



Interim Report 中期報告
2014



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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General Information on the Company

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, the PRC 116000
Postal Code	
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

General Information on the Company

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| 5. | Designated newspapers for disclosure of the Company's information
Website designated by the China Securities Regulatory Commission for publishing the A share annual reports
Website for publishing the H share annual report
Place for collection of annual report | China Securities Daily, Shanghai Securities Daily, Securities Times, Securities Daily
www.sse.com.cn

www.hkexnews.hk
Room 616, 6th Floor, No.1, Gangwan Street, Zhongshan District, Dalian, Liaoning, the PRC |
| 6. | Places of listing
Stock abbreviations
Stock codes | Shanghai Stock Exchange Hong Kong Stock Exchange
Dalian Port Dalian Port
601880 (Shanghai) 2880 (Hong Kong) |
| 7. | A share registrar and transfer office

H share registrar and transfer office | China Securities Depository and Clearing Corporation Limited, Shanghai Branch
Computershare Hong Kong Investor Services Limited |
| 8. | PRC auditors | PricewaterhouseCoopers Zhong Tian LLP
Address: 11/F PricewaterhouseCoopers Center 2 Corporate Avenue, 202 Hu Bin Road, Huangpu District, Shanghai |
| 9. | Other information | <p>Legal counsel (as to Hong Kong law)
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Industrial and Commercial Bank of China
Agriculture Bank of China
China Construction Bank
Bank of China
Bank of Communications</p> |

Management Discussion and Analysis

Summary

In the first half of 2014, China's economy is under a persistent downward pressure due to the backdrops of the complex and divers global economic environment, the continued but fragile recovery of the world economy with the lower-than-expected economic growth, and the combined effect of the slowing down economic growth and structural reform in China. In the first half of the year, China's GDP grew by 7.4%, whereas the total value of import and export fell by 0.9%.

In the first half of the year, cargo throughput handled by China's large scale ports amounted to 5.49 billion tonnes, a year-on-year increase of 5.2%, a 4.9 percentage points lower than the same period last year. In particular, cargo throughput handled by China coastal ports was 3.84 billion tonnes, up 6.7% year-on-year while cargo throughput handled by river ports was 1.65 billion tonnes, an increase of 1.9% year-on-year. Container cargo throughput was 96,698,000 TEU, a growth of 5.7% compared with the same period of last year.

The Group is principally engaged in the provision of oil/liquefied chemical terminal and the related logistics services ("**Oil Segment**"), container terminal and related logistics services ("**Container Segment**"), automobile terminal and related logistics and trade services ("**Automobile Terminal Segment**"), ore terminal and related logistics services ("**Ore Segment**"), general cargo terminal and related logistics and trade services ("**General Cargo Segment**"), bulk grain terminal and related logistics and trade services ("**Bulk Grain Segment**"), passenger and roll-on, roll-off terminal and related logistics services ("**Passenger and Ro-Ro Segment**") and value-added and ancillary port operations ("**Value-added Services Segment**").

In the first half of 2014, the macro-economy and industries relevant to the Group's principal business were set out as follows:

Oil Segment: Albeit an overall slowdown in China's economic growth rate, there was relatively high energy consumption due to her current economic structure. Thanks to an adequate supply of international crude oil, China's crude oil imports sustained solid growth momentum. In the first half of the year, China imported 152 million tonnes of crude oil, jumped by 10.2% as compared with the same period last year.

Container Segment: In the first half of 2014, there was a slowdown in the growth rate of China's large-scale port container throughput. Overall, the growth rate of foreign trade container volume remained basically flat as compared with the same period last year. The slowing down growth in container volume during the first half of the year was mainly due to the significant decrease in the growth of domestic trade container volume.

Automobile Terminal Segment: In the first half of 2014, China's auto industry was blessed with relatively promising development, as marked by further increase in both auto production and sales volume. Auto output during the first half of the year was 11,783,400 vehicles, an increase of 9.6% year-on-year. Sales volume was 11,683,500 vehicles, an increase of 8.4% year-on-year.

Ore Segment: In the first half of 2014, in light of the increased demand for imported iron as a result of the gradual stabilization of China's economy, coupled with the substantial increase in scale of financing of mines as a result of the continued fall in international ore prices, the inventories of domestic ports stood at high level. During the first half of the year, ore imports in China's northeast regions amounted to 21.03 million tonnes, an increase of 25.0% on year-on-year basis.

General Cargo Segment: In the first half of 2014, due to the downturn in the industrial sector, China's large-scale ports handled a total of 339 million tonnes of coal, which represented an increase of 7.3% year-on-year. The output of the crude steel across China in the first half of 2014 maintained its growth pace and reached a total volume of 410 million tonnes, which represented an increase of 3% year-on-year.

Management Discussion and Analysis

Bulk Grain Segment: In the first half of 2014, affected by the supply and demand in the domestic market, there was a decrease in the volume of corn trans-shipment at the Liaoning ports as compared to the same period last year, contrasting to an increase in the throughput of grains such as imported soybeans and barley.

Passenger and Ro-Ro Segment: In the first half of 2014, due to economic slowdown in the country and the diversion of maritime passenger transport towards high-speed rails and aviation flights, the number of passengers and the volume of cargoes during the first half of the year were lower than those of the same period of the previous year.

In the first half of 2014, the Group's major business segments performed well. In terms of throughput, the Group handled a total of approximately 22.937 million tonnes of oil and liquefied chemicals, representing an increase of 9.9% as compared with the same period last year, of which 11.237 million tonnes were imported crude oil, representing an increase of 5.6% as compared with the corresponding period last year. In the Container Segment, the Group handled approximately 5.007 million TEUs, representing an increase of 1.7%, of which approximately 4.586 million TEUs were handled by the Group at Dalian port, representing an increase of 3.2%. In the Automobile Terminal Segment, the Group handled 224,968 vehicles, representing an increase of 40.8%. In the Ore Segment, the Group handled approximately 9.644 million tonnes, representing a decrease of 14.4%. In the General Cargo Segment, the Group handled approximately 16.113 million tonnes of cargoes, representing a decrease of 1.9%. In the Bulk Grain Segment, the Group handled approximately 3.200 million tonnes of bulk grain, representing a decrease of 21.6%. In the Passenger and Ro-Ro Segment, the Group transported approximately 1.569 million passengers, representing a decrease of 3.9% and approximately 639,000 vehicles, representing an increase of 23.6% as compared with the corresponding period in 2013.

Overall Analysis of Results

In the first half of 2014, the Group's profit attributable to owners of the Company amounted to RMB284,418,933.05, representing a decrease of RMB102,857,280.04 or 26.6% as compared with RMB387,276,213.09 in the first half of 2013. The decrease was due to the significant decrease of the bulk grain throughput, the decrease in profit of the Bulk Grain Segment and the Container Segment, the reduction in income from disposal of land and relocation compensations, and the increase of financial expenses and labor costs.

In the first half of 2014, the Group's basic earnings were RMB6.43 cents per share, representing a decrease of 26.6% from RMB8.75 cents in the first half of 2013.

Management Discussion and Analysis

Changes to the principal components of the net profit for the first half of 2014 against the comparable figures of the first half of 2013 are set out as follows:

Items	For the six months ended 30 June 2014 (RMB)	For the six months ended 30 June 2013 (RMB)	+/- (%)
Net profit attributable to owners of the Company	284,418,933.05	387,276,213.09	-26.6
Including:			
Revenue	3,297,872,554.47	3,341,276,785.15	-1.3
Cost of sales	2,578,957,372.44	2,439,535,143.28	5.7
Business taxes and surcharges	17,578,344.00	106,076,391.23	-83.4
Gross profit (less business taxes and surcharges) (Note 1)	701,336,838.03	795,665,250.64	-11.9
Gross profit margin (less business taxes and surcharges) (Note 2)	21.3%	23.8%	down 2.5 percent.
General and administrative expenses	247,461,042.33	239,033,197.64	3.5
Financial expenses	236,242,751.54	202,422,195.93	16.7
Investment income	78,023,499.66	96,520,109.40	-19.2
Non-operating income-net	139,186,424.48	120,494,799.15	15.5
Income tax expense	109,219,126.31	127,095,434.35	-14.1

Note 1: Gross profit (less business taxes and surcharges) = Revenue - Cost of sales - Business taxes and surcharges

Note 2: Gross profit margin (less business taxes and surcharges) = (Revenue - Cost of sales - Business taxes and surcharges)/Revenue

In the first half of 2014, the Group's revenue decreased, mainly due to the decrease in the trading business, and the impact of the VAT Reform on agency revenue. Excluding above factors, the Group's revenue decreased by 1.4% as compared with that for the first half of 2013. The decrease was mainly due to the decrease of the bulk grain throughput and the decrease in the bulk grain carriage leasing business. However, the revenue decrease was offset by an increase of storage revenue resulting from the expansion of customer base in the oil business.

In the first half of 2014, the Group's cost of sales increased by 5.7%. Excluding the factors of the decrease in the trading business and the impact of the VAT Reform on cost of sales of agency business, the cost of sales increased by 11.1%, mainly due to an increase in oil tanks and vessel leasing costs, depreciation expenses associated with the commissioning of new facilities, and labor costs.

In the first half of 2014, the Group's business taxes and surcharges decreased which was mainly attributable to a decrease in business tax and charges caused by the VAT Reform.

In the first half of 2014, the Group's gross profit (less business taxes and surcharges) decreased by 11.9%, the Group's gross profit margin (less business taxes and surcharges) decreased by a 2.5 percentage points, which was due to the decrease of high margin handling business and bulk grain carriage leasing business. However, the Group's gross profit decrease was offset by an increase of storage revenue resulting from the expansion of customer base in the oil business.

Management Discussion and Analysis

In the first half of 2014, the Group's general and administrative expenses increased that was mainly due to the increase in labor costs.

In the first half of 2014, the Group's financial expenses increased. The increase was mainly due to that the relevant bank loan interest was expensed as finance cost during the reporting period instead of being capitalized with the commissioning of new facilities, and exchange losses resulting from fluctuations of RMB exchange rate.

In the first half of 2014, the Group's investments income decreased. Such decrease was mainly due to the decrease of investment income of the financial products.

In the first half of 2014, the Group's non-operating income-net increased. Such increase was mainly attributable to the government subsidies for the Group's Container Segment.

In the first half of 2014, the Group's income tax expenses decreased. Such decrease was mainly caused by the decrease of gross profit.

Assets and liabilities

As of 30 June 2014, the Group's total assets and net assets attributable to the Company's shareholders amounted to RMB26,619,568,394.00 and RMB13,466,428,880.05, respectively, and its net asset value per share as of 30 June 2014 was RMB3.04, representing flat compared with that as of 31 December 2013.

As of 30 June 2014, the Group's total liabilities amounted to RMB11,897,886,962.24, of which total outstanding bank and other borrowings amounted to RMB9,179,103,272.62.

Financial resources and liquidity

As at 30 June 2014, the Group had a balance of cash and cash equivalents of RMB1,954,994,854.16, representing a decrease of RMB348,930,060.66 as compared with 31 December 2013.

In the first half of 2014, the Group's net cash inflows generated from operating activities amounted to RMB329,127,771.99. The Group's net cash inflows for investing activities amounted to RMB513,940,265.18, and the Group's net cash outflows from financing activities amounted to RMB1,188,692,351.66. Benefited from stable cash inflows from its operating activities, repayment from investments, repayment of the medium-term notes upon maturity, and the Group's prudent approach for fixed assets and equity investments, the Group had maintained its strong financial position and a good debt profile.

As at 30 June 2014, the Group's bank and other borrowings amounted to RMB9,179,103,272.62 of which RMB7,766,009,575.16 was due after one year and RMB1,413,093,697.46 was due within one year. The Group's net gearing ratio was 47.2% as at 30 June 2014 (44.8% as at 31 December 2013).

As at 30 June 2014, the Group's unutilized banking facilities amounted to RMB17,422,780,000.00.

As at 30 June 2014, the Group did not have any significant exposure to exchange rates fluctuation, therefore did not enter into any foreign exchange hedging contracts.

Management Discussion and Analysis

Use of proceeds (A Share)

The Company's net proceeds from the public offering of 762 million A Shares in 2010 ("A Shares IPO") amounted to approximately RMB2,772,091,500.00. As at 30 June 2014, the Company had utilized approximately RMB2,247,633,300.00 of the net proceeds and the balance of the net proceeds was RMB524,457,900.00. On 29 April 2014 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. The A Share IPO bank account balance was RMB192,412,700.00 (including an interest income of RMB67,954,800.00 earned on the proceeds).

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 expect for changes announced by the Company on 31 December 2011. As at 30 June 2014, the details of the use of proceeds were as follows:

Projects	Proceeds from A Shares IPO	Use of proceeds as of 30 June 2014	Balance as of 31 December 2014
Construction of oil storage tanks with a total capacity of 1,000,000 m ³ in Xingang	760,000,000.00	486,432,600.00	273,567,400.00
Construction of oil storage tanks with a total capacity of 600,000 m ³ in the Xingang resort area	550,000,000.00	492,947,000.00	57,053,000.00
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	344,162,500.00	175,837,500.00
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	50,000,000.00	–
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	2,247,633,600.00	524,457,900.00

Note: In order to avoid idling cash, reduce financing cost and to improve capital utilization efficiency, the third meeting of the third session of the Company's board of directors passed a resolution on 29 April 2014 regarding 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. Such authorization is valid for a period of twelve months commencing on 29 April 2014 when the Board passed the relevant resolution. The Company's independent non-executive directors, supervisors, and sponsors expressed their respective opinions on the board resolution. The Company made a public announcement in relation to the above board resolution on 29 April 2014.

Management Discussion and Analysis

Capital expenditure

In the first half of 2014, the Group's capital expenditure amounted to RMB374,133,598.53 which was mainly funded by the surplus cash generated from operating activities, the proceeds from the public offering of A Shares and corporate bonds.

The performance analysis of each business segment in the first half of 2014 is as follows:

Oil Segment

The following table sets out the oil/liquefied chemicals throughput handled by the Group in the first half of 2014 and its comparative results in the first half of 2013.

	For the six months ended 30 June 2014 (<i>'000 tonnes</i>)	For the six months ended 30 June 2013 (<i>'000 tonnes</i>)	Increase/ (Decrease)
Crude oil	15,536	12,976	19.7%
– Foreign trade imported crude oil	11,237	10,643	5.6%
Refined oil	5,037	4,767	5.7%
Liquefied Chemicals	478	592	(19.3%)
LNG	1,886	2,545	(25.9%)
Total	22,937	20,880	9.9%

In the first half of 2014, in terms of throughput of oil/liquefied chemicals, the Group handled a total of approximately 22.937 million tonnes, an increase of 9.9% on year-on-year basis.

In the first half of 2014, the Group's crude oil throughput increased by 19.7% to approximately 15.536 million tonnes, of which approximately 11.237 million tonnes were imported crude oil, an increase of 5.6% as compared with the corresponding period in 2013. Due to multiple factors, including the increased level of crude oil imports among western refinery plants, higher trans-shipment volume of crude oil imports handled at the Group's port from our key clients such as PetroChina Jinzhou Petrochemical Company and PetroChina Jinxi Petrochemical Company, and the increase in bonded cargo transport volume along with the commission of the production of No.9 storage tanks, there was an increase in the trans-shipment volume of imported crude oil over the same period last year.

In the first half of 2014, the Group's refined oil throughput amounted to approximately 5.037 million tonnes, an increase of 5.7% as compared with the corresponding period last year. The increase in the throughput during the first half of the year was mainly attributable to the expansion of production and the increase in trans-shipment volume handled at our port from the Group's new and existing customers.

In the first half of 2014, the Group's liquefied chemicals throughput was approximately 478,000 tonnes, a decrease of 19.3% as compared with the corresponding period in 2013. The decrease in port trans-shipment volume was mainly due to the impact of market supply and demand, and the limitation over the capacity of the major customers of the Company.

In the previous year, the Group's LNG throughput amounted to 1.886 million tonnes, a decrease of 25.9% as compared with the corresponding period in 2013. Due to a number of market factors, there was a fall in the throughput of the Group's LNG business during the first half of the year.

Management Discussion and Analysis

In the first half of 2014, the Group's imported crude oil business accounted for 100% (100% in the first half of 2013) of the total market share in Dalian and 66.6 % (66.8% in the first half of 2013) of that in the Three North-eastern Provinces of China. The Group's oil/liquefied chemicals throughput accounted for 78.0% (70.1% in the first half of 2013) of the total market share in Dalian and 45.5% (42.0% in the first half of 2013) of the total market share in the Three North-eastern Provinces of China. The increase in proportion of total oil handling throughput was mainly due to the increase in oil trans-shipment volume from customers of the Group resulting from the Group's efforts in market exploration, innovative development of logistics mode and expansion of logistics services and functions.

In the first half of 2014, the performance of the Oil Segment was as follows:

Items	For the six months ended 30 June 2014 (RMB)	For the six months ended 30 June 2013 (RMB)	+/- (%)
Revenue	724,370,024.74	543,919,494.43	33.2
The share in the Group's revenue	22.0%	16.3%	up 5.7 percent.
Gross profit (less Business taxes and surcharges)	374,402,377.22	261,654,940.99	43.1
The share in the Group's gross profit (less Business taxes and surcharges)	53.4%	32.9%	up 20.5 percent.
Gross profit margin (less Business taxes and surcharges)	51.7%	48.1%	up 3.6 percent.

In the first half of 2014, the revenue from the Oil Segment increased 33.2% as compared with that in the first half of 2013. The increase was mainly due to the increase of throughput, sublet third-party-owned oil tanks, and an increase in oil tanks occupancy rate, leading to a growth of handling and storage revenue. The gross profit margin (less business taxes and surcharges) increased 3.6 percentage points. The increase in the gross profit margin was mainly attributable to the increase in revenue.

In the first half of 2014, the Group's major measures taken and the progress of major projects related to the Group's Oil Segment were as follows:

- We stayed ahead of the latest developments of the international crude oil market and made analyses in relation thereto. With adherence to time-to-market philosophy, we dedicated stepped up efforts to extend our market reach and build bridges to our customers, so as to solicit trans-shipment cargo sources on the basis of the existing cargo trans-shipment volume.
- Following the completion of the acceptance inspection and receiving the relevant qualification for No.9 crude oil storage tanks, an additional capacity of 600,000 cubic meters was successfully added to the public bonded storage tanks, thus paving a solid path for the expansion of bonded warehousing and the trans-shipment of crude oil business.
- We expanded the scale of the Dalian Port – Laizhou Bay crude oil trans-shipment project. Through a number of ways, for instance, reverse rental of storage tanks and optimization of business processes, we provided warehousing solutions to key customers in respect of their needs for different kinds of oil. We envisage a further expansion of the scale of our trans-shipment business in the second half of the year.
- By capitalizing on the advantages of the bonded functions of the newly built storage tanks at the Changxing Island, and cementing close cooperation relationship with the relevant trading centers, we pushed forward the development of crude oil futures delivery business in joint forces.

Management Discussion and Analysis

Container Segment

The following table sets out the container throughput handled by the Group in the first half of 2014 and its comparative results in the first half of 2013:

		For the six months ended 30 June 2014 (^{'000} TEUs)	For the six months ended 30 June 2013 (^{'000} TEUs)	Increase/ (Decrease)
Foreign Trade	Dalian	2,455	2,373	3.5%
	Other ports (note 1)	89	70	27.1%
	Sub-total	2,544	2,443	4.1%
Domestic Trade	Dalian	2,131	2,069	3.0%
	Other ports (note 1)	332	410	(19.0%)
	Sub-total	2,463	2,479	(0.6%)
Total	Dalian	4,586	4,442	3.2%
	Other ports (note 1)	421	480	(12.3%)
	Total	5,007	4,922	1.7%

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 a 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 a 15% equity interest is owned by the Group.

In the first half of 2014, in terms of container throughput, the Group handled a total of approximately 5.007 million TEUs, representing an increase of 1.7% as compared to the corresponding period in 2013. At Dalian port, the Group handled approximately 4.586 million TEUs, representing a year-on-year increase of 3.2%, of which container throughput for foreign trade increased by 3.5%, and container throughput for domestic trade increased by 3.0% year-on-year. In the first half of 2014, as the Group took effective measures to speed up the construction of the comprehensive logistics system, the Group's container business has grown at a steady pace.

In the first half of 2014, the Group's container terminal business accounted for 99.0% (99.4% in the first half of 2013) of the total market share in Dalian and 54.8% (59.1% in the first half of 2013) 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 2013) of the total market share in Dalian and 96.0% (96.2% in the first half of 2013) of the total market share in the Three North-eastern Provinces of China.

Management Discussion and Analysis

In the first half of 2014, the performance of the Container Segment was as follows:

Items	For the six months ended 30 June 2014 (RMB)	For the six months ended 30 June 2013 (RMB)	+/- (%)
Revenue	719,588,395.16	606,947,970.85	18.6
The share in the Group's revenue	21.8%	18.2%	up 3.6 percent.
Gross profit (less Business taxes and surcharges)	101,508,934.13	179,383,850.42	-43.4
The share in the Group's gross profit (less Business taxes and surcharges)	14.5%	22.5%	down 8.0 percent.
Gross profit margin (less Business taxes and surcharges)	14.1%	29.6%	down 15.5 percent.

In the first half of 2014, the revenue from the Container Segment was up 18.6%. Excluding the impact on agency revenue after the reform implemented by Chinese government on 1 August 2013 to replace it's the business tax regime for the transportation and other service industries with a value-added tax regime ("VAT Reform"), the revenue decreased by 8.3%, and such decrease was due to a decrease in income from disposal of land use right. The gross profit margin (less business taxes and surcharges) decreased 15.5 percentage points over that in the first half of 2013. The decrease was due to the increase in vessel leasing costs, venue leasing costs and depreciation expenses.

In the first half of 2014, the Group's major measures taken and the progress of major projects related to the Group's Container Segment were as follows:

- In term of opening new routes, by riding on the preferential policies, strengthening market development efforts and teaming up with shipping companies, the Group has newly introduced one near-ocean route and two domestic trade routes. Thus, our maritime network system was further improved.
- The Group stepped up the construction of sub-line network in Bohai-Huanhai Rim region (Bohai Sea and Yellow Sea) at all-out endeavors. Through the development of self-owned shipping capacity and cooperation with various parties, we gradually optimized the Bohai feeder service network, thus further extending the horizon of our trans-shipment business.
- In terms of land logistics, relying on inland ports, we focused on the development of logistic system in the whole course, with an emphasis on stepping up the construction of highway-sea-rail integrated network systems. In the first half of 2014, the Group delivered greater extent of efforts to tap into cargo sources in the terminal market. Through the development of passenger train and cross-border train services, we extended the scope of our port services. In terms of road transportation, with the integration of our self-owned logistics resources, we integrated the resources of other vehicles for the development of inland highway transportation.

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 2014 and its comparative results in the first half of 2013.

		For the six months ended 30 June 2014	For the six months ended 30 June 2013	Increase/ (Decrease)
Vehicles (unites)	Foreign Trade	15,785	9,047	74.5%
	Domestic Trade	209,183	150,780	38.7%
	Total	224,968	159,827	40.8%
Equipments (tonnes)		11,848	1,373	762.9%

In the first half of 2014, the Group handled a total of 224,968 vehicles, representing an increase of 40.8% as compared to the corresponding period in 2013.

In the first half of 2014, the Group's vehicle throughput accounted for 100% (100% in the first half of 2013) of the total market share in the Three North-eastern Provinces of China.

In the first half of 2014, the performance of the Automobile Terminal Segment was as follows:

Items	For the six months ended 30 June 2014 (RMB)	For the six months ended 30 June 2013 (RMB)	+/- (%)
Revenue	748,437,695.71	241,851,209.78	209.5
The share in the Group's revenue	22.7%	7.2%	up 15.5 percent.
Gross profit (less Business taxes and surcharges)	19,116,361.70	8,065,379.46	137.0
The share in the Group's gross profit (less Business taxes and surcharges)	2.7%	1.0%	up 1.7 percent.
Gross profit margin (less Business taxes and surcharges)	2.6%	3.3%	down 0.7 percent.

In the first half of 2014, the revenue from the Automobile Terminal Segment increased by 2.1 times as compared to that in the first half of 2013 and the increase was attributable to the increase in sales brought about by the port-related trading business. Excluding the impact of the trading business, the increase in revenue was 0.9%. The gross profit margin (less business taxes and surcharges) decreased 0.7 percentage points. Excluding the impact of the trading business, the gross profit margin (less business taxes and surcharges) was 61.4%, representing an increase of 8.2 percentage points over that in the first half of 2013. The increase was attributable to the high-margin vehicle inspection services.

Management Discussion and Analysis

In the first half of 2014, the Group's major measures taken and the progress of major projects related to the Group's Automobile Segment were as follows:

- The Group strengthened cooperation with major customers and shipping companies, and joined forces with them to strengthen the construction of the routes running from north to south.
- Taking the opportunity of the production of Qishui Dalian factory, we strengthened market exploration, expanded logistics services, and promoted the construction of near-port industries.
- Through the development of business lines including commodity automobiles logistics and finance, we increased cargo sources supply, thereby significantly beefing up the trans-shipment volume handled at the Group's port from its major customers.

Ore Segment

The following table sets out the throughput handled by the Group's ore terminal in the first half of 2014 and its comparative results in the first half of 2013.

	For the six months ended 30 June 2014 ('000 tonnes)	For the six months ended 30 June 2013 ('000 tonnes)	Increase/ (Decrease)
Ore	9,337	10,971	(14.9%)
Others	307	293	4.8%
Total	9,644	11,264	(14.4%)

In the first half of 2014, the Group's ore terminal handled approximately 9.337 million tonnes of ore, a decrease of 14.9% as compared with the corresponding period in 2013. Due to a couple of factors such as the disperse of cargo supply as a result of the commission of new docks in neighboring ports, the fall in international ore prices, and the decrease in trans-shipment volume of ore trading, we recorded a decrease in ore throughput during the first half of the year.

In the first half of 2014, the Group's imported ore throughput accounted for 27.7% (30.0% in the first half of 2013) of the total throughput in the Three North-eastern Provinces of China.

In the first half of 2014, the performance of the Ore Segment was as follows:

Items	For the six months ended 30 June 2014 (RMB)	For the six months ended 30 June 2013 (RMB)	+/- (%)
Revenue	129,353,555.51	143,044,855.16	-9.6
The share in the Group's revenue	3.9%	4.3%	down 0.4 percent.
Gross profit (less Business taxes and surcharges)	36,490,990.97	50,026,675.19	-27.1
The share in the Group's gross profit (less Business taxes and surcharges)	5.2%	6.3%	down 1.1 percent.
Gross profit margin (less Business taxes and surcharges)	28.2%	35.0%	down 6.8 percent.

Management Discussion and Analysis

In the first half of 2014, the revenue from the Ore Segment decreased by 9.6% and such decrease was mainly due to the decrease in throughput, and the separation of price and tax after the VAT Reform. The gross profit margin (less business taxes and surcharges) decreased 6.8 percentage points as compared with that in the first half of 2013. The decrease was due to the decrease in revenue which weakened the fixed costs dilute influence, and an increase in the proportion of low margin cargoes.

In the first half of 2014, the Group's major measures taken and the progress of major projects related to the Group's Ore Segment were as follows:

- We devoted reinforced efforts on innovation of products, optimization of working progress and enhancement of working efficiency. Through the building of the service brand of Zero-Loss, the Group enhanced its ability of soliciting cargo supply.
- We made substantial progress in the building of an ore distribution center and a trade value-added services center. With a full range of value-added services including iron ore bonded warehousing, ore mixing, crude ore screening/crushing, the Group further optimized its port logistics services and functions.

General Cargo Segment

The following table sets out the throughput handled by the Group's general cargo terminal in the first half of 2014 and its comparative results in the first half of 2013.

	For the six months ended 30 June 2014 (^{'000} tonnes)	For the six months ended 30 June 2013 (^{'000} tonnes)	Increase/ (Decrease)
Steel	4,227	4,267	(0.9%)
Coal	5,879	6,458	(9.0%)
Equipment	890	1,005	(11.4%)
Others	5,117	4,691	9.1%
Total	16,113	16,421	(1.9%)

In the first half of 2014, the Group's general cargo terminal handled approximately 16.113 million tonnes cargo, a decrease of 1.9% as compared with the corresponding period in 2013.

In the first half of 2014, the volume of steel handled by the Group was approximately 4.227 million tonnes, a slight decrease of 0.9% for the same period of 2013. Against the background of the continued sluggishness in the demand in the steel market, through the opening new shipping routes, improving the Longzu transport efficiency and the development of the steel trade, we increase cargo supply by leveraging on our overall edges.

In the first half of 2014, the volume of coal handled by the Group was approximately 5.879 million tonnes, which represented a decrease of 9.0% from the same period of 2013. The year-on-year decrease in trans-shipment volume of coal was mainly due to the slowing down in the country's economy and the continued slump in the demand in the coal market.

Management Discussion and Analysis

In the first half of 2014, the volume of equipment handled by the Group was approximately 890,000 tonnes, which represented a decrease of 11.4% year-on-year. The year-on-year decline in the Group's trans-shipment volume was mainly due to a decrease in export orders from the Group's major customers in the world economic situation.

In the first half of 2014, the steel throughput handled by the Group's general cargo terminal accounted for 16.3% (18.2% in the first half of 2013) and the coal throughput accounted for 19.8% (17.2% in the first half of 2013) of the total market share in the Three North-eastern Provinces of China.

In the first half of 2014, the performance of the General Cargo Segment was as follows:

Items	For the six months ended 30 June 2014 (RMB)	For the six months ended 30 June 2013 (RMB)	+/- (%)
Revenue	210,437,852.69	201,955,343.90	4.2
The share in the Group's revenue	6.4%	6.0%	up 0.4 percent.
Gross profit (less Business taxes and surcharges)	-7,712,943.67	1,344,742.40	-673.6
The share in the Group's gross profit (less Business taxes and surcharges)	-1.1%	0.2%	down 1.3 percent.
Gross profit margin (less Business taxes and surcharges)	-3.7%	0.7%	down 4.4 percent.

In the first half of 2014, the revenue from the General Cargo Segment increased by 4.2% and such increase was attributable to the increase in sales brought about by the cargo agency business. The gross profit margin (less business taxes and surcharges) decreased 1.3 percentage points as compared to that in the first half of 2013. The decrease was attributable to an increase in depreciation expenses associated with the commissioning of Dalian Bay Ro-Ro terminal relocation project.

In the first half of 2014, the Group's major measures taken and the progress of major projects related to the Group's General Cargo Segment were as follows:

- By delivering greater market development efforts and focusing on the development of a comprehensive logistics system and trade service system, we endeavored to solicit cargo trans-shipment supply.
- While opening and optimizing steel liner routes, we expanded the scale of Longzu steel transportation, developed the steel trade and logistics finance, and promoted the comprehensive steel logistics services system.
- We stepped up the construction of near-port processing base for exported equipment at Dalian Bay. The equipment components for our major customers have arrived at the port and assembling has started.
- The construction of the phase 1 of the near-port industrial timber industrial project at the Changxing Island has been completed. The related formalities, optimization processes and investment solicitation are progressing steadily.

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 2014 and its comparative results in the first half of 2013.

	For the six months ended 30 June 2014 (^{'000} tonnes)	For the six months ended 30 June 2013 (^{'000} tonnes)	Increase/ (Decrease)
Corn	1,197	2,000	(40.2%)
Soy bean	1,120	1,089	2.8%
Barley	230	100	130.0%
Wheat	7	6	16.7%
Others	646	888	(27.3%)
Total	3,200	4,083	(21.6%)

In the first half of 2014, the throughput handled by the Group's bulk grain terminal was approximately 3.200 million tonnes, a decrease of 21.6% as compared with the corresponding period in 2013.

In the first half of 2014, the Group's corn throughput was approximately 1.197 million tonnes, a decrease of 40.2% as compared with the same period last year. The relatively bigger decrease in corn trans-shipment volume within the Group's domestic trade was due to multiple factors, including poor quality of the corns from the main production areas in Heilongjiang province, the rise in rail freight costs, the decrease in circulation of corns in temporary storage and eliminating the restriction on the building of self-owned bulk grain carriages.

In the first half of 2014, the Group's soy bean throughput was approximately 1.120 million tonnes, which represented an increase of 2.8% as compared with the same period last year. In the first half of the year, the Group stepped up its marketing efforts and established close relationships with its customers. By optimizing operating and organizational processes and bolstering the quality of port services, we maintained a year-on-year growth in the throughput of imported soybeans in the foreign trade.

In the first half of 2014, the throughput handled by the Group's bulk grain terminal accounted for 13.1% (19% in the first half of 2013) of the total throughput in the Three North-eastern Provinces of China.

Management Discussion and Analysis

In the first half of 2014, the performance of the Bulk Grain Segment was as follows:

Items	For the six months ended 30 June 2014 (RMB)	For the six months ended 30 June 2013 (RMB)	+/- (%)
Revenue	250,942,736.46	1,039,904,097.10	-75.9
The share in the Group's revenue	7.6%	31.1%	down 23.5 percent.
Gross profit (less Business taxes and surcharges)	5,077,385.33	105,857,621.27	-95.2
The share in the Group's gross profit (less Business taxes and surcharges)	0.7%	13.3%	down 12.6 percent.
Gross profit margin (less Business taxes and surcharges)	2.0%	10.2%	down 8.2 percent.

In the first half of 2014, the revenue from the Bulk Grain Segment decreased by 75.9%. Excluding the impact of the trading business, the revenue decreased by 8.7%. The decrease was mainly attributable to the decrease of throughput, a decline in the portion of cargoes with high-profit margin, and decrease in the bulk grain carriage rental income. The gross profit margin (less business taxes and surcharges) decreased 8.2 percentage points over that in the first half of 2013, excluding the impact of the trading business, the gross profit margin decreased 44.0 percentage points as compared to that in the first half of 2013, mainly due to a significant decrease in the handling fees and leasing business that reduced the effect of the fixed costs dilute influence.

In the first half of 2014, 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 efforts through visiting, cooperation and communication with customers at the origins of grain production, large-scale traders, adjacent ports and relevant functional units. We were proactively seeking cooperation opportunities.
- Securing new customers and new cargo 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 base and engineered a year-on-year increase in the throughput of exported soybeans in the foreign trade.
- Through the optimization of working processes, and with an innovative service model, we have offered our customers access to a wide range of one-stop near-port services stretching from sophisticated management to door-to-door trans-shipment.

Management Discussion and Analysis

Passenger and Ro-Ro Segment

The following table sets out the passenger and roll-on roll-off throughput handled by the Group in the first half of 2014 and its comparative results in the first half of 2013.

	For the six months ended 30 June 2014	For the six months ended 30 June 2013	Increase/ (Decrease)
Passengers ('000 persons)	1,569	1,633	(3.9%)
Vehicles ('000 units) (Note 1)	639	517	23.6%

Note 1: The number of vehicles refers to the number of vehicles handled at the passenger and roll-on, roll-off terminals of the Group and at the terminals of the companies in which the Group has equity interests.

In the first half of 2014, throughput of passengers was 1.569 million persons, representing a year-on-year decrease of 3.9%. Throughput of vehicles amounted to 639,000 units, representing a year-on-year increase of 23.6%.

In the first half of 2014, affected by the market environment, there was a relatively large diversion of maritime passenger transport towards high-speed rails and aviation flights, resulting in a fall in the number of passenger departures and arrivals at Dalian port as compared with the same period last year.

In the first half of 2014, the performance of the Passenger and Ro-Ro Segment was as follows:

Items	For the six months ended on 30 June 2014 (RMB)	For the six months ended on 2013 (RMB)	+/- (%)
Revenue	55,412,188.64	61,631,785.13	-10.1
The share in the Group's revenue	1.7%	1.8%	down 0.1 percent.
Gross profit (less Business taxes and surcharges)	14,951,426.16	15,710,477.31	-4.8
The share in the Group's gross profit (less Business taxes and surcharges)	2.1%	2.0%	up 0.1 percent.
Gross profit margin (less Business taxes and surcharges)	27.0%	25.5%	up 1.5 percent.

In the first half of 2014, the revenue from the Passenger and Ro-Ro Segment decreased by 10.1%, mainly due to the decrease in number of passengers and shared revenue from the vehicle transportation. The gross profit margin (less business taxes and surcharges) increased 1.5 percentage points over that in the first half of 2013, the increase was mainly attributable to the reduction of the operating costs upon an internal restructuring.

Management Discussion and Analysis

In the first half of 2014, the major measures taken and the progress of key projects related to the Group's Passenger and Ro-Ro Segment were as follow:

- We tied up stronger partnership with shipping companies and actively promoted the land-island transportation for the purposes of jointly developing marine tourism projects.
- By reinforcing the solicitation of capital investment, we facilitated the development of Drop and Pull (甩掛) transportation business with the support of neighbouring-port Logistics Park Project at Dalian Bay from a number of enterprises.
- We improved our ticketing systems and ticketing methods through the development of online and offline ticketing systems with focus on online ticketing, mobile terminals and network e-ticket booking.

Value-added Services Segment

Tugging

In the first half of 2014, the Group secured an increase in income by voyage charter and reasonable resource allocation. At the same time, by taking a number of measures such as the reasonable adjustment of the number of tugboats at each of the tugboat bases and their power ratio in an effort to reduce disposal costs, we explored a prominent development prospect for our tugging business.

In respect of the services in the ex-Dalian market, the Group extended greater marketing efforts. In the first half of the year, building on our edges on professionals, equipment, management and technology, we continued to expand our market share by adding four tugboats to ex-Dalian ports.

Tallying

In the first half of 2014, the total tallying throughput handled by the Group was approximately 22.457 million tonnes, an increase of 8.1% over the same period last year.

Railway

In terms of the operation of railway transportation, the Group handled a total of 278,000 carriages, a decrease of 6.5% as compared with the corresponding period in 2013.

In the first half of 2014, the performance of the Value-added Services Segment was as follows:

Items	For the six months ended 30 June 2014 (RMB)	For the six months ended 30 June 2013 (RMB)	+/- (%)
Revenue	407,715,213.98	421,913,005.20	-3.4
The share in the Group's revenue	12.4%	12.6%	down 0.2 percent.
Gross profit (less Business taxes and surcharges)	132,235,556.78	120,246,048.26	10.0
The share in the Group's gross profit (less Business taxes and surcharges)	18.9%	15.1%	up 3.8 percent.
Gross profit margin (less Business taxes and surcharges)	32.4%	28.5%	up 3.9 percent.

In the first half of 2014, the revenue from the Value-add Services Segment decreased by 3.4%, as compared with that in the first half of 2013, mainly due to the decrease of revenue in information services and communication project services. The gross profit margin (less business taxes and surcharges) increased 3.9 percentage points over that in the first half of 2013. The increase was mainly attributable to a decrease in sales of low profit margin information services business.

Management Discussion and Analysis

CORE COMPETENCE STRENGTHS

During the first half of 2014, centering on port logistics, the Group accelerated the construction of a platform integrating the logistics services system along the logistics services chain as well as covering the industry, commerce and trading areas. With record-breaking achievements in an array of spectrums, mainly related to the expansion of logistics functions, the innovation of trading models and the development of near-port industries, we enhanced our core competitiveness. We remained committed to the development of container passenger trains, the transit and distribution of bonded crude oil, and the establishment of the comprehensive steel logistics system. As such, we were constantly optimizing the comprehensive logistics services system. We vigorously promoted the grain, automobile, cold chain and steel trading related business, thereby further fostering the development of the industry, commerce and trading services system. Along with the development of the port information platform and the optimization of the dispatching system, the quality of a comprehensive range of port services has been improved significantly.

FUTURE DEVELOPMENT

Competitive landscape and Industry Trend

In the second half of 2014, as the world economy is gradually returning to a firmer footing, the global trade atmosphere is going to show signs of broad-based recovery, which is especially apparent in the developed economies. As such, we envisage a favorable turnaround in the economic situation of developed countries. Domestically, China's economy will maintain steady, and speedy growth momentum. Benefiting from the reform and the investment in infrastructure, China will see a solid economic growth. However, new problems and issues in the economy will exert increased downward pressure on the economy. Generally, the prospect of steady growth in domestic and world economy will improve the foreign trade situation, paving the way for a steady growth in China's foreign trade and facilitating the development of the import and export trade at a steady pace.

The recovery in domestic economy and the improvement in foreign trade environment are picking up, that will positively affect the cargo supply in the hinterland of the Group. With continued increase in the throughput of cargo types transited by the Group such as crude oil, containers, automobiles and commodity vehicles, the trend of decrease in the throughput of cargo types ranging from grains, ores to coal year-on-year is set to be changed. In addition, with the issue of the "Guidance on the Promotion of the Transformation and Upgrading of Ports" by the Ministry of Communications, the government provided the important support to the transformation and development of port industries and the innovation of services, which will in turn enable us to step up the integration and development of the Group's related industries including port logistics as well as trade and finance.

Risks and Adverse Factors

Firstly, China's economy is exposed to relatively greater extent of downward pressure due to the combination of cyclical problems and structural issues as well as entwinement of short-term problems and long-term issues. Secondly, given the slowing down in fixed asset investment and only a few of consumption hot spots, the resumption of exports to rapid growth presents a big challenge. "Three-facet drivers" stimulating economic growth are in shortage of sufficient momentum. Thirdly, the inherited cost advantages of Chinese enterprises has been weakened due to the rise in labor costs, the appreciation of RMB and the increase in environmental costs in China, and the foreign trade costs for domestic enterprises will increase accordingly.

Regionally, in face of the slower economic growth in the Northeast region, the needs for optimization of industrial structure and the increase in labor costs, the cargo supply in the Group's hinterland is in shortage of driven force, which would pose a great challenge to the Group's cargo supply solicitation. Also, due to the impact of Sino-Japanese relations, there is a remote chance for Sino-Japanese trade amount to pick up in the short term, which will in turn exert greater impact on cargo supply volume traded with Japan at Dalian port.

Management Discussion and Analysis

The Development Strategy of the Group

In response to the changes in the prevailing world economic situation and the adjustments in the domestic industrial structure, the Group will remain focused on its core port business. Emphasizing on transformation and development, we will map out a development goal to build us into a multi-functional, all-round, modernized and internationalized port, so as to establish a platform integrating a comprehensive logistics system along the logistics services chain as well as covering the industry, commerce and trade areas, and to develop a comprehensive range of near-port industries in order to transforming and upgrading Dalian port.

In the second half of 2014, the Group's major measures to be taken for market development for its business segments are as follows:

Oil Segment

- Boasting on deep-water berths and marine geographical advantage, we will boost the overall quality of our services. Focusing on market development, we will make every effort to solicit transportation volume of imported crude oil and refined oil.
- We will reinforce the solicitation of bonded cargo supply, and further enhance bonded services and functions.
- We will establish a close business partnership with relevant customers in the spectrum of crude oil trans-shipment business. Through reasonable allocation of logistics resources and expansion of logistics services, we will expand the scale of our crude oil trans-shipment in the Bohai Rim region.
- We will continue to strengthen cooperation with relevant parties, so as to foster the development of bonded crude futures business.

Container Segment

- In relation to route development, we will continue to tie up stronger strategic cooperation with major shipping companies. While maintaining stable foreign trade trunks, we will focus on strengthening the shipping capacity of domestic trade trunks and the frequency of trunk schedules.
- In respect of trans-shipment operations, we will continue to uphold the "Bohai" strategy, whereby we will deepen our cooperation with the Bohai Sea ports. By increasing the shipping capacity of internal branch routes, we will also step up the construction of branch network within the two inner seas (Bohai and Huanghai) rims.
- In connection with the construction of inland systems, we will promote the further development of logistics services system. In respect of railways, we will cement tighter cooperation with parties concerned. With an innovative service model, we will work intensively on soliciting terminal cargo supply and ensuring the stable operation of passenger trains and cross-border trains. On the front of road transport, we will accelerate the development of road transport cloud services platform project. With the specification of container trucks alliance service standards, we will expand the scale of container truck alliance, thereby improving the operational efficiency of vehicles and the road logistics service systems.

Management Discussion and Analysis

Automobile Terminal Segment

- The Group will continue to enhance its cooperation with automobile manufacturers in the hinterland, so as to expand north-south automobile supply in the hinterland and beef up the stability of the existing routes, thus striving for a further increase in the share of water transportation in the market.
- We will strengthen the development of foreign trade routes and cargo supply solicitation, in an effort to increase automobile trans-shipment volume in the foreign trade and bolster up the profitability of the segment.
- We will expand value-added services for transportation of commodity vehicles, and continue to promote the development of auto trading and near-port auto industries.

Ore Segment

- While strengthening market development efforts and building bridges to customers, we will reinforce the solicitation of trans-shipment cargo supply with the support of a “zero loss” service brand.
- We will offer premium quality services to our customers. With an innovative business model in place, we will accelerate the development of bonded mixed ore business.
- We will extend more efforts to solicit ashore coal supply to achieve a growth in both volume and income.

General Cargo Segment

- We will continue to promote the building up of a comprehensive logistics service system along the logistics service chain as well as covering the industry, commerce and trade areas. Leverage on overall advantages in multi-ports and capability in providing professional services, we will strengthen the solicitation of cargo supply of steel, coal and bulky equipment.
- We will step up the construction of a bulk equipment trans-shipment base at Dalian Bay port, in order to expand the scale of trans-shipment business.
- We will vigorously expand steel trading and logistics park business, so as to fuel a growth in trans-shipment volume at the port.
- We will step up the development of near-port industries, with a focus on promoting the development of timber near-port industries in the port area the Changxing Island.

