.00	0.75	300,854.99	0.17
<u>Amounts due to other related parties</u>				
大連宏譽大廈有限公司	191,963.41	0.14	–	–
Dalian Port Machinery Co., Ltd.	–	–	320,500.00	0.19
Dalian Port New Harbour Construction Engineering Co., Ltd.	69,447.43	0.05	150,000.00	0.08
Dalian Port Machinery and Electric Co., Ltd.	3,214,085.80	2.36	3,059,807.50	1.73
大連港鍋爐安裝有限公司	107,704.08	0.08	–	–
Dalian Wanpeng Infrastructure Co., Ltd.	120,000.00	0.09	–	–
Dalian Port Construction Engineering Co., Ltd.	164,204.00	0.12	144,286.00	0.08
大連中油海港石油銷售有限公司	23,425.14	0.02	–	–
	3,890,829.86	2.86	3,674,593.50	2.08
	4,912,495.86	3.61	3,975,448.49	2.25

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

8. Amounts due to related parties (continued)

	Note	30 June 2013 (unaudited)		31 December 2012	
		Amount	Percentage (%)	Amount	Percentage (%)
Short-term borrowings:	Note V.26				
<u>Amounts due to a jointly-controlled entity and an associate</u>					
Dalian Port Corporation Finance Co., Ltd.		317,000,000.00	59.44	660,000,000.00	51.64
Dalian Harbour ECL Logistics Co., Ltd.		10,000,000.00	1.88	–	–
		327,000,000.00	61.32	660,000,000.00	51.64
Long-term borrowings:	Note V.36				
<u>Amounts due to a jointly-controlled entity and an associate</u>					
Dalian Assembling Transportation Logistics Co., Ltd.		21,000,000.00	1.26	21,000,000.00	1.23
Dalian Port Corporation Finance Co., Ltd.		–	–	20,000,000.00	1.17
		21,000,000.00	1.26	41,000,000.00	2.40
Non-current liabilities due within one year:	Note V.35				
<u>Amounts due to an associate</u>					
Dalian Port Corporation Finance Co., Ltd.		20,000,000.00	0.71	–	–
Advances from customers:					
<u>Advances from jointly-controlled entities and associates</u>					
Dalian Yidu Jifa Cold Logistics Co., Ltd.		–	–	565,129.03	0.61
Odfjell Terminals (Dalian) Co., Ltd.		186,690.00	0.06	186,690.00	0.20
Dalian Port Container Terminal Co., Ltd.		9,075,115.33	2.79	10,105,955.59	10.89
Dalian Singamas International Container Co., Ltd.		–	–	51,995.56	0.06
Dalian Jilong Logistics Co., Ltd.		–	–	167,447.84	0.18
Dalian Assembling Transportation Logistics Co., Ltd.		368,000.00	0.11	736,000.00	0.79
Dalian China Oil Dock Management Co., Ltd.		–	–	17,755.75	0.02
Dalian Shunda Logistics Co., Ltd. (Note)		–	–	15,961.68	0.02
Dalian Wanpeng Port Engineering Examination & Testing Co., Ltd.		–	–	5,341.15	0.01
大連普集倉儲設施有限公司		–	–	3,256.11	–
PetroChina Dalian LNG Co., Ltd.		–	–	310.00	–
		9,629,805.33	2.96	11,855,842.71	12.78

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VI. Related parties and related party transactions (continued)

8. Amounts due to related parties (continued)

	30 June 2013 (unaudited)		31 December 2012	
	Amount	Percentage (%)	Amount	Percentage (%)
Advances from customers: (continued)				
<u>Advances from other related parties</u>				
大連港萬通物流有限公司	-	-	15,390.00	0.02
大連港實業有限公司	-	-	598,439.95	0.64
Dalian Port Construction Engineering Co., Ltd.	-	-	107,100.11	0.12
大連中油海港石油銷售有限公司	-	-	2,219.47	0.00
	-	-	723,149.53	0.78
	9,629,805.33	2.96	12,578,992.24	13.56

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

Note: Dalian Shunda Logistics Co., Ltd. was included in the Group's consolidation scope during the current period. Refer to Note IV.4.

VII. Commitments

	30 June 2013 (unaudited)	31 December 2012
Capital commitments:		
Contracted, but not provided	324,700,485.24	57,697,740.08
Authorised but not contracted	1,428,362,636.12	2,210,419,662.01
	1,753,063,121.36	2,268,117,402.09
Investment commitments:		
Authorised, but not contracted	40,000,000.00	47,600,000.00
Contracted, but not fulfilled	25,000,000.00	-
	65,000,000.00	47,600,000.00

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VIII. Other important items

1. Net current assets

	30 June 2013 Group (unaudited)	31 December 2012 Group	30 June 2013 Company (unaudited)	31 December 2012 Company
Current assets	5,420,960,840.67	4,713,189,889.91	3,956,293,488.75	4,295,886,797.03
Less: Current liabilities	5,185,154,610.85	3,591,969,549.48	3,938,562,817.63	2,476,127,263.65
Net current assets	235,806,229.82	1,121,220,340.43	17,730,671.12	1,819,759,533.38

2. Total assets less current liabilities

	30 June 2013 Group (unaudited)	31 December 2012 Group	30 June 2013 Company (unaudited)	31 December 2012 Company
Total assets	27,242,456,927.10	27,828,780,431.66	23,760,670,468.33	24,710,060,320.29
Less: Current liabilities	5,185,154,610.85	3,591,969,549.48	3,938,562,817.63	2,476,127,263.65
Total assets less current liabilities	22,057,302,316.25	24,236,810,882.18	19,822,107,650.70	22,233,933,056.64

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

3. Leases

As lessor

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

As lessee

For the six months ended 30 June 2013, the operating lease expenses charged to the income statement amounted to RMB137,601,151.99 (For the six months ended 2012: RMB116,320,898.06).

Significant operating leases

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

	30 June 2013 (unaudited)	31 December 2012
Within one year, inclusive	100,806,854.15	82,108,599.27
First to second years, inclusive	34,293,879.15	3,749,166.67
Second to third years, inclusive	20,189,753.00	3,520,000.00
Third to fourth years, inclusive	5,158,739.00	3,520,000.00
Fourth to fifth years, inclusive	5,158,739.00	3,520,000.00
After five years	71,933,922.25	54,560,000.00
	237,541,886.55	150,977,765.94

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

4. Assets and liabilities measured at fair value

30 June 2013 (unaudited)

	Opening balance	Profit or loss from changes in fair value during the period	Accumulated changes in fair value recognised in equity	Impairment	Closing balance
Financial assets:					
Available-for-sale financial assets	18,924,264.64	-	(6,499,673.01)	-	17,500,358.66
Financial assets held for trading	-	54,712.20	-	-	7,554,712.20
	18,924,264.64	54,712.20	(6,499,673.01)	-	25,055,070.86

31 December 2012

	Opening balance	Profit or loss from changes in fair value during the period	Accumulated changes in fair value recognised in equity	Impairment	Closing balance
Financial assets:					
Available-for-sale financial assets	26,577,769.81	-	(5,483,063.31)	-	18,924,264.64

