



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)

INTERIM REPORT 中期報告 2015



Contents

| | |
|-----------------------------------------------------------------------|-----|
| General Information on the Company | 2 |
| Management Discussion and Analysis | 4 |
| Other Information | 25 |
| Report on Review of Financial Statements | 28 |
| Consolidated Balance Sheet (Unaudited) | 29 |
| Consolidated Income Statement (Unaudited) | 31 |
| Consolidated Cash Flow Statement (Unaudited) | 32 |
| Consolidated Statement of Changes in Shareholders' Equity (Unaudited) | 34 |
| Company Balance Sheet (Unaudited) | 35 |
| Company Income Statement (Unaudited) | 37 |
| Company Cash Flow Statement (Unaudited) | 38 |
| Company Statement of Changes in Shareholders' Equity (Unaudited) | 40 |
| Notes to the Financial Statements | 41 |
| Supplementary Information to Financial Statements | 207 |

General Information on the Company

General Information on the Company

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| 1. Chinese name | 大連港股份有限公司 |
| Abbreviated Chinese name | 大連港 |
| English name | Dalian Port (PDA) Company Limited |
| Abbreviated English name | Dalian Port |
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| 3. Contact person | |
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| Qualified Accountant/Joint Company Secretary | Mr. Lee, Kin Yu Arthur Address: Room 2616, 26th Floor, Xingang Commercial Building, Jingang Road, Dalian International Logistics Park Zone, Liaoning Province, the PRC Telephone: 852 5377 4873 Facsimile: 86 411 87599854 E-mail: lijr@dlport.cn |
| 4. Registered office | Xingang Commercial Building, Dayao Bay, Dalian Free Trade Zone, PRC 116001 |
| Postal Code | 116001 |
| Place of Business in PRC | Xingang Commercial Building, Jingang Road, Dalian International Logistics Park Zone, Liaoning Province, the PRC 116601 |
| Place of Business in Hong Kong | 36th Floor, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong |
| Company website | www.dlport.cn |
| Company e-mail | ir@dlport.cn |

General Information on the Company

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

Management Discussion and Analysis

Summary

Global economy remained under significant adjustment in the first half of 2015, as proven by a slow pace of economic recovery and uneven economic development. Impacted by the increasing downward pressure on China's economy, the growth in consumption, investment and export slowed down. In the first half of the year, China's GDP grew by 7.0%, whereas the total value of import and export fell by 6.9%.

In the first half of the year, cargo throughput handled by China's large-scale ports amounted to 5.67 billion tonnes, a year-on-year increase of 2.6%, and a 2.6 percentage points lower than the same period last year. In particular, cargo throughput handled at coastal ports in China was 3.94 billion tonnes, up 1.6% year-on-year while cargo throughput handled by river ports was 1.73 billion tonnes, an increase of 5.0% year-on-year. Container cargo throughput was 92,102,000 TEU, a growth of 5.6% compared with the same period of last year.

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

In the first half of 2015, the general information on the macro-economy and industries relevant to the Group's principal business were set out as follows:

Oil Segment: While international crude oil price remained low in the first half of 2015, China accelerated its pace in adding strategic reserves of crude oil, leading to a faster growth in the import volume of crude oil. In the first half of the year, China imported 163 million tonnes of crude oil, increased by 7.2% as compared with the same period last year.

Container Segment: In the first half of 2015, containers throughput handled by China's large-scale ports amounted to 102.728 million TEU, a year-on-year increase of 6.1%, which was a 0.4 percentage points higher than the same period last year. Port production showed a trend of "decreasing import and increasing export".

Automobile Segment: In the first half of 2015, the volume of automobile production and sales volume in China fell below the expectation at the beginning of the year, indicating a further slowdown in the growth of production and sales. Automobiles output during the first half of the year was 12,095,000 vehicles, an increase of 2.64% year-on-year. Sales volume was 11,850,300 vehicles, an increase of 1.43% year-on-year.

Ore Segment: In the first half of 2015, the slowdown of China's economic growth has reduced the demand for imported iron ore and coupled with the continuous fluctuation in the international ore prices, the market turnover fell. During the first six months of the year, accumulated iron ore imports in China amounted to 452.91 million tonnes, a decrease of 0.9% on year-on-year basis.

General Cargo Segment: In the first half of 2015, China's large-scale ports handled a total of 328 million tonnes of coal, which represented a decrease of 3.2% year-on-year. The output of the crude steel across China in the first half of 2015 reached a total volume of 410 million tonnes, which represented a decrease of 1.3% year-on-year.

Management Discussion and Analysis

Bulk Grain Segment: In the first half of 2015, under the influence of record-breaking volume of corns stored in temporary storage, replacement with imported grains and low demand for corn feed, volume of corn transshipment at Liaoning port recorded a fall as compared to the same period last year.

Passenger and Ro-Ro Segment: In the first half of 2015, due to the outbreak of MERS in Korea that affected the customer base and market of international shipping, as well as the diversion of maritime passenger transport towards aviation flights and high-speed rails, the total number of passengers during the first half of the year was lower than that of the same period of the previous year.

In the first half of 2015, the Group's major business segments had a stable performance. In terms of throughput, the Group handled a total of approximately 25.136 million tonnes of oil and liquefied chemicals, representing an increase of 9.6% as compared with the same period last year, of which 14.926 million tonnes were imported crude oil, representing an increase of 32.8% as compared with the corresponding period last year. In the Container Segment, the Group handled approximately 4.996 million TEUs, representing a decrease of 0.2% on a year-on-year basis, of which approximately 4.627 million TEUs were handled by the Group at Dalian port, representing an increase of 0.7% on a year-on-year basis. In the Automobile Segment, the Group handled 227,136 vehicles, representing an increase of 1.0% on a year-on-year basis. In the Ore Segment, the Group handled approximately 8.833 million tonnes, representing a decrease of 8.4% on a year-on-year basis. In the General Cargo Segment, the Group handled approximately 14.70 million tonnes of cargoes, representing a decrease of 8.8% on a year-on-year basis. In the Bulk Grain Segment, the Group handled approximately 1.869 million tonnes of bulk grain, representing a decrease of 41.6% on a year-on-year basis. In the Passenger and Ro-Ro Segment, the Group transported approximately 1.511 million passengers, representing a decrease of 3.7%, and approximately 756,000 vehicles, representing an increase of 18.3% year-on-year.

Overall Analysis of Results

In the first half of 2015, the Group's profit attributable to owners of the Company amounted to RMB286,129,721.91, representing an increase of RMB1,710,788.86 or 0.6% as compared with RMB284,418,933.05 in the first half of 2014. The increase was due to the increase in gross profit of the Oil segment, the Container segment and the Value-added Services segment and the gains from transfer and holding of financial assets. However, the decrease in the gross profit of the Bulk Grain Segment and the Ore Segment resulting from the decrease in the Bulk Grain and Ore throughput have restrained the growth of the Group's profit attributable to owners of the Company.

In the first half of 2015, the Group's basic earnings were RMB6.46 cents per share, representing an increase of 0.6% from RMB6.43 cents in the first half of 2014.

Management Discussion and Analysis

Changes to the principal components of the net profit for the first half of 2015 against the comparable figures of the first half of 2014 are set out as follows:

| Items | For the six months ended 30 June 2015 (RMB) | For the six months ended 30 June 2014 (RMB) | +/- (%) |
|--------------------------------------------------|---------------------------------------------------|---------------------------------------------------|-------------------------------|
| Net profit attributable to owners of the Company | 286,129,721.91 | 284,418,933.05 | 0.6 |
| Including: | | | |
| Revenue | 4,097,541,481.48 | 3,297,872,554.47 | 24.2 |
| Cost of sales | 3,382,516,694.71 | 2,578,957,372.44 | 31.2 |
| Gross profit (Note 1) | 715,024,786.77 | 718,915,182.03 | -0.5 |
| Gross profit margin (Note 2) | 17.45% | 21.80% | down 4.4 percentage points |
| General and administrative expenses | 276,858,410.87 | 247,461,042.33 | 11.9 |
| Financial expenses | 266,159,428.87 | 236,242,751.54 | 12.7 |
| Investment income | 121,252,686.91 | 78,023,499.66 | 55.4 |
| Income tax expense | 84,300,137.04 | 109,219,126.31 | -22.8 |

Note 1: Gross profit = Revenue – Cost of sales

Note 2: Gross profit margin = (Revenue - Cost of sales)/Revenue

In the first half of 2015, the Group's revenue increased by 24.2%, mainly due to the increase in the port trading business. Excluding the above factor, the Group's revenue increased by 0.5% as compared with that for the first half of 2014. The increase was mainly due to the increase in the income from oil handling resulting from the increase in throughput, the revenue from container agency business, the revenue from tugging business and information services. However, the growth in revenue was offset by the reduction of the Bulk Grain and Ore throughput.

In the first half of 2015, the Group's cost of sales increased by 31.2%. Excluding the factor of the increase in the port trading business costs, the cost of sales increased by 1.3%, mainly due to an increase in oil tanks leasing costs, depreciation expenses associated with the commissioning of new facilities, and labor costs, as well as the decrease in fuel costs.

In the first half of 2015, the Group's gross profit decreased by 0.5%, the Group's gross profit margin decreased by 4.4 percentage points. Excluding the factors of the development of the port trading business, the Group's gross profit margin decreased by 0.6 percentage point, which was mainly due to the decrease in the gross profit margin of the high-margin handling business resulting from the reduction of the Bulk Grain and Ore throughput. However, the decrease in gross profit margin was offset by an increase of the growth of the oil throughput.

In the first half of 2015, the Group's general and administrative expenses increased mainly due to the increase in labor costs and increase in taxation resulting from the cancellation of certain preferential tax policies.

In the first half of 2015, the Group's financial expenses increased mainly due to the increase in average liabilities balance.

Management Discussion and Analysis

In the first half of 2015, the Group's investment income increased, mainly due to gains from transfer of shares and equity and the accumulated dividend from the associates in the previous year.

Assets and liabilities

As of 30 June 2015, the Group's total assets and net assets attributable to the Company's shareholders amounted to RMB28,429,816,532.05 and RMB15,154,769,272.06, respectively, and its net asset value per share as of 30 June 2015 was RMB3.12, as compared with RMB3.10 as of the 31 December 2014.

As of 30 June 2015, the Group's total liabilities amounted to RMB13,275,047,259.99, of which total outstanding interest-bearing borrowings amounted to RMB10,554,862,205.62.