Management Discussion and Analysis

Bulk Grain Segment

- We will keep abreast of the changes in the market. In response to the market situation, we will put in place cargo source adjustment strategy. Meanwhile, leveraging on our edges in logistics and resources, with reasonable allocation of resources, we will ensure a steady growth in cargo supply volume in both the domestic trade and the foreign trade.
- The Group will continue to integrate the operations of auto transportation and shipment. We will take great leaps in enhancing the quality of logistics services, with a focus on the “bulk grain containerization transportation mode” for corn trans-shipment.
- We will take full advantages of our strengths in three folds including logistics system, the trade system and finance, to improve the quality of the logistics services at all aspects. On this basis, we will strengthen the solicitation of trans-shipment cargo supply.

Passenger and Ro-Ro Segment

- The Group will continue to improve its business cooperation with relevant authorities and corporations. We will extend great efforts on route development and maintenance while adjusting marketing strategies, so as to solicit more cargo supply and enhance the loading rates of main routes.
- We will speed up the development of port logistics park at Dalian Bay, and actively develop the drop and pull transportation model.
- We will expand our business scope. With an innovative service model, we will accelerate the development of commodity vehicle logistics services in whole course and land-island transportation, in order to achieve a growth in both volume and income.

Value-added Service Segment

- Through the optimization of resources allocation, we put in place rational distribution of the number of tugboats at each base. Also, we will explore into new markets, in order to seek new profit growth point.
- We will reinforce our efforts on maintaining our share in the ex-Dalian market. With timely adjustment of strategies and optimization of allocation, we will ensure the stability of the market.

Other Information

Directors', supervisors' and chief executive's interests

As at 30 June 2014, 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").

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 2014.

The Code on Corporate Governance Practices

The Company has complied with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules during the six months ended 30 June 2014, 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 2014, 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 2014.

Audit committee

The Audit Committee currently consists of two independent non-executive Directors, namely Mr. Wan Kam To, Peter and Mr. Guo Yu, and one non-executive Director, namely Mr. Zhang Zuogang. The chairman of the Audit Committee is Mr. Wan Kam To, Peter. The Audit Committee has reviewed the interim results for the six months ended 30 June 2014.

Information on share capital and shareholders of the Company

The share capital structure of the Company as at 30 June 2014 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	100.00

Other Information

Shareholdings of shareholders with notifiable interests

As at 30 June 2014, 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%
China Shipping (Hong Kong) Holdings Co. Ltd.	H Shares	73,610,000 (long position)	Beneficial owner	6.92%	1.66%
China Shipping Terminal Development (Hong Kong) Company Limited	H Shares	73,610,000 (long position)	Interest of controlled corporation	6.92%	1.66%
China Shipping (Group) Co., Ltd.	H Shares	73,610,000 (long position)	Interest of controlled corporation	6.92%	1.66%

Notes:

- Number of shares in the relevant class of share capital: A shares – 3,363,400,000, H shares – 1,062,600,000.
- Total number of shares of share capital: 4,426,000,000.
- During the period from January 2012 to June 2012, 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.
- Each of Mr. Hui Kai, Mr. Xu Song, Mr. Xu Jian, Mr. Zhang Zuogang and Mr. Dong Yanhong, being a Director, also holds a management position with PDA.

Save as disclosed above, as at 30 June 2014, 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 to Information in respect of Directors, Supervisors or Chief Executive

During the six months ended 30 June 2014, the members of the third session of board (“**Board**”) of directors of the Company included Mr. Hui Kai, Mr. Xu Song, Mr. Zhu Shiliang and Ms. Su Chunhua as executive Directors, Mr. Xu Jian and Mr. Zhang Zuogang as non-executive Directors, and Mr. Liu Yongze, Mr. Gui Liyi, Mr. Wan Kam To, Peter and Mr. Yu Long as independent non-executive Directors, and the members of the third session of the Company’s supervisory committee included Mr. Sun Junyou, Mr. Zhang Guofeng, Mr. Zhang Xianzhi, Mr. Lv Jing, Mr. Xu Fansheng and Ms. Jiang Weihong.

During the reporting period, there was no change to information which has been disclosed by the above-stated directors or supervisors of the Company pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

On 31 July 2014, upon approval of the shareholders of the Company at the extraordinary general meeting held on that day, the fourth session of the Board was established comprising Mr. Hui Kai, Mr. Xu Song and Ms. Su Chunhua as executive directors, Mr. Xu Jian, Mr. Zhang Zuogang and Mr. Dong Yanhong as non-executive directors, and Mr. Wan Kam To, Peter, and Mr. Guo Yu as independent non-executive directors, and the fourth session of the Company’s supervisory committee was established comprising Mr. Sun Junyou, Mr. Yin Shihui and Mr. Kong Xianjing together with Mr. Xu Fangsheng and Mr. Jiao Yingguang who were elected by the employee representatives of the Company as employee representative supervisors.

As the Company currently has only two independent non-executive Directors which has fallen below the minimum number required under Rule 3.10(1) and Rule 3.10A of the Listing Rules, the Company is in the process of proposing an independent non-executive Director candidate to the shareholders for the purposes of filling the vacancy in accordance with the requirements of Rule 3.11 of the Listing Rules.

Others

The Company has been performing its social responsibility for environmental protection in an earnest manner, and considers building a port that is both “economical with resources and environmentally friendly” as its duty. As such, it goes all out in supporting the construction and development of Dalian Port as a modern port with environmental awareness.

The Company persists in upholding its approach of “integrated management with safety as the priority and prevention as the theme.” With the core values of “scientific development with due regard to humanities and safety” as a solid foundation, the Company strictly carries out each of the national and local requirements for management of workplace safety, as well as continuously strengthening the implementation of safety accountability system at all levels, so as to ensure safety at work is maintained.

As at 30 June 2014, the Group had a total of 6,778 full-time employees, the total number of employees of the Group and its invested businesses are 9,225.

Report on Review of Financial Statements

PwC ZT Yue Zi (2014) No. 049

To the Shareholders of Dalian Port (PDA) Company Limited,

We have reviewed the accompanying financial statements of Dalian Port (PDA) Company Limited, which comprise the consolidated and company balance sheets as at 30 June 2014, and the consolidated and company income statements, the consolidated and company statements of changes in shareholders' equity and the consolidated and company cash flow statements for the 6-month period then ended, and the notes to the financial statements. The management is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of *Accounting Standards for Business Enterprises*. Our responsibility is to express a conclusion on the financial statements based on our review.

We conducted our review in accordance with China Standard on Review Engagements 2101, "*Review of Financial Statements*". This standard requires that we plan and perform the review to obtain moderate assurance about 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.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects of the financial position of Dalian Port (PDA) Company Limited as at 30 June 2014, and of its financial performance and its cash flows for the 6-month period then ended in accordance with *Accounting Standards for Business Enterprises*.

PricewaterhouseCoopers Zhong Tian LLP

Shanghai, the People's Republic of China

28 August 2014

Consolidated and Company's Balance Sheets (Unaudited)

As at 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

	Note	Consolidated		Company	
		30 June 2014	31 December 2013	30 June 2014	31 December 2013
ASSETS					
Current assets					
Cash at bank and in hand	5(1)	1,997,628,832.80	2,339,398,061.70	779,469,658.55	855,774,002.57
Financial assets held for trading	5(2)	14,288,449.89	12,412,829.99	14,288,449.89	12,412,829.99
Notes receivable	5(3)	110,152,890.23	60,056,586.58	93,511,937.05	33,092,828.46
Accounts receivable	5(5),16(1)	765,950,998.55	502,348,024.46	557,731,043.22	329,065,059.09
Advances to suppliers	5(7)	47,116,681.60	67,102,980.29	18,016,298.48	12,248,308.39
Interest receivable	5(4)	6,047,223.16	16,308,120.60	6,102,880.63	13,236,293.89
Dividends receivable	5(4)	3,065,152.59	6,337,135.91	368,961,555.70	458,188,724.47
Other receivables	5(6),16(2)	609,792,323.75	475,665,762.06	336,376,304.71	193,922,392.08
Inventories	5(8)	656,545,733.30	414,139,590.18	56,265,694.98	57,091,600.81
Current portion of non-current assets		-	-	15,000,000.00	600,000,000.00
Other current assets	5(9)	159,168,944.01	1,091,825,294.05	100,000,000.00	1,116,518,707.23
Total current assets		4,369,757,229.88	4,985,594,385.82	2,345,723,823.21	3,681,550,746.98
Non-current assets					
Available-for-sale financial assets	5(10)	236,315,611.76	174,907,551.61	91,620,057.50	25,800,057.50
Long-term receivables	5(11)	24,588,407.36	-	600,000,000.00	-
Long-term equity investments	5(12)(13), 16(3)	3,847,380,840.48	3,892,666,681.01	6,552,121,356.90	6,525,353,773.77
Investment properties	5(14)	689,232,146.99	697,137,339.31	-	-
Fixed assets	5(15)	14,188,867,607.73	14,055,550,428.58	10,979,382,407.12	10,771,483,264.29
Construction in progress	5(16)	2,252,007,356.34	2,547,712,504.06	2,230,550,357.38	2,526,112,750.94
Fixed assets pending for disposal	5(17)	4,663,046.84	888,514.14	4,663,046.84	888,514.14
Intangible assets	5(18)	733,174,369.80	748,697,778.95	258,186,177.51	263,895,235.70
Goodwill	5(19)	16,035,288.74	16,035,288.74	-	-
Long-term prepaid expenses	5(20)	20,947,468.95	22,627,890.05	637,249.07	752,934.65
Deferred tax assets	5(21)	60,858,839.13	60,483,766.67	3,634,667.81	3,944,696.19
Other non-current assets	5(23)	175,740,180.00	23,806,956.08	-	-
Total non-current assets		22,249,811,164.12	22,240,514,699.20	20,720,795,320.13	20,118,231,227.18
TOTAL ASSETS		26,619,568,394.00	27,226,109,085.02	23,066,519,143.34	23,799,781,974.16

Consolidated and Company's Balance Sheets (Unaudited) (continued)

As at 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

	Note	Consolidated 30 June 2014	31 December 2013	Company 30 June 2014	31 December 2013
LIABILITIES AND OWNERS' EQUITY					
Current liabilities					
Short-term loans	5(24)	457,410,516.55	394,592,844.90	-	-
Notes payable	5(25)	30,040,190.20	31,680,000.00	30,040,190.20	32,180,000.00
Accounts payable	5(26)	209,092,016.86	215,262,053.67	35,658,181.69	23,586,410.27
Advances from customers	5(27)	380,357,348.08	297,003,288.14	18,491,294.49	19,414,251.96
Employee benefits payable	5(28)	96,872,205.96	153,090,035.08	43,219,429.08	68,902,866.76
Taxes payable	5(29)	54,834,913.82	65,815,804.00	14,023,595.02	24,143,095.61
Interest payable	5(30)	151,732,298.49	188,015,798.98	147,406,409.39	183,557,813.49
Dividends payable	5(31)	356,124,839.47	85,947,458.51	265,560,000.00	-
Other payables	5(32)	748,552,158.19	844,444,268.52	619,919,285.08	710,734,551.49
Current portion of non-current liabilities	5(33)	955,683,180.91	3,208,791,625.50	250,000,000.00	2,747,582,965.71
Total current liabilities		3,440,699,668.53	5,484,643,177.30	1,424,318,384.95	3,810,101,955.29
Non-current liabilities					
Long-term borrowings	5(34)	2,782,010,023.77	1,393,401,245.21	2,750,000,000.00	1,050,000,000.00
Debentures payable	5(35)	4,967,634,142.15	4,963,843,320.56	4,967,634,142.15	4,963,843,320.56
Long-term payables	5(36)	16,365,409.24	12,666,979.84	-	-
Deferred tax liabilities	5(21)	11,668,541.58	12,451,436.00	-	-
Other non-current liabilities	5(37)	679,509,176.97	697,817,896.11	643,170,406.26	661,123,971.26
Total non-current liabilities		8,457,187,293.71	7,080,180,877.72	8,360,804,548.41	6,674,967,291.82
Total liabilities		11,897,886,962.24	12,564,824,055.02	9,785,122,933.36	10,485,069,247.11
Owners' equity					
Paid-in capital	5(38)	4,426,000,000.00	4,426,000,000.00	4,426,000,000.00	4,426,000,000.00
Capital surplus	5(39)	6,113,476,188.62	6,116,197,381.13	6,231,245,010.23	6,229,961,994.54
Surplus reserve	5(40)	533,416,415.28	533,416,415.28	488,536,152.53	488,536,152.53
Special reserve		17,343,889.66	9,528,835.46	12,399,378.16	6,828,931.50
Undistributed profits	5(41)	2,370,520,657.55	2,352,129,307.90	2,123,215,669.06	2,163,385,648.48
Difference on translation of foreign currency financial statements		5,671,728.94	7,472,254.84	-	-
Total equity attributable to equity holders of the Company		13,466,428,880.05	13,444,744,194.61	13,281,396,209.98	13,314,712,727.05
Minority interest	5(42)	1,255,252,551.71	1,216,540,835.39	-	-
Total owners' equity		14,721,681,431.76	14,661,285,030.00	13,281,396,209.98	13,314,712,727.05
TOTAL LIABILITIES AND OWNERS' EQUITY		26,619,568,394.00	27,226,109,085.02	23,066,519,143.34	23,799,781,974.16

The accompanying notes form an integral part of these financial statements.

Legal representative:
Hui Kai

Principal in charge of accounting:
Su Chunhua

Head of accounting department:
Wang Ping

Consolidated and Company's Income Statements (Unaudited)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

Item	Note	Consolidated		Company	
		For the six months ended 30 June 2014	For the six months ended 30 June 2013	For the six months ended 30 June 2014	For the six months ended 30 June 2013
Revenue	5(43),16(4)	3,297,872,554.47	3,341,276,785.15	1,481,992,956.78	1,428,791,272.43
Less: Cost of sales	5(43),16(4)	2,578,957,372.44	2,439,535,143.28	958,537,950.42	839,185,703.84
Taxes and surcharges	5(44)	17,578,344.00	106,076,391.23	7,481,621.40	53,840,904.13
Selling and distribution expenses		47,980.00	199,960.29	-	-
General and administrative expenses	5(45)	247,461,042.33	239,033,197.64	140,558,878.30	143,396,181.41
Financial expenses-net	5(46)	236,242,751.54	202,422,195.93	209,570,634.06	178,962,020.16
Asset impairment losses	5(49)	-	(1,148,013.87)	-	(418,000.00)
Add: Gains on changes in fair value	5(47)	165,619.90	54,712.20	165,619.90	54,712.20
Investment income	5(48),16(5)	78,023,499.66	96,520,109.40	84,251,752.39	117,984,965.81
Including: Share of profit of associates and joint ventures	5(48)	38,224,323.02	50,619,226.36	49,656,157.68	52,008,499.79
Operating profit		295,774,183.72	451,732,732.25	250,261,244.89	331,864,140.90
Add: Non-operating income	5(50)	145,571,150.73	121,533,706.50	26,216,487.22	42,687,290.06
Less: Non-operating expenses	5(51)	6,384,726.25	1,038,907.35	860,348.97	8,589.32
Including: Losses on disposal of non-current assets	5(51)	5,589,872.83	65,056.52	-	8,589.32
Total profit		434,960,608.20	572,227,531.40	275,617,383.14	374,542,841.64
Less: Income tax expenses	5(52)	109,219,126.31	127,095,434.35	50,227,362.56	65,535,994.79
Net profit		325,741,481.89	445,132,097.05	225,390,020.58	309,006,846.85
Attributable to equity holders of the Company		284,418,933.05	387,276,213.09	-	-
Minority interest		41,322,548.84	57,855,883.96	-	-
Earnings per share					
Basic earnings per share (RMB Yuan)	5(53)	0.06	0.09	-	-
Diluted earnings per share (RMB Yuan)	5(53)	0.06	0.09	-	-
Other comprehensive income	5(54)	(6,397,826.15)	(1,916,272.71)	-	(178,836.00)
Total comprehensive income		319,343,655.74	443,215,824.34	225,390,020.58	308,828,010.85
Attributable to equity holders of the Company		278,021,106.90	385,359,940.38	-	-
Minority interest		41,322,548.84	57,855,883.96	-	-

The accompanying notes form an integral part of these financial statements.

Legal representative:
Hui Kai

Principal in charge of accounting:
Su Chunhua

Head of accounting department:
Wang Ping

Consolidated Statements of Changes in Shareholders' Equity (Unaudited)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

Item	Note	Attributable to equity holders of the Company						Difference on translation of foreign currency financial statements	Subtotal	Minority interest	Total owners' equity
		Paid-in capital	Capital surplus	Surplus reserve	Specific reserve	Undistributed profits					
Balance at 1 January 2013		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	
Movement for the six months ended 30 June 2013											
Net profit		-	-	-	-	387,276,213.09	-	387,276,213.09	57,855,883.96	445,132,097.05	
Other comprehensive income		-	(1,016,609.70)	-	-	-	(899,663.01)	(1,916,272.71)	-	(1,916,272.71)	
Capital contribution and withdrawal by owners		-	-	-	-	-	-	-	194,450,000.00	194,450,000.00	
Establishment of subsidiaries		-	-	-	-	-	-	-	202,450,000.00	202,450,000.00	
Disposal of subsidiaries		-	-	-	-	-	-	-	(8,000,000.00)	(8,000,000.00)	
Profit distribution	5(4)	-	-	-	-	(221,300,000.00)	-	(221,300,000.00)	(5,813,644.24)	(227,113,644.24)	
Profit distribution to equity owners		-	-	-	-	(221,300,000.00)	-	(221,300,000.00)	(5,813,644.24)	(227,113,644.24)	
Transfer within owners' equity		-	(1,278,215.93)	-	-	1,278,215.93	-	-	-	-	
Others		-	(1,278,215.93)	-	-	1,278,215.93	-	-	-	-	
Specific reserve		-	-	-	7,304,059.09	-	-	7,304,059.09	1,346,616.87	8,650,675.96	
Others		-	1,010,044.14	-	-	-	-	1,010,044.14	17,676.33	1,027,720.47	
Balance at 30 June 2013		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	
Balance at 1 January 2014		4,426,000,000.00	6,116,197,381.13	533,416,415.28	9,528,835.46	2,352,129,307.90	7,472,254.84	13,444,744,194.61	1,216,540,835.39	14,661,285,030.00	
Movement for the six months ended 30 June 2014											
Net profit		-	-	-	-	284,418,933.05	-	284,418,933.05	41,322,548.84	325,741,481.89	
Other comprehensive income	5(4)	-	(4,597,300.25)	-	-	-	(1,800,525.90)	(6,397,826.15)	-	(6,397,826.15)	
Capital contribution and withdrawal by owners		-	610,277.32	-	-	-	-	610,277.32	12,640,394.57	13,250,671.89	
Establishment of subsidiaries		-	-	-	-	-	-	-	9,800,000.00	9,800,000.00	
Disposal of minority interest		-	610,277.32	-	-	-	-	610,277.32	2,840,394.57	3,450,671.89	
Profit distribution	5(4)	-	-	-	-	(266,027,583.40)	-	(266,027,583.40)	(16,582,754.78)	(282,610,338.18)	
Profit distribution to equity owners		-	-	-	-	(265,560,000.00)	-	(265,560,000.00)	(16,405,936.37)	(281,965,936.37)	
Appropriation to Staff and Workers' Bonus and Welfare Fund		-	-	-	-	(467,583.40)	-	(467,583.40)	(176,818.41)	(644,401.81)	
Specific reserve		-	-	-	7,815,054.20	-	-	7,815,054.20	1,331,527.69	9,146,581.89	
Others		-	1,265,830.42	-	-	-	-	1,265,830.42	-	1,265,830.42	
Balance at 30 June 2014		4,426,000,000.00	6,113,476,188.62	533,416,415.28	17,343,889.66	2,370,520,657.55	5,671,728.94	13,466,428,880.05	1,255,252,551.71	14,721,681,431.76	

The accompanying notes form an integral part of these financial statements.

Legal representative:
Hui Kai

Principal in charge of accounting:
Su Chunhua

Head of accounting department:
Wang Ping

Company's Statements of Changes in Shareholders' Equity (Unaudited)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

Item	Note	Paid-in capital	Capital surplus	Surplus reserve	Specific reserve	Undistributed profits	Total owners' equity
Balance at 1 January 2013		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
Movement for the six months ended 30 June 2013							
Net profit		-	-	-	-	309,006,846.85	309,006,846.85
Other comprehensive income		-	(178,836.00)	-	-	-	(178,836.00)
Profit distribution		-	-	-	-	(221,300,000.00)	(221,300,000.00)
Profit distribution to equity owners	5(41)	-	-	-	-	(221,300,000.00)	(221,300,000.00)
Specific reserve		-	-	-	5,578,131.49	-	5,578,131.49
Others		-	991,646.33	-	-	-	991,646.33
Balance at 30 June 2013		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
Balance at 1 January 2014		4,426,000,000.00	6,229,961,994.54	488,536,152.53	6,828,931.50	2,163,385,648.48	13,314,712,727.05
Movement for the six months ended 30 June 2014							
Net profit		-	-	-	-	225,390,020.58	225,390,020.58
Other comprehensive income		-	-	-	-	-	-
Profit distribution		-	-	-	-	(265,560,000.00)	(265,560,000.00)
Profit distribution to equity owners	5(41)	-	-	-	-	(265,560,000.00)	(265,560,000.00)
Specific reserve		-	-	-	5,570,446.66	-	5,570,446.66
Others		-	1,283,015.69	-	-	-	1,283,015.69
Balance at 30 June 2014		4,426,000,000.00	6,231,245,010.23	488,536,152.53	12,399,378.16	2,123,215,669.06	13,281,396,209.98

The accompanying notes form an integral part of these financial statements.

Legal representative:
Hui Kai

Principal in charge of accounting:
Su Chunhua

Head of accounting department:
Wang Ping

Consolidated and Company's Cash Flow Statements (Unaudited)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

Item	Note	Consolidated		Company	
		For the six months ended 30 June 2014	For the six months ended 30 June 2013	For the six months ended 30 June 2014	For the six months ended 30 June 2013
1. Cash flows from operating activities					
Cash received from sales of goods or rendering of services		3,412,683,277.45	3,411,314,720.92	1,175,003,527.29	1,316,119,044.93
Refund of taxes and surcharges		2,273,625.53	-	-	-
Cash received relating to other operating activities	5(55)	21,911,831.81	45,140,649.08	32,231,408.80	185,377,842.65
Sub-total of cash inflows		3,436,868,734.79	3,456,455,370.00	1,207,234,936.09	1,501,496,887.58
Cash paid for goods and services		(2,208,528,318.72)	(1,955,117,510.41)	(460,477,687.55)	(352,963,465.75)
Cash paid to and on behalf of employees		(668,864,106.40)	(621,276,707.78)	(431,616,487.12)	(406,040,073.26)
Payments of taxes and surcharges		(182,751,513.52)	(320,130,520.63)	(69,250,220.66)	(137,670,379.81)
Cash paid relating to other operating activities	5(55)	(47,597,024.16)	(55,713,494.34)	(40,972,506.97)	(245,419,286.04)
Sub-total of cash outflows		(3,107,740,962.80)	(2,952,238,233.16)	(1,002,316,902.30)	(1,142,093,204.86)
Net cash flows from operating activities	5(56), 16(6)	329,127,771.99	504,217,136.84	204,918,033.79	359,403,682.72
2. Cash flows from investing activities					
Cash received from disposal of investments		1,697,339,009.50	158,598,981.52	2,249,936,263.39	1,797,578,981.52
Cash received from returns on investments		51,132,915.75	57,918,236.82	155,731,503.59	117,397,404.08
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		3,355,858.71	28,046,704.24	201,466.69	28,964,183.89
Net cash received from disposal of subsidiaries and other business units		-	585,702,433.12	-	596,800,000.00
Net cash received to acquire subsidiaries and other business units	5(56)	7,107,219.40	-	-	-
Cash received relating to other investing activities		5,163,645.00	1,473,944.17	3,218,000.00	1,473,944.17
Sub-total of cash inflows		1,764,098,648.36	831,740,299.87	2,409,087,233.67	2,542,214,513.66
Cash paid to acquire fixed assets, intangible assets and other long-term assets		(445,519,805.18)	(498,419,427.62)	(219,383,539.21)	(457,641,588.61)
Cash paid to acquire investments		(796,520,000.00)	(472,272,800.00)	(1,399,070,000.00)	(1,340,972,800.00)
Net cash paid to dispose subsidiaries and other business units		-	(5,926,389.27)	-	-
Cash paid relating to other investing activities	5(55)	(8,118,578.00)	(27,142,147.88)	(2,487,020.00)	(7,142,147.88)
Sub-total of cash outflows		(1,250,158,383.18)	(1,003,760,764.77)	(1,620,940,559.21)	(1,805,756,536.49)
Net cash flows from investing activities		513,940,265.18	(172,020,464.90)	788,146,674.46	736,457,977.17

Consolidated and Company's Cash Flow Statements (Unaudited) (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

Item	Note	Consolidated		Company	
		For the six months ended 30 June 2014	For the six months ended 30 June 2013	For the six months ended 30 June 2014	For the six months ended 30 June 2013
3. Cash flows from financing activities					
Cash received from capital contributions		9,800,000.00	202,450,000.00	-	-
Including: Cash received from capital contributions by minority shareholders of subsidiaries		9,800,000.00	202,450,000.00	-	-
Cash received from borrowings		2,437,579,923.29	1,900,898,734.92	1,700,000,000.00	-
Cash received relating to other financing activities	5(55)	30,309,501.88	11,380,718.30	-	-
Sub-total of cash inflows		2,477,689,425.17	2,114,729,453.22	1,700,000,000.00	-
Cash repayments of borrowings		(3,323,970,946.12)	(2,210,382,712.18)	(2,500,000,000.00)	(1,179,500,000.00)
Cash payments for interest expenses and distribution of dividends or profits		(307,895,430.07)	(336,627,465.68)	(268,638,072.27)	(294,705,208.58)
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries		(16,405,936.37)	(7,742,804.08)	-	-
Cash payments relating to other financing activities	5(55)	(34,515,400.64)	(30,531,599.16)	-	(20,054,633.25)
Sub-total of cash outflows		(3,666,381,776.83)	(2,577,541,777.02)	(2,768,638,072.27)	(1,494,259,841.83)
Net cash flows from financing activities		(1,188,692,351.66)	(462,812,323.80)	(1,068,638,072.27)	(1,494,259,841.83)
4. Effect of foreign exchange rate changes on cash and cash equivalents		(3,305,746.17)	374,564.39	-	-
5. Net increase in cash and cash equivalents		(348,930,060.66)	(130,241,087.47)	(75,573,364.02)	(398,398,181.94)
Add: Cash and cash equivalents at beginning of period	5(56),16(6)	2,303,924,914.82	2,494,472,560.75	852,556,002.57	1,399,578,181.00
6. Cash and cash equivalent at end of period	5(56),16(6)	1,954,994,854.16	2,364,231,473.28	776,982,638.55	1,001,179,999.06

The accompanying notes form an integral part of these financial statements.

Legal representative:
Hui Kai

Principal in charge of accounting:
Su Chunhua

Head of accounting department:
Wang Ping

Notes to Financial Statements

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

1 General information

Dalian Port (PDA) Company Limited (hereinafter, the “Company”) was established in Liaoning Province, the People’s Republic of China as a limited company by Dalian Port Corporation Limited (hereinafter, “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 license number of 210200400039287. The operating period is 70 years. The H shares and A shares which are ordinary shares and issued by the Company have been listed and traded on main board of The Stock Exchange of Hong Kong Limited and Shanghai Stock Exchange since 28 April 2006 and 6 December 2010, respectively. The Company’s registered office and headquarter are located at Xingang Commercial Building, Dalian International Logistics Park Zone, Liaoning Province. The Company and its subsidiaries (hereinafter 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 and trading services, ore terminal and the related logistics services, general cargo terminal and the related logistics and trading services, bulk grain terminal and the related logistics and trading services, passenger and roll-on/roll-off terminal and the related logistics services, and port value-added services and ancillary port operations, being part of transportation industry.

As at 30 June 2014, the Company has issued 4,426,000,000 shares in total. Please refer to Note 5(38) share capital for detailed information.

The principal activities of the Company and its subsidiaries 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%).

These financial statements were approved and authorised for issue by the Company’s Board of Directors on 28 August 2014.

These financial statements are unaudited.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates

(1) Basis of preparation

The financial statements were prepared in accordance with the Basic Standard and specific standards of the Accounting Standards for Business Enterprises, the Application Guidance for Accounting Standards for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance on 15 February 2006 and thereafter (hereafter collectively referred to as “the Accounting Standards for Business Enterprises” or “CAS”), and the requirements of The Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 – General Provision on Financial Reports (2010 Revision) promulgated by China Securities Regulatory Commission.

(2) Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements of the Company for the six months ended 30 June 2014 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the Consolidated and the Company’s financial position as at 30 June 2014 and of their financial performance, cash flows and other information for the six months then ended.

(3) Accounting year

The Company’s accounting year starts on 1 January and ends on 31 December. Accounting period of these interim financial statements starts on 1 January and ends on 30 June.

(4) Recording currency

The recording currency is Renminbi (RMB).

(5) Business combinations

(a) Business combinations involving enterprises under common control

The consideration paid and net assets obtained by the absorbing party in a business combination are measured at their carrying amounts. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid is adjusted to capital surplus (share premium). If the capital surplus (share premium) is not sufficient to absorb the difference, the remaining balance is adjusted against retained earnings. Costs directly attributable to the business combination are included in profit or loss in the period in which they are incurred. Transaction costs associated with the issue of equity or debt securities for the business combination are included in the initially recognised amounts for the equity or debt securities.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates (continued)

(5) Business combinations (continued)

(b) Business combinations involving enterprises not under common control

The cost of combination and identifiable net assets obtained by the acquirer in a business combination are measured at fair value at the acquisition date. Where the cost of the combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill; where the cost of combination is lower than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised in profit or loss for the current period. Costs directly attributable to the combination are included in profit or loss in the period in which they are incurred. Transaction costs associated with the issue of equity or debt securities for the business combination are included in the initially recognised amounts of the equity or debt securities.

In a business combination achieved in stages, the acquirer remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and recognises the resulting gain or loss, if any, in profit or loss. In prior reporting periods, if the acquirer has recognised changes in the value of its equity interest in the acquiree in other comprehensive income, the amount that was recognised in other comprehensive income is transferred to profit or loss. Goodwill is recognised as the difference between the sum of fair value of previously held equity interest in the acquiree and fair value of consideration paid at acquisition-date, and the acquired interest in the fair value of the acquiree's identifiable net assets.

(6) Preparation of consolidated financial statements

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries.

Subsidiaries are consolidated from the date on which the Group obtains control and are de-consolidated from the date that such control ceases. For a subsidiary that is acquired in a business combination involving enterprises under common control, it is included in the consolidated financial statements from the date when it, together with the Company, comes under common control of the ultimate controlling party. The portion of the net profits realised before the combination date is presented separately in the consolidated income statement.

In preparing the consolidated financial statements, where the accounting policies and the accounting periods of the Company and subsidiaries are inconsistent, the financial statements of the subsidiaries are adjusted in accordance with the accounting policies and the accounting period of the Company. For subsidiaries acquired from business combinations involving enterprises not under common control, the individual financial statements of the subsidiaries are adjusted based on the fair value of the identifiable net assets at the acquisition date.

All significant intra-group balances, transactions and unrealised profits are eliminated in the consolidated financial statements. The portion of subsidiaries' equity and the portion of a subsidiaries' net profits and losses and comprehensive incomes for the period not attributable to Company are recognised as minority interests and presented separately in the consolidated financial statements under equity, net profits and total comprehensive income respectively.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates (continued)

(7) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be readily drawn on demand, and short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Foreign currency translation

(a) Foreign currency transactions

Foreign currency transactions are translated into RMB using the exchange rates prevailing at the dates of the transactions.

At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rates on the balance sheet date. Exchange differences arising from these translations are recognised in profit or loss for the current period, except for those attributable to foreign currency borrowings that have been taken out specifically for the acquisition or construction of qualifying assets, which are capitalised as part of the cost of those assets. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

(b) Translation of foreign currency financial statements

The asset and liability items in the balance sheets for overseas operations are translated at the spot exchange rates on the balance sheet date. Among the shareholders' equity items, the items other than "undistributed profits" are translated at the spot exchange rates of the transaction dates. The income and expense items in the income statements of overseas operations are translated at the spot exchange rates of the transaction dates. The differences arising from the above translation are presented separately in the shareholders' equity. The cash flows of overseas operations are translated at the spot exchange rates on the dates of the cash flows. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates (continued)

(9) Financial instrument

(a) Financial assets

(i) *Classification of financial assets*

Financial assets are classified into the following categories at initial recognition: financial assets at fair value through profit or loss, receivables, available-for-sale financial assets and held-to-maturity investments. The classification of financial assets depends on the Group's intention and ability to hold the financial assets.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for the purpose of selling in the short term. They are presented as financial assets held for trading on the balance sheet.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets designated as available-for-sale at its initial recognition or not classified as other financial assets. It also includes equity investment the Group does not have control, joint control or significant influence over the investee and which are not quoted in an active market and whose fair value cannot be reliably measured. Available-for-sale financial assets are included in other current assets on the balance sheet if management intends to dispose of them within 12 months after the balance sheet date.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturity and fixed or determinable payments that management has the positive intention and ability to hold to maturity. Held-to-maturity investments with maturities over 12 months when the investments were made but are due within 12 months (inclusive) at the balance sheet date are included in the current portion of non-current assets; held-to maturity investments with maturities no more than 12 months (inclusive) when the investments were made are included in other current assets.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates (continued)

(9) Financial instrument (continued)

(a) Financial assets (continued)

(ii) *Recognition and measurement*

Financial assets are recognised at fair value on the balance sheet when the Group becomes a party to the contractual provisions of the financial instrument. In the case of financial assets at fair value through profit or loss, the related transaction costs incurred at the time of acquisition are recognised in profit or loss for the current period. For other financial assets, transaction costs that are attributable to the acquisition of the financial assets are included in their initially recognised amounts.

Financial assets at fair value through profit or loss and available-for-sale financial assets are subsequently measured at fair value. Investments in equity instruments are measured at cost when they do not have a quoted market price in an active market and whose fair value cannot be reliably measured. Receivables and held-to-maturity investments are measured at amortised cost using the effective interest method.

Gains or losses arising from change in the fair value of financial assets at fair value through profit or loss are recognised in profit or loss. Interests and cash dividends received during the period in which such financial assets are held, as well as the gains or losses arising from disposal of these assets are recognised in profit or loss for the current period.

Gains or losses arising from change in fair value of available-for-sale financial assets are recognised directly in equity, except for impairment losses and foreign exchange gains and losses arising from translation of monetary financial assets. When such financial assets are derecognised, the cumulative gains or losses previously recognised directly into equity are recycled into profit or loss for the current period. Interests on available-for-sale investments in debt instruments calculated using the effective interest method during the period in which such investments are held and cash dividends declared by the investee on available-for-sale investments in equity instruments are recognised as investment income, which is recognised in profit or loss for the period.

(iii) *Impairment of financial assets*

The Group assesses the carrying amounts of financial assets other than those at fair value through profit or loss at each balance sheet date. If there is objective evidence that a financial asset is impaired, an impairment loss is provided for.

When an impairment loss on a financial asset carried at amortised cost has occurred, the amount of loss is provided for at the difference between the asset's carrying amount and the present value of its estimated future cash flows (excluding future credit losses that have not been incurred). If there is objective evidence that the value of the financial asset recovered and the recovery is related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed and the amount of reversal is recognised in profit or loss.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates (continued)

(9) Financial instrument (continued)

(a) Financial assets (continued)

(iii) *Impairment of financial assets (continued)*

Objective evidence indicating impairment of financial assets refers to the matter that actually occurs after the initial recognition of financial assets, it will affect estimated future cash flows of financial assets, and its impact can be reliably measured.

Objective evidence indicating impairment of equity investments includes a significant or prolonged decline in the fair value of the investment below its cost. The Group individually tests held-for-sale equity instrument investment as at balance sheet date. If fair value of equity instrument investment lowers over 50% (inclusive) than initial investment cost or lowers than initial investment cost for more than 1 year (inclusive), impairment is provided; if fair value of equity instrument investment as at balance sheet date lowers than its initial investment cost by more than 20% (inclusive) but less than 50%, the Group will consider other relevant factors to determine whether to provide impairment, such as price fluctuation rate. Initial investment cost of available-for-sale equity instruments is calculated by using weighted average method.

If an impairment loss on available-for-sale financial assets is incurred, the cumulative losses arising from the decline in fair value that had been recognised directly in shareholders' equity are transferred out from equity to impairment loss. If an impairment loss incurred on an investment in an equity instrument not quoted in an active market and whose fair value cannot be reliably measured, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. For an investment in debt instrument classified as available-for-sale on which impairment losses have been recognised, if, in a subsequent period, its fair value increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the previously recognised impairment loss is reversed into profit or loss for the current period. For an investment in an equity instrument classified as available-for-sale on which impairment losses have been recognised, the increase in its fair value in a subsequent period is recognised directly in equity.

(iv) *Derecognition of financial assets*

A financial asset is derecognised when any of the below criteria is met: (i) the contractual rights to receive the cash flows from the financial asset expire; (ii) the financial asset has been transferred and the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee; or (iii) the financial asset has been transferred and the Group has not retained control of the financial asset, although the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and the cumulative changes in fair value that had been recognised directly in equity, is recognised in profit or loss.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates (continued)

(9) Financial instrument (continued)

(b) Financial liabilities

Financial liabilities are classified into two categories at initial recognition: financial liabilities at fair value through profit or loss and other financial liabilities. The financial liabilities of the Group mainly comprise other financial liabilities, including payables, borrowings and debentures payable.

Payables, including accounts payable and other payables, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings and debentures payable are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities with maturities no more than one year (inclusive) are classified as current liabilities. Other financial liabilities with maturities over one year but are due within one year (inclusive) at the balance sheet date are classified as the current portion of non-current liabilities. Others are classified as non-current liabilities.

A financial liability is derecognised or partly derecognised when the current obligation is discharged or partly discharged. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished and the consideration paid, shall be recognised in profit or loss.

(c) Determination of fair value of financial instruments

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using a valuation technique. Valuation techniques include using prices of recent market transactions between knowledgeable and willing parties, reference to the current fair value of another financial asset that is substantially the same with this instrument, and discounted cash flow analysis, etc. When a valuation technique is used to establish the fair value of a financial instrument, it makes the maximum use of observable market inputs and relies as little as possible on entity-specific inputs.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates (continued)

(10) Receivables

Receivables comprise accounts receivable and other receivables. Accounts receivable arising from sale of goods or rendering of services are initially recognised at fair value of the contractual payments from the buyers or service recipients.

(a) Receivables with amounts that are individually significant and subject to separate assessment for provision for bad debts

Receivables with amounts that are individually significant are subject to separate assessment for impairment. If there exists objective evidence that the Group will not be able to collect the amount under the original terms, a provision for impairment of that receivable is made.

The criterion for determining “individually significant” amounts is any individual amount more than RMB5 million.

Provision for bad debts for those individually significant amounts is determined at the excess amount of its carry amount over the present value of the future cash flow expected to be derived from the receivable.

(b) Receivables that are subject to provision for bad debts on the grouping basis

Receivables with amounts that are not individually significant and those receivables that have been individually assessed for impairment and have not been found impaired are classified into certain groupings based on their credit risk characteristics. The provision for bad debts is determined using ageing analysis method based on the historical loss experience for the groupings of receivables with similar credit risk characteristics, taking into consideration of the current circumstances.

(c) Receivables with amounts that are not individually significant but subject to separate assessment for provision for bad debts

The reason for making separate assessment for provision for bad debts is that there exists objective evidence that the Group will not be able to collect the amount under the original terms of the receivable.

The provision for bad debts is determined at the excess amount of its carry amount over the present value of the future cash flow expected to be derived from the receivable.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates (continued)

(11) Inventories

(a) Classification

Inventories include raw materials, work in progress and finished goods, and are measured at the lower of cost and net realisable value. Raw materials mainly include fuel and accessories used in port operation. Work in progress mainly comprises software under development for third parties. Finished goods mainly comprise trading goods.

(b) Costing of inventories

Inventories are initially measured at cost. Inventories cost includes purchasing cost, processing cost and other cost. Actual cost of inventories is determined using weighted average method.

(c) Basis for determining net realisable values of inventories and method for making provision for decline in the value of inventories

Provision for decline in the value of inventories is determined at the excess amount of the carrying amounts of the inventories over their net realisable value. Net realisable value is determined based on the estimated selling price in the ordinary course of business, less the estimated costs to completion and estimated costs necessary to make the sale and related taxes.

(d) The Group adopts the perpetual inventory system.

(12) Long-term equity investments

Long-term equity investments refer to long-term equity investments in subsidiaries of the Company and long-term equity investments in joint ventures and associates of the Group.

Subsidiaries are the investees over which the Company is able to exercise control. Joint ventures are the investees over which the Group is able to exercise joint control together with other venturers. Associates are the investees that the Group has significant influence on their financial and operating policies.

Investments in subsidiaries are presented in the Company's financial statements using the cost method, and are adjusted using equity method when preparing the consolidated financial statements. Investments in joint ventures and associates are measured using equity method.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates (continued)

(12) Long-term equity investments (continued)

(a) Determination of investment cost

For long-term equity investments acquired through a business combination: for long-term equity investments acquired through a business combination involving enterprises under common control, the investment cost shall be the absorbing party's share of the carrying amount of owners' equity of the party being absorbed at the combination date; for long-term equity investment acquired through a business combination involving enterprises not under common control, the investment cost shall be the combination cost. In a business combination achieved in stages, cost of long-term equity investment refers to carrying amount of previously held equity interest in the acquiree at its acquisition-date together with increased capital cost.

For long-term equity investments acquired not through a business combination: for long-term equity investment acquired by cash, the initial investment cost shall be the purchase price actually paid; for long-term equity investments acquired by issuing equity securities, the initial investment cost shall be the fair value of the equity securities issued.

(b) Subsequent measurement and recognition of related profit and loss

For long-term equity investments accounted for using the cost method, they are measured at the initial investment costs, and cash dividends or profit distribution declared by the investees are recognised as investment income in profit or loss.

For long-term equity investments accounted for using the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value 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 Group's share of the fair value of the investee's identifiable net assets at the acquisition date, the difference is included in profit or loss and the cost of the long-term equity investment is adjusted upwards accordingly.

For long-term equity investments accounted for using the equity method, the Group recognises the investment income according to its share of net profit or loss of the investee. The Group discontinues recognising its share of net losses of an investee after the carrying amount of the long-term equity investment together with any long-term interests that, in substance, form part of the investor's net investment in the investee are reduced to zero. However, if the Group has obligations for additional losses and the criteria with respect to recognition of provisions under the accounting standards on contingencies are satisfied, the Group continues recognising the investment losses and the provisions. For changes in owners' equity of the investee other than those arising from its net profit or loss, the Group records its proportionate share directly into capital surplus, provided that the Group's proportion of shareholding in the investee remains unchanged. The carrying amount of the investment is reduced by the Group's share of the profit distribution or cash dividends declared by an investee. The unrealised profits or losses arising from the intra-group transactions amongst the Group and its investees are eliminated in proportion to the Group's equity interest in the investees, and then based on which the investment gains or losses are recognised. For the loss on the intra-group transaction amongst the Group and its investees attributable to asset impairment, any unrealised loss is not eliminated.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates (continued)

(12) Long-term equity investments (continued)

(c) Basis for determining existence of control, jointly control or significant influence over investees

Control exists when an investor has power over the investee, and has exposure, or rights, to variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of the investor's returns.

Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating 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 is not control or joint control over those policies.

(d) Impairment of long-term equity investments

The carrying amounts of long-term equity investments in subsidiaries, joint ventures and associates are reduced to the recoverable amounts when the recoverable amounts are below their carrying amounts (Note 2 (19)). The impairment loss is not allowed to be reversed when the value is recovered in a subsequent period.

(13) Investment properties

Investment properties, including land use rights that have already been leased out, buildings that are held for the purpose of leasing and buildings that is being constructed or developed for future use for leasing, are measured initially at cost. Subsequent expenditures incurred in relation to an investment property are included in the cost of the investment property when it is probable that the associated economic benefits will flow to the Group and their costs can be reliably measured; otherwise, the expenditures are recognised in profit or loss in the period in which they are incurred.

The Group adopts the cost model for subsequent measurement of investment properties. Buildings and land use rights are depreciated or amortised to their estimated net residual values over their estimated useful lives. The estimated useful lives, the estimated net residual values that are expressed as a percentage of cost and the annual depreciation (amortisation) rates of investment properties are the same (Note 2(14) & 2(17)).

When an investment property is transferred to owner-occupied properties, it is reclassified as fixed asset or intangible asset at the date of the transfer. When an owner-occupied property is transferred out for earning rentals or for capital appreciation, the fixed asset or intangible asset is reclassified as investment properties at its carrying amount at the date of the transfer. When transfer happened, carrying amount before transfer is used as recorded amount after the transfer.