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

5. Financial assets and financial liabilities denominated in foreign currencies

30 June 2013 (unaudited)

	Opening balance	Profit or loss from changes in fair value during the period	Accumulated changes in fair value recognised in equity	Impairment	Closing balance
Financial assets:					
Cash and bank balances	25,296,767.51	-	-	-	38,014,258.73
Available-for-sale financial assets	14,534,238.64	-	(378,711.51)	-	14,127,780.66
Loans and receivables	27,544,912.58	-	-	-	24,737,502.94
	67,375,918.73	-	(378,711.51)	-	76,879,542.33
Financial liabilities:					
Short-term borrowings	38,533,101.12	-	-	-	206,322,377.17
Long-term borrowings	288,915,409.65	-	-	-	282,935,715.95
	327,448,510.77	-	-	-	489,258,093.12

31 December 2012

	Opening balance	Profit or loss from changes in fair value during the period	Accumulated changes in fair value recognised in equity	Impairment	Closing balance
Financial assets:					
Cash and bank balances	16,829,706.41	-	-	-	25,296,767.51
Available-for-sale financial assets	14,609,746.31	-	459,062.19	-	14,534,238.64
Loans and receivables	29,313,457.33	-	-	-	27,544,912.58
	60,752,910.05	-	459,062.19	-	67,375,918.73
Financial liabilities:					
Short-term borrowings	-	-	-	-	38,533,101.12
Long-term borrowings	289,841,456.80	-	-	-	288,915,409.65
	289,841,456.80	-	-	-	327,448,510.77

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

6. Segment information

Operating segments

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

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

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

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

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

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

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

6. Segment information (continued)

Operating segments (continued)

For the six months ended 30 June 2013 (unaudited)

	Oil/liquefied chemical terminal and logistics services RMB'000	Container terminal and logistics services RMB'000	General cargo terminal and logistics services RMB'000	Ore terminal and logistics services RMB'000	Bulk grain terminal and logistics services RMB'000	Passenger and roll-on/ roll-off terminal and logistics services RMB'000	Port value-added services and ancillary port operations RMB'000	Automobile terminal and logistics services RMB'000	Unallocated RMB'000	Total RMB'000
Revenue	543,920	606,948	201,955	143,045	1,039,904	61,632	421,913	241,851	80,109	3,341,277
Less: Cost of sales and services	258,471	386,896	194,287	87,800	926,439	43,390	287,719	232,883	21,650	2,439,535
Gross profit	285,449	220,052	7,668	55,245	113,465	18,242	134,194	8,968	58,459	901,742
Less: Tax and surcharges	23,793	40,668	6,324	5,218	7,608	2,531	13,948	903	5,084	106,077
Sales expenses	-	-	-	-	158	-	(112)	154	-	200
Administrative expenses	21,438	55,459	15,380	13,211	16,064	10,216	56,974	1,629	48,662	239,033
Financial expenses	12,952	3,813	(184)	(153)	8,795	1,408	(483)	(3,393)	179,667	202,422
Impairment losses	-	(667)	-	-	-	-	(481)	-	-	(1,148)
Add: Gains from fair value changes	-	-	-	-	-	-	55	-	-	55
Investment income	49,852	(2,447)	(7,857)	(268)	-	(6,440)	13,709	3,844	46,127	96,520
Operating profit	277,118	118,332	(21,709)	36,701	80,840	(2,353)	78,112	13,519	(128,827)	451,733
Add: Non-operating income	18,699	77,382	476	-	-	26	23	-	24,928	121,534
Less: Non-operating expenses	1	1,026	7	-	-	5	-	-	-	1,039
Total profit	295,816	194,688	(21,240)	36,701	80,840	(2,332)	78,135	13,519	(103,899)	572,228
Less: Income tax expenses	65,127	41,015	(1,318)	9,651	21,444	2,147	16,144	1,518	(28,632)	127,096
Net profit	230,689	153,673	(19,922)	27,050	59,396	(4,479)	61,991	12,001	(75,267)	445,132
Total assets	6,874,292	6,056,282	2,918,212	2,131,807	1,833,540	1,371,280	1,745,671	1,333,424	2,977,949	27,242,457
Total liabilities	1,524,057	601,743	164,464	83,633	522,407	72,391	94,647	313,207	9,470,686	12,847,235
Supplementary information:										
Investment income from associates and jointly-controlled entities	49,188	(768)	(7,857)	(268)	-	(7,079)	13,559	3,844	-	50,619
Depreciation and amortisation	90,016	76,108	37,102	43,036	33,076	15,170	29,569	4,868	17,710	346,655
Interest income	476	2,334	184	126	1,142	39	628	210	9,476	14,615
Capital expenditure	209,834	55,469	146,362	39,665	8,725	2,072	38,594	34,057	15,240	550,018
Intersegment sales	3,394	134	1,095	-	-	348	68,296	1,883	-	75,150

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

6. Segment information (continued)

Operating segments (continued)

For the six months ended 30 June 2012 (unaudited)

	Oil/liquefied chemical terminal and logistics services RMB'000	Container terminal and logistics services RMB'000	General cargo terminal and logistics services RMB'000	Ore terminal and logistics services RMB'000	Bulk grain terminal and logistics services RMB'000	Passenger and roll-on/ roll-off terminal and logistics services RMB'000	Port value-added services and ancillary port operations RMB'000	Automobile terminal and logistics services RMB'000	Unallocated RMB'000	Total RMB'000
Revenue	423,308	541,098	173,344	163,409	188,005	61,816	398,033	9,640	89,569	2,048,222
Less: Cost of sales and services	215,707	374,816	151,942	93,688	77,043	35,677	254,287	4,838	21,703	1,229,701
Gross profit	207,601	166,282	21,402	69,721	110,962	26,139	143,746	4,802	67,866	818,521
Less: Tax and surcharges	17,922	33,408	6,428	6,134	7,451	2,412	14,421	540	4,788	93,504
Administrative expenses	18,291	54,320	15,744	12,922	13,140	9,768	53,979	232	39,918	218,314
Financial expenses	14,040	10,762	(34)	(14)	(739)	1,793	(1,905)	(1,190)	152,158	174,871
Impairment losses	-	-	-	-	-	-	-	-	-	-
Add: Gains from fair value changes	-	-	-	-	-	-	531	-	-	531
Investment income	27,322	(2,508)	(11,441)	(522)	-	(4,533)	9,538	5,234	48,875	71,965
Operating profit	184,670	65,284	(12,177)	50,157	91,110	7,633	87,320	10,454	(80,123)	404,328
Add: Non-operating income	17,253	39,067	869	-	5	11	504	-	-	57,709
Less: Non-operating expenses	101	56	-	-	3	2,019	98	-	8	2,285
Total profit	201,822	104,295	(11,308)	50,157	91,112	5,625	87,726	10,454	(80,131)	459,752
Less: Income tax expenses	46,419	32,023	178	12,672	22,785	3,830	18,712	55	(22,560)	114,114
Net profit	155,403	72,272	(11,486)	37,485	68,327	1,795	69,014	10,399	(57,571)	345,638
Total assets	8,108,100	6,335,400	3,276,114	2,171,375	1,456,841	829,581	1,711,518	726,574	2,490,350	27,105,853
Total liabilities	1,659,350	791,202	194,257	87,113	20,217	88,958	98,666	13,534	10,440,315	13,393,612
Supplementary information:										
Investment income from associates and jointly controlled entities	27,371	(2,508)	(11,441)	(522)	-	(5,678)	6,343	5,234	-	18,799
Depreciation and amortisation	87,497	77,103	29,978	42,967	33,505	8,747	29,346	4,856	9,898	323,897
Interest income	448	1,020	34	17	739	64	2,341	138	14,902	19,703
Capital expenditure	97,081	43,891	160,677	30,841	1,477	13,321	77,192	3,022	424	427,926
Intersegment sales	3,049	747	-	-	-	-	70,539	-	-	74,335

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

6. Segment information (continued)

Other information

Information about products and services

The revenue classified by category is disclosed in Note V.43.