Financial resources and liquidity

As at 30 June 2015, the Group had a balance of cash and cash equivalents of RMB2,182,849,815.37, representing a decrease of RMB59,123,002.63 as compared with 31 December 2014.

In the first half of 2015, the Group's net cash inflows generated from operating activities amounted to RMB619,576,737.92, the Group's net cash outflows for financing activities amounted to RMB43,300,540.21 and the Group's net cash outflows for investing activities amounted to RMB625,638,040.55. Benefited from stable cash flows from its operating activities, proceeds from issuance of bonds and borrowings, redemption of entrusted investments, and the Group's prudent approach for fixed assets and equity investments, the Group had maintained its strong financial position and a good debt profile.

As at 30 June 2015, the Group's bank and other borrowings amounted to RMB10,554,862,205.62 of which RMB8,419,654,547.18 was due after one year (of which the balance of loans with floating interest rate was RMB550,000,000.00) and RMB2,135,207,658.44 was due within one year. The Group's net gearing ratio was 52.0% as at 30 June 2015 (47.7% as at 31 December 2014).

As at 30 June 2015, the Group's unutilized banking facilities amounted to RMB17,687,990,000.00.

The Group has already evaluated the interest rate risk, and considered that there is no significant impact in connection with the change in interest rate.

As the principal businesses of the Group were conducted in mainland China, and settlement was mostly in RMB, the Group did not have any significant exposure to exchange rate fluctuation.

The Group continued to pay close attention to the interest rate risk and exchange rate risk. In the first half of the year, the Group did not enter into any foreign exchange hedging contracts in connection with the exchange rate risk.

Use of proceeds (A Share)

Net proceeds of the public offering of 762 million A Shares in 2010 ("A Shares IPO") obtained by the Company amounted to approximately RMB2,772,091,500.00. As at 30 June 2015, the Company had utilized approximately RMB2,325,917,800.00 of the net proceeds and the balance of the net proceeds was RMB446,173,700.00. In March 2015, 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 RMB124,028,000.00 (including an interest income of RMB77,854,300.00 earned on the proceeds).

Management Discussion and Analysis

There has been no material change in the proposed use of proceeds from the A Shares IPO as stated in the Company's prospectus dated 3 December 2010, except for the changes announced by the Company on 31 December 2011. As at 30 June 2015, the details of the use of proceeds were as follows:

| Projects | Proceeds from A Shares IPO (RMB) | Use of proceeds as of 30 June 2015 (RMB) | Balance as of 30 June 2015 (RMB) |
|--------------------------------------------------------------------------------------------------------------|----------------------------------------|------------------------------------------------|----------------------------------------|
| Construction of oil storage tanks with a total capacity of 1,000,000 m ³ in Xingang | 760,000,000.00 | 498,088,500.00 | 261,911,500.00 |
| Construction of oil storage tanks with a total capacity of 600,000 m ³ in the Xingang resort area | 550,000,000.00 | 549,900,000.00 | 100,000.00 |
| Construction of phase II of the Shatuozi oil storage tanks project in the Xingang Shatuozi area | 29,600,000.00 | 29,600,000.00 | – |
| LNG project | 320,000,000.00 | 320,000,000.00 | – |
| No. 4 stacking yard for ore terminal | 520,000,000.00 | 353,837,800.00 | 166,162,200.00 |
| Purchase of gantry for ore terminal | 37,200,000.00 | 37,200,000.00 | – |
| Purchase of 300 bulk grain carriages | 150,000,000.00 | 150,000,000.00 | – |
| Ro-ro ships for carrying cars | 230,000,000.00 | 212,000,000.00 | 18,000,000.00 |
| Construction of railway siding in Muling | 41,250,000.00 | 41,250,000.00 | – |
| Construction of information systems | 50,000,000.00 | 50,000,000.00 | – |
| Increase in the registered capital of Dalian International Container Terminal Co., Ltd. | 84,041,500.00 | 84,041,500.00 | – |
| Total | 2,772,091,500.00 | 2,325,917,800.00 | 446,173,700.00 |

Note: In order to reduce the amount of idle cash and the financing cost and to manage cash efficiently, the third meeting of the fourth session of the Company's board of directors in 2015 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 Shares IPO proceeds to supplement the Company's working capital. Such an authorization is valid for a period of twelve months commencing 27 March 2015 when the Board passed the relevant resolution. The Company's independent non-executive directors, supervisors, and sponsors expressed their respective opinions on the board resolution. The Company made a public announcement in relation to the above board resolution on 27 March 2015.

Management Discussion and Analysis

Capital expenditure

In the first half of 2015, the Group's capital expenditure amounted to RMB859,953,920.49 which was mainly funded by the surplus cash generated from operating activities, the proceeds from the public offering of A Shares and corporate bonds.

The performance analysis of each business segment in the first half of 2015 is as follows:

Oil Segment

The following table sets out the oil/liquefied chemicals throughput handled by the Group in the first half of 2015 and its comparative results in the first half of 2014.

| | For the six months ended 30 June 2015 (<i>'000 tonnes</i>) | For the six months ended 30 June 2014 (<i>'000 tonnes</i>) | Increase/ (Decrease) |
|-----------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------|-------------------------|
| Crude oil | 19,851 | 15,536 | 27.8% |
| —Foreign trade imported crude oil | 14,926 | 11,237 | 32.8% |
| Refined oil | 3,312 | 5,037 | (34.2%) |
| Liquefied Chemicals | 595 | 478 | 24.5% |
| LNG | 1,378 | 1,886 | (26.9%) |
| Total | 25,136 | 22,937 | 9.6% |

In the first half of 2015, in terms of throughput of oil/liquefied chemicals, the Group handled a total of approximately 25.136 million tonnes, an increase of 9.6% on year-on-year basis.

In the first half of 2015, the Group's crude oil throughput increased by 27.8% to approximately 19.851 million tonnes, of which approximately 14.926 million tonnes were imported crude oil, an increase of 32.8% year-on-year. Due to the increase in the volume of crude oil imported by customers including Dalian Port Petrochemical Co., Ltd., the higher trans-shipment volume of crude oil imports handled at the Group's port from its key clients such as PetroChina Jinxi Petrochemical Company and the increase in bonded cargo transport volume driven by the bonded storage tanks of 3.305 million cubic meters, there was an increase in the volume of imported crude oil as compared with the same period last year.

In the first half of 2015, the Group's refined oil throughput amounted to approximately 3.312 million tonnes, a decrease of 34.2% year-on-year. The decrease was mainly attributable to the two-month suspension of operation of Dalian West Pacific Petrochemical Company Ltd for the purpose of maintenance.

In the first half of 2015, the Group's liquefied chemicals throughput was approximately 595,000 tonnes, an increase of 24.5% year-on-year. The increase in shipment of liquefied chemicals by customers resulted in the year-on-year growth of port trans-shipment volume of liquefied chemicals.

In the first half of the year, the Group's LNG throughput amounted to 1.378 million tonnes, a decrease of 26.9% year-on-year. The fall in throughput of the Group's LNG business during the first half of the year was attributable to a number of market factors.

Management Discussion and Analysis

In the first half of 2015, the total imported crude oil volume handled by the Group's ports accounted for 100% (100% in the first half of 2014) of the total amount of crude oil imported into Dalian and 72.3% (66.6% in the first half of 2014) of the total amount of crude oil imported into the Three Northeastern Provinces of China. The Group's oil products throughput accounted for 70.2% (78% in the first half of 2014) of the total market share in Dalian and 44.3% (45.5% in the first half of 2014) of the total market share in the Three Northeastern Provinces of China. The increase in total oil products throughput was mainly due to the Group's extended market development effort, the enhancement in quality and efficiency of logistic services, and the development of logistic system for trans-shipment business, which resulted in an increase in imported cargoes, bonded cargoes and trans-shipment cargoes as compared with the same period last year.

In the first half of 2015, the performance of the Oil Segment was as follows:

| Items | For the six months ended 30 June 2015 (RMB) | For the six months ended 30 June 2014 (RMB) | +/- (%) |
|---------------------------------------|---------------------------------------------------|---------------------------------------------------|-------------------------------|
| Revenue | 860,573,229.29 | 724,370,024.74 | 18.8 |
| The share in the Group's revenue | 21.0% | 22.0% | down 1.0 percentage point |
| Gross profit | 402,194,985.94 | 378,816,104.73 | 6.2 |
| The share in the Group's gross profit | 56.2% | 52.7% | up 3.5 percentage points |
| Gross profit margin | 46.7% | 52.3% | down 5.6 percentage points |

In the first half of 2015, the revenue from the Oil Segment increased by 18.8% mainly due to the growth of the handling revenue driven by the increase in the throughput and the gradual development of trade business. The gross profit margin decreased 5.6 percentage points. Excluding the impact of the port trading business, the gross profit margin was 52.2%, which was roughly the same as last year.

In the first half of 2015, the Group's major measures taken and the progress of major projects related to the Group's Oil Segment were as follows:

- The Group reasonably relocated storage tanks resources to enhance service quality of operation, so as to provide customers safe, efficient and delicate customized logistic services at low costs while establishing a top brand of oil and liquefied chemicals related services.
- The Group successfully expanded the capacity of Phase II of Dalian North Petroleum Logistics Co., Ltd., which owned public bonded storage tanks of 305,000 cubic meters. This laid a solid foundation for additional bonded crude oil storage and transshipment of the Group.
- The Group also closely monitored the trends in domestic and international oil products markets while exploring new customers and markets for crude oil transshipment business, so as to expand the international transshipment business of its ports.

Management Discussion and Analysis

Container Segment

The following table sets out the container throughput handled by the Group in the first half of 2015 and its comparative results in the first half of 2014:

| | | For the six months ended 30 June 2015 (‘000 TEUs) | For the six months ended 30 June 2014 (‘000 TEUs) | Increase/ (Decrease) |
|----------------|----------------------|---------------------------------------------------------|---------------------------------------------------------|-------------------------|
| Foreign Trade | Dalian | 2,470 | 2,455 | 0.6% |
| | Other ports (Note 1) | 99 | 89 | 11.2% |
| | Sub-total | 2,569 | 2,544 | 1.0% |
| Domestic Trade | Dalian | 2,150 | 2,131 | 0.9% |
| | Other ports (Note 1) | 277 | 332 | (16.6%) |
| | Sub-total | 2,427 | 2,463 | (1.5%) |
| Total | Dalian | 4,620 | 4,586 | 0.7% |
| | Other ports (Note 1) | 376 | 421 | (10.7%) |
| | Sub-total | 4,996 | 5,007 | (0.2%) |

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

In the first half of 2015, in terms of container throughput, the Group handled a total of approximately 4.996 million TEUs, representing a decrease of 0.2% year-on-year. At Dalian port, the Group handled approximately 4.620 million TEUs, representing a year-on-year increase of 0.7%, of which container throughput for foreign trade increased by 0.6% year-on-year, and container throughput for domestic trade increased by 0.9% year-on-year. In the first half of 2015, as the Group took effective measures to conform to the national development strategy and to speed up the establishment of the comprehensive logistics system, the Group’s container business has maintained a steady growth.

