



大連港股份

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)



Annual Report 年報 2014

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General Information on the Company

1) Company Profile

Dalian Port (PDA) Company Limited (the “Company”) was established in Dalian City, Liaoning Province, the People’s Republic of China (the “PRC”) on 16 November 2005. The Company was successfully listed on the Main Board of the Stock Exchange of Hong Kong Limited with stock code of 2880 and Shanghai Stock Exchange with stock code of 601880 on 28 April 2006 and 6 December 2010, respectively. The Company is the first port company listed in both the stock exchanges of Hong Kong and Shanghai.

Located at the entrance of Bohai Bay, with its proximity to major international shipping routes as compared to other ports in Bohai Bay and with deep water and ice-free port conditions, Dalian port is able to operate its terminals throughout the year.

As the consolidated operational platform for port and logistics services in Dalian port, the Company and its subsidiaries (collectively, the “Group”) are the biggest comprehensive port operator in the Three Northeastern Provinces of China (collectively, Heilongjiang Province, Jilin Province and Liaoning Province). The Group is principally engaged in the following businesses: 1) oil/liquefied chemicals terminal and related logistics services; 2) container terminal and related logistics services; 3) automobile terminal and related logistics and trading services; 4) ore terminal and related logistics services; 5) general cargo terminal and related logistics and trading services; 6) bulk grain terminal and related logistics and trading services; 7) passenger and roll-on, roll-off terminal and related logistics services; and 8) port value-added services and ancillary port operations.

In terms of oil/liquefied chemicals terminal and related logistics services, the Group is the first terminal operator approved by the Ministry of Communications of the PRC to provide transshipment services of imported crude oil for petrochemical enterprises in Dalian and Bohai rim. The Group has two 300,000dwt crude oil terminals (one of which can accommodate 450,000dwt crude oil vessels), the largest oil storage base in China, integrated multi-modal transportation system comprising various transportation means such as water, road, railway and pipelines. The Group is an important oil/liquefied transportation and distribution center in the Three Northeastern Provinces.

In terms of container terminal and related logistics services, the Group’s container terminals can accommodate the container vessels with a loading capacity of 150,000 tonnes. The shipping routes connected with the Group’s container terminals cover more than 100 domestic and overseas ports. The Group has well established sea-to-rail intermodal transportation network and Bohai Rim feeder transshipment network. The Group’s container volume of sea-to-rail intermodal transportation is in the leading position among all ports in mainland China. The Group maintains its leading position in the industry of container transportation for foreign trade in northeastern China. The rapid growth of domestic trade is a strong driving force for the development of the Group’s container business for domestic trade.

In terms of automobile terminal and related logistics and trading services, Dalian port is one of the five automobile ports approved by the Chinese government to provide automobile import business. The Group’s automobile terminal can accommodate the largest Ro-Ro vessels in the world. Benefited from the rapid growth of automobile production and sales in China and the revitalization of the automobile manufacturing base in the Three Northeastern Provinces, the Group’s automobile terminal business has been growing rapidly.

In terms of ore terminal and related logistics services, the Group has two designated berths with the functions of sea transshipment and bonded distribution. The Group’s ore terminal has obtained the approval to accommodate up to 350,000dwt vessels and its overall efficiency ranked the top among ports in mainland China. The Group has completed the reconstruction of ore terminal facilities in order to meet the requirements of berthing large-sized vessels. With the trend that more and more large-sized vessels will be put into operation, the Group will leverage on more advantages on its strategic location at the entrance of Bohai bay and nature condition of deep water.

General Information on the Company

In terms of general cargo terminal and related logistics and trading services, the Group is engaged in the provision of loading, discharging and logistics services for dry bulk cargoes including steel, coal and large equipments, and aims to develop as the transshipment base for fine steel, coal and packed grain. The Group has expanded its general cargo terminal and logistics businesses to Changxing Island and Zhuanghe area. These two areas, with important strategic locations, have strong driving force for future development.

In terms of bulk grain terminal and related logistics and trading services, the Group, as the most competitive grain transshipment center, has established a comprehensive logistics operation system and fulfilled the transformation from traditional loading and discharging services provider to modern logistics services provider. The growth of grain transportation in the Three Northeastern China will accelerate the volume increase of the Group's dry grain terminal and related logistics business.

In terms of passenger and roll-on, roll-off terminal and related logistics services, the Group's passenger and roll-on, roll-off terminal is located at the north end of Golden Waterway in Bohai bay and the Group has a leading position among the ports in China in terms of its business scale. The Group has gradually been consolidating the passenger and roll-on, roll-off businesses in Dalian port so as to expand its business scale and develop as a major passenger and roll-on, roll-off terminal in Bohai rim.

In terms of port value-added and ancillary port operations, the Group provides services such as tugging, tallying, IT, port logistics, construction management and supervision services, and power supply. The Group has a leading tugboat fleet among the ports in China. The advanced port IT operational system, consummate port multi-modal transportation system and complete port industrial chains provide crucial support for the Group to develop high-end logistics businesses.

The Group intends to leverage on its favorable natural conditions and competitive strengths in operations and management to develop and expand its business. The Group will play an important role in developing Dalian into an international shipping center in Northeastern Asia and the development of Liaoning Coastal Economic Zone. The Group aims to develop into a pioneering port operator and comprehensive logistics service provider in Northeast Asia, with regional development potentials and international competitiveness.

2) General Information on the Group

- | | |
|---|---|
| 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 | Ms. Gui YuChan |
| Secretary to the Board of Directors/
Joint Company Secretary | Address: Room 2618, Xingang Commercial Building,
Jingang Road, Dalian International Logistics Park Zone,
Liaoning Province, the PRC
Telephone: 86 411 87599899
Facsimile: 86 411 87599897
E-mail: guiyich@dlport.cn |
| Qualified Accountant/Joint Company Secretary | Mr. Lee, Kin Yu Arthur
Address: Room 2616, 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 |

General Information on the Company

4.	Registered office	Xingang Commercial Building, Dayao Bay, Dalian Free Trade Zone, PRC
	Postal Code	116600
	Place of Business and Postal Code 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
5.	Designated newspapers for information disclosure of the Company	China Securities Daily, Shanghai Securities Daily, Securities Times, and Securities Daily
	Website designated by the China Securities Regulatory Commission for publishing the A share annual reports	www.sse.com.cn
	Website for publishing the H share annual report	www.hkexnews.hk
	Place for collection of annual report	Room 2601, Xingang Commercial Building, Jingang Road, Dalian International Logistics Park Zone, Liaoning Province, PRC
6.	Places of listing	Shanghai Stock Exchange Hong Kong Stock Exchange
	Stock abbreviations	Dalian Port Dalian Port
	Stock codes	601880 (Shanghai) 2880 (Hong Kong)
7.	A share registrar and transfer office	China Securities Depository and Clearing Corporation Limited, Shanghai Branch
	H share registrar and transfer office	Computershare Hong Kong Investor Services Limited
8.	Auditors	PricewaterhouseCoopers Zhong Tian LLP Address: 11/F PricewaterhouseCoopers Center 2 Corporate Avenue, 202 Hu Bin Road, Huangpu District, Shanghai
9.	Other information	Legal counsel (as to Hong Kong law) Morrison & Foerster 33/F Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong
		Legal counsel (as to PRC law) Liaoning Huaxia Law Firm 5th floor, Liyuan Mansion, 16 Mingze Street, Zhongshan District, Dalian City, Liaoning Province, PRC.
		Major bankers Industrial and Commercial Bank of China Agriculture Bank of China China Construction Bank Bank of China Bank of Communications

General Information on the Company

(3) Business Milestones



General Information on the Company

MAR

- The Company announced the annual results for the year 2013.

APR

- No.9 crude oil storage tank with capacity of 600,000 cubic meters duly passed the acceptance inspection conducted by Dalian Customs, by which the Company could satisfy consumers' demand towards the operation of crude oil bonded business. The capacity of self-owned crude oil bonded storage of the Group's oil terminal has exceeded 1,800,000 cubic meters since then.

MAY

- The Company held the first extraordinary general meeting in 2014.
- The vessel "Happiness Across the Strait No.1" ("兩岸幸福壹"號) set sail from Dalian Passenger Terminal for its first journey which optimized the mainland-island traffic, facilitated the development of the tourism projects for Changshan Archipelago, accelerated the progress of 'Appreciating Dalian from the Sea' tourism project, and set a milestone in the integration of intra-city traffic.

JUN

- The Company held the annual general meeting for the year 2013.
- The Group's general cargo terminal company opened up the route to Ningbo for steel liners.

JUL

- The Company held the second extraordinary meeting in 2014.
- The Company established Dalian Dilangsirui Vehicles Co., Ltd. (大連迪朗斯瑞房車有限公司), together with D-LUXURY AUTO, INC., an US company, to expand into the business of manufacturing, processing, modifying, and the sale and export trade of vehicles.
- The client side of the ticket-selling application for mobile phone co-established by Dalian Portnet (大連口岸物流網) and Dalian Port Passenger Group Company (大連港客運總公司) went online officially, which was another tourist-friendly ticket-selling gadget after the Dalian Port Passenger Group Company e-ticket platform.
- The carrier ship "Ailisi" carrying 170,000 tonnes of imported coal from Australia berthed at the Group's ore terminal, which facilitated the brand building of our service 'coking coal receiving and unloading' and set a good starting point for the diversification of sources of cargo supply.

AUG

- The Company announced the interim results for the year 2014.

- The ore terminal company through implementing an innovative business model successfully completed the receiving and unloading of 171,000 ore powder imported from Ukraine by Shandong Yaochang Group, marking its ground-breaking trial in the distribution of imported iron ore to Shandong Peninsula and fueling the exploration of future market potential.
- The Group's general cargo terminal company opened up the route to Shanghai for steel liners.

SEP

- The signing of "The Agreement in respect of the R&D Project of Microwave Dielectric Heating of Dalian Port, Liaoning" (遼寧大連口岸微波介電加熱處理項目研發合同) represented the duly commencement of the Project of Dayaowan Imported Timber Market (大窑灣進口木材交易市場). Upon the completion of the project, there would be a more stable and accessible source of imported timber for timber manufacturing enterprises in the Northeastern Provinces of China and additional containers with imported goods for Dalian Port.
- The Group's container terminal accommodated the Dazhong Mozambique Machine Project (大重莫桑比克整機項目).

OCT

- The Company held the third extraordinary meeting in 2014.

NOV

- The Group's ore terminal once again smoothly accommodated and unloaded 'Shandong Dacheng' (山東大成), the world's largest ore carrier and finished the receiving and unloading task for up to 350,000 tonnes cargo in 57 hours, showcasing the most efficient level nationwide, and manifesting the new era in which Dalian Port's ability to the accommodation of world's largest ore carrier has become a new normal.
- Dalian Port implemented new monitoring model of "Customs Declaration After Port Entry" (先入港後報關) which simplified the flow of and shortened the time of existing custom clearance, reduced the logistic cost, optimized the use of productive resources and minimizing the risk of monitoring. The new monitoring model also facilitated the resources integration among the Group's three container terminals, and enhanced the overall competitiveness of the Port.

DEC

- Through strengthening operation organization, the bulk grain terminal broke the record by loading 210 trains with soybeans within 24 hours which was, at the same time, the historical record of the loading speed of the Group's bulk grain terminal.
- Dalian Port Passenger Group Company was recognized by the Ministry of Transport as the "Transportation Enterprise (Level 1) in Safety Production Standards" (交通運輸企業安全生產標準化一級), making itself the only company in roll-off terminals of Dalian that ever received the award.

Chairman's Statement

Dear shareholders,

On behalf of the Board of the Company, I am pleased to present the annual report of the Group for the year ended 31 December 2014.

In 2014, recovery of the global economy remained rugged and tortuous and the global trade grew at a slow pace. While the speed of growth of China's macro economy had turned from a high to a medium-high pace and its economic structure continued to be optimized and upgraded. Also, the driving factor of its economic growth had changed from key elements-driven and investment-driven to innovation-driven. The year-round gross domestic product (GDP) reached RMB63.6 trillion, with a year-on-year growth of 7.4%.

Operating Results and Dividend

Affected by slowdown of the macro economy and economic restructuring, the port logistics production would change from high speed to moderate growth. On a year-round basis, the growth rate of cargo throughput handled by China's large scale ports dropped relatively sharp as compared with last year and the growth rate of cargo such as coal, mineral products and building materials all declined.

In 2014, the Group's net profit attributable to owners of the parent amounted to RMB520,670,000, representing an year-on-year decrease of 23.7%. The Board recommended the payment of a final dividend of RMB0.40 per 10 shares (tax included) for the year 2014, representing a dividend payout ratio of 42.52%.

Business Review

As the integrated platform for port and logistics services in Dalian port, the Group is the largest comprehensive port operator in northeastern China, providing its customers with oil/liquefied chemicals terminal and related logistics services (Oil Segment), container terminal and related logistics services (Container Segment), automobile terminal and related logistics and trading services (Automobile Terminal Segment), ore terminal and related logistics services (Ore Segment), general cargo terminal and related logistics and trading services (General Cargo Segment), bulk grain terminal and related logistics and trading 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).

Despite the continued downturn in economy, the Group has completed its annual production tasks in a satisfactory manner through its efforts in various aspects.

For the Oil Segment, riding on the opportunity of commencing operation of No. 9 storage tank with a capacity of 600,000 m³ as a bonded warehouse, the Group further expanded the scale of its bonded warehouse. Meanwhile, leveraging on its deep-water ports and location advantage, the Group expanded the scale of the water-to-water transshipment of imported crude oil and expanded its coverage of Shandong Peninsula and the Beijing-Tianjin-Hebei region. For the Container Segment, the Group implemented the transport strategy of the Bohai Rim region and expanded

Chairman's Statement

the network coverage of the Bohai Rim region. For the Automobile Terminal Segment, the Group strengthened its cooperation with automobile manufacturers and shipping companies in order to improve its port services, as well as attracted cargoes through the implementation of innovative service models and integration of logistics resources so as to improve its competitiveness. For the Ore Segment, by upgrading the stacking yard and refining its management, the Group strived to provide new service product and built up a new service brand for handling coking coal for the development of near-port industries. For the General Cargo Segment, the Group built a stronger partnership with its major manufacturing enterprise customers. Leveraging on the location advantage of the Dalian Bay area, the Group vigorously developed the near-port industries and stepped up the construction of near-port bulky equipment assembly base at the Dalian Bay port area. For the Bulk Grain Segment, the Group strengthened the market development for its key customers while ensuring the quality of port logistics services. For the Passenger Segment, the Group promoted the development of marine tourism projects and further expanded the mainland-island traffic in order to increase the tourists flow.

Prospects

In 2015, it is expected that the recovery pace of global economy will be more rugged and tortuous and the development of the major economies will continue to show different phenomena. The deepening reform and the rule by law being promoted by the PRC government has fostered an environment for a steady growth of the domestic economy. Domestic restructuring of industries and innovative development models will encourage the transformation of the processing business. The implementation of policy for cultivating new competitive edges in foreign trade by the PRC government will advance the foreign trade. The development of port industries is at the critical stage for transformation and enhancement. It is believed that the implementation of a series of national strategies, such as building the nation into a maritime power based on the "One belt, One road" concept proposed by the government as well as revitalizing the traditional industrial bases in the northeastern region and establishing free trade areas, will advance the port industries into the new normal of sustainable development.

The Group's major hinterland includes the Three Northeastern Provinces of China and the eastern regions in Inner Mongolia. Cargo supply is mainly related to bulk general cargo, oil products, containers, automobiles as well as passenger and roll-on and roll-off operations, such as iron ore, coal, steel and grain. With a comprehensive range of cargo types in its operations, the Group has a stronger risk-resisting capability. With the support of the above-mentioned positive trends and policies, the Group expects that the total throughput will continue to maintain a steady growth. In particular, driven by the growth in domestic demand, the oil chemicals business and the ro-ro business will continue to maintain a rapid growth while the bulk general cargo business such as iron ore and grain will continue to grow and container business will grow steadily. Meanwhile, the Group will continue to focus on building the comprehensive logistics services platform and the integrated platform for industrial, commerce and trading for penetrating into new markets while exerting its efforts in promoting the construction of comprehensive logistics system, business model innovation, extension of its services functions, development of the near-port industries, resources integration and joint ventures to further promote the integrated development of ports logistics with commercial and trading, information and financial industries and to transform and upgrade of the Group's ports business so as to generate satisfactory returns for our shareholders.

Lastly, on behalf of the Board, I would like to express my heartfelt gratitude to the shareholders and business partners of the Group for their confidence in and support to the Group in the past year, and also my sincere thanks to all the staff of the Group for their dedication and diligence.

Dalian Port (PDA) Company Limited

Chairman

Hui Kai

27 March 2015

Financial Highlights

	2014 RMB'000	2013* RMB'000	Change (%)
Income Statement			
Revenue	7,942,456	6,981,980	13.8%
Gross profit	1,374,894	1,587,577	-13.4%
Operating profit	459,660	668,920	-31.3%
Net profit attributable to owners of the parent	520,670	682,583	-23.7%
Basic earnings per share (RMB)	0.12	0.15	-31.8%
Balance Sheet			
Cash and bank balances	2,440,913	2,339,398	4.3%
Net current assets	1,545,985	-499,049	409.8%
Total assets	27,844,051	27,226,109	2.3%
Borrowings	10,316,436	9,973,296	3.4%
Gearing ratio	47.7	44.8	6.5%
Net assets value per share (RMB)	3.10	3.04	1.9%
Return on equity	3.84	5.17	-25.8%
Cash Flow Statement			
Net cash generated from operating activities	82,913	1,613,716	-94.9%
Net cash used in from investing activities	-7,294	-416,901	98.3%
Net cash generated from financing activities	-68,584	-1,517,009	95.5%
Net (decrease)/increase in cash and cash equivalents	6,805	-320,548	102.1%

* The financial information was prepared in accordance with CAS.



Management Discussion and Analysis



Management Discussion and Analysis

Summary

In 2014, recovery of the global economy remained rugged and tortuous and the global trade grew at a slow pace. While the speed of growth of China's macro economy had turned from a high to a medium-high pace and its economic structure continued to be optimized and upgraded. Also, the driving factor of its economic growth had changed from key elements-driven and investment-driven to innovation-driven. The year-round gross domestic product (GDP) reached RMB63.6 trillion, with a year-on-year growth of 7.4%.

Affected by slowdown of the macro economy and economic restructuring, the port logistics production would change from high speed to moderate growth. On a year-round basis, the growth rate of cargo throughput handled by China's large scale ports dropped relatively sharp as compared with last year and the growth rate of cargo such as coal, mineral products and building materials all declined.

The Group's principal activities include oil/liquefied chemicals terminal and related logistics services ("Oil Segment"), container terminal and related logistics services ("Container Segment"), automobile terminal and related logistics and trading services ("Automobile Terminal Segment"), ore terminal and related logistics services ("Ore Segment"), general cargo terminal and related logistics and trading services ("General Cargo Segment"), bulk grain terminal and related logistics and trading 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 2014, the macro economy and industries relevant to the Group's principal business were as follows:

Oil Segment: Along with the growth and development of China's economy, the reliance on crude oil foreign trade increased and the domestic demand for crude oil energy grew relatively fast. Against the backdrop of plummeting international oil price, China's crude oil imports kept expanding. In 2014, China's crude oil imports amounted to about 300 million tonnes, up 7% on a year-on-year basis.

Container Segment: In 2014, the total GDP in Heilongjiang Province, Jilin Province and Liaoning Province (collectively, the "Three Northeastern Provinces of China") was RMB5.7470 trillion, an increase of 5.9% as compared with 2013. The import and export value of the Three Northeastern Provinces of China was USD181.8 billion, an increase of 4.6%, being 1.2% higher than the national average. The foreign trade value in the Three Northeastern Provinces of China accounted for 4.2% of China's total foreign trade, which remained unchanged as compared with 2013.

Automobile Terminal Segment: In 2014, the production and sales market of China's automobile industry continued to maintain its growth momentum, with lower-than-expected growth in both production and sales volume. In 2014, China's auto output was 23,720,000 vehicles, an increase of 7.2% year-on-year. Sales volume was 23,490,000 vehicles, an increase of 6.9% year-on-year.

Ore Segment: In 2014, China imported 930 million tonnes of iron ore, an increase of 13.8% over 2013. The average price for China's imported iron ore was USD100.5 per tonne, a decrease of 47%. Given the decrease in the price of iron ore and the stable demand for steel from China's major large scale steel production plants in the northeast region, the imports volume of iron ore in the northeast ports increased.

General Cargo Segment: In 2014, the demand for steel and coal in China remained weak, and the problem of excessive capacity became prominent. In 2014, China's crude steel production was 823 million tonnes, a year-on-year growth of 0.9%. In 2013, China's port shipment of coal amounted to 681 million tonnes in aggregate, up 1.9% on a year-on-year basis.

Bulk Grain Segment: There was a sluggish demand for corns due to multiple factors including the decrease in the production of feed, avian influenza, losses incurred in the deep-processing industry and the impact of imported corns. Furthermore, 70 million tonnes of corns being put in storage as temporary reserve resulted in a decrease in the corn available for trading. There was a higher demand for imported soybeans from the northeast region due to the increase in the oil production capacity.

Passenger and Ro-Ro Segment: In 2014, the overcapacity of the Bohai Bay area has become relatively apparent. Passenger traffic volume showed a declining trend on a year-on-year basis, whereas ro-ro vehicle traffic volume showed a slightly increasing trend.

Management Discussion and Analysis

In 2014, the Group strived to fuel a faster growth in port logistics business by advancing the establishment of the entire logistics system, increasing production innovation, promoting the growth of near-port industries and integrating the logistics resources. In particular, the Automobile Terminal Segment kept its momentum of achieving remarkable growth. The Oil Segment grew at a stable pace. Container Segment and General Cargo Segment edged down slightly, whereas the Bulk Grain Segment and Ore Segment recorded a relatively large decline. The Group's oil terminals handled a total of approximately 44.101 million tonnes of oil and liquefied chemicals, an increase of 3.2% as compared with 2013, of which approximately 21.952 million tonnes was imported crude oil, an increase of 4.4% as compared with 2013. In the Container Segment, the Group handled approximately 10.805 million TEUs, a decrease of 0.5%, of which approximately 10.011 million TEUs were handled by the Group at the Dalian port, an increase of 1.0%. In the Automobile Terminal Segment, the Group handled 454,219 vehicles, an increase of 27.2%. In the Ore Segment, the Group handled approximately 16.330 million tonnes, a decrease of 26.1%. In the General Cargo

Segment, the Group handled approximately 32.055 million tonnes of cargoes, a decrease of 0.8%. In the Bulk Grain Segment, the Group handled approximately 6.408 million tonnes of bulk grain, a decrease of 20.4%. In the Passenger and Ro-Ro Segment, the Group transported approximately 3.668 million passengers, a decrease of 3.3% and approximately 1,092,000 vehicles, an increase of 15.3% as compared to with 2013.

Overall analysis of results

In 2014, the Group's profit attributable to owners of the parent amounted to RMB520,669,972.55, representing a decrease of RMB161,912,653.60 or 23.7% as compared with RMB682,582,626.15 in 2013. The decrease was due to the reduction in relocation compensations, the increase of labor costs, depreciation expenses and financial expenses associated with the commissioning of new facilities, and the significant decrease of the bulk grain throughput.

In 2014, the Group's basic earnings were RMB11.76 cents per share, representing a decrease of 23.7% from RMB15.42 cents in 2013.

Principal components of the net profit are as follows:

Items	2014 (RMB)	2013 (RMB)	+/- (%)
Net profit attributable to owners of the parent	520,669,972.55	682,582,626.15	-23.7%
Including:			
Revenue	7,942,456,228.81	6,981,980,217.92	13.8%
Cost of sales	6,567,561,921.15	5,394,402,786.13	21.7%
Business taxes and surcharges	41,876,466.45	140,271,071.12	-70.1%
Gross profit (less business taxes and surcharges) (note 1)	1,333,017,841.21	1,447,306,360.67	-7.9%
Gross profit margin (less business taxes and surcharges) (note 2)	16.8%	20.70%	down 3.9 percent.
General and administrative expenses	582,535,854.60	558,363,509.67	4.3%
Sales expense	3,741,535.20	347,363.56	977.1%
Financial expenses	462,169,532.38	401,762,646.10	15.0%
Investment income	175,480,145.22	189,052,696.34	-7.2%
Non-operating revenue	336,221,964.93	356,969,370.75	-5.8%
Income tax expense	190,209,981.95	243,915,328.93	-22.0%

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

Management Discussion and Analysis

For the year of 2014, the Group's revenue recorded a significant increase of 13.8%. Such increase was mainly attributable to a significant increase in the trading business and the impact of the VAT Reform¹ on its agency business. Excluding above factors, the Group's revenue increased by 0.6%. The increase was mainly attributable to the growth of oil storage revenue. However, such revenue increase was offset by a decrease caused by in the bulk grain throughput.

For the year of 2014, the Group's cost of sales increased a 21.7%, mainly due to a significant increase in the trading business and the impact of the VAT Reform on cost of sales on agency business. Excluding above factors, the Group's cost increased by 8.1%. Such increase was mainly due to the increase in labor costs, depreciation expenses associated with the commissioning of new facilities, oil-tank leasing costs, and berth leasing costs, as well as an increase in the operating costs attributed to the business growth.

For the year of 2014, the Group's business taxes and surcharges decreased which was mainly due to a decrease in business tax and charges caused by the VAT Reform.

For the year of 2014, the Group's gross profit (less business taxes and surcharges) decreased which was mainly due to the decrease in gross profit in bulk grain business, and the increase of labor costs and depreciation expenses. However, the Group's gross profit decrease was weakened by the increase in the oil-storage gross profit.

For the year of 2014, the Group's gross profit margin (less business taxes and surcharges) decreased due to the low gross profit margin trading business and the change in accounting treatment with respect to the agency business after the VAT Reform. Excluding the impact of such factors, the gross profit margin was 29.0%, decreasing 2.7 percentage points over that of 2013. The decrease was mainly due to the significant decrease of the bulk grain throughput, and the decrease of ore segment revenue caused by the throughput structure changes. However, the Group's gross profit margin decrease was offset by the increase in the gross profit margin of oil business.

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

For the year of 2014, the Group's sales expenses increased due to that transportation expenses and other expenses increased with the expansion of trading business.

For the year of 2014, the Group's financial expenses increased. The increase was mainly due to the increase in interest expenses resulted from commencement of operation of new facilities during the year.

For the year of 2014, the Group's investments income decreased. Such decrease was mainly due to the decrease of investment income of the financial products even though the investment income from the equity investment increased.

For the year of 2014, the Group's non-operating revenue decreased. Such decrease was mainly due to that the government subsidies for relocation of Heizuizi dock was received by the Group in 2013.

For the year of 2014, the Group's income tax expenses decreased. Such increase was mainly due to the decrease in the taxable income caused by a decrease of operating profit and non-operating revenue during the current year.

ASSETS AND LIABILITIES

As of 31 December 2014, the Group's total assets and net assets amounted to RMB27,844,050,860.04 and RMB14,978,877,233.83, respectively, and its net asset value per share was RMB3.10, representing an increase of 1.9% as compared with that as of 31 December 2013. As of 31 December 2014, the Group's total liabilities amounted to RMB12,865,173,626.21, of which total outstanding bank and other borrowings amounted to RMB10,316,435,863.87.

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2014, the Group had a balance of cash and cash equivalents of RMB2,241,972,818.00, which represented a increase of RMB68,047,903.18 as compared with 31 December 2013.

¹ The VAT Reform refers to 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.

Management Discussion and Analysis

In 2014, the Group's net cash inflows generated from operating activities amounted to RMB829,134,676.19. The Group's net cash outflows for financing and investing activities amounted to RMB72,936,600.95 and RMB685,844,619.60, respectively. Benefited from stable cash inflows from its operating activities, receipts of principals invested in treasury products and return on equity investment, repayment of the loan, and the Group's prudent approach for fixed assets and equity investments, the Group had maintained a strong financial position and a good debt profile.

As at 31 December 2014, the Group's bank and other borrowings amounted to RMB10,316,435,863.87 of which RMB7,858,522,376.44 was due after one year and RMB2,457,913,487.43 was due within one year. The Group's net gearing ratio was 47.7% as at 31 December 2014 (44.8% as at 31 December 2013).

As at 31 December 2014, the Group's unutilized banking facilities amounted to RMB17,217,990,000.00.

As at 31 December 2014, the Group did not have any significant exposure to fluctuations in exchange rates and did not enter into any foreign exchange hedging contracts.

USE OF PROCEEDS (A SHARES)

Net proceeds of the public offering of 762 million A Shares in 2010 ("A Shares IPO") obtained by the Company amounted to approximately RMB2,772,091,500.00. As at 31 December 2014, the Company had utilized approximately RMB2,280,381,200.00 of the net proceeds and the balance of the net proceeds was RMB491,710,300.00. 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 RMB168,291,900.00 (an interest income of RMB76,581,600.00 was 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 31 December 2014, the details of the use of proceeds were as follows:

Projects	Proceeds from A Shares IPO	Use of proceeds as of 31 December 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	494,048,200.00	265,951,800.00
Construction of oil storage tanks with a total capacity of 600,000 m ³ in the Xingang resort area	550,000,000.00	518,079,000.00	31,921,000.00
Construction of phase II of the Shatuozi oil storage tanks project in the Xingang Shatuozi area	29,600,000.00	29,600,000.00	0
LNG project	320,000,000.00	320,000,000.00	0
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	0
Purchase of 300 bulk grain carriages	150,000,000.00	150,000,000.00	0
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	0
Construction of information systems	50,000,000.00	50,000,000.00	0
Increase in the registered capital of Dalian International Container Terminal Co., Ltd.	84,041,500.00	84,041,500.00	0
Total	2,772,091,500.00	2,280,381,200.00	491,710,300.00

Note : In order to reduce the amount of idle cash and the financing cost and to manage cash efficiently, the third meeting of the third session of the Company's board of directors in 2014 passed a resolution 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 an authorization is valid for a period of twelve months commencing 29 April 2014 when the Board passed the relevant resolution. The Company's independent directors, supervisors, and sponsors expressed their respective opinions on the board resolution. The Company made a public announcement in relation to the above board resolution on 29 April 2014.

Management Discussion and Analysis

CAPITAL EXPENDITURE

In 2014, the Group's capital expenditure amounted to RMB725,011,121.41 which was mainly funded by the surplus cash generated from operating activities, the proceeds from the public offering of A Shares and issuance of corporate bonds.

The performance analysis of each business segment in 2014 was as follows:

Oil Segment

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

	2014 ('000 tonnes)	2013 ('000 tonnes)	+/- %
Crude oil	30,103	27,542	9.3%
– Foreign trade imported crude oil	21,952	21,022	4.4%
Refined oil	9,728	9,480	2.6%
Liquefied chemicals	908	1,035	(12.3%)
Others (Including LNG)	3,362	4,665	(27.9%)
Total	44,101	42,722	3.2%

In 2014, in terms of oil/liquefied chemicals throughput, the Group handled a total of approximately 44.101 million tonnes, an increase of 3.2% as compared to with 2013.

For the year of 2014, the Group's crude oil throughput increased by 9.3% as compared with 2013 to 30.103 million tonnes, of which imported crude oil throughput increased by 4.4% to 21.952 million tonnes. Affected by the rise in VLCC and Aframax freight index, transshipment customers increased imported crude oil transshipment at the ports of the Group. In view of the continuous falling international crude oil price, the Group strived to solicit crude oil transshipment customers leveraging its advantage on ports and provided bonded crude oil storage tanks for international petroleum traders, so as to expand the international crude oil transshipment business of the Group.

For the year of 2014, the Group's refined oil throughput amounted to approximately 9.728 million tonnes, an increase of 2.6% as compared with 2013. In light of the depressed demand in the domestic market, the overall operating rate of the refineries in the northeastern hinterland declined. There was a dropping trend for refined oil produced in the northeast hinterland being transported to the ports. Affected by the major refineries near the ports of the Group, the growth of the Group's refined oil transshipment business decreased in 2014.

For the year of 2014, the Group's liquefied chemicals throughput amounted to 0.908 million tonnes, a decrease of 12.3% as compared with 2013. The imbalance between demand and supply of the chemicals market gradually revealed in the second half of the year and the increase in the production capacity of the refineries gradually slowed down, the newly-built tanks in the vicinity of the port commenced operation gradually, the competition of the liquefied chemicals warehousing industry was intensified. All these factors caused a year-on-year decrease in the Group's liquefied chemicals throughput during the year.

Liquefied natural gases ("LNG") throughput handled by the Group for the year of 2014 amounted to 3.362 million tonnes, a decrease of 27.9% as compared with 2013. Due to the diversion effect from the new LNG receiving terminals in the vicinity of the Group's ports, the Group's LNG throughput decreased rather significantly.

For the year of 2014, the total imported crude oil volume handled by the Group accounted for 100% (100% in 2013) of the total amount of crude oil imported into Dalian and 68.5% (67.5% in 2013) of the total amount of crude oil imported into the Three Northeastern Provinces of China. Due to the commencement of operation of No. 9 storage tank and the 1,200,000 m³ crude oil storage tanks in Changxing Island, the Group's share in the imported crude oil throughput in the Three Northeastern Provinces of China increased.

Management Discussion and Analysis

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

Items	2014 (RMB)	2013 (RMB)	+/- (%)
Revenue	1,909,118,078.18	1,106,303,244.86	72.6
The share in the Group's revenue	24.0%	15.9%	up 8.1 percent.
Gross profit (less Business taxes and surcharges)	680,182,431.12	507,459,318.97	34.0
The share in the Group's gross profit (less Business taxes and surcharges)	51.0%	35.1%	up 15.9 percent.
Gross profit margin (less Business taxes and surcharges)	35.6%	45.9%	down 10.3 percent.

For the year of 2014, the revenue from the oil Segment increased 72.6% as compared with that in 2013 and was mainly due to an increase in sales brought about by the oil trading business, storage revenue from subletting third-party-owned oil tanks and increase in the oil tanks occupancy rate. The gross profit margin (less business taxes and surcharges) decreased 10.3 percentage points. Excluding the impact of the trading business, the gross profit margin is roughly the same as for last year.

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

- Riding on the opportunity of commencing operation of No. 9 storage tank with a capacity of 600,000 m³ as a bonded warehouse, the Group enhanced the ports logistics service capability, strengthened its cooperation with major customers and continued to expand the scale of the bonded warehouse.
- Leveraging on its deep-water ports and location advantage, the Group strengthened its cooperation among port operators, shipping lines and cargo owners, integrated and consolidated logistics service resources, expanded the scale of the water-to-water transshipment of imported crude oil and expanded its coverage of Shandong Peninsula and the Beijing-Tianjin-Hebei region.

Management Discussion and Analysis

Container Segment

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

		2014 ('000 TEUs)	2013 ('000 TEUs)	+/- %
Foreign trade	Dalian	5,250	5,177	1.4%
	Other Ports (note 1)	179	150	19.3%
	Sub-total	5,429	5,327	1.9%
Domestic trade	Dalian	4,761	4,735	0.5%
	Other Ports (note 1)	615	798	(22.9%)
	Sub-total	5,376	5,533	(2.8%)
Total	Dalian	10,011	9,912	1.0%
	Other Ports (note 1)	794	948	(16.2%)
	Total	10,805	10,860	(0.5%)

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.), which is owned as to 15% 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.), which is owned as to 15% by the Group.

In 2014, in terms of container throughput, the Group handled a total of approximately 10.805 million TEUs, a decrease of 0.5%, of which approximately 10.011 million TEUs were handled by the Group at Dalian Port, an increase of 1.0% over 2013. In 2014, the Group accelerated its implementation of the “One rim, One belt, One road” development strategy, comprehensively strengthened its efforts in product innovation, actively expanded its service area and enhanced its logistics services, so as to maintained a stable growth of the Container Segment.

In 2014, the Group’s container terminal business represented 98.8% (99.0% in 2013) of the total markets share in Dalian and 56.7% (58.9% in 2013) of that in the Three Northeastern Provinces of China. The Group’s container throughput for foreign trade accounted for 100% (100% in 2013) of the total volume in Dalian and 96.7% (96.9% in 2013) of that in the Three Northeastern Provinces of China.

Management Discussion and Analysis

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

Items	2014 (RMB)	2013 (RMB)	+/- (%)
Revenue	1,568,307,307.03	1,310,854,527.58	19.6
The share in the Group's revenue	19.7%	18.8%	up 0.9 percent.
Gross profit (less Business taxes and surcharges)	219,079,191.40	291,481,735.38	-24.8
The share in the Group's gross profit (less Business taxes and surcharges)	16.4%	20.1%	down 3.7 percent.
Gross profit margin (less Business taxes and surcharges)	14.0%	22.2%	down 8.2 percent.

For the year of 2014, the revenue from the Container Segment was up 19.6% that was mainly attributable to an increase in agency revenue resulting from change of accounting treatment after the VAT Reform which partly offset by a decrease in income from disposal of land use right. The gross profit margin (less business taxes and surcharges) decreased 8.2 percentage points over that in 2013. Excluding the impact of the change in accounting treatment of agency revenue after the VAT Reform, the gross profit margin (less business taxes and surcharges) decreased 4.8 percentage points as compared with that in 2013. The decrease was mainly due to the decrease in the high-margin handling business, and the increase in the container ship rental.

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

- The Group continued to implement the transport strategy of the Bohai Rim region. By expanding the network coverage of the Bohai Rim region, increasing self-owned shipping capacity, enhancing service pledge and jointly developing sources of cargo supply in the Bohai Rim hinterland with the surrounding ports of the Bohai Rim region, the Group further extended the coverage of the sub network and three new routes were temporarily added throughout the year.

- The Group accelerated the strategic layout of the hinterland and built "One belt, One road" as its bridgehead. Firstly, the Group strengthened its cooperation with the railway and customers. Three new train lines were established during the year. The market share and reputation of cross-border train lines continued to rise. Secondly, the Group speeded up the construction of inland distribution network through joint ventures. The inland multi-modal transportation system was further enhanced and thus provided strong support for the Group to develop inland core customers and to explore the source of cargoes in the hinterland.
- The Group stepped up its efforts in developing sea routes and visited the headquarters of the major shipping alliances regularly in order to ensure the smooth operation of the major routes and the Group actively sought the cooperation opportunities to develop new routes and to expand new business. The berthing of "Triple E" container vessels became normalized and one near-ocean route and three direct routes for domestic trade were established throughout the year.
- The Group propelled the construction of the cold chain logistics base. Leveraging the advantages of port location and bonded warehousing function, the Group accelerated the construction of the Northeast Cold Fresh Port and actively carried out cold chain trade so as to further optimize the cold chain logistics service system centered on the Group's ports.

Automobile Segment

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

		2014	2013	+/- %
Vehicles (units)	Foreign trade	30,135	21,435	40.6%
	Domestic trade	424,084	335,713	26.3%
	Total	454,219	357,148	27.2%
Equipments (tonnes)		12,905	7,327	76.1%

Management Discussion and Analysis

For the year of 2014, the Group handled a total of 454,219 vehicles, representing an increase of 27.2% as compared to 2013, mainly attributable to that the domestic trade customers increased in using the water transportation for their business operation and increased the traffic volume with the Group. With a continued growth in the shipment between the north and the south

of China for the domestic trade, there was a growth in the overall throughput.

In 2014, the Group's vehicle throughput continued to account for 100% of the total market share in the Three Northeastern Provinces of China.

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

Items	2014 (RMB)	2013 (RMB)	+/- (%)
Revenue	1,639,882,258.40	743,873,692.76	120.5
The share in the Group's revenue	20.6%	10.7%	up 9.9 percent.
Gross profit (less Business taxes and surcharges)	28,195,485.98	24,088,913.36	17.0
The share in the Group's gross profit (less Business taxes and surcharges)	2.1%	1.7%	up 0.4 percent.
Gross profit margin (less Business taxes and surcharges)	1.7%	3.2%	down 1.5 percent.

For the year of 2014, the revenue from the Automobile Terminal Segment increased by 120.5% as compared to that in 2013 and the increase was attributable to the substantial increase in sales brought about by the port-related trading business. The gross profit margin (less business taxes and surcharges) decreased 1.5 percentage points over that in 2013. Excluding the impact of the trading business, the gross profit margin (less business taxes and surcharges) was 67.1%, representing an increase of 7.3 percentage points over that in 2013. The increase was attributable to the high-margin vehicle inspection services operated by the Group primarily at the Group's auto dock and the expansion of trading business.

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

- The Group strengthened its cooperation with automobile manufacturers and shipping companies, improved its port services and expanded the automobiles logistics services. Through the implementation of innovative service models, integration of logistics resources and promotion of joint ventures and cooperation to attract cargoes, the Group improved its competitiveness.

- The Group established Dalian Dilangsirui Vehicles Co., Ltd. (大連迪朗斯瑞房車有限公司), together with D-LUXURY AUTO, INC., an US company, to explore the vehicle modifying and selling business opportunity. The Group also promoted the development of near-port industries and increased the shipping business from Qirui Automobile Dalian factory.

Ore Segment

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

	2014 ('000 tonnes)	2013 ('000 tonnes)	+/- %
Ore	16,330	22,104	(26.1%)
Others	1,193	655	82.1%
Total	17,523	22,759	(23.0%)

For the year of 2014, the Group's ore terminal handled approximately 17.523 million tonnes of ore, a decrease of 23% as compared with 2013.

In 2014, the Group's ore throughput accounted for 22.5% (28.9% in 2013) of the total throughput in the Three Northeastern Provinces of China.

Management Discussion and Analysis

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

Items	2014 (RMB)	2013 (RMB)	+/- (%)
Revenue	255,881,586.33	295,685,178.43	-13.5
The share in the Group's revenue	3.2%	4.2%	down 1.0 percent.
Gross profit (less Business taxes and surcharges)	53,480,860.51	105,486,338.05	-49.3
The share in the Group's gross profit (less Business taxes and surcharges)	4.0%	7.3%	down 3.3 percent.
Gross profit margin (less Business taxes and surcharges)	20.9%	35.7%	down 14.8 percent.

For the year of 2014, the revenue from the Ore Segment decreased by 13.5%, that was mainly due to a decline in the portion of cargoes with a higher handling fee. The gross profit margin (less business taxes and surcharges) decreased 14.8 percentage points as compared with that in 2013. The decrease was mainly due to a significant decrease in the handling fees that reduced the diluting effect of the fixed costs.

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

- Building on its strengths, the Group put efforts to solicit cargo supply. By upgrading the stacking yard and refining its management, the Group strived to provide new service product and built up a new service brand for handling coking coal.
- The Group devoted more resources in the construction of ore transshipment distribution system, promoted the large vessels berthing services, achieved a breakthrough in the distribution of imported iron ore in Shandong Peninsula and created a new business model combining comprehensive logistics services and financial services.

General Cargo Segment

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

	2014 ('000 tonnes)	2013 ('000 tonnes)	+/- %
Steel	7,722	8,414	(8.2%)
Coal	10,796	13,170	(18.0%)
Equipment	2,934	2,091	40.3%
Others	10,603	8,639	22.7%
Total	32,055	32,314	(0.8%)

The throughput handled at the Group's general cargo terminal for the year of 2014 amounted to 32.055 million tonnes, a year-on-year decrease of 0.8%.

For the year of 2014, the Group handled an approximately 7.722 million tonnes of steel, a decrease of 8.2% compared with the year of 2013. Due to the market downturn of the domestic real estate market, the demand for steel declined and the major steel plants reduced their transshipment volume in the Group's ports.

For the year of 2014, the volume of coal handled by the Group was approximately 10.796 million tonnes, which represented a decrease of 18.0% compared with the year of 2013. Due to a high level of inventory, excessive production capacity and the restructuring of the industry, the market demand was persistently low and the transshipment volume at the Group's ports declined.

Management Discussion and Analysis

For the year of 2014, the volume of equipment handled by the Group was approximately 2.934 million tonnes, which represented an increase of 40.3% as compared with the year of 2013. Through leveraging on the near-port industries, improving the service quality and strengthening the cargo solicitation, the Group's equipment throughput increased significantly.

The steel throughput and coal throughput handled at the Group's general cargo terminal in 2014 accounted for 15.7% (20.5% in 2013) and 18.1% (17.5% in 2013) of the total market share in the Three Northeastern Provinces of China respectively.

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

Items	2014 (RMB)	2013 (RMB)	+/- (%)
Revenue	418,361,343.64	423,953,353.23	-1.3
The share in the Group's revenue	5.3%	6.1%	down 0.8 percent.
Gross profit (less Business taxes and surcharges)	-13,610,383.34	-13,170,094.96	-3.3
The share in the Group's gross profit (less Business taxes and surcharges)	-1.0%	-0.9%	down 0.1 percent.
Gross profit margin (less Business taxes and surcharges)	-3.3%	-3.1%	down 0.2 percent.

For the year of 2014, the revenue from General Cargo Segment decreased by 1.3%, the gross profit margin (less business taxes and surcharges) decreased 0.2 percentage points as compared to that in 2013, maintaining the same level as last year.

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

- The Group improved the quality and efficiency of the Longzu steel transportation services, strengthened the development and maintenance of the steel liner routes, promoted the development of the steel trade service platform and logistics park and constructed the comprehensive logistics service system of steel transportation.
- The Group built a stronger partnership with its major manufacturing enterprise customers. Leveraging on the location advantage of the Dalian Bay area, the Group vigorously developed the near-port industries and stepped up the construction of near-port bulky equipment assembly base at the Dalian Bay port area.

Bulk Grain Segment

The following table sets out the throughput handled by the Group's bulk grain terminal in 2014 and its comparative results in 2013:

	2014 ('000 tonnes)	2013 ('000 tonnes)	+/- %
Corn	2,414	4,072	(40.7%)
Soy bean	2,264	2,078	9.0%
Barley	469	198	136.9%
Wheat	42	6	600.0%
Others	1,219	1,698	(28.2%)
Total	6,408	8,052	(20.4%)

For the year of 2014, the throughput handled by the Group's bulk grain terminal segment was approximately 6.408 million tonnes, a decrease of 20.4% as compared with the year of 2013.

Management Discussion and Analysis

For the year of 2014, corn throughput handled by the Group's bulk grain terminal segment was approximately 2.414 million tonnes, a decrease of 40.7% as compared with 2013. The demand and supply of the corn market changed significantly in 2014, and the supply significantly exceeded the demand. Due to the elimination of the restriction on the purchasing of bulk grain carriages and the rise in rail freight costs, the Group's corn transshipment volume recorded an year-on-year decrease. Despite the unfavorable market condition, the Group actively carried out measures in response. Firstly, the Group extended greater efforts in providing comprehensive logistics services and to solicit and allocate the sources of cargo supply. Secondly, the Group closely followed the movement of purchases for temporary storage in the production areas. Through emphasizing on the utilization of silos and focusing on better planning on use of carriages, the Group strengthened the communication with its small to middle-sized trading customers in the production areas, and solicited the supply of corn cargoes in full swing.

For the year of 2014, the Group's soy bean throughput was approximately 2.264 million tonnes, which represented an increase of 9.0% as compared with last year. The Group maintained its stable relationship with its traditional soybean customers at one hand and on the other hand, extra efforts had been made to solicit new cargo supply and new trading customers so that it achieved a persistent increase in its soybean throughput.

For the year of 2014, the Group's barley throughput was approximately 0.469 million tonnes, which represented an increase of 136.9% as compared with last year. The Group adjusted its strategy for soliciting cargo supply, enhanced the effort in market development and customer relationship maintenance so that it has achieved a significant year-on-year increase in the foreign trade barley throughput.

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

Items	2014 (RMB)	2013 (RMB)	+/- (%)
Revenue	1,000,851,533.24	1,890,389,292.21	-47.1
The share in the Group's revenue	12.6%	27.1%	down 14.5 percent.
Gross profit (less Business taxes and surcharges)	26,456,606.50	174,295,248.02	-84.8
The share in the Group's gross profit (less Business taxes and surcharges)	2.0%	12.0%	down 10.0 percent.
Gross profit margin (less Business taxes and surcharges)	2.6%	9.2%	down 6.6 percent.

For the year of 2014, the revenue from the Bulk Grain Segment decreased by 47.1%. Excluding the impact of the trading business, the revenue was down 43.8%. The decrease was mainly due to the decrease of throughput, a decline in the portion of high-profit margin cargoes, and decrease in the bulk grain carriage rental income. The gross profit margin (less business taxes and surcharges) decreased 6.6 percentage points over that in 2013, mainly due to a significant decrease in the handling fees and leasing business that reduced diluting effect of the fixed costs.

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

- While ensuring the quality of port logistics services, the Group strengthened the market development for its key customers and effectively solicited cargo supply in the market through the communication with the major trading enterprise.
- The Group rationalized its overall process of future trading business by implementing the 1409 Contract and further enhanced its regulatory measures relating to such business, which laid a sound foundation for commencing the grain futures business.

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 2014 and its comparative results in 2013:

	2014	2013	+/- %
Passengers ('000 persons)	3,668	3,793	(3.3%)
Vehicles ('000 units) (note 1)	1,092	947	15.3%

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

Items	2014 (RMB)	2013 (RMB)	+/- (%)
Revenue	130,682,437.91	131,045,100.66	-0.3
The share in the Group's revenue	1.6%	1.9%	down 0.3 percent.
Gross profit (less Business taxes and surcharges)	33,473,469.31	33,648,684.24	-0.5
The share in the Group's gross profit (less Business taxes and surcharges)	2.5%	2.3%	up 0.2 percent.
Gross profit margin (less Business taxes and surcharges)	25.6%	25.7%	down 0.1 percent.

For the year of 2014, the revenue from the Passenger and Ro-Ro Segment fell 0.3%, the gross profit margin (less business taxes and surcharges) decreased 0.1 percentage points over that in 2013, roughly keeping the same level as last year.