Geographical information

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

Information about a major customer

For the six months ended 30 June 2013, revenue of RMB429,140,840.57 (For the six months ended 30 June 2012: RMB206,014,213.02) representing 10% or more of the Group's total revenue was derived from sales to a single customer in the segment of bulk grain terminal and logistics services (For the six months ended 30 June 2012: oil/liquefied chemical terminal and logistics services), including sales to a group of entities which are known to be under control with that customer.

7. Financial instruments and risks

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

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

Notes to Financial Statements (continued)

30 June 2013
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VIII. Other important items (continued)

7. Financial instruments and risks (continued)

Financial instruments by category

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

30 June 2013 (unaudited)

Financial assets

	Financial assets held for trading RMB'000	Loans and receivables RMB'000	Available- for-sale financial assets RMB'000	Total RMB'000
Cash and bank balances	–	2,398,000	–	2,398,000
Financial assets held for trading	7,555	–	–	7,555
Notes receivable	–	86,403	–	86,403
Accounts receivable	–	584,436	–	584,436
Interest receivable	–	4,404	–	4,404
Dividends receivable	–	16,476	–	16,476
Other receivables	–	397,928	–	397,928
Other current assets	–	171,823	–	171,823
Available-for-sale financial assets	–	–	17,500	17,500
Non-current assets due within one year	–	1,000,000	–	1,000,000
Other non-current assets	–	24,738	–	24,738
	7,555	4,684,208	17,500	4,709,263

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

7. Financial instruments and risks (continued)

Financial instruments by category (continued)

30 June 2013 (unaudited) (continued)

Financial liabilities

	Other financial liabilities RMB'000
Short-term borrowings	533,322
Notes payable	62,545
Accounts payable	136,053
Interest payable	152,390
Dividends payable	302,553
Other payables	741,246
Non-current liabilities due within one year	2,810,719
Long-term borrowings	1,671,381
Bonds payable	5,357,116
	11,767,325

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

7. Financial instruments and risks (continued)

Financial instruments by category (continued)

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

31 December 2012

Financial assets

	Loans and receivables RMB'000	Available-for-sale financial assets RMB'000	Total RMB'000
Cash and bank balances	2,507,327	–	2,507,327
Notes receivable	63,070	–	63,070
Dividends receivable	4,351	–	4,351
Interests receivable	4,065	–	4,065
Accounts receivable	473,176	–	473,176
Other receivables	295,205	–	295,205
Non-current assets due within one year	1,005,610	–	1,005,610
Other current assets	4,870	–	4,870
Available-for-sale financial assets	–	18,924	18,924
Other non-current assets	37,545	–	37,545
	<u>4,395,219</u>	<u>18,924</u>	<u>4,414,143</u>

Notes to Financial Statements (continued)

30 June 2013
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VIII. Other important items (continued)

7. Financial instruments and risks (continued)

Financial instruments by category (continued)

31 December 2012 (continued)

Financial liabilities

	Other financial liabilities RMB'000
Short-term borrowings	1,278,033
Notes payable	16,730
Accounts payable	177,029
Interest payable	194,320
Dividends payable	83,182
Other payables	853,634
Non-current liabilities due within one year	545,000
Long-term borrowings	1,708,360
Bonds payable	8,004,513
Long-term payables	130
	<u>12,860,931</u>

Credit risk

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

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

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

Notes to Financial Statements (continued)

30 June 2013
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VIII. Other important items (continued)

7. Financial instruments and risks (continued)

Credit risk (continued)

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer. As at 30 June 2013, the Group had certain concentration of credit risk as 41% (31 December 2012: 40%) of the Group's accounts receivable were due from the five largest customers. The Group did not hold any collateral or other credit enhancements over the account receivable balances.

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

As at 30 June 2013 and 31 December 2012, the analysis of the Group's accounts receivable that are undue but unimpaired and accounts receivable that are past due but not impaired is as follows:

	30 June 2013 (unaudited)	31 December 2012
Undue and unimpaired	350,120,615.71	331,736,250.27
Past due and unimpaired – within 3 months	97,884,319.34	36,513,236.28
Past due and unimpaired – over 3 months	134,277,011.53	102,779,250.81
	582,281,946.58	471,028,737.36

Liquidity risk

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

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

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, bonds payable and other interest-bearing loans. As at 30 June 2013, 32% (31 December 2012: 17%) of the Group's interest-bearing debts would fall due within one year.

The Group relies sufficient operating cash inflows to meet its obligations associated with mature debts and external financing to fulfil its commitments to future capital expenditure. As at 30 June 2013, the Company has obtained bank loan facilities of RMB18,451,000,000 provided by several domestic banks to meet the future capital commitments and financing needs. Out of the total amount of the bank facilities, RMB11,876,938,000 has not been utilised.

Notes to Financial Statements (continued)

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VIII. Other important items (continued)

7. Financial instruments and risks (continued)

Liquidity risk (continued)

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

30 June 2013 (unaudited)

	On demand RMB'000	Less than 3 months RMB'000	3 months to 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Notes payable	–	17,942	44,603	–	–	62,545
Accounts payable	136,053	–	–	–	–	136,053
Interest payable	–	126,025	26,365	–	–	152,390
Dividends payable	302,553	–	–	–	–	302,553
Other payables	741,116	–	130	–	–	741,246
Bank borrowings	–	188,194	778,126	1,839,688	1,290	2,807,298
Bonds payable	–	–	2,766,160	1,551,100	5,605,525	9,922,785
	1,179,722	332,161	3,615,384	3,390,788	5,606,815	14,124,870

31 December 2012

	On demand RMB'000	Less than 3 months RMB'000	3 months to 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Notes payable	–	5,320	11,410	–	–	16,730
Accounts payable	177,029	–	–	–	–	177,029
Interest payable	–	2,198	192,122	–	–	194,320
Dividends payable	7,422	–	75,760	–	–	83,182
Other payables	849,191	–	4,443	–	–	853,634
Bank borrowings	–	148,651	1,828,632	1,906,664	22,436	3,906,383
Bonds payable	–	–	228,874	3,315,075	6,139,500	9,683,449
Long-term payables	–	–	–	130	–	130
	1,033,642	156,169	2,341,241	5,221,869	6,161,936	14,914,857

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

7. Financial instruments and risks (continued)

Market risk

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

Interest rate risk

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

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

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

	Increase/ (decrease) in basis points	Increase/ (decrease) in total profit	Increase/ (decrease) in shareholders' equity (Note)
For the six months ended 30 June 2013 (unaudited)			
RMB	50	(8,467,224.22)	-
USD	50	(1,414,678.58)	-
RMB	(50)	8,467,224.22	-
USD	(50)	1,414,678.58	-
For the six months ended 30 June 2012 (unaudited)			
RMB	50	(11,178,850.93)	-
USD	50	(1,448,160.77)	-
RMB	(50)	11,178,850.93	-
USD	(50)	1,448,160.77	-

Note: Excluding retained earnings.