In the first half of 2015, the Group’s container terminal business accounted for 98.5% (99.0% in the first half of 2014) of the total market share in Dalian and 53.6% (54.8% in the first half of 2014) of that in the Three Northeastern Provinces of China. The Group’s container throughput for foreign trade accounted for 100% (100% in the first half of 2014) of the total market share in Dalian and 96.4% (96.0% in the first half of 2014) of the total market share in the Three Northeastern Provinces of China.

Management Discussion and Analysis

In the first half of 2015, the performance of the Container Segment was as follows:

| Items | For the six months ended 30 June 2015 (RMB) | For the six months ended 30 June 2014 (RMB) | +/- (%) |
|---------------------------------------|---------------------------------------------------|---------------------------------------------------|-------------------------------|
| Revenue | 845,330,389.21 | 719,588,395.16 | 17.5 |
| The share in the Group's revenue | 20.6% | 21.8% | down 1.2 percentage points |
| Gross profit | 156,060,795.85 | 110,444,488.37 | 41.3 |
| The share in the Group's gross profit | 21.8% | 15.4% | up 6.4 percentage points |
| Gross profit margin | 18.5% | 15.3% | up 3.2 percentage points |

In the first half of 2015, the revenue from the Container Segment increased by 17.5% mainly attributable to the increase in agency revenue resulting from logistics business expansion and the gradual development of the trade business. The gross margin increased by 3.2 percentage points mainly due to the decrease in operating costs upon termination of leases by some of the ships as a result of the capacity integration of the container feeder.

In the first half of 2015, the Group's major measures taken and the progress of major projects relating to the Group's Container Segment were as follows:

- In term of opening new routes, the Group has newly introduced one cross-ocean route for refrigerated containers, six routes covering Southeast Asia and three domestic trade routes, which further enhanced its maritime network system.
- The Group strengthened the cooperation with major shipping companies and achieved tremendous progress in building international transshipment and domestic trade transshipment centres as well as repositioning of empty containers. Meanwhile, the Group stepped up the construction of branch network in Bohai-Huanghai Rim region (Huanghai and Bohai) at all-out endeavours in order to further enhance the coverage of the transshipment service.
- In terms of land logistics, the commissioning of "Liaoning-Mongolia-Europe" and "Harbin-Europe" cross border trains led to the rapid growth of cross border cargo volume. The Group's sea-rail joint transportation network covered Northeast China, Russia, Mongolia, the five Central Asian countries and European countries.
- In terms of project logistics, the Group focused on promoting the development of innovative businesses including cold chain logistics, automobile logistics and timber logistics, so as to enhance the quality and efficiency of the ports.

Management Discussion and Analysis

Automobile Segment

The following table sets out the throughput handled by the Group's automobile terminal in the first half of 2015 and its comparative results in the first half of 2014:

| | | For the six months ended 30 June 2015 | For the six months ended 30 June 2014 | Increase/ (Decrease) |
|--------------------|----------------|------------------------------------------|------------------------------------------|-------------------------|
| Vehicles (units) | Foreign trade | 7,470 | 15,785 | (52.7%) |
| | Domestic trade | 219,666 | 209,183 | 5.0% |
| | Total | 227,136 | 224,968 | 1.0% |
| Equipment (tonnes) | | 3,812 | 11,848 | (67.8%) |

In the first half of 2015, the Group handled a total of 227,136 vehicles, representing an increase of 1.0% year-on-year.

In the first half of 2015, the Group's vehicle throughput accounted for 100% (100% in the first half of 2014) of the total market share in the Three Northeastern Provinces of China.

In the first half of 2015, the performance of the Automobile Segment was as follows:

| Items | For the six months ended 30 June 2015 (RMB) | For the six months ended 30 June 2014 (RMB) | +/- (%) |
|---------------------------------------|---------------------------------------------------|---------------------------------------------------|-------------------------------|
| Revenue | 811,171,171.03 | 748,437,695.71 | 8.4 |
| The share in the Group's revenue | 19.8% | 22.7% | down 2.9 percent |
| Gross profit | 8,766,965.83 | 19,846,267.90 | -55.8 |
| The share in the Group's gross profit | 1.2% | 2.8% | down 1.6 percentage points |
| Gross profit margin | 1.1% | 2.7% | down 1.6 percentage points |
| Investment income (Note 1) | 13,451,141.54 | 7,279,558.81 | 84.8 |

Note 1: Investment income was based on the shares of the joint ventures associates of auto parts.

In the first half of 2015, the revenue from the Automobile Segment increased by 8.4% year-on-year attributable to the steady development of the automobile trading business. The gross profit margin decreased by 1.6 percentage points year-on-year mainly due to the decline in the gross profit from the sale of bicycles amid the slowdown of the automobile sales market. The Automobile Segment investment increased by 84.8% mainly due to the increase of the automobile logistics business, domestic car handling business, and exchange earnings from associates. However, such growth was offset by the decline of the equipment, auto loading and unloading of foreign trade businesses.

Management Discussion and Analysis

In the first half of 2015, the Group's major measures taken and the progress of major projects relating to the Group's Automobile Segment were as follows:

- The Group strived to maintain the stability of routes operating between north and south by strengthening the coordination with shipping companies and logistics companies.
- Leveraged on the commissioning of the Dalian plant of Dongfeng Nissan, the Group actively promoted the strength of waterborne logistics and achieved outstanding growth in transshipment volume for domestic trade.
- The Group optimized logistic services and value-added services provided at ports while enhanced the establishment of near-port industries and logistic services for finished automobiles, so as to further consolidate the influence of its ports.

Ore Segment

The following table sets out the throughput handled by the Group's ore terminal in the first half of 2015 and its comparative results in the first half of 2014:

| | For the six months ended 30 June 2015 (^{'000} tonnes) | For the six months ended 30 June 2014 (^{'000} tonnes) | Increase/ (Decrease) |
|--------|-----------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------|
| Ore | 8,290 | 9,337 | (11.2%) |
| Others | 542 | 307 | 76.6% |
| Total | 8,833 | 9,644 | (8.4%) |

In the first half of 2015, the Group's ore terminal handled approximately 8.29 million tonnes of ore, a decrease of 11.2% as compared with the corresponding period in 2014, which was attributable to the rising road freight costs for the Group's ports due to hiking rail freight costs over the years, which led to the decrease in transshipment of cargoes.

In the first half of 2015, the Group's ore throughput accounted for 20.6% (27.7% in the first half of 2014) of the total throughput in the Three Northeastern Provinces of China.

In the first half of 2015, the performance of the Ore Segment was as follows:

| Items | For the six months ended 30 June 2015 (RMB) | For the six months ended 30 June 2014 (RMB) | +/- (%) |
|---------------------------------------|---------------------------------------------------|---------------------------------------------------|--------------------------------|
| Revenue | 95,552,094.31 | 129,353,555.51 | -26.1 |
| The share in the Group's revenue | 2.3% | 3.9% | down 1.6 percentage points |
| Gross profit | -11,256,388.23 | 36,895,432.15 | -130.5 |
| The share in the Group's gross profit | -1.6% | 5.1% | down 6.7 percentage points |
| Gross profit margin | -11.8% | 28.5% | down 40.3 percentage points |

Management Discussion and Analysis

In the first half of 2015, the revenue from the Ore Segment decreased by 26.1%, mainly due to the decline of the handling revenue resulting from the decrease in throughput. The gross profit margin decreased by 40.3 percentage points year-on-year due to the decrease in revenue which weakened the impact of dilution of fixed costs, and coupled with the impact of an increase in the additional depreciation costs for yards.

In the first half of 2015, the Group's major measures taken and the progress of major projects relating to the Group's Ore Segment were as follows:

- The Group strengthened cooperation with customers and implemented products and service innovation. Through the development of "2 in 1 ore mixing" operating model, the Group further enhanced its competitiveness in sourcing cargo.
- Leveraging on its deep-water berths and yards for bonded goods, the Group made progress in developing ore trading and bonded futures settlement business while expanding logistic service offerings provided at the ports.

General Cargo Segment

The following table sets out the throughput handled by the Group's general cargo terminal in the first half of 2015 and its comparative results in the first half of 2014:

| | For the six months ended 30 June 2015 ('000 tonnes) | For the six months ended 30 June 2014 ('000 tonnes) | Increase/ (Decrease) |
|-----------|--------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------|
| Steel | 3,626 | 4,227 | (14.2%) |
| Coal | 4,490 | 5,879 | (23.6%) |
| Equipment | 1,620 | 890 | 82.0% |
| Others | 4,964 | 5,117 | (3.0%) |
| Total | 14,700 | 16,113 | (8.8%) |

In the first half of 2015, the Group's general cargo terminal handled approximately 14.70 million tonnes cargo, a decrease of 8.8% as compared with the corresponding period in 2014.

In the first half of 2015, the volume of steel handled by the Group was approximately 3.626 million tonnes, a decrease of 14.2% year-on-year. Against the backdrop of continued sluggish demand in the steel market, pressure faced by major steel production plants intensified. As a result, some customers opted to carry out trans-shipment of cargo at self-owned ports to reduce the overall logistic costs, leading to the fall of transport volume of steel.

In the first half of 2015, the volume of coal handled by the Group was approximately 4.49 million tonnes, which represented a decrease of 23.6% year-on-year. The year-on-year decrease in trans-shipment volume of coal was mainly due to the continued slump in the demand for coal in society and the impact of imported coal on domestic market.

In the first half of 2015, the volume of equipment handled by the Group was approximately 1.62 million tonnes, which represented an increase of 82.0% year-on-year. Such increase was attributable to the efforts of the Group in capitalizing on its port resources to establish itself as the "leading workshop" in the equipment manufacturing industry, as well as the Group's introduction of near-port industries which effectively increased cargo sources.

Management Discussion and Analysis

In the first half of 2015, the steel throughput handled by the Group's general cargo terminal accounted for 14.1% (16.3% in the first half of 2014) and the coal throughput accounted for 16.3% (19.8% in the first half of 2014) of the total market share in the Three Northeastern Provinces of China.