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

- The Group cooperated with certain enterprises to jointly develop marine tourism projects. Through the development of tourism projects such as "Appreciating Dalian from the Sea" and "Island Tours", the Group further expanded the mainland-island traffic and increased the tourists flow.
- The Group strengthened the market development and communications with customers, put more efforts in the solicitation of capital investment for the port logistics park at the Dalian Bay and sought cooperation with the Drop and Pull (甩掛) transportation enterprises to jointly promote the construction of the logistics platform for the Drop and Pull transportation business in the Liaoning and Shandong region.
- The Group enhanced its e-ticket system. Through developing mobile phone App and WeChat ticketing platforms, the Group improved the online ticketing system and added self-service ticket collecting machines at the ports, the process from ticket sales to ticket collecting was simplified for the convenience of passengers.

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.

For the year of 2014, the Group transported approximately 3.668 million passengers, a decrease of 3.3% over 2013, and handled approximately 1,092,000 vehicles, an increase of 15.3%.

Value-added Services Segment

TUGGING

In 2014, the Group strengthened its tugboats management. Though various measures such as optimizing the allocation of tugboats among the tugboat bases, the Group effectively reduced its disposal costs, and maintained a good growth momentum in the tugging business.

In respect of the services in the markets outside Dalian, the Group extended greater efforts in market development in response to the dynamic changes in the market condition. Building on its edges on professionals, equipment, management and technology, the Group has devoted itself in the market competition. During the year, the Group deployed four tugboats to the ports outside Dalian for further expanding its market share and maintaining its leading position among its domestic industry peers.

TALLYING

In 2014, the total tallying throughput handled by the Group was approximately 46.697 million tones, an increase of 3.5% over last year.

RAILWAY

In terms of the railway operation, the Group handled a total of 627,000 carriages, a decrease of 5.7% as compared with the last year.

Management Discussion and Analysis

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

Items	2014 (RMB)	2013 (RMB)	+/- (%)
Revenue	914,100,031.32	966,774,701.13	-5.4
The share in the Group's revenue	11.5%	13.9%	down 2.4 percent.
Gross profit (less Business taxes and surcharges)	273,091,878.99	274,967,325.48	-0.7
The share in the Group's gross profit (less Business taxes and surcharges)	20.5%	19.0%	up 1.5 percent.
Gross profit margin (less Business taxes and surcharges)	29.9%	28.4%	up 1.5 percent.

For the year of 2014, the revenue from the Value-add Services Segment was down 5.4%, as compared with that in 2013, mainly due to a decrease in income for construction services and information services. However, the increase in the income of tugging business to some extent reduced the decrease. The gross profit margin (less business taxes and surcharges) increased 1.5 percentage points over that in 2013, such increase was mainly due to the increase of the gross margin of tugging business which accounted for a large portion of the revenue from the value-added services segment.

Core Competitive Strengths

In 2014, the Group's port operation continued to show a good growth momentum, and maintained its competitive advantage in the BohaiRim region. In particular, (i) the Group made a significant progress in construction of the logistics system while further expanding its service network coverage. The scale of the Laizhou Bay crude oil transshipment continued to expand and the container feeder service transportation system was optimized. General Cargo Segment opened three steel routes; (ii) the Group made a progress in construction of the integrated platform for industrial, commerce and trading. The scale of food, vehicles and steel trading business continuously expanded. The Group established an ore trading company and expanded its trading businesses such as grain futures, oil products and cold chain business; (iii) The Group effectively promoted the development of near-port industries which brought additional cargo supply for the Group's port operation business. The construction of the near-port processing and assembly base for exported equipment and the timber processing zone at the Changxing Island produced concrete positive effects to the Group's operations; (iv) the Group effectively strengthened its close cooperation relationship with its partners and consolidated resources to achieve a win-win situation for its cooperation partners. The Group has strengthened the cooperation with various port operators, shipping lines and cargo traders in the areas of investment and business operations and has enhanced the consolidation of logistics resources, so that it has built the Group's ports as a logistics resources allocation center in the area.

Future Development

(I) COMPETITION AND SCAPE AND THE INDUSTRY TREND

In 2015, it is expected that the recovery pace of global economy will be more rugged and tortuous and the development of the major economies will continue to show different phenomena. Despite the persistent economic downward pressure, the deepening reform and the rule by law promoted by the PRC government will foster an environment for a steady growth of the domestic economy. Domestic restructuring of industries and innovative development models will encourage the transformation of the processing business. The implementation of policy for cultivating new competitive edges in foreign trade by the PRC government will advance the foreign trade.

The Group's major hinterland includes the Three Northeastern Provinces of China and the eastern regions in Inner Mongolia. Cargo supply is mainly related to bulk general cargo, oil products, containers, automobiles as well as passenger and roll-on and roll-off operations, such as iron ore, coal, steel and grain. With a comprehensive range of cargo types in its operations, the Group has a stronger risk-resisting capability. With the support of the above-mentioned positive trends and policies, the Group expects that the total throughput will continue to maintain a steady growth. In particular, driven by the growth in domestic demand, the oil chemicals business and the ro-ro business will continue to maintain a rapid growth while the bulk general cargo business such as iron ore and grain will continue to grow and container business will grow steadily.

Management Discussion and Analysis

(II) POSSIBLE RISK EXPOSURES

The global economy will continue to recover slowly while the domestic economy has now reached a new stage in the economic development. Against the backdrop of economic restructuring and rising labor costs, China's export trade is facing challenges and the risks and uncertainties have become prominent. The problems of lacking competitiveness of large ports and imbalance of their business structure still prevail. The growth in throughputs slows down that result in a sluggish growth in operating income. The business model of purely relying on cargo loading and unloading services has encountered a bottleneck in its growth.

(III) THE DEVELOPMENT STRATEGY OF THE GROUP

The Group will continue to focus on building the comprehensive logistics services platform and the integrated platform for industrial, commerce and trading for penetrating into new markets while exerting its efforts in promoting the construction of comprehensive logistics system, business model innovation, extension of its services functions, development of the near-port industries, resources integration and joint ventures to further promote the integrated development of ports logistics with commercial and trading, information and financial industries and to transform and upgrade of the Group's ports business.

Opportunities, challenges faced and major market development measures to be taken by the Group in 2015

Oil Segment

Taking advantage of the bonded storage tanks under Phase II of Dalian North Petroleum Logistics Co.,Ltd. and the 1,200,000 m³ crude oil bonded tanks in the Changxing Island, we will deepen our cooperation with foreign and domestic crude oil traders and further expand the scale of bonded business.

We will consolidate the resources on logistics and improve our service quality in order to provide more effective and convenient ports logistics services for customers. We will also strengthen our market development and customer base and strive to solicit new imported crude oil and refined oil shipment businesses.

We will strengthen the cooperation with relevant parties so as to vigorously promote the establishment of the crude oil futures settlement base.

Container Segment

We will strengthen our cooperation with various parties and continue to promote the construction of the Bohai Rim transshipment services network system. By expanding our shipping capacity and enhancing our service pledge, we will optimize the layout of sub-line network to establish an interacting development landscape of major lines and sub-lines for foreign trade and domestic trade.

Focusing on cargo supply from Japan, Korea, Southeast Asia and Taiwan, and supported by the local cargo supply and the supply from the south China, we will implement a differentiated development strategy and build a unique, competitive and attractive international sea-to-rail intermodal transportation network, aiming to establishing a new starting point of the Maritime Silk Road.

We will adopt innovative business model and facilitate logistics products and services innovation, in order to further expand the logistics services and foster the integration and development between container logistics and industries such as near-port industries, trading, finance and information services.

Automobile Terminal Segment

We will continue to strengthen our cooperation with manufacturers and logistics services providers and strive to enhance our influence to consolidate our market position in the region and to achieving sustainable rapid throughput growth.

Through a multi-level cooperation, we will actively expand our logistics value-added business such as PDI for automobiles.

We will procure Dalian Dilangsirui Vehicles Co., Ltd. (大連迪朗斯瑞房車有限公司) to commence operation as early as possible so as to promote the development of the near-port automobile industry.

We will extend the business scope of automobile trading and facilitate the rapid growth in automobile trading business.

Management Discussion and Analysis

Ore Segment

We will actively explore the establishment of trading resources exchange platform in order to strengthen the communication and cooperation with traders, achieve real-time interactive communication of information and continue to build services brands such as “Zero-loss”, “Handling coking coal” and “Handling large vessels”.

We will take advantage of the bulk cargo platform while aiming to extending bonded services and other integrative services. We will further strengthen our cooperation with ore mines, traders and major steel plants and continue to establish a new model which integrates the trading and financing services for the ore (coal) trading business.

We will consolidate our strategic cooperation with major customers for establishing a comprehensive strategic partnership and hence constructing the ore distribution center in the Bohai Rim region and the northeast region, and the bonded ore mixing and processing base at the Dalian Port with concerted effort.

General Cargo Segment

In order to enhance the competitiveness of our ports, we will strengthen our cooperation with the upstream and downstream enterprises along the logistics chain, integrate logistics resources and reduce the logistics costs.

We will promote the development of logistics and trading businesses in respect of bulk distribution such as steel and coal, and strive to build the comprehensive logistics services platform and the integrated platform for industrial, commerce and trading.

We will accelerate the construction of timber fumigation zone in the port area in the Changxing Island and extend our efforts in the development of timber market and expand the scale of the timber transshipment.

Bulk Grain Segment

We will be centering on grain trading business and enhance our cooperation with major customers and devote ourselves in promoting the model of grain storage and trading at the place where it produced to achieve the linkage between the grain production, distribution and sales. We will actively solicit the domestic trade corn supply.

By developing a grain logistics service brand and propelling the development of the grain logistics and trading business, we will enhance our competitiveness among the ports in the northeastern region of China.

By enhancing operation efficiency and improving services quality, we will vigorously put efforts in market development with a view of soliciting imported grain for foreign trade.

Passenger and Ro-Ro Segment

We will accelerate the progress of the Beixiaoquan terminal project and, through cooperation with the local government, establish the mainland-island tourism routes, targeting to increase the traffic between the mainland and islands.

We will team up with shipping companies and actively develop the marine tourism projects in order to increase the number of tourists.

We will fully utilize the functions of the port logistics park at the Dalian Bay and the function of the drop and pull transportation alliance “Lu-LiaoJiHei” (魯-遼吉黑) to speed up the development of the drop and pull transportation business and to drive the transformation and upgrade of the ro-ro logistics services of the Company.

We will actively establish the multi-mode transportation business to provide passengers and car owners with diversified, efficient and convenient transportation services.

Value-added Service Segment

Along with the steady development of the port business, the demand for tugboats continues to increase. The Group will continue to take safety as priority and further take measures to reduce disposal costs and to improve profitability. At the same time, the Group will enhance our market development and optimization of resources allocation.

The Group has started the construction of two full-swing tugboats of 5,000 horsepower with icebreaking, firefighting and towing capabilities and the tugboats are expected to be deployed at the end of the year. The Group will make the best preparation for the deployment and adjust the allocation of tugboat resources as appropriate.

Management Discussion and Analysis

(IV) OTHER ASPECTS

Human Resources

Taking into consideration of the Company's development strategies and target, the Group took efforts to facilitate each employee's development of his or her potential and formulated an employment mechanism for staff selecting, training and appointment so as to support the Company's sustainable development.

Focusing on position, performance and ability, the Company attempted to establish a compensation system compatible with the human resources management through optimizing remuneration system and increasing positive incentives in various aspects.

We also placed emphasis on provision of training to our staff with both internal training and external courses at our disposal to build up a talent pool that lays a strong base for the Company's business development.

As at 31 December 2014, the Company had a total of 4,554 full-time employees. The Company and its invested businesses together had a total of 6,820 employees. The Company reviews its employee remuneration policy annually by taking into account the Company's performance, staff annual appraisal results and the labour market in Dalian and determines or adjusts our remuneration policy accordingly

Investor relations

The Company pays great attention to its investor relation management, and regards it as a key part of corporate governance. Our investor relation team has played well to its role as the communication channel between our senior managers and the investment community. Adhering to the principles of regularity, fairness and transparency, the Company strives to disclose true and accurate information in a timely manner. We have established various channels for communication with investors to allow them to have an in-depth understanding of the Company's business performance and future development strategies. In addition, the Company regularly collects feedbacks from investors and carefully considers their suggestions so as to make improvement along its corporate development. We perform ongoing analysis on shareholders' structure on a regular basis, which include review of the shareholdings of both institutional and retail investors, tracking and interpreting changes in shareholding structure by types of investors. These procedures enable us to build up and maintain good relationships with our existing and future potential investors.

In 2014, in order to allow all interested parties to have a better understanding of the Company's performance, development strategies and prospects, we hosted a variety of activities, including a series of roadshows such as press conferences, analyst briefings and conference calls. We also arranged meetings and site visits to Dalian port for investors, and took up investors' enquires, among other means and channels, to attain an active, straightforward and open communication with the capital market and domestic and overseas investors. In compliance with the regulatory requirements of domestic and overseas markets, the Company published announcements, circulars and annual reports on the websites of the Company and the websites and newspapers designated by the regulatory authorities.

Investor relation is a long-term strategic task for the Company. The Company will continue to improve its investor relation management so as to better serve investors and earn their trust and confidence, thereby making us one of the most esteemed listed companies in terms of trustworthiness amongst capital market investors.

Management Discussion and Analysis

Corporate social responsibility

I. Undertaking of social responsibility

We are committed to implement a supervisory and management system for social responsibility underpinned by a main framework covering quality, occupational health and safety and integrated environmental management mechanism. For which we have set up an experienced management team with extensive knowledge and strong execution capability, which may ensure the Company can fully perform its social responsibility. The Company made a total tax payment of RMB470 million in 2014, which reflects our contribution to the national and local development.

II. Caring for customers

1. Quality of products and customer services

In 2014, the Company lifted its quality and standards of port services in accordance with the requirements for quality of service of port industry through enhancing control over the entire service process. As such, we may meet customers' demand and safeguard their interests to the largest extent. We continued to perfect the business system and further optimised the production procedures by improving our research network on customers' satisfaction with a view to raising their satisfaction. There were no material transportation incidents or significant complaints from customers during the year.

2. Production safety

In 2014, through the tireless efforts of all the employees, we not only successfully achieved fast growth in its operation and production, but also satisfactorily met each and every one of the safety standards. There were 20 safety training courses organized during the year and the accumulated number of employees receiving training reached 11084. Inspection rate of special equipment was 100%.

III. Caring for staff

1. Safeguard the interest of employees

We place great emphasis on occupational health management, and therefore we arranged tests for hazardous factors and monitored the occupational health of our employees. During the year, there were 315 items tested and the number of staff receiving body check before assuming office, during their employment and before they left the Group were 119, 2200 and 31 respectively. The rate for notification of occupational health hazard was 100%. We also completed report of changes in occupational health hazards for 9 subsidiaries.

We continued to improve on the labour management system by entering into employment contracts with all of the staff, maintaining insurance covering pension, medical, work injury, unemployment and maternity and housing funds and safeguarding the right of all employees to enjoy paid annual leaves. We protect our employees' legal interests by establishment of an appropriate system and rigorously complying with its requirements.

We are committed to manage the Company in a democratic manner. We convene meeting of employee representatives on a regular basis. Matters of significance relating to corporate issues and interest of staff (wages, benefits, work safety and social insurances) shall be proposed at the meeting of employee representatives for considering, passing and deciding. We will implement and handle proposals from employee representatives in a serious manner and inform them of how the proposals are handled in a timely manner to ensure the employees' right to democratic management is exercised, this would lay a solid foundation for the establishment of a harmonious corporation.

Management Discussion and Analysis

2. Improvement on employment mechanism
We improved our remuneration and benefit system, enhanced remuneration incentive management, further improved appraisal management and strengthened the principle guiding the performance oriented remuneration allocation. We determine employees' remuneration based on their position and performance. We sufficiently and timely distribute employees' remuneration during the year.

We held over 900 different training sessions during 2014 with number of participation amounted to over 23,000. Currently, 60% of the staff has tertiary qualification.

IV. Ecological development

1. Environmental protection
In the aspect of port construction and development, we conduct environmental impact assessment and environmental protection measures concurrently with the project design, construction and commencement of operation. During the process of construction, we pay attention to the control of pollution sources and organize construction work in a scientific manner. Meanwhile an environment tracking and monitoring management system has been put in place and the ancillary environmental facilities have been constructed. We always adhere to the principle ecological protection comes first and endeavour to avoid any damages to the eco-environment. We are committed to make good use of coastal resources and protect the eco-environment, water environment and sea environment.

In the process of continuous improvement in control and management of pollution sources, we monitor environmental pollution sources, reinforce the monitor and inspection work of environmental facilities to ensure the normal operation of environmental facilities set up in each harbour area, such as sewage treatment facilities, desulfur boiler and dust remover facilities, bulk cargo yard dust controlling net, as well as ensuring pollutant emissions up to the required standards, with an aim to reducing pollutant emission and thus fulfilling the environmental protection requirements for port production.

2. Energy conservation and reduction
We consider the "five-model harbour" as the guideline for energy management and "green, low carbon, energy conservation and ecology" as the goals for harbour development. We place emphasis on the intensive use of resources, reduction of energy consumption and emission, solidify the foundation of energy management, carry on our outstanding traditions while continue to innovate, adjust and optimise energy structure and further improve on energy conservation and emission reduction, in order to achieve the Company's goal on energy conservation management.

In 2014, the Company's unit consumption of comprehensive energy for production was 3.35 tonnes of standard coal per 10,000 tonnes of throughput and the unit energy consumption for loading, unloading and production was 1.51 tonnes of standard coal per 10,000 tonnes of throughput, representing a decrease of 11.4% and 7.9% over the last year, respectively.

V. Community charity

We organised and commenced a promotion campaign for "June 5" World Environment Day and the "Earth Hour" event proposed by the Environmental Protection Volunteers Association. We actively participated in the promotion campaign for June 5 Environment Day held in Liaoning province and engaged professional companies for the salvaging, cleaning and maintenance of floaters in harbour basin and routes areas at our expense.

Report of the Directors

The board of directors (the “Board”) hereby presents its report and the audited consolidated financial statements of the Company and its subsidiaries (the “Group”) (the “financial statements”) for the year ended 31 December 2014.

Principal activities and geographical analysis of operations

As at the date of this report, the Group is principally engaged in the following business segments: (i) the provision of oil/liquefied chemicals terminal and logistics services; (ii) the provision of container terminal and logistics services; (iii) the provision of automobile terminal and logistics and trading services; (iv) the provision of ore terminal and logistics services; (v) the provision of general cargo terminal and logistics and trading services; (vi) the provision of bulk grain terminal and logistics and trading services; (vii) the provision of passenger and roll-on, roll-off terminal and logistics services and (viii) the provision of port value-added services.

The principal activities of the Company’s subsidiaries are set out in Note VIII to the financial statements.

Details of the analysis of the Group’s operating results by business segments for the year ended 31 December 2014 are set out in VIII to the financial statements.

Results and appropriations

The results of the Group for the year ended 31 December 2014 are set out in the consolidated income statement of the financial statements.

The Board now recommends the payment of a final dividend of RMB4 cents (tax included) per share, aggregating to approximately RMB177,040,000.00 to the shareholders of the Company.

Pursuant to the provisions of the Articles of Association (the “Articles”) of the Company, the annual profit distribution plan of the Company is subject to approval of the Company’s shareholders at the general meeting. Accordingly, the aforesaid dividend distribution proposal will be implemented following the approval of the Company’s shareholders at the forthcoming annual general meeting for 2014.

Financial highlights for the past five financial years

Financial highlights of the Group’s results and assets and liabilities for the past five financial years are set out in the section headed “Financial highlights for the past five financial years” of this annual report.

Reserves

Details of the movements in the reserves of the Group during the year are set out in consolidated statement of changes in equity of the financial statements.

Distributable reserves

As at 31 December 2014, the Company’s reserves available for distribution were RMB2,314,223,325.65, which was calculated in accordance with the generally accepted accounting principles of the People’s Republic of China (the “PRC GAAP”).

Bank loans and other borrowings

As at 31 December 2014, the total amount of outstanding bank loans and other borrowings of the Group was RMB10,316,435,863.87. Details of the relevant loans are set out in Note 4. (23), Note 4. (32), Note 4. (33), Note 4. (34), Note 4. (35) and Note 4. (36) to the financial statements.

Capitalisation of interest

As at 31 December 2014, the total amount of capitalised interest of the Group was approximately RMB57,130,300.57.

Fixed assets and construction in progress

Details of the movements in the fixed assets and construction in progress of the Group during the year ended 31 December 2014 are set out in Note 4. (15) and Note 4. (16) to the financial statements.

Report of the Directors

Investment properties

Details of the properties held for investment purpose of the Group during the year ended 31 December 2014 are set out in Note 4. (14) to the financial statements.

Share capital

The share capital structure of the Company as at 31 December 2012 is set out in the table below:

Class of shares	Number of shares	Percentage (%)	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

Details of the movements in share capital of the Company during the year are set out in Note 4. (39) to the financial statements.

Pre-emption rights

There are no provisions for pre-emption rights under the Articles of the Company, nor the laws of the PRC, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

Purchase, redemption or sale of shares

During the year ended 31 December 2014, none of the Company or any of its subsidiaries purchased, redeemed or sold any listed securities of the Company.

Directors and supervisors

The directors and supervisors of the Company in office during the reporting year and the period up to the date of this report are:

EXECUTIVE DIRECTORS

Mr. Hui Kai

Mr. Xu Song

Mr. Zhu Shiliang (*resigned from his office as director of the Company on 10 July 2014*)

Ms. Su Chunhua (*resigned from her office as director of the Company on 30 January 2015*)

Mr. Sun Benye (*appointed as the director of the Company on 27 March 2015*)

NON-EXECUTIVE DIRECTORS

Mr. Xu Jian

Mr. Zhang Zuogang (*resigned from his office as director of the Company on 10 January 2015*)

Mr. Dong Yanhong (*appointed as the director of the Company on 31 July 2014*)

Mr. Yin Shihui (*appointed as the director of the Company on 27 March 2015*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Liu Yongze (*resigned from his office as director of the Company on 31 July 2014*)

Mr. Gui Liyi (*resigned from his office as director of the Company on 31 July 2014*)

Mr. Wan Kam To, Peter

Mr. Yu Long (*resigned from his office as director of the Company on 31 July 2014*)

Mr. Guo Yu (*resigned from his office as director of the Company on 27 March 2015*)

Mr. Wang Zhifeng (*appointed as the director of the Company on 30 October 2014*)

Mr. Sun Xiyun (*appointed as the director of the Company on 27 March 2015*)

The Company has received from the independent non-executive directors an annual confirmation of their independence. The Company considers the independent non-executive directors independent from the Company.

Report of the Directors

SUPERVISORS

Mr. Sun Junyou (*resigned from his office as the supervisor of the Company on 29 January 2015*)
Mr. Zhang Zuogang (*was appointed as the supervisor of the Company on 27 March 2015*)
Mr. Yin Shihui (*resigned from his office as the supervisor of the Company on 29 January 2015*)
Mr. Jia Wenjun (*appointed as the supervisor of the Company on 27 March 2015*)
Mr. Zhang Guofeng (*resigned from his office as the supervisor of the Company on 31 July 2014*)
Mr. Zhang Xianzhi (*resigned from his office as the supervisor of the Company on 31 July 2014*)
Mr. Lv Jing (*resigned from his office as the supervisor of the Company on 31 July 2014*)
Mr. Kong Xianjing (*appointed as the supervisor of the Company on 31 July 2014*)
Mr. Xu Fangsheng (*resigned from his office as the supervisor of the Company on 29 January 2015*)
Ms. Jiang Weihong (*resigned from her office as the supervisor of the Company on 31 July 2014*)
Mr. Jiao Yingguang (*appointed as the supervisor of the Company on 31 July 2014*)
Ms. Zhao Rong (*appointed as the supervisor of the Company on 29 January 2015*)

Pursuant to the Articles of the Company, the directors and supervisors of the Company are appointed for a term of no more than three years.

Directors' and supervisors' service contracts

During the year ended 31 December 2014, each of the directors and supervisors of the Company has a service contract with the Company for a term of not more than three years, which can be terminated by either party by giving three months' prior written notice to the other party.

Save as set forth above, the Company did not enter into a service contract with any director or supervisor which is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

Directors' and supervisors' interests in contracts

Save for the service contract, no contract of significance to the Group in which the Company or any of its subsidiaries, its holding company or any of its subsidiaries was a party and in which a director or a supervisor had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Profiles of directors, supervisors and senior management

Profiles of the directors, supervisors and senior management of the Company are set out in the section headed "Profiles of Directors, Supervisors and Senior Management" in this annual report.

Interests and short positions in shares, underlying shares and debentures of the Company

As at 31 December 2014, none of the directors, supervisors, chief executive or any of their respective associates had any interests and short positions in shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), or as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

Directors' and supervisors' rights to acquire shares and debentures

At no time during the year was the Company or any of its subsidiaries, or its holding company or any of its subsidiaries, a party to any arrangement which would enable the directors and supervisors of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate. In addition, none of the directors or the supervisors of the Company was granted any right to subscribe for the securities of the Company or had exercised any such right during the year.

Directors' interests in competing businesses

None of the directors of the Company had any interest in any business which competes or may compete, whether directly or indirectly, with the business of the Company and the Group. At the same time, the Company has received the undertakings and confirmations of the directors that they do not have any interest in any business that may compete with the Company.

Report of the Directors

Directors' and supervisors' remuneration

The remuneration of directors and supervisors of the Company is determined in accordance with their duties and responsibilities, subject to the approval of the Company's shareholder at the general meeting.

Details of the directors' and supervisors' remuneration are set out in Note 9. (5) to the financial statements.

Five highest paid individuals

For the year ended 31 December 2014, information in respect of the five highest paid individuals of the Group is set out in note Note 9. (5) to the financial statements.

Management contracts

The Company did not enter into any contract in respect of the management and administration of the entire or any significant part of the business of the Company nor did any such contract subsist at any time during the year.

Connected transactions

During the year, the Group entered into the following transactions and arrangements with connected persons as defined in the Listing rules:

NON-EXEMPT CONNECTED TRANSACTIONS

On 29 April 2014, the Company entered into an equity transfer which is the Sea Use Rights Transfer Agreement with PDA, pursuant to which the Company agreed to transfer the sea use rights in respect of an area of 81.3837 hectares at the Dalian Bay of Dalian in the PRC to PDA for a cash consideration of RMB274,704,200.00. PDA is the controlling shareholder of the Company. The cash consideration was arrived at after arms length negotiation between the parties with reference to the appraised value of the sea use rights as at 23 March, 2014 being RMB260,013,500. The valuation was prepared by an independent valuer recognized by the competent PRC government authority. This transfer was approved by the State Oceanic Administration of the PRC. The consideration has been paid in full and the disposal has completely in December 2014.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

The following table sets out a summary of the Group's non-exempt continuing connected transactions undertaken during the year 2014.

	Connected transactions	Connected persons	Cap for 2014 (RMB'000)	Actual amount for 2014 (RMB'000)
A	Construction supervision and management services	PDA Group	57,200	42,742
B	Property and equipment Lease	PDA Group	46,833	42,427
C	Supply of goods and services	PDA Group	47,660	35,062
D	Receiving of goods and services	PDA Group	253,364	139,663
E	Terminal facilities design and construction services	PDA Group	294,800	94,539
F	Finance lease	PDA Group	146,230 (note1)	64,223
	Total		846,087	418,656

(1) On 17 March 2014, the company and PDA revised the annual cap for Finance leasing from RMB15,000,000 to RMB 146,230,000. Please refer to the details in paragraph headed "F. Finance leasing" below.

Report of the Directors

A. Construction supervision and management services

On 30 October 2012, Dalian Port Construction Supervision and Consultation Co. Ltd. (“DCSC”) entered into the Construction Supervision and Management Services Agreement with PDA, whereby DCSC provided construction supervision and management services to PDA Group. DCSC is wholly-owned subsidiary of the Company while PDA is the controlling shareholder of the Company. The annual cap for the construction supervision and management services and the actual amount of the transaction for the year ended 31 December 2014 were RMB57,200,000.00 and RMB42,742,306.73 respectively.

The main terms and conditions of the Construction Supervision and management Service Agreement are as follows:

- The terms and conditions on which such services are to be provided will be no more favorable to PDA and/or its associate than those offered to independent third parties;
- The term of the agreement commenced from 1 January 2013 and will end on 31 December 2015. Unless otherwise agreed by the parties, each party may terminate the agreement by giving three months’ written notice;
- The construction supervision and management services will be priced in accordance with the following principles:
 - (a) State price, or its relevant departments by laws, regulations, determinations, orders and polices; and
 - (b) where there is no state price, the market price, being the price at which the same or comparable services are provided to independent third parties in the same area in the ordinary course of business.

B. Property and equipment Lease

On 30 October 2012, the Company entered into the Properties and Equipment Lease Agreement with PDA, for the members of the Group leased certain land use rights, buildings and equipment from the PDA. On 29 October 2013, the Company disclosed the revised annual caps for the lease of properties and equipment annual to the Board’s approved. The annual cap for the property and equipment leasing and the actual amount of the transaction for the year ended 31 December 2014 were RMB46,833,000.00 and RMB42,426,833.38 respectively.

The main terms and conditions of the Property and equipment Lease Agreement are as follows:

- The rental charged by PDA and or its relevant associates will be set by or with reference to the market rate, being the rate at which the same or comparable land of buildings are leased from independent third parties in the same area in the ordinary course of business;
- The term of the Property Leasing Agreement commenced from 1 January 2013 and will end on 31 December 2015. The Group may terminate the agreement on giving three months’ written notice;
- The rental (exclusive of all taxes payable, which shall be paid to PDA or its relevant associates) shall be payable on a quarterly basis.

Report of the Directors

C. Supply of goods and services

On 30 October 2012, the Group entered into the Supply of Goods and Services Agreement with PDA, pursuant to which the Group supplied goods and provided services to PDA Group. The annual cap for the supply of goods and services and the actual amount of transaction for the year ended 31 December 2014 were RMB47,660,100.00 and RMB35,062,499.12 respectively.

The major terms of the Supply of Goods and Services Agreement are as follows:

- Goods supplies and services to be provided by the Group to PDA and/or its relevant associates include:
 - (a) Provision of supplies: IT related equipment, spare parts, software and related maintenance and other related or similar supplies and services; and
 - (b) Services: Tugboat services, telecommunications, and related engineering services, software development; network maintenance, security services, provision of utilities including electricity, steam and heat and other related or similar services;
- The terms and conditions on which the supplies and services are to be provided by the Group will be no more favorable than those available from independent third parties;
- The initial term of the Supply of Goods and Services Agreement commenced from 1 January 2013 and will end on 31 December 2015. PDA and its associates may not terminate the agreement without the Group's prior written consent; and
- The supplies and services will be provided at prices determined in accordance with the following pricing principles:
 - (a) State price, being the price set by the PRC government (at central or local level) or its relevant departments by laws, regulations, determinations, orders and polices;
 - (b) where there is no state price, the market price, being the price at which the same or comparable services are provided to independent third parties in the same area in the ordinary course of business; or
 - (c) where there is neither a state price or a market price, the actual cost incurred in providing such goods and services.

D. Receiving of goods and services

On 30 October 2012, the Group entered into the Purchase of Goods and Services Agreement with the PDA Group, pursuant to which PDA Group supplied goods and provided services to the Group. The annual cap for the receiving of goods and services and the actual amount of transaction for the year ended 31 December 2014 were RMB253,364,100.00 and RMB139,663,071.74 respectively.

The major terms of the Purchase of Goods and Services Agreement are as follows:

- Goods and services to be provided by PDA and/or its relevant associates to the Group include:
 - (a) Provision of supplies: diesel oil, spare parts and other similar supplies; and
 - (b) Services: facilities and equipment maintenance, provision of utilities including water and heating, transportation (for employees commuting between home and work), landscaping, labor, catering, medical check, printing and conference services and other related or similar services;

Report of the Directors

- The terms and conditions on which the supplies and services are to be provided to the Group will be no less favourable than those available from independent third parties;
- The term of the Purchase of Goods and Services Agreement commenced from 1 January 2013 and will end on 31 December 2015. PDA and its associates may not terminate the agreement without the Group's prior written consent; and
- The supplies and services will be provided at prices determined in accordance with the following pricing principles:
 - (a) State price, being the price set by the PRC government (at central or local level) or its relevant departments by laws, regulations, determinations, orders and polices;
 - (b) where there is no state price, the market price, being the price at which the same or comparable services are provided to independent third parties in the same area in the ordinary course of business; or
 - (c) where there is neither a state price nor a market price, the actual cost incurred in providing such goods or services.

E. Terminal facilities design and construction services

On 30 October 2012, the Group entered into the Terminal Facilities Design and Construction Services Agreement with PDA pursuant to which PDA Group provided terminal facilities design and construction services to the Group. The annual cap for the terminal facilities design and construction services and the actual amount of transaction for the year ended 31 December 2014 were RMB294,800,000.00 and RMB94,539,209.84 respectively.

The main terms and conditions of the Terminal Facilities Design and Construction Services Agreement are as follows:

- The terms and conditions on which such services are to be provided will be no less favourable to the Group than those available to the independent third parties;
- The term of the agreement commenced from 1 January 2013 and will end on 31 December 2015. PDA and/or its associates may not terminate the agreement without the Group's prior written consent; and
- The provision of the terminal facilities design and construction services shall be priced in accordance with the following principles:
 - (a) State price, be the price set by PRC government (at central or local level) or its relevant departments by laws, regulations, determinations, orders or policies;
 - (b) where there is no state price, the market price, being the price at which the same or comparable services are provided to independent third parties in the same area in the ordinary course of business; or
 - (c) Where the project is subject to public bidding, the price will be determined through the bidding process.

Report of the Directors

F. Finance lease

Dalian Equipment Finance Lease Company Limited (“DLEFL”), a subsidiary of PDA had been providing finance lease services, to the Group in respect of leasing containers and computer software and hardware pursuant to the Finance Lease Agreement dated 29 October 2013. On 17 March 2014, the Company entered into the Finance Lease Agreement with PDA, pursuant to which PDA agreed to provide, and/or procure its subsidiaries and/or associates to provide, finance leasing (including leaseback) to the members of the Group, and revised the annual cap for finance leasing for the years of 2014 through 2015. The annual cap for the finance leasing and the actual amount of transaction for the year ended 31 December 2014 was RMB146,230,100.00 and RMB64,222,784.72 respectively.

The major terms of the Finance Lease Agreement are as follows:

- PDA agrees to provide, and/or procure its subsidiaries and/or associates to provide, finance lease to the relevant members of the Group, the terms will no less favourable to them than those available to independent third parties;
- The initial term of the agreement commenced from 30 October 2013 and will end on 31 December 2018.
- rental payable by the relevant members of the Group shall be determined by reference to market price, and the amount and way of payment shall be provided in each individual agreement by the parties thereto; and
- with respect to each individual finance lease, the relevant member of the Group shall enter into separate written agreements with PDA and/or its subsidiaries and associates, the terms of which are in all material respects consistent with the binding principles, guidelines, terms and conditions contained in the Finance Lease Agreement.

G. Financial Services

The Company has entered into the Financial Services Agreement with the Dalian Port Finance Company (“Finance Company”) Preparation Committee on 27 October 2011. For a period of 1 January 2012 to 31 December 2014, the daily caps for the deposit services and loan services were RMB4,000,000,000.00 and RMB5,000,000,000.00, respectively. During the year ended 31 December 2014, the highest daily closing balance of the Group’s deposit and loan with the PDA Group were RMB2,429,552,100.00 and RMB785,505,200.00, respectively. The annual cap for the aggregate handling fees in connection with the settlement services and the actual amount of transaction for the year ended 31 December 2014 were RMB700,000.00 and RMB321,297.79, respectively.

The main terms and conditions of the Financial Services Agreement are as follows:

- Financial services to be provided by the Finance Company to the Group include:
 - (a) Deposit services: including current deposit, fixed term deposit, call deposit and agreement deposit;
 - (b) Financial intermediation services: including loan, bill acceptance, bill discount and other credit services;
 - (c) Payment and receivable settlement services; and
 - (d) other financial services within the scope of the Financial Company’s license;
- The terms and conditions on which the financial services are to be provided the Group will be no less favourable than those available from independent third parties;

Report of the Directors

- The term of the Financial Services Agreement is for the period ended on 31 December 2014. The agreement may be amended or cancelled upon consent by both parties through consultation and written agreement; but neither party is allowed to unilaterally amend the agreement; and
- The financial services shall be priced in accordance with the following principles:
 - (a) The interest rates for deposit should not be lower than the uniform interest rate prescribed by the People's Bank of China for comparable deposits, the interest rates paid by other major commercial banks in China for comparable deposits, and not be lower than the interest rate paid by the Finance Company to any subsidiary of PDA (other than any member of the Group) for comparable deposits;
 - (b) The interest rates for loans should not be higher than the rate charged by major commercial banks in the PRC for comparable loans, and not be higher than the interest rate payable by any subsidiary of the PDA Group to the Finance Company;
 - (c) The settlement services are provided by the Finance Company free of any charge; and
 - (d) The other financial services fee will not be higher than the fee charged by other financial institutions in China for comparable services;
- The Group and Finance Company shall keep in strict confidence information, data, financial data, product information of the other party, and shall strictly abide by the confidential provisions under the agreement.

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive directors of the Company have reviewed the continuing connected transactions and confirmed that those transactions have been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) either on normal commercial terms or, if there are no sufficient comparable transactions to judge whether they are on normal commercial terms, on terms better than terms available to or from independent third parties; and
- (3) In accordance with the relevant agreements governing the relevant transactions on terms that are fair and reasonable and in the best interests of the shareholders of the Company as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Board engaged the auditors of the Company to perform certain agree-upon procedures in respect of the Group's continuing connected transactions as mentioned above. The auditors have reported their factual findings on these procedures to the Board with a letter and made a confirmation in accordance with Rule 14A.56 of the Listing Rules.

Pursuant to paragraph 8 of Appendix 16 of the Listing Rules, the Company confirms that in respect to the Company's connected transactions and continuing connected transactions, it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Related Party Transactions

During the year ended 31 December 2014, the Company has entered into certain transactions with parties regarded as "related parties" under the applicable accounting standards. Details of these related party transactions are disclosed in Note VI to the financial statements. Certain of these related party transactions also constituted non-exempt connected transactions and non-exempt continuing connected transactions as disclosed in the paragraph headed "Connected Transactions" in this report.

Report of the Directors

Major customers and suppliers

During the year, the Group's major customers and suppliers accounted for the following percentages of the Group's turnover and purchases:

The largest supplier as a percentage of the Group's purchases	4.23%
The top five suppliers as a percentage of the Group's purchases	15.95%
The largest customer as a percentage of the Group's turnover	6.90%
The top five customers as a percentage of the Group's turnover	19.59%

Retirement benefit scheme

Details of the Group's retirement benefit scheme are set out in Note 4.(27) to the financial statements.

Substantial shareholders' interests

As at 31 December 2014, so far as is known to the directors of the Company, the following persons (other than the directors or supervisors) or the chief executive 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	As a % of relevant class of share capital ¹	As a % of 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	10.80%	2.59%
Nippon Yusen Kabushiki Kaisha	H shares	114,800,000 (long position)	controlled corporation	10.80%	2.59%
China Shipping (Group) Co., Ltd.	H shares	73,610,000 (long position)	controlled corporation	6.92%	1.66%
Deutsche Bank Aktiengesellschaft	H shares	63,568,000 (long position)	Beneficial owner	5.98%	1.44%
		13,278,000 (short position)		1.25%	0.30%

- 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.

Report of the Directors

- During the period from January 2012 to June 2012 and up to 30 June 2012, Dalian Port Corporation Limited (“PDA”) had purchased on the H share market a total of 53,000,000 H shares of the Company (the “H Shares Acquisition”). As a result of the H Shares Acquisition, PDA held a total of 2,461,745,000 shares of the Company, representing approximately 55.62% of the Company’s total issued share capital as at 31 December 2014.

Save as disclosed above, as at 31 December 2014, so far as is known to the directors of the Company, no other persons (other than the directors or supervisors or the chief executive) had any 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.

Sufficiency of public float

Based on the information publicly available to the Company and so far as is known to the Directors, not less than 25% of the Company’s total issued share capital was held by the public as specified in the Listing Rules as at the date of this report.

Corporate governance

As a listed company on the Stock Exchange, the Company has strived to maintain a high standard of corporate governance in order to enhance the transparency of the Company’s operations and safeguard the interests of all shareholders. Relevant details are set out in the section headed “Corporate Governance Report” in this annual report.

Auditors

The financial statements of the Company for the year ended 31 December 2014 have been audited by PricewaterhouseCoopers Zhong Tian LLP as the Company’s auditor, who was appointed at the annual general meeting for the year 2013.

Other matters

IMPLEMENTATION OF THE NON-COMPETITION AGREEMENT

On 23 March 2006, the Company and PDA entered into the Non-Competition Agreement in preparation of its initial public offering and listing of its H shares on the main board of the Stock Exchange for the purpose of avoiding the actual and potential competition with the Company. In connection with the acquisition of certain port services related business and assets from PDA and issuance of A shares on the China domestic securities market, a revised non-competition agreement (the “Revised Non-Competition Agreement”) (together with the Non-Competition Agreement, the “Non-Competition Agreements”). Pursuant to the Non-Competition Agreements, PDA provided certain non-competition undertakings in favor of the Company and granted certain first rights of refusal and option to the Company in respect of the business of PDA and future business opportunities. Under the same agreements, the independent non-executive directors of the Company were granted the right on behalf of the Company to review at least on an annual basis the implementation of said agreements and determine the exercise of any of the aforesaid first rights or options.

The independent non-executive directors have conducted a review and made necessary enquiries for the year 2014 and confirm that PDA has been in compliance with the provisions of the Non-Competition Agreements and there was no breach on the side of PDA.

By Order of the Board

Hui Kai

Chairman

Dalian, PRC

27 March 2015

Corporate Governance Report

INTRODUCTION

Dalian Port (PDA) Company Limited (the “Company”) is well aware of the importance of corporate governance, and recognizes that maintaining a high standard of corporate governance is in the fundamental interests of the Company and its shareholders. The Company has been striving to improve its corporate governance practices since its establishment. We have adopted the code provisions set out in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Corporate Governance Code”). The Company has adopted a series of measures to maintain a high standard of corporate governance.

A. CORPORATE GOVERNANCE PRACTICE

The board of directors (the “Board”) monitors and reviews the existing corporate governance practices on a regular basis with the aim of fostering a sound standard of corporate governance. During the reporting period, the Company has complied with the Corporate Governance Code without any deviation from the code provisions.

B. DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct governing director’s dealings in the Company’s securities transactions (the “Code of Directors’ Securities Dealings”) on terms no less exacting than the standards required under the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the “Model Code”). In response to the enquiry to all directors of the Company (the “Directors”), the Directors confirmed that they have complied with the required standards set out in the Model Code during the reporting period.

C. BOARD OF DIRECTORS

Striving for the best interests of the Company and its shareholders, the Board assumes the responsibility of leading and controlling the Company as well as promoting the sustainable development of the Company by directing and supervising the Company’s affairs.

1. Board Composition

The directors who held office during the reporting year and/or up to the date of this report are:

Executive Directors:

Mr. Hui Kai (Chairman)
Mr. Xu Song (General Manager)
Mr. Zhu Shiliang (Note 1)
Ms. Su Chunhua (Note 1)
Mr. Sun Benye (Note 1)

Non-executive Directors

Mr. Xu Jian
Mr. Zhang Zuogang (Note 2)
Mr. Dong Yanhong (Note 2)
Mr. Yin Shihui (Note 2)

Independent non-executive Directors

Mr. Liu Yongze (Note 3)
Mr. Gui Liyi (Note 3)
Mr. Wan Kam To, Peter
Mr. Yu Long (Note 3)
Mr. Guo Yu (Note 3)
Mr. Wang Zhifeng (Note 3)
Mr. Sun Xiyun (Note 3)

Corporate Governance Report

Note 1: Mr. Zhu Shiliang resigned from his office as director of the Company with effect from 10 July 2014. Mr. Su Chunhua resigned from her office as director of the Company with effect from 30 January 2015. Mr. Sun Benye was appointed by the shareholders of the Company as the director of the Company with effect from 27 March 2015.

Note 2: Mr. Zhang Zuogang resigned from his office as director of the Company with effect from 30 January 2015. Mr. Dong Yanhong was appointed by the shareholders of the Company as the director of the Company with effect from 31 July 2014. Mr. Yin Shihui was appointed by the shareholders of the Company as the director of the Company with effect from 27 March 2015.

Note 3: Mr. Liu Yongze resigned from his office as director of the Company with effect from 31 July 2014. Mr. Gui Liyi resigned from his office as director of the Company with effect from 31 July 2014. Mr. Yu Long resigned from his office as director of the Company with effect from 31 July 2014. Mr. Guo Yu was appointed by the shareholders of the Company as the director of the Company with effect from 31 July 2014, and resigned from his office as director of the Company with effect from 27 March 2015. Mr. Wang Zhifeng was appointed by the shareholders of the Company as the director of the Company with effect from 30 October 2014. Mr. Sun Xiyun was appointed by the shareholders of the Company as the director of the Company with effect from 27 March 2015.

Pursuant to the Articles of Association of the Company, every Director shall be appointed for a term of no more than three years from the date of his or her appointment comes into effect. During the term of office of the Director, if a candidate is appointed to fill the vacancy following the resignation of a director, his or her term of office shall commence from the date of appointment until the date of conclusion of the current session of the Board.

The biographies of the directors are set out in the section headed “Profiles of Directors, Supervisors and Senior Management” of this report. The executive and non-executive directors of the Company have expertise, extensive experience and skills in management, operation, finance and other port business related areas. They are instrumental in mapping out the Company’s strategy. The three independent non-executive directors of the Company are highly qualified professionals with extensive experiences in areas such as accounting, finance, laws, internal control and corporate management.

All independent non-executive directors have confirmed their independence to the Company during the reporting period as required under Rule 3.13 of the Listing Rules. The Company considers such directors to be independent during their respective tenure in the reporting year.

The Company believes that the board composition is reasonable and adequate for safeguarding the interests of shareholders and the Company as a whole. Furthermore, the Directors are fully aware of their collective and individual responsibilities to the shareholders, and have sufficient time and adequate capacity to perform their duties.

During the reporting year, save for their relationship with the Company, there were no financial, business, family or other material/relevant relationships among the members of the Board.

2. Operation of the Board

Pursuant to the Articles of Association of the Company, the Board is required to hold at least four regular board meetings each year, to be convened by the Chairman of the Board (the “Chairman”). In order for the directors to have opportunity to attend board meetings, a notice of at least fourteen days shall be given to every director for a regular Board meeting. For an extraordinary board meeting, a notice of at least five days shall be given to each director. The notice shall state the time, place and means by which the Board meeting will be conducted.

Corporate Governance Report

The quorum for a Board meeting is the presentation of at least half of the total number of the Directors. The Directors may attend the Board meeting in person, or appoint another Director in writing as his or her proxy to attend the Board meeting. The secretary of the Board is responsible for preparing and keeping the minutes of Board meetings and ensuring that such minutes are available for inspection by any Director.

During the reporting year, the Board held a total of eight Board meetings. The attendance rates of the directors at those Board meetings during the reporting year are as follows:

Member of the Board	Number of meetings in his/her incumbency	Number of Attendance in person	Number of Attendance by his/her proxy	Attendance Rate
Hui Kai	8	6	2	75%
Xu Song	8	8	0	100%
Zhu Shiliang	5	5	0	100%
Su Chunhua	8	8	0	100%
Xu Jian	8	7	1	87.5%
Zhang Zuogang	8	6	1	75%
Liu Yongze	5	5	0	100%
Gui Liyi	5	5	0	100%
Wan Kam To, Peter	8	8	0	100%
Yu Long	5	5	0	100%
Dong Yanhong	3	3	0	100%
Guo Yu	3	2	0	67%
Wang Zhifeng	1	1	0	100%

During the reporting year, the Company convened four general meetings. The attendance rates of directors at those meetings are as follows:

Member of the Board	Number of meetings in his/her incumbency	Number of Attendance in person	Attendance Rate
Hui Kai	4	3	75%
Xu Song	4	4	100%
Zhu Shiliang	2	2	100%
Su Chunhua	4	4	100%
Xu Jian	4	4	100%
Zhang Zuogang	4	3	75%
Dong Yanhong	2	2	100%
Liu Yongze	2	2	100%
Gui Liyi	2	2	100%
Wan Kam To, Peter	4	4	100%
Yu Long	2	2	100%
Guo Yu	2	1	50%
Wang Zhifeng	1	1	100%

3. Respective responsibilities of the Board and the Management

The responsibilities of the Board and the management of the Company have been clearly defined in the Articles of Association of the Company, which aims to provide sufficient check-and-balance mechanisms for internal control and good corporate governance.

Corporate Governance Report

The Board is responsible for deciding on the Company's business and investment plans, drawing up the Company's basic management system and deciding on the establishment of the internal management structure, determining other material business and administrative matters, and monitoring the performance of senior management.

The Board is also responsible for the preparation of accounts for each financial period to give a true and fair view of the financial status, the results and the cash flows of the Company for that period. In preparing the accounts for the year ended 31 December 2014, the directors have selected appropriate accounting policies and applied them consistently, made judgments and estimates that are prudent and reasonable and prepared the accounts on a going concern basis.

The management, under the leadership of the General Manager (who is also an executive director), is responsible for implementing the resolutions approved by the Board and administering the Company's day-to-day operation and management.

In order to ensure the effective operation of the Company, the management is required to submit a monthly management report on the operation of the Company, or submit other quarterly project reports in relation to the execution of connected transaction and internal control to management to the Board. The Board, through reviewing such reports, understands the operational conditions of the Company in a timely manner and evaluates and supervises the management of the Company. At the same time, the management engages from time to time in formal and informal communications with the Directors on the operation and business of the Company and provides sufficient information to the Directors in timely manner to enable the Board to make informed decisions.

4. Nomination, Appointment and Removal of Directors

The Company has formulated a formal and transparent procedure for the appointment of new directors to the Board. Nomination of new directors is first considered by the Nomination and Remuneration Committee whose recommendations will then be put to the Board for consideration. All newly nominated directors are subject to the approval of the shareholders at the Company's general meetings.

Removal of members of the Board and their remuneration and compensation are also subject to the approval of the shareholders at the Company's general meetings.