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

7. Financial instruments and risks (continued)

Market risk (continued)

Foreign exchange risk

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

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

	Increase/ (decrease) in exchange rates	Increase/ (decrease) in total profit	Increase/ (decrease) in shareholders' equity (Note)
30 June 2013 (unaudited)			
RMB strengthens against USD	1%	4,098,246.11	–
RMB strengthens against HKD	1%	(130,869.28)	(141,277.81)
RMB strengthens against JPY	1%	330,618.52	–
		<u>4,297,995.35</u>	<u>(141,277.81)</u>
RMB weakens against USD	(1%)	(4,098,246.11)	–
RMB weakens against HKD	(1%)	130,869.28	141,277.81
RMB weakens against JPY	(1%)	(330,618.52)	–
		<u>(4,297,995.35)</u>	<u>141,277.81</u>

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

7. Financial instruments and risks (continued)

Market risk (continued)

Foreign exchange risk (continued)

	Increase/ (decrease) in exchange rates	Increase/ (decrease) in total profit	Increase/ (decrease) in shareholders' equity (Note)
31 December 2012			
RMB strengthens against USD	1%	3,057,111.23	–
RMB strengthens against HKD	1%	(147,161.17)	(145,342.39)
RMB strengthens against JPY	1%	(170,745.23)	–
		<u>2,739,204.83</u>	<u>(145,342.39)</u>
RMB weakens against USD	(1%)	(3,057,111.23)	–
RMB weakens against HKD	(1%)	147,161.17	145,342.39
RMB weakens against JPY	(1%)	170,745.23	–
		<u>(2,739,204.83)</u>	<u>145,342.39</u>

Note: Excluding retained earnings.

Equity investment price risk

Equity investment price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of share indices and the values of individual securities. As at 30 June 2013, the Group was exposed to equity investment price risk arising from individual equity investments classified as available-for-sale equity investments (Note V.12). The Group's listed investments are listed on the Shanghai, Shenzhen and Hong Kong stock exchanges and are valued at quoted market prices at the balance sheet date.

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

7. Financial instruments and risks (continued)

Market risk (continued)

Equity investment price risk (continued)

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

	For the six months ended		2012 31 December	2012 Highest/lowest
	2013 30 June	30 June 2013 Highest/lowest		
Shanghai – A Share Index	2,071	2,558/1,936	2,376	2,578/2,052
Shenzhen – A Share Index	926	1,093/851	920	1,057/766
Hong Kong – Heng Seng Index	20,803	23,512/19,426	22,657	22,667/18,186

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

	Carrying amount of equity investments	Change in total profit	Change in shareholders' equity
30 June 2013 (unaudited)			
Available-for-sale equity investments			
Shanghai	1,841,424.00	–	92,071.20
Shenzhen	1,531,154.00	–	76,557.70
Hong Kong	14,127,780.66	–	706,389.03
	17,500,358.66	–	875,017.93
31 December 2012			
Available-for-sale equity investments			
Shanghai	2,199,904.00	–	109,995.20
Shenzhen	2,190,122.00	–	109,506.10
Hong Kong	14,534,238.64	–	726,711.93
	18,924,264.64	–	946,213.23

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

7. Financial instruments and risks (continued)

Fair value

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

	Carrying amount		Fair value	
	30 June 2013 RMB'000 (unaudited)	31 December 2012 RMB'000	30 June 2013 RMB'000 (unaudited)	31 December 2012 RMB'000
<u>Financial assets</u>				
Cash and bank balances	2,398,000	2,507,327	2,398,000	2,507,327
Financial assets held for trading	7,555	–	7,555	–
Notes receivable	86,403	63,070	86,403	63,070
Accounts receivable	584,436	473,176	584,436	473,176
Interest receivable	4,404	4,065	4,404	4,065
Dividends receivable	16,476	4,351	16,476	4,351
Other receivables	397,928	295,205	397,928	295,205
Other current assets	171,823	4,870	171,823	4,870
Non-current assets due within one year	1,000,000	1,005,610	1,000,000	1,005,610
Available-for-sale financial assets	17,500	18,924	17,500	18,924
Other non-current assets	24,738	37,545	24,738	37,545
	4,709,263	4,414,143	4,709,263	4,414,143
<u>Financial liabilities</u>				
Short-term borrowings	533,322	1,278,033	533,322	1,278,033
Notes payable	62,545	16,730	62,545	16,730
Accounts payable	136,053	177,029	136,053	177,029
Interest payable	152,390	194,320	152,390	194,320
Dividends payable	302,553	83,182	302,553	83,182
Other payables	741,246	853,634	741,246	853,634
Non-current liabilities due within one year	2,810,719	545,000	2,810,719	545,000
Long-term borrowings	1,671,381	1,708,360	1,671,381	1,708,360
Bonds payable	5,357,116	8,004,513	5,357,116	8,004,513
Long-term payables	–	130	–	130
	11,767,325	12,860,931	11,767,325	12,860,931

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

7. Financial instruments and risks (continued)

Fair value (continued)

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values.

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

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

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

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

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

Financial instruments measured at fair value:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
30 June 2013 (unaudited)				
Financial assets held for trading	7,555	–	–	7,555
Available-for-sale financial assets	17,500	–	–	17,500
31 December 2012				
Available-for-sale financial assets	18,924	–	–	18,924

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

VIII. Other important items (continued)

8. Employee benefit expense

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Employee benefit expense, including directors' remuneration:		
Salaries, allowances and benefits in kind	524,573,210.57	465,013,844.51
Pension scheme contributions	56,120,842.06	45,159,616.11
	580,694,052.63	510,173,460.62

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

IX. Contingency

Guarantee

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

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

Notes to Financial Statements (continued)

30 June 2013
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X. Notes to the Company's Financial Statements

1. Accounts receivable

	30 June 2013 (unaudited)	31 December 2012
Within 1 year	338,967,829.71	245,566,592.06
1 to 2 years	49,789,963.52	28,473,755.12
2 to 3 years	3,159,516.00	3,159,516.00
Over 3 years	1,013,486.00	1,431,486.00
	392,930,795.23	278,631,349.18
Less: Provision for bad debts	(130,752.00)	(548,752.00)
	392,800,043.23	278,082,597.18

Movements in the provision for bad debts were as follows:

	For the six months ended 30 June 2013 (unaudited)	2012
Opening balance	548,752.00	548,752.00
Reversal	(418,000.00)	-
Closing balance	130,752.00	548,752.00

Notes to Financial Statements (continued)

30 June 2013
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X. Notes to the Company's Financial Statements (continued)