The investment property's estimated useful life, net residual value and depreciation (amortisation) method applied are reviewed and adjusted as appropriate at each year-end.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates (continued)

(13) Investment properties (continued)

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The net amount of proceeds from sale, transfer, retirement or damage of an investment property after its carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

The carrying amount of an investment property is reduced to the recoverable amount if the recoverable amount is below the carrying amount (Note 2 (19)).

(14) Fixed assets

(a) Recognition and initial measurement of fixed assets

Fixed assets comprise buildings, machinery and equipment, motor vehicles, computers and electronic equipment and office equipment.

Fixed assets are recognised when it is probable that the related economic benefits will flow to the Group and the costs can be reliably measured. Fixed assets purchased or constructed by the Group are initially measured at cost at the acquisition date. The fixed assets contributed by the State shareholders at the reorganisation of the Company into a corporation entity are recognised based on the revaluated amounts approved by the state-owned assets administration department.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Group and the related cost can be reliably measured. The carrying amount of the replaced part is derecognised. All the other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

(b) Depreciation methods of fixed assets

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives. For the fixed assets that have been provided for impairment loss, the related depreciation charge is prospectively determined based on the adjusted carrying amounts over their remaining useful lives.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates (continued)

(14) Fixed assets (continued)

(b) Depreciation methods of fixed assets (continued)

The estimated useful lives, the estimated residual values expressed as a percentage of cost and the annual depreciation rates of fixed assets are as follows:

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

The estimated useful life, the estimated net residual value of a fixed asset and the depreciation method used are reviewed, and adjusted as appropriate at each year-end.

(c) The carrying amount of a fixed asset is reduced to the recoverable amount when the recoverable amount is below the carrying amount (Note 2 (19)).

(d) Recognition and measurement of fixed assets held under finance leases

A lease that in substance transfers substantially all the risks and rewards incidental to ownership of an asset is a finance lease. The leased asset is recognised at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The difference between the initially recognised amount of the leased asset and the minimum lease payments is accounted for as unrecognised finance charge (Note 2 (26)(b)).

Fixed assets held under a finance lease are depreciated on a basis consistent with the depreciation policy adopted for fixed assets that are self-owned. When a leased asset can be reasonably determined that its ownership will be transferred at the end of the lease term, it is depreciated over the expected useful life; otherwise, the leased asset is depreciated over the shorter period of the lease term and the expected useful life.

(e) Disposal of fixed assets

A fixed asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The amount of proceeds from disposals on sale, transfer, retirement or damage of a fixed asset net of its carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates (continued)

(15) Construction in progress

Construction in progress is recorded at actual cost. Actual cost comprises construction cost, installation cost, borrowings eligible for capitalised condition and necessary expenditures incurred for its intended use. Construction in progress is transferred to fixed assets when the assets are ready for their intended use, and depreciation begins from the following month. The carrying amount of construction in progress is reduced to the recoverable amount when the recoverable amount is below the carrying amount (Note 2 (19)).

(16) Borrowing costs

The borrowing costs that are directly attributable to the acquisition and construction of a fixed asset that needs a substantially long period of time for its intended use commence to be capitalised and recorded as part of the cost of the asset when expenditures for the asset and borrowing costs have been incurred, and the activities relating to the acquisition and construction that are necessary to prepare the asset for its intended use have commenced. The capitalisation of borrowing costs ceases when the asset under acquisition or construction becomes ready for its intended use and the borrowing costs incurred thereafter are recognised in profit or loss for the current period. Capitalisation of borrowing costs is suspended during periods in which the acquisition or construction of a fixed asset is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

For the specific borrowings obtained for the acquisition or construction of a fixed asset qualifying for capitalisation, the amount of borrowing costs eligible for capitalisation is determined by deducting any interest income earned from depositing the unused specific borrowings in the banks or any investment income arising on the temporary investment of those borrowings during the capitalisation period.

For the general borrowings obtained for the acquisition or construction of a fixed asset qualifying for capitalisation, the amount of borrowing costs eligible for capitalisation is determined by applying the weighted average effective interest rate of general borrowings, to the weighted average of the excess amount of cumulative expenditures on the asset over the amount of specific borrowings. The effective interest rate is the rate at which the estimated future cash flows during the period of expected duration of the borrowings or applicable shorter period are discounted to the initial amount of the borrowings.

(17) Intangible assets

Intangible assets are recognised at cost. The intangible assets contributed by the State shareholders at the reorganisation of the Company into a corporation are recognised based on the revaluated amounts as approved by the state-owned assets administration department.

If the acquisition costs of the land use rights and the buildings located thereon cannot be reasonably allocated between the land use rights and the buildings, all of the acquisition costs are recognised as fixed assets.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates (continued)

(17) Intangible assets (continued)

(a) Useful lives

Useful lives of intangible assets are as follows:

	Estimated useful lives
Land use rights	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

(b) Periodical review of useful life and amortisation method

For an intangible asset with a finite useful life, review of its useful life and amortisation method is performed at each year-end, with adjustment made as appropriate.

(c) Impairment of intangible assets

The carrying amount of intangible assets is reduced to the recoverable amount when the recoverable amount is below the carrying amount (Note 2 (19)).

(18) Long-term prepaid expenses

Long-term prepaid expenses include the expenditure for improvements to fixed assets held under operating leases, and other expenditures that have been incurred but should be recognised as expenses over more than one year in the current and subsequent periods. Long-term prepaid expenses are amortised on the straight-line basis over the expected beneficial period and are presented at actual expenditure net of accumulated amortisation.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates (continued)

(19) Impairment of long-term assets

Fixed assets, construction in progress, intangible assets with finite useful lives, investment properties measured using the cost model and long-term equity investments in subsidiaries, joint ventures and associates are tested for impairment if there is any indication that the assets may be impaired at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, a provision for impairment and an impairment loss are recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognised on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

Goodwill that is separately presented in the financial statements is tested at least annually for impairment, irrespective of whether there is any indication that it may be impaired. In conducting the test, the carrying value of goodwill is allocated to the related asset groups or groups of asset groups which are expected to benefit from the synergies of the business combination. If the result of the test indicates that the recoverable amount of an asset group or group of asset groups, including the allocated goodwill, is lower than its carrying amount, the corresponding impairment loss is recognised. The impairment loss is first deducted from the carrying amount of goodwill that is allocated to the asset group or group of asset groups, and then deducted from the carrying amounts of other assets within the asset groups or groups of asset groups in proportion to the carrying amounts of assets other than goodwill.

Once the above asset impairment loss is recognised, it will not be reversed for the value recovered in the subsequent periods.

(20) Employee benefits

Employee benefits mainly include wages or salaries, bonuses, allowances and subsidies, staff welfare, social security contributions, housing funds, labour union funds, employee education funds and other expenditures incurred in exchange for service rendered by employees.

Employees of the Group participate in the defined contribution pension plan set up and administered by government authorities. Based on salaries of the employees, basic pensions are provided for monthly according to stipulated proportions (18%) and not exceeding the stipulated upper limit, which is paid to local labour and social security institutions. Apart from this, employees of the Group participate in defined contribution plans administered by third pension management company and related expenditure is recognised to relevant assets costs or profit or loss when occurred.

Where the Group terminates the employment relationship with employees before the end of the employment contract or offers compensation for encouraging employees to accept voluntary redundancy, a provision for termination benefits for the compensation arising from termination of the employment relationship with employees is recognised, with a corresponding charge to profit or loss when the Group has made a formal plan for termination of the employment relationship or an offer for voluntary redundancy which will be implemented immediately and cannot be withdrawn by the Group unilaterally.

Except for the compensation to employees for termination of the employment relationship, the employee benefits are recognised in the accounting period in which the service has been rendered by the employees, and as costs of assets or expenses to whichever the employee service is attributable.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates (continued)

(21) Dividend distribution

Cash dividend is recognised as a liability for the period in which the dividend is approved in the shareholders' meeting.

(22) Provisions

Provisions for product warranties, onerous contracts etc. are recognised when the Group has a present obligation, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors surrounding a contingency, such as the risks, uncertainties and the time value of money, are taken into account as a whole in reaching the best estimate of a provision. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. The increase in the discounted amount of the provision arising from passage of time is recognised as interest expense.

The carrying amount of provisions is reviewed at each balance sheet date and adjusted to reflect the current best estimate.

(23) Revenue recognition

The amount of revenue is determined in accordance with the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown as net of rebates, discounts and returns.

Revenue is recognised when the economic benefits associated with the transaction will flow to the Group, the related revenue can be reliably measured, and the specific revenue recognition criteria have been met for each type of the Group's activities as described below:

(a) 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.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates (continued)

(23) Revenue recognition (continued)

(b) Rendering of services

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

When the Group has entered into a contract or agreement with other enterprises comprising both 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.

(c) Transfer of asset use rights

Interest income is determined by using the effective interest method, based on the length of time for which the Group's cash is used by others.

Income from an operating lease is recognised on a straight-line basis over the period of the lease.

(24) Government Grants

Government grants are transfers of monetary or non-monetary assets from the government to the Group without consideration, including refund of taxes and financial subsidies, etc.

A government grant is recognised when the conditions attached to it can be complied with and the government grant can be received. For a government grant in the form of transfer of monetary assets, the grant is measured at the amount received or receivable. For a government grant in the form of transfer of non-monetary assets, it is measured at fair value; if the fair value is not reliably determinable, the grant is measured at nominal amount.

Government grants related to assets are those grants that are given to an enterprise to construct long-term assets or acquire long-term assets in other methods. Government grants other than those related to assets are grants related to income.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates (continued)

(24) Government Grants (continued)

A government subsidy related to an asset is recognised as deferred income, and evenly amortised to profit or loss over the useful life of the related asset. Government grants measured at nominal amounts are recognised immediately in profit or loss for the current period.

For government grants related to income, where the grant is a compensation for related expenses or losses to be incurred by the Group in the subsequent periods, the grant is recognised as deferred income, and included in profit or loss over the periods in which the related costs are recognised; where the grant is a compensation for related expenses or losses already incurred by the Group, the grant is recognised immediately in profit or loss for the current period.

(25) Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are calculated and recognised based on the differences arising between the tax bases of assets and liabilities and their carrying amounts (temporary differences). Deferred tax asset is recognised for the deductible losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax laws. No deferred tax liability is recognised for a temporary difference arising from the initial recognition of goodwill. No deferred tax asset or deferred tax liability is recognised for the temporary differences resulting from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss). At the balance sheet date, deferred tax assets and deferred tax 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.

Deferred tax assets are only recognised for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, deductible losses and tax credits can be utilised.

Deferred tax liabilities are recognised for temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. When it is probable that the temporary differences arising from investments in subsidiaries, associates and joint ventures will be reversed in the foreseeable future and that the taxable profit will be available in the future against which the temporary differences can be utilised, the corresponding deferred tax assets are recognised.

Deferred tax assets and liabilities are offset when:

- the deferred taxes are related to the same tax payer within the Group and the same taxation authority; and,
- that tax payer within the Group has a legally enforceable right to offset current tax assets against current tax liabilities.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates (continued)

(26) Leases

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

(a) Operating leases

Lease payments under an operating lease are recognised on a straight-line basis over the period of the lease, and are either capitalised as part of the cost of related assets, or charged as an expense for the current period.

(b) Finance leases

The leased asset is recognised at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The difference between the recorded amount of the leased asset and the minimum lease payments is accounted for as unrecognised finance charge and is amortised using the effective interest method over the period of the lease. A long-term payable is recorded at the amount equal to the minimum lease payments less the unrecognised finance charge.

(27) Segment information

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 that satisfies all of the following conditions: (a) the component is able to earn revenues and incur expenses from its ordinary activities; (b) whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and to assess its performance, and (c) for which the information on 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) Production Safety Expenses

Production safety expenses accrued in accordance with the regulations are recorded in the relevant product costs or profit or loss for the current year and special reserve. Accounting for utilisation depends on whether the expenses are fixed asset related. If production safety expenses incurred are expenditure in nature, the special reserve is reversed directly. If production safety expenses incurred are fixed assets related, they are capitalised in cost of fixed assets when the assets are ready for intended use, and the special reserve of the equivalent amount is reversed and recognised as accumulated depreciation.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates (continued)

(29) Critical accounting estimates and judgements

The Group continually evaluates the critical accounting estimates and key judgments applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

(a) Critical accounting estimates and key assumptions

The critical accounting estimates and key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting year are outlined below:

(i) *Consolidation scope – the Group holding 50% or less voting rights of the investees*

The Group determines that even if the Company only hold 50% or less of the equity interests, it has controlled 大連海嘉汽車碼頭有限公司, Dalian Port Soft Technology Co., Ltd. and Dalian Golden Bay Grain Logistics Co., Ltd. According to the joint venture contract entered into between the Company and the other shareholder of 大連海嘉汽車碼頭有限公司, the other shareholder gives consent to the decisions of the Company on significant operation matters. The Company has de-facto control over the entity. The Company has the majority voting rights in the board of Dalian Port Soft Technology Co., Ltd. and has the de-facto control over the entity. Pursuant to the consent agreement entered between the Company and the other shareholder (holding 25% equity interests) of Dalian Golden Bay Grain Logistics Co., Ltd., the other shareholder gives consent to the decisions of the Company on significant operation matters. Accordingly the Company has de-facto control over the entity.

(ii) *Classification between investment properties and owner-occupied properties*

The Group determines whether a property (including related terminal facilities) 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.

(iii) *Income taxes*

The Group is subject to income taxes in numerous jurisdictions. There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgment is required from the Group in determining the provision for income taxes in each of these jurisdictions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

3 Taxation

(1) The main categories and rates of taxes applicable to the Group are set out below:

Category	Tax base	Tax rate
Corporate income tax	Taxable income	25%
Value added tax ("VAT") (a)	Taxable value added amount (Tax payable is calculated using the taxable sales amount multiplied by the applicable tax rate less deductible VAT input of current period)	13%-17% or 6%-11% (a)
Business tax (a)	Taxable turnover amount	3%-5%
City maintenance and construction tax	Amount of VAT and business tax paid	7%
Educational surcharge	Amount of VAT and business tax paid	3%
House property tax	It is calculated based on 70% of costs of properties or based on rental income of the properties	1.2% or 12%

(a) Pursuant to the Circular on the Pilot Plan for Levying VAT in place of Business Tax (Caishui No.110, 2011) and the Circular on Launch of Levying VAT in place of Business Tax for the Transportation Industry and Some Modern Service Industries (Caishui No.37, 2013) jointly issued by the Ministry of Finance and the State Administration of Taxation, revenue from terminal business of the Group is subject to VAT from 1 August 2013, and the applicable tax rate is 6%-11%, while the business tax rate is 3%-5% before then.

(2) Preferential tax treatments and approval documents

Corporate income tax

Subsidiaries of the Group, Dalian Port Logistics Technology Co., Ltd. ("DPLT"), Dalian Jifa Technology Co., Ltd. ("DJT"), Dalian Portsoft Technology Co., Ltd. ("DPT") and Dalian Port Net Co., Ltd. ("DPN") are subject to a preferential CIT rate of 15% as they are accredited by relevant government authorities as High and New Technology Enterprises ("HNTE").

Land use tax

According to the Tentative Regulations of the People's Republic of China of Urban Land Use Tax and Regulation on Issue of Land Use Tax Exemption of Port Land of Transport Department (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.

Value-added tax ("VAT")

According to *Circular on Related Tax Policies of Encouraging Industry Development of Software and Integrated Circuit* by Ministry of Finance, State Administration of Taxation and General Administration of Customs (Cai Shui [2000] No. 25) and *Circular on Policies of Further Encouraging Industry Development of Software and Integrated Circuit* (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, which is 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.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

4 Business consolidation and consolidated financial statements

(1) Major subsidiaries

(a) Subsidiaries acquired from PDA as equity injection at the date of incorporation

	Type of subsidiary	Place of registration	Nature of business	Registered capital RMB'0000	Scope of business	Types of Company	Legal representative	Code of organization	
	Dalian Port Container Development Co., Ltd.	Directly held by the Company	Dalian	Container services	227,146	Container handling, storage, etc.	Limited liability	Xu Song	73640137-6
	Dalian Port Jifa Logistics Co., Ltd.	Indirectly held by the Company	Dalian	Logistics services	87,090	Depot operating and leasing	Limited liability	Xu Song	24238906-3
	Dalian Jifa Shipping Agency Co., Ltd.	Indirectly held by the Company	Dalian	Vessel agency	50	Vessel agency business	Limited liability	Tong Xuefeng	75157502-4
	Dalian International Logistics Park Development Co., Ltd.	Indirectly held by the Company	Dalian	Assets leasing	15,000	Park development and operation	Limited liability	Ju Hongbin	74093552-2
	Dalian Jifa Bohai Rim Container Lines Co., Ltd.	Indirectly held by the Company	Dalian	Transportation	4,923	Container transportation	Limited liability	Xu Song	72889006-3
	Dalian Jifa International Freight Co., Ltd.	Indirectly held by the Company	Dalian	Logistics services	500	Freight agency	Limited liability	Tong Xuefeng	75608995-7
	Dalian Jifa Ship Management Co., Ltd.	Directly held by the Company	Dalian	Ship management service	26,000	Ship leasing and management	Limited liability	Zhang Chunquan	77729051-0

	Actual contribution at end of period	Other items substantially constituting net investment in subsidiaries	Shareholding (%)		Voting rights (%)	In scope of Consolidation	Minority interest	Minority interests used to offset profits or losses of minority shareholders
			Directly (%)	Indirect (%)				
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 Jifa Shipping Agency Co., Ltd.	819,704.66	-	-	100.00	100.00	Yes	-	-
Dalian International Logistics Park Development Co., Ltd.	135,000,000.00	-	-	90.00	90.00	Yes	(2,368,245.69)	-
Dalian Jifa Bohai Rim Container Lines Co., Ltd.	67,345,151.04	-	-	97.36	97.36	Yes	1,283,794.63	746,376.41
Dalian Jifa International Freight Co., Ltd.	5,669,661.41	-	-	100.00	100.00	Yes	-	-
Dalian Jifa Ship Management Co., Ltd.	262,704,875.71	-	90.77	9.23	100.00	Yes	-	-

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

4 Business consolidation and consolidated financial statements (continued)

(1) Major subsidiaries (continued)

(b) Major subsidiaries obtained through incorporation

	Type of subsidiary	Place of registration	Nature of business	Registered capital RMB'0000	Scope of business	Types of Company	Legal representative	Code of organization
Asia Pacific Ports Company Limited	Directly held by the Company	Hong Kong	Logistics services	HKD75,000,000	Investment holding	Limited liability	Not applicable	Not applicable
Harbour Full Group Limited	Indirectly held by the Company	BVI	Logistics services	USD50,000	Investment holding	Limited liability	Not applicable	Not applicable
Asia Pacific Ports Investment Co., Ltd.	Indirectly held by the Company	Hong Kong	Logistics services	HKD1	Investment holding	Limited liability	Not applicable	Not applicable
Asia Pacific Ports (Dalian) Co., Ltd.	Indirectly held by the Company	Dalian	Logistics services	USD31,580,000	Operation of terminal facilities	Limited liability	Xu Song	68304705-0
Asia Pacific Ports Development Co., Ltd. (i)	Indirectly held by the Company	BVI	Logistics services	USD1	Shipping and port investment	Limited liability	Not applicable	Not applicable
Dalian Gangyue Car-carrying Vessel Management Co., Ltd.	Directly held by the Company	Dalian	Shipping industry	19,600	Leasing and management of car-carrying vessels	Limited liability	Xu Song	68302634-8
Dalian Container Terminal Co., Ltd.	Indirectly held by the Company	Dalian	Terminal services	135,000	Port handling and storage	Limited liability	Qu Wei	60487463-0
Dalian United King Port Auto Trade Co., Ltd.	Directly held by the Company	Dalian	Trading services	1,000	Automobile trading service	Limited liability	Xu Song	58807526-4
大連港糧油貿易有限公司	Directly held by the Company	Dalian	Trading services	2,500	Grain trading services	Limited liability	Zhu Shiliang	05113292-7
大連市鋼材物流園有限公司	Directly held by the Company	Dalian	Trading services	800	Steel trading service	Limited liability	Yin Shihui	05114199-7
大連海嘉汽車碼頭有限公司	Directly held by the Company	Dalian	Construction and operation of auto terminal	40,000	Loading and discharging and storage services	Limited liability	Xu Song	06443615-3

(i) As at 30 June 2014, the balance of corporate bonds issued by the subsidiary amounted to RMB399,306,873.33 (Note 5(33)(c)).

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

4 Business consolidation and consolidated financial statements (continued)

(1) Major subsidiaries (continued)

(b) Major subsidiaries obtained through incorporation (continued)

	Actual contribution at end of period	Other items substantially constituting net investment in subsidiaries Balance	Share holding (%)		Voting rights (%)	In scope of Consolidation	Minority interest	Minority interests used to offset profits or losses of minority shareholders
			Directly (%)	Indirect (%)				
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.	186,456,417.00	-	51.00	49.00	100.00	Yes	-	-
Dalian Container Terminal Co., Ltd. (ii)	709,654,954.71	-	-	51.00	57.14	Yes	719,695,248.27	-
Dalian United King Port Auto Trade Co., Ltd.	6,000,000.00	-	60.00	-	60.00	Yes	6,010,336.66	-
大連港糧油貿易有限公司	25,000,000.00	-	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	-	-
大連海嘉汽車碼頭有限公司 (iii)	200,000,000.00	-	50.00	-	100.00	Yes	200,000,000.00	-

(ii) 4 of 7 directors are assigned by the Group.

(iii) According to the Joint Venture Contract entered by and between other shareholders and the Company, the decision made over significant business matters of joint venture should be kept consistent with that of the Company. Accordingly, the Company has control over the entity actually.

(c) Major subsidiaries obtained from business combinations involving enterprises under common control

	Type of subsidiary	Place of registration	Nature of business	Registered capital RMB'0000	Scope of business	Types of Company	Legal representative	Code of organization
Dalian Port Construction Supervision & Consultation Co., Ltd.	Directly held by the Company	Dalian	Supervision services	1,000	Supervising and Consulting service	Limited liability	Liu Dan	24123682-3
Dalian Golden Bay Grain Logistics Co., Ltd.	Directly held by the Company	Dalian	Logistics services	9,733	Storage and transportation services	Limited liability	Fu Bin	77728428-4

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

4 Business consolidation and consolidated financial statements (continued)

(1) Major subsidiaries (continued)

(c) Major subsidiaries obtained from business combinations involving enterprises under common control (continued)

	Actual contribution at end of period	Other items substantially constituting net investment in subsidiaries Balance	Share holding (%)		Voting rights (%)	In scope of Consolidation	Minority interest	Minority interests used to offset profits or losses of minority shareholders
			Directly (%)	Indirect (%)				
Dalian Port Construction Supervision & Consultation Co., Ltd.	18,278,125.97	-	75.00	-	75.00	Yes	13,096,690.36	-
Dalian Golden Bay Grain Logistics Co., Ltd. (iv)	53,156,426.75	-	37.50	-	62.50	Yes	127,823,032.45	-

(iv) According to a consent contract entered by and between other shareholders and the Company, the decision made by other shareholders should be kept consistent with that of the Company. Accordingly, the Company has de-facto control over the entity.

(d) Major subsidiaries obtained from business combinations involving enterprises not under common control

	Type of subsidiary	Place of registration	Nature of business	Registered capital RMB'0000	Scope of business	Types of Company	Legal representative	Code of organization
DCT Logistics Co., Ltd.	Indirectly held by the Company	Dalian	Logistics services	15,539	Container logistics services	Limited liability	Qu Wei	72885637-0
Dalian Jiyi Logistics Co., Ltd.	Indirectly held by the Company	Dalian	Freight services	2,650	Freight agency and container handling	Limited liability	Xu Song	72348332-5
Dalian Lvshun Port Co., Ltd.	Directly held by the Company	New Harbour, Lvshun	Terminal services	35,000	Operation and construction of port	Limited liability	Zhu Shiliang	66922205-1

	Actual contribution at end of period	Balance of other items substantially constituting net investment in subsidiaries	Share holding (%)		Voting rights (%)	Consolidated statements or not	Minority interest	Minority interests used to offset profits or losses of minority shareholders
			Directly (%)	Indirect (%)				
DCT Logistics Co., Ltd.	180,196,813.23	-	-	100.00	100.00	Yes	-	-
Dalian Jiyi Logistics Co., Ltd.	23,255,666.43	-	-	100.00	100.00	Yes	-	-
Dalian Lvshun Port Co., Ltd.	217,580,000.00	-	60.00	-	60.00	Yes	132,522,485.48	126,984,717.26

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

4 Business consolidation and consolidated financial statements (continued)

(2) Entities newly included in the consolidated financial statements for current period

Entities newly included in the consolidated financial statements for current period is as follows:

	Net assets at end of period	Net (loss)/profit in current period
大連港泓國際貿易有限公司 (a)	19,904,967.83	(95,032.17)
Dalian Assembling Transportation Logistics Co., Ltd. (b)	33,784,981.19	1,904,437.83

(a) 大連港泓國際貿易有限公司 is a subsidiary newly incorporated in current period.

(b) Dalian Assembling Transportation Logistics Co., Ltd. is a subsidiary acquired through business combinations involving enterprises not under common control in the current period, and its net profit for current period is the net profit earned during the period from the acquisition date to 30 June 2014 (Note 4(3)).

(3) Business combinations involving enterprises not under common control

	Amount of goodwill	Calculation method for goodwill
Dalian Assembling Transportation Logistics Co., Ltd. (a)	(24,533.89)	The difference between the sum of combination cost and the fair value of interest originally held before acquisition date, and the fair value of the acquirer's interest in the acquiree's identifiable net assets, is recognized as goodwill, or in profit or loss for the current period, calculated as follows.

(a) Dalian Assembling Transportation Logistics Co., Ltd.

The Group originally held 70% equities of Dalian Assembling Transportation Logistics Co., Ltd. ("Assembling Transportation Logistics") and was accounted for as joint venture under equity method. As at 31 December 2013, the Group signed an equity transfer agreement with Dalian Customs Authority to purchase the remaining 30% equities of Assembling Transportation Logistics with a consideration of RMB9,000,000. It was stipulated that the cut-off date was 31 December 2013, and the Group held 100% equities and 100% voting rights of Assembling Transportation Logistics thereafter, thus the acquisition date of this transaction was 1 January 2014.

(i) Details of cost of combination and goodwill recognition are as follows:

Cost of combination-cash consideration of 30% equities*	9,000,000.00
Fair value of 70% equities originally held on acquisition date**	22,798,662.64
Total	31,798,662.64
Less: Fair value of the identifiable net assets obtained	(31,823,196.53)
Goodwill	(24,533.89)

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

4 Business consolidation and consolidated financial statements (continued)

(3) Business combinations involving enterprises not under common control (continued)

(a) Dalian Assembling Transportation Logistics Co., Ltd. (continued)

(i) Details of cost of combination and goodwill recognition are as follows:

* This amount is within the payment term, thus it is unpaid yet.

** This amount is the fair value of 70% equities of Assembling Transportation Logistics held by the Group prior to the acquisition date.

(ii) Gain or loss arising from recalculation of fair value of 70% equities originally held prior to acquisition date

Fair value of 70% equities originally held	22,798,662.64
Less: Book value of 70% equities originally held	(22,798,662.64)

Gain or loss arising from recalculation	—
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(iii) The assets and liabilities of Dalian Assembling Transportation Logistics Co., Ltd as at the acquisition date, and the cash flows relating to the acquisition are as follows:

	Acquisition date Fair value	Acquisition date and 31 December 2013 Carrying amount
Cash at bank and on hand	7,107,219.40	7,107,219.40
Receivables	22,472,273.11	22,472,273.11
Other current assets	1,006,603.34	1,006,603.34
Fixed assets	2,836,002.59	2,836,002.59
Intangible assets	71,395.96	71,395.96
Less: Payables	(996,176.58)	(996,176.58)
Employee benefits payable	(674,121.29)	(674,121.29)
Net assets	31,823,196.53	31,823,196.53
Less: Minority interests	—	—
Net assets obtained	31,823,196.53	31,823,196.53

(iv) The revenue, net profit and cash flows of Dalian Assembling Transportation Logistics Co., Ltd. for the period from the acquisition date to 30 June 2014 are as follows:

Revenue	9,236,040.17
Net profit	1,904,437.83
Cash flows from operating activities	(1,820,456.49)
Net cash flows	(1,820,456.49)

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

4 Business consolidation and consolidated financial statements (continued)

(4) Translation differences of major financial statement items for overseas operational entities

	Items of assets and liabilities	
	30 June 2014	31 December 2013
Asia Pacific Ports Company Limited	HKD1 = RMB0.7938	HKD1 = RMB0.7862
Harbour Full Group Limited	HKD1 = RMB0.7938	HKD1 = RMB0.7862
Asia Pacific Ports Investment Co., Ltd.	USD1 = RMB6.1528	USD1 = RMB6.0969

Other shareholders' equity, revenue, cost and cash flow items, other than undistributed profits, are translated at the spot exchange rates at the transaction dates.

5 Notes to the consolidated financial statements

(1) Cash at bank and on hand

	30 June 2014 (unaudited)			31 December 2013		
	Amount in foreign currency	Exchange rate	Amount in RMB	Amount in foreign currency	Exchange rate	Amount in RMB
Cash on hand						
– RMB	-	-	<u>117,746.04</u>	-	-	<u>108,478.70</u>
			<u>117,746.04</u>			<u>108,478.70</u>
Bank deposits						
– RMB (a)	1,897,420,714.95	1.0000	1,897,420,714.95	2,265,638,476.98	1.0000	2,265,638,476.98
– USD	5,360,545.84	6.1528	32,982,366.46	6,039,211.05	6.0969	36,820,465.85
– JPY	8,700,389.64	0.0608	528,983.69	19,786,610.90	0.0578	1,143,666.11
– HKD	31,248,475.96	0.7938	24,805,040.22	2,173,029.55	0.7862	1,708,435.83
			<u>1,955,737,105.32</u>			<u>2,305,311,044.77</u>
Other cash balances						
– RMB (b)	-	-	40,813,563.43	-	-	33,102,226.47
– HKD	1,209,899.23	0.7938	960,418.01	1,114,616.84	0.7862	876,311.76
			<u>41,773,981.44</u>			<u>33,978,538.23</u>
			<u>1,997,628,832.80</u>			<u>2,339,398,061.70</u>

(a) As at 30 June 2014, a bank deposit of RMB2,487,020.00 (31 December 2013: RMB3,218,000.00) is pledged as collateral for the Group's bank notes payable of RMB4,870,200.00 (31 December 2013: RMB32,180,000.00).

(b-i) As at 30 June 2014, other cash balance of RMB34,515,400.64 (31 December 2013: RMB30,309,501.88) is pledged as collateral for the Group's non-cancellable letter of credit of RMB303,670,000.00 (31 December 2013: RMB209,342,456.77).

(b-ii) As at 30 June 2014, other cash balance of RMB5,631,558.00 (31 December 2013: RMB1,945,645.00) are pledged as the Group's project performance guarantee.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

5 Notes to the consolidated financial statements (continued)

(1) Cash at bank and on hand (continued)

Interests arising from demand deposits are obtained at the demand deposit interest released by the Bank. Short-term time deposits ranged from 7 days to 6 months are subject to the Group's demands for cashes, and interest incomes are gained at the demand deposit interest rate released by the Bank.

As at 30 June 2014, the Group's cash at bank and on hand deposited overseas amounted to RMB48,258,580.11 (31 December 2013: RMB43,933,438.43).

	30 June 2014 (unaudited)	31 December 2013
Cash at bank and on hand	1,997,628,832.80	2,339,398,061.70
Less: Restricted cash balances	(42,633,978.64)	(35,473,146.88)
	1,954,994,854.16	2,303,924,914.82

(2) Financial assets held for trading

	30 June 2014 (unaudited)	31 December 2013
Investments in equity instrument held for trading	3,370,544.00	4,678,872.00
Open money market fund	10,917,905.89	7,733,957.99
	14,288,449.89	12,412,829.99

The investments in equity instruments held for trading are securities, of which the fair value is determined at the closing price of the Shanghai Stock Exchange on the last trading day of the half year/the year.

(3) Notes receivable

	30 June 2014 (unaudited)	31 December 2013
Bank acceptance notes	110,152,890.23	60,056,586.58

As at 30 June 2014, the Group had no pledged notes receivable (31 December 2013: RMB5,170,000.00).

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

5 Notes to the consolidated financial statements (continued)

(3) Notes receivable (continued)

As at 30 June 2014, five largest notes receivable which have been endorsed to other parties at end of period but not mature yet are as follows (unaudited):

	Issuance date	Maturity date	Amount
Company A	21 January 2014	20 July 2014	3,000,000.00
Company B	9 April 2014	9 October 2014	3,000,000.00
Company C	8 January 2014	8 July 2014	2,000,000.00
Company D	27 February 2014	27 August 2014	1,000,000.00
Company E	15 January 2014	15 July 2014	1,000,000.00
			10,000,000.00

As at 31 December 2013, five largest notes receivable which have been endorsed to other parties at end of year but not mature yet are as follows:

	Issuance date	Maturity date	Amount
Company A	17 September 2013	17 March 2014	10,000,000.00
Company B	19 August 2013	19 February 2014	10,000,000.00
Company C	14 November 2013	14 May 2014	10,000,000.00
Company D	11 September 2013	11 March 2014	5,000,000.00
Company E	24 October 2013	24 April 2014	3,000,000.00
			38,000,000.00

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

5 Notes to the consolidated financial statements (continued)

(4) Dividends receivable and Interest receivable

(a) Dividends receivable

	31 December 2013	Increase in current period	Decrease in current period	30 June 2014 (Unaudited)	Reason for non-recovery	Impaired or not
Within 1 year	2,839,057.56	11,798,355.27	(13,828,985.94)	808,426.89		
Including: Amount due from Dalian Dagang China Shipping Container Terminal Co., Ltd.	2,094,560.57	-	(1,286,133.68)	808,426.89	Shareholders require repayment within 1 year	No
Amount due from Dalian Assembling Transportation Logistics Co., Ltd.	744,496.99	-	(744,496.99)	-		
Amount due from Dalian Port PetroChina International Terminal Co., Ltd.	-	9,761,210.00	(9,761,210.00)	-		
Amount due from China United Tally Co., Ltd. Dalian	-	1,444,641.74	(1,444,641.74)	-		
Amount due from 大連港盛招標 代理有限公司	-	133,000.00	(133,000.00)	-		
Amount due from Da-In Ferry Co., Ltd.	-	372,503.53	(372,503.53)	-		
Dalian Port Design & Research Institute Co., Ltd.	-	87,000.00	(87,000.00)	-		
Over 1 year	3,498,078.35	-	(1,241,352.65)	2,256,725.70		
Including: Amount due from Dalian Singamas International Container Co., Ltd.	3,498,078.35	-	(1,241,352.65)	2,256,725.70	(i)	No
Total	6,337,135.91	11,798,355.27	(15,070,338.59)	3,065,152.59		

(i) Shareholders have no statutory requirements for dividend payment term.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(4) Dividends receivable and Interest receivable (continued)

(b) Interest receivable

	31 December 2013	Increase in current period	Decrease in current period	30 June 2014 (Unaudited)
Interest receivable	16,308,120.60	23,405,053.70	(33,665,951.14)	6,047,223.16

(5) Accounts receivable

The credit period of accounts receivable is generally 90 days, and accounts receivable are free of interest.

	30 June 2014 (Unaudited)	31 December 2013
Accounts receivable	767,474,475.76	507,339,218.41
Less: Provision for bad debts	(1,523,477.21)	(4,991,193.95)
	765,950,998.55	502,348,024.46

The majority of the Group's sales are made with cash, advances from customers and bank acceptance notes. The remaining is made with a credit term of 90 days.

(a) The ageing of accounts receivable based on their recording dates is analysed as follows:

	30 June 2014 (Unaudited)	31 December 2013
Within 1 year	702,183,811.06	440,851,028.18
1 to 2 years	50,799,252.86	49,990,884.82
2 to 3 years	5,229,141.92	5,698,577.64
Over 3 years	9,262,269.92	10,798,727.77
	767,474,475.76	507,339,218.41

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

5 Notes to the consolidated financial statements (continued)

(5) Accounts receivable (continued)

(a) (continued)

Movements of provision for bad debts of accounts receivable are as follows:

	For the six months ended 30 June 2014 (Unaudited)	For the year ended 31 December 2013
Balance at beginning of period/year	4,991,193.95	4,026,906.95
Provision in current period/year	-	1,525,712.16
Reversal in current period/year	-	(561,425.16)
Write-off in current period/year	(3,467,716.74)	-
	1,523,477.21	4,991,193.95

(b) Accounts receivable are analysed by categories as follows:

	30 June 2014 (unaudited)				31 December 2013			
	Ending balance	% of total balance	Provision for bad debts	Percentage	Ending balance	% of total balance	Provision for bad debts	Percentage
With amounts that are individually significant and that the related provision for bad debts is provided on the individual basis	518,914,401.61	67.61%	-	-	296,161,538.88	58.38%	-	-
That the related provision for bad debts is provided on the grouping basis	-	-	-	-	-	-	-	-
With amounts that are not individually significant but that the related provision for bad debts is provided on the individual basis	248,560,074.15	32.39%	1,523,477.21	0.61%	211,177,679.53	41.62%	4,991,193.95	2.36%
	767,474,475.76	100.00%	1,523,477.21	0.20%	507,339,218.41	100.00%	4,991,193.95	0.98%

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(5) Accounts receivable (continued)

- (c) As at 30 June 2014, accounts receivable with amounts that are not individually significant but that the related provision for bad debts is provided on the individual basis are analysed as follows (unaudited):

	Ending balance	Provision for bad debts	Percentage	Reason
Dalian Customs	1,156,707.21	1,156,707.21	100.00%	(i)
Guangdong Shunfeng Shipping Co., Ltd.	130,752.00	130,752.00	100.00%	(ii)
Others	236,018.00	236,018.00	100.00%	(iii)
	<u>1,523,477.21</u>	<u>1,523,477.21</u>		

- (i) The provision is relating to accounts receivable from Dalian Customs. Because the receivable is long overdue and its collection is in doubt, the doubtful debt is provided in full amount.
- (ii) As at 30 June 2014, accounts receivable from Guangdong Shunfeng Shipping Co., Ltd. amounted to RMB130,752.00. This debtor's operation has been suspended because of its poor performance, and its legal representative is un-contactable. It is believed that the Group is not able to collect the receivable. As such, a provision for bad debts is provided at its full amount.
- (iii) As at 30 June 2014, other receivables amounted to RMB236,018.00. These debtors are all insolvent. It is believed that the Group is not able to collect the receivables. As such, they are provided in full.

As at 31 December 2013, accounts receivable with amounts that are not individually significant but that the related provision for bad debts is provided on the individual basis are analysed as follows:

	Ending balance	Provision for bad debts	Percentage	Reason
大石橋隆鑫鋁業有限公司	3,467,716.74	3,467,716.74	100.00%	Unrecoverable by estimation
Dalian Customs	1,156,707.21	1,156,707.21	100.00%	Unrecoverable by estimation
Others	366,770.00	366,770.00	100.00%	Unrecoverable by estimation
	<u>4,991,193.95</u>	<u>4,991,193.95</u>		

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

5 Notes to the consolidated financial statements (continued)

(5) Accounts receivable (continued)

(d) Accounts receivable that are written off in current period are analysed as follows:

	Nature of accounts receivable	Amount of write-off	Reason	Arising from related party transactions or not
大石橋隆鑫鋁業有限公司	Freight agency	3,467,716.74	大石橋隆鑫鋁業有限公司 declared bankruptcy	No

(e) As at 30 June 2014, there are no accounts receivable from shareholders holding more than 5% (inclusive) of the voting rights of the Company (31 December 2013: Nil).

Accounts receivable from related parties as at 30 June 2014 and 31 December 2013 are set out in Note 7(6).

(f) As at 30 June 2014, the five largest accounts receivable are analysed as follows (unaudited):

	Relationship with the Group	Amount	Ageing	% of total balance
NSK (China) Trading Co., Ltd.	Third party	234,477,317.00	Within 1 year	30.55%
Shenyang Orient Iron and Steel Co., Ltd.	Third party	42,238,449.43	Within 3 year	5.50%
RGL Group Co., Ltd.	Third party	28,788,131.84	Within 1 year	3.75%
Benxi Beiyong Iron & Steel (Group) Co., Ltd.	Third party	24,963,476.75	Within 1 year	3.25%
West Pacific Petrochemical Co., Ltd.	Third party	21,172,803.00	Within 1 year	2.76%
		351,640,178.02		45.81%

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(5) Accounts receivable (continued)

(f) (continued)

As at 31 December 2013, the five largest accounts receivable are as follows:

	Relationship with the Group	Amount	Ageing	% of total balance
NSK (China) Trading Co., Ltd.	Third party	48,972,778.00	Within 1 year	9.65%
Shenyang Orient Iron and Steel Co., Ltd.	Third party	42,691,264.64	Within 3 year	8.41%
Benxi Beiyong Iron & Steel (Group) Co., Ltd.	Third party	29,921,191.75	Within 1 year	5.91%
Benxi Beiyong Iron & Steel (Group) Co., Ltd.	Third party	26,067,656.34	Within 1 year	5.14%
RGL Group Co., Ltd.	Third party	22,445,850.26	Within 1 year	4.42%
		<u>170,098,740.99</u>		<u>33.53%</u>

(g) Accounts receivable denominated in foreign currencies are as follows:

	30 June 2014 (unaudited)			31 December 2013		
	Amount in foreign currency	Exchange rate	Amount in RMB	Amount in foreign currency	Exchange rate	Amount in RMB
USD	39,995,378.46	6.1528	246,083,564.59	9,592,169.32	6.0969	58,482,497.16
JPY	42,000.00	0.0608	2,553.60	47,500.00	0.0578	2,745.50
			<u>246,086,118.19</u>			<u>58,485,242.66</u>

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

5 Notes to the consolidated financial statements (continued)

(6) Other receivables

	30 June 2014 (Unaudited)	31 December 2013
Government subsidies receivable	291,832,744.80	160,214,685.00
Bills of exchange	142,386,668.22	211,604,420.36
Entrusted loans (i)	43,042,800.00	–
Deposit and security deposit receivable	34,075,862.47	36,296,693.06
Reserves and advances receivable	10,684,697.42	23,511,196.77
Port construction and miscellaneous expenses	15,917,144.88	13,908,339.25
Public infrastructure maintenance expenses	4,067,382.00	4,004,604.49
Others	68,846,216.93	27,187,016.10
	610,853,516.72	476,726,955.03
Less: Provision for bad debts	(1,061,192.97)	(1,061,192.97)
	609,792,323.75	475,665,762.06

Movements of provision for bad debts of other receivables are as follows:

	For the six months ended 30 June 2014 (Unaudited)	For the year ended 31 December 2013
Balance at beginning of period/year	1,061,192.97	1,533,304.97
Reversal in current period/year	–	(472,112.00)
Balance at end of period/year	1,061,192.97	1,061,192.97

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(6) Other receivables (continued)

(i) Entrusted loans

– Loans to joint ventures

The Group entrusted Agricultural Bank of China to provide unsecured loans of RMB5,610,000.00 to its joint venture, Liaoning Con-Rail International Logistics Co., Ltd., with interest rate of 6.00% annually. The loan was due on 20 February 2014, and extended for one year.

– Loans to associates

The Group entrusted Dalian Port Corporation Finance Co., Ltd. to provide unsecured loans of RMB24,000,000.00 to its associate, 大連普集倉儲設施有限公司, with the interest rate of 6.00% annually. The loan was due on 2 January 2014, and extended for half year.

The Group entrusted Dalian Port Corporation Finance Co., Ltd. to provide unsecured loans of RMB13,432,800.00 to its associate, China Shipping Gang Lian Co., Ltd., with interest rate of 6.00% annually. The loan was due on 27 June 2014, and extended for one year.