5. Continuing Professional Development and Training of Directors

During the reporting period, the Directors actively participate in continuous professional development by self-learning, attending seminars and trainings relating to relevant topics to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed with relevant skills. The Company is responsible for arranging relevant trainings and providing updates and information in respect of the continuous professional development to help each director better perform in their roles, functions and duties, in line with the Company's development needs.

Corporate Governance Report

During the reporting period, the relevant Directors participated in the following continuous professional development:

Particulars of the continuous professional development	Types	Participants
Seminars on insider trading and disclosure of information by listed companies	The site visit and explain	All directors
Guidelines on Disclosure of Inside Information	Self-learning of the full text of the Guidelines	All directors
Trainings of directors and supervisors of listed companies	Training courses by regulatory bodies	All directors

D. CHAIRMAN AND GENERAL MANAGER

The posts of Chairman and General Manager of the Company are separate and held by different persons to ensure their respective independence of responsibility and accountability and the balance of power and authority between them. The Chairman, Mr. Hui Kai, an executive director of the Company, plays a crucial role in setting the development strategy of the Company, and is responsible for ensuring that the Board is functioning properly and with well-formulated corporate governance practices and procedures, whilst the General Manager, Mr. Xu Song (who is also an executive director of the Company) is responsible for the day-to-day management of the Company's operations, including organizing the implementation of strategies set by the Board, making day-to-day decisions and coordinating overall business operations.

Mr. Hui Kai, the chairman held a meeting with the non-executive directors (including the independent non-executive directors) without the executing directors present.

E. BOARD COMMITTEES

The Board has established an Audit Committee and a Nomination and Remuneration Committee in accordance with the requirements of the Listing Rules.

Audit Committee

The Audit Committee consists of two independent non-executive directors and one non-executive director, namely:

Mr. Liu Yongze (Chairman, independent non-executive director, resigned as the chairman of Audit Committee on 31 July 2014);

Mr. Wan Kam To, Peter (Chairman, independent non-executive director, was elected as the chairman of Audit Committee on 31 January 2014);

Mr. Zhang Zuogang (non-executive director, resigned as a member of Audit Committee on 30 January 2015);

Mr. Guo Yu (independent non-executive director, was elected as a member of Audit Committee on 31 July 2014, and resigned as a member of Audit Committee on 27 March 2015);

Mr. Wang Zhifeng (independent non-executive director, was elected as a member of Audit Committee on 27 March 2015); and

Mr. Yin Shihui (non-executive director, was elected as a member of Audit Committee on 27 March 2015).

The primary duties of the audit committee include making recommendations to the Board on the appointments and removals of external auditors, coordinating with external auditors, leading internal audits, reviewing the Company's financial information and monitoring the Company's reporting processes and internal control systems.

Corporate Governance Report

During the reporting year, the Audit Committee completed the following major tasks:

1. Coordination and supervision of the audit work performed by both the external auditors and the internal audit department of the Company – During the reporting year, the Audit Committee reviewed the annual external audit and internal audit work plan for the year 2014. Discussions were held with the external auditors and on matters relating to the annual financial audit and internal control of the Company for 2013. Examination was carried out and recommendations were made to the Board on the appointment of auditors for 2014.
2. Review of connected transactions – During the reporting year, the Audit Committee completed the review of the Finance Lease Agreement, the continuing connected transactions contemplated thereunder, the A share daily connection transaction amount for year 2014, and renew of the Financial Services Agreement, etc. The Audit Committee provided the Board of the Company with professional audited opinions to make decisions.
3. Review of the Company's periodical reports – During the reporting year, the Audit Committee had completed the review of the Company's annual report and financial report for 2013, the first quarterly report for the year 2014, the third quarterly report for the year 2014, interim report for the year 2014, and a separate report on the use of the proceeds, and the internal assessment report on internal control.

During the reporting year, the Audit Committee held five meetings. The attendance of the members is set out as follows:

Members of the Audit Committee	Number of meetings in his/her incumbency	Number of Attendance in person	Attendance Rate
Mr. Liu Yongze	3	3	100%
Mr. Wan Kam To, Peter	5	5	100%
Mr. Zhang Zuogang	5	5	100%
Mr. Guo Yu	2	2	100%

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of two independent non-executive directors and one executive director. During the reporting year, the members of the committee included:

Mr. Gui Liyi (Chairman, independent non-executive director, resigned as the chairman of Nomination and Remuneration Committee on 31 July 2014);

Mr. Guo Yu (Chairman, independent non-executive director, was elected as the Chairman of Nomination and Remuneration Committee on 31 July 2014, and resigned as the Chairman of Nomination and Remuneration Committee on 27 March 2015);

Mr. Wang Zhifeng (Chairman, independent non-executive director, was elected as the Chairman of Nomination and Remuneration Committee on 27 March 2015);

Mr. Wan Kam To, Peter (independent non-executive director); and

Mr. Hui Kai (executive director).

Corporate Governance Report

The primary duties of the Nomination and Remuneration Committee are to study and formulate the criteria and procedures of selection and appraisal, the remuneration and benefits policy and compensation of directors and senior management of the Company, and to make recommendations to the Board on the human resources structure, planning and remuneration system.

The Group recognizes the benefits of achieving diversity among its Board members. The Nomination and Remuneration Committee adopted a policy concerning the diversity of Board members which targets at achieving a balance of skills, talents, experience and diversity of perspectives which is appropriate to the requirements of the Group's business. To implement this policy, the Committee shall consider candidates for the appointment of directors from a wide range of backgrounds, including but not limited to gender, age, cultural and educational background, professional and industry experience, skills, knowledge and length of services. Final decision is based on merits and contributions that the selected candidates will bring to the Board.

The Nomination and Remuneration Committee had reviewed the composition of the Board. Based on the diversified background, qualifications and expertise of the Directors, the Committee considered the Board to comply with the standard of the Corporate Governance Code in respect of the diversity of the Board and is appropriate to the Company's requirements.

During the reporting year, the Nomination and Remuneration Committee performed the following major tasks:

Assessed the nomination and appointment of director candidates of the fourth session of the Board of the Company and independent non-executive director candidates, and made recommendations to the Board.

During the reporting year, the Nomination and Remuneration Committee held two meetings. The attendance of the members is set out as follows:

Members of the Nomination and Remuneration Committee	Number of meetings in his/her Incumbency	Number of Attendance in person	Attendance Rate
Mr. Gui Liyi	1	1	100%
Mr. Hui Kai	2	2	100%
Mr. Wan Kam To, Peter	2	2	100%
Mr. Guo Yu	1	1	100%

To enhance the professionalism and efficiency of the Board's decision-making process on the material projects for business development and to meet the Company's needs for development, the Board has also set up the Strategy Development Committee and the Financial Management Committee.

Strategy Development Committee

The Strategy Development Committee consisted of three directors, namely:

Mr. Hui Kai (Chairman, executive director, was elected as the Chairman of Strategy Development Committee on 31 July 2014);

Mr. Xu Jian (Chairman, non-executive director, resigned as the chairman of Strategy Development Committee on 31 July 2014);

Mr. Xu Song (executive director);

Mr. Zhu Shiliang (executive director, resigned as a member of Strategy Development Committee on 10 July 2014); and

Corporate Governance Report

Mr. Dong Yanhong (non-executive director, was elected as a member of Strategy Development Committee on 31 July 2014).

The primary duties of the Strategy Development Committee are to review and formulate the strategic directions and development plans of the Company, study material market developments and operation strategies and review major investments, financing options, capital operation and asset restructuring.

During the reporting year, the Strategy Development Committee held three meetings. The attendance of the members is set out as follows:

Members of the Strategy Development Committee	Number of meetings in his/her incumbency	Number of attendance in person	Attendance rate
Mr. Xu Jian	3	3	100%
Mr. Xu Song	3	3	100%
Mr. Zhu Shiliang	3	3	100%

During the reporting year, the major tasks performed by the Strategy Development Committee included the review of various joint venture and cooperation projects participated by the Company and other material investment projects, and the recommendations in respect of the necessity and feasibility of such projects to the Board.

Financial Management Committee

The Financial Management Committee consists of three Directors. During the reporting period, the members include:

Mr. Xu Jian (Chairman, non-executive director, was elected as the Chairman of Financial Management Committee on 31 July 2014);

Ms. Su Chunhua (Chairman, executive director, resigned as the chairman of Financial Management Committee on 31 July 2014, and resigned as a member of Financial Management Committee on 30 January 2015);

Mr. Liu Yongze (independent non-executive director, resigned as a member of Financial Management Committee on 31 July 2014);

Mr. Wan Kam To, Peter (independent non-executive director); and

Mr. Yin Shihui (non-executive director, was elected as a member of Financial Management Committee on 27 March 2015).

The primary duties of the Financial Management Committee are to review the Company's financial and accounting system and other financial system, check its internal financial regulations, annual budget and final account proposals as well as profit distribution plan of the Company, and investigate financial risk management, financing, investment and other capital operations of the Company.

During the reporting year, the major tasks performed by the Financial Management Committee included the review of, among others, the 2014 annual budget, the 2013 annual profit distribution plan, and the 2013 annual report (including the financial statements contained therein), and the recommendations to the Board.

Corporate Governance Report

During the reporting year, the Financial Management Committee held six meetings. The attendance of its members is as follows:

Members of the Financial Management Committee	Number of meetings in his/her incumbency	Number of attendance in person	Attendance rate
Ms. Su Chunhua	6	6	100%
Mr. Liu Yongze	4	4	100%
Mr. Wan Kam To, Peter	4	4	100%
Mr. Xu Jian	2	2	100%
Mr. Zhang Zuogang	2	2	100%

F. AUDITORS

PricewaterhouseCoopers Zhong Tian LLP was appointed as the Company's auditor by the shareholders at the annual general meeting for the year 2013 to conduct audit work on the Company's financial statements prepared in accordance with accounting standards applicable to a PRC enterprise for the year of 2014. On the same day, PricewaterhouseCoopers Zhong Tian LLP was also appointed by the shareholders at the annual general meeting for the year 2013 as the auditor for internal control on financial reporting of the Company for the year of 2014.

During the reporting period, the total fees paid and payable to the auditors for audit service to the Group (with the meaning ascribed to it under the Independent Auditor's Report) were approximately RMB2,745,000 and the fees paid and payable for internal control audit were approximately RMB800,000. During the reporting period, the auditors of the Group (include any entity that is under common control, ownership or management with the auditors, or an entity that would be reasonably concluded by a reasonable and informed third party knowing all relevant information to be part of the domestic or international business of the auditors) did not provide any non-audit services to the Group.

G. SENIOR MANAGEMENT'S INTERESTS IN SHARES AND REMUNERATION

During the reporting year, none of the senior management had any interests in the shares of the Company.

Details of remuneration payable to members of the senior management in the year of 2014 are set out in Note 9.(5) to the financial statements.

H. COMPANY SECRETARY

During the reporting year, the joint company secretaries of the Company, Ms. Gui Yuchan and Mr. Lee Kin Yu, Arthur had complied with the requirements on minimum time dedicated for related professional training as set out in Rule 3.29 of the Listing Rules. Ms. Gui Yuchan and Mr. Lee Kin Yu, Arthur also participate in trainings and review the professional knowledge for Listing Rules and corporate governance to continuing improved their professional skills to meet the position requirement for the joint company secretaries.

I. INTERNAL CONTROLS

The Company has set up an appropriate internal control system to deal with connected transactions, internal audit, disclosures and other relevant matters.

After conducting a self-appraisal on the status of internal control of the Company, the Board considers that, during the reporting year, the internal control system of the Company was adequate. The Board also requested the management of the Company to further improve the internal control system to enhance the Company's corporate governance standard.

Corporate Governance Report

1. Internal Audit

The Board has established an Audit Committee as part of the internal control system of the Company. Details of the Audit Committee are set out in section headed “E. Board Committee” of this report.

The Company has also set up an internal audit function by appointing qualified personnel to strengthen the internal control of the Company. The role of the internal auditor is to assist the Audit Committee in ensuring the Company to maintain a sound internal control system by reviewing all aspects of the Company’s activities and internal controls, conducting regular audits of the practices and procedures of the Company and its subsidiaries. The internal control department of the Company has conducted an internal audit of the Company and its subsidiaries according to its annual plan for the reporting year. After reviewing the internal control system of the Company and its subsidiaries, the Board considered internal control system of the Company to be effective.

2. Other Internal Control Procedures

The Company has formulated and approved the “Connected Transaction Management Rules” and approved the relevant internal control procedures to ensure the compliance with the connected transaction requirements under the Listing Rules.

Moreover, the Company has also formulated the “Information Disclosure Management Rules”, the “Material Information Reporting Rules” and the “Insider Information and Insiders Management System” which provide the responsibilities and procedure for disclosure and reporting of the significant matters and inside information of the Company to ensure that the disclosures are in compliance with the Listing Rules.

The Company has adopted a governance mechanism which is more stringent and prudent than the Corporate Governance Code. The Board has also set up a Financial Management Committee in order to eliminate the financial management risks of the Company and to improve its internal controls system as necessary. Details of the Financial Management Committee are set out in section headed “E. Board Committee” of this report.

In order to effectively avoid any operational risks resulting from misconduct or corruption in the ordinary course of business and allow the Board to obtain necessary information about the Company in a timely manner, the Company has also set up an internal control reporting system with a corresponding report channel to ensure smooth communication between the Company and the Directors.

J. RIGHTS OF SHAREHOLDERS

Pursuant to the Articles of Association of the Company, shareholder(s) holding 10% or more of the Company’s outstanding issued shares carrying voting rights may request in writing the convening of an extraordinary general meeting. The Board shall furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting within ten days after receiving the proposal, and the notice of such general meeting shall be issued within five days after adopting the relevant resolution of the Board. If the Board does not agree to convene an extraordinary general meeting or does not furnish any reply within ten days after receiving such proposal, the shareholders severally or jointly holding 10% or more of the Company’s shares may propose to the Supervisory Committee the convening of such extraordinary general meeting in writing. If the Supervisory Committee agrees to convene the extraordinary general meeting, the notice of convening the general meeting shall be issued within five days after receiving such request. Failure of the Supervisory Committee to issue a notice of general meeting within the stipulated period shall be deemed as the failure of the Supervisory Committee to convene and preside over a general meeting, and the shareholders severally or jointly holding 10% or more of the Company’s shares for more than ninety consecutive days shall be entitled to convene and preside over the meeting on an unilateral basis.

Corporate Governance Report

Pursuant to the Articles of Association of the Company, whenever the Company convenes a general meeting, shareholder(s) severally or jointly holding more than 3% of the total number of the Company's shares shall have the right to propose motions in writing to the Company. Motions may be proposed as an ex tempore motion ten days prior to the general meeting by submitting the same to the convener in writing.

The shareholders of the Company shall have the right to obtain relevant information and documents of the Company in accordance with the provisions of the Articles of Associations of the Company, including the right to obtain a copy of the Articles of Association of the Company subject to payment of relevant costs, and the right to inspect and copy, subject to payment of a reasonable fee, the Company's register of members, minutes of general meetings, and financial accountants reports of the Company.

The Articles of Association of the Company set forth all the rights of shareholders of the Company, including those rights which have been mentioned above. The Company has taken necessary steps to comply with all provisions of the relevant laws, regulations and the Listing Rules to secure the rights of the shareholders.

The Company sets out the following contact details for the shareholders to communicate with the Company:

Secretary to the Board/Joint Company Secretary:	Ms. Gui Yuchan	(Tel: 86-411-87599899)
Joint Company Secretary/qualified accountant:	Mr. Lee Kin Yu, Arthur	(Tel: 86-411-87599866)
		(Fax: 86-411-87599897)

Company website: www.dlport.cn

E-Mail: ir@dlport.cn

K. INVESTOR RELATIONS

1. Amendments to the articles of association of the Company

The Company's the second extraordinary general meeting in 2014 was held on 31 July 2014 to consider and approve the amendments to the Articles of Association of the Company as follows:

Paragraph 1 of Article 161 is proposed to be amended as:

"The company shall establish a board, which shall be accountable to and report to the general meeting. The board shall consist of nine directors, three of which are independent directors. The board shall have one chairman.

Paragraph 1 of Article 194 is proposed to be amended as:

"The supervisory committee shall consist of five supervisors, one of which shall be the chairman of the supervisory committee. The term of office of each supervisor shall be a period of three years and shall be eligible for re-election."

Paragraph 1 of Article 195 is proposed to be amended as:

"The supervisory committee shall consist of two shareholder representatives, two representatives of the staff and workers of the company and one independent supervisor of the company. The shareholder representatives and the independent supervisor shall be subject to election and removal at a general meeting. Supervisors representing the staff and workers shall be elected and removed by the staff and workers of the company through democratic process."

2. Convening of General Meetings

During the reporting year, three extraordinary general meetings and one annual general meeting had been convened by the Company.

For details of resolutions being considered in the aforesaid meetings and the poll results of the resolutions, please refer to relevant announcements published on the websites of the Shanghai Stock Exchange, the Stock Exchange of Hong Kong and the Company.

Profiles of Directors, Supervisors and Senior Management

The profiles of the directors, supervisors and senior management of the Company as at the date of this report are as follows:

Directors:

Mr. Hui Kai (惠凱先生), aged 51, Chinese national, Chairman and executive director of the Company. After graduating from the civil engineering department of Dalian Institute of Technology majoring in port and sea-route engineering in 1987, Mr. Hui held positions of the deputy commander for the Construction Projects of Yingkou Port; the general manager of Harbour Construction and Development Company of Port of Yingkou Authority; the deputy director of Port of Yingkou Authority; the vice director and deputy secretary of Party Committee of Yingkou City Planning Commission; the director and Party committee secretary of Yingkou City Foreign Economic Relations & Trade Commission; the director and secretary of Party Committee of Yingkou City Foreign Trade & Economic Cooperation Bureau; the deputy director of Dalian Port Authority (大連港務局); the director and secretary of Party Committee of Dalian Port Administration Bureau (大連市港口管理局); the director and secretary of Party Committee of Port of Dalian Authority (大連港口與口岸局); the deputy secretary of Dalian Port Party Working Committee; vice secretary of Party Committee and Chairman of the People's Government of Lvshunkou District of Dalian; and the director of Dalian Municipal Commission of Development and Reform. He is the chairman of the board of directors, general manager and deputy secretary of Dalian Port Corporation Limited as well as the chairman of the board of directors of Dalian Port (PDA) Company Limited. Mr. Hui has obtained a master degree in business administration from Roosevelt University, a postgraduate master degree in transportation planning and management from Dalian Maritime University, and a postgraduate doctor degree in management science and engineering from Dalian University of Technology.

Mr. Xu Song (徐頌先生), aged 43, Chinese national, an executive director and the general manager of the Company. Mr. Xu joined Port of Dalian Authority in 1992 and held various positions in the past, including the Planner at the Materials Department of Port Construction Headquarter of Dalian Port; the Planner at the Materials Section of the Construction and Engineering Department of Port of Dalian Authority; the Deputy Chief of the Comprehensive Department of Dalian Port Investment and Development Company Limited; the Deputy Chief of the Business Development Department of Dalian Port Container Comprehensive Development Company; the Deputy General Manager of Dalian Port Logistics Network Co., Ltd.; the Deputy General Manager and the General Manager of Dalian Jifa Logistics Co., Ltd.; the General Manager of Dalian Port Container Co., Ltd.; and the Deputy General Manager of Dalian Port Corporation Limited. Mr. Xu is currently a director of Dalian Port Corporation Limited, a director and the general manager of Dalian Port (PDA) Company Limited, and also serves as the chairman of the board of Dalian Port Container Development Co., Ltd and so on, as well as a director of Zhongshi International Logistics Co., Ltd. (中世國際物流有限公司) and so on. Mr. Xu has obtained a doctor degree from Dalian Maritime University majoring the transportation planning and management, a master degree from Dongbei University of Finance and Economics majoring in business administration, a master degree from Coventry University majoring in international business management and a bachelor degree from Huazhong University of Science and Technology majoring in material management. Mr. Xu is a senior economist and has over twenty years of experience in managing port business and extensive experience in business and management.

Mr. Sun Benye (孫本業先生), aged 48, Chinese national. Mr. Sun joined the Port of Dalian Authority (currently known as Dalian Port Corporation Limited ("PDA")) in 1989. He held the positions of the deputy head (deputy commissioner) of the organization division (human resources department) of the Party Committee of Port of Dalian Authority, the head of Party Committee office of Port of Dalian Authority, the head of general office and Party Committee office of Port of Dalian Authority, the head of general office of PDA, the party secretary and secretary to disciplinary committee of Dalian Port Dalian Bay Stevedoring Company, the manager of Dalian Port Railway Company, the chief of Corporate Development Department of PDA, the deputy chief economist and the chief of Corporate Development Department of PDA, the chief of Corporate Management Department of the Company. He is currently a director and deputy general manager of Dalian Port (PDA) Company Limited as well as the vice chairman and general manager of Dalian Changxing Island Port Investment Development Co., Ltd.. Mr. Sun obtained a master's degree in business administration from Dongbei University of Finance and Economics. He is a senior specialist in political.

Profiles of Directors, Supervisors and Senior Management

Mr. Xu Jian (徐健先生), aged 50, Chinese national, a non-executive Director of the Company. After joining Port of Dalian Authority in 1988, he held the positions of the deputy manager of Dalian Harbour Construction Superintendence and Consulting Co., Ltd., the general manager of Dalian Port Construction Engineering Co., Ltd., the commander-in-chief for the Key Engineering Projects of Dalian Port and an assistant to general manager of Dalian Port Corporation Limited. He is currently a Director and a deputy general manager of Dalian Port Corporation Limited, as well as the chairman of the board of directors of Dalian Port Construction Engineering Co., Ltd., and so on. Mr. Xu graduated from Tianjin University majoring in port and sea-route engineering. He is a senior engineer of port engineering and has extensive experience in port planning and construction. He was awarded with “2006 Dalian 5.1 Labor Medal”.

Mr. Dong Yanhong (董延洪先生), aged 53, Chinese National, currently serves as a director and a deputy general manager of Dalian Port Corporation Limited, as well as the chairman of the board of directors, the general manager and the secretary of Party Committee of Dalian Taiping Bay Investment and Development Co., Ltd.. Mr. Dong held various positions in the past, including deputy general manager of Trading Company of Port of Yingkou Authority, assistant to general manager of Beihai Xinli Industrial Co., Ltd., general manager of Stevedoring Company of Beihai Xinli Industrial Co., Ltd., deputy general manager of Yingkou Port Container Development Co., Ltd., deputy director of the management centre for Public Infrastructure Construction of Port of Dalian, deputy chief engineer of the Bureau of Port and Coastal of Dalian and deputy director of the Development and Construction Division of Changxing Island Port of Dalian, director-general of Dalian Changxing Island Public Port Area Development Frontline Department, deputy director of the Bureau of Urban Construction in Dalian Changxing Island Near-port Industrial Zone, deputy director and director of the Port and Coastal Management Office in Dalian Changxing Island Near-port Industrial Zone, director of the Bureau of Port and Coastal Area in Dalian Changxing Island Near-port Industrial Zone, assistant to general manager of Dalian Port Corporation Limited, and the general manager of Dalian Taiping Bay Investment and Development Co., Ltd.. Mr. Dong is a senior engineer who graduated from Dalian University of Technology and majored in port construction and engineering discipline.

Mr. Yin Shihui (尹世輝先生), aged 46, Chinese national. He is currently the deputy general manager and chief security of Dalian Port Corporation Limited, as well as the chairman of the board of directors of Dalian Ocean Shipping Tally Co., Ltd. etc and a director of Dalian Port Container Development Co., Ltd. and so on. Mr. Yin joined the Port of Dalian Authority (currently known as Dalian Port Corporation Limited (“PDA”) in 1992 and acted as an assistant director and deputy director of the department of operations. He was also the deputy manager, manager, party secretary and secretary for discipline inspection of Dalian Port Xianglujiao Stevedoring Company, director of operation department of PDA, the general manager and party secretary of Dalian Port General Cargo Terminals Company, and an assistant to the general manager and deputy chief accountant of PDA. Mr. Yin graduated from Renmin University of China with a bachelor’s degree in Law. He is a senior specialist in logistics.

Mr. Wan Kam To, Peter (尹錦滔先生), aged 62, Chinese national with Hong Kong residency, an independent non-executive Director of the Company. Mr. Wan has been a practicing accountant in Hong Kong for over 30 years and has extensive experience in auditing, finance, advisory and management. He was a former partner of PricewaterhouseCoopers Hong Kong. Mr. Wan is currently an independent non-executive director and chairman/member of the audit committee of China Resources Land Limited, Huaneng Renewables Corporation Limited, The Fairwood Holdings Limited, KFM Kingdom Holdings Limited, Hong Kong Retail Abc International Holdings Ltd, the Bank of Harbin, Shanghai Pharmaceuticals Holding Co., Ltd., Harbin Bank Co., Ltd., Kerry Logistics Network Co., Ltd., and Target Insurance (Holdings) Limited, all listed on The Stock Exchange of Hong Kong Limited. He was formerly independent non-executive director and chairman/member of the audit committee of Real Gold Mining Limited, Greater China Professional Services Limited, Mindray Medical International Limited (NYSE: MR) and RDA Microelectronics, Inc. (NASDAQ: RDA). He is a fellow member of Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and The Hong Kong Institute of Directors.

Profiles of Directors, Supervisors and Senior Management

Wang Zhifeng (王志峰先生), aged 60, is currently the senior specialist of assets and liabilities department of the head office of Agricultural Bank of China Limited (the "Agricultural Bank"). Mr. Wang also served as the head and the Secretary of the Communist Party Committee of Dalian Branch of the Agricultural Bank, and a supervisor of ABC Financial Leasing Co., Ltd. He graduated from Shenyang Agricultural College with master's degree in economic management, and is currently a senior economist.

Mr. Sun Xiyun (孫喜遠先生), aged 64, Chinese national. Mr. Sun is the former party secretary of Dalian Locomotive & Rolling Stock Factory Co., Ltd. (大連機車車輛廠(有限公司)) and was the chairman, general manager, party secretary of Dalian Locomotive & Rolling Stock Co., Ltd. (大連機車車輛有限公司) and the president assistant at the headquarters of China CNR Corporation (中國北車集團). He is currently the vice-president of association for science and technology of China CNR Corporation. Mr. Sun holds an EMBA from the Faculty of Management and Economics of Dalian University of Technology and is a senior engineer at the professor level.

Supervisors:

Mr. Zhang Zuogang (張佐剛先生), aged 52, Chinese national. Mr. Zhang was a non-executive director of the Company from 24 June 2011 to 29 January 2015. Mr. Zhang joined Dalian Port Corporation Limited ("PDA") in April 2010. Prior to that, he held positions in Shenyang Industrial College, the finance office and general office of Dalian Municipal Government, and acted as an assistant to general manager and the deputy general manager of Shenyang Management Headquarter of China Southern Securities Co., Ltd., the manager of the sales department of the Dalian Branch of China Southern Securities Co., Ltd., and vice president of Shanghai Shenhua Holdings Co., Ltd. Mr. Zhang is currently a Director and the deputy general manager of PDA, the chairman of the board of directors of Dalian Northeast Asia International Shipping Center Vessels Market Co., Ltd. and so on, and director of Dalian Port and Shipping Industry Fund Management Co., Ltd. and so on. Mr. Zhang obtained a master degree from Dongbei University of Finance and Economics majoring in industrial economy.

Mr. Jia Wenjun (賈文軍先生), aged 41, Chinese national. Mr. Jia was the head of audit verification department of Liaoning Dongzheng Accounting Firms (遼寧東正會計師事務所) and prior to that, worked in Dalian Regulatory Bureau under China Securities Regulatory Commission, business section I of inspectors under China Securities Regulatory Commission in Shenzhen and acted as the deputy chief of the listed companies' supervision division and the investigation division of Dalian Regulatory Bureau under China Securities Regulatory Commission. He is currently the deputy chief accountant of PDA, and a director and the general manager of Dalian Port Investment and Financing Holdings Limited (大連港投融資控股有限公司), as well as a director of Dalian Automobile Terminal Co., Ltd, etc. Mr. Jia graduated from Dongbei University of Finance and Economics with a master's degree in accounting. He is an CPA and CPV.

Mr. Kong Xianjing (孔憲京先生), aged 63, Chinese national. Mr. Kong graduated from Dalian University of Technology with post-graduate attainment and obtained a doctorate degree in 1990. Mr. Kong is currently a professor of the Institute of Earthquake Engineering under the School of Hydraulic Engineering of Dalian University of Technology and an instructor of PhD candidates. He led and completed around 30 national projects sponsored by the National Natural Science Fund of China, Key Projects of Ministry of Education, and Research Fund for the Doctoral Program of Higher Education of Ministry of Education and National Key Scientific Projects. He received two second award of the National Prize for Progress in Science and Technology, one third award of the National Prize for Progress in Science and Technology, three first award of the Provincial Prize for Progress in Science and Technology and five other science and technology prizes. He took part in preparation and revision of six national and industrial standards, owned eight licensed software copyrights and published over 160 papers. He has been named and awarded with a number of honorary titles, including as one of "the Hundred Outstanding Young Scientists in Dalian City", "the Young Workers of Advanced Science and Technology in Liaoning Province", "Outstanding Overseas Studies Returnees", "Outstanding Experts in Dalian City" and "First Batch of Distinguish Experts in Dalian City". He has enjoyed the government special allowance since 1998.

Profiles of Directors, Supervisors and Senior Management

Mr. Jiao Yingguang (焦迎光先生), aged 48, Chinese national, currently serves as the director of operation department and head of Customer Service Centre of the Company, as well as a director of Dalian Port Container Development Co., Ltd., etc.. Previously, Mr. Jiao held various positions including deputy chief of the shipping and commerce division under the business department of Port of Dalian Authority, deputy chief of the business department of Port of Dalian Authority, deputy general manager of Dalian Port General Cargo Terminals Company, deputy general manager of Dalian Port Corporation (Jinzhou) Liaoxi Port Investment and Development Co., Ltd., deputy director of operation department of Dalian Port Corporation Limited, deputy director of operation department of Dalian Port (PDA) Company Limited, director of operation department and head of customer service centre of Dalian Port (PDA) Company Limited, and general manager of Dalian Portnet Co., Ltd.. Mr. Jiao graduated from Wuhan Institute of Water Transportation Engineering with a bachelor's degree in Transportation Management. He is a senior specialist in logistics.

Ms. Zhao Rong (趙蓉女士), aged 47, Chinese national, and currently is the head of internal control department under the board of the Company and the director of its audit management center, as well as a supervisor of Dalian Taiping Bay Investment and Development Co., Ltd., etc.. Ms. Zhao joined the Port of Dalian Authority (currently known as Dalian Port Corporation Limited ("PDA")) in 1986. and held various positions with PDA since then, including the financial controller of the Dalian Port Freight Centre, the head of the Finance Division of Dalian Port Dayaowan Stevedoring Company, the accounting head of the planning and financing department of PDA, deputy director of the risk management department of PDA, deputy head of the audit management center of PDA and chief financial controller of the Dalian Port Real Estate Co., Ltd.. Ms. Zhao graduated from the Central Radio and TV University with a bachelor's degree in accounting. She is a senior accountant.

Senior Management:

Mr. Xu Song (徐頌先生), the general manager of the Company. Please refer to the above section headed "Directors" for the profile of Mr. Xu Song.

Mr. Sun Benye (孫本業先生), a deputy general manager of the Company. Please refer to the above section headed "Directors" for the profile of Mr. Sun Benye.

Ms. Gui Yuchan (桂玉嬋女士), aged 45, Chinese national, the secretary to the Board and a joint company secretary of the Company. Ms. Gui worked as a business staff of Dalian Port Xianglujiao Stevedoring Company, contract administrator of the business department of Port of Dalian Authority, legal officer of Dalian Port Container Comprehensive Development Company, deputy manager and manager of the securities and legal department of Dalian Port Container Co., Ltd., deputy head of the office of the Board and the representative of security affairs of the Company. Ms. Gui obtained a bachelor's degree in law from Renmin University of China. She is an economist and holds lawyer qualification in the PRC.

Mr. Li Yu (李宇先生), aged 38, Chinese national, and currently is the deputy chief accountant and the deputy head of financing department of Dalian Port (PDA) Company Limited, as well as a director of Dalian Port Container Development Company Limited, etc and a supervisor of Dalian Port Group Finance Company Limited, etc.. Mr. Li held various positions in the past, including finance officer of financing department of Dalian Port Container Development Company Limited, financial manager of Dalian United International Shipping Agency, project manager of financing department of Dalian Port Container Development Company Limited, deputy manager (oversight of tasks) of financing department of Dalian Jifa Logistics Company Limited, manager of financing department of Dalian Port Container Terminal Company Limited, and financial management manager of the Company. Mr. Li obtained a master's degree in business administration from Dalian University of Technology. He is an accountant.

Mr. Lee Kin Yu, Arthur (李健儒先生), aged 55, Chinese national with Hong Kong residency, the qualified accountant and a joint company secretary of the Company. Mr. Lee has been a member of the American Institute of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants since 1993. He graduated from the Chinese University of Hong Kong with a Bachelor of Arts degree and the Illinois State University with a Master of Science degree. Mr. Lee has over 20 years' experience in mergers and acquisitions, accounting, auditing and corporate finance.

Independent Auditors' Report

PwC ZT Shen Zi (2015) No. 10082

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

We have audited the accompanying financial statements of Dalian Port (PDA) Company Limited, which comprise the consolidated and company balance sheets as at 31 December 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 year then ended, and the notes to the financial statements.

Management's Responsibility for the Financial Statements

Management of Dalian Port (PDA) Company Limited is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of Accounting Standards for Business Enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with China Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position of Dalian Port (PDA) Company Limited as at 31 December 2014, and their financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

PricewaterhouseCoopers Zhong Tian LLP

Shanghai, the People's Republic of China

Certified Public Accountant:

Dorman Kwan

Certified Public Accountant:

Xinyu Xue

27 March 2015

Consolidated Balance Sheet

As at 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
(English translation for reference only)

	Note	31 December 2014 Consolidated	31 December 2013 Consolidated	1 January 2013 Consolidated
ASSETS				
Current assets				
Cash at bank and in hand	4(1)	2,440,913,405.21	2,339,398,061.70	2,507,326,672.09
Financial assets at fair value through profit or loss	4(2)	15,445,634.60	12,412,829.99	–
Notes receivable	4(3)	90,865,505.13	60,056,586.58	63,069,669.70
Accounts receivable	4(6)	837,441,400.50	502,348,024.46	473,175,991.01
Advances to suppliers	4(8)	354,973,853.25	67,102,980.29	224,396,334.74
Interest receivable	4(5)	13,218,167.09	16,308,120.60	4,065,075.97
Dividends receivable	4(4)	18,644,275.34	6,337,135.91	4,351,296.43
Other receivables	4(7)	436,938,098.66	475,665,762.06	295,204,982.42
Inventories	4(9)	965,168,857.46	414,139,590.18	131,119,867.55
Current portion of non-current assets		–	–	1,005,610,000.00
Other current assets	4(10)	705,106,362.22	1,091,825,294.05	4,870,000.00
Total current assets		5,878,715,559.46	4,985,594,385.82	4,713,189,889.91
Non-current assets				
Available-for-sale financial assets	4(11)	233,428,161.08	174,907,551.61	148,102,556.14
Long-term receivables	4(12)	22,544,798.38	–	–
Long-term equity investments	4(13)	3,873,207,058.31	3,892,666,681.01	3,703,846,472.05
Investment properties	4(14)	681,660,028.98	697,137,339.31	699,831,842.42
Fixed assets	4(15)	14,766,393,409.27	14,055,550,428.58	12,773,054,294.56
Construction in progress	4(16)	1,555,093,364.31	2,547,712,504.06	4,689,753,318.12
Fixed assets pending for disposal	4(17)	1,760,200.88	888,514.14	36,058,083.28
Intangible assets	4(18)	729,050,736.49	748,697,778.95	867,417,088.66
Goodwill	4(19)	16,035,288.74	16,035,288.74	77,735,288.74
Long-term prepaid expenses	4(20)	23,592,159.31	22,627,890.05	21,514,511.03
Deferred tax assets	4(21)	62,570,094.83	60,483,766.67	60,732,174.17
Other non-current assets		–	23,806,956.08	37,544,912.58
Total non-current assets		21,965,335,300.58	22,240,514,699.20	23,115,590,541.75
TOTAL ASSETS		27,844,050,860.04	27,226,109,085.02	27,828,780,431.66

Consolidated Balance Sheet *(Continued)*

As at 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
(English translation for reference only)

	Note	31 December 2014 Consolidated	31 December 2013 Consolidated	1 January 2013 Consolidated
LIABILITIES AND OWNERS' EQUITY				
Current liabilities				
Short-term borrowings	4(23)	907,302,821.28	394,592,844.90	1,278,033,101.12
Notes payable	4(24)	12,714,000.00	31,680,000.00	16,730,000.00
Accounts payable	4(25)	374,676,495.88	215,262,053.67	177,028,677.66
Advances from customers	4(26)	357,410,116.97	297,003,288.14	92,795,891.74
Employee benefits payable	4(27)	180,628,173.95	153,090,035.08	117,292,923.23
Taxes payable	4(28)	67,389,593.27	65,815,804.00	73,953,249.60
Interest payable	4(29)	132,295,618.54	188,015,798.98	194,319,909.95
Dividends payable	4(30)	73,114,454.27	85,947,458.51	83,181,864.80
Other payables	4(31)	669,983,218.09	844,444,268.52	853,633,931.38
Current portion of non-current liabilities	4(32)	553,387,648.39	3,208,791,625.50	545,000,000.00
Other current liabilities	4(33)	1,003,828,573.32	–	160,000,000.00
Total current liabilities		4,332,730,713.96	5,484,643,177.30	3,591,969,549.48
Non-current liabilities				
Long-term borrowings	4(34)	2,827,010,023.77	1,393,401,245.21	1,708,360,253.42
Debentures payable	4(35)	4,971,625,629.16	4,963,843,320.56	7,844,512,916.99
Long-term payables	4(36)	59,886,723.51	12,666,979.84	130,350.00
Deferred income	4(37)	566,797,413.08	597,573,954.11	633,098,324.44
Deferred tax liabilities	4(21)	10,086,937.73	12,451,436.00	75,717,224.83
Other non-current liabilities	4(38)	97,036,185.00	100,243,942.00	–
Total non-current liabilities		8,532,442,912.25	7,080,180,877.72	10,261,819,069.68
Total liabilities		12,865,173,626.21	12,564,824,055.02	13,853,788,619.16
Owners' equity				
Share capital	4(39)	4,426,000,000.00	4,426,000,000.00	4,426,000,000.00
Capital surplus	4(40)	6,117,277,019.87	6,109,266,256.52	6,104,993,287.31
Other comprehensive income	4(41)	7,123,380.72	14,403,379.45	3,974,591.95
Surplus reserve	4(42)	579,682,823.85	533,416,415.28	470,205,888.20
Special reserve		16,354,483.20	9,528,835.46	2,653,944.19
Undistributed profits	4(43)	2,558,928,773.36	2,352,129,307.90	1,956,734,209.34
Total equity attributable to equity holders of the Company		13,705,366,481.00	13,444,744,194.61	12,964,561,920.99
Minority interest	4(44)	1,273,510,752.83	1,216,540,835.39	1,010,429,891.51
Total owners' equity		14,978,877,233.83	14,661,285,030.00	13,974,991,812.50
TOTAL LIABILITIES AND OWNERS' EQUITY		27,844,050,860.04	27,226,109,085.02	27,828,780,431.66

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

Legal representative:
Hui Kai

Principal in charge of accounting:
Li Yu

Head of accounting department:
Li Yu

Consolidated Income Statement

For the year ended 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
(English translation for reference only)

Item	Note	2014 Consolidated	2013 Consolidated
1. Revenue	4(45)	7,942,456,228.81	6,981,980,217.92
Less: Cost of sales	4(45)	(6,567,561,921.15)	(5,394,402,786.13)
Taxes and surcharges	4(46)	(41,876,466.45)	(140,271,071.12)
Selling and distribution expenses	4(47)	(3,741,535.20)	(347,363.56)
General and administrative expenses	4(48)	(582,535,854.60)	(558,363,509.67)
Financial expenses-net	4(49)	(462,169,532.38)	(401,762,646.10)
Asset impairment losses	4(53)	(1,629,504.33)	(344,918.29)
Add: Profit arising from changes in fair value	4(51)	1,238,604.61	(6,621,030.01)
Investment income	4(52)	175,480,145.22	189,052,696.34
Including: Share of profit of associates and joint ventures		128,045,475.98	102,513,424.53
2. Operating profit		459,660,164.53	668,919,589.38
Add: Non-operating income	4(54)	355,153,011.23	369,276,391.87
Including: Gains on disposal of non-current assets		21,824,679.61	100,369,519.77
Less: Non-operating expenses	4(55)	(18,931,046.30)	(12,307,021.12)
Including: Losses on disposal of non-current assets		(13,741,880.27)	(10,299,842.98)
3. Total profit		795,882,129.46	1,025,888,960.13
Less: Income tax expenses	4(56)	(190,209,981.95)	(243,915,328.93)
4. Net profit		605,672,147.51	781,973,631.20
Attributable to share holders of the Company		520,669,972.55	682,582,626.15
Minority interest		85,002,174.96	99,391,005.05
5. Other comprehensive income-Net	4(41)	(7,279,998.73)	10,428,787.50
Attributable to equity holders of the Company		(7,279,998.73)	10,428,787.50
Items that will be reclassified subsequently to profit or loss			
Share of investee's other comprehensive income that will be reclassified subsequently to profit or loss		(1,834,787.33)	–
Gain or loss from fair value change of available-for-sale financial assets		(7,833,536.67)	12,414,187.92
Translation differences on foreign financial statements		2,388,325.27	(1,985,400.42)
Attributable to minority interest		–	–
6. Total comprehensive income		598,392,148.78	792,402,418.70
Attributable to equity holders of the Company		513,389,973.82	693,011,413.65
Attributable to minority interest		85,002,174.96	99,391,005.05
7. Earnings per share	4(57)		
Basic earnings per share (RMB Yuan)		0.12	0.15
Diluted earnings per share (RMB Yuan)		0.12	0.15

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

Legal representative:
Hui Kai

Principal in charge of accounting:
Li Yu

Head of accounting department:
Li Yu

Consolidated Cash Flow Statement

For the year ended 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
(English translation for reference only)

Item	Note	2014 Consolidated	2013 Consolidated
1. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		8,549,597,156.92	7,085,425,494.59
Refund of taxes and surcharges		4,066,556.76	691,050.00
Cash received relating to other operating activities	4(58)	466,280,744.85	292,617,183.59
Sub-total of cash inflows from operating activities		9,019,944,458.53	7,378,733,728.18
Cash paid for goods and services		(6,091,651,979.89)	(3,827,166,121.02)
Cash paid to and on behalf of employees		(1,380,237,220.79)	(1,284,000,085.69)
Payments of taxes and surcharges		(425,308,203.83)	(451,719,242.15)
Cash paid relating to other operating activities	4(58)	(293,612,377.83)	(202,131,982.05)
Sub-total of cash outflows from operating activities		(8,190,809,782.34)	(5,765,017,430.91)
Net cash flows from operating activities	4(59)	829,134,676.19	1,613,716,297.27
2. Cash flows from investing activities			
Cash received from disposal of investments		1,735,303,079.92	1,575,886,708.04
Cash received from returns on investments		105,091,739.83	141,136,190.04
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		291,749,966.07	136,910,103.60
Net cash received from disposal of subsidiaries and other business units	4(59)	–	585,702,433.12
Cash received relating to other investing activities	4(58)	165,473,146.89	1,473,944.17
Sub-total of cash inflows from investing activities		2,297,617,932.71	2,441,109,378.97
Cash paid to acquire fixed assets, intangible assets and other long-term assets		(827,286,708.34)	(918,983,543.24)
Cash paid to acquire investments		(1,342,434,457.50)	(1,777,937,200.00)
Net cash paid to acquire subsidiaries and other business units	4(59)	(1,892,780.60)	(5,926,389.27)
Cash paid relating to other investing activities	4(58)	(198,940,587.22)	(155,163,645.00)
Sub-total of cash outflows from investing activities		(2,370,554,533.66)	(2,858,010,777.51)
Net cash flows from investing activities		(72,936,600.95)	(416,901,398.54)

Consolidated Cash Flow Statement *(Continued)*

For the year ended 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
(English translation for reference only)

Item	Note	2014 Consolidated	2013 Consolidated
3. Cash flows from financing activities			
Cash received from capital contributions		64,271,029.57	204,900,000.00
Including: Cash received from capital contributions by minority shareholders of subsidiaries		64,271,029.57	204,900,000.00
Cash received from borrowings		4,451,522,451.27	2,650,368,712.90
Cash received from issuance of debentures		1,000,000,000.00	–
Cash received relating to other financing activities	4(58)	11,346,926.61	30,030,167.17
Sub-total of cash inflows from financing activities		5,527,140,407.45	2,885,298,880.07
Cash repayments of borrowings		(5,269,690,187.72)	(3,491,327,366.39)
Cash payments for interest expenses and distribution of dividends or profits		(939,962,460.65)	(876,834,332.04)
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries		(85,867,313.93)	(86,894,685.13)
Cash payments relating to other financing activities	4(58)	(3,332,378.68)	(34,145,915.44)
Sub-total of cash outflows from financing activities		(6,212,985,027.05)	(4,402,307,613.87)
Net cash flows from financing activities		(685,844,619.60)	(1,517,008,733.80)
4. Effect of foreign exchange rate changes on cash and cash equivalents		(2,305,552.46)	(353,810.86)
5. Net increase/(decrease) in cash and cash equivalents		68,047,903.18	(320,547,645.93)
Add: Cash and cash equivalents at beginning of year	4(59)	2,173,924,914.82	2,494,472,560.75
6. Cash and cash equivalent at end of year	4(59)	2,241,972,818.00	2,173,924,914.82

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

Legal representative:
Hui Kai

Principal in charge of accounting:
Li Yu

Head of accounting department:
Li Yu

Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
(English translation for reference only)

Item	Note	Attributable to equity holders of the Company							Difference on translation of foreign currency financial statements	Minority interest	Total owners' equity
		Paid-in capital	Capital surplus	Other comprehensive income	Surplus reserve	Specific reserve	Undistributed profits				
Balance at 31 December 2012		4,426,000,000.00	6,099,510,224.00	-	470,205,888.20	2,653,944.19	1,956,734,209.34	9,457,655.26	1,010,429,891.51	13,974,991,812.50	
Changes in accounting policies		-	5,483,063.31	3,974,591.95	-	-	-	(9,457,655.26)	-	-	
Balance at 1 January 2013		4,426,000,000.00	6,104,993,287.31	3,974,591.95	470,205,888.20	2,653,944.19	1,956,734,209.34	-	1,010,429,891.51	13,974,991,812.50	
Total comprehensive income		-	-	10,428,787.50	-	-	682,582,626.15	-	99,391,005.05	792,402,418.70	
Net profit		-	-	-	-	-	682,582,626.15	-	99,391,005.05	781,973,631.20	
Other comprehensive income	4(41)	-	-	10,428,787.50	-	-	-	-	-	10,428,787.50	
Capital contribution and withdrawal by owners		-	-	-	-	-	-	-	196,900,000.00	196,900,000.00	
Establishment of subsidiaries		-	-	-	-	-	-	-	204,900,000.00	204,900,000.00	
Disposal of subsidiaries		-	-	-	-	-	-	-	(8,000,000.00)	(8,000,000.00)	
Profit distribution	4(43)	-	-	-	63,210,527.08	-	(287,187,527.59)	-	(91,774,770.88)	(315,751,771.39)	
Appropriation to surplus reserves		-	-	-	63,210,527.08	-	(63,210,527.08)	-	-	-	
Profit distribution to equity owners		-	-	-	-	-	(221,300,000.00)	-	(89,660,278.84)	(310,960,278.84)	
Appropriation to employee welfare fund		-	-	-	-	-	(2,677,000.51)	-	(2,114,492.04)	(4,791,492.55)	
Specific reserve		-	-	-	-	6,874,891.27	-	-	1,584,891.69	8,459,782.96	
Accruals in current year		-	-	-	-	27,466,979.00	-	-	2,865,838.86	30,332,817.86	
Utilized in current year		-	-	-	-	(20,592,087.73)	-	-	(1,280,947.17)	(21,873,034.90)	
Others		-	4,272,969.21	-	-	-	-	-	9,818.02	4,282,787.23	
Balance at 31 December 2013		4,426,000,000.00	6,109,266,256.52	14,403,379.45	533,416,415.28	9,528,835.46	2,352,129,307.90	-	1,216,540,835.39	14,661,285,030.00	
Balance at 1 January 2014		4,426,000,000.00	6,109,266,256.52	14,403,379.45	533,416,415.28	9,528,835.46	2,352,129,307.90	-	1,216,540,835.39	14,661,285,030.00	
Total comprehensive income		-	-	(7,279,998.73)	-	-	520,669,972.55	-	85,002,174.96	598,392,148.78	
Net profit		-	-	-	-	-	520,669,972.55	-	85,002,174.96	605,672,147.51	
Other comprehensive income	4(41)	-	-	(7,279,998.73)	-	-	-	-	-	(7,279,998.73)	
Capital contribution and withdrawal by owners		-	5,439,078.91	-	-	-	-	-	58,831,950.67	64,271,029.58	
Establishment of subsidiaries		-	-	-	-	-	-	-	47,100,316.00	47,100,316.00	
Disposal of subsidiaries		-	5,439,078.91	-	-	-	-	-	11,731,634.67	17,170,713.58	
Profit distribution	4(43)	-	-	-	46,266,408.57	-	(313,870,507.09)	-	(87,378,823.35)	(354,982,921.87)	
Appropriation to surplus reserves		-	-	-	46,266,408.57	-	(46,266,408.57)	-	-	-	
Profit distribution to equity owners		-	-	-	-	-	(265,560,000.00)	-	(85,687,313.93)	(351,247,313.93)	
Appropriation to employee welfare fund		-	-	-	-	-	(2,044,098.52)	-	(1,691,509.42)	(3,735,607.94)	
Specific reserve		-	-	-	-	6,825,647.74	-	-	514,615.16	7,340,262.90	
Accruals in current year		-	-	-	-	30,427,817.02	-	-	2,898,122.20	33,325,939.22	
Utilized in current year		-	-	-	-	(23,602,169.28)	-	-	(2,383,507.04)	(25,985,676.32)	
Others		-	2,571,684.44	-	-	-	-	-	-	2,571,684.44	
Balance at 31 December 2014		4,426,000,000.00	6,117,277,019.87	7,123,380.72	579,682,823.85	16,354,483.20	2,558,928,773.36	-	1,273,510,752.83	14,978,877,233.83	