1. Accounts receivable (continued)

	30 June 2013 (unaudited)				31 December 2012			
	Ending balance		Bad debt provision		Ending balance		Bad debt provision	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Individually significant and subject to separate provision	293,084,102.54	74.59	-	-	194,967,505.35	69.97	-	-
Not individually significant but subject to separate provision	99,846,692.69	25.41	130,752.00	0.13	83,663,843.83	30.03	548,752.00	0.66
	392,930,795.23	100.00	130,752.00		278,631,349.18	100.00	548,752.00	

As at 30 June 2013, the top five accounts receivable were as follows (unaudited):

	Relationship	Amount	Ageing	Percentage of accounts receivable (%)
Petroliam Nasional Berhad	Third party	95,817,930.97	Within 1 year	24.39
Shenyang Oriental Steel Co., Ltd.	Third party	63,199,049.00	Within 2 years	16.08
RGL Group Co., Ltd.	Third party	27,476,177.14	Within 2 years	6.99
Bengang Steel Plates Co., Ltd.	Third party	22,916,965.29	Within 1 year	5.83
Dalian Angang International Trade Transportation Agency Co., Ltd.	Third party	13,003,478.26	Within 2 years	3.31
		222,413,600.66		56.60

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

X. Notes to the Company's Financial Statements (continued)

1. Accounts receivable (continued)

As at 31 December 2012, the top five accounts receivable were as follows:

	Relationship	Amount	Ageing	Percentage of accounts receivable (%)
RGL Group Co., Ltd.	Third party	37,976,756.44	Within 2 years	13.63
Shenyang Oriental Steel Co., Ltd.	Third party	36,747,977.03	Within 2 years	13.19
本溪北營鋼鐵(集團)股份有限公司	Third party	35,582,397.65	Within 1 year	12.77
Petroliam Nasional Berhad	Third party	23,417,930.97	Within 1 year	8.40
Dalian Angang International Trade Transportation Agency Co., Ltd.	Third party	22,225,774.26	Within 1 year	7.98
		<u>155,950,836.35</u>		<u>55.97</u>

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

	30 June 2013 (unaudited)	31 December 2012
Amounts due from subsidiaries	2,597,549.00	1,407,386.00
Amounts due from jointly-controlled entities	11,646,680.90	7,730,111.53
Amounts due from associates	737,350.00	4,209,280.24
Amounts due from other related entities	–	5,598,081.15
	<u>14,981,579.90</u>	<u>18,944,858.92</u>

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

As at 30 June 2013, there was no account receivable due from any shareholder holding 5% or more of the Company's voting shares (31 December 2012: Nil).

Notes to Financial Statements (continued)

30 June 2013
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X. Notes to the Company's Financial Statements (continued)

2. Other receivables

An ageing analysis of the other receivables was as follows:

	30 June 2013 (unaudited)	31 December 2012
Within 1 year	205,322,687.27	151,776,237.63
1 to 2 years	18,540,303.78	3,571,050.87
2 to 3 years	1,654,910.06	601,551.87
Over 3 years	19,633,612.17	19,648,186.49
	245,151,513.28	175,597,026.86
Less: Provision for bad debts	(16,098.47)	(16,098.47)
	245,135,414.81	175,580,928.39

Movements in the provision for bad debts were as follows:

	For the six months ended 30 June 2013 (unaudited)	For the year ended 31 December 2012
Opening balance	16,098.47	93,710.07
Write-off	-	(77,611.60)
Closing balance	16,098.47	16,098.47

Notes to Financial Statements (continued)

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X. Notes to the Company's Financial Statements (continued)

2. Other receivables (continued)

	30 June 2013 (unaudited)				31 December 2012			
	Ending balance		Bad debt provision		Ending balance		Bad debt provision	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Individually significant and subject to separate provision	214,859,375.00	87.64	-	-	156,625,675.00	89.20	-	-
Not individually significant but subject to separate provision	30,292,138.28	12.36	16,098.47	0.05	18,971,351.86	10.80	16,098.47	0.08
	245,151,513.28	100.00	16,098.47		175,597,026.86	100.00	16,098.47	

As at 30 June 2013, the top five other receivables were as follows:

	Relationship	Amount	Ageing	Percentage of other receivables (%)
Dalian Financial Bureau	Third party	187,143,975.00	Within 2 years	76.34
Dalian Financial Bureau	Third party	18,000,000.00	Above 5 years	7.34
大連市土地儲備中心	Third party	9,715,400.00	Within 2 years	3.96
大連港引航站	Third party	4,124,000.00	Within 2 years	1.68
老碼頭餐飲有限公司	Third party	3,367,323.00	Within 1 years	1.37
		222,350,698.00		90.69

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

X. Notes to the Company's Financial Statements (continued)

2. Other receivables (continued)

As at 31 December 2012, the top five other receivables were as follows:

	Relationship	Amount	Ageing	Percentage of other receivables (%)
Dalian Financial Bureau	Third party	128,910,275.00	Within 1 year	73.41
Dalian Financial Bureau	Third party	18,000,000.00	Above 5 years	10.25
大連市土地儲備中心	Third party	9,715,400.00	Within 1 year	5.53
大連港引航站	Third party	4,802,400.00	Within 1 year	2.73
Sunshine Property Insurance Company	Third party	2,631,770.00	Within 3 years	1.50
		<u>164,059,845.00</u>		<u>93.42</u>

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

	30 June 2013 (unaudited)	31 December 2012
Amounts due from subsidiaries	3,679,438.95	1,487,875.18
Amounts due from jointly-controlled entities	1,186,968.37	983,556.85
Amounts due from associates	291,204.48	1,500.00
Amount due from PDA	209,906.00	403,728.28
Amounts due from other related parties	1,760,712.73	58,533.00
	<u>7,128,230.53</u>	<u>2,935,193.31</u>

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

As at 30 June 2013, except for the above amount due from PDA, there were no other receivables due from any shareholder holding 5% or more of the Company's voting rights (31 December 2012: Nil).

Notes to Financial Statements (continued)

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(Expressed in Renminbi Yuan)

X. Notes to the Company's Financial Statements (continued)

3. Long-term equity investments

For the six months ended 30 June 2013 (unaudited)