(a) The ageing of other receivables is analysed as follows:

	30 June 2014 (Unaudited)	31 December 2013
Within 1 year	592,277,865.07	456,171,792.27
1 to 2 years	8,829,826.23	9,768,729.75
2 to 3 years	4,795,071.84	6,027,581.69
Over 3 years	4,950,753.58	4,758,851.32
	610,853,516.72	476,726,955.03

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

5 Notes to the consolidated financial statements (continued)

(6) Other receivables (continued)

(b) Other receivables are analysed by categories as follows:

	30 June 2014 (unaudited)				31 December 2013			
	Ending balance	% of total balance	Provision for bad debts	%	Ending balance	% of total balance	Provision for bad debts	%
With amounts that are individually significant and that the related provision for bad debts is provided on the individual basis	485,951,235.52	79.55%	-	-	358,576,632.68	75.22%	-	-
With amounts for that the related provision for bad debts is provided on the grouping basis	-	-	-	-	-	-	-	-
With amounts that are not individually significant but that the related provision for bad debts is provided on the individual basis	124,902,281.20	20.45%	1,061,192.97	0.85%	118,150,322.35	24.78%	1,061,192.97	0.90%
	610,853,516.72	100.00%	1,061,192.97	0.17%	476,726,955.03	100.00%	1,061,192.97	0.22%

(c) As at 30 June 2014, other receivables with amounts that are not individually significant but that the related provision for bad debts is provided on the individual basis are analysed as follows (unaudited):

	Ending balance	Provision for bad debts	Percentage	Reason
龍興海運有限公司	561,978.00	561,978.00	100.00%	(i)
蛇口大洋海運有限公司	116,856.00	116,856.00	100.00%	(ii)
Others	7,762,973.97	382,358.97	4.93%	(iii)
	8,441,807.97	1,061,192.97		

- (i) As at 30 June 2014, the accounts receivable from 龍興海運有限公司 amounted to RMB561,978.00. The debtor is bankrupt. The collection of the receivable is in doubt. As such, it is provided in full.
- (ii) As at 30 June 2014, the accounts receivable from 蛇口大洋海運有限公司 amounted to RMB116,856.00. The debtor is bankrupt. The collection of the receivable is in doubt. As such, it is provided in full.
- (iii) As at 30 June 2014, out of other receivables, general port expenses amounted to RMB382,358.97. Because of the dispute on the balance and long aging, the collection of the receivable is in doubt. As such, they are provided in full.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(6) Other receivables (continued)

(c) (continued)

As at 31 December 2013, other receivables with amounts that are not individually significant but that the related provision for bad debts is provided on the individual basis are as follows:

	Ending balance	Provision for bad debts	Percentage	Reason
龍興海運有限公司	561,978.00	561,978.00	100.00%	Unrecoverable by estimation
蛇口大洋海運有限公司	116,856.00	116,856.00	100.00%	Unrecoverable by estimation
Others	3,176,852.57	382,358.97	12.04%	Partially unrecoverable
	<u>3,855,686.57</u>	<u>1,061,192.97</u>		

(d) Other receivables from shareholders holding more than 5% (inclusive) of the voting rights of the Company are analysed as follows:

	30 June 2014 (unaudited)		31 December 2013	
	Amount	Provision for bad debts	Amount	Provision for bad debts
Dalian Port Corporation Limited	<u>2,333,340.30</u>	-	5,849,044.30	-

(e) As at 30 June 2014, the five largest other receivables are analysed as follows (unaudited):

	Relationship with the Group	Amount	Ageing	% of total balance
Dalian Municipal Bureau of Finance	Third party	251,487,259.80	Within 1 year	41.17%
Dalian Municipal Bureau of Finance (i)	Third party	40,345,485.00	Within 1 year	6.60%
大連普集倉儲設施有限公司	Associate	24,000,000.00	Within 1 year	3.93%
遼寧平行進口汽車貿易有限公司	Third party	20,146,465.52	Within 1 year	3.30%
瀋陽津斯特汽車貿易有限公司	Third party	18,516,165.30	Within 1 year	3.03%
		<u>354,495,375.62</u>		<u>58.03%</u>

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

5 Notes to the consolidated financial statements (continued)

(6) Other receivables (continued)

(e) (continued)

As at 31 December 2013, the five largest other receivables are analysed as follows:

	Relationship with the Group	Amount	Ageing	% of total balance
Dalian Municipal Bureau of Finance	Third party	140,898,300.00	Within 1 year	29.56%
瀋陽津斯特商貿有限公司	Third party	111,130,328.10	Within 1 year	23.31%
Dalian Municipal Bureau of Finance (i)	Third party	18,787,845.00	Within 1 year	3.94%
天津鈺馳國際貿易有限公司	Third party	17,146,659.94	Within 1 year	3.60%
遼寧平行進口汽車貿易有限公司	Third party	13,931,427.76	Within 1 year	2.92%
		<u>301,894,560.80</u>		<u>63.33%</u>

(i) According to 《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》(大港口發[2011] 147號) jointly issued by Port of Dalian Authority and Dalian Municipal Bureau of Finance in 2011, the Company entered into the 《大連港集裝箱運輸車輛高速公路通行費躉繳協議》 with the Liaoning Province Expressway Management Bureau. According to the agreement, the Company was responsible for the payment and collection of the highroad tolls on behalf for the container transport vehicles passing in and out of Dalian port.

As at 30 June 2014, there were no receivables from shareholders holding more than 5% (inclusive) of the voting rights of the Company other than amount of RMB2,333,340.30 (31 December 2013: RMB5,849,044.30) due from the parent, Dalian Port Corporation Limited.

Other receivables from related parties as at 30 June 2014 and 31 December 2013 are set out in Note 7(6).

(f) Other receivables denominated in foreign currencies are as follows:

	30 June 2014 (unaudited)			31 December 2013		
	Amount in foreign currency	Exchange rate	Amount in RMB	Amount in foreign currency	Exchange rate	Amount in RMB
USD	15,293,211.81	6.1528	<u>94,096,073.62</u>	24,904,080.51	6.0969	<u>151,837,688.46</u>

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(6) Other receivables (continued)

- (g) As at 30 June 2014, the Company's government grants recognised at amounts receivable are analysed as follow (unaudited):

	Government grants	Balance	Ageing	Estimated time, amount and basis of collection
Dalian Port (PDA) Company Limited	Subsidy for container development	189,327,300.00	Within 1 year	《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》
Dalian Port (PDA) Company Limited	Single payment for highway	40,345,485.00	Within 1 year	《大連港集裝箱運輸車輛高速公路通行費躉繳協議》
Dalian Port Bulk Grain Terminals Company	Subsidy for container development	8,000,000.00	Within 1 year	《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》
Dalian Jiye Logistics Co., Ltd.	Subsidy for container development	1,442,800.00	Within 1 year	《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》
Dalian Jifa Bohai Rim Container Lines Co., Ltd.	Subsidy for container development	52,467,200.00	Within 1 year	《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》
Dalian Port Telecommunication Engineering Co., Ltd.	Asset compensation	249,959.80	Within 1 year	根據大連市土地儲備計劃對土地實施收儲而給予的搬遷補償款
		291,832,744.80		

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

5 Notes to the consolidated financial statements (continued)

(7) Advances to suppliers

(a) The ageing of advances to suppliers is analysed below:

	30 June 2014 (unaudited)		31 December 2013	
	Amount	% of total balance	Amount	% of total balance
Within 1 year	46,929,806.20	99.60%	66,977,497.58	99.81%
1 to 2 years	92,100.00	0.20%	30,707.31	0.05%
2 to 3 years	94,775.40	0.20%	94,775.40	0.14%
	47,116,681.60	100.00%	67,102,980.29	100.00%

As at 30 June 2014, advances to suppliers over 1 year with a carrying amount of RMB186,875.40 (31 December 2013: RMB125,482.71) were mainly advances paid for servers and software, which were not fully settled due to instalment arrangement.

(b) As at 30 June 2014, the five largest advances to suppliers are analysed as follows (unaudited):

	Relationship with the Group	Amount	% of total balance	Date of making advance	Reason for being unsettled
PICC Property and Casualty Company Limited	Third party	7,875,701.47	16.72%	Within 1 year	Amortisation of insurance fee
State Grid Liaoning Electric Power Supply Co., Ltd. Dalian Branch	Third party	4,918,788.08	10.44%	Within 1 year	Electric charges prepaid
Changchun China Resources LNG Co., Ltd.	Third party	4,589,780.25	9.74%	Within 1 year	Fuel charges prepaid
大連中油海港石油銷售 有限公司	Third party	3,546,449.66	7.53%	Within 1 year	Prepayment for purchase of oil
China Merchant Port Service (Shenzhen) Co., Ltd.	Third party	3,268,658.00	6.94%	Within 1 year	Not yet due for settlement
		24,199,377.46	51.37%		

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(7) Advances to suppliers (continued)

(b) (continued)

As at 31 December 2013, the five largest advances to suppliers are analysed as follows:

	Relationship with the Group	Amount	% of total balance	Date of making advance	Reason for being unsettled
M/S Abdullah Abdulghani & BROS CO.,W.L.L.	Third party	9,438,352.64	14.07%	Within 1 year	Not yet due for settlement
HI-N Leasing, INC.	Third party	8,155,170.29	12.15%	Within 1 year	Not yet due for settlement
State Grid Liaoning Electric Power Supply Co., Ltd. Dalian Branch	Third party	7,283,648.55	10.85%	Within 1 year	Electric charges prepaid
Skywater Investment Group LLC	Third party	3,374,151.57	5.03%	Within 1 year	Not yet due for settlement
North Port Inter-National NY INC.	Third party	2,312,792.51	3.45%	Within 1 year	Not yet due for settlement
		<u>30,564,115.56</u>	<u>45.55%</u>		

(c) As at 30 June 2014, there are no advances to shareholders holding more than 5% (inclusive) of the voting rights of the Company (31 December 2013: Nil).

Advances to related parties as at 30 June 2014 and 31 December 2013 are set out in Note 7(6).

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

5 Notes to the consolidated financial statements (continued)

(8) Inventories

(a) Inventories are summarised by categories as follows:

	30 June 2014 (unaudited)			31 December 2013		
	Ending balance	Provision for decline in value of inventories	Carrying amount	Ending balance	Provision for decline in value of inventories	Carrying amount
Raw materials	95,180,105.22	(2,037,642.99)	93,142,462.23	93,506,680.70	(2,037,642.99)	91,469,037.71
Work in progress	3,809,502.12	-	3,809,502.12	555,128.22	-	555,128.22
Finished goods	559,593,768.95	-	559,593,768.95	322,115,424.25	-	322,115,424.25
	658,583,376.29	(2,037,642.99)	656,545,733.30	416,177,233.17	(2,037,642.99)	414,139,590.18

As at 30 June 2014, the bank borrowings of RMB317,410,516.55 (31 December 2013: RMB284,592,844.90) were secured by inventories with carrying amount of RMB369,912,838.53 (31 December 2013: 246,722,313.39) and the related importing documents (Note 24(a)(i)).

(b) Changes in ending balances of inventories for current year are analysed as follows:

	31 December 2013	Increase in current period	Decrease in current period	30 June 2014 (Unaudited)
Raw materials	93,506,680.70	243,887,477.98	(242,214,053.46)	95,180,105.22
Work in progress	555,128.22	3,450,022.17	(195,648.27)	3,809,502.12
Finished goods	322,115,424.25	1,493,782,391.59	(1,256,304,046.89)	559,593,768.95
	416,177,233.17	1,741,119,891.74	(1,498,713,748.62)	658,583,376.29

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(8) Inventories (continued)

(c) Provision for decline in the value of inventories are analysed as follows:

	31 December 2013	Depreciation charged in current period	Decrease in current period		30 June 2014 (Unaudited)	Basis for provision for decline in the value of inventories
			Reversal	Write-off		
Raw materials	2,037,642.99	-	-	-	2,037,642.99	Slow moving
	2,037,642.99	-	-	-	2,037,642.99	

(9) Other current assets

	30 June 2014 (Unaudited)	31 December 2013
Loans to joint ventures	-	6,295,000.00
Loans to associates	-	37,432,800.00
Available-for-sale financial assets (5(10))	100,000,000.00	1,000,000,000.00
Accumulated deductible value-added taxes (a)	59,168,944.01	48,097,494.05
	159,168,944.01	1,091,825,294.05

(a) Accumulated deductible value-added taxes are net input VAT balance arising from the Group's purchase of goods.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

5 Notes to the consolidated financial statements (continued)

(10) Available-for-sale financial assets

	30 June 2014 (Unaudited)	31 December 2013
Available-for-sale equity instruments – H shares (a)	63,805,898.02	69,217,860.11
Available-for-sale equity instruments – unlisted enterprises (b)	153,692,691.50	153,692,691.50
Entrusted investment (c)	165,820,000.00	1,000,000,000.00
	383,318,589.52	1,222,910,551.61
Less: Provision for impairment	(47,002,977.76)	(48,003,000.00)
	336,315,611.76	1,174,907,551.61
Less: Available-for-sale financial assets included in other current assets	(100,000,000.00)	(1,000,000,000.00)
	236,315,611.76	174,907,551.61

(a) Available-for-sale equity instruments – H shares

- (i) The available-for-sale H shares represent an investment of an 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).

Such available-for-sale H shares are measured at fair value.

- (ii) Related information is analysed as follows:

	30 June 2014 (Unaudited)	31 December 2013
Available-for-sale equity instruments	63,805,898.02	69,217,860.11
– Fair value	16,802,920.26	21,214,860.11
– Cost	61,913,462.94	62,286,735.50
– Accumulated in other comprehensive income	1,892,435.08	6,931,124.61
– Accumulated provision for impairment	(47,002,977.76)	(48,003,000.00)

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(10) Available-for-sale financial assets (continued)

(a) Available-for-sale equity instruments – H shares (continued)

(iii) Related information of provision for impairment is analysed as follows:

	Available-for-sale equity instruments
31 December 2013	48,003,000.00
Difference on translation of foreign currency financial statements	<u>(1,000,022.24)</u>
30 June 2014 (Unaudited)	<u>47,002,977.76</u>

(b) Available-for-sale equity instruments – unlisted enterprises

	Investment cost	31 December 2013	Current period movement	30 June 2014 (Unaudited)	Share holding (%)	Voting rights (%)	Provision for impairment	Current period provision for impairment
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	–	–
Qinhuangdao Xin'gangwan Container Terminal Co., Ltd.	60,000,000.00	60,000,000.00	–	60,000,000.00	15.00	15.00	–	–
Jinzhou New Age Container Terminal Co., Ltd.	52,843,634.00	52,843,634.00	–	52,843,634.00	15.00	15.00	–	–
Dalian Port Design & Research Institute Co., Ltd.	634,600.00	634,600.00	–	634,600.00	5.80	5.80	–	–
Dalian Xin Bei Liang Co., Ltd.	14,414,400.00	14,414,400.00	–	14,414,400.00	5.01	5.01	–	–
	<u>153,692,691.50</u>	<u>153,692,691.50</u>	<u>–</u>	<u>153,692,691.50</u>				

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
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5 Notes to the consolidated financial statements (continued)

(10) Available-for-sale financial assets

(c) Entrusted investment

- (i) The entrusted investment is a financial product of RMB100,000,000.00 that the Company purchases from Industry & Commerce Bank of China. The financial product is used for directional asset management, with estimated annual yield of 7.58% and maturity date of 9 September 2014.
- (ii) The entrusted investment represents the pooled investment trust scheme of RMB65,820,000.00 that the Company entrusts to Shanxi International Trust Limited. The financial product is used for directional asset management, with estimated annual yield of 9.66% and maturity date of 11 May 2016.

(11) Long-term receivables

	30 June 2014 (Unaudited)	31 December 2013
Entrusted loans (a)	24,588,407.36	–
Less: Provision for bad debts	–	–
	24,588,407.36	–

- (a) The Group provided an unsecured shareholder loan of JPY237,568,382.41 (equivalent to RMB14,361,313.76), to its associate, Jadeway Limited, at the interest rate of 1% annually. The loan will be repaid by equal instalment over 10 years from 29 January 2029.

The Group provided an unsecured loan of HKD12,823,719.60 (equivalent to RMB10,227,093.60), to its associate, SINOECL Auto Liners, Limited, at the interest rate of 1% annually. The loan will be repaid by equal instalment over 10 years from 2 December 2029.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
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5 Notes to the consolidated financial statements (continued)

(12) Long-term equity investments

	30 June 2014 (Unaudited)	31 December 2013
Joint ventures (a)	2,321,833,272.81	2,336,335,707.54
Associates (b)		
– Without public offering	1,525,547,567.67	1,556,330,973.47
	3,847,380,840.48	3,892,666,681.01
Less: Provision for impairment of long-term equity investments	–	–
	3,847,380,840.48	3,892,666,681.01

There is no restriction on sale of the long-term equity investments held by the Group.

(a) Joint ventures

	Accounting Method	Investment cost	31 December 2013	Current period movement				30 June 2014 (Unaudited)	Shareholding (%)	Voting rights (%)	Explanation of disparity between percentages of shareholding and voting rights	Provision for impairment	Current period provision for impairment
				Increase or decrease in investment	Share of net profit using the equity method	Cash dividend declared	Other changes in equity						
大連港通利船務代理有限公司	Equity method	880,692.46	1,161,666.20	–	218,138.53	–	–	1,379,694.73	50.00	50.00	–	–	
Dalian Harbour EOL Logistics Co., Ltd.	Equity method	30,111,142.43	30,713,563.03	–	420,278.39	–	6,124.18	31,139,965.60	50.00	40.00	2 of 5 directors assigned by the Company	–	–
Odfjell Terminals (Dalian) Co., Ltd.	Equity method	86,878,185.37	139,961,762.64	–	5,626,281.30	–	573,926.79	146,161,970.73	50.00	50.00	–	–	
Dalian Port PetroChina International Terminal Co., Ltd.	Equity method	125,000,000.00	151,028,286.26	–	10,529,939.25	(9,761,210.00)	–	151,797,015.51	50.00	50.00	–	–	
Dalian Assembling Transportation Logistics Co., Ltd.	Equity method	–	22,798,662.64	(22,798,662.64)	–	–	–	–	–	–	–	–	
Dalian United International Shipping Agency Co., Ltd.	Equity method	2,175,192.85	5,863,634.93	–	1,086,004.08	–	–	7,039,639.01	50.00	50.00	–	–	
Dalian Vanguard International Logistics Co., Ltd.	Equity method	37,000,000.00	34,768,751.33	–	9,613.19	–	–	34,778,364.52	50.00	50.00	–	–	
大連鞍都冷鏈有限公司	Equity method	18,000,000.00	56,855,623.01	–	9,916,103.22	–	–	66,771,726.23	45.00	45.00	–	–	

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
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5 Notes to the consolidated financial statements (continued)

(12) Long-term equity investments (continued)

(a) Joint ventures (continued)

	Accounting Method	Investment cost	31 December 2013	Current period movement				30 June 2014 (Unaudited)	Shareholding (%)	Voting rights (%)	Explanation of disparity between percentages of shareholding and voting rights	Provision for impairment	Current period provision for impairment
				Increase or decrease in investment	Share of net profit using the equity method	Cash dividend declared	Other changes in equity						
China United Tally Co., Ltd. Dalian	Equity method	2,634,137.43	4,169,629.70	-	930,636.74	(1,444,641.74)	-	3,655,624.70	50.00	50.00	-	-	
Dalian China Oil Dock Management Co., Ltd.	Equity method	13,084,562.34	12,247,638.72	-	(1,429,060.38)	-	-	10,818,578.34	49.00	49.00	-	-	
Liaoning Electronic Port Co., Ltd.	Equity method	6,000,000.00	4,825,688.93	-	(666,185.25)	-	-	4,159,503.68	50.00	50.00	-	-	
Liaoning Con-Rail International Logistics Co., Ltd.	Equity method	8,000,000.00	5,727,256.46	-	54,161.06	-	-	5,781,417.52	50.00	50.00	-	-	
Dalian Dagang China Shipping Container Terminal Co., Ltd.	Equity method	5,798,464.21	7,073,341.20	-	595,273.89	-	(17,185.27)	7,651,429.82	57.00	55.56	5 of 9 directors assigned by the Group	-	-
Dalian Port Container Terminal Co., Ltd.	Equity method	255,500,000.00	218,806,021.14	-	2,052,627.48	-	-	220,858,648.62	35.00	36.36	4 of 11 directors assigned by the Group	-	-
Dalian International Container Terminal Co., Ltd.	Equity method	560,000,000.00	529,510,701.90	-	(4,803,526.38)	-	-	524,707,175.52	40.00	40.00	-	-	
Dalian Jilong Logistics Co., Ltd. (i)	Equity method	21,000,000.00	35,081,160.26	-	590,799.30	-	-	35,671,959.56	30.00	28.57	2 of 7 directors assigned by the Group	-	-
Dalian Automobile Terminal Co., Ltd.	Equity method	152,503,640.00	167,042,420.04	-	4,456,699.22	-	(43,954.84)	171,455,164.42	40.00	42.86	3 of 7 directors assigned by the Company	-	-
Dalian Singames International Container Co., Ltd.	Equity method	43,729,517.84	43,062,228.75	-	71,351.97	-	-	43,133,580.72	43.63	44.44	4 of 9 directors assigned by the Group	-	-
China Unite Northeast Rail Containers (Dalian) Co., Ltd.	Equity method	214,000,000.00	187,515,276.42	-	(315,186.66)	-	-	187,200,089.76	40.00	40.00	-	-	
Dalian Changning Island Port Co., Ltd.	Equity method	232,893,844.88	198,960,486.10	-	(10,300,517.98)	-	180,644.06	188,840,612.18	40.00	40.00	-	-	
大连港散货物流中心有限公司	Equity method	2,000,000.00	2,027,548.76	-	(79,128.28)	-	2,283.00	1,950,703.50	40.00	40.00	-	-	
Odjell Dalian Port Consulting Co., Ltd.	Equity method	3,000,000.00	1,895,468.47	-	(164,060.98)	-	-	1,731,407.49	50.00	50.00	-	-	
Dalian Changning Island Port Investment & Development Co., Ltd.	Equity method	463,147,800.00	462,869,251.60	-	-	-	-	462,869,251.60	46.58	50.00	2 of 4 directors assigned by the Company	-	-
大连保税集货供应链管理服务有限公司(i)	Equity method	10,000,000.00	10,029,749.05	-	-	-	-	10,029,749.05	20.00	20.00	-	-	
Odjell Changning Warehousing Terminals (Dalian) Co., Ltd. (i)	Equity method	2,250,000.00	2,250,000.00	-	-	-	-	2,250,000.00	30.00	33.33	2 of 6 directors assigned by the Company	-	-
		2,295,587,179.81	2,336,335,707.54	(22,798,662.64)	18,800,241.73	(11,205,851.74)	701,837.92	2,321,833,272.81				-	-

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

5 Notes to the consolidated financial statements (continued)

(12) Long-term equity investments (continued)

(b) Associates

	Accounting Method	Investment cost	31 December 2013	Current period movement					30 June 2014 (Unaudited)	Share holding (%)	Voting rights (%)	Explanation of disparity between percentages of shareholding and voting rights	Provision for impairment	Current period provision for impairment
				Increase or decrease in investment	Share of net profit using the equity method	Cash dividend declared	Other changes in equity							
China Shipping Gang Lian Co., Ltd.	Equity method	95,044,267.30	78,514,622.12	-	(11,021,214.59)	-	-	67,493,407.53	30.00	30.00		-	-	
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	Equity method	20,288,520.00	5,361,581.26	-	(2,014,152.89)	-	-	3,347,428.37	20.00	20.00		-	-	
Dalian Wapeng Port Engineering Examination & Testing Co., Ltd.	Equity method	2,000,000.00	2,456,727.05	-	111,749.96	-	-	2,568,477.01	40.00	40.00		-	-	
大連普集倉儲設施有限公司	Equity method	239,636,434.98	168,405,886.99	-	(5,630,992.92)	-	-	162,774,894.07	40.00	40.00		-	-	
Shenyang Prologis-Jifa Logistics Development Co., Ltd.	Equity method	-	50,568,165.34	(50,568,165.34)	-	-	-	-	-	-		-	-	
大倉興港拖輪有限公司	Equity method	900,000.00	2,617,223.13	-	(212,742.52)	-	-	2,404,480.61	30.00	30.00		-	-	
PetroChina Dalian LNG Co., Ltd.	Equity method	520,000,000.00	568,936,565.21	-	20,356,040.81	-	563,992.50	589,856,598.52	20.00	14.29	1 of 7 directors assigned by the Company	-	-	

(i) In accordance with the Company's Articles of Association, all significant events are jointly decided by investors, and thus it is an associate under common control of investors.

SINOCEC Auto Liners, Limited	Equity method	4,540,396.87	-	-	-	-	-	-	20.00	20.00		-	-
Jadeway Limited	Equity method	1,667.40	-	-	955,353.20	-	(70,314.25)	885,038.95	20.00	20.00		-	-
Dalian North Petroleum Logistics Co., Ltd.	Equity method	60,000,000.00	61,280,145.91	-	326,765.11	-	-	61,606,911.02	20.00	20.00		-	-
Sino Rail Bohai Train Ferry Co., Ltd. (ii)	Equity method	274,500,286.56	274,486,877.44	-	(2,314,062.55)	-	-	272,172,814.89	17.50	17.50		-	-
中世國際物流有限公司	Equity method	90,000,000.00	92,112,957.97	-	1,447,228.00	-	-	93,560,185.97	30.00	30.00		-	-
Dalian Port Corporation Finance Co., Ltd.	Equity method	200,000,000.00	250,609,294.74	-	17,391,986.80	-	-	268,001,281.54	40.00	40.00		-	-
大連港盛福標代理有限公司	Equity method	829,605.00	882,627.59	-	56,757.70	(133,000.00)	-	806,385.29	35.00	35.00		-	-
中海油(寧德)石化碼頭有限公司	Equity method	2,450,000.00	98,298.72	-	(28,634.82)	-	-	69,663.90	24.50	24.50		-	-
		1,510,191,178.11	1,556,330,973.47	(50,568,165.34)	19,424,081.29	(133,000.00)	493,678.25	1,525,547,567.67				-	-

(ii) Although the percentage of the voting rights held by the Company is less than 20%, 2 of the 13 directors of the board of directors are nominated by the Company; thereby the Company is able to exercise significant influence over Sino Rail Bohai Train Ferry Co., Ltd., and accordingly it is accounted for as an associate.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

5 Notes to the consolidated financial statements (continued)

(13) Investments in joint ventures and associates

	Share holding (%)	Voting rights (%)	30 June 2014 (Unaudited)			For the six months ended 30 June 2014 (Unaudited)	
			Total assets	Total liabilities	Net assets	Revenue	Net profit/(loss)
Joint ventures							
大連港通利船務代理有限公司	50.00	50.00	2,652,066.90	125,258.10	2,526,808.80	902,243.06	436,277.06
Dalian Harbour ECL Logistics Co., Ltd.	50.00	40.00	69,613,323.79	8,095,000.30	61,518,323.49	6,552,420.85	840,556.78
Odfjell Terminals (Dalian) Co., Ltd.	50.00	50.00	494,408,346.91	202,084,405.45	292,323,941.46	39,335,998.72	11,252,562.60
Dalian Port PetroChina International Terminal Co., Ltd.	50.00	50.00	559,299,075.58	255,705,044.56	303,594,031.02	45,250,000.00	21,059,878.50
Dalian United International Shipping Agency Co., Ltd.	50.00	50.00	45,499,302.12	31,420,024.14	14,079,277.98	127,144,653.43	2,172,008.16
Dalian Vanguard International Logistics Co., Ltd.	50.00	50.00	188,266,739.95	118,710,010.92	69,556,729.03	19,884,338.06	19,226.38
大連毅都冷鏈有限公司	45.00	45.00	250,315,359.24	105,189,975.59	145,125,383.65	80,322,941.83	22,035,784.93
China United Tally Co., Ltd. Dalian	50.00	50.00	10,017,360.13	2,706,110.72	7,311,249.41	12,271,341.42	1,861,273.48
Dalian China Oil Dock Management Co., Ltd.	49.00	49.00	28,155,168.41	6,076,437.10	22,078,731.31	40,718,314.47	(2,916,449.76)
Liaoning Electronic Port Co., Ltd.	50.00	50.00	28,647,556.64	20,349,433.48	8,298,123.16	1,196,103.85	(1,332,370.50)
Liaoning Con-Rail International Logistics Co., Ltd.	50.00	50.00	26,434,369.87	14,871,534.84	11,562,835.03	13,832,353.69	108,322.12
Dalian Dagang China Shipping Container Terminal Co., Ltd.	57.00	55.56	17,085,540.84	3,680,931.03	13,404,609.81	7,744,218.50	1,044,340.16
Dalian Port Container Terminal Co., Ltd.	35.00	36.36	1,875,032,805.01	1,244,008,094.67	631,024,710.34	224,579,848.01	5,864,649.94
Dalian International Container Terminal Co., Ltd.	40.00	40.00	3,115,969,864.74	1,804,201,925.94	1,311,767,938.80	143,779,808.86	(12,008,815.95)
Dalian Jilong Logistics Co., Ltd.	30.00	28.57	241,502,734.32	122,596,202.46	118,906,531.86	78,395,615.85	1,969,331.00
Dalian Automobile Terminal Co., Ltd.	40.00	42.86	551,879,549.50	129,307,780.32	422,571,769.18	42,169,232.07	11,141,748.05
Dalian Singamas International Container Co., Ltd.	43.63	44.44	143,845,506.95	44,983,300.39	98,862,206.56	23,566,319.50	163,538.78
China Unite Northeast Rail Containers (Dalian) Co., Ltd.	40.00	40.00	489,566,948.17	21,566,723.87	468,000,224.30	12,840,185.46	(787,966.65)
Dalian Changxing Island Port Co., Ltd.	40.00	40.00	1,736,395,145.20	1,264,501,216.03	471,893,929.17	37,772,992.93	(25,751,294.95)
大連港散貨物流中心有限公司	40.00	40.00	18,727,177.17	13,856,125.93	4,871,051.24	5,577,114.63	(197,820.65)
Odfjell Dalian Port Consulting Co., Ltd.	50.00	50.00	4,459,317.80	997,844.40	3,461,473.40	308,240.00	(328,121.96)
Dalian Changxing Island Port Investment & Development Co., Ltd.	46.58	50.00	3,562,114,409.31	2,612,801,412.22	949,312,997.09	-	-
大連舜德集發供應鏈管理有限公司	20.00	20.00	130,735,679.25	80,723,357.66	50,012,321.59	205,907,924.75	-
Odfjell Changxing Warehousing Terminals (Dalian) Co., Ltd.	30.00	33.33	8,382,823.33	1,873,594.37	6,509,228.96	-	-

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

5 Notes to the consolidated financial statements (continued)

(13) Investments in joint ventures and associates

	Share holding (%)	Voting rights (%)	30 June 2014 (Unaudited)			For the six months ended 30 June 2014 (Unaudited)	
			Total assets	Total liabilities	Net assets	Revenue	Net profit/(loss)
Associates							
China Shipping Gang Lian Co., Ltd.	30.00	30.00	927,078,183.16	702,100,158.03	224,978,025.13	11,650,485.45	(36,737,381.97)
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	20.00	20.00	1,117,503,255.53	1,100,766,113.68	16,737,141.85	115,447,264.56	(10,070,764.45)
Dalian Wanpeng Port Engineering Examination & Testing Co., Ltd.	40.00	40.00	6,886,158.26	464,965.75	6,421,192.51	2,116,158.13	279,374.90
大連普集倉儲設施有限公司	40.00	40.00	633,503,246.80	226,566,011.63	406,937,235.17	16,167,763.08	(14,077,482.30)
太倉興港拖輪有限公司	30.00	30.00	13,267,664.39	5,252,729.02	8,014,935.37	15,574,811.95	(709,141.73)
PetroChina Dalian LNG Co., Ltd	20.00	14.29	3,639,582,573.54	690,299,580.94	2,949,282,992.60	368,061,388.51	101,780,204.05
SINOECL Auto Liners, Limited	20.00	20.00	21,544,075.77	55,146,019.92	(33,601,944.14)	15,626,245.38	-
Jadeway Limited	20.00	20.00	259,654,178.15	263,198,357.48	(3,544,179.33)	10,501,492.43	4,776,766.00
Dalian North Oils Storage & Transportation Co., Ltd.	20.00	20.00	577,943,182.76	269,908,627.65	308,034,555.11	22,240,000.00	1,633,825.55
Sino Rail Bohai Train Ferry Co., Ltd.	17.50	17.50	2,519,333,104.03	964,059,876.09	1,555,273,227.94	226,145,572.39	(13,223,214.57)
中世國際物流有限公司	30.00	30.00	358,091,661.47	46,224,374.90	311,867,286.57	62,798,027.45	4,824,093.33
Dalian Port Corporation Finance Co., Ltd.	40.00	40.00	2,869,085,404.26	2,199,082,200.43	670,003,203.83	78,600,817.35	43,479,967.00
大連港盛招標代理有限公司	35.00	35.00	23,609,529.80	21,305,571.83	2,303,957.97	7,794,591.30	162,164.86
中海油(寧德)石化碼頭有限公司	24.50	24.50	284,342.45	-	284,342.45	20,378.27	(116,876.82)

(14) Investment properties

	31 December 2013	Increase in current period	Decrease in current period	30 June 2014 (Unaudited)
Cost	844,573,343.28	1,341,017.00	-	845,914,360.28
Buildings	28,752,168.06	-	-	28,752,168.06
Land use rights	69,785,783.60	-	-	69,785,783.60
Terminal facility	746,035,391.62	1,341,017.00	-	747,376,408.62
Accumulated depreciation/amortisation	(147,436,003.97)	(9,246,209.32)	-	(156,682,213.29)
Buildings	(7,266,629.53)	(390,069.82)	-	(7,656,699.35)
Land use rights	(8,744,005.47)	(929,451.96)	-	(9,673,457.43)
Terminal facility	(131,425,368.97)	(7,926,687.54)	-	(139,352,056.51)
Net book value	697,137,339.31	-	-	689,232,146.99
Buildings	21,485,538.53	-	-	21,095,468.71
Land use rights	61,041,778.13	-	-	60,112,326.17
Terminal facility	614,610,022.65	-	-	608,024,352.11

For the six months ended 30 June 2014, RMB9,246,209.32 (for the six months ended 30 June 2013: RMB9,052,670.39) of depreciation and amortisation was charged for the investment properties and No (2013: Nil) provision for impairment is provided.

As at 30 June 2014, the investment properties above were all leased out under operating lease.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

5 Notes to the consolidated financial statements (continued)

(15) Fixed assets

	31 December 2013	Increase in current period	Decrease in current period	30 June 2014 (Unaudited)
Cost	19,156,988,422.47	493,222,009.81	(59,019,392.24)	19,591,191,040.04
Buildings	1,452,787,283.09	7,772,330.68	(3,149,963.54)	1,457,409,650.23
Terminal facility	5,388,626,004.22	75,316,857.01	–	5,463,942,861.23
Oil tanks and pipelines	2,393,583,163.27	339,877,693.28	(377,598.33)	2,733,083,258.22
Loading equipment	2,735,074,765.10	25,935,355.35	(38,843,320.93)	2,722,166,799.52
Transportation equipment	900,246,600.60	1,309,520.78	(4,323,635.48)	897,232,485.90
Vessels	1,740,514,134.05	112,987.87	–	1,740,627,121.92
Storage facilities	3,004,776,098.88	4,152,660.14	–	3,008,928,759.02
Machinery and equipment	928,868,821.08	24,955,378.47	(9,530,319.82)	944,293,879.73
Other equipment	612,511,552.18	13,789,226.23	(2,794,554.14)	623,506,224.27
Accumulated depreciation	(5,101,437,993.89)	(348,487,037.50)	47,601,599.08	(5,402,323,432.31)
Buildings	(281,008,944.20)	(21,969,745.11)	2,791,523.15	(300,187,166.16)
Terminal facility	(829,140,471.75)	(56,808,341.28)	–	(885,948,813.03)
Oil tanks and pipelines	(676,162,313.41)	(46,003,601.41)	329,968.61	(721,835,946.21)
Loading equipment	(1,483,302,637.47)	(85,467,918.23)	31,632,558.02	(1,537,137,997.68)
Transportation equipment	(291,228,024.98)	(21,559,596.45)	3,161,831.25	(309,625,790.18)
Vessels	(366,119,715.87)	(30,449,002.83)	–	(396,568,718.70)
Storage facilities	(498,285,230.02)	(36,642,580.66)	–	(534,927,810.68)
Machinery and equipment	(428,087,658.12)	(29,646,061.64)	7,727,922.18	(450,005,797.58)
Other equipment	(248,102,998.07)	(19,940,189.89)	1,957,795.87	(266,085,392.09)
Carrying amount	14,055,550,428.58	–	–	14,188,867,607.73
Buildings	1,171,778,338.89	–	–	1,157,222,484.07
Terminal facility	4,559,485,532.47	–	–	4,577,994,048.20
Oil tanks and pipelines	1,717,420,849.86	–	–	2,011,247,312.01
Loading equipment	1,251,772,127.63	–	–	1,185,028,801.84
Transportation equipment	609,018,575.62	–	–	587,606,695.72
Vessels	1,374,394,418.18	–	–	1,344,058,403.22
Storage facilities	2,506,490,868.86	–	–	2,474,000,948.34
Machinery and equipment	500,781,162.96	–	–	494,288,082.15
Other equipment	364,408,554.11	–	–	357,420,832.18

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

5 Notes to the consolidated financial statements (continued)

(15) Fixed assets (continued)

As at 30 June 2014, vessels at a carrying amount of approximately RMB49,228,471.33 (a cost of RMB58,948,304.68) (31 December 2013: a carrying amount of RMB50,395,220.92 and a cost of 58,948,304.68) were pledged as collaterals of current portion of long-term borrowings at an amount of RMB5,530,000 (31 December 2013: RMB6,200,000) (Note 5(33)(a)).

As at 30 June 2014, storage facilities at an carrying amount of RMB100,094,699.78 (a cost of RMB102,322,342.45) (31 December 2013: a carrying amount of RMB101,309,777.60 and a cost of 102,322,342.45) were pledged as collaterals of long-term borrowings of RMB42,010,023.77, including the current portion of RMB10,000,000.00 (31 December 2013: RMB47,010,023.77) (Note 5(34)(a)).

As at 30 June 2014, fixed assets at a carrying amount of RMB154,846,154.33 (a cost of RMB221,877,745.19) (31 December 2013: Nil for both carrying amount and cost) were pledged as collaterals of current portion of long-term borrowings at an amount of RMB150,000,000.00 (31 December 2013: Nil) (Note 5(34)(a)).

As at 30 June 2014, fixed assets at a carrying amount of RMB506,388,541.33 (a cost of RMB936,253,843.93) (31 December 2013: Nil for both carrying amount and cost) were pledged as collaterals of current portion of long-term borrowings at an amount of RMB500,000,000.00 (31 December 2013: Nil) (Note 5(34)(a)).

As at 30 June 2014, fixed assets at a carrying amount of RMB1,060,764,561.32 (a cost of RMB1,830,747,475.20) (31 December 2013: Nil for both carrying amount and cost) were pledged as collaterals of current portion of long-term borrowings at an amount of RMB1,000,000,000.00 (31 December 2013: Nil) (Note 5(34)(a)).

As at 30 June 2014, fixed assets at a carrying amount of RMB51,314,802.10 (a cost of RMB68,391,732.00) (31 December 2013: Nil for both carrying amount and cost) were pledged as collaterals of current portion of long-term borrowings at an amount of RMB50,000,000.00 (31 December 2013: Nil) (Note 5(34)(a)).

For the sixth months ended 30 June 2014, depreciation charged to fixed assets was RMB339,204,645.98 (for the sixth months ended 30 June 2013: RMB315,823,934.57), of which RMB329,796,386.94 and RMB9,408,259.04 (for the sixth months ended 30 June 2013: RMB307,023,442.33 and RMB8,800,492.24) were charged in cost of sales and general and administrative expenses respectively.

The costs of fixed assets transferred from construction in progress amounted to RMB460,620,572.36 (for the sixth months ended 30 June 2013: RMB1,210,801,765.77).

As at 30 June 2014, the Group had no temporary idle fixed assets (31 December 2013: Nil).

The Company's management believed that no provision for impairment of fixed assets was required at balance sheet date.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

5 Notes to the consolidated financial statements (continued)

(15) Fixed assets (continued)

(a) Fixed assets held under finance leases

As at 30 June 2014, the fixed assets with a carrying amount of RMB19,849,519.23 (a cost of RMB21,058,629.03) are held under finance leases (31 December 2013: a carrying amount of RMB16,883,832.80 and a cost of RMB17,155,460.94) (Note 11). The analysis is as follows:

	Cost	Accumulated depreciation	Provision for impairment	Carrying amount
30 June 2014 (Unaudited)				
Other equipment	21,058,629.03	(1,209,109.80)	–	19,849,519.23
31 December 2013				
Other equipment	17,155,460.94	(271,628.14)	–	16,883,832.80

(b) Fixed assets with pending certificates of ownership

As at 30 June 2014, the certificate of title to buildings at a carrying amount of approximately RMB474,274,788.60 (a cost of RMB542,147,190.37) had not been obtained yet (31 December 2013: a carrying amount of RMB551,424,246.70 and cost of RMB595,579,362.95).

	Reasons for not yet obtaining certificates of title	Estimated date that certificate of title will be obtained
Buildings	In the process of obtaining	Registration procedures gone through and related charges paid

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(15) Fixed assets (continued)

(c) Fixed assets held under an operating lease are as follows:

	Net book value as at 30 June 2014 (Unaudited)	Net book value as at 31 December 2013
Buildings	40,563,585.27	60,756,837.62
Terminal facility	811,683,583.87	820,947,077.21
Oil tanks and pipelines	209,912,345.09	217,459,740.03
Loading equipment	13,367,848.16	17,692,758.35
Machinery and equipment	42,669,526.29	125,986,042.78
Transportation equipment	457,486,588.18	467,692,246.33
Other equipment	2,078,342.91	35,703,676.68
Vessels	473,924,326.58	460,585,258.18
Total	2,051,686,146.35	2,206,823,637.18

(16) Construction in progress

	30 June 2014 (unaudited)			31 December 2013		
	Ending balance	Provision for impairment	Carrying amount	Ending balance	Provision for impairment	Carrying amount
Relocation and transformation of old area of Dalian Port – expansion of general cargo and roll-roll shipment berths at Dalian Harbour	448,946,458.85	-	448,946,458.85	434,872,100.05	-	434,872,100.05
Berths 13-16 of Dayao Harbour Phase II	596,215,251.22	-	596,215,251.22	570,813,218.42	-	570,813,218.42
Crude Oil Tank Series 9 of New Harbour	6,327,732.65	-	6,327,732.65	378,291,534.42	-	378,291,534.42
Ore Stack 4	386,664,518.93	-	386,664,518.93	387,164,878.37	387,164,878.37	-
Berths 18-21 of New Harbour	305,166,812.15	-	305,166,812.15	295,842,054.91	-	295,842,054.91
Dayao Harbour North Automobile Logistics Centre	148,465,545.13	-	148,465,545.13	148,465,545.13	-	148,465,545.13
Crude Oil Tank Series 7-8 of New Harbour	18,206,432.79	-	18,206,432.79	17,538,992.30	-	17,538,992.30
Others	342,014,604.62	-	342,014,604.62	314,724,180.46	-	314,724,180.46
	2,252,007,356.34	-	2,252,007,356.34	2,547,712,504.06	-	2,547,712,504.06

The Group's management believed that no provision for impairment of construction in progress was required at balance sheet date.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

5 Notes to the consolidated financial statements (continued)

(16) Construction in progress (continued)

(a) Movement of significant projects of construction in progress

Name	Budgeted amount	31 December 2013	Increase in current period	Current period transfer into fixed assets, intangible assets and investment properties	Other decreases	30 June 2014 (Unaudited)	Proportion of expenditures incurred to budgeted amount	Progress	Accumulative amount of capitalised borrowing costs	Including: Borrowing costs capitalised in current period	Capitalisation rate	Source of funds
Relocation and transformation of old area of Dalian Port – expansion of general cargo and roll-roll shipment berths at Dalian Harbour	2,741,120,000.00	434,872,100.05	14,074,358.80	-	-	448,946,458.85	75%	75%	276,466,493.50	-	-	Loans from financial institutions and other sources
Berths 13-16 of Dayao Harbour Phase II	3,783,000,000.00	570,813,218.42	25,402,032.80	-	-	596,215,251.22	90%	90%	135,498,982.94	14,065,288.86	5.76%	Fund raising, loans from financial institutions and other sources
Crude Oil Tank Series 9 of New Harbour	598,400,000.00	378,291,534.42	59,101,817.92	(431,065,619.69)	-	6,327,732.65	100%	100%	-	-	-	Fund raising
Ore Stack 4	570,600,000.00	387,164,878.37	103,236.79	-	(603,596.23)	386,664,518.93	95%	95%	-	-	-	Fund raising
Berths 18-21 of New Harbour	413,770,000.00	295,842,054.91	9,324,757.24	-	-	305,166,812.15	74%	74%	62,405,476.58	8,530,895.73	6.21%	Loans from financial institutions and other sources
Dayao Harbour North Automobile Logistics Centre	450,000,000.00	148,465,545.13	-	-	-	148,465,545.13	33%	33%	8,054,440.28	-	-	Loans from financial institutions and other sources
Crude Oil Tank Series 7-8 of New Harbour	718,500,000.00	17,538,992.30	667,440.49	-	-	18,206,432.79	100%	100%	-	-	-	Fund raising
Others	1,291,601,451.46	314,724,180.46	65,268,810.84	(31,090,877.36)	(6,887,509.32)	342,014,604.62			21,022,357.20	6,774,255.28	4.53%-5.76%	
		2,547,712,504.06	173,942,454.88	(462,156,497.05)	(7,491,105.55)	2,252,007,356.34			503,447,749.50	29,370,439.87		

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(16) Construction in progress (continued)

(b) As at 30 June 2014, the progress of significant projects of construction in progress is analysed as follows:

	Progress	Remark
Relocation and transformation of old area of Dalian Port – expansion of general cargo and roll-roll shipment berths at Dalian Harbour	75%	Progress is estimated on the basis of engineer's report
Berths 13-16 of Dayao Harbour Phase II	90%	Progress is estimated on the basis of engineer's report
Crude Oil Tank Series 9 of New Harbour	100%	Progress is estimated on the basis of engineer's report
Ore Stack 4	95%	Progress is estimated on the basis of engineer's report
Berths 18-21 of New Harbour	74%	Progress is estimated on the basis of engineer's report
Dayao Harbour North Automobile Logistics Centre	33%	Progress is estimated on the basis of engineer's report
Crude Oil Tank Series 7-8 of New Harbour	100%	Progress is estimated on the basis of engineer's report

(17) Fixed assets pending for disposal

	30 June 2014 (Unaudited)	31 December 2013	Reason for transfer to assets pending for disposal
Terminal facility	31,729.78	33,749.78	Relocation and abandonment
Oil tank	47,629.72	–	Relocation and abandonment
Loading equipment	2,024,652.11	725,471.88	Relocation and abandonment
Transportation equipment	61,379.24	–	Disposal and abandonment of assets
Machinery and equipment	1,768,126.75	–	Relocation
Other equipment	729,529.24	129,292.48	Relocation and abandonment
	4,663,046.84	888,514.14	

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

5 Notes to the consolidated financial statements (continued)

(18) Intangible assets

	31 December 2013	Increase in current period	Decrease in current period	30 June 2014 (Unaudited)
Cost	1,098,036,959.68	4,086,240.97	–	1,102,123,200.65
Land use rights	585,737,038.18	29,088.00	–	585,766,126.18
Port information platform	64,310,000.00	–	–	64,310,000.00
Customer relationships	15,970,000.00	–	–	15,970,000.00
Use rights of container flat cars	46,660,098.18	–	–	46,660,098.18
Software	126,478,042.01	4,057,152.97	–	130,535,194.98
Golf membership identification	1,977,376.00	–	–	1,977,376.00
Waters use rights	3,455,982.72	–	–	3,455,982.72
Use rights of auxiliary berth facilities	253,448,422.59	–	–	253,448,422.59
Accumulated amortisation	(349,339,180.73)	(19,609,650.12)	–	(368,948,830.85)
Land use rights	(123,608,752.77)	(5,936,126.22)	–	(129,544,878.99)
Port information platform	(35,906,416.67)	–	–	(35,906,416.67)
Customer relationships	(9,426,000.00)	(798,500.00)	–	(10,224,500.00)
Use rights of container flat cars	(21,871,921.26)	(1,458,128.10)	–	(23,330,049.36)
Software	(73,059,289.17)	(8,587,639.60)	–	(81,646,928.77)
Golf membership identification	(934,173.49)	(6,878.16)	–	(941,051.65)
Waters use rights	(1,157,700.94)	(207,358.98)	–	(1,365,059.92)
Use rights of auxiliary berth facilities	(83,374,926.43)	(2,615,019.06)	–	(85,989,945.49)
Carrying amount	748,697,778.95	–	–	733,174,369.80
Land use rights	462,128,285.41	–	–	456,221,247.19
Port information platform	28,403,583.33	–	–	28,403,583.33
Customer relationships	6,544,000.00	–	–	5,745,500.00
Use rights of container flat cars	24,788,176.92	–	–	23,330,048.82
Software	53,418,752.84	–	–	48,888,266.21
Golf membership identification	1,043,202.51	–	–	1,036,324.35
Waters use rights	2,298,281.78	–	–	2,090,922.80
Use rights of auxiliary berth facilities	170,073,496.16	–	–	167,458,477.10

For the six months ended 30 June 2014, the amortisation of intangible assets amounted to RMB19,609,650.12, all recognised in profit or loss for the current period (for the six months ended 30 June 2013: RMB20,517,841.34, all recognised in profit or loss for the current period).