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

Legal representative:
Hui Kai

Principal in charge of accounting:
Li Yu

Head of accounting department:
Li Yu

Company Balance Sheet

As at 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
(English translation for reference only)

	Note	31 December 2014 Company	31 December 2013 Company	1 January 2013 Company
ASSETS				
Current assets				
Cash at bank and in hand		968,139,861.43	855,774,002.57	1,401,052,125.17
Financial assets at fair value through profit or loss		15,445,634.60	12,412,829.99	–
Notes receivable		71,560,455.87	33,092,828.46	52,751,405.00
Accounts receivable	18(1)	609,891,726.68	329,065,059.09	278,082,597.18
Advances to suppliers		13,254,097.70	12,248,308.39	5,876,080.09
Interest receivable		13,326,704.57	13,236,293.89	5,768,794.18
Dividends receivable		501,368,769.30	458,188,724.47	333,252,630.57
Other receivables	18(2)	663,781,196.55	193,922,392.08	175,580,928.39
Inventories		51,876,684.71	57,091,600.81	42,522,236.45
Current portion of non-current assets	18(3)	–	600,000,000.00	1,000,000,000.00
Other current assets		601,590,954.96	1,116,518,707.23	1,001,000,000.00
Total current assets		3,510,236,086.37	3,681,550,746.98	4,295,886,797.03
Non-current assets				
Available-for-sale financial assets		91,620,057.50	25,800,057.50	18,190,083.50
Long-term receivables	18(3)	600,000,000.00	–	–
Long-term equity investments	18(3)	6,616,563,021.81	6,525,353,773.77	6,731,239,092.15
Fixed assets		11,505,339,651.56	10,771,483,264.29	9,596,900,553.67
Construction in progress		1,382,940,547.20	2,526,112,750.94	3,043,663,214.62
Fixed assets pending for disposal		1,760,200.88	888,514.14	35,477,051.31
Intangible assets		257,657,345.98	263,895,235.70	269,887,541.46
Long-term prepaid expenses		3,785,460.53	752,934.65	1,282,892.58
Deferred tax assets		4,063,330.14	3,944,696.19	5,853,093.97
Other non-current assets		–	–	711,680,000.00
Total non-current assets		20,463,729,615.60	20,118,231,227.18	20,414,173,523.26
TOTAL ASSETS		23,973,965,701.97	23,799,781,974.16	24,710,060,320.29

Company Balance Sheet *(Continued)*

As at 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
(English translation for reference only)

	Note	31 December 2014 Company	31 December 2013 Company	1 January 2013 Company
LIABILITIES AND OWNERS' EQUITY				
Current liabilities				
Short-term borrowings		-	-	979,500,000.00
Notes payable		12,714,000.00	32,180,000.00	16,730,000.00
Accounts payable		54,804,816.43	23,586,410.27	13,786,356.04
Advances from customers		21,311,852.05	19,414,251.96	43,445,262.44
Employee benefits payable		89,353,514.87	68,902,866.76	51,934,133.73
Taxes payable		19,257,371.41	24,143,095.61	31,132,037.68
Interest payable		131,212,986.61	183,557,813.49	187,037,798.40
Other payables		470,876,454.97	710,734,551.49	702,561,675.36
Current portion of non-current liabilities		250,000,000.00	2,747,582,965.71	450,000,000.00
Other current liabilities		1,003,828,573.32	-	-
Total current liabilities		2,053,359,569.66	3,810,101,955.29	2,476,127,263.65
Non-current liabilities				
Long-term borrowings		2,800,000,000.00	1,050,000,000.00	1,300,000,000.00
Debentures payable		4,971,625,629.16	4,963,843,320.56	7,448,601,808.03
Long-term payables		-	-	130,350.00
Deferred revenue		533,845,220.22	560,880,029.26	595,008,696.31
Other non-current liabilities		97,036,185.00	100,243,942.00	-
Total non-current liabilities		8,402,507,034.38	6,674,967,291.82	9,343,740,854.34
Total liabilities		10,455,866,604.04	10,485,069,247.11	11,819,868,117.99
Owners' equity				
Share capital		4,426,000,000.00	4,426,000,000.00	4,426,000,000.00
Capital surplus		6,231,275,243.90	6,229,961,994.54	6,226,839,631.45
Other comprehensive income		-	-	(5,942,125.50)
Surplus reserve		534,802,561.09	488,536,152.53	425,325,625.45
Special reserve		11,797,967.31	6,828,931.50	2,178,166.13
Undistributed profits		2,314,223,325.63	2,163,385,648.48	1,815,790,904.77
Total owners' equity		13,518,099,097.93	13,314,712,727.05	12,890,192,202.30
TOTAL LIABILITIES AND OWNERS' EQUITY		23,973,965,701.97	23,799,781,974.16	24,710,060,320.29

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

Legal representative:
Hui Kai

Principal in charge of accounting:
Li Yu

Head of accounting department:
Li Yu

Company Income Statement

For the year ended 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
(English translation for reference only)

Item	Note	2014 Company	2013 Company
1. Revenue	18(4)	3,082,042,240.56	2,868,896,342.01
Less: Cost of sales	18(4)	(2,104,281,023.08)	(1,818,272,889.96)
Taxes and surcharges		(18,695,493.52)	(69,259,232.88)
General and administrative expenses		(329,339,174.48)	(325,861,752.20)
Financial expenses-net		(418,829,468.43)	(362,956,717.28)
Asset impairment losses		(43,199,708.28)	428,000.00
Add: Profit/(loss) arising from changes in fair value		1,322,804.61	(6,621,030.01)
Investment income	18(5)	305,464,767.23	326,761,243.08
Including: Share of profit of associates and joint ventures		96,682,471.26	90,545,911.33
2. Operating profit		474,484,944.61	613,113,962.76
Add: Non-operating income		67,360,000.65	149,286,004.01
Including: Gains on disposal of non-current assets		20,814,690.00	956,853.37
Less: Non-operating expenses		(7,663,287.31)	(5,528,643.20)
Including: Losses on disposal of non-current assets		(2,896,164.87)	(4,790,373.56)
3. Total profit		534,181,657.95	756,871,323.57
Less: Income tax expenses		(71,517,572.24)	(124,766,052.78)
4. Net profit		462,664,085.71	632,105,270.79
5. Other comprehensive income after tax-Net		-	5,942,125.50
Items that will be reclassified subsequently to profit or loss			
Fair value movement of available-for-sale financial assets		-	5,942,125.50
6. Total comprehensive income		462,664,085.71	638,047,396.29

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

Legal representative:
Hui Kai

Principal in charge of accounting:
Li Yu

Head of accounting department:
Li Yu

Company Cash Flow Statement

For the year ended 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
(English translation for reference only)

Item	Note	2014 Company	2013 Company
1. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		2,911,882,727.14	2,685,063,006.37
Cash received relating to other operating activities		224,595,924.72	145,898,686.68
Sub-total of cash inflows from operating activities		3,136,478,651.86	2,830,961,693.05
Cash paid for goods and services		(965,209,695.33)	(720,623,860.93)
Cash paid to and on behalf of employees		(901,193,252.78)	(828,038,456.62)
Payments of taxes and surcharges		(196,150,677.25)	(212,351,343.10)
Cash paid relating to other operating activities		(295,697,007.14)	(227,504,545.00)
Sub-total of cash outflows from operating activities		(2,358,250,632.50)	(1,988,518,205.65)
Net cash flows from operating activities	18(6)	778,228,019.36	842,443,487.40
2. Cash flows from investing activities			
Cash received from disposal of investments		2,283,829,336.28	2,568,578,981.52
Cash received from returns on investments		230,708,976.76	212,291,185.17
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		278,190,657.15	122,510,438.14
Net cash received from disposal of subsidiaries and other business units		-	597,614,200.00
Cash received relating to other investing activities		3,218,000.00	1,473,944.17
Sub-total of cash inflows from investing activities		2,795,946,970.19	3,502,468,749.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets		(524,832,466.69)	(815,105,324.40)
Cash paid to acquire investments		(2,400,770,000.00)	(1,931,582,800.00)
Cash paid relating to other investing activities		(1,271,400.98)	(3,218,000.00)
Sub-total of cash outflows from investing activities		(2,926,873,867.67)	(2,749,906,124.40)
Net cash flows from investing activities		(130,926,897.48)	752,562,624.60

Company Cash Flow Statement *(Continued)*

For the year ended 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
(English translation for reference only)

Item	Note	2014 Company	2013 Company
3. Cash flows from financing activities			
Cash received from borrowings		2,000,000,000.00	–
Cash received from issuance of debentures		1,000,000,000.00	–
Cash received relating to other financing activities		5,880,000.00	18,500,000.00
Sub-total of cash inflows		3,005,880,000.00	18,500,000.00
Cash repayments of borrowings		(2,750,000,000.00)	(1,429,500,000.00)
Cash payments for interest expenses and distribution of dividends or profits		(785,536,285.32)	(726,946,891.23)
Cash payments relating to other financing activities		(3,332,378.68)	(4,294,401.98)
Sub-total of cash outflows		(3,538,868,664.00)	(2,160,741,293.21)
Net cash flows from financing activities		(532,988,664.00)	(2,142,241,293.21)
4. Effect of foreign exchange rate changes on cash and cash equivalents		–	213,002.78
5. Net increase/(decrease) in cash and cash equivalents		114,312,457.88	(547,022,178.43)
Add: Cash and cash equivalents at beginning of year	18(6)	852,556,002.57	1,399,578,181.00
6. Cash and cash equivalent at end of year	18(6)	966,868,460.45	852,556,002.57

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

Legal representative:
Hui Kai

Principal in charge of accounting:
Li Yu

Head of accounting department:
Li Yu

Company Statement of Changes in Shareholders' Equity

For the year ended 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
(English translation for reference only)

Item	Note	Paid-in capital	Capital surplus	Other comprehensive income	Surplus reserve	Specific reserve	Undistributed profits	Total owners' equity
Balance at 31 December 2012		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
Changes in accounting policies		-	5,942,125.50	(5,942,125.50)	-	-	-	-
Balance at 1 January 2013		4,426,000,000.00	6,226,839,631.45	(5,942,125.50)	425,325,625.45	2,178,166.13	1,815,790,904.77	12,890,192,202.30
Total comprehensive income		-	-	5,942,125.50	-	-	632,105,270.79	638,047,396.29
Net profit		-	-	-	-	-	632,105,270.79	632,105,270.79
Other comprehensive income		-	-	5,942,125.50	-	-	-	5,942,125.50
Profit distribution		-	-	-	63,210,527.08	-	(284,510,527.08)	(221,300,000.00)
Appropriation to surplus reserves		-	-	-	63,210,527.08	-	(63,210,527.08)	-
Profit distribution to equity owners		-	-	-	-	-	(221,300,000.00)	(221,300,000.00)
Specific reserve		-	-	-	-	4,650,765.37	-	4,650,765.37
Accrued in current year		-	-	-	-	21,711,573.51	-	21,711,573.51
Utilized in current year		-	-	-	-	(17,060,808.14)	-	(17,060,808.14)
Others		-	3,122,363.09	-	-	-	-	3,122,363.09
Balance at 31 December 2013		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
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 year ended 31 December 2014								
Total comprehensive income		-	-	-	-	-	462,664,085.71	462,664,085.71
Net profit		-	-	-	-	-	462,664,085.71	462,664,085.71
Other comprehensive income		-	-	-	-	-	-	-
Profit distribution		-	-	-	46,266,408.56	-	(311,826,408.56)	(265,560,000.00)
Appropriation to surplus reserves		-	-	-	46,266,408.56	-	(46,266,408.56)	-
Profit distribution to equity owners		-	-	-	-	-	(265,560,000.00)	(265,560,000.00)
Specific reserve		-	-	-	-	4,969,035.81	-	4,969,035.81
Accrued in current year		-	-	-	-	22,263,813.42	-	22,263,813.42
Utilized in current year		-	-	-	-	(17,294,777.61)	-	(17,294,777.61)
Others		-	1,313,249.36	-	-	-	-	1,313,249.36
Balance at 31 December 2014		4,426,000,000.00	6,231,275,243.90	-	534,802,561.09	11,797,967.31	2,314,223,325.63	13,518,099,097.93

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

Legal representative:
Hui Kai

Principal in charge of accounting:
Li Yu

Head of accounting department:
Li Yu

Notes to the Financial Statements

For the year ended 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

1 General information

Dalian Port (PDA) Co., Ltd. (“the Company”) is a limited liability company jointly established by Port of Dalian Group Co., Ltd. (“PDA Group”), Dalian Rongda Investment Co., Ltd., Dalian Haitai Holding Co., Ltd., Dalian Detai Holding Co., Ltd. and Dalian Bonded Zhengtong Co., Ltd. on 16 November 2005, with its registered address and head office in Dalian, Liaoning Province of the People’s Republic of China (“PRC”). The parent company and the ultimate parent company of the Company is PDA Group. The Company’s original registered capital was RMB1,960,000,000, with par value of RMB1 each. On 21 March 2006 the Company issued 966,000,000 shares (H shares) to the public and on 28 April 2006 it was listed on the Stock Exchange of Hong Kong Limited, with total registered capital increased to RMB2,926,000,000. On 11 November 2010 the Company issued 761,820,000 RMB ordinary shares (A shares) to the public and announced right issue of 738,180,000 RMB ordinary shares (A shares) to PDA Group. On 6 December 2010 it was listed on Shanghai Stock Exchange, with total registered capital increased to RMB4,426,000,000. As at 31 December 2014, the Company’s cumulative issuing shares were 4,426,000,000 shares.

The principal activities of the Company and its subsidiaries (hereinafter collectively, the “Group”) include the provision of terminal business and logistics services such as international and domestic cargo loading and discharging, transportation, transshipment, storage and etc.; tallying 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 bonded qualification and those at port storage facilities); refined oil products storage (restricted to those applying for bonded 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%).

Subsidiaries included in the consolidation scope for the year are as shown in Note 6, and those newly included in the consolidation scope for the year are Dalian Jihai Logistics Co., Ltd., Dalian Ganghong International Trading Co., Ltd., Dalian Dilangsirui Caravan Co., Ltd., and Tangshan Caofeidian port Jifa Ship Agency Co. Ltd. (Note 5(1)(2)).

These financial statements were approved and authorised for issue by the Company’s Board of Directors on 27 March 2015.

2 Summary of significant accounting policies and accounting estimates

The Group determines its specific accounting policies and accounting estimates on the basis of the production and operation feature, which is reflected in: Method to make a provision for bad debts of accounts receivable (Note 2(10)), Valuation of inventory (Note 2(11)), Judgement criteria for impairment of available-for-sale equity instrument (Note 2(9)), Amortisation of fixed assets and intangible assets (Note 2(14)(17)), Measurement model of investment properties (Note 2(13)), and Recognition of revenue (Note 2(23)).

The critical judgements made by the Group when applying for the significant accounting policies are shown in Note 2(30).

Notes to the Financial Statements

For the year ended 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates

(Continued)

(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*, 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* promulgated by China Securities Regulatory Commission.

The financial statements have been prepared on a going concern basis.

(2) STATEMENT OF COMPLIANCE WITH THE ACCOUNTING STANDARD FOR BUSINESS ENTERPRISES

The financial statements of the Company for the year ended 31 December 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 31 December 2014 and of their financial performance, cash flows and other information for the year then ended.

(3) ACCOUNTING YEAR

The Company’s accounting year starts on 1 January and ends on 31 December.

(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.

(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 on 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.

Notes to the Financial Statements

For the year ended 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates

(Continued)

(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 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. Unrealized gain or loss from internal transaction of assets disposal from the Company to the subsidiaries should be fully offset within the net profit attributable to equity holders of the Company. Unrealized gain or loss from internal transaction of assets disposal from the subsidiaries to the Company should be respectively offset within the net profit attributable to equity holders of the Company and the net profit attributable to the minority interest based on the allocation proportion held by the Company. Unrealized gain or loss from internal transaction of assets disposal between the subsidiaries should be respectively offset within the net profit attributable to equity holders of the Company and the net profit attributable to the minority interest based on the allocation proportion of the parent company to the seller company.

If the accounting treatment of a transaction which considers the Group as an accounting entity is different from that considers the Company or its subsidiaries as an accounting entity, it is adjusted from the perspective of the Group.

(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.

Notes to the Financial Statements

For the year ended 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates

(Continued)

(8) FOREIGN CURRENCY TRANSLATION (Continued)

(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.

(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.

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. 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.

(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.

Notes to the Financial Statements

For the year ended 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates

(Continued)

(9) FINANCIAL INSTRUMENT (Continued)

(a) Financial assets (Continued)

(ii) Recognition and measurement (Continued)

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.

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.

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 the Financial Statements

For the year ended 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates

(Continued)

(9) FINANCIAL INSTRUMENT (Continued)

(a) Financial assets (Continued)

(iii) Impairment of financial assets (Continued)

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.

If an impairment loss on an available-for-sale financial asset measured at cost incurs, the amount of loss is measured at 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. The previously recognised impairment loss will not be reversed in subsequent periods.

(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.

(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.

Notes to the Financial Statements

For the year ended 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
(English translation for reference only)

2 Summary of significant accounting policies and accounting estimates

(Continued)

(9) FINANCIAL INSTRUMENT (Continued)

(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.

(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 bad debt 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 based on the historical loss experience for the groupings of receivables with similar credit risk characteristics, taking into consideration of the current circumstances.

The basis of the grouping recognition:

Group 1: Receivables except for Group 2

Group 2: Receivables recognized as low credit risk characteristics according to the transaction nature and historical experience

The method subject to provision for bad debts on the grouping basis:

Group 1: method of aging analysis

Group 2: no provision for bad debts

Notes to the Financial Statements

For the year ended 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates

(Continued)

(10) RECEIVABLES (Continued)

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

The percentage of bad debts provision based on aging analysis method in the groupings:

Aging	Percentage of bad debts provision for Accounts Receivable	Percentage of bad debts provision for Other Receivables
Within 1 year (1 year included)	5%	5%
1-2 years (2 years included)	10%	10%
2-3 years (3 years included)	20%	20%
3-5 years (5 years included)	50%	50%
5 years above	100%	100%

(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.

(11) INVENTORIES

(a) Classification

Inventories include raw materials, work in progress, finished goods and turnover materials and are measured at the lower of cost and net realisable value. Raw materials mainly include fuel and spare parts 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.

(e) Amortisation methods of low value consumables and packaging materials

Turnover materials include low value consumables and packaging materials. Low value consumables are amortised into expenses based upon numbers of usage, and the packaging materials are expensed when issued.

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2 Summary of significant accounting policies and accounting estimates

(Continued)

(12) LONG-TERM EQUITY INVESTMENTS

Long-term equity investments comprise the 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.

(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.

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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.

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)).

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2 Summary of significant accounting policies and accounting estimates

(Continued)

(14) FIXED ASSETS

(a) Recognition and initial measurement of fixed assets

Fixed assets comprise buildings, terminal facilities, oil tanks and pipelines, loading equipment, transportation equipment, vessels, storage facilities, machinery and equipment and other 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.

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 lives	Estimated net residual values	Annual depreciation rates
Buildings	20-45 years	5% to 10%	2.0% to 4.8%
Terminal facilities	50 years	5% to 10%	1.8% to 1.9%
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%
Transportation equipment	7-10 years	5% to 10%	9.0% to 13.6%
Vessels	28 years	5%	3.4%
Storage facilities	40 years	0% to 10%	2.3% to 2.5%
Machinery and equipment	12 years	5%	7.9%
Other equipment	5-11 years	4% to 10%	8.2% to 9.2%

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)).

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2 Summary of significant accounting policies and accounting estimates

(Continued)

(14) FIXED ASSETS (Continued)

(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.

(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.

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2 Summary of significant accounting policies and accounting estimates

(Continued)

(17) INTANGIBLE ASSETS

Intangible assets comprises land use rights, container flat vehicle use rights, software, golf membership, sea area use rights, port facilities use rights, customer relationships and port information platform. 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.

(a) Useful lives of intangible assets are as follows:

	Estimated useful lives
Land use rights	50 years
Container flat vehicle use rights	10 years
Software	2-10 years
Golf membership	10-46 years
Sea area use rights	10-50 years
Port facilities use rights	50 years
Customer relationships	10 years
Port information platform	10 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.

(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.

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2 Summary of significant accounting policies and accounting estimates

(Continued)

(19) IMPAIRMENT OF LONG-TERM ASSETS (Continued)

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 short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits incurred in exchange for service rendered by employees.

(a) Short-term employee benefits

Short-term employee benefits include employee wages or salaries, bonus, allowances and subsidies, staff welfare, premiums or contributions on medical insurance, work injury insurance and maternity insurance, housing funds, union running costs and employee education costs, short-term paid absences. The employee benefit liabilities are recognised in the accounting period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets. Employee benefits which are non-monetary benefits are measured at fair value.

(b) Post-employment benefits

The Group classifies post-employment benefit plans as either defined contribution plans or defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate fund and will have no obligation to pay further contributions; and Defined benefit plans are post-employment benefit plans other than defined contribution plans. During the reporting period, the Group's post-employment benefits mainly include basic pensions and unemployment insurance, both of which belong to the defined contribution plans.

Basic pensions

The Group's employees participate in the basic pension plan set up and administered by local authorities of Ministry of Human Resource and Social Security. Monthly payments of premiums on the basic pensions are calculated according to prescribed bases and percentage by the relevant local authorities. When employees retire, the relevant local authorities are obliged to pay the basic pensions to them. The amounts based on the above calculations are recognised as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

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2 Summary of significant accounting policies and accounting estimates

(Continued)

(20) EMPLOYEE BENEFITS (Continued)

(c) Termination benefits

The Group provides compensation for terminating the employment relationship with employees before the end of the employment contracts or as an offer to encourage employees to accept voluntary redundancy before the end of the employment contracts. The Group recognises a liability arising from compensation for termination of the employment relationship with employees, with a corresponding charge to profit or loss at the earlier of the following dates: 1) when the Group cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; 2) when the Group recognises costs or expenses related to the restructuring that involves the payment of termination benefits

The termination benefits expected to be paid within one year since the balance sheet date are classified as current liabilities.

(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.

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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.

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.

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2 Summary of significant accounting policies and accounting estimates

(Continued)

(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.

(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.

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2 Summary of significant accounting policies and accounting estimates

(Continued)

(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.

(29) SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

In 2014, the Ministry of Finance of the PRC issued CAS 39 "Fair Value Measurement", CAS 40 "Joint arrangement", CAS 41 "Disclosure of Interests in Other Entities", and CAS 2 "Long-Term Equity Investments"(revised), CAS 9 "Employee Benefits" (revised), CAS 30 "Presentation of Financial Statements" (revised), CAS 33 "Consolidated Financial Statements" (revised) and CAS 37 "Presentation of Financial Instrument" (revised) should be applied from 1 July 2014 other than CAS 37 "Presentation of Financial Instrument" (revised) being required to be implemented for financial statements of annual 2014 and ever since, and business enterprises listed abroad are encouraged to early apply.

The Company is an abroad-listed entity and has early applied for the following 6 accounting standards when preparing for the financial statements issued on 27 March 2014: CAS 39 "Fair Value Measurement", CAS 40 "Joint arrangement", CAS 9 "Employee Benefits", CAS 30 "Presentation of Financial Statements", CAS 33 "Consolidated Financial Statements" and CAS 2 "Long-Term Equity Investments".

Other accounting standards including CAS 37 "Presentation of Financial Instrument" and CAS 41 "Disclosure of Interests in Other Entities" are implemented for financial statements of annual 2014.

On 30 June 2014, the Ministry of Finance of the PRC issued the Application Guidance for CAS 30 "Presentation of Financial Statements" should be applied from 1 July 2014.

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2 Summary of significant accounting policies and accounting estimates

(Continued)

(29) SIGNIFICANT CHANGES IN ACCOUNTING POLICIES (Continued)

The major impacts on the Group's financial statements are as follows:

Details and reasons for changes of accounting policies	Approval procedures	Affected financial statement items and amount
Several items in the financial statements have been presented in compliance with the above standards, the financial information of the comparative period has been adjusted accordingly, and the balance sheet as at 1 January 2013 has been presented under the <i>Application Guidance for Accounting Standard for Business Enterprises No. 30 – Presentation of Financial Statements</i>	Board resolution	As shown below
Disclosure in relation to the interests of the Group in other entities has been prepared under the Accounting Standard for Business Enterprises No. 41 - Disclosure of Interests in Other Entities. Except for the disclosure of the unconsolidated structured entities, the financial information of the comparative period has been adjusted accordingly.	Board resolution	Not applicable

Financial statement items and amount affected by the first changes of accounting policies above are:

Item	31 December 2013	1 January 2013
Increase in deferred income	597,573,954.11	633,098,324.44
Decrease in other non-current liabilities	(597,573,954.11)	(633,098,324.44)
(Decrease)/increase in capital surplus	(6,931,124.61)	5,483,063.31
Increase in other comprehensive income	14,403,379.45	3,974,591.95
Decrease in translation of foreign currency financial statements	(7,472,254.84)	(9,457,655.26)

Notes to the Financial Statements

For the year ended 31 December 2014
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2 Summary of significant accounting policies and accounting estimates

(Continued)

(30) 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 Dalian Haijia Automotive Port Co., Ltd., 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 Dalian Haijia Automotive Port Co., Ltd., 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.

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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	15% or 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) ^(a)	13%-17% or 6%-11% ^(a)
Business tax ^(a)	Taxable turnover amount ^(a)	5%
City maintenance and construction tax	VAT and business tax payment	7%
Educational surcharge	VAT and business tax payment	3%
House property tax	70% of the cost of house property or rental revenue	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 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") and Dalian Portsoft Technology Co., Ltd. ("DPT") can enjoy the aforesaid preferential tax policy.

Notes to the Financial Statements

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4 Notes to the consolidated financial statements

(1) CASH AT BANK AND IN HAND

	31 December 2014	31 December 2013
Cash in hand	123,972.84	108,478.70
Bank deposits (i)	2,410,457,207.77	2,305,311,044.77
Including: Total amounts deposited abroad	41,227,998.41	43,933,438.43
Other cash balances (ii)	30,332,224.60	33,978,538.23
	2,440,913,405.21	2,339,398,061.70

(i) As at 31 December 2014, a bank deposit of 1,271,400.98 (31 December 2013: RMB3,218,000.00) is pledged as collateral for the Group's bank notes payable of RMB12,714,009.80 (31 December 2013: RMB32,180,000.00).

(ii) As at 31 December 2014, other cash balance of RMB24,584,123.23 (31 December 2013: RMB30,309,501.88) is pledged as collateral for the Group's non-cancellable letter of credit.

As at 31 December 2014, other cash balance of RMB4,085,063.00 (31 December 2013: RMB1,945,645.00) are pledged as the Group's project performance guarantee.

(2) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2014	31 December 2013
Investments in equity instrument held for trading	4,304,310.00	4,678,872.00
Open money market fund	11,141,324.60	7,733,957.99
	15,445,634.60	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 year.

(3) NOTES RECEIVABLE

	31 December 2014	31 December 2013
Bank acceptance notes	90,865,505.13	60,056,586.58

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

Notes to the Financial Statements

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4 Notes to the consolidated financial statements (Continued)

(3) NOTES RECEIVABLE (Continued)

As at 31 December 2014, notes receivable which have been endorsed to other parties at end of year but not mature yet are as follows:

	Derecognised	Not derecognised
Bank acceptance notes	37,282,174.45	–

(4) DIVIDENDS RECEIVABLE

	31 December 2014	31 December 2013
Dalian Port Container Terminal Co., Ltd.	9,922,500.00	–
Dalian Automobile Terminal Co., Ltd.	4,000,000.00	–
Dalian Singamas International Container Co., Ltd.	3,127,040.63	3,498,078.35
Dalian Dagang China Shipping Container Terminal Co., Ltd.	1,594,734.71	2,094,560.57
Dalian Jihai Logistics Co., Ltd.	–	744,496.99
	18,644,275.34	6,337,135.91

(5) INTEREST RECEIVABLE

	31 December 2014	31 December 2013
Interest of fixed deposits	9,236,213.02	5,517,583.47
Interest of entrusted loans	78,911.94	79,473.22
Interest of financial products	3,824,876.86	10,666,666.68
Interest of current deposits	78,165.27	44,397.23
	13,218,167.09	16,308,120.60

(6) ACCOUNTS RECEIVABLE

	31 December 2014	31 December 2013
Accounts receivable	840,473,630.04	507,339,218.41
Less: Provision for bad debts	(3,032,229.54)	(4,991,193.95)
	837,441,400.50	502,348,024.46

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

Notes to the Financial Statements

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4 Notes to the consolidated financial statements (Continued)

(6) ACCOUNTS RECEIVABLE (Continued)

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

	31 December 2014	31 December 2013
Within 1 year	763,462,567.08	440,851,028.18
1 to 2 years	30,391,817.26	49,990,884.82
2 to 3 years	38,966,795.19	5,698,577.64
Over 3 years	7,652,450.51	10,798,727.77
	840,473,630.04	507,339,218.41

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

	31 December 2014				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	5,553,656.87	0.66%	1,491,504.33	26.86%	-	-	-	-
With amounts for that the related provision for bad debts is provided on the grouping basis	833,379,247.96	99.16%	-	-	502,348,024.46	99.02%	-	-
Whereby Group 1:	-	-	-	-	-	-	-	-
Group 2:	833,379,247.96	99.16%	-	-	502,348,024.46	99.02%	-	-
With amounts that are not individually significant but that the related provision for bad debts is provided on the individual basis	1,540,725.21	0.18%	1,540,725.21	100.00%	4,991,193.95	0.98%	4,991,193.95	100%
	840,473,630.04	100.00%	3,032,229.54	0.36%	507,339,218.41	100.00%	4,991,193.95	0.98%

(c) As at 31 December 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

	Ending balance	Provision for bad debts	Percentage	Reason
Ansteel Co., Ltd.	5,553,656.87	1,491,504.33	26.86%	(i)

(i) As at 31 December 2014, receivables with amount of RMB5,553,656.87 from Ansteel Co., Ltd., including withholding part construction fees by RMB1,491,504.33. Due to the change of withholding entity to collect the port construction fees, it results in disagreement on the original terms of the business contract. Thus, the Group considers it is not able to collect the receivables and makes a provision for bad debts in full amount.

(d) Provisions for bad debts made in the current year are of RMB1,629,504.33.

Notes to the Financial Statements

For the year ended 31 December 2014
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4 Notes to the consolidated financial statements (Continued)

(6) ACCOUNTS RECEIVABLE (Continued)

- (e) Accounts receivable written off in the current year are of RMB3,598,468.74 among which significant accounts receivable are analysed below:

	Nature	Amount of write-off	Reason	Procedure for write-off	Arising from related party transactions or not
Dashiqiao Longxin Aluminum Co., Ltd.	Freight agency	3,457,716.74	The company goes bankrupt	Resolution of the Board	No
Guangdong Tailwind Shipping Co., Ltd.	Freight agency	130,752.00	Legal person disappears and the company dissolves	Resolution of the Board	No
		<u>3,588,468.74</u>			

- (f) As at 31 December 2014, the top five balances of accounts receivable categorized by debtors are summarised for analyses below:

	Amount	Provision for bad debts	% of total balance
Total balance of top five accounts receivable	394,694,519.68	–	46.96%

(7) OTHER RECEIVABLES

	31 December 2014	31 December 2013
Government subsidies receivable	177,717,395.00	160,214,685.00
Bills of exchange	59,832,121.88	211,604,420.36
Entrusted loans(i)	43,042,800.00	–
Receivables from project payment and guarantee deposit	59,043,764.77	36,296,693.06
Receivables from freight charges, deposit and security deposit	30,603,768.82	23,511,196.77
Port construction and miscellaneous expenses	37,511,748.41	13,908,339.25
Public infrastructure maintenance expenses	1,508,059.45	4,004,604.49
Others	28,739,633.30	27,187,016.10
	437,999,291.63	476,726,955.03
Less: Provision for bad debts	(1,061,192.97)	(1,061,192.97)
	436,938,098.66	475,665,762.06

- (i) Entrusted loans

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4 Notes to the consolidated financial statements (Continued)

(7) OTHER RECEIVABLES (Continued)

– 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 then extended for one year.

– Loans to associates

The Group entrusted Dalian Port Group Finance Co., Ltd. to provide unsecured loans of RMB24,000,000.00 to its associate, Dalian Puji Storage Facilities Co.,Ltd, with the interest rate of 6.00% annually. The loan was due on 2 January 2014, and then extended for half year. After the loan was due on 2 July 2014, the loan was extended for another one year.

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

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

	31 December 2014	31 December 2013
Within 1 year	405,958,707.23	456,171,792.27
1 to 2 years	19,971,178.71	9,768,729.75
2 to 3 years	5,903,146.39	6,027,581.69
Over 3 years	6,166,259.30	4,758,851.32
	437,999,291.63	476,726,955.03

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

	31 December 2014				31 December 2013			
	Ending balance		Provision for bad debts		Ending balance		Provision for bad debts	
	Amount	% of total balance	Amount	%	Amount	% of total balance	Amount	%
With amounts that are individually significant and that the related provision for bad debts is provided on the individual basis	-	-	-	-	-	-	-	-
With amounts for that the related provision for bad debts is provided on the grouping basis	434,696,576.66	99.25%	-	-	472,871,268.46	99.19%	-	-
Whereby Group1	-	-	-	-	-	-	-	-
Group2	434,696,576.66	99.25%	-	-	472,871,268.46	99.19%	-	-
With amounts that are not individually significant but that the related provision for bad debts is provided on the individual basis	3,302,714.97	0.75%	1,061,192.97	32.13%	3,855,686.57	0.81%	1,061,192.97	27.52%
	437,999,291.63	100.00%	1,061,192.97	0.24%	476,726,955.03	100.00%	1,061,192.97	0.22%

Notes to the Financial Statements

For the year ended 31 December 2014
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4 Notes to the consolidated financial statements (Continued)

(7) OTHER RECEIVABLES (Continued)

(c) As at 31 December 2014, the five largest other receivables are analysed as follows:

	Nature	Amount	Ageing	% of total balance	Provision for bad debts
Dalian Municipal Bureau of Finance	Fiscal subsidies	177,717,395.00	Within 1 year	40.57%	-
Dalian Bohui International Trading Co., Ltd.	Bills of exchange	28,688,793.01	Within 1 year	6.55%	-
Dalian Bureau of Maritime	Port construction fees	25,179,502.85	Within 1 year	5.75%	-
Dalian Puji Storage Facility Co., Ltd.	Entrusted loans	24,000,000.00	Within 1 year	5.48%	-
Dalian Port Engineering Co., Ltd.	Quality guarantee deposit	15,128,682.00	1-2 years	3.45%	-
		<u>270,714,372.86</u>		<u>61.80%</u>	<u>-</u>

(d) As at 31 December 2014, the Company's government grants recognised at amounts receivable are analysed as follow:

	Government grants	Balance	Ageing	Estimated time, amount and basis of collection
Dalian Port (PDA) Company Limited	Subsidy for container development	131,827,400.00	Within 1 year	"Announcement of the implementation regulation of subsidy funds for promoting the quick development of Dalian port container"
Dalian Port (PDA) Company Limited	Single premium of highway tolls	21,676,995.00	Within 1 year	"Single premium agreement regarding container transportation vehicles' highway tolls in Dalian Port"
Dalian Jifa Bohai Rim Container Lines Co., Ltd.	Subsidy for container development	24,213,000.00	Within 1 year	"Announcement of the implementation regulation of subsidy funds for promoting the quick development of Dalian port container"
		<u>177,717,395.00</u>		

Notes to the Financial Statements

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4 Notes to the consolidated financial statements (Continued)

(8) ADVANCES TO SUPPLIERS

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

	31 December 2014		31 December 2013	
	Amount	% of total balance	Amount	% of total balance
Within 1 year	353,979,711.67	99.72%	66,977,497.58	99.81%
1 to 2 years	932,015.18	0.26%	30,707.31	0.05%
2 to 3 years	-	-	94,775.40	0.14%
Over 3 years	62,126.40	0.02%	-	-
	354,973,853.25	100.00%	67,102,980.29	100.00%

As at 31 December 2014, advances to suppliers with aging over one year is RMB994,141.58 (31 December 2013: RMB125,482.71), which represents advances paid to gas station. Since the cooperation with the gas station is stable, these amounts has not been settled

(b) As at 31 December 2014, the five largest advances to suppliers are analysed as follows :

	Amount	% of total balance
Total amounts of top five advances to suppliers	322,621,572.48	90.89%

(9) INVENTORIES

(a) Inventories are summarised by categories as follows:

	31 December 2014			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	77,101,073.21	(2,037,642.99)	75,063,430.22	88,321,372.19	(2,037,642.99)	86,283,729.20
Work in progress	322,720.01	-	322,720.01	555,128.22	-	555,128.22
Finished goods	884,184,563.18	-	884,184,563.18	322,115,424.25	-	322,115,424.25
Circulating materials	5,598,144.05	-	5,598,144.05	5,185,308.51	-	5,185,308.51
	967,206,500.45	(2,037,642.99)	965,168,857.46	416,177,233.17	(2,037,642.99)	414,139,590.18

As at 31 December 2014, inventories and relevant notes of import business with carrying amount of RMB347,391,525.41 (31 December 2013: RMB246,717,193.39) are pledged as collateral for the collateralised borrowings of RMB218,422,030.38 (31 December 2013: RMB284,592,844.90) (Note 4(23)(i)).

Notes to the Financial Statements

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4 Notes to the consolidated financial statements (Continued)

(9) INVENTORIES (Continued)

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

	31 December 2013	Increase in current period		Decrease in current period		31 December 2014
		Charged	Others	Reversal/Write-off	Others	
Raw materials	2,037,642.99	-	-	-	-	2,037,642.99

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

	Specific basis to determine net realisable value	Reasons for provision for decline in the value of inventories reversal or write-off in current year

(10) OTHER CURRENT ASSETS

	31 December 2014	31 December 2013
Loans to joint ventures	-	6,295,000.00
Loans to associates	-	37,432,800.00
Available-for-sale financial assets(4(11))	600,000,000.00	1,000,000,000.00
Value-added taxes to be offset (i)	105,106,362.22	48,097,494.05
	705,106,362.22	1,091,825,294.05

(i) Value-added taxes to be offset are VAT input balance arising from the Group's purchase of goods.

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4 Notes to the consolidated financial statements (Continued)

(11) AVAILABLE-FOR-SALE FINANCIAL ASSETS

	31 December 2014	31 December 2013
Measured at fair value		
– Available-for-sale equity instruments – H shares	60,626,529.12	69,217,860.11
Measured at cost		
– Available-for-sale equity instruments		
– unlisted enterprises	153,692,691.50	153,692,691.50
– Entrusted investment	665,820,000.00	1,000,000,000.00
Less: Provision for impairment	(46,711,059.54)	(48,003,000.00)
	833,428,161.08	1,174,907,551.61
Less: Available-for-sale financial assets included in other current assets	(600,000,000.00)	(1,000,000,000.00)
	233,428,161.08	174,907,551.61
Including: Market value of listed securities	13,915,469.58	21,214,860.11

(a) Related information is analysed as follows:

Available-for-sale equity instruments measured at fair value - H shares:

The available-for-sale H shares represent acquiring 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) by strategic allotment.

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

	31 December 2014	31 December 2013
Available-for-sale equity instruments		
– H shares		
– Fair value	13,915,469.58	21,214,860.11
– Cost	61,528,941.18	62,286,735.50
– Accumulated in other comprehensive income	(902,412.06)	6,931,124.61
– Accumulated provision for impairment	(46,711,059.54)	(48,003,000.00)

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4 Notes to the consolidated financial statements (Continued)

(11) AVAILABLE-FOR-SALE FINANCIAL ASSETS (Continued)

(a) Related information is analysed as follows: (Continued)

Available-for-sale equity instruments measured at cost - unlisted enterprises:

The available-for-sale financial assets measured at cost mainly include the unlisted equity investments held by the Group which are not quoted in an active market and whose fair value cannot be reliably measured as the range of fair value reasonable estimates is large and probabilities for determining these estimates cannot be reasonably determined. The Group has no plan to dispose these investments.

	Investment cost	31 December 2013	Current period movement	31 December 2014	Share holding (%)	Voting rights (%)
Available-for-sale equity instruments						
- Cost						
- Fujian Ninglian Port Co., Ltd	12,000,000.00	-	-	12,000,000.00	12.00	-
- Shandong Weihai Port Co., Ltd	11,900,000.00	-	-	11,900,000.00	9.97	-
- Da-In Ferry Co., Ltd.	1,900,057.50	-	-	1,900,057.50	7.50	372,503.53
- Qinhuangdao Xingangwan Container Terminal	60,000,000.00	-	-	60,000,000.00	15.00	-
- Jinzhou New Age Container Terminal Co., Ltd.	52,843,634.00	-	-	52,843,634.00	15.00	-
- Dalian Port Design & Research Institute Co., Ltd.	634,600.00	-	-	634,600.00	5.80	87,000.00
- Dalian Xin Bei Liang Co., Ltd.	14,414,400.00	-	-	14,414,400.00	5.01	941,840.00
	153,692,691.50	-	-	153,692,691.50		

Entrusted investment:

- (i) Entrusted investment of RMB65,820,000.00 represents a trust plan of assembled funds developed by Shanxi International Trust Co., Ltd. which is commissioned by the Company. The trust plan is used for the infrastructure construction of the core district of western Lingang new town, economic development zone, Dalian. The estimated annual return is 9.66% with the maturity date on 11 May 2016.
- (ii) Entrusted investment of RMB200,000,000.00 represents RMB structured deposits developed by the Company and China Everbright Bank Co., Ltd. Dalian Branch. The annual interest rate is 4.66% with the maturity date on 17 February 2015.
- (iii) Entrusted investment of RMB400,000,000.00 represents a specific asset management plan signed by the Company and ICBC Credit Suisse Investment Management Co., Ltd. The specific asset management plan is mainly used for the projects of Dalian Aonan Property Development Co., Ltd. The estimated annual return is 7.00% with the maturity date on 8 March 2015.

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4 Notes to the consolidated financial statements (Continued)

(11) AVAILABLE-FOR-SALE FINANCIAL ASSETS (Continued)

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

	Available-for-sale equity instruments – H shares
31 December 2013	48,003,000.00
Difference on translation of foreign currency financial statements	(1,291,940.46)
	<hr/>
31 December 2014	46,711,059.54

(12) LONG-TERM RECEIVABLES

	31 December 2014	31 December 2013
Entrusted loans (i)	22,544,798.38	–
Less: Provision for bad debts	–	–
	<hr/>	<hr/>
	22,544,798.38	–

(i) The group and other investors provided unsecured shareholder's loans to their associates Jadeway Limited and SINOECL Auto Liners, Limited. As at 31 December 2014, the Group provided an unsecured shareholder loan of JPY 240,106,638.13 (equivalent to RMB12,341,481.20), to its associate, Jadeway Limited, and HKD12,933,600.18 (equivalent to RMB10,203,317.18), to its associate, SINOECL Auto Liners, Limited.

(13) LONG-TERM EQUITY INVESTMENTS

	31 December 2014	31 December 2013
Joint ventures unlisted companies (a)	2,354,300,066.64	2,336,335,707.54
Associates unlisted companies (b)	1,518,906,991.67	1,556,330,973.47
	<hr/>	<hr/>
Less: Provision for impairment of long-term equity investments	–	–
	<hr/>	<hr/>
	3,873,207,058.31	3,892,666,681.01

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4 Notes to the consolidated financial statements (Continued)

(13) LONG-TERM EQUITY INVESTMENTS (Continued)

(a) Joint ventures

	31 December 2013	Current period movement							31 December 2014	Current period provision for impairment	
		Increase in investment	Decrease in investment	Share of net profit using the equity method	Adjustment on other comprehensive income	Other changes in equity	Profit/Cash dividends declared by joint venture	Provision for impairment			Others
Dalian Port Tongji Shipping Agency Co., Ltd.	1,161,556.20	-	-	273,895.89	-	-	-	-	-	1,435,452.09	-
Dalian Harbour ECL Logistics Co., Ltd.	30,713,563.03	-	-	569,946.33	-	(1,063.61)	(865,498.02)	-	-	30,896,947.73	-
Odfjell Terminals (Dalian) Ltd.	139,961,762.64	-	-	11,219,578.02	-	-	-	-	-	151,181,340.66	-
Dalian Port PetroChina International Terminal Co., Ltd.	151,028,286.26	-	-	20,206,277.19	-	-	(9,761,210.00)	-	-	161,473,353.45	-
Dalian Jihai Logistics Co., Ltd.	22,798,662.64	-	(22,798,662.64)	-	-	-	-	-	-	-	-
Dalian United International Shipping Agency Co., Ltd.	5,963,634.93	-	-	2,168,987.85	-	-	(1,820,000.00)	-	-	6,302,622.78	-
Dalian Vanguard International Logistics Co., Ltd.	34,768,751.33	-	-	101,664.57	-	-	-	-	-	34,870,415.90	-
Dalian Yidu Cold Chain Co., Ltd.	56,855,623.01	-	-	17,744,004.83	-	246,531.42	-	-	-	74,846,159.26	-
China Tally (Dalian) Co., Ltd.	4,169,629.70	-	-	1,965,375.10	-	-	(1,444,641.74)	-	-	4,690,363.06	-
China Oil Dock Management (Dalian) Co., Ltd.	12,247,638.72	-	-	(1,429,810.27)	-	-	-	-	-	10,817,828.45	-
Liaoning Electronic Port Co., Ltd.	4,825,688.93	-	-	992,439.25	-	-	-	-	-	5,818,128.18	-
Liaoning Con-Rail International Logistics Co., Ltd.	5,727,256.46	-	-	2,203,798.70	-	-	-	-	-	7,931,055.16	-
Dalian Dagang China Shipping Container Terminal Co., Ltd.	7,073,341.20	-	-	1,595,077.73	-	(20,727.10)	(1,594,734.71)	-	-	7,052,957.12	-
Dalian Port Container Terminal Co., Ltd.	218,806,021.14	-	-	11,741,702.02	-	409,567.54	(9,922,500.00)	-	-	221,034,790.70	-
Dalian International Container Terminal Co., Ltd.	529,510,701.90	-	-	523,108.87	-	623,063.22	-	-	-	530,656,873.99	-
Dalian Jilong Logistics Co., Ltd.	35,081,160.26	-	-	1,618,942.17	-	-	-	-	-	36,700,102.43	-
Dalian Automotive Terminal Co., Ltd.	167,042,420.04	-	-	10,463,666.82	-	(28,057.41)	(4,000,000.00)	-	-	173,478,029.45	-
Dalian Singamas International Container Co., Ltd.	43,062,228.75	-	-	879,573.60	-	-	(870,314.93)	-	-	43,071,487.42	-
China United International Rail Containers (Dalian) Co., Ltd.	187,515,276.42	-	-	(925,269.93)	-	-	-	-	-	186,590,006.49	-
Dalian Changxing Island Port Co., Ltd.	198,960,496.10	-	-	(19,522,063.07)	-	208,175.83	-	-	-	179,646,598.86	-
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	2,027,548.76	-	-	93,194.81	-	-	-	-	-	2,120,743.57	-
Odfjell Dalian Port Consulting Co., Ltd.	1,895,468.47	-	-	478,167.03	-	-	-	-	-	2,373,635.50	-
Dalian Changxing Island Port Investment and Development Co., Ltd.	462,869,251.60	-	-	(64,523.26)	-	6,209.55	-	-	-	462,810,937.89	-
Dalian Shunde Jifa Supply Chain Management Co., Ltd. (i)	10,029,749.05	-	-	1,216,305.34	-	-	-	-	-	11,246,054.39	-
Odfjell Changxing Warehousing Terminals (Dalian) Co., Ltd.	2,250,000.00	5,700,000.00	-	(695,817.89)	-	-	-	-	-	7,254,182.11	-
	2,336,335,707.54	5,700,000.00	(22,798,662.64)	63,418,221.70	-	1,443,699.44	(29,798,899.40)	-	-	2,354,300,066.64	-

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4 Notes to the consolidated financial statements (Continued)

(13) LONG-TERM EQUITY INVESTMENTS (Continued)

(b) Associates

	31 December 2013	Current period movement							31 December 2014	Current period provision for impairment
		Increase in investment	Decrease in investment	Share of net profit using the equity method	Adjustment on other comprehensive income	Other changes in equity	Profit/Cash dividends declared by joint venture	Provision for impairment Others		
China Harbor United Shipping Co., Ltd.	78,514,622.12	-	-	(4,152,486.67)	-	-	-	-	74,362,135.45	-
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	5,361,581.26	-	-	3,180,259.14	-	-	-	-	8,541,840.40	-
Dalian Wapeng Port Engineering Testing Co., Ltd.	2,456,727.05	-	-	340,215.19	-	-	(200,000.00)	-	2,596,942.24	-
Dalia Puji Storage Facility Co., Ltd.	168,405,886.99	-	-	(11,363,732.88)	-	-	-	-	157,042,154.11	-
Shenyang Puji Logistics Development Co., Ltd.	50,568,165.34	-	(50,568,165.34)	-	-	-	-	-	-	-
Taicang Xinggang Tug Co., Ltd.	2,617,223.13	-	-	1,562,575.19	-	-	(720,000.00)	-	3,459,798.32	-
PetroChina Dalian LNG Co., Ltd.	568,936,565.21	-	-	33,935,428.62	-	1,127,985.00	(41,010,966.60)	-	562,989,012.23	-
SINOCL Auto Liners, Limited	-	-	-	-	-	-	-	-	-	-
Jadeway Co., Ltd.	-	-	-	2,405,020.79	(1,834,787.33)	-	-	-	570,233.46	-
Dalian North Oil Petroleum Logistics Co., Ltd.	61,280,145.91	-	-	(1,688,132.42)	-	-	-	-	59,592,013.49	-
Sino Rail Bohai Train Ferry Co., Ltd.	274,486,877.44	-	-	(361,500.23)	-	-	(8,626,360.14)	-	265,499,017.07	-
Zhongshi International Logistics Co., Ltd.	92,112,957.97	-	-	5,544,719.76	-	-	-	-	97,657,677.73	-
Dalian Port Group Financial Co., Ltd.	250,609,294.74	-	-	35,114,223.81	-	-	-	-	285,723,518.55	-
Dalian GangSheng Tendering& Bidding Agency Co., Ltd	882,827.59	-	-	123,021.03	-	-	(133,000.00)	-	872,648.62	-
CNOOC (NingDe) Petrochemical Terminal Co., Ltd	98,298.72	-	(87,796.06)	(10,502.64)	-	-	-	-	-	-
	1,556,330,973.47	-	(50,655,961.42)	64,629,108.69	(1,834,787.33)	1,127,985.00	(50,690,326.74)	-	1,518,906,991.67	-

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For the year ended 31 December 2014
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4 Notes to the consolidated financial statements (Continued)

(14) INVESTMENT PROPERTIES

	Buildings	Land use rights	Terminal facility	Total
Cost				
31 December 2013	28,752,168.06	69,785,783.60	746,035,391.62	844,573,343.28
Increase in current period				
Increase from acquisition	315,044.05	–	–	315,044.05
Transferred from construction in process	1,892,604.57	–	434,240.00	2,326,844.57
Decrease in current period	–	–	–	–
31 December 2014	30,959,816.68	69,785,783.60	746,469,631.62	847,215,231.90
Accumulated depreciation/ amortisation				
31 December 2013	(7,266,629.53)	(8,744,005.47)	(131,425,368.97)	(147,436,003.97)
Increase in current period				
Accrued/amortized	(790,825.18)	(1,471,391.30)	(15,856,982.47)	(18,119,198.95)
Decrease in current period	–	–	–	–
31 December 2014	(8,057,454.71)	(10,215,396.77)	(147,282,351.44)	(165,555,202.92)
Net book value				
31 December 2014	22,902,361.97	59,570,386.83	599,187,280.18	681,660,028.98
31 December 2013	21,485,538.53	61,041,778.13	614,610,022.65	697,137,339.31

For the year ended 31 December 2014, RMB18,119,198.95 (for the year ended 31 December 2013: RMB17,770,346.15) of depreciation and amortisation was charged for the investment properties and No (2013: Nil) provision for impairment is provided.