	Investment cost	Opening balance	Movements during the period	Ending balance	Percentage of shareholding %	Percentage of voting rights %	Cash dividend declared during the period
Cost method:							
Dalian Port Container Development Co., Ltd.	3,009,297,222.35	2,897,297,222.35	112,000,000.00	3,009,297,222.35	100.00	100.00	-
Asia Pacific Ports Company Limited	76,155,000.00	76,155,000.00	-	76,155,000.00	100.00	100.00	-
Dalian ETDZ Jin Xin Petro-chemistry Company Limited	6,629,301.65	6,629,301.65	-	6,629,301.65	100.00	100.00	-
Dalian Jifa Shipping Management Co., Ltd.	236,984,354.73	236,984,354.73	-	236,984,354.73	70.00	70.00	-
Dalian Gangyue Car-carrying Vessel Management Co., Ltd.	99,960,000.00	99,960,000.00	-	99,960,000.00	51.00	51.00	-
Dalian Ocean Shipping Tally Co., Ltd.	14,259,172.03	14,259,172.03	-	14,259,172.03	84.00	84.00	11,936,632.23
Dalian Portsoft Technology Co., Ltd.	11,126,271.39	11,126,271.39	-	11,126,271.39	49.00	49.00	1,960,000.00
Dalian Port Construction Supervision & Consultation Co., Ltd.	18,278,125.97	18,278,125.97	-	18,278,125.97	75.00	75.00	4,500,000.00
Dalian Port Telecommunication Engineering Co., Ltd.	6,137,212.61	6,137,212.61	-	6,137,212.61	45.00	45.00	-
Dalian Golden Bay Grain Logistics Co., Ltd.	53,156,426.75	53,156,426.75	-	53,156,426.75	37.50	37.50	-
Dalian Port Power Supply Co., Ltd.	25,895,508.24	25,895,508.24	-	25,895,508.24	100.00	100.00	-
Dalian Port Petroleum and Chemical Co., Ltd.	-	596,800,000.00	(596,800,000.00)	-	-	-	-
Dalian Lvshun Port Co., Ltd.	217,580,000.00	217,580,000.00	-	217,580,000.00	60.00	60.00	-
大連港集團莊河碼頭有限公司	-	-	-	-	100.00	100.00	-
大連金港聯合汽車國際貿易有限公司	6,000,000.00	6,000,000.00	-	6,000,000.00	60.00	60.00	-
大連港糧油貿易有限公司	10,000,000.00	10,000,000.00	-	10,000,000.00	100.00	100.00	-
大連港鋼材貿易服務有限公司	8,000,000.00	8,000,000.00	-	8,000,000.00	100.00	100.00	-
大連港潤燃氣有限公司	2,550,000.00	-	2,550,000.00	2,550,000.00	51.00	51.00	-
大連海嘉汽車碼頭有限公司	200,000,000.00	-	200,000,000.00	200,000,000.00	50.00	50.00	-
Fujian Ninglian Port Co., Ltd.	12,000,000.00	12,000,000.00	-	12,000,000.00	12.00	12.00	-
山東威海港股份有限公司	11,900,000.00	11,900,000.00	-	11,900,000.00	9.97	9.97	-
Da-In Ferry Co., Ltd.	1,900,057.50	1,900,057.50	-	1,900,057.50	7.50	7.50	638,350.93
Total for the cost method	4,027,808,653.22	4,310,058,653.22	(282,250,000.00)	4,027,808,653.22			19,034,983.16

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

X. Notes to the Company's Financial Statements (continued)

3. Long-term equity investments (continued)

For the six months ended 30 June 2013 (unaudited) (continued)

	Investment cost	Opening balance	Movements during the period	Ending balance	Percentage of shareholding %	Percentage of voting rights %	Cash dividend declared during the period
Equity method:							
Jointly-controlled entities							
大連港通利船務代理有限公司	1,311,300.00	2,098,230.38	150,474.24	2,248,704.62	50.00	50.00	-
Dalian Harbour ECL Logistics Co., Ltd.	30,111,142.43	30,483,506.91	(39,856.29)	30,443,650.62	50.00	50.00	199,338.62
Odfjell Terminals (Dalian) Co., Ltd.	86,878,185.37	141,719,736.78	11,996,126.43	153,715,863.21	50.00	50.00	-
Dalian Port PetroChina International Terminal Co., Ltd.	125,000,000.00	137,818,404.31	3,268,013.10	141,086,417.41	50.00	50.00	6,312,540.00
China United Tally Co., Ltd. Dalian	5,103,200.33	3,260,805.20	269,611.92	3,530,417.12	49.00	49.00	539,094.55
Dalian China Oil Dock Management Co., Ltd.	16,301,068.34	16,586,622.77	(4,571,404.15)	12,015,218.62	49.00	49.00	3,234,000.00
Dalian Automobile Terminal Co., Ltd.	152,503,640.00	159,024,931.23	4,098,767.14	163,123,698.37	40.00	40.00	-
Dalian Changxing Island Port Co., Ltd.	248,000,000.00	210,244,568.44	(7,746,304.63)	202,498,263.81	40.00	40.00	-
大連港散貨物流中心有限公司	2,000,000.00	2,193,949.42	(426,157.59)	1,767,791.83	40.00	40.00	172,494.31
Odfjell Dalian Port Consulting Co., Ltd.	3,000,000.00	2,238,271.71	(207,726.09)	2,030,545.62	50.00	50.00	-
Dalian Changxing Island Port Investment & Development Co., Ltd.	463,147,800.00	463,147,800.00	-	463,147,800.00	46.58	50.00	-
Total for jointly-controlled entities	1,133,356,336.47	1,168,816,827.15	6,791,544.08	1,175,608,371.23			10,457,467.48
Associates							
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	20,288,520.00	35,084,467.75	(312,206.92)	34,772,260.83	20.00	20.00	2,112,000.00
太倉興港拖輪有限公司	900,000.00	2,212,031.77	(56,829.92)	2,155,201.85	30.00	30.00	450,000.00
PetroChina Dalian LNG Co., Ltd.	520,000,000.00	535,988,496.95	27,112,466.31	563,100,963.26	20.00	20.00	-
Dalian North Petroleum Logistics Co., Ltd.	60,000,000.00	29,632,512.78	31,220,976.01	60,853,488.79	20.00	20.00	-
China Shipping Gang Lian Co., Ltd.	90,000,000.00	82,579,840.01	(11,432,233.18)	71,147,606.83	30.00	30.00	-
Sino Rail Bohai Train Ferry Co., Ltd.	274,500,286.56	273,924,483.74	(3,821,830.85)	270,102,652.89	17.50	17.50	8,175,520.07
中世國際物流有限公司	90,000,000.00	90,362,635.74	(274,607.05)	90,088,028.69	30.00	30.00	-
Dalian Port Corporation Finance Co., Ltd.	200,000,000.00	216,379,200.54	12,977,880.09	229,357,080.63	40.00	40.00	-
中海油(寧德)石化碼頭有限公司	2,450,000.00	-	2,450,000.00	2,450,000.00	24.50	24.50	-
Total for associates	1,258,138,806.56	1,266,163,669.28	57,863,614.49	1,324,027,283.77			10,737,520.07
Total for the equity method	2,391,495,143.03	2,434,980,496.43	64,655,158.57	2,499,635,655.00			21,194,987.55
	6,419,303,796.25	6,745,039,149.65	(217,594,841.43)	6,527,444,308.22			40,229,970.71