As at 30 June 2014, land use rights with a carrying amount of RMB16,107,288.19 (a cost of RMB17,631,590.19) (31 December 2013: a carrying amount of RMB16,254,081.19 and a cost of RMB17,631,590.19) were pledged as collateral for long-term borrowings of RMB42,010,023.77 (31 December 2013: RMB47,010,023.77) (Note 5(34)(a)).

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(19) Goodwill

	31 December 2013	Increase in current period	Decrease in current period	30 June 2014 (Unaudited)
Goodwill				
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
	16,035,288.74	–	–	16,035,288.74
Less: Provision for impairment	–	–	–	–
	16,035,288.74	–	–	16,035,288.74

(20) Long-term prepaid expenses

	31 December 2013	Increase in current period	Amortisation in current period	Other decreases	30 June 2014 (Unaudited)	Reason for other decreases
Public facilities in bonded port	11,970,941.80	–	(427,533.72)	–	11,543,408.08	
Decoration	5,960,804.64	84,425.00	(902,949.93)	(410,000.00)	4,732,279.71	Reclassification into fixed assets
Others	4,696,143.61	68,801.89	(93,164.34)	–	4,671,781.16	
Total	22,627,890.05	153,226.89	(1,423,647.99)	(410,000.00)	20,947,468.95	

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

5 Notes to the consolidated financial statements (continued)

(21) Deferred tax assets and deferred tax liabilities

(a) Deferred tax assets without taking into consideration the offsetting of balances

	30 June 2014 (unaudited)		31 December 2013	
	Deferred tax assets	Deductible temporary differences	Deferred tax assets	Deductible temporary differences
Elimination of intra-group unrealised profit	52,462,213.24	209,848,852.96	51,756,479.52	207,025,918.08
Provision for asset impairment	1,985,794.86	7,943,179.44	1,985,794.86	7,943,179.44
Advances from customers with tax paid	1,753,358.70	7,013,434.80	2,011,068.77	8,044,275.08
Difference on depreciation period	2,744,506.41	10,978,025.64	2,744,506.41	10,978,025.64
Difference on amortisation period of software	371,250.02	1,485,000.08	371,250.01	1,485,000.04
Change in fair value of financial assets held-for-trading	1,613,852.52	6,455,410.08	1,655,257.50	6,621,030.00
Others	562,574.32	2,250,297.28	594,120.54	2,376,482.16
	61,493,550.07	245,974,200.28	61,118,477.61	244,473,910.44

(b) Deferred tax liabilities without taking into consideration the offsetting of balances

	30 June 2014 (unaudited)		31 December 2013	
	Deferred tax assets	Deductible temporary differences	Deferred tax assets	Deductible temporary differences
Fair value adjustment for business combinations involving enterprises not under common control	11,668,541.58	46,674,166.32	12,451,436.00	49,805,744.00
Others	634,710.94	2,538,843.76	634,710.94	2,538,843.76
	12,303,252.52	49,213,010.08	13,086,146.94	52,344,587.76

(c) Deductible losses that are not recognised as deferred tax assets are analysed as follows:

	30 June 2014 (Unaudited)	31 December 2013
Deductible losses	292,225,781.62	245,724,501.08

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(21) Deferred tax assets and deferred tax liabilities

(d) Deductible losses that are not recognised as deferred tax assets will expire in the following years:

	30 June 2014 (Unaudited)	31 December 2013
2014	5,252,734.41	10,505,468.82
2015	21,127,232.00	21,127,232.00
2016	102,683,565.96	102,683,565.96
2017	58,025,016.53	58,025,016.53
2018	49,932,293.08	53,383,217.77
2019	55,204,939.64	–
	292,225,781.62	245,724,501.08

(e) The offsetting balances of deferred tax assets and liabilities offset:

	30 June 2014 (Unaudited)	31 December 2013
Deferred tax assets	(634,710.94)	(634,710.94)
Deferred tax liabilities	(634,710.94)	(634,710.94)

Net amounts of deferred assets and liabilities taking into consideration the offsetting of balances are set out as follows:

	30 June 2014 (unaudited)		31 December 2013	
	Deferred tax assets or liabilities, net	Deductible/ taxable temporary differences after offsetting	Deferred tax assets or liabilities, net	Deductible/ taxable temporary differences after offsetting
Deferred tax assets	60,858,839.13	243,435,356.52	60,483,766.67	241,935,066.68
Deferred tax liabilities	11,668,541.58	46,674,166.32	12,451,436.00	49,805,744.00

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

5 Notes to the consolidated financial statements (continued)

(22) Provision for asset impairment

	31 December 2013	Increase in current period	Decrease in current period		30 June 2014 (Unaudited)
			Reversal	Write-off	
Provision for bad debts	6,052,386.92	–	–	(3,467,716.74)	2,584,670.18
Including: Provision for bad debts of accounts receivable	4,991,193.95	–	–	(3,467,716.74)	1,523,477.21
Provision for bad debts of other receivables	1,061,192.97	–	–	–	1,061,192.97
Provision for decline in value of inventories	2,037,642.99	–	–	–	2,037,642.99
	<u>8,090,029.91</u>	–	–	(3,467,716.74)	4,622,313.17

(23) Other non-current assets

	30 June 2014 (Unaudited)	31 December 2013
Prepayment for land transfer (a)	175,740,180.00	–
Others	–	23,806,956.08
	175,740,180.00	23,806,956.08

(a) It represents land-use-rights purchase fees and related taxes prepaid by the Group's subsidiaries for terminal construction.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(24) Short-term loans

(a) Classification of short-term borrowings

		30 June 2014 (Unaudited)	31 December 2013
Impawn	(i)	317,410,516.55	284,592,844.90
Guaranteed	(ii)	100,000,000.00	–
Unsecured		40,000,000.00	110,000,000.00
		457,410,516.55	394,592,844.90

(i) As at 30 June 2014, bank borrowings of RMB317,410,516.55 (31 December 2013: RMB284,592,844.90) were secured by the Group's inventories at a carrying amount of RMB369,912,838.53 (31 December 2013: RMB246,722,313.39) (Note (8)(a)) and notes of related import business.

(ii) As at 30 June 2014, bank borrowings of RMB100,000,000.00 (31 December 2013: Nil) were guaranteed by the Company's parent.

As at 30 June 2014, the weighted average interest rate of short-term borrowings was 4.12% annually (31 December 2013: 4.21%).

As at 30 June 2014, the Group had no short-term borrowings that are due but not repaid (31 December 2013: Nil).

(25) Notes payable

	30 June 2014 (Unaudited)	31 December 2013
Bank acceptance notes	30,040,190.20	31,680,000.00

As at 30 June 2014, Bank acceptance notes that are estimated to be due within one year amounted to RMB30,040,190.20 (31 December 2013: RMB31,680,000.00).

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

5 Notes to the consolidated financial statements (continued)

(26) Accounts payable

Accounts payable generally are paid off within 90 Days without interests.

	30 June 2014 (Unaudited)	31 December 2013
Vessel leasing	59,546,507.71	48,758,729.59
Purchase of goods	13,784,840.08	14,349,871.70
Purchase of auxiliary materials	135,760,669.07	152,153,452.38
	209,092,016.86	215,262,053.67

- (a) Accounts payable to shareholders holding more than 5% (inclusive) of the voting rights of the Company are as follows:

As at 30 June 2014, there are no accounts payable to shareholders holding more than 5% (inclusive) of the voting rights of the Company (31 December 2013: Nil).

Accounts payable to related parties as at 30 June 2014 and 31 December 2013 are set out in Note 7(6).

- (b) As at 30 June 2014, accounts payable over 1 year amounted to RMB6,018,281.28 (31 December 2013: RMB5,564,412.71). Such accounts payable comprised payables for subcontracting and materials which had not been cleared finally for the overall project had not been completed and finally settled. As at the date on which these financial statements were authorised for issue, RMB592,680.00 was repaid (Note 10(1)).
- (c) The ageing of advances to suppliers is analysed below:

	30 June 2014 (Unaudited)	31 December 2013
Within 1 year	203,073,735.58	209,697,640.96
1 to 2 years	3,386,416.78	4,859,013.19
2 to 3 years	2,245,387.98	317,445.00
Over 3 years	386,476.52	387,954.52
	209,092,016.86	215,262,053.67

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

5 Notes to the consolidated financial statements (continued)

(26) Accounts payable (continued)

(d) Accounts payable denominated in foreign currencies are as follows:

	30 June 2014 (unaudited)			31 December 2013		
	Amount in foreign currency	Exchange rate	Amount in RMB	Amount in foreign currency	Exchange rate	Amount in RMB
USD	394,947.80	6.1528	2,430,034.82	1,210,557.55	6.0969	7,380,648.33

(27) Advances from customers

	30 June 2014 (Unaudited)	31 December 2013
Rental expenses	3,477,332.57	6,102,738.74
Public facility maintenance expenses	7,013,434.81	8,044,275.07
Duties	–	9,271,299.76
Sales of grains	81,980,001.00	258,268,736.44
Sales of motor vehicle	258,547,414.54	32,200.00
Others	29,339,165.16	15,284,038.13
	380,357,348.08	297,003,288.14

As at 30 June 2014 and 31 December 2013, the Group's advances from customers at large amounts over 1 year are as follows:

	30 June 2014 (Unaudited)	31 December 2013	Reason for no carry-forward
Public facility maintenance expenses	7,013,434.81	8,044,275.07	Carried forward by instalment per the contract

(a) As at 30 June 2014, there were no advances from shareholders holding more than 5% (inclusive) of the voting rights of the Company (31 December 2013: Nil).

Advances from related parties as at 30 June 2014 and 31 December 2013 are set out in Note 7(6).

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

5 Notes to the consolidated financial statements (continued)

(27) Advances from customers (continued)

- (b) As at 30 June 2014, advances from customers over 1 year with a carrying amount of RMB7,013,434.81 (31 December 2013: RMB8,044,275.07) were mainly advances of public facility maintenance services, which were unsettled due to the incompleteness of the project. As at the date on which the financial statements are authorised for issue, revenue carried forward amounted to RMB343,613.42 (Note 10(1)).
- (c) Advances from customers denominated in foreign currencies are as follows:

	30 June 2014 (unaudited)			31 December 2013		
	Amount in foreign currency	Exchange rate	Amount in RMB	Amount in foreign currency	Exchange rate	Amount in RMB
USD	38,240.09	6.1528	235,283.63	152,237.49	6.0969	928,176.75
JPY	10,000.00	0.0608	608.00	10,000.00	0.0578	578.00
			235,891.63			928,754.75

(28) Employee benefits payable

	31 December 2013	Increase in current period	Decrease in current period	30 June 2014 (Unaudited)
Wages and salaries, bonuses, allowances and subsidies	130,512,475.07	317,659,932.11	(376,261,345.64)	71,911,061.54
Staff welfare	–	22,011,378.82	(22,011,378.82)	–
Social security contributions	5,164,734.84	83,643,119.08	(80,438,354.17)	8,369,499.75
Including: Medical insurance	249,835.93	20,772,743.60	(20,700,771.42)	321,808.11
Supplementary medical insurance	–	113,503.26	(113,503.26)	–
Basic pension insurance	662,696.58	49,697,422.83	(49,662,470.61)	697,648.80
Payment of annuity	4,154,301.52	8,188,596.43	(5,158,003.39)	7,184,894.56
Unemployment insurance	56,399.25	2,576,400.33	(2,530,762.15)	102,037.43
Work injury insurance	28,195.95	1,236,135.07	(1,212,278.88)	52,052.14
Maternity insurance	13,305.61	677,196.24	(679,443.14)	11,058.71
Others	–	381,121.32	(381,121.32)	–
Housing funds	–	49,237,688.35	(49,237,688.35)	–
Labour union funds and employee education funds	1,215,650.17	8,425,233.17	(8,783,069.26)	857,814.08
Labour expenses	9,093,643.44	140,262,405.89	(138,734,070.12)	10,621,979.21
Others	7,103,531.56	1,399,465.07	(3,391,145.25)	5,111,851.38
	153,090,035.08	622,639,222.49	(678,857,051.61)	96,872,205.96

As at 30 June 2014, no defaulted payables were included in the balance of employee benefits payable and the balance was estimated to be used up in 2014.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
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5 Notes to the consolidated financial statements (continued)

(29) Taxes payable

	30 June 2014 (Unaudited)	31 December 2013
Value-added tax payable	12,491,819.53	9,744,276.48
Business tax payable	2,196,839.34	3,493,000.11
Enterprise income tax payable	36,270,444.64	46,063,805.58
Individual income tax payable	1,664,610.38	4,410,364.86
City maintenance and construction tax payable	379,779.39	594,500.18
Educational surcharge payable	270,985.67	423,689.70
Land value-added tax	7031.89	7,031.89
Others	1,553,402.98	1,079,135.20
	54,834,913.82	65,815,804.00

(30) Interest payable

	30 June 2014 (Unaudited)	31 December 2013
Interest of long-term borrowings	11,645,310.15	2,476,613.24
Interest of corporate debentures (Note 5(33), (35))	140,086,988.34	185,519,018.74
Interest of entrusted loans	-	20,167.00
	151,732,298.49	188,015,798.98

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
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5 Notes to the consolidated financial statements (continued)

(31) Dividends payable

	30 June 2014 (Unaudited)	31 December 2013
Dalian Port Corporation Limited	147,704,700.00	–
Singapore Dalian Port Investment Pte. Ltd.	79,492,840.22	79,492,840.22
Shareholders of circulating H shares	60,576,000.00	–
Shareholders of circulating A shares	48,279,300.00	–
Social security fund (A share)	9,000,000.00	–
Dalian Bonded Zhengtong Company Limited	5,779,554.22	5,779,554.22
大連金啟瑞國際貿易有限公司	2,604,247.48	–
Dalian Construction Investment Group Co., Ltd.	2,266,555.97	–
United States Sankyo Holdings Limited	421,641.58	675,064.07
	356,124,839.47	85,947,458.51

(32) Other payables

	30 June 2014 (Unaudited)	31 December 2013
Project expenses payable	562,461,411.26	689,521,525.02
Rental expenses payable	19,504,010.47	1,546,100.61
Subsidies received for other companies	16,352,925.00	15,000,000.00
Annuity payable	9,763,535.00	–
Share acquisition expenses payable	9,000,000.00	–
Port construction expenses collected for other companies	7,979,359.85	9,934,055.50
Risk deposits	5,455,749.90	3,470,886.00
Fares collected for other companies	4,445,192.52	3,230,101.03
Compensation received for other companies	4,276,413.01	28,394,105.13
Port service expenses payable to the Bureau of Port	3,499,999.98	–
Security expenses payable to the Bureau of Port	3,191,356.35	1,917,931.37
Insurance fee collected for other companies	3,172,315.58	–
Guaranty	2,660,190.14	5,982,308.71
Amount due to Dalian Port Corporation Limited	2,941,148.83	1,149,047.53
Amount due to related parties	313,940.52	313,385.76
Others	93,534,609.78	83,984,821.86
	748,552,158.19	844,444,268.52

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(32) Other payables (continued)

(a) Other payables to shareholders holding more than 5% (inclusive) of the voting rights of the Company

	30 June 2014 (Unaudited)	31 December 2013
Dalian Port Corporation Limited	2,941,148.83	1,149,047.55

As at 30 June 2014, there were no payables to shareholders holding more than 5% (inclusive) of the voting rights of the Company other than amount of RMB2,941,148.83 (31 December 2013: RMB1,149,047.55) due to the parent, Dalian Port Corporation Limited.

Other payables to related parties as at 30 June 2014 and 31 December 2013 are set out in Note 7(6).

(b) As at 30 June 2014, other payables over 1 year with a carrying amount of RMB220,761,330.62 (31 December 2013: RMB146,134,294.02) were mainly project expenses payable, which were unsettled for the project had not been completed and finally settled. As at the date on which the financial statements are authorised for issue, RMB15,384,312.36 was repaid (Note 10(1)).

As at 30 June 2014, the Group's other payables at large amounts over 1 year are as follows (unaudited):

	Amount	Reason for no repayment
No.3 Engineering Company Ltd. of CCCC First Harbor Engineering Company Ltd.	73,176,466.63	Project not yet settled finally
Liaohu Petroleum Exploration Bureau No.1 Oil Field Construction Company	18,268,429.00	Project not yet settled finally
Dalian Port Machinery and Electric Co., Ltd.	18,033,654.91	Project not yet settled finally
Dalian Huarui Heavy Industry Group Co., Ltd.	14,086,000.00	Project not yet settled finally
Daqing Oilfield Construction Group Co., Ltd.	13,946,641.00	Project not yet settled finally
中鐵十三局集團第一工程有限公司	7,772,755.23	Project not yet settled finally
Dalian Port Construction Engineering Co., Ltd.	5,413,460.25	Project not yet settled finally
	150,697,407.02	

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(32) Other payables (continued)

(c) Other payables denominated in foreign currencies are as follows:

	30 June 2014 (unaudited)			31 December 2013		
	Amount in foreign currency	Exchange rate	Amount in RMB	Amount in foreign currency	Exchange rate	Amount in RMB
HKD	253,712.78	0.7938	201,397.21	281,347.78	0.7862	221,195.63

(33) Current portion of non-current liabilities

	30 June 2014 (Unaudited)	31 December 2013
Current portion of long-term borrowings (a)	549,986,659.12	310,000,000.00
Current portion of long-term payables (b)	6,389,648.46	3,005,225.24
Debentures payable due within one year (c)	399,306,873.33	2,895,786,400.26
	955,683,180.91	3,208,791,625.50

(a) Current portion of long-term borrowings

	30 June 2014 (Unaudited)	31 December 2013
Pledged (i)	15,530,000.00	10,000,000.00
Guaranteed (ii)	284,456,659.12	–
Unsecured	250,000,000.00	300,000,000.00
	549,986,659.12	310,000,000.00

There were no overdue borrowings with extended maturity.

- (i) As at 30 June 2014, the borrowings of RMB5,530,000 (31 December 2013: RMB6,200,000) were secured by the Group's fixed assets at a carrying amount of 49,228,471.33 (31 December 2013: RMB50,395,220.92) (at a cost of RMB58,948,304.68 (31 December 2013: RMB58,948,304.68)) (Note 5 (15)). Interest is payable every three months and the principal is due for repayment on 28 February 2015. The information of collaterals for borrowings of RMB10,000,000.00 can refer to notes on long-term borrowings (Note 5(34)(a)).
- (ii) As at 30 June 2014, bank borrowings of RMB284,456,659.12 (31 December 2013: RMB279,191,221.44) (Note 5 (34)) were guaranteed by the Company's parent. Interest is payable monthly and the principal is due for repayment on 23 April 2015.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(33) Current portion of non-current liabilities (continued)

(a) Current portion of long-term borrowings (continued)

Current portion of long-term borrowings:

	Starting date	Ending date	Currency	Interest rate (%)	30 June 2014 (Unaudited)		31 December 2013	
					Amount in foreign current	Amount in RMB	Amount in Foreign currency	Amount in RMB
China Construction Bank, Dalian Zhongshan Branch	2009.12.09	2014.12.08	RMB	5.90%	-	250,000,000.00	-	250,000,000.00
China Merchants Bank, Hong Kong Branch	2010.04.23	2015.04.23	USD	libor+1.3%	46,000,000.00	284,456,659.12	-	-
Bank of Communications Dalian Branch	2011.03.23	2015.06.19	RMB	6.55%	-	10,000,000.00	-	10,000,000.00
Agricultural Bank of China, Development Zone Branch	2010.03.01	2015.02.28	RMB	6.21%	-	5,530,000.00	-	-
Dalian Port Corporation Finance Co., Ltd.	2012.03.22	2014.03.21	RMB	6.65%	-	-	-	20,000,000.00
Bank of China, Dalian Xigang Branch	2009.07.17	2014.07.17	RMB	5.89%	-	-	-	30,000,000.00
						549,986,659.12		310,000,000.00

As at 30 June 2014, there was no overdue part in the Group's current portion of long-term borrowings (31 December 2013: Nil).

(b) Current portion of long-term payables

Current portions of long-term payables are all financial leases payable.

	30 June 2014 (Unaudited)	31 December 2013
Finance lease payable	7,689,756.92	4,007,076.92
Unrecognised finance lease	(1,300,108.46)	(1,001,851.68)
	6,389,648.46	3,005,225.24

(c) Debentures payable due within one year

Debentures payable due within one year

	Expiration date	Initial amount	Interest rate (%)	Interest accrued	Ending balance	Conditions
Corporate debentures	2011.10.27-2014.10.26	400,000,000.00	5.80%	4,055,413.71	399,306,873.33	Guaranteed

The Group issued corporate debentures with total amount RMB400,000,000.00 and duration of 3 years on 27 October 2011. Such debentures at a fixed interest rate have a nominal interest rate of 5.80%. Interest is payable every half year, and related issuance cost amounts to RMB6,700,000.00.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(34) Long-term borrowings

	30 June 2014 (Unaudited)	31 December 2013
Pledged (a)	1,732,010,023.77	43,210,023.77
Guaranteed	-	279,191,221.44
Unsecured	1,050,000,000.00	1,071,000,000.00
	2,782,010,023.77	1,393,401,245.21

(a-i) As at 30 June 2014, bank borrowings of RMB42,010,023.77 (including current portion of RMB10,000,000.00) (31 December 2013: RMB47,010,023.77 (including current portion of RMB10,000,000.00)) were secured by the Group's fixed assets at a carrying amount of RMB100,094,699.78 (31 December 2013: RMB101,309,777.6) (at a cost of RMB102,322,342.45, (31 December 2013: RMB102,322,342.45)) (Note 5(15)) and land use rights at a carrying amount of RMB16,107,288.19 (31 December 2013: RMB16,254,081.19) (at a cost of RMB17,631,590.19, (31 December 2013: RMB17,631,590.19)) (Note 5(18)). Interest is payable every three months, current portion is due for repayment equally on 19 December 2014 and 20 June 2015, and remaining principal is due for repayment over time before 14 March 2019.

(a-ii) As at 30 June 2014, borrowings of RMB150,000,000.00 (31 December 2013: Nil) were secured by the Company's fixed assets with a carrying amount of approximately RMB154,846,154.33 (a cost of RMB221,877,745.19) (Note 5 (15)). Interest is payable every three months and the principal is due for repayment on 30 June 2017.

(a-iii) As at 30 June 2014, borrowings of RMB500,000,000.00 (31 December 2013: Nil) were secured by the Company's fixed assets with a carrying amount of approximately RMB506,388,541.33 (a cost of RMB936,253,843.93) (Note 5 (15)). Interest is payable every three months and the principal is due for repayment on 23 May 2017.

(a-iv) As at 30 June 2014, borrowings of RMB1,000,000,000.00 (31 December 2013: Nil) were secured by the Company's fixed assets with a carrying amount of approximately RMB1,060,764,561.32 (a cost of RMB1,830,747,475.20) (Note 5 (15)). Interest is payable every three months and the principal is due for repayment on 23 May 2017.

(a-v) As at 30 June 2014, borrowings of RMB50,000,000.00 (31 December 2013: Nil) were secured by the Company's fixed assets with a carrying amount of approximately RMB51,314,802.10 (a cost of RMB68,391,732.00) (Note 5 (15)). Interest is payable every three months and the principal is due for repayment on 30 June 2017.

As at 30 June 2014, the weighted average interest rate of long-term borrowings is 6.08% annually (31 December 2013: 4.99%).

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(34) Long-term borrowings (continued)

(b) The five largest long-term borrowings

	Starting date	Ending date	Currency	Interest rate (%)	30 June 2014 (Unaudited)		31 December 2013	
					Amount in foreign current	Amount in RMB	Amount in Foreign currency	Amount in RMB
Dalian Equipment Finance Lease Co., Ltd.	29/05/2014	29/05/2017	RMB	6.20	-	1,000,000,000.00	-	-
China Construction Bank, Dalian Zhongshan Branch	09/12/2009	08/12/2017	RMB	5.90	-	800,000,000.00	-	800,000,000.00
Dalian Equipment Finance Lease Co., Ltd.	23/05/2014	23/05/2017	RMB	6.20	-	500,000,000.00	-	-
China Construction Bank, Dalian Zhongshan Branch	31/01/2011	30/01/2016	RMB	5.76	-	250,000,000.00	-	250,000,000.00
Dalian Equipment Finance Lease Co., Ltd.	30/06/2014	30/06/2017	RMB	6.20	-	150,000,000.00	-	-

(35) Debentures payable

	31 December 2013	Increase in current period	Decrease in current period	30 June 2014 (Unaudited)
Corporate debentures	4,963,843,320.56	3,790,821.59	-	4,967,634,142.15
	4,963,843,320.56	3,790,821.59	-	4,967,634,142.15

Related information is as follows:

	Par value	Issuance date	Maturity	Issuance amount	Guarantor
Corporate debentures	100.00	23 May 2011	10 years	2,350,000,000.00	Dalian Port Group
Corporate debentures	100.00	26 September 2011	7 years	2,650,000,000.00	Dalian Port Group

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(35) Debentures payable (continued)

Interest accrued of debentures is analysed as follows:

	Interest accrued			30 June 2014 (Unaudited)
	31 December 2013	Interest accrued in current period	Interest paid in current period	
Corporate debentures	75,927,396.48	62,104,383.57	(124,550,000.00)	13,481,780.05
Corporate debentures	43,046,164.43	79,503,630.15	–	122,549,794.58

- (a) Approved by CSRC, the Company issued corporate debentures with total amount of RMB2,350,000,000.00 and duration of 10 years on 23 May 2011. Interest of the debenture is annually paid and calculated by the simple interest method. The fixed interest rate is 5.30% annually, and related issuance cost amounts to RMB25,156,495.00.

The Group issued corporate debentures with total amount RMB2,650,000,000.00 and duration of 7 years on 26 September 2011. At end of the fifth year after issuance, the Company has the right to increase the nominal interest rate and holders has the right sold all or partial debentures back to the Company at carrying amount. Such debentures at a fixed interest rate have a nominal interest rate of 6.05%. Interest is payable every year, and related issuance cost amounts to RMB27,775,729.25.

(36) Long-term payables

	30 June 2014 (Unaudited)	31 December 2013
Finance leases	16,365,409.24	12,666,979.84

- (a) Details of payable for finance leases

	30 June 2014 (unaudited)		31 December 2013	
	Amount in foreign currency	Amount in RMB	Amount in foreign currency	Amount in RMB
Amount due to Dalian Equipment Finance Lease Co., Ltd.	–	16,365,409.24	–	12,666,979.84

Payable for finance lease represents the minimum lease payments for the Group's fixed assets held under finance leases less unrecognised finance charges (Note 11, Note 5(33)(b)).

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(37) Other non-current liabilities

	30 June 2014 (Unaudited)	31 December 2013
Lump sum fees for cargo handling	99,460,969.00	100,243,942.00
Deferred income (a)	580,048,207.97	597,573,954.11
	679,509,176.97	697,817,896.11

(a) Deferred income

	Notes	30 June 2014 (Unaudited)	31 December 2013
Government grants related to assets			
Relocation compensation	(i)	542,092,253.63	559,344,845.63
Acquisition of vessels	(ii)	4,852,925.00	5,248,533.80
Equipment reconstruction	(iii)	2,594,010.52	2,684,555.86
Others		820,516.63	738,516.63
Government grants related to income Operation subsidies	(iv)	29,688,502.19	29,557,502.19
		580,048,207.97	597,573,954.11

- (i) The amount received by the Company in respect of the compensation for the relocation of the terminals will be recognised in the consolidated income statement by periods over the estimated useful lives of the new terminals upon commencement of their operations.
- (ii) The amount received by the Group in respect of the subsidy for the acquisition of vessels will be recognised in the consolidated income statement by periods over the useful lives of the relevant assets.
- (iii) The amount received by the Group's in respect of the subsidy for the equipment reconstruction will be recognised in the income statement by periods over the useful lives of the relevant assets.
- (iv) The amount received by the Group's in respect of the operation subsidy will be recognised in the income statement every half year over operation period of such subsidiaries.

Government grants	31 December 2013	Addition in current period	Amount recognised in non-operating income in current period	Other changes in current period	30 June 2014 (Unaudited)	Related to assets/ income
Relocation compensation	559,344,845.63	-	(17,252,592.00)	-	542,092,253.63	Related to assets
Acquisition of vessels	5,248,533.80	-	(395,608.80)	-	4,852,925.00	Related to assets
Equipment reconstruction	2,684,555.86	-	(90,545.34)	-	2,594,010.52	Related to assets
Others	738,516.63	100,000.00	(18,000.00)	-	820,516.63	Related to assets
Operation subsidies	29,557,502.19	5,756,000.00	(5,625,000.00)	-	29,688,502.19	Related to income
	597,573,954.11	5,856,000.00	23,381,746.14	-	580,048,207.97	

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(38) Share capital

	31 December 2013	Current period movement				Subtotal	30 June 2014 (Unaudited)
		Newly issued	Bonus share	Transferred			
				from reserves	Others		
Shares not subject to trading restriction –							
RMB-denominated ordinary shares	3,363,400,000.00	-	-	-	-	-	3,363,400,000.00
Foreign shares listed overseas	1,062,600,000.00	-	-	-	-	-	1,062,600,000.00
	4,426,000,000.00	-	-	-	-	-	4,426,000,000.00
	4,426,000,000.00	-	-	-	-	-	4,426,000,000.00

As at 30 June 2014, 53,000,000 shares of foreign shares listed overseas were held by were held by PDA through HKSCC Nominees Limited (31 December 2013: 53,000,000 shares).

	31 December 2012	Current period movement				Subtotal	30 June 2013 (Unaudited)
		Newly issued	Bonus share	Transferred			
				from reserves	Others		
Shares subject to trading restriction –							
Held by the State-owned legal person	2,554,995,000.00	-	-	-	-	-	2,554,995,000.00
Shares not subject to trading restriction							
RMB-denominated ordinary shares	808,405,000.00	-	-	-	-	-	808,405,000.00
Foreign shares listed overseas	1,062,600,000.00	-	-	-	-	-	1,062,600,000.00
	1,871,005,000.00	-	-	-	-	-	1,871,005,000.00
	4,426,000,000.00	-	-	-	-	-	4,426,000,000.00

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
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5 Notes to the consolidated financial statements (continued)

(39) Capital surplus

	31 December 2013	Increase in current period	Decrease in current period	30 June 2014 (Unaudited)
Share premium	6,103,613,277.83	-	-	6,103,613,277.83
Other capital surplus –				
Change in fair value of available-for-sale financial assets (a)	6,931,124.61	-	(4,597,300.25)	2,333,824.36
Specific reserve (b)	5,555,248.10	1,265,830.42	-	6,821,078.52
Others	97,730.59	610,277.32	-	708,007.91
	6,116,197,381.13	1,876,107.74	(4,597,300.25)	6,113,476,188.62

	31 December 2012	Increase in current period	Decrease in current period	30 June 2013 (Unaudited)
Share premium	6,103,901,654.75	-	-	6,103,901,654.75
Other capital surplus –				
Change in fair value of available-for-sale financial assets (a)	(5,483,063.31)	-	(1,016,609.70)	(6,499,673.01)
Specific reserve (b)	1,282,278.89	-	-	1,282,278.89
Others	16,447,701.17	1,010,044.14	(1,278,215.93)	16,179,529.38
	6,116,148,571.50	1,010,044.14	(2,294,825.63)	6,114,863,790.01

- (a) Due to current period losses on changes in fair value of available-for-sale financial assets held by the Group, the capital surplus was decreased by RMB4,597,300.25 (2013: decreased by RMB1,016,609.70).
- (b) This specific reserve mainly comprises specific reserves appropriated by joint ventures and associates of the Group in current period.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(40) Surplus reserve

	31 December 2013	Appropriation in current period	Decrease in current period	30 June 2014 (Unaudited)
Statutory surplus reserve	532,442,880.91	-	-	532,442,880.91
Reserve fund	353,065.88	-	-	353,065.88
Discretionary surplus reserve	620,468.49	-	-	620,468.49
	533,416,415.28	-	-	533,416,415.28

	31 December 2012	Appropriation in current period	Decrease in current period	30 June 2013 (Unaudited)
Statutory surplus reserve	469,232,353.83	-	-	469,232,353.83
Reserve fund	353,065.88	-	-	353,065.88
Discretionary surplus reserve	620,468.49	-	-	620,468.49
	470,205,888.20	-	-	470,205,888.20

In accordance with the Company Law and the Company's Articles of Association, the Company should appropriate 10% of net profit for the year to the statutory surplus reserve, and the Company can cease appropriation when the statutory surplus reserve accumulated to more than 50% of the registered capital. The statutory surplus reserve can be used to make up for the loss or increase the share capital after approval from the appropriate authorities.

The Company appropriates for the discretionary surplus reserve after the shareholders' meeting approves the proposal from the Board of Directors. The discretionary surplus reserve can be used to make up for the loss or increase the share capital after approval from the appropriate authorities.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(41) Undistributed profits

	For the six months ended 30 June 2014		2013	
	(Unaudited)		Amount	Appropriation/ distribution Percentage
	Amount	Appropriation/ distribution Percentage		
Undistributed profits at beginning of period/year (before adjustments)	2,352,129,307.90	-	1,940,095,861.84	-
Adjustments (a)	-	-	16,638,347.50	-
Undistributed profits at beginning of period/year (after adjustments)	2,352,129,307.90	-	1,956,734,209.34	-
Add: Net profit attributable to the Company for the current period	284,418,933.05	-	682,582,626.15	-
Transfer from capital surplus				
Less: Appropriation for statutory surplus reserve	-	-	(63,210,527.08)	10%
Ordinary share dividends payable (b)	(265,560,000.00)	RMB0.6 per 10 shares	(221,300,000.00)	RMB0.5 per 10 shares
Appropriation to Staff and Workers' Bonus and Welfare Fund of subsidiaries	(467,583.40)	-	(2,677,000.51)	-
Undistributed profits at end of period/year	<u>2,370,520,657.55</u>		<u>2,352,129,307.90</u>	

(a) In 2013, the retrospective adjustment and restatement made pursuant to Accounting Standards for Business Enterprises and the relevant new regulations affected undistributed profits amounting to RMB16,638,347.50 at beginning of year.

(b) In accordance with the resolution at the Board of Shareholders' meeting, dated on 25 June 2014, the Company proposed a cash dividend to the shareholders at RMB0.6 per 10 shares (including tax), amounting to RMB265,560,000.00 calculated by 4,426,000,000 issued shares.

In accordance with the resolution at the Board of Shareholders' meeting, dated on 28 June 2013, the Company proposed a cash dividend to the shareholders at RMB0.5 per 10 shares (including tax), amounting to RMB221,300,000.00 calculated by 4,426,000,000 issued shares.

As at 30 June 2014, included in the undistributed profits, RMB227,633,189.64 was subsidiaries' surplus reserve attributable to the parent (31 December 2013: RMB225,504,597.59).

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
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5 Notes to the consolidated financial statements (continued)

(42) Minority interest

Minority interests attributable to the shareholders of subsidiaries

	30 June 2014 (Unaudited)	31 December 2013
Dalian International Logistics Park Development Co., Ltd.	(2,368,245.69)	195,934.35
Dalian Jifa Bohai Rim Container Lines Co., Ltd.	1,283,794.63	1,497,953.86
Dalian International Container Services Co., Ltd.	6,390,887.79	4,077,004.01
Dalian Jifa Technology Co., Ltd.	(1,064,224.13)	(1,014,542.16)
Dalian Container Terminal Co., Ltd.	719,695,248.27	683,245,993.88
Heilongjiang Suimu Logistics Co., Ltd.	3,769,204.29	3,769,067.36
Dalian United King Port Auto Trade Co., Ltd.	6,010,336.66	6,893,608.32
大連港潤燃氣有限公司	4,231,597.79	4,556,570.53
大連海嘉汽車碼頭有限公司	200,000,000.00	200,000,000.00
Dalian Ocean Shipping Tally Co., Ltd.	3,757,095.42	2,687,885.51
Dalian Port Soft Technology Co., Ltd.	10,548,264.31	13,753,989.90
Dalian Port Construction Supervision & Consultation Co., Ltd.	13,096,690.36	13,246,722.12
Dalian Port Telecommunication Engineering Co., Ltd.	4,908,450.32	6,112,082.43
Dalian Golden Bay Grain Logistics Co., Ltd.	127,823,032.45	128,279,954.98
Dalian Portnet Co., Ltd.	14,894,499.52	16,850,430.74
Dalian Lvshun Port Co., Ltd.	132,522,485.48	132,388,179.56
大連港泓國際貿易有限公司	9,753,434.24	–
	1,255,252,551.71	1,216,540,835.39

(43) Revenue and cost of sales

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Revenues from main operations	3,128,749,280.81	3,129,820,766.42
Revenue from other operations	169,123,273.66	211,456,018.73
	3,297,872,554.47	3,341,276,785.15

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
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5 Notes to the consolidated financial statements (continued)

(43) Revenue and cost of sales (continued)

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Cost of sales from main operations	2,457,754,346.98	2,285,567,332.92
Cost of sales from other operations	121,203,025.46	153,967,810.36
	2,578,957,372.44	2,439,535,143.28

(a) Revenue and cost of sale from main operations

Analysis by industries is as follows:

	For the six months ended 30 June 2014 (unaudited)		For the six months ended 30 June 2013 (unaudited)	
	Revenues	Cost of sales	Revenue	Cost of sales
Automobile terminal and related logistics and trading services	748,437,695.71	728,591,427.81	241,851,209.78	232,883,075.43
Oil and liquefied chemicals terminal and related logistics services	724,370,024.74	345,553,920.01	543,919,494.43	258,470,785.16
Container terminal and related logistics services	719,588,395.16	609,143,906.79	606,947,970.85	386,896,343.90
Port value-added and ancillary services	407,715,213.98	272,721,760.50	421,913,005.20	287,719,149.57
Grains terminal and related logistics and trading services	250,942,736.46	245,541,578.58	1,039,904,097.10	926,438,968.47
General cargo terminal and related logistics and trading services	210,437,852.69	217,224,663.26	201,955,343.90	194,286,973.69
Ore terminal and related logistics services	129,353,555.51	92,458,123.36	143,044,855.16	87,799,729.97
Passenger, roll-on and roll-off terminal and related logistics services	55,412,188.64	40,028,686.98	61,631,785.13	43,390,388.70
Others	51,614,891.58	27,693,305.15	80,109,023.60	21,649,728.39
	3,297,872,554.47	2,578,957,372.44	3,341,276,785.15	2,439,535,143.28

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(43) Revenue and cost of sales (continued)

(b) Revenue from the five largest customers of the Group

For the six months ended 30 June 2014 (unaudited), Revenue from the five largest customers of the Group with an amount of RMB898,034,882.06 (for the six months ended 30 June 2013 (unaudited): RMB1,199,570,376.79) accounts for 27.22% (for the six months ended 30 June 2013 (unaudited): 35.89%) of the total revenue of the Group, as analysed below:

	Revenue	% of total revenue
NSK (China) Trading Co., Ltd.	251,344,842.50	7.62
Angang Group International Trade Corporation	212,592,692.19	6.45
大連奧潤達國際貿易有限公司	148,860,777.35	4.51
Shuangliao Huifeng Oil Co., Ltd.	147,577,522.04	4.47
PetroChina Company Limited (i)	137,659,047.98	4.17
	898,034,882.06	27.22

(i) All entities under the control of this client are included.

(c) The revenue is categorised as follows:

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Loading services	925,694,227.95	933,391,587.22
Commodity trading	918,418,831.04	1,114,011,568.19
Storage services	428,153,874.37	300,038,188.86
Agency services	287,360,899.07	39,278,490.24
Logistics services	236,979,270.03	301,878,747.17
Leasing services	117,814,312.08	196,441,483.34
Port management services	104,566,460.20	101,038,325.70
Electric supply services	50,241,107.70	53,564,453.40
Project construction and supervision services	46,170,865.71	53,642,273.96
Tallying services	29,084,092.66	29,982,927.12
Information services	28,360,608.61	31,111,554.00
Sales of goods	7,198,943.17	57,385,611.82
Others	117,829,061.88	129,511,574.13
	3,297,872,554.47	3,341,276,785.15

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(44) Taxes and surcharges

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)	Tax base
Business tax	10,124,150.50	82,810,478.95	3%-5% of taxable income
City maintenance and construction tax and educational surcharges	7,454,193.50	10,169,548.51	7% of business tax and VAT for city maintenance and construction tax and 3% thereof for educational surcharges
Land value-added tax	-	13,096,363.77	
	17,578,344.00	106,076,391.23	

(45) General and administrative expenses

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Employee benefits	166,046,070.32	151,540,367.86
Depreciation and amortization	20,206,820.74	19,503,283.19
Tax and duties	5,463,554.90	10,089,222.10
Entertainment expenses	6,288,059.63	13,218,792.73
General office expenses	2,391,563.39	2,246,902.04
Intermediary fees	2,615,662.56	3,140,855.19
Rental expenses	7,677,413.50	9,555,720.78
Property insurance fee	4,991,198.45	6,075,651.11
Others	31,780,698.84	23,662,402.64
	247,461,042.33	239,033,197.64

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(46) Financial expenses

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Interest expenses	267,134,668.83	294,276,046.48
Including:		
Bank loans, overdrafts and other loan interests due for repayment within 5 years	187,120,952.08	148,191,716.46
Other interest expenses	80,013,716.75	146,084,330.02
Less: Interest income	(10,214,127.05)	(14,223,116.81)
Less: Amount of interest capitalization (a)	(29,370,439.87)	(72,256,985.83)
Exchange gains or losses	6,095,620.39	(6,432,278.27)
Others	2,597,029.24	1,058,530.36
	236,242,751.54	202,422,195.93

(a) The amount of interest capitalization has been included into construction in progress, carried forward to fixed assets upon the completion of construction in progress.