As at 31 December 2014, the investment properties above were all leased out under operating lease.

Among the investment properties, land use rights are analysed by location and useful life as follows:

	31 December 2014	31 December 2013
Located in Mainland – 10 years to 50 years	59,570,386.83	61,041,778.13

In 2014, rental income earned by the Group from the above investment properties is RMB97,793,190.04 (2013: RMB98,015,990.53), and direct expenditures occurred are RMB18,119,198.95 (2013: RMB17,770,346.15).

Notes to the Financial Statements

For the year ended 31 December 2014
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4 Notes to the consolidated financial statements (Continued)

(15) FIXED ASSETS

	Buildings	Terminal facility	Oil tanks and pipelines	Loading equipment	Transportation equipment	Vessels	Storage facilities	Machinery and equipment	Other equipment	Total
Cost										
31 December 2013	1,452,787,283.09	5,388,626,004.22	2,393,583,163.27	2,735,074,765.10	900,246,600.60	1,740,514,134.05	3,004,776,098.88	928,868,821.08	612,511,552.18	19,156,988,422.47
Increase in current period										
Increase from acquisition	1,520,570.62	4,228,111.07	-	25,449,360.73	1,817,716.08	-	29,051,671.16	8,751,291.68	12,745,031.84	83,563,753.18
Transfers from construction in progress	94,476,207.58	300,654,391.16	341,434,690.38	232,597,067.65	6,398,475.58	-	160,615,682.19	109,584,588.66	78,299,282.73	1,324,060,386.13
Merger by acquisition not under common control	-	-	-	12,066,371.10	-	-	-	-	52,023.01	12,118,394.11
Reclassification of assets	1,977,690.13	10,485,360.89	5,356,251.92	-	-	-	-	(22,067,578.55)	4,248,275.61	-
Decrease in the current year										
Disposal and obsolescence	(4,154,732.49)	(216,400.00)	(377,598.33)	(40,668,877.10)	(34,274,524.36)	(4,794,547.56)	-	(10,883,397.72)	(9,394,279.72)	(104,764,357.28)
31 December 2014	1,546,607,018.93	5,703,777,467.34	2,739,996,507.24	2,964,518,687.68	874,188,267.90	1,735,719,586.49	3,194,443,452.23	1,014,253,725.15	698,461,885.65	20,471,966,598.61
Accumulated depreciation										
31 December 2013	(281,008,944.20)	(829,140,471.75)	(676,162,313.41)	(1,483,302,637.47)	(291,228,024.98)	(366,119,715.87)	(498,285,230.02)	(428,087,658.12)	(248,102,998.07)	(5,101,437,993.89)
Increase in current period										
Depreciation	(43,046,706.11)	(107,545,481.50)	(92,012,338.14)	(152,712,684.78)	(47,188,771.47)	(56,750,961.66)	(65,516,297.44)	(69,978,848.81)	(51,723,643.94)	(686,475,733.85)
Merger by acquisition not under common control	-	-	-	(9,246,724.37)	-	-	-	-	(35,667.15)	(9,282,391.52)
Reclassification of assets	(439,126.01)	(1,372,304.79)	(1,902,806.53)	-	-	-	-	5,659,157.42	(1,944,920.09)	-
Decrease in the current year										
Disposal and obsolescence	3,090,154.83	57,995.20	329,968.61	33,384,103.93	32,825,770.61	4,554,820.18	-	9,149,948.80	8,230,167.76	91,622,929.92
31 December 2014	(321,404,621.49)	(938,000,262.84)	(769,747,489.47)	(1,611,877,942.69)	(305,591,025.84)	(418,315,857.35)	(563,801,527.46)	(483,257,400.71)	(293,577,061.49)	(5,705,573,189.34)
Carrying amount										
31 December 2014	1,225,202,397.44	4,765,777,204.50	1,970,249,017.77	1,352,640,744.99	568,597,242.06	1,317,403,729.14	2,630,641,924.77	530,996,324.44	404,884,824.16	14,766,393,409.27
31 December 2013	1,171,778,338.89	4,559,485,532.47	1,717,420,849.86	1,251,772,127.63	609,018,575.62	1,374,394,418.18	2,506,490,868.86	500,781,162.96	364,408,554.11	14,055,550,428.58

As at 31 December 2014, Logistics Station at an carrying amount of RMB98,879,621.96 (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 RMB37,010,023.77 (including the current portion of RMB10,000,000.00) (31 December 2013: RMB47,010,023.77) (Note 4(34)(a-i)).

As at 31 December 2014, fixed assets at a carrying amount of RMB153,999,206.27 (a cost of RMB228,576,076.21) (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 4(34)(a-ii)).

As at 31 December 2014, fixed assets at a carrying amount of RMB481,593,095.85 (a cost of RMB935,860,681.53) (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 4(34)(a-iii)).

As at 31 December 2014, fixed assets at a carrying amount of RMB975,138,982.30 (a cost of RMB1,735,975,658.93) (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 RMB1,000,000,000.00 (31 December 2013: Nil) (Note 4(34)(a-iv)).

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4 Notes to the consolidated financial statements (Continued)

(15) FIXED ASSETS (Continued)

As at 31 December 2014, fixed assets at a carrying amount of RMB49,263,623.46 (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 4 (34)(a-v)).

As at 31 December 2014, fixed assets at a carrying amount of RMB313,165,498.16 (a cost of RMB384,992,940.93) (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 RMB300,000,000.00 (31 December 2013: Nil) (Note 4 (34)(a-vi)).

For the year ended 31 December 2014, depreciation charged to fixed assets was RMB686,475,733.85 (for the year ended 31 December 2013: RMB642,961,220.58), of which RMB667,759,989.74 and RMB18,715,744.11 (for the year ended 31 December 2013: RMB624,850,791.28 and RMB18,110,429.30) were charged in cost of sales and general and administrative expenses respectively.

The costs of fixed assets transferred from construction in progress amounted to RMB1,324,060,386.13 (for the year ended 31 December 2013: RMB1,540,817,011.58).

As at 31 December 2014, the Group had no temporarily 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.

(a) Fixed assets held under finance leases

As at 31 December 2014, the fixed assets with a carrying amount of RMB71,327,354.21 (a cost of RMB74,802,846.88) 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 13). The analysis is as follows:

	Cost	Accumulated depreciation	Provision for impairment	Carrying amount
31 December 2014:				
Other equipment	74,802,846.88	(3,475,492.67)	-	71,327,354.21
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 31 December 2014, the certificate of title to buildings at a carrying amount of approximately RMB622,642,143.73 (a cost of RMB684,548,376.80) 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	Meet registration procedures requirement and related charges paid

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4 Notes to the consolidated financial statements (Continued)

(15) FIXED ASSETS (Continued)

(c) Fixed assets held under an operating lease

	Net book value as at 31 December 2014	Net book value as at 31 December 2013
Buildings	17,863,960.06	60,756,837.62
Terminal facility	802,679,693.75	820,947,077.21
Oil tanks and pipelines	223,756,235.12	217,459,740.03
Loading equipment	13,358,538.87	17,692,758.35
Transportation equipment	509,134,988.20	467,692,246.33
Vessels	463,128,729.15	460,585,258.18
Machinery and equipment	53,398,734.79	125,986,042.78
Other equipment	35,059,392.43	35,703,676.68
	2,118,380,272.37	2,206,823,637.18

(16) CONSTRUCTION IN PROGRESS

	31 December 2014			31 December 2013		
	Ending balance	Provision for impairment	Carrying amount	Ending balance	Provision for impairment	Carrying amount
Dalian Old Port Transfer and Dalian Bay Groceries and Ro-ro Parking Area Expansion Project	-	-	-	434,872,100.05	-	434,872,100.05
Dayao Bay No.13-16 Parking Area in Phase II	612,809,882.68	-	612,809,882.68	570,813,218.42	-	570,813,218.42
New Port No.18-21 Parking Area	314,509,012.19	-	314,509,012.19	295,842,054.91	-	295,842,054.91
Dalian Automotive Terminal No.4 Parking Area Project	181,558,820.41	-	181,558,820.41	5,631,482.77	-	5,631,482.77
Dayao Bay North Shore Automotive Logistics Centre	148,785,597.13	-	148,785,597.13	148,465,545.13	-	148,465,545.13
Ore No.4 Storage Yard	15,866,984.95	-	15,866,984.95	387,164,878.37	-	387,164,878.37
New Port No.7-8 Oil Tank	16,696,959.81	-	16,696,959.81	17,538,992.30	-	17,538,992.30
New Port No.9 Oil Tank	16,082,711.84	-	16,082,711.84	378,291,534.42	-	378,291,534.42
Others	248,783,395.30	-	248,783,395.30	309,092,697.69	-	309,092,697.69
	1,555,093,364.31	-	1,555,093,364.31	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.

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4 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	31 December 2014	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
Dalian Old Port Transfer and Dalian Bay Groceries and Ro-ro Parking Area Expansion Project (i)	2,566,933,200.00	434,872,100.05	39,829,550.28	(225,140,576.33)	(249,561,074.00)	-	79.00%	100.00%	279,159,090.08	-	-	Loans from financial institutions and other sources
Dayao Bay No.13-16 Parking Area in Phase II	3,783,000,000.00	570,813,218.42	41,996,664.26	-	-	612,809,882.68	90.00%	90.00%	149,057,317.76	27,623,623.68	5.76%	Own funds, Fund raising, loans from financial institutions and other sources
New Port No.18-21 Parking Area	413,770,000.00	295,842,054.91	18,666,957.28	-	-	314,509,012.19	77.00%	77.00%	68,474,579.85	14,600,000.00	5.76%	Loans from financial institutions and other sources
Dalian Automotive Terminal No.4 Parking Area Project	461,760,000.00	5,631,482.77	175,927,337.64	-	-	181,558,820.41	39.32%	39.32%	-	-	-	Own funds, Fund raising, loans from financial institutions and other sources
Dayao Bay North Shore Automotive Logistics Centre	450,000,000.00	148,465,545.13	320,052.00	-	-	148,785,597.13	33.00%	33.00%	8,054,440.28	-	-	Loans from financial institutions and other sources
Ore No.4 Storage Yard	570,600,000.00	387,164,878.37	515,464.72	(371,209,761.91)	(603,596.23)	15,866,984.95	95.00%	95.00%	-	-	-	loans from financial institutions and other sources
Crude Oil Tank Series 7-8 of New Harbour	718,500,000.00	17,538,992.30	145,411.43	-	(967,443.92)	16,696,959.81	74.00%	85.00%	-	-	-	Funds raising
Crude Oil Tank Series 9 of New Harbour	598,400,000.00	378,291,534.42	64,465,696.07	(426,674,518.65)	-	16,082,711.84	94.00%	95.00%	-	-	-	Funds raising
Others	1,912,826,721.43	309,092,697.69	274,432,481.14	(316,124,433.62)	(18,617,349.81)	248,783,395.30	-	-	24,178,148.43	14,906,676.89	5.76%-7.00%	Funds raising
		2,547,712,504.06	616,299,614.82	(1,339,149,290.51)	(269,769,464.06)	1,555,093,364.31			528,923,576.40	57,130,300.57		

- (i) The other decreases of Dalian Old Port Transfer and Dalian Bay Groceries and Ro-ro Parking Area Expansion Project includes RMB248,888,516.00 which is the right of use of sea transferred to the PDA Group

Notes to the Financial Statements

For the year ended 31 December 2014
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4 Notes to the consolidated financial statements (Continued)

(17) FIXED ASSETS PENDING FOR DISPOSAL

	31 December 2014	31 December 2013
Terminal facility	-	33,749.78
Loading equipment	-	725,471.88
Transportation equipment	15,595.86	-
Machinery and equipment	1,744,605.02	-
Other equipment	-	129,292.48
	1,760,200.88	888,514.14

(18) INTANGIBLE ASSETS

	Land use rights	Use rights of container flat cars	Software	Golf membership identification	Waters use rights	Use rights of auxiliary berth facilities	Customer relationships	Port information platform	Total
Cost									
31 December 2013	585,737,038.18	46,660,098.18	126,478,042.01	1,977,376.00	3,455,982.72	253,448,422.59	15,970,000.00	64,310,000.00	1,098,036,959.68
Increase in current period									
Increase from acquisition	1,227,332.16	-	8,201,824.85	-	-	-	-	-	9,429,157.01
Business combinations not under common control	-	-	76,495.72	-	-	-	-	-	76,495.72
Transfers from construction in progress	-	-	12,762,059.81	-	-	-	-	-	12,762,059.81
Decrease in current period									
Disposal	(1,743,839.79)	-	(8,007,753.27)	-	-	-	-	-	(9,751,593.06)
31 December 2014	585,220,530.55	46,660,098.18	139,510,669.12	1,977,376.00	3,455,982.72	253,448,422.59	15,970,000.00	64,310,000.00	1,110,553,079.16
Accumulated amortisation									
31 December 2013	(123,608,752.77)	(21,871,921.26)	(73,059,289.17)	(934,173.49)	(1,157,700.94)	(83,374,926.43)	(9,426,000.00)	(35,906,416.67)	(349,339,180.73)
Increase in current period									
Provision	(12,272,172.30)	(2,916,256.20)	(11,406,752.29)	(13,756.32)	(414,717.96)	(5,230,038.12)	(1,597,000.00)	(6,431,000.00)	(40,281,693.19)
Business combinations not under common control	-	-	(5,099.76)	-	-	-	-	-	(5,099.76)
Decrease in current period									
Disposal	115,877.74	-	8,007,753.27	-	-	-	-	-	8,123,631.01
31 December 2014	(135,765,047.33)	(24,788,177.46)	(76,463,387.95)	(947,929.81)	(1,572,418.90)	(88,604,964.55)	(11,023,000.00)	(42,337,416.67)	(381,502,342.67)
Carrying amount									
31 December 2014	449,455,483.22	21,871,920.72	63,047,281.17	1,029,446.19	1,883,563.82	164,843,458.04	4,947,000.00	21,972,583.33	729,050,736.49
31 December 2013	462,128,285.41	24,788,176.92	53,418,752.84	1,043,202.51	2,298,281.78	170,073,496.16	6,544,000.00	28,403,583.33	748,697,778.95

Notes to the Financial Statements

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4 Notes to the consolidated financial statements (Continued)

(18) INTANGIBLE ASSETS (Continued)

For the year ended 31 December 2014, the amortisation of intangible assets amounted to RMB40,281,693.19, all recognised in profit or loss for the current period (for the year ended 31 December 2013: RMB50,275,804.06, all recognised in profit or loss for the current period).

As at 31 December 2014, land use rights with a carrying amount of RMB15,929,644.33 (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 RMB37,010,023.77 (including borrowings due within one year of RMB10,000,000.00) (31 December 2013: RMB47,010,023.77 (including borrowings due within one year of RMB10,000,000.00) (Note 4 (34)(a-i))

Land use rights are analysed by location and useful life as follows:

	31 December 2014	31 December 2013
Located in Mainland – 10 years to 50 years	449,455,483.22	462,128,285.41

(19) GOODWILL

	31 December 2013	Increase in current period	Decrease in current period	31 December 2014
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

For Dalian Jiyi Logistics Co.,Ltd, DCT Logistics Co., Ltd and Dalian Portnet Co., Ltd, the recoverable amount of a group of assets is calculated by cash flow forecasting method on the basis of the five-year budget approved by the management. The cash flow more than five years is forecasted by the following estimated growth rate.

	Dalian Jiyi Logistics Co.,Ltd	DCT Logistics Co., Ltd	Dalian Portnet Co., Ltd
Growth rate	3.00%	3.00%	3.00%
Gross profit rate	5.00%	15.00%	60.00%
Discount rate	12.00%	12.00%	12.00%

The weighted average growth rate adopted by the management is consistent with the forecast of industry report, and is not more than the long term average growth rate by product.

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4 Notes to the consolidated financial statements (Continued)

(19) GOODWILL (Continued)

The estimated gross profit rate is based on the historical experience and the market trends, and discounted to present value by the pre-tax interest rate which can reflect the certain risk of related group assets and combination of group assets. The above assumptions are used to analysis the recoverable amount of each group assets and combination of group assets in the business division.

(20) LONG-TERM PREPAID EXPENSES

	31 December 2013	Increase in current period	Amortisation in current period	Other decreases	31 December 2014
Public facilities in bonded port	11,970,941.80	–	(855,067.44)	–	11,115,874.36
Decoration	5,960,804.64	10,238,177.35	(8,913,809.67)	(3,778,632.30)	3,506,540.02
Others	4,696,143.61	5,165,378.00	(891,776.68)	–	8,969,744.93
	22,627,890.05	15,403,555.35	(10,660,653.79)	(3,778,632.30)	23,592,159.31

(21) DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

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

	31 December 2014		31 December 2013	
	Deferred tax assets	Deductible temporary differences	Deferred tax assets	Deductible temporary differences
Elimination of intra-group unrealised profit	54,575,365.60	218,301,462.40	51,756,479.52	207,025,918.08
Provision for asset impairment	1,118,865.68	4,475,462.72	1,985,794.86	7,943,179.44
Advances from customers with tax paid	1,495,648.66	5,982,594.64	2,011,068.77	8,044,275.08
Difference on depreciation period	2,729,627.78	10,918,511.12	2,744,506.41	10,978,025.64
Difference on amortisation period of software	288,750.01	1,155,000.04	371,250.01	1,485,000.04
Change in fair value of financial assets held-for-trading	1,324,556.33	5,298,225.32	1,655,257.50	6,621,030.00
Government grants	812,239.44	3,248,957.76	–	–
Others	859,752.27	3,439,009.08	594,120.54	2,376,482.16
	63,204,805.77	252,819,223.08	61,118,477.61	244,473,910.44
Including:				
Expected to reverse within one year (inclusive)	1,532,876.76		2,396,196.92	
Expected to be reversed after one year	61,671,929.01		58,722,280.69	
	63,204,805.77		61,118,477.61	

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4 Notes to the consolidated financial statements (Continued)

(21) DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES (Continued)

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

	31 December 2014		31 December 2013	
	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences
Fair value adjustment for business combinations involving enterprises not under common control	10,086,937.73	40,347,750.92	12,451,436.00	49,805,744.00
Others	634,710.94	2,538,843.76	634,710.94	2,538,843.76
	10,721,648.67	42,886,594.68	13,086,146.94	52,344,587.76
Including:				
Expected to reverse within one year (inclusive)	1,496,835.37		2,364,498.13	
Expected to be reversed after one year	9,224,813.30		10,721,648.81	
	10,721,648.67		13,086,146.94	

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

	31 December 2014	31 December 2013
Deductible losses	321,958,219.81	245,724,501.08

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

	31 December 2014	31 December 2013
2014	–	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	90,190,112.24	–
	321,958,219.81	245,724,501.08

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4 Notes to the consolidated financial statements (Continued)

(21) DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES (Continued)

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

	31 December 2014		31 December 2013	
	Offsetting amounts	Balance after offsetting	Offsetting amounts	Balance after offsetting
Deferred tax assets	(634,710.94)	62,570,094.83	(634,710.94)	60,483,766.67
Deferred tax liabilities	(634,710.94)	10,086,937.73	(634,710.94)	12,451,436.00

(22) PROVISION FOR ASSET IMPAIRMENT

	31 December 2013	Increase in current period	Decrease in current period		31 December 2014
			Reversal	Write-off	
Provision for bad debts	6,052,386.92	1,629,504.33	–	(3,588,468.74)	4,093,422.51
Including:					
Provision for bad debts of accounts receivable	4,991,193.95	1,629,504.33	–	(3,588,468.74)	3,032,229.54
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
	8,090,029.91	1,629,504.33	–	(3,588,468.74)	6,131,065.50

(23) SHORT-TERM LOANS

	31 December 2014	31 December 2013
Impawn (i)	218,422,030.38	284,592,844.90
Guaranteed (ii)	608,880,790.90	–
Unsecured	80,000,000.00	110,000,000.00
	907,302,821.28	394,592,844.90

(i) As at 31 December 2014, impawn borrowings of RMB218,422,030.38 (31 December 2013: RMB284,592,844.90) were secured by the Group's inventories at a carrying amount of RMB347,391,525.41 (31 December 2013: RMB246,722,313.39) (Note 4(9)(a)) and notes of related import business.

(ii) As at 31 December 2014, bank borrowings of RMB138,880,790.90 (31 December 2013: Nil) were guaranteed by the Group's subsidiary borrowings of RMB470,000,000.00 (31 December 2013: Nil) are guarantees provided by the Company for its subsidiaries.

As at 31 December 2014, the weighted average interest rate of short-term borrowings was 4.49% annually (31 December 2013: 4.21%).

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4 Notes to the consolidated financial statements (Continued)

(24) NOTES PAYABLE

	31 December 2014	31 December 2013
Bank acceptance notes	12,714,000.00	31,680,000.00

(25) ACCOUNTS PAYABLE

	31 December 2014	31 December 2013
Vessel leasing and ocean freight	80,157,710.03	48,758,729.59
Purchase of goods	133,889,045.71	14,349,871.70
Purchase of auxiliary materials and quality guarantee deposit	160,629,740.14	152,153,452.38
	374,676,495.88	215,262,053.67

(a) As at 31 December 2014, accounts payable over 1 year amounted to RMB12,841,919.71 (31 December 2013: RMB5,564,412.71). Such accounts payable comprised payables for subcontracting materials and quality guarantee deposit which had not been cleared finally for the overall project had not been completed and finally settled.

(b) The ageing of accounts payable is analysed below:

	31 December 2014	31 December 2013
Within 1 year	361,834,576.17	209,697,640.96
1 to 2 years	10,615,746.25	4,859,013.19
2 to 3 years	1,764,929.37	317,445.00
Over 3 years	461,244.09	387,954.52
	374,676,495.88	215,262,053.67

(26) ADVANCES FROM CUSTOMERS

	31 December 2014	31 December 2013
Rental expenses	5,892,675.62	6,102,738.74
Public facility maintenance expenses	5,982,594.55	8,044,275.07
Freight	4,528,074.03	9,271,299.76
Sales of grains	–	258,268,736.44
Cold chain trade	46,135,701.50	–
Sales of motor vehicle	275,053,781.22	32,200.00
Others	19,817,290.05	15,284,038.13
	357,410,116.97	297,003,288.14

As at 31 December 2014, advances from customers over 1 year with a carrying amount of RMB5,982,594.55 (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.

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4 Notes to the consolidated financial statements (Continued)

(27) EMPLOYEE BENEFITS PAYABLE

	31 December 2014	31 December 2013
Short-term employee benefits payable (a)	172,515,786.21	148,216,637.73
Defined contribution plans payable (b)	8,112,387.74	4,873,397.35
	180,628,173.95	153,090,035.08

(a) Short-term employee benefits payable

	31 December 2013	Increase in current period	Decrease in current period	31 December 2014
Wages and salaries, bonuses, allowances and subsidies	130,512,475.07	729,934,069.74	(717,161,824.03)	143,284,720.78
Staff welfare	–	61,672,392.99	(61,672,392.99)	–
Social security contributions	291,337.49	50,875,100.00	(51,059,032.68)	107,404.81
Including: Medical insurance	249,835.93	46,177,661.08	(46,329,395.55)	98,101.46
Work injury insurance	28,195.95	2,478,804.67	(2,499,886.34)	7,114.28
Maternity insurance	13,305.61	1,326,576.56	(1,337,693.10)	2,189.07
Others	–	892,057.69	(892,057.69)	–
Housing funds	–	108,490,740.85	(100,737,620.35)	7,753,120.50
Labour union funds and employee education funds	1,215,650.17	20,422,821.31	(19,293,342.33)	2,345,129.15
Labour expenses	9,093,643.44	296,467,640.12	(294,168,044.85)	11,393,238.71
Other short-term employee benefits	7,103,531.56	4,934,919.25	(4,406,278.55)	7,632,172.26
	148,216,637.73	1,272,797,684.26	(1,248,498,535.78)	172,515,786.21

(b) Defined contribution plans payable

	31 December 2013	Increase in current period	Decrease in current period	31 December 2014
Basic pension benefits	662,696.58	105,613,746.87	(106,011,998.33)	264,445.12
Payment of annuity	4,154,301.52	29,092,837.70	(25,420,904.04)	7,826,235.18
Unemployment insurance	56,399.25	5,774,076.69	(5,808,768.50)	21,707.44
	4,873,397.35	140,480,661.26	(137,241,670.87)	8,112,387.74

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4 Notes to the consolidated financial statements (Continued)

(28) TAXES PAYABLE

	31 December 2014	31 December 2013
Value-added tax payable	5,925,239.67	9,744,276.48
Business tax payable	17,391,879.33	3,493,000.11
Enterprise income tax payable	31,523,432.01	46,063,805.58
Individual income tax payable	5,351,058.28	4,410,364.86
City maintenance and construction tax payable	1,623,047.46	594,500.18
Educational surcharge payable	1,159,721.51	423,689.70
Others	4,415,215.01	1,086,167.09
	67,389,593.27	65,815,804.00

(29) INTEREST PAYABLE

	31 December 2014	31 December 2013
Interests of long-term borrowings with installment payments and principal due for repayment	11,653,076.49	2,476,613.24
Interest of corporate debentures	119,656,026.71	185,519,018.74
Interest of short-term borrowings	966,348.34	–
Interest of entrusted loans	20,167.00	20,167.00
	132,295,618.54	188,015,798.98

(30) DIVIDENDS PAYABLE

	31 December 2014	31 December 2013
United States Sankyo Holdings Limited	–	675,064.07
Dalian Bonded Zhengtong Company Limited	5,779,554.22	5,779,554.22
Singapore Dalian Port Investment Pte. Ltd.	67,334,900.05	79,492,840.22
	73,114,454.27	85,947,458.51

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4 Notes to the consolidated financial statements (Continued)

(31) OTHER PAYABLES

	31 December 2014	31 December 2013
Project expenses payable	440,267,743.90	689,521,525.02
Rental expenses payable	971,141.97	1,546,100.61
Subsidies received for other companies	30,688,800.00	15,000,000.00
Port construction expenses collected for other companies	11,577,494.91	9,934,055.50
Risk deposits	6,479,419.90	3,470,886.00
Fares collected for other companies	11,807,409.94	3,230,101.03
Compensation received for other companies	8,521,355.92	28,394,105.13
Security expenses payable to the Bureau of Port Guaranty	3,203,470.12	1,917,931.37
Amount due to Dalian Port Corporation Limited	6,228,635.00	5,982,308.71
Amount due to related parties	1,242,023.70	1,149,047.55
Trade deposits	–	313,385.76
Others	61,272,444.55	–
	87,723,278.18	83,984,821.86
	669,983,218.09	844,444,268.52

As at 31 December 2014, other payables over 1 year with a carrying amount of RMB382,618,876.15 (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.

(32) CURRENT PORTION OF NON-CURRENT LIABILITIES

	31 December 2014	31 December 2013
Current portion of long-term borrowings (a)	541,474,000.00	310,000,000.00
Current portion of long-term payables (b)	11,913,648.39	3,005,225.24
Debentures payable due within one year (c)	–	2,895,786,400.26
	553,387,648.39	3,208,791,625.50

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4 Notes to the consolidated financial statements (Continued)

(32) CURRENT PORTION OF NON-CURRENT LIABILITIES (Continued)

(a) Current portion of long-term borrowings

	31 December 2014	31 December 2013
Pledged (i)	10,000,000.00	10,000,000.00
Guaranteed(ii)	281,474,000.00	–
Unsecured	250,000,000.00	300,000,000.00
	541,474,000.00	310,000,000.00

There were no overdue borrowings with extended maturity.

(i) As at 31 December 2014, the balance of bank borrowing from pledging was RMB10,000,000.00, The information of collaterals for borrowings can refer to notes on long-term borrowings.(Note 4(34)(a-i)).

(ii) As at 31 December 2014, bank borrowings of RMB281,474,000.00 (31 December 2013: RMB279,191,221.44) (Note 4 (34)) were guaranteed by the Company's parent. Interest is paid monthly and the principal is due for repayment on 23 April 2015.

(b) Current portion of long-term payables

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

	31 December 2014	31 December 2013
Finance lease payable	15,449,222.57	4,007,076.92
Unrecognised finance lease	(3,535,574.18)	(1,001,851.68)
	11,913,648.39	3,005,225.24

(c) Debentures payable due within one year

	31 December 2013	Issued in the current year	Interest at par	Amortisation of premium/discount	Decrease in the current year	31 December 2014
Corporate debentures	2,895,786,400.26	–	–	2,417,034.29	(2,898,203,434.55)	–

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4 Notes to the consolidated financial statements (Continued)

(33) OTHER CURRENT LIABILITIES

	31 December 2013	Issued in the current year	Interest at par	Amortisation of premium/discount	Decrease in the current year	31 December 2014
Corporate debentures	-	1,000,000,000.00	6,605,555.56	(2,776,982.24)	-	1,003,828,573.32

Related information is as follows:

	Par value	Issuance date	Maturity	Issuance amount
Corporate debentures	100.00	3 November 2014	1 year	1,000,000,000.00

Approved by CSRC, the Company issued corporate debentures with total amount of RMB1,000,000,000.00 and duration of 1 year on 3 November 2014. Such debentures at a fixed interest rate have a nominal interest rate of 4.1%. Interest and principal is paid on the maturity date. The bond-issuing expense is RMB3,332,378.68.

(34) LONG-TERM BORROWINGS

	31 December 2014	31 December 2013
Pledged (a)	2,027,010,023.77	43,210,023.77
Guaranteed	-	279,191,221.44
Unsecured	800,000,000.00	1,071,000,000.00
	2,827,010,023.77	1,393,401,245.21

(a-i) As at 31 December 2014, bank borrowings of RMB37,010,023.77 (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 RMB98,879,621.96 (31 December 2013: RMB101,309,777.60) (at a cost of RMB102,322,342.45, (31 December 2013: RMB102,322,342.45)) (Note 4(15)) and land use rights at a carrying amount of RMB15,929,644.33 (31 December 2013: RMB16,254,081.19) (at a cost of RMB17,631,590.19, (31 December 2013: RMB17,631,590.19)) (Note 4(18)). Interest is payable every three months, current portion is due for repayment equally on 20 June 2015 and 20 December 2015, and remaining principal is due for repayment over time before 14 March 2019.

(a-ii) As at 31 December 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 RMB153,999,206.27 (a cost of RMB228,576,076.21) (Note 4 (15)). Interest is payable every three months and the principal is due for repayment on 30 June 2017.

(a-iii) As at 31 December 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 RMB481,593,095.85 (a cost of RMB936,253,843.93) (Note 4 (15)). Interest is payable every three months and the principal is due for repayment on 23 May 2017.

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4 Notes to the consolidated financial statements (Continued)

(34) LONG-TERM BORROWINGS (Continued)

(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 RMB975,138,982.30 (a cost of RMB1,735,975,658.93) (Note 4 (15)). Interest is payable every three months and the principal is due for repayment on 29 May 2017.

(a-v) As at 31 December 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 RMB49,263,623.46 (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.

(a-vi) As at 31 December 2014, borrowings of RMB300,000,000.00 (31 December 2013: Nil) were secured by the Company's fixed assets with a carrying amount of approximately RMB313,165,498.16 (a cost of RMB384,992,940.93) (Note 4 (15)). Interest is payable every three months and the principal is due for repayment on 6 November 2017.

As at 31 December 2014, the weighted average interest rate of long-term borrowings is 6.10% annually (31 December 2013: 4.99%).

(35) DEBENTURES PAYABLE

	31 December 2013	Increase in current period	Interest at par	Amortisation of premium/discount	Decrease in current period	31 December 2014
Corporate debentures	4,963,843,320.56	-	-	7,782,308.60	-	4,971,625,629.16

Related information is as follows:

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

Approved by CSRC, the Company issued corporate debentures with total amount of RMB2,350,000,000 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 interest is payable every year, and related issuance cost amounts to RMB25,156,495.00.

The company 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

	31 December 2014	31 December 2013
Finance leases	59,886,723.51	12,666,979.84

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4 Notes to the consolidated financial statements (Continued)

(37) DEFERRED INCOME

	1 January 2014	Addition in current period	Decrease in current period	31 December 2014
Government grants	597,573,954.11	17,982,926.81	(48,759,467.84)	566,797,413.08

Government grants	31 December 2013	Addition in current period	Amount recognised in non-operating income in current period	Other movements in current period	31 December 2014	Related to assets/income
Relocation compensation (i)	559,344,845.63	-	(34,505,184.05)	-	524,839,661.58	Related to assets
Acquisition of vessels (ii)	5,248,533.80	-	(791,217.60)	-	4,457,316.20	Related to assets
Equipment reconstruction (iii)	2,684,555.86	-	(264,423.68)	-	2,420,132.18	Related to assets
Energy conservation and emission reduction special fund (iv)	-	6,346,926.81	(2,017,533.61)	-	4,329,393.20	Related to assets
Sea-railway transportation subsidies (v)	-	5,000,000.00	-	-	5,000,000.00	Related to assets
Operation subsidies (vi)	29,557,502.19	5,756,000.00	(11,095,000.00)	-	24,218,502.19	Related to income
Others	738,516.63	880,000.00	(86,108.90)	-	1,532,407.73	Related to assets
	597,573,954.11	17,982,926.81	(48,759,467.84)	-	566,797,413.08	

- (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 in respect of the subsidy for the equipment reconstruction will be recognised in the consolidated income statement by periods over the useful lives of the relevant assets.
- (iv) The amount received by the Group in respect of the subsidy for the equipment acquisition and reconstruction regarding energy conservation and emission reduction will be recognised in the consolidated income statement by periods over the useful lives of the relevant assets.
- (v) The amount received by the Company in respect of the subsidy for the sea-railway co-transportation system acquisition will be recognised in the consolidated income statement by periods over the useful lives of the relevant assets.
- (vi) The subsidy related to income granted by the People's Government of Muleng was used to the compensation for operating loss in five years since Heilongjiang Suimu Logistics Co., Ltd. set up. This subsidiary was characterized as large initial investment and long payback period. The local government offered financial supporting for the operating loss in the initial operating period in order to attract outside investors. The amount received by the Group in respect of the subsidy will be recognised in the consolidated income statement by periods based on the operating performance.

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4 Notes to the consolidated financial statements (Continued)

(38) OTHER NON-CURRENT LIABILITIES

	31 December 2014	31 December 2013
All-in charges for cargo handling	97,036,185.00	100,243,942.00

The Company entered into a all-in charges contract with Chinatex Grains and Oils (Heilongjiang) Co., Ltd.. Chinatex Grains and Oils (Heilongjiang) Co., Ltd. paid in advance the all-in charges for full logistics including distribution services and port operations with the amount of RMB112 million. The first seven years were the deduction period, during which the interest was calculated in terms of the loan interest rate stipulated by the People's Bank of China for the corresponding period. And the last three years were the privilege periods.

(39) SHARE CAPITAL

	31 December 2013	Current period movement				Subtotal	31 December 2014
		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

	31 December 2012	Comparative period movement				Subtotal	31 December 2013
		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)	(2,554,995,000.00)	-
Shares not subject to trading restriction RMB-denominated ordinary shares	808,405,000.00	-	-	-	2,554,995,000.00	2,554,995,000.00	3,363,400,000.00
Foreign shares listed overseas	1,062,600,000.00	-	-	-	-	-	1,062,600,000.00
	1,871,005,000.00	-	-	-	2,554,995,000.00	2,554,995,000.00	4,426,000,000.00
	4,426,000,000.00	-	-	-	-	-	4,426,000,000.00

As at 31 December 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).

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4 Notes to the consolidated financial statements (Continued)

(40) CAPITAL SURPLUS

	31 December 2013	Increase in current period	Decrease in current period	31 December 2014
Share premium	6,103,613,277.83	–	–	6,103,613,277.83
Other capital surplus –				
Specific reserve (a)	5,555,248.10	2,571,684.44	–	8,126,932.54
Others	97,730.59	5,439,078.91	–	5,536,809.50
	6,109,266,256.52	8,010,763.35	–	6,117,277,019.87

	31 December 2012	Increase in comparative period	Decrease in comparative period	31 December 2013
Share premium	6,103,613,277.83	–	–	6,103,613,277.83
Other capital surplus –				
Specific reserve (a)	1,282,278.89	4,272,969.21	–	5,555,248.10
Others	97,730.59	–	–	97,730.59
	6,104,993,287.31	4,272,969.21	–	6,109,266,256.52

(a) This specific reserve mainly comprises specific reserves appropriated by joint ventures and associates of the Group.

(41) OTHER COMPREHENSIVE INCOME

	Other comprehensive income in balance sheet		Other comprehensive income in income statement for the year 2014					
	31 December 2013	Attributable to equity holders of the Company	31 December 2014	Amount occurred before tax for the current year	Less: Previously recognised in OCI but transferred to P&L for the current year	Less: Income tax expenses	Attributable to equity holders of the Company	Attributable to Minority interest
Share of investee's other comprehensive income that will be reclassified subsequently to profit or loss	–	(1,834,787.33)	(1,834,787.33)	(1,834,787.33)	–	–	(1,834,787.33)	–
Fair value movement of available-for-sale financial assets	6,931,124.61	(7,833,536.67)	(902,412.06)	(7,833,536.67)	–	–	(7,833,536.67)	–
Translation differences on foreign financial statements	7,472,254.84	2,388,325.27	9,860,580.11	2,388,325.27	–	–	2,388,325.27	–
	14,403,379.45	(7,279,998.73)	7,123,380.72	(7,279,998.73)	–	–	(7,279,998.73)	–

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4 Notes to the consolidated financial statements (Continued)

(41) OTHER COMPREHENSIVE INCOME (Continued)

	Other comprehensive income in balance sheet		Other comprehensive income in income statement for the year 2013					
	31 December 2012	Attributable to equity holders of the Company	31 December 2013	Amount occurred before tax for the current year	Less: Previously recognised in OCI but transferred to P&L for the current year	Less: Income tax expenses	Attributable to equity holders of the Company	Attributable to Minority interest
Share of investee's other comprehensive income that will be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-
Fair value movement of available-for-sale financial assets	(5,483,063.31)	12,414,187.92	6,931,124.61	6,472,062.42	5,942,125.50	-	12,414,187.92	-
Translation differences on foreign financial statements	9,457,655.26	(1,985,400.42)	7,472,254.84	(1,985,400.42)	-	-	(1,985,400.42)	-
	3,974,591.95	10,428,787.50	14,403,379.45	4,486,662.00	5,942,125.50	-	10,428,787.50	-

(42) SURPLUS RESERVE

	31 December 2013	Increase in current period	Decrease in current period	31 December 2014
Statutory surplus reserve	532,442,880.91	46,266,408.57	-	578,709,289.48
Reserve fund	353,065.88	-	-	353,065.88
Discretionary surplus reserve	620,468.49	-	-	620,468.49
	533,416,415.28	46,266,408.57	-	579,682,823.85

	31 December 2012	Increase in current period	Decrease in current period	31 December 2013
Statutory surplus reserve	469,232,353.83	63,210,527.08	-	532,442,880.91
Reserve fund	353,065.88	-	-	353,065.88
Discretionary surplus reserve	620,468.49	-	-	620,468.49
	470,205,888.20	63,210,527.08	-	533,416,415.28

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 the Financial Statements

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4 Notes to the consolidated financial statements *(Continued)*

(43) UNDISTRIBUTED PROFITS

	2014	2013
Undistributed profits at beginning of year	2,352,129,307.90	1,956,734,209.34
Add: Net profit attributable to the Company for the current period	520,669,972.55	682,582,626.15
Less: Appropriation for statutory surplus reserve	(46,266,408.57)	(63,210,527.08)
Ordinary share dividends payable (i)	(265,560,000.00)	(221,300,000.00)
Appropriation to Staff and Workers' Bonus and Welfare Fund of subsidiaries	(2,044,098.52)	(2,677,000.51)
Undistributed profits at end of year	2,558,928,773.36	2,352,129,307.90

- (i) 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 31 December 2014, the balance of undistributed profits included the surplus reserve proposed by subsidiaries attributable to the Company with the amount of RMB298,990,354.04. (As at 31 December 2013: 225,504,597.59).

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4 Notes to the consolidated financial statements (Continued)

(44) MINORITY INTEREST

	31 December 2014	31 December 2013
Dalian Container Terminal Co., Ltd.	683,779,682.48	683,245,993.88
Dalian Haijia Automotive Port Co., Ltd.	200,000,000.00	200,000,000.00
Dalian Lvshun Port Co., Ltd.	132,278,798.42	132,388,179.56
Dalian Golden Bay Grain Logistics Co., Ltd.	128,971,740.20	128,279,954.98
Dalian Dilangsirui Caravan Co., Ltd.	36,551,102.16	–
Dalian Portnet Co., Ltd.	15,696,807.16	16,850,430.74
Dalian Port Construction Supervision & Consultation Co., Ltd.	15,516,566.02	13,246,722.12
Dalian Portsoft Technology Co., Ltd.	12,204,790.02	13,753,989.90
Dalian FTZ Jinxin Petrochemical Co., Ltd.	11,380,195.60	–
Dalian Ganghong International Trading Co., Ltd.	9,800,765.54	–
Dalian United King Port Auto Trade Co., Ltd.	8,713,303.52	6,893,608.32
Dalian International Container Services Co., Ltd.	7,169,274.35	4,077,004.01
Dalian Port Telecommunication Engineering Co., Ltd.	6,234,545.90	6,112,082.43
Dalian Gangrun Gas Co., Ltd.	4,069,399.90	4,556,570.53
Heilongjiang Suimu Logistics Co., Ltd.	3,773,089.99	3,769,067.36
Dalian Ocean Shipping Tally Co., Ltd.	2,692,689.65	2,687,885.51
Dalian Jifa Bohai Rim Container Lines Co., Ltd.	1,511,177.56	1,497,953.86
Tangshan Caofeidian Port Jifa Shipping Agency Co., Ltd.	250,555.96	–
Dalian Jifa Technology Co., Ltd.	(1,192,977.86)	(1,014,542.16)
Dalian International Logistics Park Development Co., Ltd.	(5,890,753.74)	195,934.35
	1,273,510,752.83	1,216,540,835.39

(45) REVENUE AND COST OF SALES

	2014	2013
Revenue from main operations	7,580,271,984.21	6,531,282,679.60
Revenue from other operations	362,184,244.60	450,697,538.32
	7,942,456,228.81	6,981,980,217.92
	2014	2013
Cost of sales from main operations	6,308,995,108.78	5,078,016,138.02
Cost of sales from other operations	258,566,812.37	316,386,648.11
	6,567,561,921.15	5,394,402,786.13

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4 Notes to the consolidated financial statements (Continued)

(45) REVENUE AND COST OF SALES (Continued)

(a) Analysis by industries is as follows:

	2014		2013	
	Revenue	Cost of sales	Revenue	Cost of sales
Oil and liquefied chemicals terminal and related logistics services	1,909,118,078.18	1,219,074,689.03	1,106,303,244.86	567,238,372.15
Container terminal and related logistics services	1,568,307,307.03	1,330,590,087.50	1,310,854,527.58	965,897,977.96
General cargo terminal and related logistics and trading services	418,361,343.64	430,045,736.21	423,953,353.23	429,272,038.60
Ore terminal and related logistics services	255,881,586.33	201,482,834.26	295,685,178.43	183,763,197.07
Bulk grains terminal and related logistics and trading services	1,000,851,533.24	973,501,656.14	1,890,389,292.21	1,706,340,625.66
Passenger, roll-on and roll-off terminal and related logistics services	130,682,437.91	96,094,263.45	131,045,100.66	93,727,340.57
Port value-added and ancillary services	914,100,031.32	633,104,178.92	966,774,701.13	669,632,790.03
Automobile terminal and related logistics and trading services	1,639,882,258.40	1,610,436,545.75	743,873,692.76	718,037,398.09
Others	105,271,652.76	73,231,929.89	113,101,127.06	60,493,046.00
	7,942,456,228.81	6,567,561,921.15	6,981,980,217.92	5,394,402,786.13

(b) The revenue is categorised as follows:

	2014	2013
Commodity trading	2,470,608,217.50	2,329,856,575.38
Loading services	1,829,322,733.28	1,876,641,202.48
Storage services	918,343,288.22	601,588,371.47
Agency services	655,740,755.57	221,335,078.20
Logistics services	485,876,005.46	606,783,597.85
Sales of goods	475,764,215.30	72,749,278.95
Leasing services	273,340,017.81	401,885,459.60
Port management services	208,288,314.08	202,647,685.17
Project construction and supervision services	142,175,000.20	154,975,775.49
Electric supply services	115,430,518.14	131,101,191.05
Information services	62,558,428.08	73,802,977.15
Tallying services	61,539,650.15	60,206,752.11
Others	243,469,085.02	248,406,273.02
	7,942,456,228.81	6,981,980,217.92

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4 Notes to the consolidated financial statements (Continued)

(46) TAXES AND SURCHARGES

	2014	2013	Tax base
Business tax	23,874,722.84	108,647,298.54	5% of taxable income 7% of business tax and VAT
City maintenance and construction tax and educational surcharges	18,001,743.61	18,527,408.81	for city maintenance and construction tax and 3% thereof for educational surcharges
Land value-added tax	-	13,096,363.77	
	41,876,466.45	140,271,071.12	

(47) SELLING EXPENSES

	2014	2013
Loading expenses	3,460,289.74	57,418.20
Fuel expenses	40,000.00	-
Repair charges	12,000.00	-
Insurance expenses	7,980.00	-
Logistics expenses	-	289,945.36
Others	221,265.46	-
	3,741,535.20	347,363.56

(48) GENERAL AND ADMINISTRATIVE EXPENSES

	2014	2013
Employee benefits	381,128,505.97	333,803,003.78
Depreciation and amortization	46,389,025.97	40,720,226.39
Tax and duties	17,712,461.14	21,150,688.27
Entertainment expenses	17,457,098.11	25,768,881.39
General office expenses	6,404,870.48	7,286,964.43
Audit fees	4,046,021.37	5,022,856.00
Rental expenses	15,861,564.89	18,376,187.38
Property insurance fee	7,257,807.69	8,889,948.78
Others	86,278,498.98	97,344,753.25
	582,535,854.60	558,363,509.67

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4 Notes to the consolidated financial statements (Continued)

(49) FINANCIAL EXPENSES

	2014	2013
Interest expenses	536,179,585.19	577,452,339.77
Including: Bank loans	159,223,531.39	126,581,456.96
Finance lease	2,007,542.94	187,053.41
Other liabilities	374,948,510.86	450,683,829.40
Less: Interest income	(21,634,963.19)	(33,613,909.80)
Less: Amount of interest capitalization (i)	(57,130,300.57)	(134,663,381.06)
Exchange gains or losses	(607,346.86)	(10,736,122.11)
Others	5,362,557.81	3,323,719.30
	462,169,532.38	401,762,646.10

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

Interest expenses are analysed by repayment period of bank and other borrowings as follows:

	31 December 2014		31 December 2013	
	Bank loans	Other loans	Bank loans	Other loans
Borrowings with the last repayment date within five years	159,223,531.39	-	126,581,456.96	-

(50) EXPENSES BY NATURE

The cost of sales, selling expenses, and general and administrative expenses in the income statement are listed by nature as follows:

	2014	2013
Cost of goods sales	2,927,746,434.51	2,342,986,145.38
Cost of labour	1,402,424,936.82	1,306,868,653.21
Depreciation and amortization	755,537,279.78	703,464,647.58
Rental expenses	379,981,921.15	283,065,404.65
Fuel expenses	283,511,233.63	302,083,786.87
Electric charges	130,111,148.01	154,722,778.75
Materials expenses	100,054,062.57	108,845,566.37
Repair charges	98,170,594.47	87,545,279.53
Other fees	1,076,301,700.01	663,531,397.02
	7,153,839,310.95	5,953,113,659.36

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4 Notes to the consolidated financial statements (Continued)

(51) GAINS/(LOSSES) ARISING FROM CHANGES IN FAIR VALUE

	2014	2013
Financial assets at fair value through profit or loss – investments in equity instrument held for trading	1,238,604.61	(6,621,030.01)

(52) INVESTMENT INCOME

	2014	2013
Investment income from long-term equity investment under equity method	128,045,475.98	102,513,424.53
Income from disposal of long-term equity investment	11,431,834.66	806,926.52
Income earned during the holding period of financial assets at fair value through profit or loss	88,292.50	115,218.00
Income earned during the holding period of available-for-sale financial assets	1,476,465.36	678,950.93
Income from disposal of financial assets at fair value through profit or loss	663,247.70	119,981.52
Income from entrusted investments	33,750,295.13	86,497,145.59
Investment income/(loss) from a business combination achieved by stages	24,533.89	(1,678,950.75)
	175,480,145.22	189,052,696.34

There is no restriction on recovery of investment income.