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

X. Notes to the Company's Financial Statements (continued)

3. Long-term equity investments (continued)

2012

	Investment cost	Opening balance	Movements during the period	Closing balance	Percentage of shareholding %	Percentage of voting rights %	Cash dividend during the period
Cost method:							
Dalian Port Container Development Co., Ltd.	2,897,297,222.35	2,845,297,222.35	52,000,000.00	2,897,297,222.35	100.00	100.00	107,763,985.98
Asia Pacific Ports Company Limited	76,155,000.00	76,155,000.00	-	76,155,000.00	100.00	100.00	-
Dalian ETDZ Jin Xin Petro-chemistry Company Limited	6,629,301.65	6,629,301.65	-	6,629,301.65	100.00	100.00	4,697,709.58
Dalian Jifa Shipping Management Co., Ltd.	236,984,354.73	236,984,354.73	-	236,984,354.73	70.00	70.00	-
Dalian Gangyue Car-carrying Vessel Management Co., Ltd.	99,960,000.00	99,960,000.00	-	99,960,000.00	51.00	51.00	-
Dalian Ocean Shipping Tally Co., Ltd.	14,259,172.03	14,259,172.03	-	14,259,172.03	84.00	84.00	13,255,312.18
Dalian Portsoft Technology Co., Ltd.	11,126,271.39	11,126,271.39	-	11,126,271.39	49.00	49.00	1,960,000.00
Dalian Port Construction Supervision & Consultation Co., Ltd.	18,278,125.97	18,278,125.97	-	18,278,125.97	75.00	75.00	4,500,000.00
Dalian Port Telecommunications Engineering Co., Ltd.	6,137,212.61	6,137,212.61	-	6,137,212.61	45.00	45.00	1,732,500.00
Dalian Port Construction Management Co., Ltd.	11,066,501.26	13,778,541.68	(13,778,541.68)	-	-	-	-
Dalian Golden Bay Grain Logistics Co., Ltd.	53,156,426.75	53,156,426.75	-	53,156,426.75	37.50	75.00	-
Dalian Lvshun Port Co., Ltd.	217,580,000.00	217,580,000.00	-	217,580,000.00	60.00	60.00	-
Dalian Port Corporation Zhuanghe Terminal Co., Ltd.	-	-	-	-	100.00	100.00	-
Dalian Port Petroleum & Chemical Co., Ltd.	596,800,000.00	596,800,000.00	-	596,800,000.00	100.00	100.00	-
Fujian Ninglian Port Co., Ltd.	12,000,000.00	12,000,000.00	-	12,000,000.00	60.00	60.00	-
大連金港聯合汽車國際貿易有限公司	6,000,000.00	-	6,000,000.00	6,000,000.00	60.00	60.00	-
Dalian Port Power Supply Co., Ltd.	25,895,508.24	25,895,508.24	-	25,895,508.24	100.00	100.00	4,279,710.70
大連港糧油貿易有限公司	10,000,000.00	-	10,000,000.00	10,000,000.00	100.00	100.00	-
大連市鋼材物流園有限公司	8,000,000.00	-	8,000,000.00	8,000,000.00	100.00	100.00	-
山東威海港股份有限公司	11,900,000.00	11,900,000.00	-	11,900,000.00	9.97	9.97	-
Da-In Ferry Co., Ltd.	1,900,057.50	1,900,057.50	-	1,900,057.50	7.50	7.50	1,144,561.36
Total for the cost method	4,321,125,154.48	4,247,837,194.90	62,221,458.32	4,310,058,653.22			139,333,779.80

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

X. Notes to the Company's Financial Statements (continued)

3. Long-term equity investments (continued)

2012 (continued)

	Investment cost	Opening balance	Movements during the period	Closing balance	Percentage of shareholding %	Percentage of voting rights %	Cash dividend during the period
Equity method:							
Jointly-controlled entities							
大連港通利船務代理有限公司	1,311,300.00	1,856,202.70	242,027.68	2,098,230.38	50.00	50.00	-
Dalian Harbour ECL Logistics Co., Ltd.	30,111,142.43	30,321,411.19	162,095.72	30,483,506.91	50.00	50.00	59,381.18
Odfjell Terminals (Dalian) Co., Ltd.	86,878,185.37	130,645,336.90	11,074,399.88	141,719,736.78	50.00	50.00	10,000,000.00
Dalian Port Petro China International Terminal Co., Ltd.	125,000,000.00	126,933,246.40	10,885,157.91	137,818,404.31	50.00	50.00	1,739,921.76
China United Tally Co., Ltd. Dalian	5,103,200.33	5,435,664.14	(2,174,858.94)	3,260,805.20	49.00	49.00	2,710,701.15
Dalian China Oil Dock Management Co., Ltd.	16,301,068.34	17,172,410.34	(585,787.57)	16,586,622.77	49.00	49.00	3,013,500.00
Dalian Automobile Terminal Co., Ltd.	152,503,640.00	150,006,564.74	9,018,366.49	159,024,931.23	40.00	40.00	-
Dalian Changxing Island Port Co., Ltd.	248,000,000.00	233,448,111.72	(23,203,543.28)	210,244,568.44	40.00	40.00	-
大連港散貨物流中心有限公司	2,000,000.00	2,000,000.00	193,949.42	2,193,949.42	40.00	40.00	-
Odfjell Dalian Port Consulting Co., Ltd.	3,000,000.00	-	2,238,271.71	2,238,271.71	50.00	50.00	-
Dalian Changxing Island Port Investment & Development Co., Ltd.	463,147,800.00	-	463,147,800.00	463,147,800.00	46.58	50.00	-
Total for jointly-controlled entities	1,133,356,336.47	697,818,948.13	470,997,879.02	1,168,816,827.15			17,523,504.09
Associates							
China Shipping Gang Lian Co., Ltd.	90,000,000.00	91,728,623.03	(9,148,783.02)	82,579,840.01	30.00	30.00	-
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	20,288,520.00	35,720,881.88	(636,414.13)	35,084,467.75	20.00	20.00	4,947,000.00
太倉興港拖輪有限公司	900,000.00	2,095,031.77	117,000.00	2,212,031.77	30.00	30.00	900,000.00
Petro China Dalian LNG Co., Ltd.	520,000,000.00	512,351,554.69	23,636,942.26	535,988,496.95	20.00	20.00	-
Dalian North Petroleum Logistics Co., Ltd.	29,600,000.00	28,247,585.20	1,384,927.58	29,632,512.78	20.00	20.00	-
Sino Rail Bohai Train Ferry Co., Ltd.	274,500,286.56	278,003,004.56	(4,078,520.82)	273,924,483.74	17.50	17.50	9,214,058.46
中世國際物流有限公司	90,000,000.00	90,000,000.00	362,635.74	90,362,635.74	30.00	30.00	-
Dalian Port Corporation Finance Co., Ltd.	200,000,000.00	200,000,000.00	16,379,200.54	216,379,200.54	40.00	40.00	-
Total for associates	1,225,288,806.56	1,238,146,681.13	28,016,988.15	1,266,163,669.28			15,061,058.46
Total for the equity method	2,358,645,143.03	1,935,965,629.26	499,014,867.17	2,434,980,496.43			32,584,562.55
	6,679,770,297.51	6,183,802,824.16	561,236,325.49	6,745,039,149.65			171,918,342.35

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

X. Notes to the Company's Financial Statements (continued)

4. Revenue and cost of sales

Revenue is as follows:

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Revenue from the principal operations	1,205,431,995.51	1,136,584,108.11
Revenue from other operations	223,359,276.92	182,265,767.58
	1,428,791,272.43	1,318,849,875.69

Cost of sales is as follows:

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Cost of the principal operations	709,012,980.99	633,136,998.01
Cost of other operations	130,172,722.85	123,244,112.11
	839,185,703.84	756,381,110.12

Revenue by segment is as follows:

	For the six months ended 30 June 2013 (unaudited)		For the six months ended 30 June 2012 (unaudited)	
	Revenue	Cost of sales	Revenue	Cost of sales
Oil/liquefied chemical terminal and logistics services	488,944,169.59	246,307,939.15	368,192,225.47	202,815,664.15
Port value-added services and ancillary port operations	290,616,744.46	213,727,142.66	286,207,773.58	195,871,231.11
General cargo terminal and logistics services	165,719,677.68	155,678,848.13	164,135,402.45	144,784,213.79
Bulk grain terminal and logistics services	169,607,877.43	78,111,154.73	169,353,377.90	74,229,254.17
Ore terminal and logistics services	143,044,855.16	87,848,360.65	163,408,554.29	93,688,472.06
Passenger and roll-on/roll-off terminal and logistics services	41,090,516.15	24,685,963.37	44,398,994.26	18,461,150.75
Container terminal and logistics services	26,760,000.00	7,844,723.34	11,815,000.00	1,642,000.00
Others	103,007,431.96	24,981,571.81	111,338,547.74	24,889,124.09
	1,428,791,272.43	839,185,703.84	1,318,849,875.69	756,381,110.12

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

X. Notes to the Company's Financial Statements (continued)

4. Revenue and cost of sales (continued)

Revenue from the top five customers during the six months ended 30 June 2013 is as follows (unaudited):

	Amount	Percentage of revenue (%)
PetroChina Company Limited (Note)	211,605,214.08	14.81
West Pacific Petrochemical Company Ltd. Dalian	127,368,471.68	8.91
Petroliam Nasional Bhd	72,400,000.00	5.07
China National Cereals, Oils and Foodstuffs Corporation	53,470,130.05	3.75
Dalian Angang International Trade Transportation Agency Co., Ltd.	47,314,429.87	3.31
	512,158,245.68	35.85

Revenue from the top five customers during the six months ended 30 June 2012 is as follows (unaudited):

	Amount	Percentage of revenue (%)
PetroChina Company Limited (Note)	206,014,213.02	15.62
West Pacific Petrochemical Company Ltd. Dalian	114,416,263.40	8.68
Dalian Angang International Trade Transportation Agency Co., Ltd.	49,543,496.02	3.76
Bengang Steel Plates Co., Ltd.	38,977,781.40	2.96
China Shipping Passengers Transportation Co., Ltd.	31,520,820.00	2.39
	440,472,573.84	33.41

Note: Including all known entities controlled by the customers.

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

X. Notes to the Company's Financial Statements (continued)

4. Revenue and cost of sales (continued)

Revenue is analysed as follows:

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Logistics services	211,399,310.06	232,188,580.33
Loading services	631,765,361.97	607,034,304.17
Storage services	212,666,555.39	143,807,324.65
Agency services	3,948,234.88	4,429,606.24
Port management services	100,326,248.26	95,688,854.66
Leasing services	74,100,996.84	76,052,657.03
Utility services	62,191,390.00	58,293,409.94
Others	132,393,175.03	101,355,138.67
	1,428,791,272.43	1,318,849,875.69

5. Investment income

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Investment income from long-term equity investments under the cost method	19,034,983.16	9,337,061.36
Investment income from long-term equity investments under the equity method	52,008,499.79	22,099,106.60
Including: Investment income from associates	35,289,445.16	13,575,771.59
Investment income from jointly-controlled entities	16,719,054.63	8,523,335.01
Investment income from holding available-for-sale financial assets	115,218.00	201,410.00
Investment income/(loss) from disposal of available-for-sale financial assets	(378,459.22)	416,527.48
Investment income from disposal of financial assets held for trading	498,440.74	2,576,184.70
Investment income from entrusted investments	45,892,083.34	48,875,000.00
Investment income from disposal of a subsidiary	814,200.00	—
	117,984,965.81	83,505,290.14

Notes to Financial Statements (continued)

30 June 2013
(Expressed in Renminbi Yuan)

X. Notes to the Company's Financial Statements (continued)

6. Supplementary information to the statement of cash flows

Reconciliation of net profit to cash flows from operating activities:

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Net profit	309,006,846.85	263,537,250.72
Add: Depreciation of fixed assets	227,737,803.38	207,061,449.45
Long-term prepaid expenses	115,685.58	–
Amortisation of intangible assets	6,290,108.78	5,310,795.26
Recognition of deferred income	(17,270,592.00)	(17,262,592.02)
Impairment losses	(418,000.00)	–
Loss from disposal of fixed assets, intangible assets and other non-current assets	–	2,034,630.92
Gains on changes in fair value	(54,712.20)	(531,483.20)
Financial expenses	188,217,465.54	166,823,117.82
Interest income on entrusted loans	(36,319,228.01)	(35,735,363.90)
Investment income	(117,984,965.81)	(83,505,290.14)
Increase in other current asstes	(1,113,653.48)	–
Decrease in deferred tax assets	1,125,478.80	10,913.34
Increase in inventories	(4,695,196.25)	(252,473.41)
Increase in special reserve	5,578,131.49	–
Increase in operating receivables	(277,834,779.23)	(286,796,930.79)
Increase/(decrease) in operating payables	77,023,289.28	(64,405,347.16)
Net cash flows from operating activities	359,403,682.72	156,288,676.89

Supplementary Information to Financial Statements

For the six months ended 30 June 2013
(Expressed in Renminbi Yuan)

I. Summary of Extraordinary Profit or Loss

The Group recognises extraordinary profit or loss for the six months ended 30 June 2013 in accordance with “Explanatory Announcement No.1 on Information Disclosure for Companies Offering Securities to the Public – Extraordinary Profit or Loss (2008)” (the CSRC Announcement [2008] No.43).

	For the six months ended 30 June 2013 (unaudited)
Profit and loss from disposal of non-current assets, including the offsetting portion of impairment provision for such assets	2,984,723.28
Government grants charged to profit or loss for the current period (except for those closely related to the normal operation of the Company and gained constantly at a fixed amount or quantity according to a certain standard based on state policies)	207,000.00
Relocation compensation	24,654,742.67
Gains arising from the investment cost of acquiring a subsidiary less than the Company’s share of fair value of the identifiable net assets of the investee upon acquisition date	250,000.00
Investment income from the disposal of financial assets held for trading	498,440.74
Profit from entrusting others with investment or asset management	45,892,083.34
Reversal of impairment provision for accounts receivable that were tested for impairment individually	1,148,013.87
Profit from outward entrusted loans	392,564.02
Non-operating income and expenses other than the above items	588,170.06
Total extraordinary profit or loss	<u>76,615,737.98</u>
Impact on income tax	(18,604,330.61)
Impact on minority interests (after tax)	(783,987.56)
	<u>57,227,419.81</u>

Supplementary Information to Financial Statements (continued)

For the six months ended 30 June 2013
(Expressed in Renminbi Yuan)

II. Return on Net Assets and Earnings Per Share

For the six months ended 30 June 2013 (unaudited)

	Weighted average return on net assets	Basic earnings per share
Net profit attributable to ordinary shareholders of the Company	2.94%	0.09
Net profit after deducting extraordinary profit or loss attributable to ordinary shareholders of the Company	2.51%	0.07

For the six months ended 30 June 2012 (unaudited)

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

No dilutive potential ordinary shares have been issued by the Company.



DALIAN PORT (PDA) COMPANY LIMITED

大連港股份有限公司

(A sino-foreign joint stock limited company incorporated in the People's Republic of China)
(於中華人民共和國註冊成立之外商投資股份有限公司)
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