(47) Gains on changes in fair value

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Financial assets held for trading – investments in equity instrument held for trading	165,619.90	54,712.20

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(48) Investment income

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Investment income from long-term equity investment under equity method (a)	38,224,323.02	50,619,226.36
Including: Investment income from associates	19,424,081.29	29,975,855.34
Investment income from joint ventures	18,800,241.73	20,643,371.02
Income from disposal of long-term equity investment	11,431,834.66	–
Income from entrusted investments	26,214,458.25	45,892,083.34
Income earned during the holding period of financial assets held for trading	88,292.50	–
Income earned during the holding period of available-for-sale financial assets	1,401,343.53	753,568.93
Loss from disposal of available-for-sale financial assets	–	(378,459.22)
Income from disposal of financial assets held for trading	663,247.70	498,440.74
Income from disposal of subsidiaries	–	814,200.00
Investment loss from a business combination achieved by stages	–	(1,678,950.75)
	78,023,499.66	96,520,109.40

There is no restriction on recovery of investment income.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(48) Investment income (continued)

(a) Investment income from long-term equity investment under equity method

Investees that contributed investment income for more than 5% of the Group's total profit, or the top five investees that contributed most investment income to the Group's total profit are set out as follows:

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)	Reason for current year fluctuation
PetroChina Dalian LNG Co., Ltd	20,356,040.81	26,650,776.91	Performance fluctuation
Dalian Port Corporation Finance Co., Ltd.	17,391,986.80	12,977,880.09	Performance fluctuation
Dalian Port PetroChina International Terminal Co., Ltd. 大連毅都冷鏈有限公司	10,529,939.25	9,580,553.10	Performance fluctuation
	9,916,103.22	9,321,587.50	Performance fluctuation
Odfjell Terminals (Dalian) Co., Ltd.	5,626,281.30	11,730,504.12	Performance fluctuation
	63,820,351.38	70,261,301.72	

(49) Asset impairment losses

	For the six months ended 30 June 2014 (unaudited)	For the six months ended 30 June 2013 (unaudited)
Impairment loss on bad debts	-	(1,148,013.87)

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(50) Non-operating income

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)	Amount recognised in non-recurring profit or loss for the six months ended 30 June 2014
Gains on disposal of non-current assets	892,471.08	3,049,779.80	892,471.08
Including: gains on disposal of fixed assets	892,471.08	3,049,779.80	892,471.08
Government grants (a)	136,916,671.67	116,671,905.81	2,298,625.53
Negative goodwill from equity acquisition	24,533.89	250,000.00	24,533.89
Others	7,737,474.09	1,562,020.89	7,737,474.09
	145,571,150.73	121,533,706.50	10,953,104.59

(a) Details of government grants

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)	Related to assets/ income
Container subsidies (i)	111,254,300.00	74,060,980.00	Related to income
Relocation compensation	17,252,592.00	41,907,334.67	Related to assets
Vessel construction subsidies	395,608.80	395,608.80	Related to assets
Equipment reconstruction subsidies	90,545.34	82,982.34	Related to assets
Operation subsidies	5,625,000.00	–	Related to income
Refund of turnover taxes	2,273,625.53	–	Related to income
Others	25,000.00	225,000.00	Related to income
	136,916,671.67	116,671,905.81	

(1) In accordance with comments of Dalian Municipal Government on Application for 2014-2015 Container Subsidies (Da Gang Kou Fa [2014] No. 39) on 14 April 2014, government grants recognised by the Group for the sixth months ended 30 June 2014 amounted to RMB111,254,300.00 (For the sixth months ended 30 June 2013: RMB74,060,980.00).

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(51) Non-operating expenses

	For the six months ended 30 June 2014 (unaudited)	For the six months ended 30 June 2013 (unaudited)	Amount recognised in non-recurring profit or loss in 2014
Losses on disposal of non-current assets	5,589,872.83	65,056.52	5,589,872.83
Including: losses on disposal of fixed assets	5,589,872.83	65,056.52	5,589,872.83
Others	794,853.42	973,850.83	794,853.42
	6,384,726.25	1,038,907.35	6,384,726.25

(52) Income tax expenses

	For the six months ended 30 June 2014 (unaudited)	For the six months ended 30 June 2013 (unaudited)
Current income tax calculated based on tax law and related regulations	110,377,093.19	127,888,634.57
Deferred income tax	(1,157,966.88)	(793,200.22)
	109,219,126.31	127,095,434.35

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(52) Income tax expenses (continued)

The reconciliation from income tax calculated based on the applicable tax rates and total profit presented in the consolidated financial statements to the income tax expenses is as follows:

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (unaudited)
Total profit	434,960,608.20	572,227,531.40
Income tax expenses calculated at applicable tax rates	108,740,152.05	143,056,882.85
Effect of different tax rates applicable to subsidiaries in Mainland China	(2,046,052.65)	(486,896.20)
Effect of different tax rates applicable to subsidiaries outside Mainland China	2,784,248.88	1,790,551.73
Adjustments for current income tax of prior periods	215,293.94	(1,352,576.64)
Income not subject to tax	(14,989,727.53)	(23,342,152.25)
Expenses not deductible for tax purposes	778,308.07	2,071,802.61
Utilisation of previously unrecognised tax losses	(64,331.36)	–
Deductible losses for which no deferred tax asset was recognised	13,801,234.91	5,357,822.25
	109,219,126.31	127,095,434.35
Income tax expenses	109,219,126.31	127,095,434.35

(53) Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

	For the six months ended 30 June 2014 (unaudited)	For the six months ended 30 June 2013 (unaudited)
Consolidated net profit attributable to ordinary shareholders of the Company	284,418,933.05	387,276,213.09
Weighted average number of ordinary shares outstanding	4,426,000,000.00	4,426,000,000.00
Basic earnings per share	0.06	0.09
Including:		
– Basic earnings per share from continuing operations	0.06	0.09

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(53) Earnings per share (continued)

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing net profit attributable to ordinary shareholders of the Company adjusted based on the dilutive potential ordinary shares by the adjusted weighted average number of ordinary shares outstanding. For the six months ended 30 June 2014, there were no dilutive potential ordinary shares (For the six months ended 30 June 2013: nil), diluted earnings per share is equal to basic earnings per share.

(54) Other comprehensive income

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (unaudited)
Change in fair value of available-for-sale financial assets	(4,597,300.25)	(1,076,221.70)
Deferred income tax relating to available-for-sale financial assets	-	59,612.00
Subtotal	(4,597,300.25)	(1,016,609.70)
Exchange differences arising from translating foreign operations	(1,800,525.90)	(899,663.01)
	(6,397,826.15)	(1,916,272.71)

(55) Notes to the consolidated cash flow statement

(a) Cash received relating to other operating activities

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Government grants received	5,756,000.00	29,861,742.67
Bank interest income received	10,214,127.05	13,716,885.52
Others	5,941,704.76	1,562,020.89
	21,911,831.81	45,140,649.08

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(55) Notes to the consolidated cash flow statement (continued)

(b) Cash paid relating to other operating activities

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Rental expenses	9,205,035.80	9,555,720.78
Entertainment expenses	6,288,059.63	13,218,792.73
Insurance fee	5,270,314.88	6,075,651.11
Fuel expenses	4,797,538.22	2,258,261.30
Intermediary fees	2,615,662.56	3,080,627.19
Travel expenses	2,420,198.32	1,966,934.00
General office expenses	2,393,086.39	2,246,902.04
Communication expenses	2,117,381.88	1,658,613.32
Utility fees	1,827,839.18	1,776,639.14
Repair charges	1,675,968.03	2,033,040.60
Communication expenses	914,426.53	851,069.41
Others	8,071,512.74	10,991,242.72
	47,597,024.16	55,713,494.34

(c) Cash paid relating to other investment activities

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (unaudited)
Restricted balances with financial institutions	8,118,578.00	7,142,147.88
Cash balance of disposed subsidiaries	-	20,000,000.00
	8,118,578.00	27,142,147.88

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(55) Notes to the consolidated cash flow statement (continued)

(d) Cash received relating to other financing activities

	For the six months ended 30 June 2014 (unaudited)	For the six months ended 30 June 2013 (Unaudited)
Restricted balances with financial institutions received	30,309,501.88	11,380,167.17
Others	-	551.13
	30,309,501.88	11,380,718.30

(e) Cash paid relating to other financing activities

	For the six months ended 30 June 2014 (unaudited)	For the six months ended 30 June 2013 (Unaudited)
Issuance cost of medium-term notes	-	3,905,350.00
Restricted balances with financial institutions	34,515,400.64	26,626,249.16
	34,515,400.64	30,531,599.16

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(56) Supplementary information to the consolidated cash flow statement

(a) Supplementary information to the consolidated cash flow statement

Reconciliation from net profit to cash flows from operating activities

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Net profit	325,741,481.89	445,132,097.05
Add: Provisions for asset impairment	–	(1,148,013.87)
Depreciation of fixed assets	339,204,645.98	315,823,934.57
Depreciation of investment properties	9,246,209.32	9,052,670.39
Amortisation of intangible assets	19,609,650.12	20,517,841.34
Amortisation of long-term prepaid expenses	1,423,647.99	1,260,066.75
Net losses/(gains) on disposal of fixed assets	4,697,401.75	(2,984,723.28)
Financial expenses	245,032,911.25	215,586,782.38
Investment income	(78,023,499.66)	(96,912,673.42)
Gains or losses on changes in fair value	(165,619.90)	(54,712.20)
Negative goodwill from equity acquisition	(24,533.89)	(250,000.00)
(Increase)/decrease in deferred tax assets	(375,072.46)	620,618.67
Increase/(decrease) in deferred tax liabilities	(782,894.42)	(782,894.42)
Transfer from deferred income	(18,308,719.14)	(17,749,183.14)
Increase in inventories	(148,346,398.36)	(520,550,541.49)
Increase in specific reserve	9,146,581.89	8,650,675.96
Increase in other current assets	(11,071,449.96)	(59,966,860.92)
(Increase)/decrease in operating receivables	(399,616,983.50)	10,491,437.98
Increase in operating payables	31,740,413.09	177,480,614.49
	329,127,771.99	504,217,136.84
Net cash flows from operating activities	329,127,771.99	504,217,136.84

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(56) Supplementary information to the consolidated cash flow statement (continued)

(a) Supplementary information to the consolidated cash flow statement (continued)

Net increase/(decrease) in cash and cash equivalents

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (unaudited)
Cash and cash equivalents at end of year	1,954,994,854.16	2,364,231,473.28
Less: Cash and cash equivalents at beginning of year	(2,303,924,914.82)	(2,494,472,560.75)
Net decrease in cash and cash equivalents	(348,930,060.66)	(130,241,087.47)

(b) Acquisition or disposal of subsidiaries

(i) Acquisition of subsidiaries

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Consideration for acquisition	9,000,000.00	10,315,900.00
Cash paid for acquisition of the subsidiary	-	10,148,696.29
Less: Cash and cash equivalents held by the subsidiary	(7,107,219.40)	(4,222,307.02)
Net cash outflow on acquisition of the subsidiary	(7,107,219.40)	5,926,389.27

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(56) Supplementary information to the consolidated cash flow statement (continued)

(b) Acquisition or disposal of subsidiaries (continued)

(i) Acquisition of subsidiaries (continued)

Net assets of the subsidiary acquired

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Current assets	33,978,283.69	9,138,490.03
Non-current assets	2,402,938.97	12,423,355.93
Current liabilities	(2,596,241.47)	(430,045.96)
Non-current liabilities	-	-
	33,784,981.19	21,131,800.00

(ii) Disposal of subsidiaries and other business units

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Consideration for disposal of subsidiaries and other business units	-	597,614,200.00
Cash and cash equivalents received from disposal of subsidiaries and other business units	-	597,614,200.00
Less: Cash and cash equivalents held by subsidiaries and other business units	-	(11,911,766.88)
Net cash received from disposal of subsidiaries and other business units	-	585,702,433.12

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

5 Notes to the consolidated financial statements (continued)

(56) Supplementary information to the consolidated cash flow statement (continued)

(b) Acquisition or disposal of subsidiaries (continued)

(ii) *Disposal of subsidiaries and other business units (continued)*

Net assets of the subsidiary disposed

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Current assets	-	15,279,505.68
Non-current assets	-	1,584,540,051.30
Current liabilities	-	(1,003,019,556.98)
Non-current liabilities	-	(61,700,000.00)
	-	535,100,000.00

(c) Cash and cash equivalents

	30 June 2014 (Unaudited)	31 December 2013
Cash	119,879.55	108,478.70
Cash at bank that can be readily drawn on demand	1,953,250,085.32	2,172,093,044.77
Other monetary fund that can be readily drawn on demand	1,624,889.29	1,723,391.35
Including: Cash on hand	119,879.55	108,478.70
Cash and cash equivalents at end of period/year	1,954,994,854.16	2,173,924,914.82

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

6 Segment information

The reportable segments of the Group are the business units that provide different products or service, or operate in the different areas. Different businesses or areas require different technologies and marketing strategies, the Group, therefore, separately manages the production and operation of each reportable segment and evaluates their operating results respectively, in order to make decisions about resources to be allocated to these segments and to assess their performance.

The Group identified 8 reportable segments as follows:

- Oil/liquefied chemicals terminal and logistics services, responsible for loading and discharging, storage and transshipment of oil products and liquefied chemicals and port management services
- Container terminal and logistics services, responsible for loading and discharging, storage and transshipment of containers, leasing of terminals and related facilities and various container logistics services and sale of properties
- Passenger and roll-on, roll-off terminal and logistics services, responsible for passenger transportation and general cargo roll-on and roll-off provision of related logistics services
- Automobile terminal and logistics and trading services, responsible for loading and discharging of automobile and related logistics services, automobile trading operation
- Ore terminal and logistics services, responsible for loading and unloading of ore and provision of related logistics services
- Bulk grains terminal and logistics and trading services, responsible for loading and unloading of grains and provision of related logistics services, bulk grains trading operation
- General cargo terminal and logistics and trading services, responsible for loading and unloading of general cargo and provision of related logistics services, steel trading operation
- Port value-added services and ancillary port operations, responsible for 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 resources 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.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

6 Segment information (continued)

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

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

Inter-segment transfer prices are measured by reference to selling prices to third parties.

The assets are allocated based on the operations of the segment and the physical location of the asset. The liabilities are allocated based on the operations of the segment. Expenses indirectly attributable to each segment are allocated to the segments based on the proportion of each segment's revenue.

(a) Segment information as at and for the six months ended 30 June 2014 (unaudited) is as follows (unit: RMB'000)

	Oil/liquefied chemicals terminal and logistics services	Container terminal and logistics services	General cargo terminal and logistics and trading services	Ore terminal and logistics services	Bulk grains terminal and logistics trading services	Passenger and roll-on, roll-off terminal and logistics services	Port value-added services and ancillary port operations	Automobile terminal and logistics trading services	Others	Elimination	Total
Revenue from external customers	724,370	719,588	210,437	129,354	250,943	55,412	407,715	748,438	51,615	-	3,297,872
Inter-segment revenue	643	-	5,459	97	-	338	46,674	1,438	20,888	(75,537)	-
Interest income	289	2,349	230	32	2,210	34	608	203	4,260	-	10,215
Investment income from associates and joint ventures	33,421	3,626	(10,380)	-	-	(13,335)	17,612	7,280	-	-	38,224
Depreciation and amortisation	96,681	84,428	41,323	44,746	35,218	15,718	30,273	4,045	17,461	-	369,893
Total profit	381,861	164,608	(35,122)	21,114	3,629	(8,174)	87,262	9,003	(189,220)	-	434,961
Income tax expenses	90,819	40,864	(4,280)	5,298	958	1,061	12,885	1,489	(39,876)	-	109,218
Net profit	291,042	123,744	(30,842)	15,816	2,671	(9,235)	74,376	7,514	(149,344)	-	325,742
Total assets	6,646,529	6,210,631	2,577,506	2,550,193	1,702,153	1,169,357	2,364,685	1,635,765	2,167,842	(405,094)	26,619,567
Total liabilities	1,575,742	567,414	136,483	92,598	306,184	63,678	106,192	587,531	8,867,161	(405,094)	11,897,889
Non-cash expenses other than depreciation and amortisation	17,253	6,111	-	-	-	18	-	-	-	-	23,382
Long-term equity investments in associates and joint ventures	1,429,639	1,306,399	188,841	1,951	-	341,916	281,596	297,040	-	-	3,847,382
Additions of non-current assets other than long-term equity investments	112,909	44,411	14,840	4,520	1,118	2,100	12,449	177,923	3,863	-	374,133

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

6 Segment information (continued)

(b) Segment information as at and for the six months ended 30 June 2013 (unaudited) is as follows (unit: RMB'000)

	Oil/liquefied chemicals terminal and logistics services	Container terminal and logistics services	General cargo terminal and logistics and trading services	Ore terminal and logistics services	Bulk grains terminal and logistics trading services	Passenger and roll-on, roll-off terminal and logistics services	Port value-added services and ancillary port operations	Automobile terminal and logistics and trading services	Others	Elimination	Total
Revenue from external customers	543,920	606,948	201,955	143,045	1,039,904	61,632	421,913	241,851	80,109	-	3,341,277
Inter-segment revenue	3,394	134	1,095	-	-	348	68,296	1,883	-	(75,150)	-
Interest income	357	2,045	184	126	1,142	39	643	211	9,476	-	14,223
Investment income from associates and joint ventures	49,188	(768)	(7,857)	(268)	-	(7,079)	13,559	3,844	-	-	50,619
Asset impairment loss	-	(667)	-	-	-	-	(481)	-	-	-	(1,148)
Depreciation and amortisation	90,016	76,108	37,102	43,036	33,076	15,170	29,569	4,868	17,710	-	346,655
Total profit	295,816	194,688	(21,240)	36,701	80,840	(2,332)	78,135	13,519	(103,899)	-	572,228
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	3,361,760	(383,811)	27,242,457
Total liabilities	1,524,057	601,743	164,464	83,633	522,407	72,391	94,647	313,207	9,854,497	(383,811)	12,847,235
Non-cash expenses other than depreciation and amortisation	17,253	479	-	-	-	18	-	-	-	-	17,750
Long-term equity investments in associates and joint ventures	1,435,695	1,360,464	202,498	1,768	-	341,450	242,003	283,655	-	-	3,867,533
Additions of non-current assets other than long-term equity investments	209,834	55,469	146,362	39,665	8,725	2,072	38,594	34,057	15,240	-	550,018

Geographical information

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

Information about major customers

The revenue from oil/liquefied chemicals segment of RMB251,344,842.50 is derived from a single customer, accounting for 7.62% of the Group's total revenue.

The revenue from ore terminal and logistics services segment of RMB212,592,692.19 is derived from a single customer, accounting for 6.45% of the Group's total revenue.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions

(1) Parent

(a) General information of the parent

	Types of Company	Place of registration	Legal representative	Nature of business	Code of organization
Dalian Port Corporation Limited	Solely state-owned	Dalian	Hui Kai	Seaport business	11842055-3

The Group's ultimate controlling party is Dalian Port Corporation Limited.

(b) Registered capital and changes in registered capital of the parent

	31 December 2013	Increase in current period	Decrease in current period	30 June 2014
Dalian Port Corporation Limited	4,000,000,000.00	–	–	4,000,000,000.00

(c) The percentages of shareholding and voting rights in the Company held by the parent:

	30 June 2014 (Unaudited)		31 December 2013	
	Share holding (%)	Voting rights (%)	Share holding (%)	Voting rights (%)
Dalian Port Corporation Limited	54.42%	54.42%	54.42%	54.42%

(2) Subsidiaries

The general information of Subsidiaries and the relevant information are set out in Note 4.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(3) Joint ventures and associates

	Type	Place of registration	Legal representative	Nature of business	Registered capital RMB'0000	Share holding (%)	Voting rights (%)	Code of organisation
<u>Joint ventures</u>								
大連港通利船務代理有限公司	limited liability	Dalian	Hong Zhang	Domestic freight and vessel agency	60	50.00	50.00	73642304-9
Dalian Harbour ECL Logistics Co., Ltd.	limited liability	Dalian	Song Xu	Storage loading and discharging services	USD9,000,000	50.00	50.00	75155081-2
Odjfell Terminals (Dalian) Co., Ltd.	limited liability	Dalian	Shiliang Zhu	Construction and operation of storage terminal	USD28,000,000	50.00	50.00	60485936-9
Dalian Port PetroChina International Terminal Co., Ltd.	limited liability	Dalian	Hongyan Zhang	Loading and discharging of refined oil and the related consulting services	25,000	50.00	50.00	67998086-8
Dalian United International Shipping Agency Co., Ltd.	limited liability	Dalian	Hongxian Hu	consulting services	500	50.00	50.00	24237571-0
Dalian Vanguard International Logistics Co., Ltd.	limited liability	Dalian	Song Xu	International container storage services	7,400	50.00	50.00	67996584-4
大連毅都冷鏈有限公司	limited liability	Dalian	Chunquan Zhang	Freight and storage agency	3,600	45.00	45.00	75606813-6
China United Tally Co., Ltd. Dalian	limited liability	Dalian	Song Xu	Tallying services	280	50.00	50.00	76444766-2
Dalian China Oil Dock Management Co., Ltd.	limited liability	Dalian	Renping Dong	Oil terminal services	1,000	49.00	49.00	71690643-0
Liaoning Electronic Port Co., Ltd.	limited liability	Dalian	Xiaoyu Zhou	Computer supporting and data analysis services	1,200	50.00	50.00	67997824-x
Liaoning Con-Rail International Logistics Co., Ltd.	limited liability	Dalian	Chunquan Zhang	Logistics and storage services	1,600	50.00	50.00	75076324-2
Dalian Dagang China Shipping Container Terminal Co., Ltd.	limited liability	Dalian	Xiaomin Zeng	Container terminal services	1,000	57.00	57.00	71138833-9
Dalian Port Container Terminal Co., Ltd.	limited liability	Dalian	Chunquan Zhang	Container services	73,000	35.00	35.00	76442085-7
Dalian International Container Terminal Co., Ltd.	limited liability	Dalian	Meng Fang	International container terminal services	140,000	40.00	40.00	71788096-5
Dalian Jilong Logistics Co., Ltd.	limited liability	Dalian	Hongbin Ju	Logistics and storage services	7,000	30.00	28.57	71696834-0
Dalian Automobile Terminal Co., Ltd.	limited liability	Dalian	Song Xu	International trading, loading, discharging and storage	32,000	40.00	40.00	75606659-5
Dalian Singamas International Container Co., Ltd.	limited liability	Dalian	Chunquan Zhang	Container services	USD13,250,000	43.63	43.63	71695281-6
China Unite Northeast Rail Containers Co., Ltd.	limited liability	Dalian	Youwen Zhu	International container services	53,500	40.00	40.00	79202427-x
Dalian Changxing Island Port Co., Ltd.	limited liability	Dalian	Luning Jiang	Terminal services	62,000	40.00	40.00	79202683-0

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(3) Joint ventures and associates (continued)

	Type	Place of registration	Legal representative	Nature of business	Registered capital RMB'0000	Share holding (%)	Voting rights (%)	Code of organisation
<u>Joint ventures (continued)</u>								
大連港散貨物流中心有限公司	limited liability	Dalian	Shiliang Zhu	Logistics	500	40.00	40.00	58201884-0
Odfjell Dalian Port Consulting Co., Ltd.	limited liability	Dalian	Guozhong Wu	Technical training	600	50.00	50.00	58204259-2
Dalian Changxing Island Port Investment & Development Co., Ltd.	limited liability	Dalian	Yanhong Dong	Development and construction of terminal facilities	95,000	46.58	50.00	69140687-7
大連舜德集發供應鏈管理有限公司	limited liability	Dalian	Li Yin	Import and export of goods and technology, pier and harbour warehousing	5,000	20.00	20.00	06441373-6
Odfjell Changxing Warehousing Terminals (Dalian) Co., Ltd.	limited liability	Dalian	Tiefu Wang	Facilities development and construction	5,000	30.00	30.00	79454725
<u>Associates</u>								
China Shipping Gang Lian Co., Ltd.	limited liability	Dalian	Qingkuan Meng	Shipping agency	30,000	30.00	30.00	66922139-0
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	limited liability	Dalian	Huaming Li	Crude oil tank leasing services	10,000	20.00	20.00	77728456-7
Dalian Wanpeng Port Engineering Examination & Testing Co., Ltd.	limited liability	Dalian	Liyan Zhu	Construction examination	500	40.00	40.00	74787065-3
大連普集倉儲設施有限公司	limited liability	Dalian	Chuande Yang	Other storage services	USD80,000,000	40.00	40.00	79204040-5
Shenyang Prologis-Jifa Logistics Development Co., Ltd.	limited liability	Shenyang	Chuande Yang	Other storage services	USD16,670,000	40.00	40.00	79849254-1
太倉興港拖輪有限公司	limited liability	Taicang	Shiliang Zhu	Vessel tugging services	300	30.00	30.00	76050857-9
PetroChina Dalian LNG Co., Ltd.	limited liability	Dalian	Lixin Wang	LNG related services	260,000	20.00	20.00	68707182-4
SINOECL Auto Liners, Limited	limited liability	Hong Kong	Not applicable	Shipping services	HKD4,150,000	20.00	20.00	Not applicable
Jadeway Limited	limited liability	Hong Kong	Not applicable	Shipping services	HKD10,000	20.00	20.00	Not applicable
Dalian North Petroleum Logistics Co., Ltd.	limited liability	Dalian	Lianjun Yue	Development and construction of petroleum and petroleum products	14,800	20.00	20.00	55495911-7
Sino Rail Bohai Train Ferry Co., Ltd.	limited liability	Yantai	Hongwei Li	Ferry transportation	12,000	17.50	17.50	71092935-9
中世國際物流有限公司	limited liability	Wuhu	Biren Zhou	International freight agency	30,000	30.00	30.00	58696799-4
Dalian Port Corporation Finance Co., Ltd.	limited liability	Dalian	Kai Hui	Financial services	50,000	40.00	40.00	58203640-8
大連港盛招標代理有限公司	limited liability	Dalian	Shuyuan Ma	Bidding agency services	200	35.00	35.00	56552295-7
中海油(寧德)石化碼頭有限公司	limited liability	Ningde	Xubin Wu	Construction terminals	1,000	24.50	24.50	06878701-4

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(4) Other related parties

	Relationship with the Group	Code of organization
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
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
大連太平灣投資發展有限公司	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
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
大連宇翔工程船舶有限公司	Subsidiary of the parent	75993540-X
大連長興島臨港工業區港灣工程有限公司	Subsidiary of the parent	55496083-9

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(4) Other related parties (continued)

	Relationship with the Group	Code of organization
大連港航投資有限公司	Subsidiary of the parent	07155324-3
大連港航投資管理中心(有限合夥)	Subsidiary of the parent	07155833-5
Dalian Port Investment Financing Holding Group Co., Ltd.	Subsidiary of the parent	Not applicable
大連港北岸汽車碼頭有限公司	Subsidiary of the parent	07158663-5
大連港北岸集裝箱碼頭有限公司	Subsidiary of the parent	07158657-1
大連港北岸房地產開發有限公司	Subsidiary of the parent	07158659-8
大連東北亞航運中心人才市場	Subsidiary of the parent	07155911-9
Dalian Port Construction Engineering Co., Ltd. Guangzhou Branch	Subsidiary of the parent	Not applicable
Dalian Port Construction Engineering Co., Ltd	Subsidiary of the parent	11843148-X
大連太平灣現代農業科技發展有限公司	Subsidiary of the parent	08909090-2
Dalian Equipment Finance Leasing Co., Ltd.	Subsidiary of the parent	59442846-8
榮海豐集裝箱有限公司	Subsidiary of the parent	Not applicable
港和(上海)經貿有限公司	Subsidiary of the parent	09004617-5
大連港航小額貸款有限公司	Subsidiary of the parent	08909941-3
大連港北岸投資開發有限公司	Subsidiary of the parent	06444488-2
英瑞控股有限公司	Subsidiary of the parent	74788882-9
Dalian Port Petroleum & Chemical Co., Ltd.	Subsidiary of the parent	74094577-1
大連中油海港石油銷售有限公司	Associates of the parent	69603539-0
大連經濟技術開發區灣港儲運公司	Associates of the parent	11838593-8
大連中油船用燃料運銷有限公司	Associates of the parent	74788099-0
大連救生筏檢驗有限公司	Associates of the parent	24107508-9
大連港地產集團有限公司	Associates of the parent	24123702-5
Dalian Port Machinery & Electric Co., Ltd.	Associates of the parent	24183221-1
大連水產品交易有限公司	Associates of the parent	79691219-4
錦州龍棲灣港口發展有限公司	Associates of the parent	68966326-8
Dalian Wanpeng Infrastructure Co. Ltd.	Associates of the parent	75991518-5
大連港實業有限公司	Associates of the parent	24124937-6
大連港物業管理有限公司	Associates of the parent	24238883-7
大連港實綠化工程有限公司	Associates of the parent	67405219-X
大連港日興園林綠化工程有限公司	Associates of the parent	75158191-8
大連港鍋爐安裝有限公司	Associates of the parent	24168462-6
Dalian Port New Harbour Construction Engineering Co., Ltd.	Associates of the parent	11868471-9
大連港實業有限公司新港加油站	Associates of the parent	75990360-0
大連中信海港投資有限公司	Associates of the parent	55060128-1
大連港航清潔能源創業投資基金	Associates of the parent	05114470-9

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(5) Related party transactions

(a) Purchase and sales of goods, provision and acceptance of labour

Purchase of goods and receiving of services

Transactions with the parent

Related party	Nature of related party transactions	Pricing Policy and Procedure for Decision Making	For the six months ended 30 June 2014 (Unaudited)		For the six months ended 30 June 2013 (Unaudited)	
			Amount	Percentage of similar transactions	Amount	Percentage of similar transactions
Dalian Port Corporation Limited	Comprehensive services	Terms of agreement	5,121,470.78	7.68%	4,950,845.93	8.76%

Transaction with joint ventures and associates

Related party	Nature of related party transactions	Pricing Policy and Procedure for Decision Making	For the six months ended 30 June 2014 (Unaudited)		For the six months ended 30 June 2013 (Unaudited)	
			Amount	Percentage of similar transactions	Amount	Percentage of similar transactions
Dalian Changxing Island Port Co., Ltd.	Comprehensive services	Terms of agreement	238,944.00	0.36%	102,708.80	0.18%
Dalian Port Corporation Finance Co., Ltd.	Comprehensive services	Terms of agreement	16,700.00	0.03%	51,300.00	0.09%
大連港通利船務代理有限公司	Comprehensive services	Terms of agreement	-	-	985,636.49	1.74%
China United International Rail Containers (Dalian) Co., Ltd.	Comprehensive services	Terms of agreement	-	-	483,798.20	0.86%
大連港盛招標代理有限公司	Agent service	Terms of agreement	-	-	326,692.24	0.58%
Dalian International Container Terminal Co., Ltd.	Comprehensive services	Terms of agreement	-	-	200,000.00	0.35%
Dalian Wanpeng Port Engineering Examination & Testing Co., Ltd.	Comprehensive services	Terms of agreement	-	-	89,280.00	0.16%
Dalian Port Container Terminal Co., Ltd.	Comprehensive services	Terms of agreement	-	-	-	-
			255,644.00		2,239,415.73	

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(a) Purchase and sales of goods, provision and acceptance of labour (continued)

Purchase of goods and receiving of services (continued)

Transactions with other related parties

Related party	Nature of related party transactions	Pricing Policy and Procedure for Decision Making	For the six months ended 30 June 2014 (Unaudited)		For the six months ended 30 June 2013 (Unaudited)	
			Amount	Percentage of similar transactions	Amount	Percentage of similar transactions
大連中油海港石油銷售有限公司	Fuel purchasing service	Terms of agreement	40,860,694.53	61.29%	31,652,893.69	56.04%
大連港實業有限公司	Comprehensive services	Terms of agreement	11,662,671.13	17.50%	12,062,551.95	21.35%
Dalian Port Machinery Co., Ltd.	Construction and labour	Terms of agreement	4,605,484.73	6.91%	3,731,524.39	6.61%
大連宏譽大廈有限公司	Property management	Terms of agreement	1,572,004.93	2.36%	245,710.06	0.43%
大連港保安服務公司	Security service	Terms of agreement	880,260.00	1.32%	806,775.00	1.43%
大連海港大廈	Comprehensive services	Terms of agreement	441,950.50	0.66%	118,340.08	0.21%
大連港實綠化工程有限公司	Comprehensive services	Terms of agreement	356,439.00	0.53%	183,186.00	0.32%
大連保稅區永德信房地產開發建設有限公司	Property management	Terms of agreement	305,126.04	0.46%	–	–
Dalian Port Construction Engineering Co., Ltd	Maintenance service	Terms of agreement	266,447.44	0.40%	283,554.25	0.50%
大連港鍋爐安裝有限公司	Maintenance service	Terms of agreement	136,537.30	0.20%	–	–
Dalian Port New Harbour Construction Engineering Co., Ltd.	Comprehensive services	Terms of agreement	87,989.20	0.13%	–	–
大連港物業管理有限公司	Comprehensive services	Terms of agreement	81,558.50	0.12%	138,965.16	0.25%
大連救生筏檢驗有限公司	Maintenance service	Terms of agreement	27,310.98	0.04%	45,418.00	0.08%
大連國際船員培訓中心	Training service	Terms of agreement	1,250.00	0.00%	–	–
大連港實業有限公司新港加油站	Fuel purchasing service	Terms of agreement	–	–	22,872.11	0.04%
大連港東旺汽車修配廠	Maintenance service	Terms of agreement	–	–	5,069.39	0.01%
			61,285,724.28		49,296,860.08	

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(a) Purchase and sales of goods, provision and acceptance of labour (continued)

Sales of goods and receiving of services

Transactions with the parent

Related party	Nature of related party transactions	Pricing Policy and Procedure for Decision Making	For the six months ended 30 June 2014 (Unaudited)		For the six months ended 30 June 2013 (Unaudited)	
			Amount	Percentage of similar transactions	Amount	Percentage of similar transactions
Dalian Port Corporation Limited	Comprehensive services	Terms of agreement	2,087,007.87	3.26%	4,076,913.61	5.00%

Transactions with joint ventures and associates

Related party	Nature of related party transactions	Pricing Policy and Procedure for Decision Making	For the six months ended 30 June 2014 (Unaudited)		For the six months ended 30 June 2013 (Unaudited)	
			Amount	Percentage of similar transactions	Amount	Percentage of similar transactions
Dalian International Container Terminal Co., Ltd.	Comprehensive services	Terms of agreement	15,831,688.01	24.75%	15,963,944.69	19.57%
Dalian Port Container Terminal Co., Ltd.	Comprehensive services	Terms of agreement	13,792,184.41	21.57%	18,014,268.28	22.08%
太倉興港拖輪有限公司	Transportation revenue	Terms of agreement	4,980,000.00	7.79%	6,551,340.00	8.03%
Dalian Changxing Island Port Co., Ltd.	Engineering construction	Terms of agreement	2,525,864.10	3.95%	5,756,276.23	7.06%
Odfjell Terminals (Dalian) Ltd.	Comprehensive services	Terms of agreement	2,184,577.20	3.42%	963,084.20	1.18%
Dalian China Oil Dock Management Co., Ltd.	Comprehensive services	Terms of agreement	1,623,031.42	2.54%	4,378,299.58	5.37%
Dalian Changxing Island Port Investment and Development Co., Ltd.	Comprehensive services	Terms of agreement	1,523,584.90	2.38%	2,065,000.00	2.53%
Dalian PetroChina International Storage Co., Ltd.	Engineering construction	Terms of agreement	1,475,258.15	2.31%	–	–

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(a) Purchase and sales of goods, provision and acceptance of labour (continued)

Sales of goods and receiving of services (continued)

Transactions with joint ventures and associates (continued)

Related party	Nature of related party transactions	Pricing Policy and Procedure for Decision Making	For the six months ended 30 June 2014 (Unaudited)		For the six months ended 30 June 2013 (Unaudited)	
			Amount	Percentage of similar transactions	Amount	Percentage of similar transactions
大連舜德集發供應鏈管理有限公司	Comprehensive services	Terms of agreement	1,153,124.00	1.80%	–	–
Dalian Dagang China Shipping Container Terminal Co., Ltd.	Comprehensive services	Terms of agreement	914,393.56	1.43%	1,136,378.13	1.39%
Dalian Assembling Transportation Logistics Co., Ltd.	Comprehensive services	Terms of agreement	–	–	997,924.00	1.22%
Dalian Automobile Terminal Co., Ltd.	Comprehensive services	Terms of agreement	635,505.21	0.99%	1,362,511.71	1.67%
Dalian United International Shipping Agency Co., Ltd.	Comprehensive services	Terms of agreement	507,339.65	0.79%	505,640.00	0.62%
Liaoning Con-Rail International Logistics Co., Ltd.	Comprehensive services	Terms of agreement	496,679.18	0.78%	913,228.99	1.12%
Dalian Singamas International Container Co., Ltd.	Comprehensive services	Terms of agreement	401,426.57	0.63%	482,584.94	0.59%
Liaoning Electronic Port Co., Ltd.	Comprehensive services	Terms of agreement	283,018.86	0.44%	–	–
China Unite Northeast Rail Containers Co., Ltd.	Comprehensive services	Terms of agreement	223,298.10	0.35%	711,231.00	0.87%
Dalian North Petroleum Logistics Co., Ltd.	Engineering construction	Terms of agreement	119,550.00	0.19%	5,825,175.12	7.14%
Dalian Vanguard International Logistics Co., Ltd.	Information service	Terms of agreement	103,640.82	0.16%	365,746.52	0.45%
China United Tally Co., Ltd. Dalian	Information service	Terms of agreement	91,353.58	0.14%	84,095.20	0.10%

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(a) Purchase and sales of goods, provision and acceptance of labour (continued)

Sales of goods and receiving of services (continued)

Transactions with joint ventures and associates (continued)

Related party	Nature of related party transactions	Pricing Policy and Procedure for Decision Making	For the six months ended 30 June 2014 (Unaudited)		For the six months ended 30 June 2013 (Unaudited)	
			Amount	Percentage of similar transactions	Amount	Percentage of similar transactions
Dalian Port PetroChina International Terminal Co., Ltd.	Comprehensive services	Terms of agreement	15,961.82	0.02%	17,208.01	0.02%
Dalian Port Corporation Finance Co., Ltd.	Telecommunication Services	Terms of agreement	15,713.58	0.02%	12,107.23	0.01%
大連港散貨物流中心有限公司	Telecommunication Services	Terms of agreement	3,600.00	0.01%	1,800.00	0.00%
Dalian Harbour ECL Logistics Co., Ltd.	Comprehensive services	Terms of agreement	948.00	0.00%	98,252.55	0.12%
大連毅都冷鏈有限公司	Comprehensive services	Terms of agreement	-	-	2,236,361.65	2.74%
PetroChina Dalian LNG Co., Ltd.	Engineering supervision	Terms of agreement	-	-	165,100.00	0.20%
Dalian Jilong Logistics Co., Ltd.	Comprehensive services	Terms of agreement	-	-	45,593.32	0.06%
Dalian Wanpeng Port Engineering Examination & Testing Co., Ltd.	Telecommunication Services	Terms of agreement	-	-	1,080.80	0.00%
大連港通利船務代理有限公司	Telecommunication Services	Terms of agreement	-	-	605.68	0.00%
			48,901,741.12		68,654,837.83	

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(a) Purchase and sales of goods, provision and acceptance of labour (continued)

Sales of goods and receiving of services (continued)

Transactions with other related parties

Related party	Nature of related party transactions	Pricing Policy and Procedure for Decision Making	For the six months ended 30 June 2014 (Unaudited)		For the six months ended 30 June 2013 (Unaudited)	
			Amount	Percentage of similar transactions	Amount	Percentage of similar transactions
大連港北岸投資開發有限公司	Engineering supervision	Terms of agreement	3,827,004.91	5.98%	–	–
瓦房店太平灣港有限公司	Engineering supervision	Terms of agreement	3,322,415.32	5.19%	4,288,437.75	5.26%
大連中信海港投資有限公司	Comprehensive services	Terms of agreement	1,435,033.46	2.24%	21,920.00	0.03%
大連港實業有限公司	Telecommunication Services	Terms of agreement	880,828.69	1.38%	799,781.43	0.98%
錦州遼西大連港置業有限公司	Engineering supervision	Terms of agreement	740,566.04	1.16%	–	–
大連保稅區永德信房地產開發建設有限公司	Comprehensive services	Terms of agreement	692,243.07	1.08%	767,817.21	0.94%
Dalian Port Machinery Co., Ltd.	Telecommunication Services	Terms of agreement	649,788.16	1.02%	96,166.39	0.12%
大連宏譽大廈有限公司	Telecommunication Services	Terms of agreement	607,511.51	0.95%	472,406.95	0.58%
大連港萬通物流有限公司	Comprehensive services	Terms of agreement	482,466.25	0.75%	518,436.82	0.64%
大連港置地有限公司	Telecommunication Services	Terms of agreement	100,043.07	0.16%	11,338.48	0.01%
大連萬峰置業有限公司	Information service	Terms of agreement	65,232.27	0.10%	40,598.29	0.05%
大連中油海港石油銷售有限公司	Comprehensive services	Terms of agreement	37,511.81	0.06%	–	–
大連港地產集團有限公司	Telecommunication Services	Terms of agreement	37,088.00	0.06%	–	–
Dalian Port Construction Engineering Co., Ltd	Telecommunication Services	Terms of agreement	31,134.64	0.05%	194,648.86	0.24%
大連中油船用燃料運銷有限公司	Comprehensive services	Terms of agreement	15,883.95	0.02%	148,145.01	0.18%
大連救生筏檢驗有限公司	Telecommunication Services	Terms of agreement	12,460.22	0.02%	2,920.00	0.00%
大連海港大廈	Telecommunication Services	Terms of agreement	4,888.04	0.01%	243,120.79	0.30%

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(a) Purchase and sales of goods, provision and acceptance of labour (continued)

Sales of goods and receiving of services (continued)

Transactions with other related parties (continued)

Related party	Nature of related party transactions	Pricing Policy and Procedure for Decision Making	For the six months ended 30 June 2014 (Unaudited)		For the six months ended 30 June 2013 (Unaudited)	
			Amount	Percentage of similar transactions	Amount	Percentage of similar transactions
大連東北亞國際航運中心船舶交易市場有限公司	Telecommunication Services	Terms of agreement	6,300.00	0.01%	19,753.71	0.02%
大連創意產業項目發展有限公司	Telecommunication Services	Terms of agreement	4,620.08	0.01%	4380.64	0.01%
大連港物業管理有限公司	Telecommunication Services	Terms of agreement	3,410.00	0.01%	4,255.00	0.01%
大連港實綠化工程有限公司	Telecommunication Services	Terms of agreement	3,390.00	0.01%	3,390.00	0.00%
大連港鍋爐安裝有限公司	Telecommunication Services	Terms of agreement	2,655.00	0.00%	3,175.00	0.00%
Dalian Port New Harbour Construction Engineering Co., Ltd.	Telecommunication Services	Terms of agreement	1,665.00	0.00%	2,170.00	0.00%
Dalian Wanpeng Infrastructure Co. Ltd.	Comprehensive services	Terms of agreement	876.40	0.00%	305.44	0.00%
大連宏譽家政服務有限公司	Telecommunication Services	Terms of agreement	717.20	0.00%	102.24	0.00%
大連港集團(錦州)遼西港口投資開發有限公司	Telecommunication Services	Terms of agreement	650.00	0.00%	450.00	0.00%
大連港實業有限公司新港加油站	Telecommunication Services	Terms of agreement	420.00	0.00%	-	-
大連港東旺汽車修配廠	Telecommunication Services	Terms of agreement	-	-	630.00	0.00%
Dalian Port Machinery & Electric Co., Ltd.	Engineering construction	Terms of agreement	-	-	852,855.00	1.05%
大連萬通榮海船務有限公司	Comprehensive services	Terms of agreement	-	-	150.00	0.00%
大連水產品交易有限公司	Telecommunication Services	Terms of agreement	-	-	347,831.95	0.43%
			12,966,803.09		8,845,186.96	

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(b) Leases

The Group as the lessor

Transactions with joint ventures and associates

Name of the lessor	Name of the lessee	Type of the leased property	Beginning date	Ending date	Pricing basis of leasing income	Leasing income recognized for the six months ended 30 June 2014 (Unaudited)
Dalian Port Container Development Co., Ltd.	Dalian Port Container Terminal Co., Ltd.	Buildings	30/05/2005	31/12/2019	Market price	41,195,000.00
Dalian Port (PDA) Company Limited	Dalian Port Container Terminal Co., Ltd. (i)	Berth yard	01/01/2014	Delivery date	Market price	26,750,000.00
Dalian Port Oil Terminal Company	Dalian China Oil Dock Management Co., Ltd.	Buildings	01/01/2014	31/12/2014	Market price	9,430,000.00
Dalian Port Jifa Logistics Co., Ltd.	Dalian Jilong Logistics Co., Ltd.	Land use right	31/07/2011	30/08/2014	Market price	1,547,342.63
Dalian Port Jifa Logistics Co., Ltd.	Dalian Jilong Logistics Co., Ltd.	Land use right	31/08/2011	01/09/2014	Market price	712,528.93
Dalian Container Terminal Co., Ltd.	大連毅都冷鏈有限公司	Loading and unloading equipment	01/01/2014	31/12/2014	Market price	542,014.68
Dalian Jifa Port Engineering Co., Ltd.	Liaoning Con-Rail International Logistics Co., Ltd.	Loading and unloading equipment	01/01/2014	31/12/2014	Market price	225,000.00
Dalian Container Terminal Co., Ltd.	Liaoning Con-Rail International Logistics Co., Ltd.	Loading and unloading equipment	01/01/2014	31/12/2014	Market price	158,823.90
DCT Logistics Co., Ltd.	Liaoning Con-Rail International Logistics Co., Ltd.	Equipment	01/01/2014	31/12/2014	Market price	97,250.07
						80,657,960.21

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(b) Leases (continued)

The Group as the lessor (continued)

Transactions with other related parties

Name of the lessor	Name of the lessee	Type of the leased property	Beginning date	Ending date	Pricing basis of leasing income	Leasing income recognized for the six months ended 30 June 2014 (Unaudited)
Dalian Port (PDA) Company Limited	大連港實業有限公司	Vehicles	01/01/2014	31/12/2014	Market price	654,769.62
大連港雜貨碼頭公司	大連港實業有限公司	Auto	01/01/2013	31/12/2014	Market price	203,658.00
大連港雜貨碼頭公司	Dalian Port Wantong Logistics Co., Ltd	Buildings	01/04/2014	31/12/2014	Market price	42,322.50
大連港雜貨碼頭公司	大連港實業有限公司	Buildings	01/01/2014	31/12/2014	Market price	32,940.00
大連港雜貨碼頭公司	大連港萬通物流有限公司	Buildings	01/01/2014	31/03/2014	Market price	6,324.75
						940,014.87

Transactions with joint ventures and associates

Name of the lessor	Name of the lessee	Type of the leased property	Beginning date	Ending date	Pricing basis of leasing income	Leasing income recognized for the six months ended 30 June 2013 (Unaudited)
Dalian Port Container Development Co., Ltd.	Dalian Port Container Terminal Co., Ltd.	Buildings	30/05/2005	31/12/2019	Market price	41,195,000.00
Dalian Port (PDA) Company Limited	Dalian Port Container Terminal Co., Ltd. (i)	Berth	01/01/2012	delivery date	Market price	26,750,000.00
Dalian Port Oil Terminal Company Port No.2	Dalian China Oil Dock Management Co., Ltd.	Berth and supporting facilities	01/01/2013	31/12/2013	Market price	30,956,071.04
Dalian Port Jifa Logistics Co., Ltd.	Dalian Jilong Logistics Co., Ltd.	Storage facilities	01/08/2011	31/03/2020	Market price	2,259,971.58
						101,161,042.62

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(b) Leases (continued)

The Group as the lessor (continued)

Transactions with other related parties

Name of the lessor	Name of the lessee	Type of the leased property	Beginning date	Ending date	Pricing basis of leasing income	Leasing income recognized for the six months ended 30 June 2013 (Unaudited)
Dalian Port (PDA) Company Limited	大連港實業有限公司	Rolling stock	01/06/2012	31/05/2013	Market price	873,026.16

- (i) The Company leased container berth 15# to Dalian Port Container Terminal Co., Ltd. in 2012, with the annual rent being RMB53,500,000.00 since 2013. In accordance with relevant lease agreement, the deadline for leasing term was the delivery date for Dalian Port Container Terminal Co., Ltd. to acquire the container berth. As at 30 June 2014, the Company didn't confirm the delivery date with Dalian Port Container Terminal Co., Ltd.