In 2014, the Group's investment income from listed and unlisted investment is RMB826,662.03 Yuan and RMB174,653,483.19 Yuan (2013: RMB(263,241.22) Yuan and RMB189,315,937.56 Yuan) respectively.

(53) ASSET IMPAIRMENT LOSSES

	2014	2013
Impairment loss on bad debts	1,629,504.33	344,918.29

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4 Notes to the consolidated financial statements (Continued)

(54) NON-OPERATING INCOME

	2014	2013	Amount recognized in non-recurring profit or loss for the year 2014
Gains on disposal of non-current assets	21,824,679.61	100,369,519.77	21,824,679.61
Including: gains on disposal of fixed assets	4,998,965.20	100,369,519.77	4,998,965.20
gains on disposal of intangible assets	16,825,714.41	–	16,825,714.41
Government grants (a)	306,569,097.79	253,674,520.33	4,176,473.19
Negative goodwill from equity acquisition	24,533.89	250,000.00	24,533.89
Others	26,734,699.94	14,982,351.77	26,734,699.94
	355,153,011.23	369,276,391.87	52,760,386.63

(a) Details of government grants

	2014	2013	Related to assets/income
Relocation compensation	34,505,184.05	34,505,184.05	Related to assets
Vessel construction subsidies	791,217.60	791,217.60	Related to assets
Equipment reconstruction subsidies	264,423.68	249,297.68	Related to assets
Energy conservation and emission reduction special fund	2,017,533.61	–	Related to assets
Others	86,108.90	–	Related to assets
Container subsidies (i)	249,566,600.00	200,397,000.00	Related to income
Operation subsidies	11,095,000.00	5,756,000.00	Related to income
Refund of turnover taxes	4,066,556.76	691,050.00	Related to income
Others	4,176,473.19	11,284,771.00	Related to income
	306,569,097.79	253,674,520.33	

- (i) In accordance with 'Circular on the Plan for 2014-2015 Container Subsidy Implementation Details' (DaGangKouFa [2014] No.215) jointly issued by Dalian Bureau of Port and Dalian Bureau of Finance in 2014, government grants recognized by the Group for the year 2014 amounted to RMB249,566,600.00 Yuan (For the year 2013: RMB200,397,000.00 Yuan).

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4 Notes to the consolidated financial statements (Continued)

(55) NON-OPERATING EXPENSES

	2014	2013	Amount recognised in non-recurring profit or loss for the year 2014
Losses on disposal of non-current assets	13,741,880.27	10,299,842.98	13,741,880.27
Including: losses on disposal of fixed assets	13,741,880.27	10,299,842.98	13,741,880.27
Others	5,189,166.03	2,007,178.14	5,189,166.03
	18,931,046.30	12,307,021.12	18,931,046.30

(56) INCOME TAX EXPENSES

	2014	2013
Current income tax calculated based on tax law and related regulations	194,660,808.38	247,213,418.76
Deferred income tax	(4,450,826.43)	(3,298,089.83)
	190,209,981.95	243,915,328.93

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

	2014	2013
Total profit	795,882,129.46	1,025,888,960.13
Income tax expenses calculated at applicable tax rates	198,970,532.37	256,472,240.03
Effect of different tax rates applicable to subsidiaries in Mainland China	(3,212,984.84)	(3,029,788.49)
Effect of different tax rates applicable to subsidiaries outside Mainland China	2,105,354.12	3,981,170.67
Adjustments for current income tax of prior year	757,102.43	(1,440,280.52)
Income not subject to tax	(41,567,303.34)	(34,500,824.81)
Expenses not deductible for tax purposes	11,085,988.09	9,773,204.65
Utilisation of previously unrecognised tax losses	(960,789.46)	(686,197.04)
Deductible losses for which no deferred tax asset was recognised	22,312,082.58	13,345,804.44
Income tax expenses	190,209,981.95	243,915,328.93

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4 Notes to the consolidated financial statements (Continued)

(57) 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:

	2014	2013
Consolidated net profit attributable to ordinary shareholders of the Company	520,669,972.55	682,582,626.15
Weighted average number of ordinary shares outstanding	4,426,000,000.00	4,426,000,000.00
Basic earnings per share	0.12	0.15
Including:		
– Basic earnings per share from continuing operations:	0.12	0.15

(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 year 2014, there were no dilutive potential ordinary shares (For the year 2013: nil), diluted earnings per share is equal to basic earnings per share

(58) NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Cash received relating to other operating activities

	2014	2013
Government grants received	323,080,513.39	253,834,050.00
Bank interest income received	21,634,963.19	30,385,121.82
Trading deposit	61,272,444.55	–
Others	60,292,823.72	8,398,011.77
	466,280,744.85	292,617,183.59

Notes to the Financial Statements

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4 Notes to the consolidated financial statements (Continued)

(58) NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(b) Cash paid relating to other operating activities

	2014	2013
Other advanced payments	82,901,770.45	22,919,900.00
Subsidies paid in advance	36,970,000.00	25,394,503.15
Rental expenses	15,861,564.89	18,376,187.38
Science and technology research and development expenses	12,993,713.55	5,407,465.00
Intermediary fees	8,638,750.82	11,377,314.28
Insurance fees	7,265,787.69	8,889,948.78
Travel expenses	6,873,740.80	5,852,733.66
General office expenses	6,404,870.48	7,286,964.43
Bank charges	5,160,032.28	3,509,207.97
Fuel expenses	4,912,736.60	4,895,401.49
Repair charges	4,683,199.48	6,181,683.62
Commuting costs	4,014,399.44	3,810,066.15
Utility fees	3,426,653.93	3,569,638.56
Communication expenses	1,367,818.29	1,767,787.26
Materials expenses	1,109,159.49	1,385,932.37
Others	91,028,179.64	71,507,247.95
	293,612,377.83	202,131,982.05

(c) Cash received relating to other investment activities

	2014	2013
Restricted balances with financial institutions received	35,473,146.89	1,473,944.17
Deposits of more than one year received	130,000,000.00	-
	165,473,146.89	1,473,944.17

(d) Cash paid relating to other investment activities

	2014	2013
Restricted balances with financial institutions	29,940,587.22	5,163,645.00
Fixed deposit in financial institutions	169,000,000.00	130,000,000.00
Others	-	20,000,000.00
	198,940,587.22	155,163,645.00

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4 Notes to the consolidated financial statements (Continued)

(58) NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(e) Cash received relating to other financing activities

	2014	2013
Restricted balances with financial institutions received	–	11,380,167.17
Asset-related government grants received	11,346,926.61	18,650,000.00
	11,346,926.61	30,030,167.17

(f) Cash paid relating to other financing activities

	2014	2013
Bonds issuance expense paid	3,332,378.68	3,836,413.56
Restricted balances with financial institutions	–	30,309,501.88
	3,332,378.68	34,145,915.44

(59) 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

	2014	2013
Net profit	605,672,147.51	781,973,631.20
Add: Provisions for asset impairment	1,629,504.33	344,918.29
Depreciation of fixed assets	686,475,733.85	642,961,220.58
Depreciation of investment properties	18,119,198.95	17,770,346.15
Amortisation of intangible assets	40,281,693.19	39,903,766.84
Amortisation of long-term prepaid expenses	10,660,653.79	2,829,314.01
Net losses/(gains) on disposal of fixed assets	(8,082,799.34)	(90,069,676.79)
Financial expenses	479,509,591.68	432,052,836.60
Investment income	(175,480,145.22)	(189,052,696.34)
Gains or losses arising from changes in fair value	(1,238,604.61)	6,621,030.01
Increase in deferred tax assets	(2,086,328.16)	(1,101,376.53)
Decrease in deferred tax liabilities	(2,364,498.27)	(1,565,788.83)
Transfer from deferred income	(42,123,467.64)	(41,374,370.33)
Increase in inventories	(450,084,293.28)	(283,190,630.44)
Increase in specific reserve	7,340,262.90	8,459,782.96
Negative goodwill from equity acquisition	(24,533.89)	(250,000.00)
Increase in operating receivables	(609,849,614.13)	(92,475,739.06)
Increase in operating payables	270,780,174.53	379,879,728.95
Net cash flows from operating activities	829,134,676.19	1,613,716,297.27

Notes to the Financial Statements

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4 Notes to the consolidated financial statements (Continued)

(59) SUPPLEMENTARY INFORMATION TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

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

Significant investing and financing activities that do not involve cash receipts and payments

	2014	2013
Fixed assets under finance lease	71,327,354.21	16,883,832.80

Net increase/(decrease) in cash and cash equivalents

	2014	2013
Cash and cash equivalents at end of year	2,241,972,818.00	2,173,924,914.82
Less: Cash and cash equivalents at beginning of year	(2,173,924,914.82)	2,494,472,560.75
Net decrease in cash and cash equivalents	68,047,903.18	(320,547,645.93)

(b) Acquisition or disposal of subsidiaries

(i) Acquisition of subsidiaries

	2014	2013
Cash paid for acquisition of subsidiaries	9,000,000.00	10,148,696.29
Less: Cash and cash equivalents held by subsidiaries	(7,107,219.40)	(4,222,307.02)
Net cash outflow on acquisition of subsidiaries	1,892,780.60	5,926,389.27

Costs to acquire subsidiaries in 2014

Dalian Jihai Logistics Co., Ltd. 9,000,000.00

Net assets of subsidiaries acquired

	2014	2013
Current assets	30,586,095.85	9,138,490.03
Non-current assets	2,907,398.55	12,423,355.93
Current liabilities	(1,670,297.87)	(430,045.96)
Non-current liabilities	-	-
	31,823,196.53	21,131,800.00

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4 Notes to the consolidated financial statements (Continued)

(59) SUPPLEMENTARY INFORMATION TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(b) Acquisition or disposal of subsidiaries (Continued)

(ii) Disposal of subsidiaries

	2014	2013
Cash and cash equivalents received from disposal of subsidiaries	-	597,614,200.00
Less: Cash and cash equivalents held by subsidiaries	-	(11,911,766.88)
Net cash received from disposal of subsidiaries	-	585,702,433.12

Net assets of subsidiaries disposed

	2014	2013
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

	31 December 2014	31 December 2013
Cash	123,972.84	108,478.70
Including: Cash on hand	123,972.84	108,478.70
Cash at bank that can be readily drawn on demand	2,240,185,806.79	2,172,093,044.77
Other cash balance that can be readily drawn on demand	1,663,038.37	1,723,391.35
Cash and cash equivalents at end of year	2,241,972,818.00	2,173,924,914.82

Notes to the Financial Statements

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4 Notes to the consolidated financial statements (Continued)

(60) MONETARY ITEMS DOMINATED IN FOREIGN CURRENCY

	31 December 2014		
	Amount in foreign currency	Translation rate	Amount in RMB
Cash at bank and in hand –			
USD	11,582,890.44	6.1190	70,875,706.60
JPY	10,266,797.00	0.0514	527,713.37
HKD	2,742,844.09	0.7889	2,163,829.70
Accounts receivable –			
USD	1,606,521.28	6.1190	9,830,303.71
JPY	268,196.00	0.0514	13,785.27
Other receivables –			
USD	12,658,345.16	6.1190	77,456,414.03
HKD	15,080.00	0.7889	11,896.61
Accounts payable –			
USD	1,658,774.80	6.1190	10,150,043.00
Other payables –			
USD	27,081,625.43	6.1190	165,712,466.01
Short-term borrowings –			
USD	51,136,083.87	6.1190	312,901,697.20
JPY	693,175,500.00	0.0514	35,629,220.70
CAD	149,400.00	5.2755	788,159.70
EUR	84,575.00	7.4556	630,557.37
Long-term receivables –			
JPY	240,106,638.13	0.0514	12,341,481.20
HKD	12,933,600.18	0.7889	10,203,317.18
Available-for-sale financial assets			
HKD	76,849,447.49	0.7889	60,626,529.12

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5 Changes of consolidation scope

(1) BUSINESS COMBINATION INVOLVING ENTERPRISE NOT UNDER COMMON CONTROL

(a) Business combination involving enterprise not under common control occurred in current year

Acquiree	Acquisition date point	Costs of acquisition	Equity interests acquired	Acquisition method	Acquisition date	Determination basis for acquisition date	Income of acquiree from acquisition date to merger date	Net profit of acquiree from acquisition date to merger date	Operating cash flows of acquiree from acquisition date to merger date	Net cash flows of acquiree from acquisition date to merger date
Dalian Jihai Logistics Co., Ltd (i)	1 January 2014	9,000,000.00	30.00%	Merger by acquisition not under common control	1 January 2014	The Group owned 100% of the shareholding and voting rights in Jihai Logistics	12,665,541.90	2,527,997.76	(7,107,219.40)	(3,788,102.70)

- (i) The Group originally held 70% of the equity interest in Dalian Jihai Logistics Co., Ltd. (“Jihai Logistics”) and accounted for it as joint venture using the equity method. On 31 December 2013, the Group signed an equity transfer agreement with Dalian Customs Authorities Service Center in which the Group acquired the remaining 30% of the equity interest in Jihai Logistics held by the Customs with RMB9,000,000.00. The agreement also set 31 December 2013 as the cut-off date of the equity transfer, after which the Group owned 100% of the shareholding and voting rights in Jihai Logistics. Thus the acquisition date of the transaction was 1 January 2014

On 30 November 2014 (“merger date”), the Group’s wholly-owned subsidiary DCT Logistics Co., Ltd. merged Jihai Logistics by absorption.

(b) Recognition of combination cost and goodwill as follows:

	Dalian Jihai Logistics Co., Ltd.
Cost of combination	
Cash paid for 30% of the equity interests	9,000,000.00
Fair value of the originally held 70% of the equity interests acquired at the acquisition date (ii)	22,798,662.64
Total cost of combination	31,798,662.64
Less: Fair value of the identifiable net assets obtained	(31,823,196.53)
Goodwill	(24,533.89)

- (ii) The amount represents the fair value of 70% of Jihai Logistics’s equity interests held by the Group before the acquisition date.

Profit or loss arising from fair value remeasurement of the originally held 70% of the equity interests:

Fair value of the originally held 70% of the equity interests	22,798,662.64
Less: Carrying amount of the originally held 70% of the equity interests	(22,798,662.64)
Profit or loss arising from remeasurement	–

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5 Changes of consolidation scope

(1) BUSINESS COMBINATION INVOLVING ENTERPRISE NOT UNDER COMMON CONTROL (Continued)

(c) Assets and liabilities of the acquiree at the acquisition date are as follows:

	Fair value at the acquisition date	Carrying amount at the acquisition date and 31 December 2013
Cash at bank and in hand	7,107,219.40	7,107,219.40
Accounts receivable	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: Accounts payable	(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 interest	-	-
Net assets obtained	31,823,196.53	31,823,196.53

(2) OTHER CONSOLIDATION SCOPE CHANGES

On 29 April 2014, the Group and Dalian Yidu Group Co., Ltd. co-founded a subsidiary Dalian Ganghong International Trading Co., Ltd. with RMB10,200,000 in cash.

On 10 July, the Company and D-LUXURY AUTO, INC. co-founded a subsidiary Dalian Dilangsirui Caravan Co., Ltd. with RMB51,000,000 in cash.

On 29 July 2014, the Group and Caofeidian Port Logistics Service Co. Ltd. co-founded a subsidiary Tangshan Caofeidian Port Jifa Ship Agency Co. Ltd. with RMB255,000 in cash.

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6 Interests in other entities

(1) INTERESTS IN SUBSIDIARIES

(a) The composition of the Group

Name of subsidiaries	Place of operation	Place of registration	Nature of business	Share holding		Voting rights (%)	Method of acquisition
				Directly(%)	Indirectly(%)		
Dalian FTZ Jin Xin Petro-chemistry Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Wholesale and agency	60.00	-	60.00	Contributed by investor
Dalian Port Jifa Logistics Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Logistics	-	100.00	100.00	Contributed by investor
Dalian Port Container Development Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Container business	100.00	-	100.00	Contributed by investor
Dalian International Container Services Co., Ltd. (iv)	Dalian, Liaoning	Dalian, Liaoning	Transportation agency	-	55.00	60.00	Contributed by investor
Dalian International Logistics Park Development Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Real estate development	-	90.00	90.00	Contributed by investor
Dalian Jifa Shipping Agency Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Shipping agency	-	100.00	100.00	Contributed by investor
Dalian Jifa Ship Management Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Shipping management	90.77	9.23	100.00	Contributed by investor
Dalian Jifa Port Technical Service Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Pot technology service	-	100.00	100.00	Contributed by investor
Dalian Jifa International Freight Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Logistics	-	100.00	100.00	Contributed by investor
Dalian Jifa Bohai Rim Container Lines Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Transportation industry	-	97.36	97.36	Contributed by investor
Dalian Jifa Technology Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Computer system service	-	60.00	60.00	Contributed by investor
Dalian Port Logistics Technology Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Computer software	-	100.00	100.00	Contributed by investor
Dalian Dilangsirui Caravan Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Manufacture	51.00	-	51.00	Set up by investment
Dalian GangHang Tendering & Bidding Agency Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Bidding agency	-	100.00	100.00	Set up by investment
Dalian Ganghong International Trading Co., Ltd. (iv)	Dalian, Liaoning	Dalian, Liaoning	Trading	-	51.00	60.00	Set up by investment
Dalian Port Grain and Oil Trading Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Trading	100.00	-	100.00	Set up by investment
Dalian Gangrun Gas Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Sale of fuel gas	51.00	-	51.00	Set up by investment
Dalian Gangyue Car-carrying Vessel Management Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Shipping industry	51.00	49.00	100.00	Set up by investment
Dalian Haijia Automobile Terminal Co., Ltd. (i)	Dalian, Liaoning	Dalian, Liaoning	Automotive port construction operation	50.00	-	100.00	Set up by investment
Dalian Container Terminal Co., Ltd. (iv)	Dalian, Liaoning	Dalian, Liaoning	Port Industry	-	51.00	57.14	Set up by investment
Dalian Kingport United Automobile International Trading Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Trading	60.00	-	60.00	Set up by investment
Dalian Steel Logistics Park Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Trading	100.00	-	100.00	Set up by investment
Harbour Full Group Limited	BVI	BVI	Logistics	-	100.00	100.00	Set up by investment

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6 Interests in other entities (Continued)

(1) INTERESTS IN SUBSIDIARIES (Continued)

(a) The composition of the Group (Continued)

Name of subsidiaries	Place of operation	Place of registration	Nature of business	Share holding		Voting rights (%)	Method of acquisition
				Directly(%)	Indirectly(%)		
Heilongjiang Suimu Dalian Port Logistics Co., Ltd.	Muling, Heilongjiang	Muling, Heilongjiang	Logistics	-	91.67	91.67	Set up by investment
Qinhuangdao Jigang Shipping Agency Co.,Ltd.	Qinhuangdao, Hebei	Qinhuangdao, Hebei	Shipping agency	-	100.00	100.00	Set up by investment
Tangshan Caofeidian Port Jifa Shipping Agency Co.,Ltd.	Tangshan, Hebei	Tangshan, Hebei	Shipping agency	-	51.00	51.00	Set up by investment
Asia Pacific Ports (Dalian) Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Logistics	-	100.00	100.00	Set up by investment
Asia Pacific Ports Development Co., Ltd.	BVI	BVI	Logistics	-	100.00	100.00	Set up by investment
Asia Pacific Ports Investment Co., Ltd.	Hong Kong	Hong Kong	Logistics	-	100.00	100.00	Set up by investment
Asia Pacific Ports Co.,Ltd.	Hong Kong	Hong Kong	Logistics	100.00	-	100.00	Set up by investment
Dalian Port Power Supply Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Construction industry	100.00	-	100.00	Business combination involving enterprise under common control
Dalian Port Corporation Zhuanghe Terminal Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Port Industry	100.00	-	100.00	Business combination involving enterprise under common control
Dalian Port Construction Supervision & Consultation Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Supervisory service	75.00	-	75.00	Business combination involving enterprise under common control
Dalian Portsoft Technology Co., Ltd. (ii)	Dalian, Liaoning	Dalian, Liaoning	Computer system service	49.00	-	60.00	Business combination involving enterprise under common control
Dalian Portsoft Network Co., Ltd	Dalian, Liaoning	Dalian, Liaoning	Computer system service	-	100.00	100.00	Business combination involving enterprise under common control
Dalian Port Telecommunications Engineering Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Telecommunications service	45.00	20.00	65.00	Business combination involving enterprise under common control
Dalian Golden Bay Grain Logistics Co., Ltd. (iii)	Dalian, Liaoning	Dalian, Liaoning	Logistics	37.50	-	75.00	Business combination involving enterprise under common control
Dalian Ocean Shipping Tally Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Tallying	84.00	-	84.00	Business combination involving enterprise under common control
Dalian Changxing Island Lingang Industrial Zone Wanpeng Harbor Construction Supervisory and Consultancy Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Supervision services	-	100.00	100.00	Business combination involving enterprise under common control
Dalian Port Lvshun Harbor Service Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Terminal services	60.00	-	60.00	Business combination involving enterprise under common control

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6 Interests in other entities (Continued)

(1) INTERESTS IN SUBSIDIARIES (Continued)

(a) The composition of the Group (Continued)

Name of subsidiaries	Place of operation	Place of registration	Nature of business	Share holding		Voting rights (%)	Method of acquisition
				Directly(%)	Indirectly(%)		
Dalian Jiye Logistics Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Freight services	-	100.00	100.00	Business combination involving enterprise not under common control
Dalian Container Terminal Logistics Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Logistics services	-	100.00	100.00	Business combination involving enterprise not under common control
Dalian Portnet Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Computer supporting services	-	71.43	71.43	Business combination involving enterprise not under common control
Dalian Shunda Integrated Logistics Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Logistics services	-	100.00	100.00	Business combination involving enterprise not under common control

- (i) Pursuant to the agreement signed with the other shareholders, other shareholders keep a consistent policy with the Company regarding material operation matters of the joint ventures, and the Company actually takes the control rights.
- (ii) With the majority of the voting rights owned in the board, the Company actually takes the control rights.
- (iii) Pursuant to the concerted action agreement signed with some other shareholders, these shareholders keep a consistent policy with the Company, and the Company actually takes the control rights.
- (iv) The proportion of shareholdings is determined by the amount of contributions in the investment agreement, while the voting rights is determined by the voting methods of the highest decision-making institution in the articles of association of the invested company. Therefore, there is inconsistent between the above two.

(b) Subsidiaries with material minority interests

Name of subsidiaries	Shareholding of minority shareholders (%)	Total profit or loss attributable to minority shareholders for the year 2014	Dividends paid to minority interests for the year 2014	Accumulated minority interests as at 31 December 2014
Dalian Container Terminal Co., Ltd.	49.00	68,849,591.06	(67,334,900.05)	683,779,682.48
Dalian Haijia Automobile Terminal Co., Ltd.	50.00	-	-	200,000,000.00
Dalian Port Lvshun Harbor Service Co., Ltd.	40.00	(200,412.36)	-	132,278,798.42
Dalian Golden Bay Grain Logistics Co., Ltd.	62.50	691,785.22	-	128,971,740.20

The major financial information of the significant non-fully-owned subsidiaries of the Group is listed below:

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6 Interests in other entities (Continued)

(1) INTERESTS IN SUBSIDIARIES (Continued)

(b) Subsidiaries with material minority interests (Continued)

	31 December 2014					
	Current assets	Non-current assets	Total current assets	Current liabilities	Non-current liabilities	Total liabilities
Dalian Container Terminal Co., Ltd.	128,659,333.67	1,508,599,274.72	1,637,258,608.39	239,850,188.09	1,939,680.54	241,789,868.63
Dalian Haijia Automobile Terminal Co., Ltd.	218,806,949.54	181,683,287.77	400,490,237.31	490,237.31	-	490,237.31
Dalian Port Lvshun Harbor Service Co., Ltd.	11,255,392.44	372,813,914.14	384,069,306.58	53,372,310.52	-	53,372,310.52
Dalian Golden Bay Grain Logistics Co., Ltd.	145,078,251.98	61,989,841.75	207,068,093.73	713,309.41	-	713,309.41

	31 December 2013					
	Current assets	Non-current assets	Total current assets	Current liabilities	Non-current liabilities	Total liabilities
Dalian Container Terminal Co., Ltd.	155,829,876.77	1,576,132,579.77	1,731,962,456.54	335,814,988.33	1,767,888.86	337,582,877.19
Dalian Haijia Automobile Terminal Co., Ltd.	394,487,769.55	5,754,296.57	400,242,066.12	242,066.12	-	242,066.12
Dalian Port Lvshun Harbor Service Co., Ltd.	11,646,392.58	379,485,240.35	391,131,632.93	30,161,184.03	30,000,000.00	60,161,184.03
Dalian Golden Bay Grain Logistics Co., Ltd.	141,215,968.02	65,961,630.65	207,177,598.67	1,929,670.71	-	1,929,670.71

	2014				2013			
	Revenue	Net profit	Total of comprehensive income	Cash flows from operating activities	Revenue	Net profit	Total of comprehensive income	Cash flows from operating activities
Dalian Container Terminal Co., Ltd.	489,191,007.31	140,509,369.50	140,509,369.50	219,903,009.55	549,801,113.73	165,879,638.21	165,879,638.21	253,424,173.82
Dalian Haijia Automobile Terminal Co., Ltd.	-	-	-	2,641.07	-	-	-	(5,167.40)
Dalian Port Lvshun Harbor Service Co., Ltd.	45,545,246.19	(501,030.90)	(501,030.90)	15,106,159.58	39,281,474.66	(5,147,926.93)	(5,147,926.93)	15,533,040.46
Dalian Golden Bay Grain Logistics Co., Ltd.	5,564,999.01	1,106,856.35	1,106,856.35	3,898,792.85	25,533,405.15	13,011,328.96	13,011,328.96	13,612,235.61

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6 Interests in other entities (Continued)

(2) INTERESTS IN JOINT VENTURES AND ASSOCIATES

(a) Basic information of important joint ventures and associates

	Place of operation	Place of registration	Nature of business	Whether have strategic to the Group	Share-holding(%)	Voting rights (%)
Joint ventures -						
Dalian International Container Terminal Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	International container terminal service	Yes	40.00	40.00
Dalian Changxing Island Port Investment and Development Co., Ltd.(ii)	Dalian, Liaoning	Dalian, Liaoning	Terminal facility development construction	Yes	46.58	50.00
Dalian Port Container Terminal Co., Ltd.(ii)	Dalian, Liaoning	Dalian, Liaoning	Container service	Yes	35.00	36.36
China United International Rail Containers (Dalian) Co., Ltd	Dalian, Liaoning	Dalian, Liaoning	International container service	Yes	40.00	40.00
Dalian Changxing Island Port Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Port industry	Yes	40.00	40.00
Dalian Automobile Terminal Co., Ltd.(ii)	Dalian, Liaoning	Dalian, Liaoning	Import and export, assembly, storage	Yes	40.00	42.86
Dalian Port PetroChina International Terminal Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Oil terminal, assembly, consultancy	Yes	50.00	50.00
Odfjell Terminals (Dalian) Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Construction, operation of tank terminal	Yes	50.00	50.00
Associates -						
PetroChina Dalian LNG Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Liquefied natural gas	Yes	20.00	20.00
Dalian Port Group Financial Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Finance	Yes	40.00	40.00
Sino Rail Bohai Train Ferry Co., Ltd. (i)	Yantai Shandong	Yantai Shandong	Ferry transportation	Yes	17.50	17.50
Dalian Puji Storage Facility Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Other storage	Yes	40.00	40.00

(i) Although the Company has the voting rights of less than 20% in Sino Rail Bohai Train Ferry Co., Ltd., 2 of the 13 directors are appointed by the Company, and thus the Company is able to exert significant influence on Sino Rail Bohai Train Ferry Co., Ltd. and it is accounted for as an associate

(ii) The proportion of shareholdings is determined by the amount of contributions in the investment agreement, while the voting rights is determined by the voting methods of the highest decision-making institution in the articles of association of the invested company. Therefore, there is inconsistent between the above two.

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6 Interests in other entities (Continued)

(2) INTERESTS IN JOINT VENTURES AND ASSOCIATES (Continued)

(b) Main financial information of important joint ventures

	31 December 2014							
	Dalian International Container Terminal Co., Ltd.	Dalian Changxing Island Port Investment and Development Co., Ltd.	Dalian Port Container Terminal Co., Ltd.	China United International Rail Containers (Dalian) Co., Ltd	Dalian Changxing Island Port Co., Ltd.	Dalian Automobile Terminal Co., Ltd.	Dalian Port PetroChina International Terminal Co., Ltd.	Odfjell Terminals (Dalian) Co., Ltd.
Current assets	170,828,026.35	263,173,895.95	200,043,725.38	37,982,241.83	26,102,390.45	58,270,208.33	12,704,522.97	67,253,889.96
Including: Cash and cash equivalents	77,685,844.15	54,838,291.75	136,911,336.42	7,372,774.92	1,900,957.95	46,773,233.54	12,612,877.47	45,301,264.32
Non-current assets	2,939,470,505.94	3,522,498,523.59	1,807,056,096.81	442,170,999.07	1,703,213,703.01	506,662,521.87	543,145,412.83	309,093,372.25
Total assets	3,110,298,532.29	3,785,672,419.54	2,007,099,822.19	480,153,240.90	1,729,316,093.46	564,932,730.20	555,849,935.80	376,347,262.21
Current liabilities	172,562,545.63	739,532,412.28	371,673,298.95	13,678,224.68	364,197,689.62	45,465,539.20	2,903,228.90	54,984,580.89
Non-current liabilities	1,610,539,690.30	2,052,557,057.74	877,186,508.90	-	916,001,906.69	91,906,163.00	230,000,000.00	19,000,000.00
Total liabilities	1,783,102,235.93	2,792,089,470.02	1,248,859,807.85	13,678,224.68	1,280,199,596.31	137,371,702.20	232,903,228.90	73,984,580.89
Minority interest	-	-	-	-	-	-	-	-
Equity attributable to equity holders of the Company	1,327,196,296.36	993,582,949.52	758,240,014.34	466,475,016.22	449,116,497.15	427,561,028.00	322,946,706.90	302,362,681.32
Shares of net assets in proportion (i)	530,878,518.54	462,810,937.89	265,384,005.02	186,590,006.49	179,646,598.86	171,024,411.20	161,473,353.45	151,181,340.66
Adjustments								
- Goodwill	-	-	-	-	-	2,453,618.25	-	-
- Unearned profit from internal transaction	(221,644.55)	-	(44,349,214.32)	-	-	-	-	-
Carrying amount of investment in joint ventures	530,656,873.99	462,810,937.89	221,034,790.70	186,590,006.49	179,646,598.86	173,478,029.45	161,473,353.45	151,181,340.66

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6 Interests in other entities (Continued)

(2) INTERESTS IN JOINT VENTURES AND ASSOCIATES (Continued)

(b) Main financial information of important joint ventures (Continued)

	31 December 2013							
	Dalian International Container Terminal Co., Ltd.	Dalian Changxing Island Port Investment and Development Co., Ltd.	Dalian Port Container Terminal Co., Ltd.	China United International Rail Containers (Dalian) Co., Ltd	Dalian Changxing Island Port Co., Ltd.	Dalian Automobile Terminal Co., Ltd.	Dalian Port PetroChina International Terminal Co., Ltd.	Odfjell Terminals (Dalian) Co., Ltd.
Current assets	120,265,297.98	254,411,019.70	122,437,839.35	33,800,564.43	73,832,199.07	26,419,668.47	18,857,862.01	71,031,452.86
Including: Cash and cash equivalents	42,808,868.29	39,868,578.34	62,163,196.06	10,421,821.47	42,470,387.51	16,951,786.74	18,571,117.01	49,528,079.36
Non-current assets	3,019,540,093.04	3,141,661,636.96	1,820,242,750.32	453,177,849.65	1,673,144,101.37	512,480,015.06	558,811,909.69	315,253,738.28
Total assets	3,139,805,391.02	3,396,072,656.66	1,942,680,589.67	486,978,414.08	1,746,976,300.44	538,899,683.53	577,669,771.70	386,285,191.14
Current liabilities	182,678,308.68	877,807,458.95	183,849,260.91	18,190,223.03	357,732,712.82	38,584,886.60	5,613,199.18	87,361,665.86
Non-current liabilities	1,632,468,190.42	1,524,557,057.74	1,003,728,758.91	-	891,842,372.37	88,842,792.45	270,000,000.00	19,000,000.00
Total liabilities	1,815,146,499.10	2,402,364,516.69	1,187,578,019.82	18,190,223.03	1,249,575,085.19	127,427,679.05	275,613,199.18	106,361,665.86
Minority interest	-	-	-	-	-	-	-	-
Equity attributable to equity holders of the Company	1,324,658,891.92	993,708,139.97	755,102,569.85	468,788,191.05	497,401,215.25	411,472,004.48	302,056,572.52	279,923,525.28
Shares of net assets in proportion (i)	529,863,556.77	462,869,251.60	264,285,899.45	187,515,276.42	198,960,486.10	164,588,801.79	151,028,286.26	139,961,762.64
Adjustments								
- Goodwill	-	-	-	-	-	2,453,618.25	-	-
- Unearned profit from internal transaction	(352,854.87)	-	(45,479,878.31)	-	-	-	-	-
Carrying amount of investment in joint ventures	529,510,701.90	462,869,251.60	218,806,021.14	187,515,276.42	198,960,486.10	167,042,420.04	151,028,286.26	139,961,762.64

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6 Interests in other entities (Continued)

(2) INTERESTS IN JOINT VENTURES AND ASSOCIATES (Continued)

(b) Main financial information of important joint ventures (Continued)

	31 December 2014							
	Dalian International Container Terminal Co., Ltd.	Dalian Changxing Island Port Investment and Development Co., Ltd.	Dalian Port Container Terminal Co., Ltd.	China United International Rail Containers (Dalian) Co., Ltd	Dalian Changxing Island Port Co., Ltd.	Dalian Automobile Terminal Co., Ltd.	Dalian Port PetroChina International Terminal Co., Ltd.	Odfjell Terminals (Dalian) Co., Ltd.
Revenue	323,038,223.91	-	472,648,388.74	32,500,903.28	85,320,205.51	92,659,088.35	91,250,000.00	73,450,370.33
Financial expenses	(84,942,277.62)	-	(51,851,530.90)	67,308.60	(32,415,876.72)	(4,815,566.52)	(14,640,858.14)	(2,342,246.29)
Income tax expenses	-	-	(5,539,754.90)	-	-	(4,281,745.90)	(5,843,426.34)	(3,474,761.79)
Net profit/(loss)	979,746.39	(138,521.39)	31,817,251.51	(2,313,174.82)	(48,805,157.68)	26,159,167.05	40,412,554.38	22,439,156.04
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	979,746.39	(138,521.39)	31,817,251.51	(2,313,174.82)	(48,805,157.68)	26,159,167.05	40,412,554.38	22,439,156.04
Dividends received from joint ventures by the Group for the current year	-	-	9,922,500.00	-	-	4,000,000.00	9,761,210.00	-

	31 December 2013							
	Dalian International Container Terminal Co., Ltd.	Dalian Changxing Island Port Investment and Development Co., Ltd.	Dalian Port Container Terminal Co., Ltd.	China United International Rail Containers (Dalian) Co., Ltd	Dalian Changxing Island Port Co., Ltd.	Dalian Automobile Terminal Co., Ltd.	Dalian Port PetroChina International Terminal Co., Ltd.	Odfjell Terminals (Dalian) Co., Ltd.
Revenue	273,430,761.42	-	421,335,585.24	30,544,529.43	103,153,300.36	76,875,930.90	91,250,000.00	88,400,437.77
Financial expenses	(47,869,790.93)	-	(40,135,688.30)	(3,484,664.09)	(22,879,731.19)	(4,663,556.12)	(17,506,681.59)	(2,694,165.94)
Income tax expenses	-	-	(2,708,686.03)	-	-	(3,265,667.45)	(5,624,105.08)	(4,516,653.09)
Net profit/(loss)	(15,016,594.42)	(598,000.00)	16,086,831.52	(9,894,271.80)	(28,670,820.11)	19,750,686.40	39,044,843.90	34,484,051.72
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	(15,016,594.42)	(598,000.00)	16,086,831.52	(9,894,271.80)	(28,670,820.11)	19,750,686.40	39,044,843.90	34,484,051.72
Dividends received from joint ventures by the Group for the current year	-	-	-	-	-	-	6,312,540.00	19,000,000.00

- (i) The Group calculates joint ventures' share of assets in proportion to the shareholdings based on the amount attributable to the parent company in the consolidated financial statement. The amount in the consolidated financial statements takes into account the fair value of identifiable assets and liabilities when the joint ventures are acquired as well as uniform accounting policies into consideration.

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6 Interests in other entities (Continued)

(2) INTERESTS IN JOINT VENTURES AND ASSOCIATES (Continued)

(c) Main financial information of important associates

	2014				2013			
	PetroChina Dalian LNG Co., Ltd.	Dalian Port Group Financial Co., Ltd.	Sino Rail Bohai Train Ferry Co., Ltd.	Dalian Puji Storage Facility Co., Ltd.	PetroChina Dalian LNG Co., Ltd.	Dalian Port Group Financial Co., Ltd.	Sino Rail Bohai Train Ferry Co., Ltd.	Dalian Puji Storage Facility Co., Ltd.
Current assets	63,295,367.76	4,907,573,951.02	347,439,008.56	5,478,306.58	26,859,472.76	3,313,833,313.18	281,659,441.05	13,882,321.04
Non-current assets	3,558,509,585.29	3,267,537.14	2,285,146,302.71	676,904,775.71	3,701,156,249.53	3,818,202.97	2,419,260,788.13	705,154,769.10
Total assets	3,621,804,953.05	4,910,841,488.16	2,632,585,311.27	682,383,082.29	3,728,015,722.29	3,317,651,516.15	2,700,920,229.18	719,037,090.14
Current liabilities	806,859,891.91	4,196,532,691.79	462,252,848.69	39,824,385.21	883,332,896.26	2,691,128,279.30	376,413,190.44	38,310,502.05
Non-current liabilities	-	-	618,547,000.00	179,910,400.00	-	-	724,509,700.00	187,815,157.40
Total liabilities	806,859,891.91	4,196,532,691.79	1,080,799,848.69	219,734,785.21	883,332,896.26	2,691,128,279.30	1,100,922,890.44	226,125,659.45
Minority interest	-	-	34,648,222.18	-	-	-	31,500,896.23	-
Equity attributable to equity holders of the Company	2,814,945,061.14	714,308,796.37	1,517,137,240.40	462,648,297.08	2,844,682,826.03	626,523,236.85	1,568,496,442.51	492,911,430.69
Shares of net assets in proportion (i)	562,989,012.23	285,723,518.55	265,499,017.07	185,059,318.83	568,936,565.21	250,609,294.74	274,486,877.44	197,164,572.28
Adjustments								
- Goodwill	-	-	-	-	-	-	-	-
- Unearned profit from internal transaction	-	-	-	(28,017,164.72)	-	-	-	(28,758,685.29)
Carrying amount of investment in joint ventures	562,989,012.23	285,723,518.55	265,499,017.07	157,042,154.11	568,936,565.21	250,609,294.74	274,486,877.44	168,405,886.99

	2014				2013			
	PetroChina Dalian LNG Co., Ltd.	Dalian Port Corporation Financial Co., Ltd.	Sino Rail Bohai Train Ferry Co., Ltd.	Dalian Puji Storage Facility Co., Ltd.	PetroChina Dalian LNG Co., Ltd.	Dalian Port Group Financial Co., Ltd.	Sino Rail Bohai Train Ferry Co., Ltd.	Dalian Puji Storage Facility Co., Ltd.
Revenue	635,751,523.40	158,478,706.54	1,422,299,079.26	32,266,823.79	787,985,773.69	157,388,945.51	711,302,376.99	31,345,760.56
Net profit (loss)	169,677,143.09	87,785,559.49	(2,065,715.60)	(30,263,133.61)	227,916,474.55	85,575,235.51	39,080,935.83	(30,299,882.25)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income (loss)	169,677,143.09	87,785,559.49	(2,065,715.60)	(30,263,133.61)	227,916,474.55	85,575,235.51	39,080,935.83	(30,299,882.25)
Dividends received from associates by the Group for the current year	41,010,966.60	-	8,626,360.14	-	13,558,605.25	-	8,175,520.07	-

- (ii) The Group calculates associates' share of assets in proportion to the shareholdings based on the amount attributable to the parent company in the consolidated financial statement. The amount in the consolidated financial statements takes into account the fair value of identifiable assets and liabilities when the associates are acquired as well as uniform accounting policies into consideration.

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6 Interests in other entities *(Continued)*

(2) INTERESTS IN JOINT VENTURES AND ASSOCIATES *(Continued)*

(d) Summary of immaterial joint ventures and associates

	2014	2013
Joint ventures:		
Total carrying amount of the investments	287,428,135.15	280,641,501.44
Total amount calculated in proportion to the shareholdings		
Net profit (i)	29,775,745.04	25,191,392.11
Other comprehensive income (i)	-	-
Total comprehensive income	29,775,745.04	25,191,392.11
Associates:		
Total carrying amount of the investments	247,653,289.71	293,892,349.09
Total amount calculated in proportion to the shareholdings		
Net profit (i)	7,302,834.96	(27,797,852.90)
Other comprehensive income (i)	-	-
Total comprehensive income	7,302,834.96	(27,797,852.90)

(i) The net profit and other comprehensive income have taken into account the impacts of both the fair value of the identifiable assets and liabilities upon the acquisition of investment and accounting policies unifying.

(e) Unrecognised commitments related to investment in joint ventures refer to Note 9(7) and Note 11(1). Contingent liabilities related to investment in associates refer to Note 9.

7 Interests in structured entities not included in the consolidation scope

Refer to Note 4(11)(a).

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8 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 and liquefied chemicals terminal and related logistics services, responsible for loading and discharging, storage and transshipment of oil products and liquefied chemicals and port management services
- Container terminal and related 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, roll-on, roll-off terminal and related logistics services, responsible for passenger transportation and general cargo roll-on and roll-off provision of related logistics services
- Automobile terminal and related logistics and trading services, responsible for loading and discharging of automobile and related logistics services, automobile trading operation
- Ore terminal and related logistics services, responsible for loading and unloading of ore and provision of related logistics services
- Bulk grains terminal and related 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 related logistics and trading services, responsible for loading and unloading of general cargo and provision of related logistics services, steel trading operation
- Port value-added and ancillary services, 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.

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.

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(All amounts in RMB Yuan unless otherwise stated)
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8 Segment information (Continued)

(a) Segment information as at 31 December 2014 and for the year 2014 is as follows (unit: RMB'000):

	Oil and liquefied chemicals terminal and related logistics services	Container terminal and related logistics services	General cargo terminal and related logistics and trading services	Ore terminal and related logistics services	Bulk grains terminal and related logistics and trading services	Passenger, roll-on, roll-off terminal and related logistics services	Port value-added and ancillary services	Automobile terminal and related logistics and trading services	Others	Elimination	Total
Revenue from external customers	1,909,118	1,568,307	418,361	255,882	1,000,852	130,682	914,100	1,639,882	105,272	-	7,942,456
Inter-segment revenue	8,127	-	351	233	406	1,154	101,472	7,590	49,287	(168,620)	-
Cost of sales from main operations	1,218,042	1,284,475	410,852	201,483	950,421	92,690	509,408	1,607,153	34,471	-	6,308,995
Interest income	616	5,514	533	158	4,310	112	1,413	601	8,378	-	21,635
Investment income from associates and joint ventures	65,405	27,504	(19,522)	93	-	(4,514)	40,098	18,981	-	-	128,045
Asset impairment loss	-	-	1,482	-	-	-	148	-	-	-	1,630
Depreciation and amortisation	196,113	169,264	82,617	89,027	69,752	34,342	69,230	4,322	40,870	-	755,537
Total profit	690,773	367,603	(72,045)	20,299	9,836	2,029	167,473	20,547	(410,633)	-	795,882
Income tax expenses	163,686	80,936	(9,276)	5,051	2,167	971	24,769	4,024	(82,118)	-	190,210
Net profit	527,087	286,667	(62,769)	15,248	7,669	1,058	142,704	16,523	(328,516)	-	605,672
Total assets	6,712,430	6,654,452	2,306,054	2,508,947	2,075,496	1,170,063	2,355,114	1,652,926	3,195,573	(787,004)	27,844,051
Total liabilities	1,430,583	1,562,231	178,175	87,181	692,309	71,147	159,044	540,645	8,930,863	(787,004)	12,865,174
Non-cash expenses other than depreciation and amortisation	34,665	12,573	-	-	-	36	1,485	-	-	-	48,759
Long-term equity investments in associates and joint ventures	1,428,470	1,317,345	179,647	2,121	-	339,861	303,161	302,602	-	-	3,873,207
Additions of non-current assets other than long-term equity investments	214,912	187,613	19,947	573	2,476	12,588	38,544	176,493	71,865	-	725,011

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8 Segment information (Continued)

(a) Segment information as at 31 December 2013 and for the year 2013 is as follows (unit: RMB'000):

	Oil and liquefied chemicals terminal and related logistics services	Container terminal and related logistics services	General cargo terminal and related logistics and trading services	Ore terminal and related logistics services	Bulk grains terminal and related logistics and trading services	Passenger, roll-on, roll-off terminal and related logistics services	Port value-added and ancillary services	Automobile terminal and related logistics and trading services	Others	Elimination	Total
Revenue from external customers	1,106,303	1,310,855	423,953	295,685	1,890,389	131,045	966,775	743,874	113,101	-	6,981,980
Inter-segment revenue	6,891	197	7,964	233	443	958	129,567	3,466	-	(149,719)	-
Cost of sales from main operations	563,595	922,372	413,572	178,330	1,687,695	90,420	488,130	717,388	16,514	-	5,078,016
Interest income	2,100	6,186	1,360	354	4,117	156	1,488	1,121	16,732	-	33,614
Investment income from associates and joint ventures	51,897	11,393	(11,468)	8	-	2,774	37,830	10,079	-	-	102,513
Asset impairment loss	-	836	(10)	-	-	-	(481)	-	-	-	345
Depreciation and amortisation	182,784	153,844	77,415	87,199	66,648	30,444	60,175	9,742	35,214	-	703,465
Total profit	522,389	357,354	(37,711)	73,269	134,444	7,778	171,760	29,702	(233,096)	-	1,025,889
Income tax expenses	124,461	78,497	(4,087)	18,315	33,574	2,447	27,106	3,943	(40,341)	-	243,915
Net profit	397,928	278,857	(33,624)	54,954	100,870	5,331	144,654	25,759	(192,755)	-	781,974
Total assets	6,443,285	6,100,572	2,575,809	2,563,844	1,586,579	1,189,979	2,421,901	1,796,925	2,831,168	(283,953)	27,226,109
Total liabilities	1,628,922	739,394	171,974	109,133	140,666	78,416	126,511	548,857	9,304,884	(283,953)	12,564,804
Non-cash expenses other than depreciation and amortisation	34,592	6,746	-	-	-	36	-	-	-	-	41,374
Long-term equity investments in associates and joint ventures	1,407,091	1,376,156	198,960	2,028	-	353,001	265,561	289,870	-	-	3,892,667
Additions of non-current assets other than long-term equity investments	59,428	101,897	24,867	22,596	27,882	24,390	21,600	5,975	1,020,010	-	1,308,645

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8 Segment information *(Continued)*

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 RMB548,061,469.86 is derived from a single customer, accounting for 6.90% of the Group's total revenue.

9 Related parties and related party transactions

(1) PARENT

(a) General information of the parent

	Types of Company	Place of registration	Nature of business
Dalian Port Corporation Limited	Solely state-owned	Dalian, Liaoning	Seaport business

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

(b) Registered capital and its changes of the parent company

	31 December 2013	Increase in current year	Decrease in current year	31 December 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:

	31 December 2014		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 and relevant information of Subsidiaries are set out in Note 6(1)(a).

Except for those material joint ventures and associates as disclosed in Note 6(2)(a), other joint ventures and associates that have related party transactions with the Group are as follows:

Notes to the Financial Statements

For the year ended 31 December 2014
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9 Related parties and related party transactions (Continued)

(3) JOINT VENTURES AND ASSOCIATES

	Place of operation	Place of registration	Whether have strategic to the Group	Nature of business	Share holding (%)	Voting rights (%)
Joint ventures -						
Dalian Port Tongli Shipping Agency Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Yes	Domestic freight forwarding and shipping agency	50.00	50.00
Dalian Harbour ECL Logistics Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Yes	Storage and port handling	50.00	50.00
Dalian United International Shipping Agency Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Yes	Technical consultancy service	50.00	50.00
Dalian Vanguard International Logistics Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Yes	International container storage	50.00	50.00
Dalian Yidu Cold Chain Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Yes	Cargo storage and shipping agency	45.00	45.00
China Tally (Dalian) Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Yes	Tall business of shipping	50.00	50.00
China Oil Dock Management (Dalian) Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Yes	Oil terminal	49.00	49.00
Liaoning Electronic Port Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Yes	Computer system services and data processing	50.00	50.00
Liaoning Con-Rail International Logistics Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Yes	Logistics storage	50.00	50.00
Dalian Dagang China Shipping Container Terminal Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Yes	Container terminal service	57.00	57.00
Dalian Jilong Logistics Co., Ltd. (i)	Dalian, Liaoning	Dalian, Liaoning	Yes	Logistics storage	30.00	28.57
Dalian Singamas International Container Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Yes	Container service	43.63	43.63
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Yes	Bulk cargo logistics	40.00	40.00
Odfjell Dalian Port Consulting Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Yes	Technical training	50.00	50.00
Dalian Shunde Jifa Supply Chain Management Co., Ltd. (i)	Dalian, Liaoning	Dalian, Liaoning	Yes	Import and export of cargo and technology, port storage	20.00	20.00
Odfjell Changxing Warehousing Terminals (Dalian) Co., Ltd. (i)	Dalian, Liaoning	Dalian, Liaoning	Yes	Facility development construction	30.00	30.00

(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.