In the first half of 2015, the performance of the General Cargo Segment was as follows:

| Items | For the six months ended 30 June 2015 (RMB) | For the six months ended 30 June 2014 (RMB) | +/- (%) |
|---------------------------------------|---------------------------------------------------|---------------------------------------------------|------------------------------|
| Revenue | 189,531,378.43 | 210,437,852.69 | -9.9 |
| The share in the Group's revenue | 4.6% | 6.4% | down 1.8 percentage point |
| Gross profit | -7,886,243.97 | -6,786,810.57 | -16.2 |
| The share in the Group's gross profit | -1.1% | -0.9% | down 0.2 percentage point |
| Gross profit margin | -4.2% | -3.2% | down 1.0 percentage point |

In the first half of 2015, the revenue from the General Cargo Segment decreased by 9.9%. Excluding the impact on the decrease of trading business, the revenue increased by 1.6%, mainly due to the growth of the handling revenue driven by the increase of high tariff rates throughput. The gross profit margin decreased by 1.0 percentage point attributable to the increase in depreciation expenses associated with the Dalian Bay Ro-Ro terminal upon transformation of fixed assets, and the increase in coal operation environmental protection outsourcing services fees.

In the first half of 2015, the Group's major measures taken and the progress of major projects relating to the Group's General Cargo Segment were as follows:

- While opening and optimizing steel liner routes, the Group also promoted the establishment of comprehensive steel logistics services system through developing steel trade and logistics finance.
- The Group actively developed near-port industries by soliciting ancillary equipment manufacturers in Dalian to set up processing and assembling facilities at the ports so as to stabilize and boost transshipment volume of equipment. The Group also endeavoured to acquire new cargo sources through various market development measures including establishment of a comprehensive logistics system as well as product and service innovation, in order to enhance operational efficiency and reduce operational risks.

Management Discussion and Analysis

Bulk Grain Segment

The following table sets out the throughput handled by the Group's bulk grain terminal in the first half of 2015 and its comparative results in the first half of 2014:

| | For the six months ended 30 June 2015 (^{'000} tonnes) | For the six months ended 30 June 2014 (^{'000} tonnes) | Increase/ (Decrease) |
|----------|-----------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------|
| Corn | 179 | 1,197 | (85.0%) |
| Soy bean | 796 | 1,120 | (28.9%) |
| Barley | 295 | 230 | 28.3% |
| Wheat | 0.0 | 7 | (100.0%) |
| Others | 599 | 646 | (7.3%) |
| Total | 1,869 | 3,200 | (41.6%) |

In the first half of 2015, the throughput handled by the Group's bulk grain terminal was approximately 1.869 million tonnes, a decrease of 41.6% year-on-year.

In the first half of 2015, the Group's corn throughput was approximately 0.179 million tonnes, a decrease of 85% year-on-year. The relatively significant decrease in corn trans-shipment volume for domestic trade was due to multiple factors, including a drastic increase in corns stored in temporary storage, the impact of imported grains in sales regions and the weak demand for corn feed, which led to a large decrease in total shipment volume of corns across all ports in the Northeastern Provinces of China.

In the first half of 2015, the Group's soy bean throughput was approximately 0.796 million tonnes, which represented a decrease of 28.9% year-on-year. Due to the increase in inventories carried forward from last year and the low prices of soybean meal, the total volume of soy bean imported to the Northeastern Provinces of China reduced, which resulted in the drop in transshipment of imported soybeans for foreign trade handled by the Group as compared to the same period in 2014.

In the first half of 2015, the throughput handled by the Group's bulk grain terminal accounted for 8.9% (13.1% in the first half of 2014) of the total throughput in the Three Northeastern Provinces of China.

Management Discussion and Analysis

In the first half of 2015, the performance of the Bulk Grain Segment was as follows:

| Items | For the six months ended 30 June 2015 (RMB) | For the six months ended 30 June 2014 (RMB) | +/- (%) |
|---------------------------------------|---------------------------------------------------|---------------------------------------------------|-------------------------------|
| Revenue | 768,877,114.05 | 250,942,736.46 | 206.4 |
| The share in the Group's revenue | 18.8% | 7.6% | up 11.2 percentage points |
| Gross profit | -17,799,568.58 | 5,401,157.88 | -429.6 |
| The share in the Group's gross profit | -2.5% | 0.8% | down 3.3 percentage points |
| Gross profit margin | -2.3% | 2.2% | down 4.5 percentage points |

In the first half of 2015, the revenue from the Bulk Grain Segment increased by 206.4%. Excluding the impact of increase in revenue from the trading business, the revenue decreased by 49.3%. The decrease was mainly attributable to the decline in handling revenue resulting from the decrease of throughput. The gross profit margin decreased by 4.5 percentage points over that in the first half of 2014, mainly due to a significant decrease in the handling revenue that reduced the impact of the dilution of fixed costs.

In the first half of 2015, the Group's major measures taken and the progress of major projects relating to the Group's Bulk Grain Segment were as follows:

- In pursuit of a business breakthrough, the Group actively conducted research and site visits to study market trends, and communicated with customers and addressed their needs so as to improve its services.
- While maintaining its traditional customer base, the Group also focused on soliciting competitive cargo sources of imported grains.
- The Group enhanced internal management as well as its operating and organizational process while allocated logistics resources reasonably in order to upgrade service quality.

Management Discussion and Analysis

Passenger and Ro-Ro Segment

The following table sets out the passenger and roll-on roll-off throughput handled by the Group in the first half of 2015 and its comparative results in the first half of 2014:

| | For the six months ended 30 June 2015 | For the six months ended 30 June 2014 | Increase/ (Decrease) |
|---------------------------|------------------------------------------|------------------------------------------|-------------------------|
| Passengers ('000 persons) | 1,511 | 1,569 | (3.7%) |
| Vehicles ('000 units) | 756 | 639 | 18.3% |

In the first half of 2015, throughput of passengers was 1.511 million persons, representing a year-on-year decrease of 3.7%. Throughput of vehicles amounted to 756,000 units, representing a year-on-year increase of 18.3%.

In the first half of 2015, there was a relatively large diversion of maritime passenger transport towards high-speed rails and aviation flights due to market conditions, which resulted in a fall in the number of passenger departing and arriving at Dalian port as compared with the same period last year. Meanwhile, the rapid development of sea-rail joint transportation for commodities automobiles led to an increase in business volume for roll-on, roll-off service as compared with the same period in 2014.

In the first half of 2015, the performance of the Passenger and Ro-Ro Segment was as follows:

| Items | For the six months ended 30 June 2015 (RMB) | For the six months ended 30 June 2014 (RMB) | +/- (%) |
|---------------------------------------|---------------------------------------------------|---------------------------------------------------|----------------------------|
| Revenue | 57,740,439.65 | 55,412,188.64 | 4.2 |
| The share in the Group's revenue | 1.4% | 1.7% | down 0.3 percentage point |
| Gross profit | 13,345,892.75 | 15,383,501.66 | -13.2 |
| The share in the Group's gross profit | 1.9% | 2.1% | down 0.2 percentage point |
| Gross profit margin | 23.1% | 27.8% | down 4.7 percentage points |

In the first half of 2015, the revenue from the Passenger and Ro-Ro Segment increased by 4.2%, mainly due to the increase of land and sea multimodal transportation business revenue. However, such growth was offset by the decline of the throughput of passengers. The gross profit margin decreased by 4.7 percentage points, mainly attributable to the decrease of the high-profit margin throughput of passengers.

Management Discussion and Analysis

In the first half of 2015, 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 strengthened cooperation with shipping companies to actively develop new routes and promote marine tourism projects.
- The Group promoted the in-depth development of sea-rail joint transportation projects and expanded its sea-rail joint transportation services into three brands.
- The Group advanced the construction of e-commerce platform to actively expand into the upstream and downstream sectors and related fields of the Passenger and Ro-Ro Segment. The Group also extended coverage of its ticket-selling offices and diversified the offerings of tickets so as to explore more ways of ticket sales.

Value-added Services Segment

Tugging

In the first half of 2015, the Group secured stable income by voyage charter and reasonable resource allocation. At the same time, by taking a number of measures such as flexibly adjusting the number of tugboats and power ratios at each of the tugboat bases through scientific data analysis, the Group reduced mobilization costs, which helped maintain a promising development trend for the tugging business at the ports.

In respect of services in market outside Dalian, the Group extended greater marketing efforts. It also timely adjusted strategies and optimized resource allocation to maintain a stable market.

The Group has started building the two full-swing tugboats of 5,000 horsepower with icebreaking, firefighting and towing capabilities which it proposed to purchase previously.

Tallying

In the first half of 2015, the total tallying throughput handled by the Group was approximately 21.262 million tonnes, representing a year-on-year decrease of 5.4%.

Railway

In terms of the operation of railway transportation, the Group handled a total of approximately 277,000 carriages, representing a year-on-year decrease of 12.1%.

Management Discussion and Analysis

In the first half of 2015, the performance of the Value-added Services Segment was as follows:

| Items | For the six months ended 30 June 2015 (RMB) | For the six months ended 30 June 2014 (RMB) | +/- (%) |
|---------------------------------------|---------------------------------------------------|---------------------------------------------------|-------------------------------|
| Revenue | 420,124,294.69 | 407,715,213.98 | 3.0 |
| The share in the Group's revenue | 10.3% | 12.4% | down 2.1 percentage points |
| Gross profit | 153,341,687.41 | 134,993,453.48 | 13.6 |
| The share in the Group's gross profit | 21.4% | 18.8% | up 2.6 percentage points |
| Gross profit margin | 36.5% | 33.1% | up 3.4 percentage points |

In the first half of 2015, the revenue from the Value-added Services Segment increased by 3.0%. The gross profit margin increased 3.4 percentage points, mainly due to the increase in revenue from the tugging business and the increase in income from information services resulting from the development of relevant projects.

Core Competence and Strengths

In the first half of 2015, the Group, with transition and innovative development as its driving force, endeavoured to enhance quality and efficiency while it has also put in more efforts in product and service innovation and in the diversification of its service scope and offerings. The increase in international shipping routes, the opening of "Liaoning-Mongolia-Europe" and "Harbin-Europe" international railways, and the reopening of the Arctic Ocean route expanded the areas accessible by its ports and progressively enhanced its comprehensive logistics service network. The Group's efforts in the implementation of the Bohai Rim strategy, innovation of supply chain services and products, construction of iron ore logistics centre and establishment of integrated information service platform have also effectively enhanced the overall service capacity of its ports.