The Group as the lessee

Transactions with the parent

Name of the lessor	Name of the lessee	Type of the leased property	Beginning date	Ending date	Pricing basis of leasing expense	Leasing income recognized for the six months ended 30 June 2014 (unaudited)
Dalian Port Corporation Limited	Dalian Container Terminal Co., Ltd.	Island mole	01/01/2007	31/12/2032	Market price	1,760,000.00
Dalian Port Corporation Limited	Dalian Portsoft Network Co., Ltd.	Buildings	01/01/2014	31/12/2014	Market price	40,000.00
						1,800,000.00

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(b) Leases (continued)

The Group as the lessee (continued)

Transactions with joint ventures and associates

Name of the lessor	Name of the lessee	Type of the leased property	Beginning date	Ending date	Pricing basis of leasing expense	Leasing expenses recognized for the six months ended 30 June 2014 (Unaudited)
Dalian Port PetroChina International Terminal Co., Ltd.	Dalian Port Oil Terminal Company	Berth	01/01/2014	31/12/2014	Market price	45,250,000.00
Dalian Changxing Island Port Investment and Development Co., Ltd.	Dalian Port Oil Terminal Company	Storage tank	01/01/2014	14/11/2014	Market price	27,150,000.00
Dalian PetroChina International Storage Co., Ltd.	Dalian Port Oil Terminal Company	Storage tank	01/01/2014	31/12/2014	Market price	24,692,520.77
Dalian Port Container Terminal Co., Ltd.	DCT Logistics Co., Ltd.	Facilities	01/01/2014	31/12/2014	Market price	541,261.17
Dalian International Container Terminal Co., Ltd.	Dalian Jifa Port Engineering Co., Ltd.	Buildings	01/01/2014	31/12/2014	Market price	325,000.00
Dalian International Container Terminal Co., Ltd.	DCT Logistics Co., Ltd.	Facilities	01/01/2014	31/12/2014	Market price	300,000.00
Dalian North Petroleum Logistics Co., Ltd.	Dalian Port Oil Terminal Company	Storage tank	20/06/2014	15/07/2014	Market price	155,660.38
Dalian Changxing Island Port Co., Ltd.	Dalian Portsoft Network Co., Ltd.	Buildings	01/01/2014	31/12/2014	Market price	5,400.00
						98,419,842.32

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(b) Leases (continued)

The Group as the lessee (continued)

Transactions with other related parties

Name of the lessor	Name of the lessee	Type of the leased property	Beginning date	Ending date	Pricing basis of leasing expense	Leasing expenses recognized for the six months ended 30 June 2014 (Unaudited)
大連港資產經營管理公司	Dalian Port (PDA) Company Limited	Land use rights	01/01/2014	31/12/2014	Market price	12,690,907.00
大連保稅區永德信房地產開發建設有限公司	Dalian Port (PDA) Company Limited	Buildings	01/01/2014	31/12/2014	Market price	1,207,608.36
大連海港大廈	大連港輪駁公司	Office/ accommodation	01/01/2014	31/12/2014	Market price	1,080,765.00
大連港資產經營管理公司	Dalian Port (PDA) Company Limited	Land use rights	01/01/2014	31/12/2014	Market price	290,260.00
大連保稅區永德信房地產開發建設有限公司	Dalian Port Bulk Gain Terminal Company	Commercial buildings	01/01/2014	31/12/2014	Market price	271,985.90
Dalian Equipment Finance Leasing Co., Ltd.	Dalian Port Logistics Technology Co., Ltd.	Intangible assets & fixed assets	01/05/2014	31/12/2016	Market price	217,824.45
大連港實業有限公司	Dalian Port Container Development Co., Ltd.	Vehicles	01/01/2014	31/12/2014	Market price	85,940.00
大連港實業有限公司	Dalian Port Jifa Logistics Co., Ltd.	Vehicles	01/01/2014	31/12/2014	Market price	85,940.00
大連港資產經營管理公司	大連港輪駁公司	Office/warehouse	01/01/2014	31/12/2014	Market price	75,808.50
大連保稅區永德信房地產開發建設有限公司	DCT Logistics Co., Ltd.	House rental	01/01/2014	31/12/2014	Market price	60,757.89
Dalian Automobile Terminal Co., Ltd.	Dalian United King Port Auto Trade Co., Ltd.	Building leasing	01/01/2014	31/12/2014	Market price	39,411.00
大連宏譽大廈有限公司	DCT Logistics Co., Ltd.	Office rental	01/01/2014	31/12/2014	Market price	37,684.00
Dalian Port Machinery Co., Ltd.	大連港雜貨碼頭公司	Buildings	01/01/2014	31/12/2014	Market price	35,701.50
大連海港大廈	Dalian Portsoft Network Co., Ltd.	Buildings	01/01/2014	31/12/2014	Market price	5,602.80
大連保稅區永德信房地產開發建設有限公司	Dalian Portsoft Network Co., Ltd.	Buildings	01/01/2014	30/04/2014	Market price	4,569.60
						16,190,766.00

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(b) Leases (continued)

The Group as the lessee (continued)

Transactions with the parent

Name of the lessor	Name of the lessee	Type of the leased property	Beginning date	Ending date	Pricing basis of lease expense	Leasing expenses recognized for the six months ended 30 June 2013 (Unaudited)
Dalian Port Corporation Limited	Dalian Port (PDA) Company Limited	Land use rights	01/01/2013	31/12/2013	Market price	12,909,322.35
Dalian Port Corporation Limited	Dalian Container Terminal Co., Ltd.	Island mole	01/01/2007	31/12/2032	Market price	1,760,000.00
Dalian Port Corporation Limited	Dalian Port (PDA) Company Limited, etc.	Buildings and land use rights, etc.	01/01/2013	31/12/2013	Market price	1,421,916.35
Dalian Port Corporation Limited	Dalian Port (PDA) Company Limited	Land use right	01/01/2013	19/03/2031	Market price	819,369.50
Dalian Port Corporation Limited	Dalian Container Terminal Co., Ltd.	Berth and supporting facilities	01/10/2007	31/12/2013	Market price	709,200.00
						17,619,808.20

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(b) Leases (continued)

The Group as the lessee (continued)

Transactions with joint ventures and associates

Name of the lessor	Name of the lessee	Type of the leased property	Beginning date	Ending date	Pricing basis of lease expense	Leasing expenses recognized for the six months ended 30 June 2013 (Unaudited)
Dalian Port PetroChina International Terminal Co., Ltd.	Dalian Port Oil Terminal Company	Berth	01/01/2013	31/12/2013	Market price	45,250,000.00
Dalian China Oil Dock Management Co., Ltd.	Dalian ETDZ Jin Xin Petro-chemistry Co., Ltd.	Tank group	01/01/2013	31/08/2013	Market price	2,190,000.00
Dalian Port Container Terminal Co., Ltd.	DCT Logistics Co., Ltd.	Storage facilities	01/01/2013	31/12/2013	Market price	1,562,938.00
Dalian International Container Terminal Co., Ltd.	DCT Logistics Co., Ltd., etc.	Buildings and land use right	01/01/2013	31/12/2013	Market price	1,529,900.00
						50,532,838.00

Transactions with other related parties

Name of the lessor	Name of the lessee	Type of the leased property	Beginning date	Ending date	Pricing basis of lease expense	Leasing expenses recognized for the six months ended 30 June 2013 (Unaudited)
大連保稅區永德信房地產開發建設有限公司	Headquarter of Dalian Port (PDA) Company Limited, etc.	Buildings	01/01/2013	31/12/2013	Market price	1,806,928.12
大連海港大廈	大連港輪駁公司	Buildings	01/01/2013	31/12/2013	Market price	1,123,076.32
大連宏譽大廈有限公司	headquarter of Dalian Port Logistics Technology Co., Ltd., etc.	Buildings	01/01/2013	31/12/2013	Market price	561,894.35
						3,491,898.79

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(c) Guarantee

Guarantees received from the related party

For the six months ended 30 June 2014 (Unaudited)

Guarantor	Guaranteed party	Guaranteed amount	Commencement date	Termination date	Fully performed or not
Dalian Port Corporation Limited	Dalian Port (PDA) Company Limited	2,350,000,000.00	23 May 2011	22 November 2021	No
Dalian Port Corporation Limited	Dalian Port (PDA) Company Limited	2,650,000,000.00	26 September 2012	25 March 2019	No

The above guarantees were provided from the related party without any charges (Note 5(35)).

Guarantees provided to a related party

No guarantees provided to a related party for the six months ended 30 June 2014 (Unaudited).

(d) Loans or borrowings

For the six months ended 30 June 2014 (Unaudited)

	Amount	Interest rate	Beginning date	Maturity Date
Borrowing				
Dalian Equipment Finance Leasing Co., Ltd.	200,000,000.00	6.20%	30 June 2014	30 June 2017
Dalian Equipment Finance Leasing Co., Ltd.	500,000,000.00	6.20%	23 May 2014	23 May 2017
Dalian Equipment Finance Leasing Co., Ltd.	1,000,000,000.00	6.20%	29 May 2014	29 May 2017
Dalian Port Corporation Finance Co., Ltd.	30,000,000.00	6.00%	27 June 2014	26 June 2015
Dalian Port Corporation Finance Co., Ltd.	100,000,000.00	5.70%	17 March 2014	16 March 2015
Dalian Harbour ECL Logistics Co., Ltd.	10,000,000.00	6.60%	7 May 2014	6 May 2015

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(d) Loans or borrowings (continued)

For the six months ended 30 June 2013 (Unaudited)

	Amount	Interest rate	Beginning date	Maturity Date
Borrowing				
Dalian Port Corporation Finance Co., Ltd.	30,000,000.00	5.60%	13 May 2013	12 November 2013
Dalian Port Corporation Finance Co., Ltd.	619,000,000.00	5.70%	1 February 2013	18 December 2013
Dalian Harbour ECL Logistics Co., Ltd.	10,000,000.00	6.60%	7 May 2013	6 May 2014

Interest expenses paid

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Dalian Assembling Transportation Logistics Co., Ltd.	–	424,666.66
Dalian Equipment Finance Leasing Co., Ltd.	9,427,397.26	–
Dalian Port Corporation Finance Co., Ltd.	2,544,022.91	16,168,130.55
Dalian Harbour ECL Logistics Co., Ltd.	313,499.67	82,500.00
	12,284,919.84	16,675,297.21

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

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(d) Loans or borrowings (continued)

For the six months ended 30 June 2014 (Unaudited)

	Amount	Interest rate	Beginning date	Maturity Date
Lending				
Liaoning Con-Rail International Logistics Co., Ltd.	5,610,000.00	6.00%	19 January 2014	20 February 2015
大連普集倉儲設施有限公司	24,000,000.00	6.00%	03 January 2014	02 January 2015
China Shipping Gang Lian Co., Ltd.	13,432,800.00	6.00%	28 June 2014	27 June 2015
Liaoning Con-Rail International Logistics Co., Ltd.	1,760,000.00	6.00%	20 April 2013	19 April 2014

For the six months ended 30 June 2013 (Unaudited)

	Amount	Interest rate	Beginning date	Maturity Date
Lending				
Liaoning Con-Rail International Logistics Co., Ltd.	5,610,000.00	6.00%	19 January 2013	18 January 2014
Liaoning Con-Rail International Logistics Co., Ltd.	1,760,000.00	6.00%	20 April 2013	19 April 2014
China Shipping Gang Lian Co., Ltd.	13,432,800.00	6.00%	28 June 2013	27 June 2014

Interest income received

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
大連普集倉儲設施有限公司	720,000.00	–
China Shipping Gang Lian Co., Ltd.	405,222.80	–
SINOECL Auto Liners, Limited	–	51,699.52
Jadeway Limited	–	67,290.23
Liaoning Con-Rail International Logistics Co., Ltd.	181,679.18	273,574.27
	1,306,901.98	392,564.02

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

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(e) Transfer of assets

Acquisition of assets

Related party	Nature of Transaction	Type of transactions	Pricing Policy	For the six months ended 30 June 2014 (Unaudited)		For the six months ended 30 June 2013 (Unaudited)	
				Amount	Percentage of similar transactions	Amount	Percentage of similar transactions
Dalian Port Construction Engineering Co., Ltd.	Engineering Construction	Construction labour	Terms of agreement	48,085,446.92	86.58%	86,243,881.87	68.26%
Dalian Port Machinery & Electric Co., Ltd.	Engineering Construction	Construction labour	Terms of agreement	4,468,458.41	8.05%	13,716,039.54	10.86%
Dalian Port New Harbour Construction Engineering Co., Ltd.	Engineering Construction	Construction labour	Terms of agreement	1,643,287.68	2.96%	4,687,190.00	3.71%
Dalian Port Machinery Co., Ltd.	Engineering Construction	Construction labour	Terms of agreement	1,000,087.49	1.80%	3,404,880.00	2.69%
Dalian Harbour ECL Logistics Co., Ltd.	Engineering Construction	Construction labour	Terms of agreement	313,499.67	0.56%	-	-
大連港鍋爐安裝有限公司	Engineering Construction	Construction labour	Terms of agreement	24,329.00	0.04%	11,825,962.59	9.36%
Dalian Port Corporation Finance Co., Ltd.	Engineering Construction	Construction labour	Terms of agreement	3,000.00	0.01%	-	-
Dalian Port Design & Research Institute Co., Ltd.	Engineering Construction	Construction labour	Terms of agreement	-	-	4,369,918.00	3.46%
大連港萬通物流有限公司	Engineering Construction	Construction labour	Terms of agreement	-	-	156,667.07	0.12%
Dalian Wanpeng Jichu Engineering Co., Ltd.	Engineering Construction	Construction labour	Terms of agreement	-	-	1,946,972.00	1.54%
				55,538,109.17		126,351,511.07	

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(e) Transfer of assets (continued)

Disposal of assets

Related party	Nature of Transaction	Type of transactions	Pricing Policy	For the six months ended 30 June 2014 (Unaudited)		For the six months ended 30 June 2013 (Unaudited)	
				Amount	Percentage of similar transactions	Amount	Percentage of similar transactions
Dalian Port Group	The Right of using sea area	Disposal of assets	Terms of agreement	-	-	8,539.33	2.16%
Dalian Automobile Terminal Co., Ltd.	Computer and relevant equipment	Disposal of assets	Terms of agreement	-	-	242,801.20	61.31%
Dalian Changxing Island Port Co., Ltd.	Computer and relevant equipment	Disposal of assets	Terms of agreement	-	-	272.00	0.07%
瓦房店太平灣港有限公司	Computer and relevant equipment	Disposal of assets	Terms of agreement	-	-	6,142.42	1.55%
Odfjell Terminals (Dalian) Ltd.	Computer and relevant equipment	Disposal of assets	Terms of agreement	-	-	52,828.47	13.34%
Dalian International Container Terminal Co., Ltd.	Computer and relevant equipment	Disposal of assets	Terms of agreement	-	-	85,470.09	21.58%
				-	-	396,053.51	

(f) Deposits with a related party

As at 30 June 2014, the Group's deposits in Dalian Port Corporation Finance Co., Ltd. were RMB946,376,722.46 and the Group gained an interest income of RMB5,226,871.14.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(g) Remuneration of key management

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Remuneration of key management	2,800,530.00	2,499,427.02

(6) Receivables from and payables to related parties

Receivables from related parties:

	30 June 2014 (Unaudited)		31 December 2013	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Accounts receivable				
Amounts due from joint ventures and associates				
Dalian Port Container Terminal Co., Ltd.	5,641,119.15	-	2,275,945.71	-
大連港散貨物流中心有限公司	5,099,291.20	-	4,425,232.00	-
Dalian International Container Terminal Co., Ltd.	3,486,670.30	-	2,666,393.23	-
Dalian China Oil Dock Management Co., Ltd.	2,160,000.00	-	4,647,135.66	-
大連普集倉儲設施有限公司	1,417,771.39	-	1,417,771.39	-
Dalian Automobile Terminal Co., Ltd.	654,368.33	-	593,129.26	-
Dalian Dagang China Shipping Container Terminal Co., Ltd.	532,275.51	-	109,420.64	-
China Unite Northeast Rail Containers Co., Ltd.	514,318.00	-	155,000.00	-
Liaoning Con-Rail International Logistics Co., Ltd.	394,411.95	-	-	-
Dalian Changxing Island Port Co., Ltd.	128,549.55	-	512,049.55	-
Dalian North Petroleum Logistics Co., Ltd.	77,000.00	-	-	-
Odfjell Terminals (Dalian) Ltd.	2,541.40	-	374,105.82	-
Dalian Assembling Transportation Logistics Co., Ltd.	-	-	8,969.00	-

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(6) Receivables from and payables to related parties (continued)

Receivables from related parties: (continued)

	30 June 2014 (Unaudited)		31 December 2013	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Accounts receivable (continued)				
<u>Amounts due from joint ventures and associates (continued)</u>				
Dalian Changxing Island Port Investment and Development Co., Ltd.	-	-	44,100.00	-
Dalian Vanguard International Logistics Co., Ltd.	-	-	265,000.00	-
Dalian United International Shipping Agency Co., Ltd.	-	-	324,551.58	-
Dalian Sound JF Supply Chain Management Co., Ltd.	-	-	1,580.00	-
Dalian Jilong Logistics Co., Ltd.	-	-	15,585.00	-
大連毅都冷鏈有限公司	-	-	34,131.00	-
Dalian Singamas International Container Co., Ltd.	-	-	2,373.50	-
	20,108,316.78	-	17,872,473.34	-
<u>Amounts due from other related parties</u>				
Dalian Port Machinery Co., Ltd.	3,014,782.30	-	-	-
Dalian Port Machinery & Electric Co., Ltd.	87,709.50	-	87,709.50	-
大連中油船用燃料運銷有限公司	102.00	-	-	-
大連港萬通物流有限公司	-	-	4,156,337.60	-
大連水產品交易有限公司	-	-	16,667.00	-
	3,102,593.80	-	4,260,714.10	-
	23,210,910.58	-	22,133,187.44	-

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(6) Receivables from and payables to related parties (continued)

Receivables from related parties: (continued)

	30 June 2014 (Unaudited)		31 December 2013	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Other receivables				
<u>Amounts due from joint ventures and associates</u>				
大連普集倉儲設施有限公司	24,000,000.00	—	—	—
China Shipping Gang Lian Co., Ltd.	13,432,800.00	—	—	—
Liaoning Con-Rail International Logistics Co., Ltd.	11,320,166.54	—	—	—
Dalian Port PetroChina International Terminal Co., Ltd.	1,909,300.00	—	1,909,300.00	—
Dalian Changxing Island Port Co., Ltd.	1,747,736.95	—	1,747,736.95	—
Dalian Changxing Island Port Investment and Development Co., Ltd.	1,701,551.25	—	1,708,172.40	—
Dalian Port Container Terminal Co., Ltd.	1,078,876.54	—	754,429.26	—
Dalian International Container Terminal Co., Ltd.	755,667.65	—	604,302.88	—
Dalian Vanguard International Logistics Co., Ltd.	527,429.00	—	527,429.00	—
Dalian Automobile Terminal Co., Ltd.	312,969.05	—	307,844.09	—
China Shipping Gang Lian Co., Ltd.	150,000.00	—	303,000.00	—
Odfjell Terminals (Dalian) Ltd.	71,490.00	—	221,294.94	—
Dalian Yido Cold Chain Co., Ltd.	41,883.00	—	33,905.00	—
Dalian Harbour ECL Logistics Co., Ltd.	40,516.21	—	266,044.00	—
Dalian Dagang China Shipping Container Terminal Co., Ltd.	11,016.59	—	15,956.39	—
大連港盛招標代理有限公司	6,000.00	—	30,000.00	—
Dalian Port Corporation Finance Co., Ltd.	3,340.27	—	45,822.22	—
Dalian Assembling Transportation Logistics Co., Ltd.	—	—	19,412.00	—
Dalian Jilong Logistics Co., Ltd.	—	—	20,000.00	—
PetroChina Dalian LNG Co., Ltd.	—	—	9,100.00	—
Dalian China Oil Dock Management Co., Ltd.	—	—	826,302.13	—
Dalian United International Shipping Agency Co., Ltd.	—	—	322,144.00	—
	57,110,743.05	—	9,672,195.26	—
<u>Amount due from the parent</u>				
大連港集團有限公司	2,333,340.30	—	5,849,044.30	—

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(6) Receivables from and payables to related parties (continued)

Receivables from related parties: (continued)

	30 June 2014 (Unaudited)		31 December 2013	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Other receivables (continued)				
<u>Amounts due from other related parties</u>				
Dalian Port Petroleum & Chemical Co., Ltd.	2,131,669.00	–	220,000.00	–
錦州遼西大連港置業有限公司	785,000.00	–	–	–
Dalian Port Construction Engineering Co., Ltd.	763,803.02	–	1,427,478.02	–
大連港實業有限公司	654,769.62	–	–	–
Dalian Port Machinery & Electric Co., Ltd.	189,252.50	–	139,252.50	–
大連中油海港石油銷售有限公司	80,000.00	–	136,000.00	–
Dalian Port New Harbour Construction Engineering Co., Ltd.	40,577.00	–	40,577.00	–
大連宏譽大廈有限公司	15,387.00	–	20,387.00	–
大連萬峰置業有限公司	14,721.01	–	214,981.01	–
Dalian Port Machinery Co., Ltd.	6,201.00	–	–	–
大連港置地有限公司	1,384.00	–	–	–
大連海港大廈	–	–	6,120.00	–
大連保稅區永德信房地產開發建設 有限公司	–	–	33,125.00	–
大連港萬通物流有限公司	–	–	12,556.00	–
	4,682,764.15	–	2,250,476.53	–
	64,126,847.50	–	17,771,716.09	–

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(6) Receivables from and payables to related parties (continued)

Receivables from related parties: (continued)

	30 June 2014 (Unaudited)		31 December 2013	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Advances to suppliers				
<u>Advance to the parent</u>				
Dalian Port Corporation Limited	2,344,745.20	–	–	–
<u>Advance to other related parties</u>				
大連中油海港石油銷售有限公司	1,806,449.66	–	1,813,465.71	–
大連港實業有限公司	–	–	14,678.63	–
	1,806,449.66	–	1,828,144.34	–
	4,151,194.86	–	1,828,144.34	–
Interest receivable				
<u>Amounts due from joint ventures and associates</u>				
Dalian Port Corporation Finance Co., Ltd.	864,040.75	–	4,280,397.95	–
China Shipping Gang Lian Co., Ltd.	230,596.40	–	26,865.60	–
大連普集倉儲設施有限公司	40,000.00	–	41,066.66	–
Liaoning Con-Rail International Logistics Co., Ltd.	9,350.14	–	11,540.96	–
	1,143,987.29	–	4,359,871.17	–
Long-term receivables				
<u>Amounts due from associates</u>				
Jadeway Limited	14,361,313.76	–	–	–
SINOECL Auto Liners, Limited	10,227,093.60	–	–	–
	24,588,407.36	–	–	–

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(6) Receivables from and payables to related parties (continued)

Receivables from related parties: (continued)

	30 June 2014 (Unaudited)		31 December 2013	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Other current assets				
<u>Amounts due from joint ventures and associates</u>				
大連普集倉儲設施有限公司	-	-	24,000,000.00	-
China Shipping Gang Lian Co., Ltd.	-	-	13,432,800.00	-
Liaoning Con-Rail International Logistics Co., Ltd.	-	-	6,295,000.00	-
	-	-	43,727,800.00	-
Other non-current assets				
<u>Amount due from associates</u>				
Jadeway Limited	-	-	13,724,563.02	-
SINOECL Auto Liners, Limited	-	-	10,082,393.06	-
	-	-	23,806,956.08	-

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)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(6) Receivables from and payables to related parties (continued)

Payables to related parties:

	30 June 2014 (Unaudited) Ending balance	31 December 2013 Ending balance
Accounts payable		
<u>Amount due to associates</u>		
Dalian Changxing Island Port Investment and Development Co., Ltd.	9,150,000.00	4,350,000.00
Dalian PetroChina International Storage Co., Ltd.	4,776,000.00	–
Dalian International Container Terminal Co., Ltd.	650,000.00	52,661.00
Dalian North Petroleum Logistics Co., Ltd.	330,000.00	–
Dalian Port Container Terminal Co., Ltd.	–	21,160.00
Dalian Singamas International Container Co., Ltd.	–	113,115.47
Dalian Jilong Logistics Co., Ltd.	–	2,916.00
	14,906,000.00	4,539,852.47
<u>Amount due to other related parties</u>		
Dalian Port Construction Engineering Co., Ltd.	1,917,086.13	419,832.99
大連保稅區永德信房地產開發建設有限公司	655,457.63	–
大連宏譽大廈有限公司	327,578.85	–
Dalian Port Machinery Co., Ltd.	7,531.00	224,870.00
大連中油海港石油銷售有限公司	–	203,732.49
	2,907,653.61	848,435.48
	17,813,653.61	5,388,287.95

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(6) Receivables from and payables to related parties (continued)

Payables to related parties: (continued)

	30 June 2014 (Unaudited) Ending balance	31 December 2013 Ending balance
Other payables		
<u>Amount due to joint ventures and associates</u>		
Dalian International Container Terminal Co., Ltd.	588,670.00	20,000.00
Dalian United International Shipping Agency Co., Ltd. 大連毅都冷鏈有限公司	300,500.00 50,800.00	2,264,633.00 –
Dalian Port Container Terminal Co., Ltd.	37,355.00	21,660.00
Dalian Singamas International Container Co., Ltd.	20,700.00	41,431.42
Dalian Dagang China Shipping Container Terminal Co., Ltd.	20,000.00	20,000.00
Dalian Automobile Terminal Co., Ltd.	6,681.03	49,521.00
Odfjell Terminals (Dalian) Ltd. 大連毅都冷鏈有限公司	– –	207,814.00 20,900.00
Odfjell Dalian Port Consulting Co., Ltd.	–	120,000.00
China United Tally Co., Ltd. Dalian	–	12,000.00
Dalian Assembling Transportation Logistics Co., Ltd. 大連港散貨物流中心有限公司	– –	50,000.00 887,741.00
Dalian Jilong Logistics Co., Ltd.	–	39,961.46
	1,024,706.03	3,755,661.88
<u>Amount due to the parent</u>		
Dalian Port Corporation Limited	2,941,148.83	1,149,047.55

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(6) Receivables from and payables to related parties (continued)

Amount due to related parties (continued):

	30 June 2014 (Unaudited) Ending balance	31 December 2013 Ending balance
Other payables		
<u>Amount due to other related parties</u>		
Dalian Port Construction Engineering Co., Ltd.	179,001,790.16	264,727,322.01
Dalian Port Machinery & Electric Co., Ltd.	58,360,004.53	65,344,647.78
Dalian Port New Harbour Construction Engineering Co., Ltd.	2,822,650.56	5,776,830.53
Dalian Wanpeng Jichu Engineering Co., Ltd.	2,355,702.43	2,395,702.43
大連港鍋爐安裝有限公司	2,057,996.40	7,403,429.03
大連保稅區永德信房地產開發建設有限公司	1,587,250.63	50,435.70
Dalian Port Machinery Co., Ltd.	1,378,713.73	3,780,727.63
大連宏譽大廈有限公司	866,013.80	50,435.70
大連經濟技術開發區海灣貨運公司	313,940.52	313,385.76
大連港萬通物流有限公司	243,103.21	249,071.07
大連港實綠化工程有限公司	86,531.30	163,100.00
大連港實業有限公司	44,048.38	14,183.40
大連港保安服務公司	20,000.00	–
Dalian Port Design & Research Institute Co., Ltd.	–	684,980.00
	249,137,745.65	350,954,251.04
	253,103,600.51	355,858,960.47

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(6) Receivables from and payables to related parties (continued)

Amount due to related parties (continued):

	30 June 2014 (Unaudited) Ending balance	31 December 2013 Ending balance
Advances from customers		
<u>Advance from joint ventures and associates</u>		
Dalian Port Container Terminal Co., Ltd.	–	8,044,275.07
Dalian Assembling Transportation Logistics Co., Ltd.	–	736,000.00
Dalian Jilong Logistics Co., Ltd.	–	154,709.20
Dalian Automobile Terminal Co., Ltd.	–	110,150.00
大連毅都冷鏈有限公司	–	75,129.03
Dalian Singamas International Container Co., Ltd.	–	53,032.33
Dalian China Oil Dock Management Co., Ltd.	–	17,755.75
Dalian Wanpeng Port Engineering Examination & Testing Co., Ltd.	–	5,341.15
大連普集倉儲設施有限公司	–	2,759.72
PetroChina Dalian LNG Co., Ltd.	–	1,100.00
大連港散貨物流中心有限公司	–	490.00
	–	9,200,742.25
Advances from customers		
<u>Advance from other related parties</u>		
大連萬通榮海船務有限公司	50,000.00	–
	50,000.00	9,200,742.25

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(6) Receivables from and payables to related parties (continued)

Amount due to related parties (continued):

	30 June 2014 (Unaudited) Ending balance	31 December 2013 Ending balance
Interest payable		
Amount due to joint ventures and associates		
Dalian Port Corporation Finance Co., Ltd.	789,998.04	171,111.11
Dalian Assembling Transportation Logistics Co., Ltd.	-	25,666.63
Dalian Harbour ECL Logistics Co., Ltd.	-	20,167.00
	789,998.04	216,944.74
Interest payable		
Amount due to other related parties		
Dalian Equipment Finance Leasing Co., Ltd.	9,427,397.26	-
Notes payable		
Amount due to other related parties		
Dalian Port Construction Engineering Co., Ltd.	23,390,190.20	19,750,000.00
Dalian Port New Harbour Construction Engineering Co., Ltd.	400,000.00	-
	23,790,190.20	19,750,000.00
Short-term borrowings		
Amount due to associates		
Dalian Port Corporation Finance Co., Ltd.	140,000,000.00	100,000,000.00
Dalian Harbour ECL Logistics Co., Ltd.	-	10,000,000.00
	140,000,000.00	110,000,000.00
Long-term borrowings		
Amount due to joint ventures and associates		
Dalian Assembling Transportation Logistics Co., Ltd.	-	21,000,000.00
Amount due to other related parties		
Dalian Equipment Finance Leasing Co., Ltd.	1,700,000,000.00	-
Current portion of long-term borrowings		
Amount due to associates		
Dalian Port Corporation Finance Co., Ltd.	-	20,000,000.00
Amount due to other related parties		
Dalian Equipment Finance Leasing Co., Ltd.	6,389,648.46	-

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

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(7) Commitments in relation to related parties

The commitments in relation to related parties contracted for but not yet necessary to be recognised on the balance sheet by the Group as at the balance sheet date are as follows:

Leases

	30 June 2014 (Unaudited)	31 December 2013
Leased in		
Dalian Port Corporation Limited	119,803,301.57	127,793,841.39
Dalian Port PetroChina International Terminal Co., Ltd.	45,250,000.00	–
Dalian Changxing Island Port Investment and Development Co., Ltd.	27,150,000.00	–
Dalian PetroChina International Storage Co., Ltd.	24,692,520.77	–
大連保稅區永德信房地產開發建設有限公司	2,408,353.96	492,299.23
大連海港大廈	1,080,765.00	–
大連宏譽大廈有限公司	420,186.02	245,249.60
大連港實業有限公司	171,880.00	162,500.00
Dalian Automobile Terminal Co., Ltd.	78,822.00	–
	221,055,829.32	128,693,890.22
Leased out		
大連港實業有限公司	891,367.62	407,316.00
Dalian Port Container Terminal Co., Ltd.	479,895,000.00	494,340,000.00
大連港萬通物流有限公司	42,322.50	6,324.75
Dalian Jilong Logistics Co., Ltd.	753,290.52	3,013,162.08
大連毅都冷鏈有限公司	542,014.68	–
Dalian China Oil Dock Management Co., Ltd.	9,430,000.00	–
Liaoning Con-Rail International Logistics Co., Ltd.	481,073.97	–
	492,035,069.29	497,766,802.83

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

7 Related parties and related party transactions (continued)

(7) Commitments in relation to related parties (continued)

Transfer of assets

	30 June 2014 (unaudited)	31 December 2013
Transferred in		
Dalian Port Construction Engineering Co., Ltd.	56,469,348.63	69,419,253.29
Dalian Port Machinery & Electric Co., Ltd.	8,638,479.12	17,930,076.33
Dalian Port Machinery Co., Ltd.	1,912,785.00	1,993,525.00
Dalian Port Corporation Limited	840,590.00	5,781,280.00
Dalian Port New Harbour Construction Engineering Co., Ltd.	61,979.20	1,134,749.48
	67,923,181.95	96,258,884.10

Guarantee

Guarantee provided

For the detail of guarantee provided as at 30 June 2014, Please refer to Note 7(5)(c).

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

8 Contingency

Guarantee

- (1) The Group'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 (29% equity interests) of DNPL, provided a guarantee for the bank loan.

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

- (2) The Group's associate, Dalian North Petroleum Logistics Co., Ltd. ("DNPL"), applied to the North Industries Group Finance Company Ltd. of China North Industries Group Corporation for a bank loan of RMB50 million for a period of one year. China Zhenhua Oil Co., Ltd., which is the substantial shareholder (29% equity interests) of DNPL, provided a guarantee for the bank loan.

Pursuant to the directors' resolution at the third meeting in 2014 of the third board of directors, the Company provided a counter guarantee for 20% of the guarantee liability actually assumed by China Zhenhua Oil Co., Ltd. to the North Industries Group Finance Company Ltd. for DNPL. The counter guarantee was unconditional and non-cancellable and the relevant counter guarantee contract was signed on 6 June 2014. The counter guarantee period was one year since the date China Zhenhua Oil Co., Ltd. had the guarantee responsibility to the North Industries Group Finance Company Ltd. according to the guarantee contract.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

9 Commitments

(1) Capital commitments

(a) Capital expenditures contracted for but not yet necessary to be recognised on the balance sheet:

	30 June 2014 (Unaudited)	31 December 2013
Buildings, machinery and equipment	275,946,063.97	346,972,104.68

(b) The Group's share of the joint ventures' own commitments for capital expenditure are as follows:

	30 June 2014 (Unaudited)	31 December 2013
Buildings, machinery and equipment	327,850,258.54	940,524,086.56
Intangible assets	137,531.10	217,025.56
	327,987,789.64	940,741,112.12

(2) Operating lease commitments

The future minimum lease payments due under the signed irrevocable operating leases contracts are summarised as follows:

	30 June 2014 (Unaudited)	31 December 2013
Within 1 year	145,627,603.82	36,170,821.81
1 to 2 years	18,551,013.79	33,582,027.57
2 to 3 years	4,337,717.00	3,520,000.00
Over 3 years	54,560,000.00	56,320,000.00
	223,076,334.61	129,592,849.38

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

9 Commitments (continued)

(3) Investment commitments

Pursuant to the agreement signed with 大連西中島石化工業園區發展有限公司 and 奧德費爾(中國)儲罐碼頭有限公司 on 1 September 2013, the Company was committed to invest RMB15 million for 30% equity interests of Odfjell Changxing Terminals (Dalian) Co., Ltd.. As at 30 June 2014, the Company had not completed the above investment (RMB2.25 million has been invested).

Pursuant to the agreement signed between the Group's subsidiaries, Dalian ETDZ Jin Xin Petro-chemistry Company Limited and Asia Pacific Ports (Dalian) Co., Ltd., and Northeast Asia Spot Commodity Exchange Limited and Dalian Port Petroleum & Chemical Co., Ltd. on 17 April 2014, Dalian ETDZ Jin Xin Petro-chemistry Company Limited was committed to invest RMB12.5 million for 25% equity interests of 東北亞石化交易中心有限公司, and Asia Pacific Ports (Dalian) Co., Ltd. was committed to invest RMB10 million for 20% equity interests of 東北亞石化交易中心有限公司. As at 30 June 2014, the above investments had not been paid.

The Group's subsidiary, Dalian Port Container Development Co., Ltd., was committed to inject additional capital of RMB50 million to its invested enterprise, 大連毅都冷鏈有限公司. As at 30 June 2014, the investment had not been paid.

(4) Fulfilment of commitments for the previous period

The Group had fulfilled the capital and operating lease commitments disclosed on 31 December 2013.

Dalian Port Container Development Co., Ltd. and Dalian Yidu Group Co., Ltd. established a joint venture company. Dalian Port Container Development Co., Ltd. was committed to invest RMB10.2 million for 51% equity interests of the joint venture company, and Dalian Port Container Development Co., Ltd. had completed the payment in 2014.

Dalian Port (PDA) Company Limited and 大連保稅區華潤燃氣有限公司 signed joint venture contract in February 2013 and were committed to establish 大連港潤燃氣有限公司 with capital contribution of RMB5.1 million. Dalian Port (PDA) Company Limited owned 51% equity interests and the capital contribution was to be completed in two phases. The first contribution of RMB2.55 million was paid upon the establishment of the Company and the second contribution was to be paid within two years from the date of registration. Dalian Port (PDA) Company Limited had completed the payment according to the above schedule before the end of 30 June 2014.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

10 Events after the balance sheet date

Significant events after the balance sheet date

(1)	Item	Content	Effects to financial positions and operating results	Reason for affected amount not being reliably estimated
	Payables repayment (Note 5 (26)(b)) (Note 5 (27)(b)) (Note 5 (32)(b))	Repayment of significant payables with ageing above 1 year	Asset and liability decrease RMB15,976,992.36 respectively	–

- (2) According to the Resolution of the first (interim) meeting in 2014 of the Fourth Board of Directors, the Company is authorised to issue a three-year RMB bonds with amount less than RMB1,000 million in Hong Kong and two directors were appointed for the whole relevant matters.

11 Leases

The future lease payments of fixed assets and intangible assets held under finance leases (Note 5(15)(a)) are as follows:

	30 June 2014 (Unaudited)	31 December 2013
Within 1 year	7,689,756.92	4,007,076.92
1 to 2 years	7,689,756.92	4,007,076.92
2 to 5 years	10,192,271.62	10,352,470.08
	25,571,785.46	18,366,623.92

As at 30 June 2014, the balance of unrecognised financing charge is RMB2,816,727.74 (31 December 2013: RMB2,694,418.84) (Note 5(36)(a)).

12 Business combinations

See Note 4(3).

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

13 Financial instruments and risk

The Group's activities expose it to a variety of financial risks: market risk (primarily currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(1) Market risk

(a) Foreign exchange risk

The Group's major operational activities are carried out in Mainland China and a majority of the transactions are denominated in RMB. The Group is exposed to foreign exchange risk arising from the recognized assets and liabilities, and future transactions denominated in foreign currencies, primarily with respect to US dollars. The Group's finance department is responsible for monitoring the amount of assets and liabilities, and transactions denominated in foreign currencies. The Group may consider entering into forward exchange contracts or currency swap contracts to mitigate the foreign exchange risk. For the six months ended 30 June 2014 and 2013, the Group did not enter into any forward exchange contracts or currency swap contracts.

As at 30 June 2014 and 31 December 2013, the carrying amounts in RMB equivalent of the Group's assets and liabilities denominated in foreign currencies are summarised below:

	30 June 2014 (Unaudited)			
	USD	HKD	Others	Total
Financial assets denominated in foreign currency –				
Cash at bank and on hand	32,982,366.46	25,765,458.23	528,983.69	59,276,808.38
Receivables	340,179,638.21	–	2,553.60	340,182,191.81
Available-for-sale financial assets	–	16,802,920.26	–	16,802,920.26
Others	–	10,227,093.60	14,361,313.76	24,588,407.36
	373,162,004.67	52,795,472.09	41,391,327.62	440,850,327.81
Financial liabilities denominated in foreign currency –				
Short-term borrowings	234,155,740.09	–	83,254,776.43	317,410,516.52
Payables	2,430,034.82	201,397.21	–	2,631,432.03
Long-term borrowings	284,456,659.12	–	–	284,456,659.12
	521,042,434.03	201,397.21	83,254,776.43	604,498,607.67

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

13 Financial instrument and risk (continued)

(1) Market risk (continued)

(a) Foreign exchange risk (continued)

	31 December 2013			Total
	USD	HKD	Others	
Financial assets denominated in foreign currency –				
Cash at bank and on hand	36,820,465.85	2,584,747.59	1,143,666.11	40,548,879.55
Receivables	210,320,185.62	–	2,745.50	210,322,931.12
Available-for-sale financial assets	–	21,214,860.11	–	21,214,860.11
Others	–	10,082,393.06	13,724,563.02	23,806,956.08
	<u>247,140,651.47</u>	<u>33,882,000.76</u>	<u>14,870,974.63</u>	<u>295,893,626.86</u>
Financial liabilities denominated in foreign currency –				
Short-term borrowings	243,244,499.16	–	–	243,244,499.16
Payables	7,380,648.33	221,195.63	–	7,601,843.96
Long-term borrowings	279,191,221.44	–	–	279,191,221.44
	<u>529,816,368.93</u>	<u>221,195.63</u>	<u>–</u>	<u>530,037,564.56</u>

As at 30 June 2014, if the currency had weakened/strengthened by 10% against the USD while all other variables had been held constant, the Group's net profit for the year would have been approximately RMB11,091,032.20 (31 December 2013: approximately RMB21,200,678.81 higher/lower) higher/lower for various financial assets and liabilities denominated in USD.

As at 30 June 2014, if the currency had weakened/strengthened by 10% against the HKD while all other variables had been held constant, the Group's net profit for the year would have been approximately RMB3,944,555.62 (31 December 2013: approximately RMB2,524,560.38 lower/higher) lower/higher for various financial assets and liabilities denominated in HKD.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

13 Financial instrument and risk (continued)

(1) Market risk (continued)

(b) Interest rate risk

The Group's interest rate risk arises from long-term interest bearing debts including long-term borrowings, debentures payable and etc. Financial liabilities issued at floating rates expose the Group to cash flow interest rate risk. Financial liabilities issued at fixed rates expose the Group to fair value interest rate risk. The Group kept the ratio of financial liabilities issued at floating rate or fixed rate according to current market environment. On 30 June 2014, the Group had no long-term interest bearing borrowings calculated with floating rates.

The Group's finance department continuously monitors the interest rate position of the Group. Increases in interest rates will increase the cost of new borrowing and the interest expenses with respect to the Group's outstanding interest bearing borrowings calculated with floating rates, and therefore could have a material adverse effect on the Group's financial position. The Group makes adjustments timely with reference to the latest market conditions and may enter into interest rate swap agreements to mitigate its exposure to interest rate risk. For the six months ended 30 June 2014 and 2013, the Group did not enter into interest rate swap agreements.