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9 Related parties and related party transactions (Continued)

(3) JOINT VENTURES AND ASSOCIATES (Continued)

	Place of operation	Place of registration	Whether have strategic to the Group	Nature of business	Share holding (%)	Voting rights (%)
Associates -						
China Harbor United Shipping Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Yes	Port combined transportation	30.00	30.00
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Yes	Rent of crude oil storage tank	20.00	20.00
Dalian Wanpeng Port Engineering Testing Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Yes	Engineering testing	40.00	40.00
Taicang Xinggang Tug Co., Ltd.	Taicang, Jiangsu	Taicang, Jiangsu	Yes	Ship towing	30.00	30.00
SINOECL Auto Liners, Limited	Hongkong, China	Hongkong, China	Yes	Maritime transport	20.00	20.00
Jadeway Co., Ltd.	Hongkong, China	Hongkong, China	Yes	Maritime transport	20.00	20.00
Dalian North Oil Petroleum Logistics Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Yes	Petroleum development and construction, petroleum storage tank	20.00	20.00
Zhongshi International Logistics Co., Ltd.	Wuhu, Anhui	Wuhu, Anhui	Yes	International freight forwarding agency	30.00	30.00
Dalian Gangsheng Tendering & Bidding Agency Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Yes	Bidding agency	35.00	35.00

(4) OTHER RELATED PARTIES

	Relationship with the Group
Dalian FTZ Yongdixin Real Estate Development Co., Ltd.	Subsidiary of the parent
Dalian Port Land Co., Ltd.	Subsidiary of the parent
Dalian Cruise City Co., Ltd.	Subsidiary of the parent
Dalian Wanfeng Properties Co., Ltd.	Subsidiary of the parent
Dalian Xunjie Machinery Service Co. Ltd.	Subsidiary of the parent
Dalian Creative Industry Project Development Co., Ltd.	Subsidiary of the parent
Dalian Hongyu Building Co., Ltd.	Subsidiary of the parent
Dalian Hongyu Housekeeping Service Co., Ltd.	Subsidiary of the parent
Dalian Harbour Building	Subsidiary of the parent
Jinzhou Liaoxi Dalian Port Properties Co., Ltd.	Subsidiary of the parent
PDA Group (Jinzhou) Liaoxi Port Investment and Development Co., Ltd.	Subsidiary of the parent
Jinzhou Linggang Investment and Development Co., Ltd.	Subsidiary of the parent
Wafangdian Taiping Bay Co., Ltd.	Subsidiary of the parent
Dalian Taiping Bay Investment and Development Co., Ltd.	Subsidiary of the parent
Dalian Taiping Bay Construction Engineering Co., Ltd.	Subsidiary of the parent
Dalian Taiping Bay Sunshine Real Estate Co., Ltd.	Subsidiary of the parent
Dalian Port Wantong Logistics Co., Ltd.	Subsidiary of the parent
Dalian Wantong Ronghai Shipping Co., Ltd.	Subsidiary of the parent
Dalian ETDZ Harbour Freight Co., Ltd.	Subsidiary of the parent
Dalian Port Machinery Co., Ltd.	Subsidiary of the parent
Dalian Port Dongwang Automotive Repair Factory	Subsidiary of the parent
Changhai County Guanglu Terminal Construction Management Co., Ltd.	Subsidiary of the parent
Ningde Port Development Co., Ltd.	Subsidiary of the parent
Dalian Northeast Asia International Shipping Center of Shipping Exchange Market Co., Ltd	Subsidiary of the parent
Dalian International Seaman Training Center	Subsidiary of the parent
Dalian Port Shipping Price Assessment Co., Ltd.	Subsidiary of the parent
Dalian Northeast Asia International Shipping Centre of Shipping Materials Trading Market Co., Ltd.	Subsidiary of the parent

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9 Related parties and related party transactions (Continued)

(4) OTHER RELATED PARTIES (Continued)

	Relationship with the Group
Dalian Northeast Asia International Shipping Centre of Shipping Finance Research Institute Co., Ltd.	Subsidiary of the parent
Dalian Northeast Asia International Shipping Centre of Human Resources Research Institute Co., Ltd.	Subsidiary of the parent
Dalian Northeast Asia International Shipping Centre of Shipping Information Research Institute Co., Ltd.	Subsidiary of the parent
Dalian Port Security Service Company	Subsidiary of the parent
Dalian Port Labor Service Company	Subsidiary of the parent
Dalian Yuxiang Engineering Ship Co., Ltd.	Subsidiary of the parent
Dalian Changxing Island Lingang Industrial Zone Harbor Engineering Co., Ltd.	Subsidiary of the parent
Dalian Port Shipping Investment Co., Ltd.	Subsidiary of the parent
Dalian Port Shipping Investment Management Center (Limited Partnership)	Subsidiary of the parent
Gangrong Holdings Co., Ltd.	Subsidiary of the parent
Dalian Port North Shore Automobile Terminal Co., Ltd.	Subsidiary of the parent
Dalian Port North Shore Container Terminal Co., Ltd.	Subsidiary of the parent
Dalian Port North Shore Real Estate Development Co., Ltd.	Subsidiary of the parent
Dalian Northeast Asia Shipping Center Personnel Market	Subsidiary of the parent
Dalian Port Engineering Co., Ltd.	Subsidiary of the parent
Dalian Taiping Bay Modern Agricultural Science and Technology Development Co., Ltd.	Subsidiary of the parent
Dalian Equipment Finance Lease Co., Ltd.	Subsidiary of the parent
Ronghaifeng Container Co., Ltd.	Subsidiary of the parent
Ganghe (Shanghai) Trading Co., Ltd.	Subsidiary of the parent
Dalian Port Petty Loan Co., Ltd.	Subsidiary of the parent
Dalian Port North Shore Investment and Development Co., Ltd.	Subsidiary of the parent
Yingrui Holdings Co., Ltd.	Subsidiary of the parent
Dalian Port Petroleum & Chemical Co., Ltd.	Subsidiary of the parent
Sinopec Harbor Oil Sales (Dalian) Co., Ltd.(i)	Associates of the parent
Dalian ETDZ Harbor Storage and Transportation Company	Joint ventures of the parent
Dalian Life Raft Inspection Co., Ltd.	Joint ventures of the parent
Dalian Port Real Estate Group Co., Ltd.	Joint ventures of the parent
Dalian Port Machinery and Electric Co., Ltd.	Joint ventures of the parent
Dalian Aquatic Products Trading Co., Ltd.	Joint ventures of the parent
Jinzhou Longxi Bay Port Development Co., Ltd.	Joint ventures of the parent
Dalian Port Industrial Co., Ltd.	Joint ventures of the parent
Dalian Port Property Management Co., Ltd.	Joint ventures of the parent
Dalian Port Green Landscaping Engineering Co., Ltd.	Joint ventures of the parent
Dalian Port Rixing Landscaping Engineering Co., Ltd.	Joint ventures of the parent
Dalian Port Boiler Installation Co., Ltd.	Joint ventures of the parent
Dalian Port Xingang Construction Engineering Co., Ltd.	Joint ventures of the parent
Dalian Port Industrial Co., Ltd. Xingang Gas Station	Joint ventures of the parent
Dalian Port Clean Energy Venture Investment Fund	Joint ventures of the parent
Dalian Port Design & Research Institute Co., Ltd.	Joint ventures of the parent
Dalian Equity Trading Center Corp.,	Joint ventures of the parent
Jinzhou Dagang Real Estate Co., Ltd.	Joint ventures of the parent
Dalian Port Guangyi Decoration Engineering Co., Ltd.	Joint ventures of the parent

(i) Dalian Zhongyou Terminal Management Co., Ltd., a joint venture or the parent company, is renamed as Sinopec Harbor Oil Sales (Dalian) Co., Ltd..

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9 Related parties and related party transactions (Continued)

(5) RELATED PARTY TRANSACTIONS

(a) Purchase and sales of goods, provision and acceptance of labour

(i) Purchase of goods and receiving of services

Transactions with the parent

	Nature of related party transactions	Pricing policy for related transactions	Amount for the year 2014	Amount for the year 2013
Dalian Port Corporation Limited	Comprehensive services	Terms of agreement	17,286,454.74	11,710,937.28

Transaction with joint ventures and associates

	Nature of related party transactions	Pricing policy for related transactions	Amount for the year 2014	Amount for the year 2013
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	Warehousing services	Terms of agreement	54,818,868.08	–
China Oil Dock Management (Dalian) Co., Ltd.	Port services	Terms of agreement	17,428,812.47	–
Dalian Changxing Island Port Investment and Development Co., Ltd.	Loading services	Terms of agreement	5,872,500.00	–
Dalian International Container Terminal Co., Ltd.	Loading services	Terms of agreement	2,130,391.50	200,000.00
Dalian Port Container Terminal Co., Ltd.	Loading services	Terms of agreement	855,948.13	–
Odfjell Dalian Port Consulting Co., Ltd.	Training services	Terms of agreement	430,810.00	149,900.00
Dalian Automobile Terminal Co., Ltd.	Supervision services	Terms of agreement	400,000.00	25,200.00
Dalian Changxing Island Port Co., Ltd.	Electric power service	Terms of agreement	350,572.86	243,364.80
Dalian Port Group Financial Co., Ltd.	Clearing services	Terms of agreement	321,297.79	123,500.00
Dalian GangSheng Tendering & Bidding Agency Co., Ltd	Agency services	Terms of agreement	63,210.00	326,692.24
Liaoning Electronic Port Co., Ltd.	Communication services	Terms of agreement	37,735.85	424,528.30
Dalian Port Tongli Shipping Agency Co., Ltd.	Comprehensive services	Terms of agreement	–	1,685,764.25
China United International Rail Containers Co., Ltd	Comprehensive services	Terms of agreement	–	483,798.20
Dalian Wanpeng Port Engineering Testing Co., Ltd.	Comprehensive services	Terms of agreement	–	262,639.22
			82,710,146.68	3,925,387.01

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9 Related parties and related party transactions *(Continued)*

(5) RELATED PARTY TRANSACTIONS *(Continued)*

(a) Purchase and sales of goods, provision and acceptance of labour *(Continued)*

(i) Purchase of goods and receiving of services *(Continued)*

Transactions with other related parties

	Nature of related party transactions	Pricing policy for related transactions	Amount for the year 2014	Amount for the year 2013
Sinopec Harbor Oil Sales (Dalian) Co., Ltd.	Fuel purchasing services	Terms of agreement	100,058,357.65	51,511,931.65
Dalian Port Industrial Co., Ltd.	Comprehensive services	Terms of agreement	24,906,164.44	24,709,381.96
Dalian Port Machinery Co., Ltd.	Construction and labour services	Terms of agreement	11,616,527.28	9,330,932.94
Dalian Port New Port Construction Engineering Co., Ltd.	Maintenance services	Terms of agreement	7,300,531.79	1,558,281.51
Dalian Hongyu Building Co., Ltd.	Comprehensive services	Terms of agreement	3,259,395.99	1,258,210.91
Dalian Port Boiler Installation Co., Ltd.	Maintenance services	Terms of agreement	2,825,002.10	753,932.16
Dalian Port Security Services Company	Security services	Terms of agreement	1,857,320.00	1,612,847.00
Dalian Equipment Finance Lease Co., Ltd.	Comprehensive services	Terms of agreement	1,775,794.65	–
Dalian Harbor Engineering Co., Ltd.	Comprehensive services	Terms of agreement	1,450,727.52	720,224.09
Dalian Port Green Landscaping Engineering Co., Ltd.	Comprehensive services	Terms of agreement	1,270,795.00	730,508.61
Dalian Harbor Building	Comprehensive services	Terms of agreement	992,751.00	360,755.90
Dalian FTZ Yongdexin Real Estate Development and Construction Co., Ltd.	Comprehensive services	Terms of agreement	602,372.74	600.00
Dalian Port Petroleum & Chemical Co., Ltd.	Port services	Terms of agreement	383,815.22	–
Dalian Port Machinery and Electric Co., Ltd.	Maintenance service	Terms of agreement	213,384.63	28,301.89
Dalian Port Property Management Co., Ltd.	Property services	Terms of agreement	173,224.00	283,980.66
Dalian International Seaman Training Center	Training services	Terms of agreement	150,250.00	–
Dalian Port Dongwang Automotive Repair Factory	Maintenance services	Terms of agreement	90,618.78	53,625.16
Dalian Life Raft Inspection Co., Ltd.	Maintenance services	Terms of agreement	73,841.17	182,767.56
Dalian Taiping Bay Investment and Development Co., Ltd.	Comprehensive services	Terms of agreement	64,845.00	–
			159,065,718.96	93,096,282.00

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9 Related parties and related party transactions (Continued)

(5) RELATED PARTY TRANSACTIONS (Continued)

(a) Purchase and sales of goods, provision and acceptance of labour (Continued)

(ii) Sales of goods and rendering of services

Transactions with the parent

	Nature of related party transactions	Pricing policy for related transactions	Amount for the year 2014	Amount for the year 2013
Dalian Port Corporation Limited	Comprehensive services	Terms of agreement	27,743,751.28	21,613,466.05

Transactions with joint ventures and associates

	Nature of related party transactions	Pricing policy for related transactions	Amount for the year 2014	Amount for the year 2013
China Oil Dock Management (Dalian) Co., Ltd.	Comprehensive services	Terms of agreement	52,351,138.82	5,576,900.11
Dalian Port Container Terminal Co., Ltd.	Comprehensive services	Terms of agreement	43,619,862.77	37,962,386.26
Dalian International Container Terminal Co., Ltd.	Comprehensive services	Terms of agreement	42,858,562.25	36,056,881.74
Dalian Yidu Cold Chain Co., Ltd.	Comprehensive services	Terms of agreement	18,602,070.27	3,721,944.88
Taicang Xinggang Tug Co., Ltd.	Transportation revenue	Terms of agreement	13,275,855.67	11,469,453.21
Dalian Changxing Island Port Co., Ltd.	Engineering construction services	Terms of agreement	7,233,909.92	11,977,640.20
Dalian Changxing Island Port Investment and Development Co., Ltd.	Comprehensive services	Terms of agreement	5,693,262.52	6,333,060.24
Odfjell Terminals (Dalian) Co., Ltd.	Comprehensive services	Terms of agreement	5,156,752.67	2,212,836.10
Dalian Automobile Terminal Co., Ltd.	Comprehensive services	Terms of agreement	2,793,397.58	3,755,877.29
Dalian Dagang China Shipping Container Terminal Co., Ltd.	Comprehensive services	Terms of agreement	2,089,096.02	2,484,448.09
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	Heating services	Terms of agreement	2,025,518.58	–
Dalian Wanjie International Logistics Co., Ltd.	Comprehensive services	Terms of agreement	1,207,382.29	458,377.90
Dalian GangSheng Tendering&Bidding Agency Co., Ltd	Supervision services	Terms of agreement	1,036,893.21	582,524.27
Dalian United International Shipping Agency Co., Ltd.	Communication services	Terms of agreement	1,023,375.09	1,021,626.23

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9 Related parties and related party transactions (Continued)

(5) RELATED PARTY TRANSACTIONS (Continued)

(a) Purchase and sales of goods, provision and acceptance of labour (Continued)

(ii) Sales of goods and rendering of services (Continued)

Transactions with joint ventures and associates (Continued)

	Nature of related party transactions	Pricing policy for related transactions	Amount for the year 2014	Amount for the year 2013
Liaoning Con-Rail International Logistics Co., Ltd.	Comprehensive services	Terms of agreement	1,013,153.14	1,965,687.85
Dalian Singamas International Container Co., Ltd.	Comprehensive services	Terms of agreement	824,613.90	916,235.18
Petro China Dalian LNG Co., Ltd.	Comprehensive services	Terms of agreement	821,751.94	165,596.75
Dalian Puji Storage Facility Co., Ltd.	Comprehensive services	Terms of agreement	733,597.74	–
Dalian Port PetroChina International Terminal Co., Ltd.	Comprehensive services	Terms of agreement	717,113.18	38,235.31
China United International Rail Containers Co., Ltd.	Comprehensive services	Terms of agreement	613,790.24	1,204,085.49
Liaoning Electronic Port Co., Ltd.	Communication services	Terms of agreement	283,018.86	–
China Tally (Dalian) Co., Ltd.	Communication services	Terms of agreement	213,701.80	210,054.22
Dalian North Petroleum Logistics Co., Ltd.	Maintenance services	Terms of agreement	192,191.51	5,270,080.82
Dalian Jilong Logistics Co., Ltd.	Sales of goods	Terms of agreement	89,568.48	412,260.01
Dalian Port Group Financial Co., Ltd.	Financial services	Terms of agreement	39,355.52	25,822.45
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	Communication services	Terms of agreement	8,615.97	5,400.00
Dalian Harbour ECL Logistics Co., Ltd.	Comprehensive services	Terms of agreement	5,354.28	100,898.66
Dalian Jihai Logistics Co., Ltd.	Comprehensive services	Terms of agreement	–	2,180,574.72
Jadeway Co., Limited	Comprehensive services	Terms of agreement	–	135,208.25
SINOECL Auto Liners, Co., Limited	Comprehensive services	Terms of agreement	–	99,633.27
Dalian Wanpeng Port Engineering Testing Co., Ltd.	Comprehensive services	Terms of agreement	–	4,687.77
Dalian Port Tongli Shipping Agency Co., Ltd.	Comprehensive services	Terms of agreement	–	1,358.36
			204,522,904.22	136,349,775.63

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For the year ended 31 December 2014
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9 Related parties and related party transactions (Continued)

(5) RELATED PARTY TRANSACTIONS (Continued)

(a) Purchase and sales of goods, provision and acceptance of labour (Continued)

(ii) Sales of goods and rendering of services (Continued)

Transactions with other related parties

	Nature of related party transactions	Pricing policy for related transactions	Amount for the year 2014	Amount for the year 2013
Wafangdian Taiping Bay Co., Ltd.	Engineering supervision	Terms of agreement	24,889,854.10	17,782,641.70
Dalian Harbor Engineering Co., Ltd.	Engineering construction	Terms of agreement	23,681,207.12	1,673,819.25
Dalian Port North Shore Investment and Development Co., Ltd.	Engineering supervision	Terms of agreement	10,923,345.12	1,819,063.19
Dalian Port Machinery and Electric Co., Ltd.	Engineering construction	Terms of agreement	3,286,419.34	8,786,431.30
Dalian Creative Industry Project Development Co., Ltd.	Comprehensive services	Terms of agreement	2,890,942.17	9,137.64
Dalian Port Industrial Co., Ltd.	Communication services	Terms of agreement	1,936,189.31	1,020,351.39
Dalian Hongyu Building Co., Ltd.	Communication services	Terms of agreement	1,158,844.96	1,162,362.04
Dalian FTZ Yongdexin Real Estate Development Co., Ltd.	Communication services	Terms of agreement	1,089,958.88	967,931.60
Jinzhou Liaoxi Dalian Port Properties Co., Ltd.	Engineering supervision	Terms of agreement	1,036,792.46	–
Dalian Port Wantong Logistics Co., Ltd.	Comprehensive services	Terms of agreement	1,028,409.15	1,261,392.59
Dalian Harbour Building	Comprehensive services	Terms of agreement	1,018,910.45	256,254.55
Dalian Port Machinery Co., Ltd.	Comprehensive services	Terms of agreement	976,802.58	275,146.85
Dalian Port Petroleum & Chemical Co., Ltd.	Comprehensive services	Terms of agreement	880,886.87	–
Dalian Taiping Bay Sunshine Real Estate Co., Ltd.	Comprehensive services	Terms of agreement	840,379.19	642,657.55
Dalian Taiping Bay Investment and Development Co., Ltd.	Comprehensive services	Terms of agreement	833,622.98	8,100.00
Dalian Port Land Co., Ltd.	Comprehensive services	Terms of agreement	322,063.50	32,167.04
Dalian Wanfeng Properties Co., Ltd.	Comprehensive services	Terms of agreement	281,138.71	349,951.81
Changhai County Guanglu Terminal Construction Management Co., Ltd.	Engineering supervision	Terms of agreement	240,566.04	–
Dalian Port Real Estate Group Co., Ltd.	Engineering construction	Terms of agreement	54,618.94	15,600.00
Dalian Northeast Asia International Shipping Center of Shipping Exchange Market Co., Ltd	Communication services	Terms of agreement	23,623.50	32,432.79

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9 Related parties and related party transactions *(Continued)*

(5) RELATED PARTY TRANSACTIONS *(Continued)*

(a) Purchase and sales of goods, provision and acceptance of labour *(Continued)*

(ii) Sales of goods and rendering of services *(Continued)*

Transactions with other related parties *(Continued)*

	Nature of related party transactions	Pricing policy for related transactions	Amount for the year 2014	Amount for the year 2013
Dalian Port Design&Research Institute Co., Ltd.	Engineering supervision	Terms of agreement	18,867.92	–
Dalian Port Landscape Engineering Co., Ltd	Communication services	Terms of agreement	16,388.81	16,305.93
Dalian Port Petty Loan Co., Ltd	Communication services	Terms of agreement	16,024.07	–
Dalian Port Property Management Co., Ltd	Communication services	Terms of agreement	7,595.57	7,855.00
PDA Group (Jinzhou) Liaoxi Port Investment and Development Co., Ltd.	Communication services	Terms of agreement	7,201.77	6,606.44
Dalian Port Boiler Installation Co., Ltd	Comprehensive services	Terms of agreement	5,874.82	6,275.00
Dalian Life Raft Inspection Co., Ltd.	Communication services	Terms of agreement	4,861.18	–
Dalian Port Xingang Construction & Engineering Co., Ltd	Communication services	Terms of agreement	3,528.97	60,519.00
Dalian Hongyu Housekeeping Services Co., Ltd	Communication services	Terms of agreement	2,237.01	–
Sinopec Harbor Oil Sales (Dalian) Co., Ltd.	Communication services	Terms of agreement	1,489.18	–
Dalian Port North Shore Real Estate Development Co., Ltd	Communication services	Terms of agreement	1,132.08	–
Dalian Port Industrial Co., Ltd. (Xingang Gas Station)	Communication services	Terms of agreement	829.92	–
Dalian Taiping Bay Construction Engineering Co., Ltd.	Communication services	Terms of agreement	566.04	–
Dalian Aquatic Products Trading Co., Ltd.	Comprehensive services	Terms of agreement	–	1,466,207.28
Dalian Zhongxin Harbor Investment Co., Ltd.	Comprehensive services	Terms of agreement	–	900,675.28
Dalian Zhongyou Marine Fuel Transportation and Sales Co., Ltd.	Comprehensive services	Terms of agreement	–	460,743.79
			77,481,172.71	39,020,629.01

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9 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:

	Type of the leased property	Leasing income recognized for the year 2014	Leasing income recognized for the year 2013
Dalian Port Container Terminal Co., Ltd.	Building/parking storage yard	135,890,000.00	135,920,656.41
China Oil Dock Management (Dalian) Co., Ltd.	Equipment	18,860,000.00	61,952,145.29
Dalian Jilong Logistics Co., Ltd.	Site place	4,648,610.31	4,519,743.11
Liaoning Con-Rail International Logistics Co., Ltd.	Loading machine	1,571,180.56	567,719.21
Dalian Yidu Cold Chain Co., Ltd.	Loading machine	1,052,455.80	1,096,702.10
Dalian North Petroleum Logistics Co., Ltd.	Oil pipe and tank	222,500.00	222,500.00
Dalian Jihai Logistics Co., Ltd.	Site place	-	736,000.00
Dalian Changxing Island Port Co., Ltd.	Loading machine	-	180,000.00
Dalian International Container Terminal Co., Ltd.	Networking equipment	-	98,823.92
Dalian Singamas International Container Co., Ltd.	Server	-	15,966.28
		162,244,746.67	205,310,256.32

Transactions with other related parties:

	Type of the leased property	Leasing income recognized for the year 2014	Leasing income recognized for the year 2013
Dalian Port Industrial Co., Ltd.	Automobile/building	1,744,593.36	1,726,361.33
Dalian Port Wantong Logistics Co., Ltd.	Building	102,645.90	72,003.60
Dalian Port Machinery Co., Ltd.	Building	49,112.00	73,668.00
Dalian Wantong Ronghai Shipping Co., Ltd.	Building	125,000.00	25,000.00
Dalian Port Engineering Co., Ltd.	Building	3,180.00	-
		2,024,531.26	1,897,032.93

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For the year ended 31 December 2014
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9 Related parties and related party transactions (Continued)

(5) RELATED PARTY TRANSACTIONS (Continued)

(b) Leases (Continued)

The Group as the lessee

Transactions with the parent:

	Type of the leased property	Leasing cost recognized for the year 2014	Leasing cost recognized for the year 2013
Dalian Port Corporation Limited	Land use rights/island embankment/building	33,368,468.26	35,319,884.58

Transactions with joint ventures and associates:

	Type of the leased property	Leasing cost recognized for the year 2014	Leasing cost recognized for the year 2013
Dalian Port PetroChina International Terminal Co., Ltd.	Terminal facility	91,250,000.00	91,250,000.00
Dalian Changxing Island Port Investment and Development Co., Ltd.	Oil pipe and tank	68,775,000.00	–
Dalian North Petroleum Logistics Co., Ltd.	Oil pipe and tank	3,930,000.00	–
Dalian International Container Terminal Co., Ltd.	Equipment/building	2,490,009.04	3,394,155.03
Dalian Port Container Terminal Co., Ltd.	Equipment	2,165,048.56	2,320,348.00
Dalian Automobile Terminal Co., Ltd.	Building	65,456.00	56,120.00
Dalian Changxing Island Port Co., Ltd.	Building	10,800.00	–
China Oil Dock Management (Dalian) Co., Ltd.	Tank	–	2,555,000.00
Dalian Port Jihai Logistics Co., Ltd.	Site place	–	248,289.48
		168,686,313.60	99,823,912.51

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For the year ended 31 December 2014
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9 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:

	Type of the leased property	Leasing cost recognized for the year 2014	Leasing cost recognized for the year 2013
Dalian FTZ Yongdixin Real Estate Development Co., Ltd.	Building	6,145,404.76	5,925,472.31
Dalian Harbour Building	Building	2,165,905.00	2,929,343.70
Dalian Port Industrial Co., Ltd.	Automobile/ loading machine	–	1,081,408.19
Dalian Hongyu Building Co., Ltd.	Building	241,700.40	1,499,418.57
Sinopec Harbor Oil Sales (Dalian) Co., Ltd.	Vehicles	144,144.14	–
Dalian Port Machinery Co., Ltd.	Building	81,272.92	76,198.56
		8,778,427.22	11,511,841.33

Assets held under finance leases

	Type of the leased property	Leasing cost recognized for the year 2014	Leasing cost recognized for the year 2013
Dalian Equipment Finance Lease Co., Ltd.	ISO Dry Container	62,432,834.56	1,670,309.26
Ronghaifeng Container Co., Ltd.	Container	1,789,950.16	–
		64,222,784.72	1,670,309.26

(c) Guarantee

Guarantees received from the related party

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	23 May 2021	No
Dalian Port Corporation Limited	Dalian Port (PDA) Company Limited	2,650,000,000.00	26 September 2012	25 March 2019	No
Dalian Port Group Finance Co., Ltd.	Dalian Ganghong International Trading Co., Ltd.	138,880,790.90	5, November 2014	19, March 2015	No

The above related parties provided guarantees for debenture payable and short-term borrowings without any charge (Note 4(23)(35)).

Guarantees provided to the related party

There are no guarantees provided to the related party for the year 2014.

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9 Related parties and related party transactions (Continued)

(5) RELATED PARTY TRANSACTIONS (Continued)

(d) Loans and borrowings

(i) borrowings

2014

	Amount	Beginning date	Maturity Date
Borrowing			
Dalian Equipment Finance Lease Co., Ltd.	1,000,000,000.00	29 May 2014	29 May 2017
Dalian Equipment Finance Lease Co., Ltd.	500,000,000.00	23 May 2014	23 May 2017
Dalian Equipment Finance Lease Co., Ltd.	300,000,000.00	6 November 2014	6 November 2017
Dalian Equipment Finance Lease Co., Ltd.	200,000,000.00	30 June 2014	30 June 2017
Dalian Port Group Finance Co., Ltd.	30,000,000.00	27 June 2014	26 June 2015
Dalian Port Group Finance Co., Ltd.	762,000,000.00	17 March 2014	16 March 2015
Dalian Port Group Finance Co., Ltd.	90,000,000.00	15 October 2014	14 April 2015
Dalian Port Group Finance Co., Ltd.	8,590,000.00	26 September 2014	2 March 2015
Dalian Harbour ECL Logistics Co., Ltd.	10,000,000.00	7 May 2014	6 May 2015

2013

	Amount	Beginning date	Maturity Date
Borrowing			
Dalian Port Group Finance Co., Ltd.	796,000,000.00	1 January 2013	31 December 2013
Dalian Port Group Finance Co., Ltd.	100,000,000.00	29 November 2013	28 May 2014
Dalian Port Group Finance Co., Ltd.	30,000,000.00	13 May 2013	12 November 2013
Dalian Harbour ECL Logistics Co., Ltd.	10,000,000.00	07 May 2013	6 May 2014

Interest expenses paid

	2014	2013
Dalian Equipment Finance Leasing Co., Ltd.	54,978,632.44	–
Dalian Port Group Finance Co., Ltd.	11,804,631.23	22,570,469.44
Dalian Harbour ECL Logistics Co., Ltd.	669,166.67	438,167.00
Dalian Jihai Logistics Co., Ltd.	–	851,666.65
	67,452,430.34	23,860,303.09

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.

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9 Related parties and related party transactions (Continued)

(5) RELATED PARTY TRANSACTIONS (Continued)

(d) Loans and borrowings (Continued)

(ii) Lending

2014

	Amount	Beginning date	Maturity Date
Lending			
Liaoning Con-Rail International Logistics Co., Ltd.	5,610,000.00	21 February 2014	20 February 2015
Dalian Puji Storage Facility Co., Ltd.	24,000,000.00	3 January 2014	1 July 2015
China Sea Union Shipping Co., Ltd	13,432,800.00	28 June 2014	27 June 2015

2013

	Amount	Beginning date	Maturity Date
Lending			
Dalian Puji Storage Facility Co., Ltd.	24,000,000.00	3 July 2013	2 January 2014
Liaoning Con-Rail International Logistics Co., Ltd.	5,610,000.00	21 February 2013	20 February 2014
Liaoning Con-Rail International Logistics Co., Ltd.	685,000.00	20 April 2013	19 April 2014
China Sea Union Shipping Co., Ltd	13,432,800.00	28 June 2013	27 June 2014

Interest income received

	2014	2013
Dalian Puji Storage Facility Co., Ltd.	1,463,466.67	679,466.66
China Sea Union Shipping Co., Ltd	814,923.20	420,894.40
SINOECL Auto Liners Co., Ltd.	83,583.97	99,633.27
Jadeway Co., Ltd.	87,081.66	135,208.25
Liaoning Con-Rail International Logistics Co., Ltd.	353,719.18	499,299.74
	2,802,774.68	1,834,502.32

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.

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9 Related parties and related party transactions (Continued)

(5) RELATED PARTY TRANSACTIONS (Continued)

(e) Transfer of assets

(i) Acquisition of assets

Related party	Nature of Transaction	Type of transactions	Amount for the year 2014	Amount for the year 2013
Dalian Port Engineering Co., Ltd.	Engineering Construction	Construction labour	70,621,189.25	184,603,949.36
Dalian Port Boiler Installation Co., Ltd	Engineering Construction	Construction labour	5,389,219.94	13,656,056.86
Dalian Port Landscape Engineering Co., Ltd	Engineering Construction	Construction labour	2,889,723.00	–
Dalian Port Machinery Co., Ltd.	Engineering Construction	Construction labour	1,737,600.52	6,610,127.38
Dalian Port New Harbour Construction Engineering Co., Ltd.	Engineering Construction	Construction labour	1,665,952.15	4,687,190.00
Dalian Harbour ECL Logistics Co., Ltd.	Engineering Construction	Construction labour	669,166.67	–
Dalian Port Industrial Co., Ltd.	Engineering Construction	Construction labour	79,703.19	–
Dalian Port Security Services Co., Ltd.	Engineering Construction	Construction labour	45,800.00	–
Dalian Port Group Finance Co., Ltd.	Engineering Construction	Construction labour	3,000.00	–
Dalian Port Education Training Center	Engineering Construction	Construction labour	1,500.00	–
Dalian Port Corporation Limited (News Centre)	Engineering Construction	Construction labour	1,188.03	–
Dalian Port Machinery and Electric Co., Ltd.	Engineering Construction	Construction labour	–	38,436,991.79
Dalian Wanpeng Jichu Gongcheng Co.,Ltd.	Engineering Construction	Construction labour	–	5,267,659.00
Dalian Port Design & Research Institute Co., Ltd.	Engineering Construction	Construction labour	–	4,486,918.00
Dalian Port Wantong Logistics Co., Ltd.	Engineering Construction	Construction labour	–	176,409.33
			83,104,042.75	257,925,301.72

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9 Related parties and related party transactions (Continued)

(5) RELATED PARTY TRANSACTIONS (Continued)

(e) Transfer of assets (Continued)

(ii) Disposal of assets

Related party	Nature of Transaction	Type of transactions	Amount for the year 2014	Amount for the year 2013
Dalian Port Corporation Limited	Sea area use rights	Disposal of assets	272,704,200.00	–
Dalian North Petroleum Logistics Co., Ltd.	Land use rights	Disposal of assets	12,336,456.00	
Dalian Automobile Terminal Co., Ltd.	Computer and relevant equipment	Disposal of assets	–	1,456,410.09
Dalian Changxing Island Port Investment and Development Co., Ltd.	Computer and relevant equipment	Disposal of assets	–	1,291,551.25
Dalian Port Container Terminal Co., Ltd.	Computer and relevant equipment	Disposal of assets	–	254,716.98
Dalian International Container Terminal Co., Ltd.	Computer and relevant equipment	Disposal of assets	–	239,622.65
Dalian Dagang China Shipping Container Terminal Co., Ltd.	Computer and relevant equipment	Disposal of assets	–	139,622.63
Odfjell Terminals (Dalian) Co., Ltd.	Computer and relevant equipment	Disposal of assets	–	52,828.47
Wafangdian Taiping Bay Co., Ltd.	Computer and relevant equipment	Disposal of assets	–	7,348.45
Dalian Changxing Island Port Co., Ltd.	Computer and relevant equipment	Disposal of assets	–	277.99
			285,040,656.00	3,442,378.51

(f) Deposits with related parties

As at 31 December 2014, the Group's deposits in Dalian Port Group Finance Co., Ltd. were RMB1,602,654,296.98 Yuan (2013: RMB1,193,894,815.49 Yuan) and the Group gained an interest income of RMB13,397,636.49 Yuan (2013: RMB16,198,935.91).

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9 Related parties and related party transactions *(Continued)*

(5) RELATED PARTY TRANSACTIONS *(Continued)*

(g) Remuneration of key managements

	2014	2013
Remuneration of key managements	4,578,088.84	5,245,420.97

(h) Remuneration of directors and chief executives

In 2014, remuneration of each director, supervisor and chief executive are as follows:

Title	Name	Salaries and allowances	Social security	Total
Executive director	Hui Kai	250,000.00	-	250,000.00
Executive director/ General manager	Xu Song	840,800.00	90,284.38	931,084.38
Executive director	Zhu Shiliang	246,162.00	43,772.38	289,934.38
Executive director	Su Chunhua	507,184.00	90,284.38	597,468.38
Non-executive director	Xu Jian	-	-	-
Non-executive director	Zhang Zuogang	-	-	-
Non-executive director	Dong Yanhong	-	-	-
Independent non-executive director	Liu Yongze	87,500.00	-	87,500.00
Independent non-executive director	Gui Liyi	87,500.00	-	87,500.00
Independent non-executive director	Yin Jintao	250,000.00	-	250,000.00
Independent non-executive director	Yu Long	116,666.67	-	116,666.67
Independent non-executive director	Guo Yu	62,500.00	-	62,500.00
Independent non-executive director	Wang Zhifeng	33,333.34	-	33,333.34
Chairman of supervisory board	Sun Junyou	-	-	-
Supervisor	Zhang Guofeng	-	-	-
Supervisor on behalf of the shareholders	Yin Shihui	-	-	-
Independent supervisor	Zhang Xianzhi	58,333.31	-	58,333.31
Independent supervisor	Lv Jing	58,333.31	-	58,333.31
Independent supervisor	Kong Xianjing	41,666.65	-	41,666.65
Supervisor on behalf of the shareholders	Xu Fangsheng	417,164.00	90,284.38	507,448.38
Supervisor on behalf of the shareholders	Jiang Weihong	271,402.33	51,524.38	322,926.71
Supervisor on behalf of the shareholders	Jiao Yingguang	199,243.33	38,760.00	238,003.33

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9 Related parties and related party transactions (Continued)

(5) RELATED PARTY TRANSACTIONS (Continued)

(h) Remuneration of directors and chief executive (Continued)

In 2013, remuneration of each director, supervisor and chief executive are as follows:

Title	Name	Salaries and allowances	Social security	Total
Director	Hui Kai	500,000.00	–	500,000.00
Director	Zhang Fengge	33,333.00	–	33,333.00
Director/General manager	Xu Song	840,800.00	87,597.30	928,397.30
Director	Zhu Shiliang	426,981.00	87,597.30	514,578.30
Director	Su Chunhua	479,425.00	87,597.30	567,022.30
Non-executive director	Xu Jian	–	–	–
Non-executive director	Zhang Zuogang	–	–	–
Independent non-executive director	Liu Yongze	150,000.00	–	150,000.00
Independent non-executive director	Gui Liyi	150,000.00	–	150,000.00
Independent non-executive director	Yin Jintao	250,000.00	–	250,000.00
Independent non-executive director	Yu Long	101,643.84	–	101,643.84
Chairman of supervisory board	Sun Junyou	–	–	–
Supervisor	Zhang Guofeng	–	–	–
Supervisor	Gui Yuchan	–	–	–
Supervisor	Su Chunhua	–	–	–
Independent supervisor	Zhang Xianzhi	100,000.00	–	100,000.00
Independent supervisor	Lv Jing	100,000.00	–	100,000.00
Supervisor on behalf of employees	Xu Fangsheng	424,194.00	87,597.30	511,791.30
Supervisor on behalf of employees	Jiang Weihong	425,833.00	87,597.30	513,430.30

(i) Five highest paid individuals

The emoluments of the five highest paid individuals of the Group in 2014 included one director (2013: one director) whose emoluments are included above. The emoluments of the remaining four (2013: four) highest paid individuals are as follows:

	2014	2013
Salaries and allowances	3,444,887.91	3,442,824.30
Social security	271,878.06	94,089.60
	3,716,765.97	3,536,913.90

	Number of individual	
	2014	2013
Emoluments bands:		
RMB0 – RMB1,000,000	3	3
RMB1,000,000 – RMB1,500,000	1	1

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9 Related parties and related party transactions *(Continued)*

(6) RECEIVABLES FROM AND PAYABLES TO RELATED PARTIES

Receivables from related parties:

Accounts receivable

Amounts due from joint ventures and associates

	31 December 2014		31 December 2013	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Dalian Puji Storage Facility Co., Ltd.	1,417,771.39	-	1,417,771.39	-
Dalian PetroChina International Storage Co., Ltd.	202,140.00	-	-	-
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	4,374,785.03	-	4,425,232.00	-
Dalian Port Container Terminal Co., Ltd.	2,652,724.40	-	2,275,945.71	-
Dalian Changxing Island Port Co., Ltd.	1,089,878.84	-	512,049.55	-
Dalian United International Shipping Agency Co., Ltd.	956,998.79	-	324,551.58	-
Dalian Vanguard International Logistics Co., Ltd.	821,607.08	-	265,000.00	-
Dalian International Container Terminal Co., Ltd.	745,283.54	-	2,666,393.23	-
Dalian Automobile Terminal Co., Ltd.	457,623.71	-	593,129.26	-
Dalian Shunde Jifa Supply Chain Management Co., Ltd.	300,000.00	-	1,580.00	-
China United International Rail Containers (Dalian) Co., Ltd.	237,000.00	-	155,000.00	-
Liaoning Con-Rail International Logistics Co., Ltd.	225,000.00	-	-	-
Dalian Jilong Logistics Co., Ltd.	136,057.19	-	15,585.00	-
Dalian Changxing Island Port Investment and Development Co., Ltd.	81,500.00	-	44,100.00	-
Dalian Yidu Cold Chain Co., Ltd.	33,646.00	-	34,131.00	-
Dalian Dagang China Shipping Container Terminal Co., Ltd.	30,376.41	-	109,420.64	-
Dalian Singamas International Container Co., Ltd.	1,950.00	-	2,373.50	-
Dalian China Oil Dock Management Co., Ltd.	-	-	4,647,135.66	-
Odfjell Terminals (Dalian) Co., Ltd.	-	-	374,105.82	-
Dalian Assembling Transportation Logistics Co., Ltd.	-	-	8,969.00	-
	13,764,342.38	-	17,872,473.34	-

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9 Related parties and related party transactions *(Continued)*

(6) RECEIVABLES FROM AND PAYABLES TO RELATED PARTIES *(Continued)*

Receivables from related parties: *(Continued)*

Accounts receivable *(Continued)*

Amounts due from other related parties

	31 December 2014		31 December 2013	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Dalian Port Machinery Co., Ltd.	3,092,958.30	-	-	-
Dalian Port Petroleum & Chemical Co., Ltd.	600.00	-	-	-
Dalian Port Wantong Logistics Co., Ltd.	2,379,607.80	-	4,156,337.60	-
Dalian Port Machinery & Electric Co., Ltd.	-	-	87,709.50	-
Dalian Aquatic Products Trading Market Co., Ltd	-	-	16,667.00	-
	5,473,166.10	-	4,260,714.10	-

Other receivables

Amounts due from the parent

	31 December 2014		31 December 2013	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Dalian Port (PDA) Company Limited	2,315,963.47	-	5,849,044.30	-

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For the year ended 31 December 2014
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9 Related parties and related party transactions *(Continued)*

(6) RECEIVABLES FROM AND PAYABLES TO RELATED PARTIES *(Continued)*

Receivables from related parties: *(Continued)*

Other receivables *(Continued)*

Amounts due from joint ventures and associates

	31 December 2014		31 December 2013	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Dalian Puji Storage Facility Co., Ltd.	24,000,000.00	-	-	-
China Shipping Gang Lian Co., Ltd.	13,432,800.00	-	303,000.00	-
Liaoning Con-Rail International Logistics Co., Ltd.	5,710,166.54	-	-	-
Dalian Changxing Island Port Investment and Development Co., Ltd.	3,829,459.75	-	1,708,172.40	-
Dalian Changxing Island Port Co., Ltd.	3,644,724.53	-	1,747,736.95	-
Dalian Port Container Terminal Co., Ltd.	1,665,782.78	-	754,429.26	-
Dalian Automobile Terminal Co., Ltd.	1,652,908.33	-	307,844.09	-
Dalian GangSheng Tendering&Bidding Agency Co., Ltd	608,000.00	-	30,000.00	-
Dalian PetroChina International Storage Co., Ltd.	549,690.55	-	-	-
Dalian International Container Terminal Co., Ltd.	532,793.88	-	604,302.88	-
Dalian China Oil Dock Management Co., Ltd.	227,398.14	-	826,302.13	-
Odfjell Terminals (Dalian) Co., Ltd.	157,930.00	-	221,294.94	-
Dalian Wanjie International Logistics Co., Ltd.	120,439.00	-	527,429.00	-
Dalian Port PetroChina International Terminal Co., Ltd.	40,509.00	-	1,909,300.00	-
Dalian Harbour ECL Logistics Co., Ltd.	35,141.00	-	266,044.00	-
Petro China Dalian LNG Co., Ltd.	26,100.00	-	9,100.00	-
Dalian Dagang China Shipping Container Terminal Co., Ltd.	11,680.73	-	15,956.39	-
Dalian Port Group Finance Co., Ltd.	3,075.00	-	45,822.22	-
Dalian Yidu Cold Chain Co., Ltd.	-	-	33,905.00	-
Dalian Assembling Transportation Logistics Co., Ltd.	-	-	19,412.00	-
Dalian Jilong Logistics Co., Ltd.	-	-	20,000.00	-
Dalian United International Shipping Agency Co., Ltd.	-	-	322,144.00	-
	56,248,599.23	-	9,672,195.26	-

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9 Related parties and related party transactions (Continued)

(6) RECEIVABLES FROM AND PAYABLES TO RELATED PARTIES (Continued)

Receivables from related parties: (Continued)

Other receivables (Continued)

Amounts due from other related parties

	31 December 2014		31 December 2013	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Dalian Port Construction Engineering Co., Ltd.	17,171,602.42	-	1,427,478.02	-
Wafangdian Taiping Bay Co., Ltd.	14,665,934.16	-	-	-
Dalian Taiping Bay Investment and Development Co., Ltd.	710,139.06	-	-	-
Dalian Port Machinery & Electric Co., Ltd.	564,567.50	-	139,252.50	-
Sinopec Harbor Oil Sales (Dalian) Co., Ltd.	96,000.00	-	136,000.00	-
Dalian Port New Harbour Construction Engineering Co., Ltd.	40,577.00	-	40,577.00	-
Dalian Port Petroleum & Chemical Co., Ltd.	18,028.35	-	220,000.00	-
Dalian Wanfeng Property Co., Ltd.	17,293.51	-	214,981.01	-
Dalian Hongyu Building Co., Ltd.	15,387.00	-	20,387.00	-
Dalian Port Land Co., Ltd.	7,108.00	-	-	-
Dalian Taiping Bay Sunshine Real Estate Co., Ltd.	5,426.70	-	-	-
Dalian Port Wantong Logistics Co., Ltd.	673.20	-	12,556.00	-
Dalian Harbour Building Co., Ltd.	-	-	6,120.00	-
Dalian FTZ Yongdexin Real Estate Development Co., Ltd.	-	-	33,125.00	-
	33,312,736.90	-	2,250,476.53	-

Advances to suppliers

Advance to other related parties

	31 December 2014		31 December 2013	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Sinopec Harbor Oil Sales (Dalian) Co., Ltd.	5,506.36	-	1,813,465.71	-
Dalian Port Industrial Co., Ltd.	-	-	14,678.63	-
	5,506.36	-	1,828,144.34	-

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For the year ended 31 December 2014
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9 Related parties and related party transactions *(Continued)*

(6) RECEIVABLES FROM AND PAYABLES TO RELATED PARTIES *(Continued)*

Receivables from related parties: *(Continued)*

Interest receivable

Amounts due from joint ventures and associates

	31 December 2014		31 December 2013	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Dalian Port Group Financial Co., Ltd.	3,873,034.65	-	4,280,397.95	-
China Shipping Gang Lian Co., Ltd.	24,626.80	-	26,865.60	-
Dalian Puji Storage Facility Co., Ltd.	44,000.00	-	41,066.66	-
Liaoning Con-Rail International Logistics Co., Ltd.	10,285.14	-	11,540.96	-
	3,951,946.59	-	4,359,871.17	-

Long-term receivables

Amounts due from joint ventures

	31 December 2014		31 December 2013	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Jadeway Co., Ltd.	12,341,481.20	-	-	-
SINOECL Auto Liners, Co., Ltd.	10,203,317.18	-	-	-
	22,544,798.38	-	-	-

Other current assets

Amounts due from joint ventures and associates

	31 December 2014		31 December 2013	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Dalian Puji Storage Facility Co., Ltd.	-	-	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	-

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9 Related parties and related party transactions (Continued)

(6) RECEIVABLES FROM AND PAYABLES TO RELATED PARTIES (Continued)

Receivables from related parties: (Continued)

Other non-current assets

Amounts due from joint ventures

	31 December 2014		31 December 2013	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Jadeway Co., Ltd.	-	-	13,724,563.02	-
SINOECL Auto Liners, Co., Ltd.	-	-	10,082,393.06	-
	-	-	23,806,956.08	-

Payables to related parties:

Accounts payable

Amounts due to joint ventures and associates

	31 December 2014 Ending balance	31 December 2013 Ending balance
Dalian PetroChina International Storage Co., Ltd.	9,711,200.00	-
Dalian Changxing Island Port Investment and Development Co., Ltd.	6,224,850.00	4,350,000.00
Dalian Singamas International Container Co., Ltd.	84,513.34	113,115.47
Dalian Port Container Terminal Co., Ltd.	25,109.00	21,160.00
Dalian International Container Terminal Co., Ltd.	13,871.00	52,661.00
Dalian Jilong Logistics Co., Ltd.	1,276.78	2,916.00
	16,060,820.12	4,539,852.47

Amounts due to other related parties

	31 December 2014 Ending balance	31 December 2013 Ending balance
Dalian Port Construction Engineering Co., Ltd.	669,784.12	419,832.99
Dalian Taiping Bay Construction Engineering Co., Ltd.	217,060.00	-
Dalian Port Machinery Co., Ltd.	2,500.00	224,870.00
Sinopec Harbor Oil Sales (Dalian) Co., Ltd.	21,842.98	203,732.49
	911,187.10	848,435.48

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9 Related parties and related party transactions *(Continued)*

(6) RECEIVABLES FROM AND PAYABLES TO RELATED PARTIES *(Continued)*

Payables to related parties: *(Continued)*

Other payables

Amounts due to the parent

	31 December 2014 Ending balance	31 December 2013 Ending balance
Dalian Port (PDA) Company Limited	1,848,589.11	1,149,047.55