Prospects of The Second Half of 2015

Competitive Landscape and Industry Trend

It is expected that the global economy will stay on a moderate recovery path in the second half of the year. In terms of domestic economy, the economic growth in China may slow down but will remain stable, and the problem of insufficient valid demand will become prominent. In spite of pending rebound in export growth, with the decreasing growth potential in export under the new domestic and international environment, it is going to be difficult to avert the negative growth in import volumes in the short term and the economic growth would be increasingly driven by net exports.

Risks and Adverse Factors

Firstly, China's economy will experience a slowdown in growth, an adjustment to the structural reform and a gradual digestion of previously implemented policies, which will subject the economy to uncertainties, imbalances and fragility. Secondly, issues including sluggish market demand and over-capacity will remain prominent, which will greatly impair the profitability of relevant industries. Thirdly, despite the improved international business environment faced by foreign trade enterprises in China, the rebound will be limited by the risks and uncertainties which have become more prominent.

Management Discussion and Analysis

The Major Development Strategy

In response to the changes in global economy and the economic transition in China, the Group will adhere to its principle of achieving progress through stability while enhancing quality and efficiency. It will aim at serving and conforming to the national strategies via implementing transition and upgrade brought about by reform and innovation. The Group will continue to promote the development of a comprehensive logistic system and the integration of industrial, trading and commercial sectors. Furthermore, it will establish itself as a brand of supply chain service and introduce near-port industries while develop new finance service model and expand the application of information technology. The Group will strive to integrate and promote the development of various industries including logistics, trade, finance and information industries, thereby boosting the transition and upgrade of ports.

In the second half of 2015, the Group's major measures to be taken for market development for its business segments are as follows:

Oil Segment

- Capitalizing on its deep-water berths and marine geographical advantage, the Group will continue to provide quality, low-cost and convenient storage logistics service.
- While fostering cooperation with major customers, the Group will also strengthen relationship with domestic and international customers to acquire new customers and markets for its crude oil trans-shipment business.
- The Group will develop new service model and diversify service offerings while timely promoting its bonded storage business for refined oil.
- The Group will seek to achieve progress in the application regarding the crude oil futures settlement base at the Dalian port.

Container Segment

- In relation to route development, the Group will continue to tie up stronger strategic cooperation with major shipping companies. The Group will strive to attract routes to the U.S. and other cross-ocean routes to set its ports as designations while developing major South-North marine domestic trade passages at Nansha and Shanghai.
- In respect of trans-shipment operations, the Group will continue to implement the Bohai Rim strategy, thereby further optimising the branch network at the rim of the two inner seas (Huanghai and Bohai).
- In terms of project logistics, the Group will intensify its efforts in developing special cargo types and improve services offered at ports so as to expand the scope of its logistics service and implement the transition and upgrade of ports.

Management Discussion and Analysis

Automobile Segment

- The Group will put in more resources to develop market and attract potential customers in order to achieve greater throughput growth.
- The Group will fully leverage on the agglomeration effect at the ports in fostering coordination and cooperation with automobile manufacturers and logistic companies, thereby enhancing stability of existing business.
- The Group will reinforce cooperation with automobile manufacturers in the hinterland, so as to attract more cargo sources for foreign trade.
- The Group will also optimise its value-added services for automobiles and actively develop near-port industries, auto-trading and logistic finance, thereby promoting the establishment of automobile logistics system and attracting more cargoes.

Ore Segment

- The Group will capitalise on the advantages from providing bonded trans-shipment, blending at ports, logistic finance and commerce logistics in providing customised comprehensive logistics solution and tailor-made logistic service products to customers.
- The Group will strive to achieve regular berthing of 400,000-tonne ships while attracting major steel cargo sources in the Three Northeastern Provinces and Bohai Rim region leveraging on its deep-water ports.
- The Group will strengthen its brand building efforts and advance the commencement of operation of VALE Dalian Standard Mine. The Group will also expand the distribution function and service scope of its ore mixing business in order to establish the service brand of “personalized customization of ore mixing”.

General Cargo Segment

- The Group will promote near-port industries and accelerate the development of near-port bulky equipment projects and the near-port timber industry at Changxing Island port area.
- The Group will strengthen cooperation with traders and e-commerce providers to step up the construction of steel logistic park.
- The Group will provide the best logistic solutions and customised services that could effectively reduce the comprehensive integrated logistics costs. Meanwhile, the Group will also promote the construction of comprehensive logistic system to enhance competitiveness of the ports.

Management Discussion and Analysis

Bulk Grain Segment

- The Group will seek to allocate more resources for corns which are subject to temporary storage to boost the transshipment volume for “bulk cargoes to containers”.
- The Group will enhance market development and maintain customer relationship to secure more cargo supply of imported corns for foreign trade.
- The Group will foster stronger collaboration with railway authorities and strengthen its cooperation with relevant customers in terms of business operations and financing to boost the transshipment of grains.
- The Group will closely monitor the national policy on grain circulation and maintain a good relationship with deep-processing industry. Meanwhile, the Group will push forward the cross-regions and cross-district cooperation between bulk grain carriages.

Passenger and Ro-Ro Segment

- The Group will accelerate the exploration of new routes and the development of routes for land-island transportation and roll-on roll-off transportation, so as to boost the transportation volume by addition of routes.
- The Group will seek to attract international cruises to set off at Dalian and designate Dalian as their home ports by developing more international cruise routes.
- The Group will speed up construction of information infrastructure and continue setting up the e-commerce platform.

Value-added Services Segment

- The Group will optimize resource allocation and assign the optimal number of tugboats to each base determined through scientific method.
- The Group will devote greater effort to the development of the Yangtze River and Shandong Peninsula in order to acquire new momentum for profit growth.
- The Group will endeavour to prepare for the commissioning of the two new tugboats and orchestrate the allocation strategy of tugboats at all our ports.

Other Information

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS

As at 30 June 2015, none of the directors, supervisors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) (i) as recorded in the register required to be kept under Section 352 of the SFO; or (ii) as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) (which shall be deemed to be also applicable to the Company’s supervisors to the same extent as it applies to the Company’s directors).

THE MODEL CODE

The Company has adopted a code of conduct governing director’s and supervisor’s dealings in the Company’s securities transactions on terms no less exacting than the required standard set out in the Model Code. Upon specific enquiries, all Directors and supervisors have confirmed that they had complied with the provisions of the Model Code and the code of conduct governing their dealing in the Company’s securities transactions during the six months ended 30 June 2015.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules during the six months ended 30 June 2015, and so far as known to the Directors of the Company, there has been no material deviation from the code.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

As disclosed in the Company’s announcements dated 6 February 2015, 12 February 2015 and 17 February 2015, Asia Pacific Ports Development Company Limited, an indirect wholly-owned subsidiary of the Company, and the Company have entered into the subscription agreement with ABCI Capital Limited, Agricultural Bank of China Limited Hong Kong Branch, CCB International Capital Limited, China Minsheng Bank Corp. Ltd. Hong Kong Branch, China Merchants Securities (HK) Co., Limited, Huatai Financial Holdings (Hong Kong) Limited, Industrial and Commercial Bank of China, Singapore Branch, and Wing Lung Bank Limited on 11 February 2015 in connection with the issue of RMB800 million 4.50% credit enhanced bonds due 2018 (the “Bonds”). Listing of and permission to deal in the Bonds on The Stock Exchange of Hong Kong Limited became effective on 18 February 2015.

Save as disclosed above during the six months ended 30 June 2015, neither the Company nor any of its subsidiaries has purchased, sold or redeemed its equity or debt securities.

INTERIM DIVIDENDS

The board of directors of the Company (the “Board”) did not recommend the payment of any interim dividend for the six months ended 30 June 2015.

AUDIT COMMITTEE

The Audit Committee consists of independent non-executive Directors, namely Mr. WAN Kam To, Peter (as its chairman) and Mr. WANG Zhifeng and non-executive Director, namely Mr. YIN Shihui. The Audit Committee has reviewed the interim results for the six months ended 30 June 2015.

Other Information

INFORMATION ON SHARE CAPITAL AND SHAREHOLDERS OF THE COMPANY

The share capital structure of the Company as at 30 June 2015 is set out in the table below:

| Type of shares | Number of shares | Percentage (%) |
|----------------|----------------------|----------------|
| A shares | 3,363,400,000 | 75.99 |
| H Shares | 1,062,600,000 | 24.01 |
| Total | 4,426,000,000 | 100.00 |

Shareholdings of shareholders with notifiable interests

As at 30 June 2015, so far as known to the directors of the Company, the following persons had an interest or short position in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO:

| Name of shareholder | Class of shares | Number of shares/ underlying shares held | Capacity | Percentage of the relevant class of share capital ¹ | Percentage of the total share capital ² |
|---------------------------------------|-----------------|------------------------------------------------|------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------|
| Dalian Port Corporation Limited | A Shares | 2,308,806,592 (long position) | Beneficial owner | 68.65% | 52.16% |
| N.Y.K. Line (Hong Kong) Limited | H Shares | 114,800,000 (long position) | Beneficial owner | 10.80% | 2.59% |
| N.Y.K. Line Group (Hong Kong) Limited | H Shares | 114,800,000 (long position) | Interest of controlled corporation | 10.80% | 2.59% |
| Nippon Yusen Kabushiki Kaisha | H Shares | 114,800,000 (long position) | Interest of controlled corporation | 10.80% | 2.59% |
| China Shipping (Group) Co., Ltd. | H Shares | 73,610,000 (long position) | Interest of controlled corporation | 6.92% | 1.66% |

Notes:

- Number of shares in the relevant class of share capital: A shares – 3,363,400,000, H shares – 1,062,600,000.
- Total number of shares of share capital: 4,426,000,000.
- As at 30 June 2015, PDA holds a total of 2,361,806,592 shares of the Company (including 53,000,000 H shares), representing approximately 53.37% of the Company's total issued share capital.

Save as disclosed above, as at 30 June 2015, so far as known to the directors of the Company, no other person had an interest or short position in the shares of the Company which would fall to be disclosed to the Company and The Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO.

Other Information

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS AND SUPERVISORS

As at 30 June 2015, the members of the forth session of Board included Mr. HUI Kai, Mr. XU Song and Mr. SUN Benye as executive Directors, Mr. XU Jian, Mr. DONG Yanhong and Mr. YIN Shihui as non-executive Directors and Mr. WAN Kam To, Peter, Mr. WANG Zhifeng and Mr. SUN Xiyun as independent non-executive Directors, and the members of the forth session of the Company's supervisory committee included Mr. ZHANG Zuogang, Mr. JIA Wenjun, Mr. KONG Xianjing, Mr. JIAO Yingguang and Ms. ZHAO Rong.