(2) Credit risk

Credit risk is managed on the grouping basis. Credit risk mainly arises from cash at bank, accounts receivable, other receivables, notes receivable, other current assets and other non-current assets and etc.

The Group expects that there is no significant credit risk associated with cash at bank since they are deposited at state-owned banks and other medium or large size listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

In addition, the Group has policies to limit the credit exposure on accounts receivable, other receivables, notes receivable, other current assets and other non-current assets. The Group assesses the credit quality of and sets credit limits on its customers by taking into account their financial position, the availability of guarantee from third parties, their credit history and other factors such as current market conditions. The credit record of the customers is regularly monitored by the Group. In respect of customers with a poor credit record, the Group will use written payment reminders, or shorten or cancel credit periods, to ensure the overall credit risk of the Group is limited to a controllable extent.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

13 Financial instrument and risk (continued)

(3) Liquidity risk

Cash flow forecasting is performed by each subsidiary of the Group and aggregated by the Group's finance department. The Group's finance department monitors rolling forecasts of the Group's short-term and long-term liquidity requirements to ensure it has sufficient cash and securities that are readily convertible for cash to meet operational needs, while maintaining sufficient headroom on its undrawn committed borrowing facilities from major financial institution so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities to meet the short-term and long-term liquidity requirements.

The financial assets and liabilities of the Group at the balance sheet date are analysed by their maturity date below at their undiscounted contractual cash flows:

	30 June 2014 (Unaudited)				Total
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Financial assets –					
Cash at bank and on hand	1,997,628,832.80	-	-	-	1,997,628,832.80
Receivables	1,500,173,724.28	-	-	-	1,500,173,724.28
Available-for-sale financial assets	103,790,000.00	77,272,680.00	-	63,805,898.02	244,868,578.02
Others	-	-	-	30,798,191.16	30,798,191.16
	3,601,592,557.08	77,272,680.00	-	94,604,089.18	3,773,469,326.26
Financial liabilities –					
Short-term borrowings	462,897,603.17	-	-	-	462,897,603.17
Payables	1,495,541,503.21	-	-	-	1,495,541,503.21
Current portion of non-current liabilities	1,006,373,886.79	-	-	-	1,006,373,886.79
Long-term borrowings	169,056,656.56	761,426,656.56	2,496,680,154.01	-	3,427,163,467.13
Debentures payable	284,875,000.00	284,875,000.00	3,344,300,000.00	2,599,100,000.00	6,513,150,000.00
Long-term payables	-	7,689,756.92	10,192,271.62	-	17,882,028.54
	3,418,744,649.73	1,053,991,413.48	5,851,172,425.63	2,599,100,000.00	12,923,008,488.84

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

13 Financial instrument and risk (continued)

(3) Liquidity risk (continued)

	31 December 2013				Total
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Financial assets –					
Cash at bank and on hand	2,339,398,061.70	–	–	–	2,339,398,061.70
Receivables	1,060,715,629.61	–	–	–	1,060,715,629.61
Available-for-sale financial assets	1,032,000,000.00	–	–	69,217,860.11	1,101,217,860.11
Others	45,625,368.00	–	–	30,798,191.16	76,423,559.16
	<u>4,477,739,059.31</u>	<u>–</u>	<u>–</u>	<u>100,016,051.27</u>	<u>4,577,755,110.58</u>
Financial liabilities –					
Short-term borrowings	399,160,127.23	–	–	–	399,160,127.23
Payables	1,365,349,579.68	–	–	–	1,365,349,579.68
Current portion of non-current liabilities	3,287,248,331.11	–	–	–	3,287,248,331.11
Long-term borrowings	68,664,237.17	575,484,129.87	995,745,870.13	–	1,639,894,237.17
Debentures payable	165,901,227.36	423,200,000.00	3,366,300,000.00	2,723,650,429.83	6,679,051,657.19
Long-term payables	–	4,007,076.92	10,352,470.08	–	14,359,547.00
	<u>5,286,323,502.55</u>	<u>1,002,691,206.79</u>	<u>4,372,398,340.21</u>	<u>2,723,650,429.83</u>	<u>13,385,063,479.38</u>

(4) Fair value

(a) Financial instruments not measured at fair value

Financial assets and liabilities not measured at fair value mainly represent receivables, held-to-maturity investments, short-term borrowings, payables, long-term borrowings, debentures payables and long-term payables.

Except for financial assets and liabilities listed below, the carrying amount of the other financial assets and liabilities not measured at fair value is a reasonable approximation of their fair value.

	30 June 2014 (unaudited)		31 December 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Shareholder loans	24,588,407.36	10,539,608.20	23,806,956.08	10,739,644.86

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

13 Financial instrument and risk (continued)

(4) Fair value (continued)

(b) Financial instruments measured at fair value

Based on the lowest level input that is significant to the fair value measurement in its entirety, the fair value hierarchy has the following levels:

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

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

As at 30 June 2014, the financial assets measured at fair value by the above three levels are analysed below (Unaudited):

	Level 1	Level 2	Level 3	Total
Financial assets –				
Financial assets held for trading –				
Financial assets at fair value through profit or loss	14,288,449.89	–	–	14,288,449.89
Available-for-sale financial assets –				
Available-for-sale equity instruments	16,802,920.26	–	–	16,802,920.26
Entrusted investment	–	–	165,820,000.00	165,820,000.00
	31,091,370.15	–	165,820,000.00	196,911,370.15

As at 31 December 2013, the financial assets measured at fair value by the above three levels are analysed below:

	Level 1	Level 2	Level 3	Total
Financial assets –				
Financial assets held for trading –				
Financial assets at fair value through profit or loss	12,412,829.99	–	–	12,412,829.99
Available-for-sale financial assets –				
Available-for-sale equity instruments	21,214,860.11	–	–	21,214,860.11
Entrusted investment	–	–	1,000,000,000.00	1,000,000,000.00
	33,627,690.10	–	1,000,000,000.00	1,033,627,690.10

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
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13 Financial instrument and risk (continued)

(4) Fair value (continued)

(b) Financial instruments measured at fair value (continued)

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using a valuation method. Valuation method includes using prices of recent market transactions between knowledgeable and willing parties, reference to the current fair value of other financial assets that are substantially the same with this instrument, and discounted cash flow analysis, etc. The hypotheses of the valuation method include prepayment rates, rates of estimated credit losses, and interest rates or discount rates.

The changes in level 3 financial assets are analysed below:

	Available-for-sale financial assets
	Entrusted investment
1 January 2013	–
Purchases	2,000,000,000.00
Sales	<u>(1,000,000,000.00)</u>
31 December 2013	<u>1,000,000,000.00</u>
1 January 2014	1,000,000,000.00
Purchases	165,820,000.00
Sales	<u>(1,000,000,000.00)</u>
30 June 2014	<u>165,820,000.00</u>

The total gains recognized in profit or loss for the 6 months ended 30 June 2014 that are attributable to level 3 financial assets held by the Company as at 30 June 2014 amounted to RMB1,302,494.80. The total gains recognized in profit or loss for the year ended 31 December 2013 that are attributable to level 3 financial assets held as at 31 December 2013 amounted to RMB10,666,666.68.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

14 Assets and liabilities measured at fair value

	31 December 2013	Gains or losses arising from changes in fair value in current period	Cumulative amount of changes in fair value recognised directly in equity	Current period impairment	30 June 2014 (Unaudited)
Financial assets –					
Financial assets at fair value through profit or loss	12,412,829.99	165,619.90	-	-	14,288,449.89
Available-for-sale financial assets	1,021,214,860.11	-	(4,597,300.25)	-	182,622,920.26
	1,033,627,690.10	165,619.90	(4,597,300.25)	-	196,911,370.15

	1 January 2013	Gains or losses arising from changes in fair value in current period	Cumulative amount of changes in fair value recognised directly in equity	Current period impairment	31 December 2013
Financial assets –					
Financial assets at fair value through profit or loss	-	(6,621,030.01)	-	-	12,412,829.99
Available-for-sale financial assets	18,924,264.64	-	6,931,124.61	-	1,021,214,860.11
	18,924,264.64	(6,621,030.01)	6,931,124.61	-	1,033,627,690.10

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

15 Financial assets and liabilities in foreign currencies

	31 December 2013	Gains or losses arising from changes in fair value in current period	Cumulative amount of changes in fair value recognised directly in equity	Unrecognised impairment in current period	30 June 2014 (Unaudited)
Financial assets					
Cash at bank and on hand	40,548,879.55	-	-	-	59,276,808.38
Loans and receivables	210,320,185.62	-	-	-	340,179,638.21
Available-for-sale financial assets	21,214,860.11	-	(4,597,300.25)	-	16,802,920.26
Others	23,806,956.08	-	-	-	24,588,407.36
Subtotal	295,890,881.36	-	(4,597,300.25)	-	440,847,774.21
Financial liabilities					
Short-term borrowings	243,244,499.16	-	-	-	317,410,516.52
Long-term borrowings	279,191,221.44	-	-	-	284,456,659.12
Payables	7,601,843.96	-	-	-	2,631,432.03
Subtotal	530,037,564.56	-	-	-	604,498,607.67

	1 January 2013	Gains or losses arising from changes in fair value in current period	Cumulative amount of changes in fair value recognised directly in equity	Impairment accrued in current period	31 December 2013
Financial assets					
Cash at bank and on hand	25,296,767.51	-	-	-	40,548,879.55
Loans and receivables	27,544,912.58	-	-	-	210,320,185.62
Available-for-sale financial assets	14,534,238.64	-	6,931,124.61	-	21,214,860.11
Others	27,544,912.58	-	-	-	23,806,956.08
Subtotal	94,920,831.31	-	6,931,124.61	-	295,890,881.36
Financial liabilities					
Short-term borrowings	38,533,101.12	-	-	-	243,244,499.16
Long-term borrowings	288,915,409.65	-	-	-	279,191,221.44
Payables	20,076,481.09	-	-	-	7,601,843.96
Subtotal	347,524,991.86	-	-	-	530,037,564.56

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

16 Notes to the Company's financial statements

(1) Accounts receivable

	30 June 2014 (Unaudited)	31 December 2013
Accounts receivable	557,861,795.22	329,195,811.09
Less: provision for bad debts	(130,752.00)	(130,752.00)
	557,731,043.22	329,065,059.09

The majority of the Company's sales are made with cash, advances from customers and bank acceptance notes. The remaining is made with a credit term of 90 days.

(a) The ageing of accounts receivable based on their recording dates is analysed as follows:

	30 June 2014 (Unaudited)	31 December 2013
Within 1 year	505,617,269.25	281,514,945.12
1 to 2 years	46,141,672.00	43,023,436.33
2 to 3 years	5,089,367.97	3,643,943.64
Over 3 years	1,013,486.00	1,013,486.00
	557,861,795.22	329,195,811.09

Movements of provision for bad debts of accounts receivable are as follows:

	For the six months ended 30 June 2014 (Unaudited)	2013
Balance at beginning of period/year	130,752.00	548,752.00
Reversal in current period/year	-	(418,000.00)
	130,752.00	130,752.00

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

16 Notes to the Company's financial statements (continued)

(1) Accounts receivable (continued)

(b) Accounts receivable are analysed by categories as follows:

	30 June 2014 (Unaudited)				31 December 2013			
	Ending balance		Provision for bad debts		Ending balance		Provision for bad debts	
	Amount	% of total balance	Amount	Percentage %	Amount	% of total balance	Amount	Percentage %
With amounts that are individually significant and that the related provision for bad debts is provided on the individual basis	451,185,514.24	80.88%	-	-	248,505,061.26	75.49%	-	-
That the related provision for bad debts is provided on the grouping basis	-	-	-	-	-	-	-	-
With amounts that are not individually significant but that the related provision for bad debts is provided on the individual basis	106,676,280.98	19.12%	130,752.00	0.12%	80,690,749.83	24.51%	130,752.00	0.16%
	557,861,795.22	100.00%	130,752.00	0.02%	329,195,811.09	100.00%	130,752.00	0.04%

(c) As at 31 December 2013, accounts receivable with amounts that are not individually significant but that the related provision for bad debts is provided on the individual basis are analysed as follows:

	Ending balance	Provision for bad debts	Percentage	Reason
Guangdong Shunfeng Shipping Co., Ltd.	130,752.00	130,752.00	100%	(i)

(i) As at 30 June 2014, accounts receivable from Guangdong Shunfeng Shipping Co., Ltd. amounted to RMB130,752.00. It is believed that Guangdong Shunfeng Shipping Co., Ltd. was not able to collect the receivables for bad operation and legal representative missing and the Company was under termination of business, therefore a provision for bad debts was provided at 100% of the ending balance of the receivable.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

16 Notes to the Company's financial statements (continued)

(1) Accounts receivable (continued)

(d) As at 30 June 2014, the five largest accounts receivable are analysed as follows:

	Relationship with the Company	Amount	Ageing	% of total balance
NSK (China) Trading Co., Ltd.	Third party	234,477,317.00	Within 1 year	42.03%
Shenyang Orient Iron and Steel Co., Ltd.	Third party	42,238,449.43	Within 3 years	7.57%
RGL Group Co., Ltd.	Third party	28,788,131.84	Within 1 year	5.16%
Benxi Beiyong Iron & Steel (Group) Co., Ltd.	Third party	24,963,476.75	Within 1 year	4.47%
Dalian West Pacific Petrochemical Co., Ltd.	Third party	21,172,803.00	Within 1 year	3.79%
		<u>351,640,178.02</u>		<u>63.02%</u>

As at 31 December 2013, the five largest accounts receivable are analysed as follows:

	Relationship with the Company	Amount	Ageing	% of total balance
NSK (China) Trading Co., Ltd.	Third party	48,972,778.00	Within 1 year	14.88%
Shenyang Orient Iron and Steel Co., Ltd.	Third party	41,765,122.79	Within 3 years	12.69%
Benxi Beiyong Iron & Steel (Group) Co., Ltd.	Third party	29,921,191.75	Within 1 year	9.09%
Benxi Beiyong Iron & Steel (Group) Co., Ltd.	Third party	26,067,656.34	Within 1 year	7.92%
RGL Group Co., Ltd.	Third party	22,445,850.26	Within 1 year	6.82%
		<u>169,172,599.14</u>		<u>51.40%</u>

(e) Accounts receivable due from subsidiaries, joint ventures, associates and other related parties are as follows:

	30 June 2014 (Unaudited)	31 December 2013
Amounts due from subsidiaries	3,988,855.92	1,368,485.58
Amounts due from joint ventures	10,614,403.21	7,629,951.32
Amounts due from associates	–	4,425,232.00
Amounts due from other related parties	102.00	4,101,163.00
	<u>14,603,361.13</u>	<u>17,524,831.90</u>

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

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

16 Notes to the Company's financial statements (continued)

(2) Other receivables

	30 June 2014 (Unaudited)	31 December 2013
Government subsidies receivable	217,672,785.00	128,910,275.00
Entrusted loans	70,432,800.00	–
Others	48,286,818.18	65,028,215.55
	336,392,403.18	193,938,490.55
Less: provision for bad debts	(16,098.47)	(16,098.47)
	336,376,304.71	193,922,392.08

Movements of provision for bad debts of other receivables are as follows:

	For the six months ended 30 June 2014 (Unaudited)	2013
Balance at beginning of period/year	16,098.47	16,098.47
Reversal in current period/year	–	–
Balance at end of period/year	16,098.47	16,098.47

(a) The ageing of other receivables is analysed as follows:

	30 June 2014 (Unaudited)	31 December 2013
Within 1 year	330,307,216.34	188,668,292.15
1 to 2 years	1,799,698.50	1,142,729.08
2 to 3 years	1,739,066.81	2,268,780.02
Over 3 years	2,546,421.53	1,858,689.30
	336,392,403.18	193,938,490.55

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

16 Notes to the Company's financial statements (continued)

(2) Other receivables (continued)

(b) Other receivables are analysed by categories as follows:

	30 June 2014 (Unaudited)				31 December 2013			
	Ending balance		Provision for bad debts		Ending balance		Provision for bad debts	
	Amount	% of	Amount	Percentage	Amount	% of	Amount	Percentage
		total balance		%		total balance		%
With amounts that are individually significant and that the related provision for bad debts is provided on the individual basis	280,105,585.00	83.27%	-	-	155,625,327.00	80.24%	-	-
That the related provision for bad debts is provided on the grouping basis	-	-	-	-	-	-	-	-
With amounts that are not individually significant but that the related provision for bad debts is provided on the individual basis	56,286,818.18	16.73%	16,098.47	0.03%	38,313,163.55	19.76%	16,098.47	0.04%
	336,392,403.18	100.00%	16,098.47	0.01%	193,938,490.55	100.00%	16,098.47	0.01%

(c) As at 30 June 2014, other receivables with amounts that are not individually significant but that the related provision for bad debts is provided on the individual basis are analysed as follows:

	Ending balance	Provision for bad debts	Percentage	Reason
大連世龍房地產開發有限公司	16,098.47	16,098.47	100%	(i)

(i) As at 30 June 2014, accounts receivable from 大連世龍房地產開發有限公司 amounted to RMB16,098.47. It is believed that the Company was not able to collect the receivables because the debtor is under liquidation procedure due to poor operation. As such, the amount is provided in full.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

16 Notes to the Company's financial statements (continued)

(2) Other receivables (continued)

- (d) Other receivables from shareholders holding more than 5% (inclusive) of the voting rights of the Company are analysed as follows:

	30 June 2014 (Unaudited)		31 December 2013	
	Amount	Provision for bad debts	Amount	Provision for bad debts
Dalian Port Corporation Limited	200,000.00	-	2,994,720.00	-

- (e) As at 30 June 2014 (Unaudited), the five largest other receivables are analysed as follows:

	Relationship with the Company	Amount	Ageing	% of total balance
Dalian Municipal Bureau of Finance	Third party	177,327,300.00	Within 1 year	52.71%
Dalian Port Corporation Zhuanghe Terminal Co., Ltd.	Subsidiary	42,000,000.00	Within 1 year	12.49%
Dalian Municipal Bureau of Finance	Third party	40,345,485.00	Within 1 year	11.99%
大連市鋼材物流園有限公司	Subsidiary	15,000,000.00	Within 1 year	4.46%
China Shipping Gang Lian Co., Ltd.,	Associate	13,432,800.00	Within 1 year	3.99%
		288,105,585.00		85.64%

As at 31 December 2013, the five largest other receivables are analysed as follows:

	Relationship with the Company	Amount	Ageing	% of total balance
Dalian Municipal Bureau of Finance	Third party	130,712,700.00	Within 1 year	67.40%
Dalian Municipal Bureau of Finance	Third party	18,787,845.00	Within 1 year	9.69%
大連市土地儲備中心	Third party	6,124,782.00	Within 1 year	3.16%
Dalian Maritime Pilots Association	Subsidiary	5,106,700.29	Within 1 year	2.63%
Sunshine P&C Insurance Co., Ltd.	Third party	4,004,604.49	Within 1 year	2.06%
		164,736,631.78		84.94%

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

16 Notes to the Company's financial statements (continued)

(2) Other receivables (continued)

(f) Other receivables due from subsidiaries, joint ventures, associates, PDA and other related parties are as follows:

	30 June 2014 (Unaudited)	31 December 2013
Amounts due from subsidiaries	61,030,171.11	8,004,590.66
Amounts due from joint ventures	1,616,689.87	1,499,540.66
Amounts due from associates	15,142,800.00	1,560,000.00
Amounts due from PDA	200,000.00	2,994,720.00
Amounts due from other related parties	734,769.62	100,000.00
	78,724,430.60	14,158,851.32

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

(3) Long-term equity investments

	30 June 2014 (Unaudited)	31 December 2013
Subsidiaries (a)	4,019,558,595.72	4,017,008,595.72
Joint ventures (b)	1,174,049,988.83	1,174,327,611.55
Associates – unquoted (c)	1,358,512,772.35	1,334,017,566.50
	6,552,121,356.90	6,525,353,773.77
Less: provision for impairment of long-term equity investments	–	–
	6,552,121,356.90	6,525,353,773.77

There is no restriction on sale of the long-term equity investments held by the Company.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

16 Notes to the Company's financial statements (continued)

(3) Long-term equity investments (continued)

(a) Subsidiary – unlisted

	Accounting Method	Investment cost	31 December 2013	Current period movement	30 June 2014 (Unaudited)	Equity interest held (%)	Voting rights held (%)	Explanation of inconsistency of equity interest held and voting rights held	Provision for impairment	Current period impairment	Cash dividends declared in current period
Dalian Port Container Development Co., Ltd.	Cost method	3,009,297,222.35	3,009,297,222.35	-	3,009,297,222.35	100.00	100.00		-	-	-
Asia Pacific Ports Company Limited	Cost method	76,155,000.00	76,155,000.00	-	76,155,000.00	100.00	100.00		-	-	-
Dalian ETDZ Jin Xin Petro-chemistry Company Limited	Cost method	6,629,301.65	6,629,301.65	-	6,629,301.65	100.00	100.00		-	-	-
Dalian Jifa Ship Management Co., Ltd.	Cost method	236,984,354.73	236,984,354.73	-	236,984,354.73	90.77	90.77		-	-	-
Dalian Gangyue Car-carrying Vessel Management Co., Ltd.	Cost method	99,960,000.00	99,960,000.00	-	99,960,000.00	51.00	51.00		-	-	-
Dalian Ocean Shipping Tally Co., Ltd.	Cost method	14,259,172.03	14,259,172.03	-	14,259,172.03	84.00	84.00		-	-	-
Dalian Port Soft Technology Co., Ltd.	Cost method	11,126,271.39	11,126,271.39	-	11,126,271.39	49.00	49.00		-	-	4,851,000.00
Dalian Port Construction Supervision & Consultation Co., Ltd.	Cost method	18,278,125.97	18,278,125.97	-	18,278,125.97	75.00	75.00		-	-	12,000,000.00
Dalian Port Telecommunications Engineering Co., Ltd.	Cost method	6,137,212.61	6,137,212.61	-	6,137,212.61	45.00	45.00		-	-	2,015,460.00
Dalian Golden Bay Grain Logistics Co., Ltd.	Cost method	53,156,426.75	53,156,426.75	-	53,156,426.75	37.50	62.50	Another shareholder of this entity gives consent to the decisions of the Company pursuant to the joint venture contract. Accordingly, the Company has de-facto control over the entity.	-	-	-
Dalian Port Power Supply Co., Ltd.	Cost method	25,895,508.24	25,895,508.24	-	25,895,508.24	100.00	100.00		-	-	-
Dalian Lvshun Port Co., Ltd.	Cost method	217,580,000.00	217,580,000.00	-	217,580,000.00	60.00	60.00		-	-	-
Dalian Port Corporation Zhuanghe Terminal Co., Ltd.	Cost method	-	-	-	-	100.00	100.00		-	-	-
大連金港聯合汽車國際貿易有限公司	Cost method	6,000,000.00	6,000,000.00	-	6,000,000.00	60.00	60.00		-	-	3,906,371.23
大連港糧油貿易有限公司	Cost method	25,000,000.00	25,000,000.00	-	25,000,000.00	100.00	100.00		-	-	-
大連市鋼材物流置有限公司	Cost method	8,000,000.00	8,000,000.00	-	8,000,000.00	100.00	100.00		-	-	-
大連港潤德業有限公司	Cost method	5,100,000.00	2,550,000.00	2,550,000.00	5,100,000.00	51.00	51.00		-	-	-
大連海嘉汽車碼頭有限公司	Cost method	200,000,000.00	200,000,000.00	-	200,000,000.00	50.00	100.00		-	-	-
			4,017,008,595.72	2,550,000.00	4,019,558,595.72				-	-	22,772,831.23

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

16 Notes to the Company's financial statements (continued)

(3) Long-term equity investments (continued)

(b) Joint ventures – unlisted

	Accounting Method	Investment cost	31 December 2013	Current period movement				30 June 2014 (Unaudited)	Equity interest held (%)	Voting rights held (%)	Explanation of inconsistency of equity interest held and voting rights held	Provision for impairment	Current period impairment
				Increase or decrease in investment	Net profit or loss under equity method	Cash dividend declared	Other changes in equity						
大连港德利船务代理有限公司	Equity method	880,692.46	1,161,556.23	-	218,136.53	-	-	1,379,694.76	50.00	50.00		-	-
Dalian Harbour EQL Logistics Co., Ltd.	Equity method	30,111,142.43	30,713,563.03	-	420,276.39	-	6,124.18	31,139,965.60	50.00	40.00	2 of 5 directors assigned by the Company	-	-
Odjell Terminals (Dalian) Co., Ltd.	Equity method	86,878,185.37	139,961,762.64	-	5,626,261.30	-	573,926.79	146,161,970.73	50.00	50.00		-	-
Dalian Port PetroChina International Terminal Co., Ltd.	Equity method	125,000,000.00	151,028,286.26	-	10,529,939.25	(9,761,210.00)	-	151,797,015.51	50.00	50.00		-	-
China United Tally Co., Ltd. Dalian	Equity method	2,634,137.43	4,169,629.70	-	930,636.74	(1,444,641.74)	-	3,655,624.70	50.00	50.00		-	-
Dalian China Oil Dock Management Co., Ltd.	Equity method	13,084,562.94	12,247,638.72	-	(1,429,060.38)	-	-	10,818,578.34	49.00	49.00		-	-
Dalian Automobile Terminal Co., Ltd.	Equity method	152,503,640.00	167,042,420.04	-	4,456,699.22	-	(43,954.84)	171,455,164.42	40.00	42.86	3 of 7 directors assigned by the Company	-	-
Dalian Changxing Island Port Co., Ltd.	Equity method	232,893,844.88	198,960,486.10	-	(10,300,517.98)	-	180,644.06	188,840,612.18	40.00	40.00		-	-
大连港散货物流中心有限公司	Equity method	2,000,000.00	2,027,548.76	-	(79,128.26)	-	2,283.00	1,950,703.50	40.00	40.00		-	-
Odjell Dalian Port Consulting Co., Ltd.	Equity method	3,000,000.00	1,895,468.47	-	(164,060.98)	-	-	1,731,407.49	50.00	50.00		-	-
Dalian Changxing Island Port Investment & Development Co., Ltd.	Equity method	463,147,800.00	462,869,251.60	-	-	-	-	462,869,251.60	46.58	50.00	In accordance with Articles of Association, the Company and another investor exercise joint control	-	-
Odjell Changxing Warehousing Terminals (Dalian) Co., Ltd.	Equity method	2,250,000.00	2,250,000.00	-	-	-	-	2,250,000.00	30.00	33.33	2 of 6 directors assigned by the Company	-	-
			1,174,927,611.55	-	10,209,205.83	(11,205,851.74)	719,023.19	1,174,049,988.83				-	-

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless otherwise stated)

16 Notes to the Company's financial statements (continued)

(3) Long-term equity investments (continued)

(c) Associates – unlisted

	Accounting Method	Investment cost	31 December 2013	Current period movement				30 June 2014 (Unaudited)	Equity interest held (%)	Voting rights held (%)	Explanation of inconsistency of equity interest held and voting rights held	Provision for impairment	Current period impairment
				Increase or decrease in investment	Net profit or loss under equity method	Cash dividend declared	Other changes in equity						
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	Equity method	20,288,520.00	5,361,581.26	-	(2,014,152.88)	-	-	3,347,428.37	20.00	20.00	-	-	
太古興港拖輪有限公司	Equity method	900,000.00	2,617,223.13	-	(212,742.52)	-	-	2,404,480.61	30.00	30.00	-	-	
PetroChina Dalian LNG Co., Ltd.	Equity method	520,000,000.00	568,936,565.21	-	20,356,040.81	-	563,992.50	569,856,598.52	20.00	20.00	-	-	
Dalian North Petroleum Logistics Co., Ltd.	Equity method	60,000,000.00	61,280,145.91	-	326,765.11	-	-	61,606,911.02	20.00	20.00	-	-	
China Shipping Gang Lian Co., Ltd.	Equity method	95,044,267.30	78,514,622.12	-	(11,021,214.58)	-	-	67,493,407.53	30.00	30.00	-	-	
Sino Rail Bohai Train Ferry Co., Ltd.	Equity method	274,500,286.56	274,486,877.44	-	(2,314,082.55)	-	-	272,172,814.89	17.50	17.50	①	-	
中世國際物流有限公司	Equity method	90,000,000.00	92,112,957.97	-	1,447,228.00	-	-	93,560,185.97	30.00	30.00	-	-	
Dalian Port Corporation Financial Co., Ltd.	Equity method	200,000,000.00	250,609,294.74	-	17,391,986.80	-	-	268,001,281.54	40.00	40.00	-	-	
中海油(寧德)石化碼頭有限公司	Equity method	2,450,000.00	98,298.72	-	(28,634.82)	-	-	69,663.90	24.50	24.50	-	-	
			1,334,017,566.50	-	23,931,213.35	-	563,992.50	1,358,512,772.35			-	-	

- (i) Although the percentage of the voting rights held by the Company in Sino Rail Bohai Train Ferry Co., Ltd. is less than 20%, 2 of the 13 directors of the board of Sino Rail Bohai Train Ferry Co., Ltd. were nominated by the Company; thereby the Company is able to exercise significant influence over Sino Rail Bohai Train Ferry Co., Ltd., and accordingly it is accounted for as an associate.

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

16 Notes to the Company's financial statements (continued)

(4) Revenue and cost of sales

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Revenue from main operations	1,303,849,965.64	1,205,431,995.51
Revenue from other operations	178,142,991.14	223,359,276.92
	1,481,992,956.78	1,428,791,272.43

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Cost of main operations	855,501,237.77	709,012,980.99
Cost of other operations	103,036,712.65	130,172,722.85
	958,537,950.42	839,185,703.84

(a) Revenue and cost of sale

Analysis by segment is as follows:

	For the six months ended 30 June 2014		For the six months ended 30 June 2013	
	Revenue (Unaudited)	Cost of sales (Unaudited)	Revenue (Unaudited)	Cost of sales (Unaudited)
Oil/liquefied chemicals terminal and logistics services	655,463,281.75	322,981,543.67	488,944,169.59	246,307,939.15
Port value-added services and ancillary port operations	270,474,654.18	212,916,919.19	290,616,744.46	213,727,142.66
General cargo terminal and logistics services	185,519,410.00	181,234,636.42	165,719,677.68	155,678,848.13
Bulk grains terminal and logistics services	95,425,950.41	82,273,094.50	169,607,877.43	78,111,154.73
Ore terminal and logistics services	140,957,452.67	93,599,713.63	143,044,855.16	87,848,360.65
Passenger and roll-on, roll-off terminal and logistics services	34,899,092.90	24,551,327.16	41,090,516.15	24,685,963.37
Container terminal and logistics services	26,750,000.00	7,844,723.34	26,760,000.00	7,844,723.34
Others	72,503,114.87	33,135,992.51	103,007,431.96	24,981,571.81
	1,481,992,956.78	958,537,950.42	1,428,791,272.43	839,185,703.84

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

16 Notes to the Company's financial statements (continued)

(4) Revenue and cost of sales (continued)

(b) For the six months ended 30 June 2014, revenue from the five largest customers of the Company (Unaudited)

Revenue from the five largest customers of the Company amounting to RMB767,592,244.41 (six months ended 30 June 2013: RMB512,158,245.68) accounted for 51.08% (six months ended 30 June 2013: 35.85%) of the total revenue of the Company, as analysed below:

	Revenue	% of total revenue
NSK (China) Trading Co., Ltd.	251,344,842.50	16.96
Angang Group International Trade Corporation	212,592,692.19	14.35
PetroChina Company Limited (*)	137,659,047.98	9.29
Dalian West Pacific Petrochemical Company Ltd.	126,873,920.28	8.56
Huaneng Power International, Inc., Dalian Branch	39,121,741.46	2.64
	767,592,244.41	51.80

* Including all entities known to be controlled by the customer.

(c) Revenue is analysed as follows:

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Logistics services	190,379,693.14	211,399,310.06
Loading services	632,450,806.73	631,765,361.97
Storage services	358,622,070.80	212,666,555.39
Agency services	3,775,709.77	3,948,234.88
Port management services	103,884,036.56	100,326,248.26
Leasing services	49,736,995.71	74,100,996.84
Utility services	57,284,105.47	62,191,390.00
Others	85,859,538.60	132,393,175.03
	1,481,992,956.78	1,428,791,272.43

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

16 Notes to the Company's financial statements (continued)

(5) Investment income

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Income from long-term equity investment under cost method (a)	22,772,831.23	18,396,632.23
Income from long-term equity investment under equity method (b)	34,140,419.18	52,008,499.79
Including: Investment income from associates	28,387,912.57	35,289,445.16
Investment income from jointly-controlled entities	5,752,506.61	16,719,054.63
Income from holding financial assets held for trading	88,292.50	–
Income from holding available-for-sale financial assets	372,503.53	753,568.93
Income from disposal of financial assets held for trading	663,247.70	498,440.74
Income from entrusted investment	26,214,458.25	45,892,083.34
Income from disposal of a subsidiary	–	814,200.00
Loss from disposal of available-for-sale financial assets	–	(378,459.22)
	84,251,752.39	117,984,965.81

There is no restriction on recovery of investment income.

(a) Investment income from long-term equity investment under cost method

Investment income are set out as follows:

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)	Reason for current year fluctuation
Dalian Port Construction Supervision & Consultation Co., Ltd.	12,000,000.00	4,500,000.00	Dividend distribution
Dalian Port Soft Technology Co., Ltd.	4,851,000.00	1,960,000.00	Dividend distribution movement
大連金港聯合汽車國際貿易有限公司	3,906,371.23	–	Dividend distribution movement
Dalian Port Telecommunications Engineering Co., Ltd.	2,015,460.00	–	Dividend distribution movement
Dalian Ocean Shipping Tally Co., Ltd.	–	11,936,632.23	Dividend distribution movement
	22,772,831.23	18,396,632.23	

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

16 Notes to the Company's financial statements (continued)

(5) Investment income (continued)

(b) Investment income from long-term equity investment under equity method

Investees that contributed investment income for more than 5% of the Company's total profit, or the top five investees that contributed most investment income to the Company's total profit are set out as follows:

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)	Reason for current year fluctuation
PetroChina Dalian LNG Co., Ltd.	20,356,040.81	26,650,776.91	Performance fluctuation
Dalian Port Corporation Financial Co., Ltd.	17,391,986.80	12,977,880.09	Performance fluctuation
Dalian Port PetroChina International Terminal Co., Ltd.	10,529,939.25	9,580,553.10	Performance fluctuation
Odfjell Terminals (Dalian) Co., Ltd.	4,708,298.15	10,746,187.09	Performance fluctuation
Dalian Automobile Terminal Co., Ltd.	4,456,699.22	3,965,585.72	Performance fluctuation
	57,442,964.23	63,920,982.91	

(6) Supplementary information to the consolidated cash flow statement

(a) Reconciliation from net profit to cash flows from operating activities

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Net profit	225,390,020.58	309,006,846.85
Add: Provisions for asset impairment	–	(418,000.00)
Depreciation of fixed assets	252,805,570.75	227,737,803.38
Amortisation of intangible assets	6,532,927.27	6,290,108.78
Recognition from deferred income	(17,953,565.00)	(17,270,592.00)
Amortisation of long-term prepaid expenses	115,685.58	115,685.58
Losses on disposal of fixed assets, intangible assets and other long-term assets	206,673.53	–
Losses on change in fair value	(165,619.90)	(54,712.20)
Financial expenses	214,460,549.57	151,898,237.53
Investment income	(84,251,752.39)	(117,984,965.81)
Decrease/(increase) in other current assets	12,085,907.23	(1,113,653.48)
Decrease in deferred tax assets	310,028.38	1,125,478.80
Decrease/(increase) in inventories	825,905.83	(4,695,196.25)
Increase in specific reserve	5,570,446.66	5,578,131.49
Increase in operating receivables	(383,860,640.24)	(277,834,779.23)
(Decrease)/increase in operating payables	(27,154,104.06)	77,023,289.28
	204,918,033.79	359,403,682.72
Net cash flows from operating activities		

Notes to Financial Statements (continued)

For the six months ended 30 June 2014
(All amounts in RMB Yuan unless other wise stated)

16 Notes to the Company's financial statements (continued)

(6) Supplementary information to the consolidated cash flow statement (continued)

(b) Net decrease in cash and cash equivalents

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Cash at end of period	776,982,638.55	1,001,179,999.06
Less: cash at beginning of period	(852,556,002.57)	(1,399,578,181.00)
Net decrease in cash and cash equivalents	(75,573,364.02)	(398,398,181.94)

17 Net current assets

	30 June 2014 The Group (Unaudited)	31 December 2013 The Group	30 June 2014 The Company (Unaudited)	31 December 2013 The Company
Current assets	4,369,757,229.88	4,985,594,385.82	2,345,723,823.21	3,681,550,746.98
Less: current liabilities	(3,440,699,668.53)	(5,484,643,177.30)	(1,424,318,384.95)	(3,810,101,955.29)
Net current assets	929,057,561.35	(499,048,791.48)	921,405,438.26	(128,551,208.31)

18 Total assets less current liabilities

	30 June 2014 The Group (Unaudited)	31 December 2013 The Group	30 June 2014 The Company (Unaudited)	31 December 2013 The Company
Total assets	26,619,568,394.00	27,226,109,085.02	23,066,519,143.34	23,799,781,974.16
Less: current liabilities	(3,440,699,668.53)	(5,484,643,177.30)	(1,424,318,384.95)	(3,810,101,955.29)
Total assets less current liabilities	23,178,868,725.47	21,741,465,907.72	21,642,200,758.39	19,989,680,018.87

Supplementary Information

FOR THE SIX MONTHS ENDED 30 JUNE 2014
(All amounts in RMB Yuan unless otherwise stated)

1 Summary of non-recurring profit or loss

	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Profit or loss on disposal of non-current assets, including the reversal of impairment provision for such assets	(4,697,401.75)	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)	2,298,625.53	207,000.00
Relocation compensation recognised in profit or loss for the current period	–	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 on the acquisition date	24,533.89	250,000.00
Income from disposal of long-term equity investments	11,431,834.66	–
Investment income from disposal of financial assets held for trading	751,540.20	498,440.74
Profit from entrusting others with investment or asset management	26,214,458.25	45,892,083.34
Reversal of impairment provision for accounts receivable that was tested for impairment individually	–	1,148,013.87
Interest income from outward entrusted loans	1,424,245.36	392,564.02
Non-operating income and expenses other than aforesaid items	6,942,620.67	588,170.06
	44,390,456.81	76,615,737.98
Impact on income tax	(2,592,490.81)	(18,604,330.61)
Impact on minority interests (after tax)	(1,592,994.49)	(783,987.56)
	40,204,971.51	57,227,419.81

Under the requirements in Explanatory announcement No. 1 on information disclosure by companies offering securities to the public – non-recurring profit or loss [2008] from CSRC, non-recurring profit or loss refer to those arises from transactions and events that are not directly relevant to ordinary activities, or that are relevant to ordinary activities, but are so extraordinary that would have an influence on users of financial statements making judgments in performance and profitability of an enterprise.

Supplementary Information (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2014
(All amounts in RMB Yuan unless otherwise stated)

2 Return on net assets and earnings per share

	Weighted average return on net assets (%)		Earnings per share Basic earnings per share	
	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)	For the six months ended 30 June 2014 (Unaudited)	For the six months ended 30 June 2013 (Unaudited)
Net profit attributable to ordinary shareholders of the Company	2.11%	2.94%	0.06	0.09
Net profit after deducting non-recurring profit or loss attributable to ordinary shareholders of the Company	1.88%	2.51%	0.06	0.07

No dilutive potential ordinary shares have been issued by the Company.

3 Explanations of irregular fluctuations and related reasons on major items of the financial statements

The analysis of the financial statement items with fluctuation over 30%, or accounting for more than 5% of total assets or 10% of total income during the reporting period, or with nature or content cannot be reflected by their name are as follows:

- (1) As at 30 June 2014, cash at bank and on hand amounted to RMB1,997,628,832.80, a decrease of 15% compared with the beginning of the year. This was mainly due to the repayments of the medium-term notes and the payments of investments 2014 during the reporting period.
- (2) As at 30 June 2014, notes receivable amounted to RMB110,152,890.23, an increase of 83% compared with the beginning of the year. This was mainly due to the increase of businesses that were settled by notes during the reporting period.
- (3) As at 30 June 2014, accounts receivable amounted to RMB765,950,998.55, an increase of 52% compared with the beginning of the year. This was mainly due to that settlement agreements with certain customers were still under negotiation.
- (4) As at 30 June 2014, dividends receivable amounted to RMB3,065,152.59, a decrease of 52% compared with the beginning of the year. This was mainly because the Group collected the dividend, which was declared in prior years by its investees, during the reporting period.
- (5) As at 30 June 2014, interest receivable amounted to RMB6,047,223.16, a decrease of 63% compared with the beginning of the year. This was mainly because of the Group receipts of the related interests on the financial product and maturity of financial product during the reporting period.
- (6) As at 30 June 2014, the carrying amount of inventory amounted to RMB656,545,733.30, an increase of 59% compared with the beginning of the year. This was mainly due to the increase of unsold merchandise.

Supplementary Information (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2014
(All amounts in RMB Yuan unless otherwise stated)

3 Explanations of irregular fluctuations and related reasons on major items of the financial statements (continued)

- (7) As at 30 June 2014, other current assets amounted to RMB159,168,944.01, a decrease of 85% compared with the beginning of the year. This was mainly because the Group collected the principles of the financial products upon maturity during the reporting period.
- (8) As at 30 June 2014, available-for-sale financial assets amounted to RMB236,315,611.76, an increase of 35% compared with the beginning of the year. This was mainly due to the newly purchased financial products during the reporting period.
- (9) As at 30 June 2014, long-term equity investments amounted to RMB3,847,380,840.48, a decrease of 1% compared with the beginning of the year. This was mainly because of the disposal of its equity investments by the Group during the reporting period.
- (10) As at 30 June 2014, fixed assets amounted to RMB14,188,867,607.73, an increase of 1% compared with the beginning of the year. This was mainly due to the transfer of construction in progress to fixed assets during the reporting period.
- (11) As at 30 June 2014, fixed assets pending for disposal amounted to RMB4,663,046.84, an increase of 425% compared with the beginning of the year. This was mainly because some fixed assets were in the progress of disposal during the reporting period.
- (12) As at 30 June 2014, construction in progress amounted to RMB2,252,007,356.34, a decrease of 12% compared with the beginning of the year. This was mainly due to the transfer of construction in progress to fixed assets during the reporting period.
- (13) As at 30 June 2014, other non-current assets amounted to RMB175,740,180.00, an increase of 638% compared with the beginning of the year. This was mainly due to the prepaid land transfer price during the reporting period.
- (14) As at 30 June 2014, employee benefits payable amounted to RMB96,872,205.96, a decrease of 37% compared with the beginning of the year. This was mainly due to the payment of last year's bonus during the reporting period.
- (15) As at 30 June 2014, dividends payable amounted to RMB356,124,839.47, an increase of 314% compared with the beginning of the year. This was mainly due to the declaration of last year's dividends during the reporting period.
- (16) As at 30 June 2014, current portion of non-current liabilities amounted to RMB955,683,180.91, a decrease of 70% compared with the beginning of the year. This was mainly due to the repayment of medium-term notes during the reporting period.
- (17) As at 30 June 2014, long-term borrowings amounted to RMB2,782,010,023.77, an increase of 100% compared with the beginning of the year. This was mainly due to capital raising during the reporting period.

Supplementary Information (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2014
(All amounts in RMB Yuan unless otherwise stated)

3 Explanations of irregular fluctuations and related reasons on major items of the financial statements (continued)

- (18) As at 30 June 2014, bonds payable amounted to RMB4,967,634,142.15, which remained the same as last year.
- (19) As at 30 June 2014, the special reserve amounted to RMB17,343,889.66, an increase of 82% compared with the beginning of the year. This is mainly due to the increase in the unused production safety expenses during the reporting period.
- (20) In the first half of 2014, operation revenue amounted to RMB3,297,872,554.47, a decrease of 1% from the corresponding period in previous year. This was mainly due to the decrease of sales of the Group's trading companies, bulk grain throughput and rental of bulk grain carriages, but developing new customers for oil business increased the storage income, which offset the decrease in income in 2014.
- (21) In the first half of 2014, operation cost amounted to RMB2,578,957,372.44, an increase of 6% from the corresponding period in previous year. This was mainly due to the increase of storage occupancy rate, vessel rental expense, depreciation expenses associated with new facilities, and labour costs.
- (22) In the first half of 2014, business tax and surcharges amounted to RMB17,578,344.00, a decrease of 83% from the corresponding period in previous year. This was mainly due to the fact that revenue from some business of the Group is subject to VAT from 1 August 2013 as a result of launch of levying VAT in place of business tax for the transportation industry.
- (23) In the first half of 2014, general and administrative expenses amounted to RMB247,461,042.33, an increase of 4% from the corresponding period in previous year. This was mainly due to the increase in payroll and social security expenses in 2014.
- (24) In the first half of 2014, financial expenses amounted to RMB236,242,751.54, an increase of 17% from the corresponding period in previous year. This was mainly due to the decrease in capitalized interest with the transfer of construction in progress to fixed assets in 2014.
- (25) In the first half of 2014, investment income amounted to RMB78,023,499.66, a decrease of 19% from the corresponding period in previous year. This was mainly due to the decrease in the Group's investment income in 2014.



DALIAN PORT (PDA) COMPANY LIMITED

大連港股份有限公司

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