Amounts due from joint ventures and associates

	31 December 2014 Ending balance	31 December 2013 Ending balance
Dalian United International Shipping Agency Co., Ltd.	300,800.00	2,264,633.00
Dalian Yidu Cold Chain Co., Ltd.	50,000.00	20,900.00
Dalian Port Container Terminal Co., Ltd.	30,000.00	21,660.00
Dalian International Container Terminal Co., Ltd.	30,000.00	20,000.00
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	21,673.80	887,741.00
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
China Tally (Dalian) Co., Ltd.	12,000.00	12,000.00
Odfjell Terminals (Dalian) Ltd.	-	207,814.00
Odfjell Dalian Port Consulting Co., Ltd.	-	120,000.00
Dalian Assembling Transportation Logistics Co., Ltd.	-	50,000.00
Dalian Automobile Terminal Co., Ltd.	-	49,521.00
Dalian Jilong Logistics Co., Ltd.	-	39,961.46
	485,173.80	3,755,661.88

Notes to the Financial Statements

For the year ended 31 December 2014
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9 Related parties and related party transactions *(Continued)*

(6) RECEIVABLES FROM AND PAYABLES TO RELATED PARTIES *(Continued)*

Payables to related parties: *(Continued)*

Other payables *(Continued)*

Amounts due to other related parties

	31 December 2014 Ending balance	31 December 2013 Ending balance
Dalian Port Engineering Co., Ltd.	152,926,726.06	264,727,322.01
Dalian Port Machinery and Electric Co., Ltd.	49,390,508.57	65,344,647.78
Dalian Port Xingang Construction & Engineering Co., Ltd.	4,087,465.92	5,776,830.53
Dalian Port Boiler Installation Co., Ltd.	3,889,968.24	7,403,429.03
Dalian Port Industrial Co., Ltd.	458,475.60	14,183.40
Dalian Port Landscape Engineering Co., Ltd.	430,828.00	163,100.00
Dalian ETDZ Harbour Freight Co., Ltd.	314,499.30	313,385.76
Dalian Port Machinery Co., Ltd.	194,354.63	3,780,727.63
Dalian Port Wantong Logistics Co., Ltd.	61,900.00	249,071.07
Dalian Port Design&Research Institute Co., Ltd.	20,000.00	684,980.00
Dalian Creative Industry Project Development Co., Ltd.	18,100.00	–
Dalian Port Wanpeng Infrastructure Engineering Co., Ltd.	–	2,395,702.43
Dalian Harbour Building Co., Ltd.	–	74,606.00
Dalian FTZ Yongdexin Real Estate Development Co., Ltd.	–	50,435.70
Dalian Hongyu Building Co., Ltd.	–	25,217.85
	211,792,826.32	351,003,639.19

Advances from customers

Amounts due to the parent

	31 December 2014 Ending balance	31 December 2013 Ending balance
Dalian Port (PDA) Company Limited	–	183,513.10

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For the year ended 31 December 2014
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9 Related parties and related party transactions *(Continued)*

(6) RECEIVABLES FROM AND PAYABLES TO RELATED PARTIES *(Continued)*

Payables to related parties: *(Continued)*

Advances from customers *(Continued)*

Amounts due to joint ventures and associates

	31 December 2014 Ending balance	31 December 2013 Ending balance
Dalian Port Container Terminal Co., Ltd.	5,982,594.55	8,044,275.07
Dalian North Oil Petroleum Logistics Co., Ltd.	300,000.00	–
Dalian Jilong Logistics Co., Ltd.	154,709.20	154,709.20
Dalian Singamas International Container Co., Ltd.	51,991.06	53,032.33
China Oil Dock Management (Dalian) Co., Ltd.	17,755.75	17,755.75
Dalian Wanpeng Port Engineering Testing Co., Ltd.	14,163.55	5,341.15
Dalian Puji Storage Facility Co., Ltd.	2,759.72	2,759.72
PetroChina Dalian LNG Co., Ltd.	940.00	1,100.00
China Tally (Dalian) Co., Ltd.	666.67	–
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	350.00	490.00
Dalian Port Tongli Shipping Agency Co., Ltd.	150.00	–
Dalian Jihai Logistics Co., Ltd.	–	736,000.00
Dalian Automobile Terminal Co., Ltd.	–	110,150.00
Dalian Yidu Cold Chain Co., Ltd.	–	75,129.03
	6,526,080.50	9,200,742.25

Amounts due to other related parties

	31 December 2014 Ending balance	31 December 2013 Ending balance
Dalian Port Industrial Co., Ltd.	233,787.99	162,580.03
Dalian Port Landscape Engineering Co., Ltd.	16,091.15	16,091.15
Sinopec Harbor Oil Sales (Dalian) Co., Ltd.	2,219.47	2,219.47
Dalian Port Petroleum & Chemical Co., Ltd.	1,240.00	33,675.66
Dalian Port Wantong Logistics Co., Ltd.	685.50	1,420.50
Dalian Wantong Ronghai Shipping Co., Ltd.	–	125,000.00
Dalian Port Engineering Co., Ltd.	–	107,100.11
Dalian Port Wanpeng Infrastructure Engineering Co., Ltd.	–	15,345.22
	254,024.11	463,432.14

Notes to the Financial Statements

For the year ended 31 December 2014
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9 Related parties and related party transactions *(Continued)*

(6) RECEIVABLES FROM AND PAYABLES TO RELATED PARTIES *(Continued)*

Payables to related parties: *(Continued)*

Interest payable

Amount due to joint ventures and associates

	31 December 2014 Ending balance	31 December 2013 Ending balance
Dalian Port Group Financial Co., Ltd.	885,900.01	171,111.11
Dalian Assembling Transportation Logistics Co., Ltd.	–	25,666.63
Dalian Harbour ECL Logistics Co., Ltd.	20,167.00	20,167.00
	906,067.01	216,944.74

Amount due to other related parties

	31 December 2014 Ending balance	31 December 2013 Ending balance
Dalian Equipment Finance Leasing Co., Ltd.	9,935,897.40	–

Notes payable

Amount due to other related parties

	31 December 2014 Ending balance	31 December 2013 Ending balance
Dalian Port Construction Engineering Co., Ltd.	3,000,000.00	19,750,000.00

Short-term borrowings

Amount due to joint ventures

	31 December 2014 Ending balance	31 December 2013 Ending balance
Dalian Port Group Financial Co., Ltd.	546,110,000.00	100,000,000.00
Dalian Harbour ECL Logistics Co., Ltd.	10,000,000.00	10,000,000.00
	556,110,000.00	110,000,000.00

Notes to the Financial Statements

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9 Related parties and related party transactions *(Continued)*

(6) RECEIVABLES FROM AND PAYABLES TO RELATED PARTIES *(Continued)*

Payables to related parties: *(Continued)*

Long-term borrowings

Amount due to joint ventures and associates

	31 December 2014 Ending balance	31 December 2013 Ending balance
Dalian Assembling Transportation Logistics Co., Ltd.	-	21,000,000.00

Amount due to other related parties

	31 December 2014 Ending balance	31 December 2013 Ending balance
Dalian Equipment Finance Leasing Co., Ltd.	2,000,000,000.00	-

Current portion of long-term borrowings

Amount due to other related parties

	31 December 2014 Ending balance	31 December 2013 Ending balance
Dalian Port Group Finance Co., Ltd.	-	20,000,000.00
Dalian Equipment Finance Leasing Co., Ltd.	11,913,648.39	-
	11,913,648.39	20,000,000.00

(7) COMMITMENTS IN RELATION TO RELATED PARTIES

The commitments in relation to related parties contracted for but not yet necessary to be recognized on the balance sheet by the Group as at the balance sheet date are as follows:

Leases

Leased in	31 December 2014	31 December 2013
Dalian Port Corporation Limited	69,804,977.99	127,793,841.39
Dalian FTZ Yongdixin Real Estate Development Co., Ltd.	492,299.23	492,299.23
Dalian Hongyu Building Co., Ltd.	245,249.60	245,249.60
Dalian Port Industrial Co., Ltd.	234,490.00	162,500.00
Dalian Port Machinery Co., Ltd.	71,403.00	-
	70,848,419.82	128,693,890.22

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9 Related parties and related party transactions *(Continued)*

(7) COMMITMENTS IN RELATION TO RELATED PARTIES *(Continued)*

Leases *(Continued)*

Leased out	31 December 2014	31 December 2013
Dalian Port Industrial Co., Ltd.	1,782,735.24	407,316.00
Dalian Port Container Terminal Co., Ltd.	411,950,000.00	494,340,000.00
Dalian Port Wantong Logistics Co., Ltd.	102,645.90	6,324.75
Dalian Jilong Logistics Co., Ltd.	20,148,555.00	3,013,162.08
Dalian Yidu Cold Chain Co., Ltd.	1,052,455.80	–
Dalian China Oil Dock Management Co., Ltd.	47,150,000.00	–
Liaoning Con-Rail International Logistics Co., Ltd	1,597,394.20	–
	483,783,786.14	497,766,802.83

Transfer of assets

Transferred in	31 December 2014	31 December 2013
Dalian Port Construction Engineering Co., Ltd.	–	69,419,253.29
Dalian Port Machinery & Electric Co., Ltd.	–	17,930,076.33
Dalian Port Machinery Co., Ltd.	–	1,993,525.00
Dalian Port Corporation Limited	–	5,781,280.00
Dalian Port New Harbour Construction Engineering Co., Ltd.	–	1,134,749.48
	–	96,258,884.10

Guarantee

For the detail of guarantee provided as at 31 December 2014, please refer to Note9 (5)(c).

Notes to the Financial Statements

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10 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.

11 Commitments

(1) CAPITAL COMMITMENTS

- (a) Capital expenditures contracted for but not yet necessary to be recognized on the balance sheet are as follows:

	31 December 2014	31 December 2013
Buildings, machinery and equipment	130,400,309.22	346,972,104.68
Intangible assets	280,000.00	-
	130,680,309.22	346,972,104.68

- (b) Capital expenditures approved by the management but are not yet signed are as follows:

	31 December 2014	31 December 2013
Buildings, machinery and equipment	560,155,741.95	1,828,385,954.34

- (c) The Group's share of the joint ventures' own commitments for capital expenditure are as follows:

	31 December 2014	31 December 2013
Buildings, machinery and equipment	56,447,893.53	940,524,086.56
Intangible assets	-	217,025.56
	56,447,893.53	940,741,112.12

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11 Commitments (Continued)

(2) OPERATING LEASE COMMITMENTS

The future minimum lease payments due under the signed irrevocable operating leases contracts are summarised as follows:

	31 December 2014	31 December 2013
Within 1 year	6,393,371.93	36,170,821.81
1 to 2 years	4,556,501.12	33,582,027.57
2 to 3 years	3,752,347.35	3,520,000.00
Over 3 years	57,085,944.43	56,320,000.00
	71,788,164.83	129,592,849.38

(3) INVESTMENT COMMITMENTS

Pursuant to the agreement signed with Dalian Xizhong Island Petrochemical Industrial Park Development Co., Ltd. and Odfjell (China) Storage Tank Terminal Co., Ltd. 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 31 December 2014, the Company had not completed the above investment (RMB7.95 million has been invested).

Pursuant to the agreement signed between the Group's subsidiaries, Dalian FTZ 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 FTZ Jin Xin Petro-chemistry Company Limited was committed to invest RMB12.5 million for 25% equity interests of Northeast Asia Petrochemical Trading Center Co., Ltd., and Asia Pacific Ports (Dalian) Co., Ltd. was committed to invest RMB10 million for 20% equity interests of Northeast Asia Petrochemical Trading Center Co., Ltd.. As Northeast Asia Petrochemical Trading Center Co., Ltd. takes subscribed registration system, it suffices to pay the amount within operation period of 30 years. The registered capital had not been paid yet, and it would be paid according to the company needs and business development in the future.

The Group's subsidiary, Dalian Port Container Development Co., Ltd., was committed to inject additional capital of RMB50 million to its invested enterprise, Dalian Yidu Cold Chain Co., Ltd.. As at 31 December 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.

Pursuant to the agreement signed with Dalian Xizhong Island Petrochemical Industrial Park Co., Ltd and Odfjell(China) Terminals Co., Ltd.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 31 December 2014, the Company has invested a total of RMB7.95 million, of which RMB5.70 million were paid in 2014. RMB7.05 million has not been invested.

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.

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11 Commitments *(Continued)*

(4) FULFILMENT OF COMMITMENTS FOR THE PREVIOUS PERIOD *(Continued)*

Dalian Port (PDA) Company Limited and Dalian FTZ China Resources Gas Co., Ltd. signed joint venture contract in February 2013 and were committed to establish Dalian Gangrun Gas Co., Ltd. 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 31 December 2014.

12 Events after the balance sheet date

(1) DESCRIPTION OF SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(a)

Item	Content	Amounts affected to financial position and operation result	Reasons cannot be estimated
Repayment of payables (Note 4(25)(31))	Repayment of large amount of payables with aging over 1 year	Assets and liabilities both decreased by RMB32,702,082.28 Yuan	—

(b) The group issued 3-year offshore yuan-denominated bonds with the principal amount of RMB800,000,000 in Hong Kong on 17 February 2015. The nominal interest rate is 4.5% and the interest will be paid every six months. The bonds are guaranteed by the letters of credit provided by Agricultural Bank of China Limited Dalian Branch and traded in Hong Kong Exchanges and Clearing Limited.

(2) DESCRIPTION OF PROFIT DISTRIBUTION AFTER THE BALANCE SHEET DATE

	Amount
Proposed dividends (a)	177,040,000.00 Yuan
Reviewed and approved dividends declared to be issued	To be approved by general meeting of shareholders

(a) In accordance with the resolution at the Board of Directors' meeting dated on 27 March 2015, the profit distribution scheme has been calculated based on the issued 4,426,000,000 shares. The Board of Directors proposed to distribute cash dividend of 0.4 yuan (tax included) per each 10 shares, and dividends with total amount of RMB177,040,000 will be distributed to the shareholders. The resolution is going to be approved by general meeting of shareholders.

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13 Leases

For the year ended 31 December 2014, operating lease recognized in profit or loss for the current year amounts to RMB379,981,921.15 Yuan(2013: 283,065,404.65 Yuan).

The future lease payments of fixed assets and intangible assets held under finance leases by the Group (Note 4(15)(a)) are as follows:

	31 December 2014	31 December 2013
Within 1 year	15,449,222.58	4,007,076.92
1 to 2 years	15,288,159.80	4,007,076.92
2 to 3 years	11,404,332.05	4,007,076.92
Over 3 years	39,977,083.07	6,345,393.16
	82,118,797.50	18,366,623.92

As at 31 December 2013, the balance of unrecognized financing charge is RMB10,318,425.59 Yuan (31 December 2013: RMB2,694,418.84 Yuan).

14 Business combinations

Refer to Note 5(1),(2).

15 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 year 2014 and 2013, the Group did not enter into any forward exchange contracts or currency swap contracts.

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15 Financial instruments and risk (Continued)

(1) MARKET RISK (Continued)

(a) Foreign exchange risk (Continued)

As at 31 December 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:

	31 December 2014			
	USD	HKD	Others	Total
Financial assets denominated in foreign currency –				
Cash at bank and on hand	70,875,706.60	2,163,829.70	527,713.37	73,567,249.67
Receivables	87,286,717.75	11,896.61	13,785.27	87,312,399.63
Available-for-sale financial assets	–	13,915,469.58	–	13,915,469.58
Others	–	10,203,317.18	12,341,481.20	22,544,798.38
	158,162,424.35	26,294,513.07	12,882,979.84	197,339,917.26
Financial liabilities denominated in foreign currency –				
Short-term borrowings	312,901,697.20	–	37,047,937.77	349,949,634.97
Payables	175,862,509.01	–	–	175,862,509.01
	488,764,206.21	–	37,047,937.77	525,812,143.98
	31 December 2013			
	USD	HKD	Others	Total
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
	247,140,651.47	33,882,000.76	14,870,974.63	295,893,626.86
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
	529,816,368.93	221,195.63	–	530,037,564.56

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15 Financial instruments and risk *(Continued)*

(1) MARKET RISK *(Continued)*

(a) Foreign exchange risk *(Continued)*

As at 31 December 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 RMB24,795,133.64 Yuan (31 December 2013: approximately RMB21,200,678.81 Yuan higher/lower) higher/lower for various financial assets and liabilities denominated in USD.

As at 31 December 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 RMB1,972,088.48 Yuan (31 December 2013: approximately RMB2,524,560.38 Yuan lower/higher) lower/higher for various financial assets and liabilities denominated in HKD.

(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 31 December 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 year ended 31 December 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 the Financial Statements

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15 Financial instruments 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:

	31 December 2014				Total
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term borrowings	939,662,726.71	-	-	-	939,662,726.71
Payables	1,057,373,713.97	-	-	-	1,057,373,713.97
Interest payables	132,295,618.54	-	-	-	132,295,618.54
Current portion of non-current liabilities	1,618,407,288.15	-	-	-	1,618,407,288.14
Long-term borrowings	172,929,156.56	694,994,469.06	2,472,385,808.58	-	3,340,309,434.20
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	-	15,288,159.80	51,381,415.11	-	66,669,574.91
	4,205,543,503.93	995,157,628.86	5,868,067,223.69	2,599,100,000.00	13,667,868,356.47

	31 December 2013				Total
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term borrowings	399,160,127.23	-	-	-	399,160,127.23
Payables	1,091,386,322.19	-	-	-	1,091,386,322.19
Interest payables	188,015,798.98	-	-	-	188,015,798.98
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
	5,200,376,044.04	1,002,691,206.79	4,372,398,340.21	2,723,650,429.83	13,299,116,020.87

Maturities date of bank and other borrowings are analyses as follow:

	31 December 2014		31 December 2013	
	Bank borrowings	Other borrowings	Bank borrowings	Other borrowings
Borrowings with the last maturity in 5 years	1,368,484,023.77	2,000,000,000.00	1,662,401,245.21	41,000,000.00

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16 Fair value estimates

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).

(1) FINANCIAL ASSETS MEASURED AT FAIR VALUE

As at 31 December 2014, 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 at fair value through profit or loss –				
Investments in equity instrument held for trading	15,445,634.60	–	–	15,445,634.60
Available-for-sale financial assets–				
Available-for-sale equity instruments	13,915,469.58	–	–	13,915,469.58
Entrusted investment	–	–	665,820,000.00	665,820,000.00
Total financial assets	29,361,104.18	–	665,820,000.00	695,181,104.18
Total assets	29,361,104.18	–	665,820,000.00	695,181,104.18

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16 Fair value estimates (Continued)

(1) FINANCIAL ASSETS MEASURED AT FAIR VALUE (Continued)

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 at fair value through profit or loss –				
Investments in equity instrument held for trading	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
Total financial assets	33,627,690.10	–	1,000,000,000.00	1,033,627,690.10
Total assets	33,627,690.10	–	1,000,000,000.00	1,033,627,690.10

The Group takes the date on which events causing the transfers between the levels take place as the timing specific for recognising the transfers. There is no transfer between Level 1 and Level 2 for the current year.

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. The mainly used valuation model are Discounted Cashflow Model and Comparable Companies Analysis. The input of valuation techniques includes the risk free interest rate, benchmark interest rate, exchanges rate, credit spreads, liquidity premium, EBITDA multiplier, the lack of liquidity discount etc..

Notes to the Financial Statements

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16 Fair value estimates (Continued)

(1) FINANCIAL ASSETS MEASURED AT FAIR VALUE (Continued)

The changes in level 3 financial assets are analysed below:

	Available-for-sale financial assets – Entrusted investment
1 January 2014	1,000,000,000.00
Purchases	665,820,000.00
Sales	(1,000,000,000.00)
<hr/>	
31 December 2014	665,820,000.00

	Available-for-sale financial assets – Entrusted investment
1 January 2013	–
Purchases	2,000,000,000.00
Sales	(1,000,000,000.00)
<hr/>	
31 December 2013	1,000,000,000.00

The total gains recognized in profit or loss for the year 2014 that are attributable to level 3 financial assets held by the Company as 31 December 2014 amounted to RMB7,030,112.50. The total gains recognized in profit or loss for the year 2013 that are attributable to level 3 financial assets held as at 31 December 2013 amounted to RMB10,666,666.68.

(2) ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE BUT DISCLOSED

Financial assets and liabilities measured at amortised cost 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.

	31 December 2014		31 December 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets – Shareholder loans	22,544,798.38	12,409,850.98	23,806,956.08	11,843,298.97

The fair value of held-to-maturity investments and bonds payable quoted in an active market is determined at the quoted market price, and categorised within Level 1 of the fair value hierarchy. The fair value of long-term borrowings, long-term payables and bonds payable not quoted in an active market is the present value of the contractually determined stream of future cash flows discounted at the rate of interest applied at that time by the market to instruments of comparable credit status and providing substantially the same cash flows on the same terms, and categorised within Level 3 of the fair value hierarchy.

Notes to the Financial Statements

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17 Capital management

The Company's capital management policies aim to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company's total capital is calculated as 'owner's equity' as shown in the consolidated balance sheet. The Company is not subject to external mandatory capital requirements, and monitors capital on the basis of net debt to equity ratio. Net debt to equity ratio is the ratio of net debt and equity. The Company's policy is to keep the ratio between 40% and 60%.

As at 31 December 2014 and 31 December 2013, the Company's net debt to equity ratio is as follows:

	31 December 2014	31 December 2013
Net debt to equity ratio	48%	45%

18 Notes to the Company's financial statements

(1) ACCOUNTS RECEIVABLE

	31 December 2014	31 December 2013
Accounts receivable	611,383,231.01	329,195,811.09
Less: provision for bad debts	(1,491,504.33)	(130,752.00)
	609,891,726.68	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.

Notes to the Financial Statements

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18 Notes to the Company's financial statements (Continued)

(1) ACCOUNTS RECEIVABLE (Continued)

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

	31 December 2014	31 December 2013
Within 1 year	548,554,699.87	281,514,945.12
1 to 2 years	19,904,757.17	43,023,436.33
2 to 3 years	38,443,176.33	3,643,943.64
Over 3 years	4,480,597.64	1,013,486.00
	611,383,231.01	329,195,811.09

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

	31 December 2014				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	5,553,656.87	0.91%	1,491,504.33	26.86%	-	-	-	-
With amounts for that the related provision for bad debts is provided on the grouping basis	605,829,574.14	99.09%	-	-	329,065,059.09	99.96%	-	-
Whereby Group 1	-	-	-	-	-	-	-	-
Group 2	605,829,574.14	99.09%	-	-	329,065,059.09	99.96%	-	-
With amounts that are not individually significant but that the related provision for bad debts is provided on the individual basis	-	-	-	-	130,752.00	0.04%	130,752.00	100.00%
	611,383,231.01	100.00%	1,491,504.33	0.24%	329,195,811.09	100.00%	130,752.00	0.04%

Notes to the Financial Statements

For the year ended 31 December 2014
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18 Notes to the Company's financial statements (Continued)

(1) ACCOUNTS RECEIVABLE (Continued)

- (c) As at 31 December 2014, accounts receivable with amounts that are individually significant but that the related provision for bad debts is provided on the individual basis are analyzed as follows:

	Ending balance	Provision for bad debts	Percentage	Reason
Ansteel Co., Ltd.	5,553,656.87	1,491,504.33	26.86%	(i)

- (i) As at 31 December 2014, the carry amount of receivables of Ansteel Co., Ltd. is RMB5,553,656.87, which contained port construction fees paid in advance of RMB1,491,504.33. Due to the change of withholding entity to collect the port construction fees, it results in disagreement on the original terms of the business contract. Thus, the Group considers it is not able to collect the receivables and makes a provision for bad debts in full amount.

- (d) Provisions for bad debts made in the current year are of RMB1,491,504.33.

- (e) Accounts receivable written off in the current year are of RMB130,752.00, among which significant accounts receivable are analyzed below:

	Nature	Write-off amount	Write-off reason	Procedure for write-off	Arising from related party transactions or not
Guangdong Tailwind Shipping Co., Ltd.	Freight agency	130,752.00	Legal person disappears and the company dissolves	Resolution of the Board	No

- (f) As at 31 December 2014, the top five balances of accounts receivable categorized by debtors are summarised for analyzed below:

	Amount	Provision for bad debts	% of total balance
Total amounts of top five accounts receivable	415,157,646.05	–	68.07%

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18 Notes to the Company's financial statements (Continued)

(2) OTHER RECEIVABLES

	31 December 2014	31 December 2013
Government subsidies receivable	153,504,395.00	128,910,275.00
Entrusted loans	495,432,800.00	–
Port construction expenses	24,975,226.19	–
Others	31,603,077.78	65,028,215.55
	705,515,498.97	193,938,490.55
Less: Provision for bad debts	(41,734,302.42)	(16,098.47)
	663,781,196.55	193,922,392.08

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

	31 December 2014	31 December 2013
Within 1 year	648,844,877.36	188,668,292.15
1 to 2 years	53,408,783.25	1,142,729.08
2 to 3 years	740,209.97	2,268,780.02
Over 3 years	2,521,628.39	1,858,689.30
	705,515,498.97	193,938,490.55

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

	31 December 2014				31 December 2013			
	Ending balance Amount	% of total balance	Provision for bad debts Amount	Percentage %	Ending balance Amount	% of total balance	Provision for bad debts Amount	Percentage %
With amounts that are individually significant and that the related provision for bad debts is provided on the individual basis	49,000,000.00	6.95%	41,718,203.95	85.14%	–	–	–	–
With amounts for that the related provision for bad debts is provided on the grouping basis	656,499,400.50	93.05%	–	–	193,922,392.08	99.99%	–	–
Whereby Group 1	–	–	–	–	–	–	–	–
Group 2	656,499,400.50	93.05%	–	–	193,922,392.08	99.99%	–	–
With amounts that are not individually significant but that the related provision for bad debts is provided on the individual basis	16,098.47	0.00%	16,098.47	100.00%	16,098.47	0.01%	16,098.47	100.00%
	705,515,498.97	100.00%	41,734,302.42	5.92%	193,938,490.55	100.00%	16,098.47	0.01%

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18 Notes to the Company's financial statements (Continued)

(2) OTHER RECEIVABLES (Continued)

- (c) As at 31 December 2014, other receivables with amounts that are 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
Dalian Port Zhuanghe Wharf Co., Ltd.	49,000,000.00	41,718,203.95	85.14%	(i)

- (i) As at 31 December 2014, the entrusted loans receivable from Dalian Port Group Zhuanghe Wharf Co., Ltd. were RMB49,000,000.00. In accordance with the Provisional Notice No. 2014-55, the Board of the Directors approved the debt restructuring of the wholly-owned subsidiary Dalian Port Zhuanghe Wharf Co., Ltd. The Company assessed that it is not able to collect the receivables and made a provision for bad debts in full amount.

- (d) Provisions for bad debts made in the current year are of RMB41,718,203.95.

- (e) As at 31 December 2014, the five largest other receivables are analyzed as follows:

	Nature	Amount	Ageing	% of total balance	Provision for bad debts
Asia Pacific Ports Co., Ltd.	Entrusted loan	408,000,000.00	Within 1 year	57.83%	-
Dalian Municipal Bureau of Finance	Volume subsidies	153,504,395.00	Within 1 year	21.76%	-
Dalian Port Zhuanghe Wharf Co., Ltd	Entrusted loan etc.	49,155,498.39	1-2 years	6.97%	41,718,203.95
Dalian Steel Logistics Park Co., Ltd.	Entrusted loan etc.	26,786,877.20	Within 1 year	3.80%	-
Dalian Bureau of Maritime	Harbor construction fee	24,976,226.19	Within 1 year	3.54%	-
		<u>662,421,996.78</u>		<u>93.90%</u>	<u>41,718,203.95</u>

- (f) As at 31 December 2014, the Company's government grants recognized at amounts receivable are analyzed as follows:

	Government grants	Balance	Ageing	Estimated time, amount and basis of collection
Dalian Port (PDA) Company Limited	Subsidy for container development	131,827,400.00	Within 1 year	Announcement of the implementation regulation of subsidy funds for promoting the quick development of Dalian port container
Dalian Port (PDA) Company Limited	Single premium of highway tolls	21,676,995.00	Within 1 year	Single premium agreement regarding container transportation vehicles' highway tolls in Dalian Port
		<u>153,504,395.00</u>		

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18 Notes to the Company's financial statements (Continued)

(3) LONG-TERM EQUITY INVESTMENTS

	31 December 2014	31 December 2013
Subsidiaries – unlisted company (a)	4,070,558,595.75	4,017,008,595.75
Joint ventures – unlisted company (b)	1,188,179,412.82	1,174,327,611.52
Associates – unlisted company (c)	1,357,825,013.24	1,334,017,566.50
	6,616,563,021.81	6,525,353,773.77
Less: provision for impairment of long-term equity investments	–	–
	6,616,563,021.81	6,525,353,773.77

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

(a) Subsidiaries

	Current period movement					31 December 2014	Provision for impairment	Cash dividends declared in current period
	31 December 2013	Increase in investment	Decrease in investment	Provision for impairment	Others			
Dalian Port Container Development Co., Ltd.(iv)	3,009,297,222.38	–	–	–	–	3,009,297,222.38	–	137,371,941.29
Asia Pacific Ports Co., Ltd. (iii)	76,155,000.00	–	–	–	–	76,155,000.00	–	–
Dalian FTZ Jin Xin Petro-chemistry Co., Ltd.	6,629,301.65	–	–	–	–	6,629,301.65	–	–
Dalian Jifa Ship Management Co., Ltd.	236,984,354.73	–	–	–	–	236,984,354.73	–	–
Dalian Gangyue Car-carrying Vessel Management Co., Ltd.	99,960,000.00	–	–	–	–	99,960,000.00	–	–
Dalian Ocean Shipping Tally Co., Ltd.	14,259,172.03	–	–	–	–	14,259,172.03	–	10,219,006.90
Dalian Port Soft Technology Co., Ltd.	11,126,271.39	–	–	–	–	11,126,271.39	–	4,851,000.00
Dalian Port Construction Supervision & Consultation Co., Ltd.	18,278,125.97	–	–	–	–	18,278,125.97	–	12,000,000.00
Dalian Port Telecommunications Engineering Co., Ltd.	6,137,212.61	–	–	–	–	6,137,212.61	–	2,015,460.00
Dalian Golden Bay Grain Logistics Co., Ltd.	53,156,426.75	–	–	–	–	53,156,426.75	–	–
Dalian Port Power Supply Co., Ltd.	25,895,508.24	–	–	–	–	25,895,508.24	–	3,518,207.93
Dalian Lvshun Port Co., Ltd.	217,580,000.00	–	–	–	–	217,580,000.00	–	–
Dalian Port Zhuanghe Wharf Co., Ltd.(i)	–	–	–	–	–	–	–	–
Dalian Kingport United Automobile International Trading Co., Ltd.	6,000,000.00	–	–	–	–	6,000,000.00	–	3,906,371.23
Dalian Grain and Oil Trading Co., Ltd.	25,000,000.00	–	–	–	–	25,000,000.00	–	–
Dalian Steel Logistics Park Co., Ltd.(ii)	8,000,000.00	–	–	–	–	8,000,000.00	–	25,969.76
Dalian Gangrun Gas Co., Ltd.	2,550,000.00	2,550,000.00	–	–	–	5,100,000.00	–	–
Dalian Hajjia Automobile Terminal Co., Ltd.	200,000,000.00	–	–	–	–	200,000,000.00	–	–
Dalian Dilangsirui Caravan Co., Ltd.	–	51,000,000.00	–	–	–	51,000,000.00	–	–
	4,017,008,595.75	53,550,000.00	–	–	–	4,070,558,595.75	–	173,907,957.11

Notes to the Financial Statements

For the year ended 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
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18 Notes to the Company's financial statements (Continued)

(3) LONG-TERM EQUITY INVESTMENTS (Continued)

(a) Subsidiaries (Continued)

The balance of the loan between the parent and subsidiaries above as follow:

- (i) As at 31 December 2014, the Company provided unsecured loan of RMB27,000,000.00 (At 31 December 2013: 27,000,000.00) to Dalian Port Zhuanghe Wharf Co., Ltd., at the interest rate of 6% annually. The interest was paid monthly and the repayment of the principal was on 19 February 2015.

As at 31 December 2014, the Company provided unsecured loan of RMB2,000,000.00 (At 31 December 2013: 0.00) to Dalian Port Zhuanghe Wharf Co., Ltd., at the interest rate of 5.6% annually. The interest was paid monthly and the repayment of the principal was on 31 December 2014.

As at 31 December 2014, the Company provided unsecured loan of RMB5,000,000.00 (At 31 December 2013: 5,000,000.00) to Dalian Port Zhuanghe Wharf Co., Ltd., at the interest rate of 5.6% annually. The interest was paid monthly and the repayment of the principal was on 24 May 2015.

As at 31 December 2014, the Company provided unsecured loan of RMB5,000,000.00 (At 31 December 2013: 0.00) to Dalian Port Zhuanghe Wharf Co., Ltd., at the interest rate of 6% annually. The interest was paid monthly and the repayment of the principal was on 6 March 2015.

As at 31 December 2014, the Company provided unsecured loan of RMB5,000,000.00 (At 31 December 2013: 0.00) to Dalian Port Zhuanghe Wharf Co., Ltd., at the interest rate of 5.6% annually. The interest was paid monthly and the repayment of the principal was on 27 May 2015.

As at 31 December 2014, the Company provided unsecured loan of RMB5,000,000.00 (At 31 December 2013: 5,000,000.00) to Dalian Port Zhuanghe Wharf Co., Ltd., at the interest rate of 6% annually. The interest was paid monthly and the repayment of the principal was on 12 June 2015.

In accordance with the Provisional Notice No. 2014-55, the Board of the Directors approved the debt restructuring of the wholly-owned subsidiary Dalian Port Zhuanghe Wharf Co., Ltd., but the specific restructuring plan has not been determined.

- (ii) As at 31 December 2014, the Company provided unsecured loan of RMB10,000,000.00 (At 31 December 2013: 5,000,000.00) to Dalian Steel Logistics Park Co., Ltd. at the interest rate of 6% annually. The interest was paid monthly and the repayment of the principal was on 8 April 2015.

As at 31 December 2014, the Company provided unsecured loan of RMB15,000,000.00 (At 31 December 2013: 10,000,000.00) to Dalian Steel Logistics Park Co., Ltd. at the interest rate of 6% annually. The interest was paid monthly and the repayment of the principal was on 23 April 2015.

- (iii) As at 31 December 2014, the Company provided unsecured loan of RMB408,000,000.00 (At 31 December 2013: 0.00) to Asia Pacific Ports Co., Ltd., at the interest rate of 6% annually. The interest was paid monthly and the repayment of the principal was on 23 October 2015.

- (iv) As at 31 December 2014, the Company provided unsecured loan of RMB600,000,000.00 (At 31 December 2013: 600,000,000.00) to Dalian Port Container Development Co., Ltd, at the interest rate of 6% annually. The interest was paid monthly and the repayment of the principal was on 13 May 2017.

Notes to the Financial Statements

For the year ended 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
(English translation for reference only)

18 Notes to the Company's financial statements (Continued)

(3) LONG-TERM EQUITY INVESTMENTS (Continued)

(b) Joint ventures

	31 December 2013	Increase in investment	Decrease in investment	Share of net profit using the equity method	Current year movement			Provision for impairment	Others	31 December 2014	Provision for impairment
					Adjustment on other comprehensive income	Other changes in equity	Cash dividends declared in current year				
Dalian Port Tongli Shipping Agency Co., Ltd.	1,161,556.20	-	-	273,895.89	-	-	-	-	-	1,435,452.09	-
Dalian Harbour ECL Logistics Co., Ltd.	30,713,563.03	-	-	569,946.33	-	(1,063.61)	(385,498.02)	-	-	30,896,947.73	-
Odfjell Terminals (Dalian) Co., Ltd.	139,961,762.64	-	-	11,219,578.02	-	-	-	-	-	151,181,340.66	-
Dalian Port PetroChina International Terminal Co., Ltd.	151,028,286.26	-	-	20,206,277.19	-	-	(9,761,210.00)	-	-	161,473,353.45	-
China United Tally Co., Ltd. Dalian	4,169,629.70	-	-	1,965,375.10	-	-	(1,444,641.74)	-	-	4,690,363.06	-
Dalian China Oil Dock Management Co., Ltd.	12,247,638.72	-	-	(1,429,810.27)	-	-	-	-	-	10,817,828.45	-
Dalian Automobile Terminal Co., Ltd.	167,042,420.04	-	-	10,463,666.82	-	(28,057.41)	(4,000,000.00)	-	-	173,478,029.45	-
Dalian Changxing Island Port Co., Ltd.	198,960,486.10	-	-	(19,522,063.07)	-	208,175.83	-	-	-	179,646,598.86	-
Dalian Port Bulk Cargo Logistics Centre Co., Ltd.	2,027,548.76	-	-	93,194.81	-	-	-	-	-	2,120,743.57	-
Odfjell Dalian Port Consulting Co., Ltd.	1,895,468.47	-	-	478,167.03	-	-	-	-	-	2,373,635.50	-
Dalian Changxing Island Port Investment & Development Co., Ltd.	462,869,251.60	-	-	(64,523.26)	-	6,209.55	-	-	-	462,810,937.89	-
Odfjell Changxing Warehousing Terminals (Dalian) Co., Ltd.	2,250,000.00	5,700,000.00	-	(695,817.89)	-	-	-	-	-	7,254,182.11	-
	1,174,327,611.52	5,700,000.00	-	23,557,886.70	-	185,264.36	(15,591,349.76)	-	-	1,188,179,412.82	-

(c) Associates

	31 December 2013	Increase in investment	Decrease in investment	Share of net profit using the equity method	Current year movement			Provision for impairment	Others	31 December 2014	Provision for impairment
					Adjustment on other comprehensive income	Other changes in equity	Cash dividends declared in current year				
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	5,361,581.26	-	-	3,180,259.14	-	-	-	-	-	8,541,840.40	-
Taicang Xingang Tug Co., Ltd.	2,617,223.13	-	-	1,562,575.19	-	-	(720,000.00)	-	-	3,459,798.32	-
PetroChina Dalian LNG Co., Ltd.	568,936,565.21	-	-	33,935,428.62	-	1,127,985.00	(41,010,966.60)	-	-	562,989,012.23	-
Dalian North Oils Storage & Transportation Co., Ltd.	61,280,145.91	-	-	(1,688,132.42)	-	-	-	-	-	59,592,013.49	-
SINOECL Auto Liners, Limited	78,514,622.12	-	-	(4,152,486.67)	-	-	-	-	-	74,362,135.45	-
Sino Rail Bohai Train Ferry Co., Ltd.	274,486,877.44	-	-	(361,500.23)	-	-	(8,626,360.14)	-	-	265,499,017.07	-
Zhongshi International Logistics Co., Ltd.	92,112,957.97	-	-	5,544,719.76	-	-	-	-	-	97,657,677.73	-
Dalian Port Group Finance Co., Ltd.	250,609,294.74	-	-	35,114,223.81	-	-	-	-	-	285,723,518.55	-
CNOOC (Ningde) Petrochemical Terminal Co., Ltd.	98,298.72	-	(87,796.08)	(10,502.64)	-	-	-	-	-	-	-
	1,334,017,566.50	-	(87,796.08)	73,124,584.56	-	1,127,985.00	(50,357,326.74)	-	-	1,357,825,013.24	-

Notes to the Financial Statements

For the year ended 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
(English translation for reference only)

18 Notes to the Company's financial statements (Continued)

(4) REVENUE AND COST OF SALES

	2014	2013
Revenue from main operations	2,691,861,682.58	2,388,913,518.70
Revenue from other operations	390,180,557.98	479,982,823.31
	3,082,042,240.56	2,868,896,342.01

	2014	2013
Cost of main operations	1,886,622,468.65	1,552,781,617.22
Cost of other operations	217,658,554.43	265,491,272.74
	2,104,281,023.08	1,818,272,889.96

(a) Revenue from main operations and cost of main operations

Analysis by segment is as follows:

	2014		2013	
	Revenue	Cost of sales	Revenue	Cost of sales
Oil and liquefied chemicals terminal and related logistics services	1,379,496,713.40	779,873,482.64	979,507,739.59	519,637,511.26
Container terminal and related logistics services	53,500,000.00	14,263,133.35	86,790,541.98	15,689,446.68
General cargo terminal and related logistics services	350,836,865.55	360,708,475.28	327,898,509.05	304,951,335.64
Ore terminal and related logistics services	256,179,359.82	201,876,539.50	295,685,178.43	143,869,553.85
Bulk grains terminal and related logistics services	195,042,364.27	166,782,629.54	332,393,250.92	157,522,542.62
Passenger and roll-on, roll-off terminal and related logistics services	86,073,679.49	59,524,721.72	87,178,016.88	54,812,395.66
Port value-added services and related ancillary port operations	605,965,317.98	454,161,005.58	602,551,364.10	559,804,662.55
Others	154,947,940.05	67,091,035.47	156,891,741.06	61,985,441.70
	3,082,042,240.56	2,104,281,023.08	2,868,896,342.01	1,818,272,889.96

Notes to the Financial Statements

For the year ended 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
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18 Notes to the Company's financial statements (Continued)

(4) REVENUE AND COST OF SALES (Continued)

(b) Revenue is categorized as follows:

	2014	2013
Logistics services	385,378,188.76	392,240,732.29
Loading services	1,237,972,046.49	1,274,817,284.09
Storage services	805,737,217.95	423,575,609.49
Agency services	12,363,188.41	9,322,023.79
Port management services	206,691,486.33	200,820,106.26
Leasing services	130,165,270.59	234,113,311.98
Electric charges	128,809,149.88	148,507,924.86
Others	174,925,692.15	185,499,349.25
	3,082,042,240.56	2,868,896,342.01

(5) INVESTMENT INCOME

	2014	2013
Income from long-term equity investment under cost method	173,907,957.11	148,030,435.71
Income from long-term equity investment under equity method	96,682,471.26	90,545,911.33
Income from disposal of long-term equity investment	-	814,200.00
Income from holding financial assets held for trading	88,292.50	115,218.00
Income from holding available-for-sale financial assets	372,503.53	638,350.93
Income from disposal of financial assets held for trading	663,247.70	119,981.52
Income from entrusted investment	33,750,295.13	86,497,145.59
	305,464,767.23	326,761,243.08

There is no restriction on recovery of investment income.

In 2014, the Company's investment income from listed and unlisted investment is RMB751,540.20 and RMB304,713,227.03 (2013: RMB(263,241.22) and RMB327,024,484.30) respectively.

Notes to the Financial Statements

For the year ended 31 December 2014
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18 Notes to the Company's financial statements (Continued)

(6) SUPPLEMENTARY INFORMATION TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation from net profit to cash flows from operating activities

	2014	2013
Net profit	462,664,085.71	632,105,270.79
Add: Provisions for asset impairment	43,199,708.28	(418,000.00)
Depreciation of fixed assets	509,535,397.17	471,617,930.28
Amortisation of intangible assets	11,572,791.28	11,482,259.33
Amortisation of long-term prepaid expenses	7,073,370.98	419,535.60
Losses on disposal of fixed assets	(17,918,525.13)	(92,995,794.89)
Financial expenses	428,530,619.43	382,609,075.01
Investment income	(305,464,767.23)	(326,761,243.08)
Losses on change in fair value	(1,322,804.61)	6,621,030.01
Increase in deferred tax assets	(118,633.95)	(72,310.72)
Transfer from deferred income	(36,122,566.04)	(34,628,667.05)
Decrease/increase in inventories	5,214,916.10	(14,569,364.36)
Increase in specific reserve	4,969,035.81	4,650,765.37
Increase in operating receivables	(374,818,916.10)	(337,249,536.34)
Increase in operating payables	41,234,307.66	139,632,537.45
Net cash flows from operating activities	778,228,019.36	842,443,487.40

(b) Net increase/(decrease) in cash and cash equivalents

	2014	2013
Cash and cash equivalents at end of year	966,868,460.45	852,556,002.57
Less: Cash and cash equivalents at beginning of year	(852,556,002.57)	(1,399,578,181.00)
Net increase/decrease in cash and cash equivalents	114,312,457.88	(547,022,178.43)

Notes to the Financial Statements

For the year ended 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
(English translation for reference only)

19 NET CURRENT ASSETS

	The Group	
	31 December 2014	31 December 2013
Current assets	5,878,715,559.46	4,985,594,385.82
Less: current liabilities	(4,332,730,713.96)	(5,484,643,177.30)
Net current assets	1,545,984,845.50	(499,048,791.48)

	The Company	
	31 December 2014	31 December 2013
Current assets	3,510,236,086.37	3,681,550,746.98
Less: current liabilities	(2,053,359,569.66)	(3,810,101,955.29)
Net current assets	1,456,876,516.71	(128,551,208.31)

20 Total assets less current liabilities

	The Group	
	31 December 2014	31 December 2013
Total assets	27,844,050,860.04	27,226,109,085.02
Less: current liabilities	(4,332,730,713.96)	(5,484,643,177.30)
Total assets less current liabilities	23,511,320,146.08	21,741,465,907.72

	The Company	
	31 December 2014	31 December 2013
Total assets	23,973,965,701.97	23,799,781,974.16
Less: current liabilities	(2,053,359,569.66)	(3,810,101,955.29)
Total assets less current liabilities	21,920,606,132.31	19,989,680,018.87

Supplementary Information to the Financial Statements

For the year ended 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
(English translation for reference only)

1 Summary of non-recurring profit or loss

	2014	2013
Profit or loss on disposal of non-current assets	8,082,799.34	90,069,676.79
Government grants charged to profit or loss for the current year	4,176,473.19	11,968,000.00
Interest income from outward entrusted loans	2,805,013.48	1,834,502.32
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	1,901,852.31	(6,385,830.49)
Reversal of impairment provision for accounts receivable that was tested for impairment individually	10,000.00	1,180,793.87
Profit from entrusting others with investment or asset management	33,750,295.13	86,497,145.59
Income from disposal of long-term equity investments	11,431,834.66	–
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
Non-operating income and expenses other than aforesaid items	21,570,067.80	9,992,258.34
	83,752,869.80	195,406,546.42
Impact on income tax	(19,955,667.40)	(49,590,324.21)
Impact on minority interests (after tax)	(2,863,088.81)	761,877.01
	60,934,113.59	146,578,099.22

BASIC OF NON-RECURRING PROFIT OR LOSS

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 to the Financial Statements

For the year ended 31 December 2014
(All amounts in RMB Yuan unless otherwise stated)
(English translation for reference only)

1 Summary of non-recurring profit or loss (Continued)

For government grants charged to profit and loss for the current year which are closely related to the normal operations, pursuant to national policies and regulations and continuously obtained on a fixed quota or quantity, are regarded as non-recurring profit or loss as follows:

	2014	Reasons for regarding as recurring profit or loss
Container subsidies	249,566,600.00	Fixed quantity on a continuous basis
Relocation compensation	34,505,184.05	Fixed quota on a continuous basis
Operation subsidies	11,095,000.00	Fixed quota on a continuous basis
Refund of turnover tax	4,066,556.76	Fixed quota on a continuous basis
Energy conservation and emission reduction special fund	2,017,533.61	Fixed quota on a continuous basis
Vessel construction subsidies	791,217.60	Fixed quota on a continuous basis
Equipment reconstruction subsidies	264,423.68	Fixed quota on a continuous basis
Others	86,108.90	Fixed quota on a continuous basis
	302,392,624.60	

2 Return on equity and earnings per share

	Weighted average ROE (%)		Earnings per share Basic earnings per share	
	2014	2013	2014	2013
Net profit attributable to ordinary shareholders of the Company	3.84%	5.17%	0.12	0.15
Net profit attributable to ordinary shareholders of the company excluding non-recurring profit and loss	3.39%	4.06%	0.10	0.12

The Company has no dilutive potential ordinary shares.

3 Supplementary information related to changes of accounting policies

The Group amended relevant accounting policies in terms of the eight accounting standards issued by the Ministry of Finance of the PRC in 2014, e.g. CAS2 "Long-Term Equity Investment", and retroactive adjustments have been made to the financial statement as of 31 December 2013 and then ended. The consolidated balance sheet as at 1 January 2013 has been disclosed simultaneously.

Financial Highlights for the Past Five Financial Years

	2014 RMB'000	2013* RMB'000	2012 RMB'000	2011* RMB'000	2010* RMB'000
Revenue and Profit					
Revenue	7,942,456	6,981,980	4,644,559	3,955,394	3,336,951
Gross profit	1,374,894	1,587,577	1,587,870	1,467,642	1,448,676
Operating profit	459,660	668,920	698,206	821,351	994,512
Total profit	795,882	1,025,889	906,482	995,053	1,078,300
Net profit	605,672	781,974	684,763	757,465	846,818
Net profit attributable to owners of the parent	520,670	682,583	600,090	666,338	813,154
Basic earnings per share (RMB)	0.12	0.15	0.14	0.15	0.22
Assets and Liabilities					
Cash and bank balances	2,440,913	2,339,398	2,507,327	2,254,079	3,257,585
Current assets	5,878,716	4,985,594	4,713,190	3,897,527	4,261,695
Non-current assets	21,965,335	22,240,515	23,115,591	23,276,327	18,429,124
Borrowings	10,316,436	9,973,296	11,535,906	11,059,432	6,159,634
Current liabilities	4,332,731	5,484,643	3,591,970	2,767,639	4,689,401
Non-current liabilities	8,532,443	7,080,181	10,261,819	10,766,551	5,645,726
Total assets	27,844,051	27,226,109	27,828,780	27,173,854	22,690,819
Net assets	14,978,877	14,661,285	13,974,992	13,639,665	12,355,692
Capital and Equity					
Share capital	4,426,000	4,426,000	4,426,000	4,426,000	4,426,000
Equity attributable to owners of the parent	13,705,366	13,444,744	12,964,562	12,628,799	12,190,226
Minority interests	1,273,511	1,216,541	1,010,430	1,010,866	165,466
Total equity	14,978,877	14,661,285	13,974,992	13,639,665	12,355,692
Net assets per share (RMB)	3.10	3.04	2.93	2.85	2.75

* The financial information was prepared in accordance with CAS.



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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