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

OTHERS

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

The Company persists in upholding its approach of "integrated management with safety as the priority and prevention as the theme". With the core values of "scientific development with due regard to humanities and safety" as a solid foundation, the Company strictly implementing each of the national and local requirements for management of work place safety, and continuously improving the implementation of safety accountability system at all levels, so as to ensure safe production is maintained.

As at 30 June 2015, the Group had a total of 6,734 full-time employees, and the total number of employees of the Group and its investees were 9,074.

Report on Review of Financial Statements

PwC ZT Yue Zi (2015) No. 049

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

We have reviewed the accompanying interim financial statements of Dalian Port (PDA) Company Limited, which comprise the consolidated and company balance sheets as at 30 June 2015, and the consolidated and company income statements, the consolidated and company statements of changes in shareholders' equity and the consolidated and company cash flow statements for the 6-month period then ended, and the notes to the interim financial statements. The management is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of Accounting Standards for Business Enterprises. Our responsibility is to express a conclusion on the financial statements based on our review.

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

Based on our review, nothing has come to our attention that causes us to believe that the above interim financial statements do not present fairly, in all material respects of the financial position of Dalian Port (PDA) Company Limited as at 30 June 2015, and of its financial performance and its cash flows for the 6-month period then ended in accordance with Accounting Standards for Business Enterprises.

PricewaterhouseCoopers Zhong Tian LLP

Shanghai, the People's Republic of China

18 August 2015

Consolidated Balance Sheet (Unaudited)

As at 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

| | Note | 30 June 2015 Consolidated | 31 December 2014 Consolidated |
|-------------------------------------------------------|-------|------------------------------|----------------------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash at bank and in hand | 4(1) | 2,377,809,696.50 | 2,440,913,405.21 |
| Financial assets at fair value through profit or loss | 4(2) | 9,040,903.00 | 15,445,634.60 |
| Notes receivable | 4(3) | 113,321,466.94 | 90,865,505.13 |
| Accounts receivable | 4(6) | 984,175,103.01 | 837,441,400.50 |
| Advances to suppliers | 4(8) | 248,671,637.99 | 354,973,853.25 |
| Interest receivable | 4(5) | 8,517,031.49 | 13,218,167.09 |
| Dividends receivable | 4(4) | 44,112,951.50 | 18,644,275.34 |
| Other receivables | 4(7) | 653,105,112.98 | 436,938,098.66 |
| Inventories | 4(9) | 1,007,113,846.05 | 965,168,857.46 |
| Current portion of non-current assets | 4(10) | 65,820,000.00 | – |
| Other current assets | 4(11) | 205,160,925.21 | 705,106,362.22 |
| Total current assets | | 5,716,848,674.67 | 5,878,715,559.46 |
| Non-current assets | | | |
| Available-for-sale financial assets | 4(12) | 156,079,544.56 | 233,428,161.08 |
| Long-term receivables | 4(13) | 22,286,458.66 | 22,544,798.38 |
| Long-term equity investments | 4(14) | 4,093,571,233.02 | 3,873,207,058.31 |
| Investment properties | 4(15) | 672,535,723.42 | 681,660,028.98 |
| Fixed assets | 4(16) | 14,518,841,871.28 | 14,766,393,409.27 |
| Construction in progress | 4(18) | 2,297,686,708.83 | 1,555,093,364.31 |
| Fixed assets pending for disposal | 4(17) | 1,908,875.24 | 1,760,200.88 |
| Intangible assets | 4(19) | 710,582,923.68 | 729,050,736.49 |
| Goodwill | 4(20) | 16,035,288.74 | 16,035,288.74 |
| Long-term prepaid expenses | 4(21) | 23,236,302.80 | 23,592,159.31 |
| Deferred tax assets | 4(22) | 60,322,927.15 | 62,570,094.83 |
| Other non-current assets | 4(23) | 139,880,000.00 | – |
| Total non-current assets | | 22,712,967,857.38 | 21,965,335,300.58 |
| TOTAL ASSETS | | 28,429,816,532.05 | 27,844,050,860.04 |

Consolidated Balance Sheet (Unaudited) (continued)

As at 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

| | Note | 30 June 2015 Consolidated | 31 December 2014 Consolidated |
|------------------------------------------------------------|-------|------------------------------|----------------------------------|
| LIABILITIES AND OWNERS' EQUITY | | | |
| Current liabilities | | | |
| Short-term borrowings | 4(25) | 592,069,382.85 | 907,302,821.28 |
| Notes payable | 4(26) | 7,400,000.00 | 12,714,000.00 |
| Accounts payable | 4(27) | 315,336,170.23 | 374,676,495.88 |
| Advances from customers | 4(28) | 386,838,342.92 | 357,410,116.97 |
| Employee benefits payable | 4(29) | 122,798,556.09 | 180,628,173.95 |
| Taxes payable | 4(30) | 39,489,778.97 | 67,389,593.27 |
| Interest payable | 4(31) | 165,041,110.64 | 132,295,618.54 |
| Dividends payable | 4(32) | 250,198,340.27 | 73,114,454.27 |
| Other payables | 4(33) | 783,347,039.70 | 669,983,218.09 |
| Current portion of non-current liabilities | 4(34) | 517,171,133.43 | 553,387,648.39 |
| Other current liabilities | 4(35) | 1,025,967,142.16 | 1,003,828,573.32 |
| Total current liabilities | | 4,205,656,997.26 | 4,332,730,713.96 |
| Non-current liabilities | | | |
| Long-term borrowings | 4(36) | 2,611,010,023.77 | 2,827,010,023.77 |
| Debentures payable | 4(37) | 5,754,922,752.00 | 4,971,625,629.16 |
| Long-term payables | 4(38) | 53,721,771.41 | 59,886,723.51 |
| Deferred income | 4(39) | 543,395,487.24 | 566,797,413.08 |
| Deferred tax liabilities | 4(22) | 9,304,043.31 | 10,086,937.73 |
| Other non-current liabilities | 4(40) | 97,036,185.00 | 97,036,185.00 |
| Total non-current liabilities | | 9,069,390,262.73 | 8,532,442,912.25 |
| Total liabilities | | 13,275,047,259.99 | 12,865,173,626.21 |
| Owners' equity | | | |
| Share capital | 4(41) | 4,426,000,000.00 | 4,426,000,000.00 |
| Capital surplus | 4(42) | 6,118,025,204.90 | 6,117,277,019.87 |
| Other comprehensive income | 4(43) | 7,323,042.62 | 7,123,380.72 |
| Surplus reserve | 4(44) | 579,682,823.85 | 579,682,823.85 |
| Special reserve | | 27,213,225.06 | 16,354,483.20 |
| Undistributed profits | 4(45) | 2,668,018,495.27 | 2,558,928,773.36 |
| Total equity attributable to equity holders of the Company | | 13,826,262,791.70 | 13,705,366,481.00 |
| Minority interest | 4(46) | 1,328,506,480.36 | 1,273,510,752.83 |
| Total owners' equity | | 15,154,769,272.06 | 14,978,877,233.83 |
| TOTAL LIABILITIES AND OWNERS' EQUITY | | 28,429,816,532.05 | 27,844,050,860.04 |

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 (Unaudited)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

| Item | Note | Six months ended 30 June 2015 Consolidated | Six months ended 30 June 2014 Consolidated |
|---------------------------------------------------------------------------------------------------------|-------|--------------------------------------------------|--------------------------------------------------|
| 1. Revenue | 4(47) | 4,097,541,481.48 | 3,297,872,554.47 |
| Less: Cost of sales | 4(47) | (3,382,516,694.71) | (2,578,957,372.44) |
| Taxes and surcharges | 4(48) | (18,812,455.14) | (17,578,344.00) |
| Selling and distribution expenses | | (525,075.34) | (47,980.00) |
| General and administrative expenses | 4(49) | (276,858,410.87) | (247,461,042.33) |
| Financial expenses-net | 4(50) | (266,159,428.87) | (236,242,751.54) |
| Add: Profit arising from changes in fair value | 4(52) | 4,224,613.40 | 165,619.90 |
| Investment income | 4(53) | 121,252,686.91 | 78,023,499.66 |
| Including: Share of profit of associates and joint ventures | | 62,510,171.74 | 38,224,323.02 |
| 2. Operating profit | | 278,146,716.86 | 295,774,183.72 |
| Add: Non-operating income | 4(54) | 125,418,244.68 | 145,571,150.73 |
| Including: Gains on disposal of non-current assets | | 343,876.19 | 892,471.08 |
| Less: Non-operating expenses | 4(55) | (528,915.27) | (6,384,726.25) |
| Including: Losses on disposal of non-current assets | | (252,167.18) | (5,589,872.83) |
| 3. Total profit | | 403,036,046.27 | 434,960,608.20 |
| Less: Income tax expenses | 4(56) | (84,300,137.04) | (109,219,126.31) |
| 4. Net profit | | 318,735,909.23 | 325,741,481.89 |
| Attributable to equity holders of the Company | | 286,129,721.91 | 284,418,933.05 |
| Minority interest | | 32,606,187.32 | 41,322,548.84 |
| 5. Other comprehensive income after tax – Net | 4(43) | 199,661.90 | (6,397,826.15) |
| Attributable to equity holders of the Company | | 199,661.90 | (6,397,826.15) |
| 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 | | 334,624.05 | – |
| Gain or loss from fair value change of available-for-sale financial assets | | 376,267.24 | (4,597,300.25) |
| Translation differences on foreign financial statements | | (511,229.39) | (1,800,525.90) |
| Attributable to minority interest | | – | – |
| 6. Total comprehensive income | | 318,935,571.13 | 319,343,655.74 |
| Attributable to equity holders of the Company | | 286,329,383.81 | 278,021,106.90 |
| Attributable to minority interest | | 32,606,187.32 | 41,322,548.84 |
| 7. Earnings per share | 4(57) | | |
| Basic earnings per share (RMB Yuan) | | 0.06 | 0.06 |
| Diluted earnings per share (RMB Yuan) | | 0.06 | 0.06 |

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 (Unaudited)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

| Item | Note | Six months ended 30 June 2015 Consolidated | Six months ended 30 June 2014 Consolidated |
|--------------------------------------------------------------------------------------------------|-------|--------------------------------------------------|--------------------------------------------------|
| 1. Cash flows from operating activities | | | |
| Cash received from sales of goods or rendering of services | | 4,149,438,711.59 | 3,412,683,277.45 |
| Refund of taxes and surcharges | | 6,691.18 | 2,273,625.53 |
| Cash received relating to other operating activities | 4(58) | 212,679,333.97 | 21,911,831.81 |
| Sub-total of cash inflows from operating activities | | 4,362,124,736.74 | 3,436,868,734.79 |
| Cash paid for goods and services | 4(59) | (2,768,299,652.02) | (2,208,528,318.72) |
| Cash paid to and on behalf of employees | | (729,500,582.85) | (668,864,106.40) |
| Payments of taxes and surcharges | | (155,571,577.39) | (182,751,513.52) |
| Cash paid relating to other operating activities | 4(58) | (89,176,186.56) | (47,597,024.16) |
| Sub-total of cash outflows from operating activities | | (3,742,547,998.82) | (3,107,740,962.80) |
| Net cash flows from operating activities | 4(59) | 619,576,737.92 | 329,127,771.99 |
| 2. Cash flows from investing activities | | | |
| Cash received from disposal of investments | | 796,452,485.71 | 1,697,339,009.50 |
| Cash received from returns on investments | | 43,614,178.36 | 51,132,915.75 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | | 1,301,025.89 | 3,355,858.71 |
| Net cash received from acquiring subsidiaries and other business units | | – | 7,107,219.40 |
| Cash received relating to other investing activities | 4(58) | 56,940,587.21 | 5,163,645.00 |
| Sub-total of cash inflows from investing activities | | 898,308,277.17 | 1,764,098,648.36 |
| Cash paid to acquire fixed assets, intangible assets and other long-term assets | | (999,302,572.67) | (445,519,805.18) |
| Cash paid to acquire investments | | (446,088,234.12) | (796,520,000.00) |
| Cash paid relating to other investing activities | 4(58) | (78,555,510.93) | (8,118,578.00) |
| Sub-total of cash outflows from investing activities | | (1,523,946,317.72) | (1,250,158,383.18) |
| Net cash flows from investing activities | | (625,638,040.55) | 513,940,265.18 |

Consolidated Cash Flow Statement (Unaudited) (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

| Item | Note | Six months ended 30 June 2015 Consolidated | Six months ended 30 June 2014 Consolidated |
|----------------------------------------------------------------------------------------------|-------|--------------------------------------------------|--------------------------------------------------|
| 3. Cash flows from financing activities | | | |
| Cash received from capital contributions | | 32,600,875.00 | 9,800,000.00 |
| Including: Cash received from capital contributions by minority shareholders of subsidiaries | | 32,600,875.00 | 9,800,000.00 |
| Cash received from borrowings | 4(59) | 1,243,466,576.00 | 2,437,579,923.29 |
| Cash received from issuance of debentures | | 800,000,000.00 | – |
| Cash received relating to other financing activities | 4(58) | 439,999.52 | 30,309,501.88 |
| Sub-total of cash inflows from financing activities | | 2,076,507,450.52 | 2,477,689,425.17 |
| Cash repayments of borrowings | | (1,876,207,727.42) | (3,323,970,946.12) |
| Cash payments for interest expenses and distribution of dividends or profits | | (238,006,160.28) | (307,895,430.07) |
| Including: Cash payments for dividends or profit to minority shareholders of subsidiaries | | (9,743,699.20) | (16,405,936.37) |
| Cash payments relating to other financing activities | 4(58) | (5,594,103.03) | (34,515,400.64) |
| Sub-total of cash outflows from financing activities | | (2,119,807,990.73) | (3,666,381,776.83) |
| Net cash flows from financing activities | | (43,300,540.21) | (1,188,692,351.66) |
| 4. Effect of foreign exchange rate changes on cash and cash equivalents | | (9,761,159.79) | (3,305,746.17) |
| 5. Net (decrease) in cash and cash equivalents | | (59,123,002.63) | (348,930,060.66) |
| Add: Cash and cash equivalents at beginning of period | 4(59) | 2,241,972,818.00 | 2,303,924,914.82 |
| 6. Cash and cash equivalent at end of period | 4(59) | 2,182,849,815.37 | 1,954,994,854.16 |

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 (Unaudited)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

| Item | Note | Attributable to equity holders of the Company | | | | | | | Total owners' equity |
|-----------------------------------------------|-------|-----------------------------------------------|-------------------------|----------------------------|-----------------------|----------------------|-------------------------|-------------------------|--------------------------|
| | | Paid-in capital | Capital surplus | Other comprehensive income | Surplus reserve | Specific reserve | Undistributed profits | Minority interest | |
| 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 | | - | - | (6,397,826.15) | - | - | 284,418,933.05 | 41,322,548.84 | 319,343,655.74 |
| Net profit | | - | - | - | - | - | 284,418,933.05 | 41,322,548.84 | 325,741,481.89 |
| Other comprehensive income | 4(43) | - | - | (6,397,826.15) | - | - | - | - | (6,397,826.15) |
| Capital contribution and withdrawal by owners | | - | 610,277.32 | - | - | - | - | 12,640,394.57 | 13,250,671.89 |
| Establishment of subsidiaries | | - | - | - | - | - | - | 9,800,000.00 | 9,800,000.00 |
| Disposal of subsidiaries | | - | 610,277.32 | - | - | - | - | 2,840,394.57 | 3,450,671.89 |
| Profit distribution | 4(45) | - | - | - | - | - | (266,027,583.40) | (16,582,754.78) | (282,610,338.18) |
| Profit distribution to equity owners | | - | - | - | - | - | (265,560,000.00) | (16,405,936.37) | (281,965,936.37) |
| Appropriation to employee welfare fund | | - | - | - | - | - | (467,583.40) | (176,818.41) | (644,401.81) |
| Specific reserve | | - | - | - | - | 7,815,054.20 | - | 1,331,527.69 | 9,146,581.89 |
| Accruals in current year | | - | - | - | - | 14,819,759.35 | - | 1,439,118.55 | 16,258,877.90 |
| Utilized in current year | | - | - | - | - | (7,004,705.15) | - | (107,590.86) | (7,112,296.01) |
| Others | | - | 1,265,830.42 | - | - | - | - | - | 1,265,830.42 |
| Balance at 30 June 2014 | | 4,426,000,000.00 | 6,111,142,364.26 | 8,005,553.30 | 533,416,415.28 | 17,343,889.66 | 2,370,520,657.55 | 1,255,252,551.71 | 14,721,681,431.76 |
| Balance at 1 January 2015 | | 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 |
| Total comprehensive income | | - | - | 199,661.90 | - | - | 286,129,721.91 | 32,606,187.32 | 318,935,571.13 |
| Net profit | | - | - | - | - | - | 286,129,721.91 | 32,606,187.32 | 318,735,909.23 |
| Other comprehensive income | 4(43) | - | - | 199,661.90 | - | - | - | - | 199,661.90 |
| Capital contribution and withdrawal by owners | | - | - | - | - | - | - | 32,600,875.00 | 32,600,875.00 |
| Disposal of minority | | - | - | - | - | - | - | 28,000,000.00 | 28,000,000.00 |
| Capital contribution by minority | | - | - | - | - | - | - | 4,600,875.00 | 4,600,875.00 |
| Profit distribution | 4(45) | - | - | - | - | - | (177,040,000.00) | (11,586,010.00) | (188,626,010.00) |
| Profit distribution to equity owners | | - | - | - | - | - | (177,040,000.00) | (11,586,010.00) | (188,626,010.00) |
| Specific reserve | | - | - | - | - | 10,858,741.86 | - | 1,374,675.21 | 12,233,417.07 |
| Accruals in current year | | - | - | - | - | 14,754,873.32 | - | 1,451,746.21 | 16,206,619.53 |
| Utilized in current year | | - | - | - | - | (3,896,131.46) | - | (77,071.00) | (3,973,202.46) |
| Others | | - | 748,185.03 | - | - | - | - | - | 748,185.03 |
| Balance at 30 June 2015 | | 4,426,000,000.00 | 6,118,025,204.90 | 7,323,042.62 | 579,682,823.85 | 27,213,225.06 | 2,668,018,495.27 | 1,328,506,480.36 | 15,154,769,272.06 |

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 (Unaudited)

As at 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

| | Note | 30 June 2015 Company | 31 December 2014 Company |
|-------------------------------------------------------|-------|--------------------------|-----------------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash at bank and in hand | | 647,937,540.90 | 968,139,861.43 |
| Financial assets at fair value through profit or loss | | 9,040,903.00 | 15,445,634.60 |
| Notes receivable | | 97,082,300.88 | 71,560,455.87 |
| Accounts receivable | 18(1) | 661,264,031.87 | 609,891,726.68 |
| Advances to suppliers | | 18,109,332.44 | 13,254,097.70 |
| Interest receivable | | 9,850,687.06 | 13,326,704.57 |
| Dividends receivable | | 544,849,523.88 | 501,368,769.30 |
| Other receivables | 18(2) | 628,522,424.67 | 663,781,196.55 |
| Inventories | | 47,498,416.97 | 51,876,684.71 |
| Current portion of non-current assets | | 65,820,000.00 | – |
| Other current assets | | 89,850,346.66 | 601,590,954.96 |
| Total current assets | | 2,819,825,508.33 | 3,510,236,086.37 |
| Non-current assets | | | |
| Available-for-sale financial assets | | 13,900,057.50 | 91,620,057.50 |
| Long-term receivables | | 600,000,000.00 | 600,000,000.00 |
| Long-term equity investments | 18(3) | 6,905,192,885.76 | 6,616,563,021.81 |
| Fixed assets | | 11,328,488,513.91 | 11,505,339,651.56 |
| Construction in progress | | 2,083,959,887.85 | 1,382,940,547.20 |
| Fixed assets pending for disposal | | 1,908,875.24 | 1,760,200.88 |
| Intangible assets | | 253,666,462.00 | 257,657,345.98 |
| Long-term prepaid expenses | | 3,669,774.95 | 3,785,460.53 |
| Deferred tax assets | | 2,080,695.66 | 4,063,330.14 |
| Other non-current assets | | 139,880,000.00 | – |
| Total non-current assets | | 21,332,747,152.87 | 20,463,729,615.60 |
| TOTAL ASSETS | | 24,152,572,661.20 | 23,973,965,701.97 |

Company Balance Sheet (Unaudited) (continued)

As at 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

| | Note | 30 June 2015 Company | 31 December 2014 Company |
|---------------------------------------------|------|--------------------------|-----------------------------|
| LIABILITIES AND OWNERS' EQUITY | | | |
| Current liabilities | | | |
| Notes payable | | 7,400,000.00 | 12,714,000.00 |
| Accounts payable | | 76,046,992.27 | 54,804,816.43 |
| Advances from customers | | 18,737,656.52 | 21,311,852.05 |
| Employee benefits payable | | 54,301,641.14 | 89,353,514.87 |
| Taxes payable | | 6,905,234.25 | 19,257,371.41 |
| Interest payable | | 147,741,767.47 | 131,212,986.61 |
| Dividends payable | | 177,040,000.00 | – |
| Other payables | | 435,924,991.90 | 470,876,454.97 |
| Current portion of non-current liabilities | | 500,000,000.00 | 250,000,000.00 |
| Other current liabilities | | 1,025,967,142.16 | 1,003,828,573.32 |
| Total current liabilities | | 2,450,065,425.71 | 2,053,359,569.66 |
| Non-current liabilities | | | |
| Long-term borrowings | | 2,550,000,000.00 | 2,800,000,000.00 |
| Debentures payable | | 4,975,645,041.00 | 4,971,625,629.16 |
| Deferred revenue | | 517,000,730.09 | 533,845,220.22 |
| Other non-current liabilities | | 97,036,185.00 | 97,036,185.00 |
| Total non-current liabilities | | 8,139,681,956.09 | 8,402,507,034.38 |
| Total liabilities | | 10,589,747,381.80 | 10,455,866,604.04 |
| Owners' equity | | | |
| Share capital | | 4,426,000,000.00 | 4,426,000,000.00 |
| Capital surplus | | 6,232,023,428.93 | 6,231,275,243.90 |
| Surplus reserve | | 534,802,561.09 | 534,802,561.09 |
| Special reserve | | 19,418,349.48 | 11,797,967.31 |
| Undistributed profits | | 2,350,580,939.90 | 2,314,223,325.63 |
| Total owners' equity | | 13,562,825,279.40 | 13,518,099,097.93 |
| TOTAL LIABILITIES AND OWNERS' EQUITY | | 24,152,572,661.20 | 23,973,965,701.97 |

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 (Unaudited)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

| Item | Note | Six months ended 30 June 2015 Company | Six months ended 30 June 2014 Company |
|-------------------------------------------------------------|-------|------------------------------------------------|------------------------------------------------|
| 1. Revenue | 18(4) | 1,499,327,375.71 | 1,481,992,956.78 |
| Less: Cost of sales | 18(4) | (1,021,575,857.00) | (958,537,950.42) |
| Taxes and surcharges | | (8,515,579.90) | (7,481,621.40) |
| General and administrative expenses | | (149,347,025.09) | (140,558,878.30) |
| Financial expenses-net | | (225,515,739.70) | (209,570,634.06) |
| Add: Profit arising from changes in fair value | | 4,224,613.40 | 165,619.90 |
| Investment income | 18(5) | 121,565,093.48 | 84,251,752.39 |
| Including: Share of profit of associates and joint ventures | | 46,110,485.03 | 34,140,419.18 |
| 2. Operating profit | | 220,162,880.90 | 250,261,244.89 |
| Add: Non-operating income | | 26,436,955.65 | 26,216,487.22 |
| Including: Gains on disposal of non-current assets | | 1,452.22 | 89,843.19 |
| Less: Non-operating expenses | | (349,159.53) | (860,348.97) |
| Including: Losses on disposal of non-current assets | | (91,638.04) | - |
| 3. Total profit | | 246,250,677.02 | 275,617,383.14 |
| Less: Income tax expenses | | (32,853,062.75) | (50,227,362.56) |
| 4. Net profit | | 213,397,614.27 | 225,390,020.58 |
| 5. Other comprehensive income after tax -Net | | - | - |
| 6. Total comprehensive income | | 213,397,614.27 | 225,390,020.58 |

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 (Unaudited)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

| Item | Note | Six months ended 30 June 2015 Company | Six months ended 30 June 2014 Company |
|--------------------------------------------------------------------------------------------------|-------|------------------------------------------------|------------------------------------------------|
| 1. Cash flows from operating activities | | | |
| Cash received from sales of goods or rendering of services | | 1,395,943,345.89 | 1,175,003,527.29 |
| Cash received relating to other operating activities | | 31,430,855.36 | 32,231,408.80 |
| Sub-total of cash inflows from operating activities | | 1,427,374,201.25 | 1,207,234,936.09 |
| Cash paid for goods and services | | (508,485,598.03) | (460,477,687.55) |
| Cash paid to and on behalf of employees | | (367,957,872.88) | (431,616,487.12) |
| Payments of taxes and surcharges | | (73,883,063.81) | (69,250,220.66) |
| Cash paid relating to other operating activities | | (184,401,399.41) | (40,972,506.97) |
| Sub-total of cash outflows from operating activities | | (1,134,727,934.13) | (1,002,316,902.30) |
| Net cash flows from operating activities | 18(6) | 292,646,267.12 | 204,918,033.79 |
| 2. Cash flows from investing activities | | | |
| Cash received from disposal of investments | | 1,162,700,216.05 | 2,249,936,263.39 |
| Cash received from returns on investments | | 86,514,125.07 | 155,731,503.59 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | | 2,500.00 | 201,466.69 |
| Cash received relating to other investing activities | | 1,271,400.00 | 3,218,000.00 |
| Sub-total of cash inflows from investing activities | | 1,250,488,241.12 | 2,409,087,233.67 |
| Cash paid to acquire fixed assets, intangible assets and other long-term assets | | (945,848,749.52) | (219,383,539.21) |
| Cash paid to acquire investments | | (761,970,875.00) | (1,399,070,000.00) |
| Cash paid relating to other investing activities | | (739,999.02) | (2,487,020.00) |
| Sub-total of cash outflows from investing activities | | (1,708,559,623.54) | (1,620,940,559.21) |
| Net cash flows from investing activities | | (458,071,382.42) | 788,146,674.46 |

Company Cash Flow Statement (Unaudited) (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

| Item | Note | Six months ended 30 June 2015 Company | Six months ended 30 June 2014 Company |
|--------------------------------------------------------------------------------|-------|------------------------------------------------|------------------------------------------------|
| 3. Cash flows from financing activities | | | |
| Cash received from borrowings | | – | 1,700,000,000.00 |
| Cash received relating to other financing activities | | 439,999.52 | – |
| Sub-total of cash inflows | | 439,999.52 | 1,700,000,000.00 |
| Cash repayments of borrowings | | – | (2,500,000,000.00) |
| Cash payments for interest expenses and distribution of dividends or profits | | (154,685,803.77) | (268,638,072.27) |
| Sub-total of cash outflows | | (154,685,803.77) | (2,768,638,072.27) |
| Net cash flows from financing activities | | (154,245,804.25) | (1,068,638,072.27) |
| 4. Effect of foreign exchange rate changes on cash and cash equivalents | | – | – |
| 5. Net (decrease) in cash and cash equivalents | | (319,670,919.55) | (75,573,364.02) |
| Add: Cash and cash equivalents at beginning of period | 18(6) | 966,868,460.45 | 852,556,002.57 |
| 6. Cash and cash equivalent at end of period | 18(6) | 647,197,540.90 | 776,982,638.55 |

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 (Unaudited)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

| Item | Paid-in capital | Capital surplus | Surplus reserve | Specific reserve | Undistributed profits | Total owners' equity |
|--------------------------------------|-------------------------|-------------------------|-----------------------|----------------------|-------------------------|--------------------------|
| 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 |
| Total comprehensive income | - | - | - | - | 225,390,020.58 | 225,390,020.58 |
| Net profit | - | - | - | - | 225,390,020.58 | 225,390,020.58 |
| Profit distribution | - | - | - | - | (265,560,000.00) | (265,560,000.00) |
| Profit distribution to equity owners | - | - | - | - | (265,560,000.00) | (265,560,000.00) |
| Specific reserve | - | - | - | 5,570,446.66 | - | 5,570,446.66 |
| Accruals in current year | - | - | - | 11,133,531.84 | - | 11,133,531.84 |
| Utilized in current year | - | - | - | (5,563,085.18) | - | (5,563,085.18) |
| Others | - | 1,283,015.69 | - | - | - | 1,283,015.69 |
| Balance at 30 June 2014 | 4,426,000,000.00 | 6,231,245,010.23 | 488,536,152.53 | 12,399,378.16 | 2,123,215,669.06 | 13,281,396,209.98 |
| Balance at 1 January 2015 | 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 |
| Total comprehensive income | - | - | - | - | 213,397,614.27 | 213,397,614.27 |
| Net profit | - | - | - | - | 213,397,614.27 | 213,397,614.27 |
| Profit distribution | - | - | - | - | (177,040,000.00) | (177,040,000.00) |
| Profit distribution to equity owners | - | - | - | - | (177,040,000.00) | (177,040,000.00) |
| Specific reserve | - | - | - | 7,620,382.17 | - | 7,620,382.17 |
| Accrued in current year | - | - | - | 10,883,752.44 | - | 10,883,752.44 |
| Utilized in current year | - | - | - | (3,263,370.27) | - | (3,263,370.27) |
| Others | - | 748,185.03 | - | - | - | 748,185.03 |
| Balance at 30 June 2015 | 4,426,000,000.00 | 6,232,023,428.93 | 534,802,561.09 | 19,418,349.48 | 2,350,580,939.90 | 13,562,825,279.40 |

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 six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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 30 June 2015, 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 period are as shown in Note 6, and that newly included in the consolidation scope for the period is Dalian Port Xinshengshi Trading Co., Ltd. Please refer to Note 5 for details.

These financial statements were approved and authorised for issue by the Company’s Board of Directors on 18 August 2015.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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)), Judgment 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(29).

(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 six months ended 30 June 2015 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the Consolidated and the Company’s financial position as at 30 June 2015 and of their financial performance, cash flows and other information for the six months ended 30 June 2015.

(3) Accounting year

The Company’s accounting year starts on 1 January and ends on 31 December. The accounting period for this interim financial statement is from 1 January to 30 June.

(4) Recording currency

The recording currency is Renminbi (RMB).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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

(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.

(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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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

(6) Preparation of consolidated financial statements (continued)

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 (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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

(9) Financial instrument (continued)

(a) Financial assets (continued)

(ii) *Recognition and measurement*

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

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

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

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

(iii) *Impairment of financial assets*

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

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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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

(9) Financial instrument (continued)

(a) Financial assets (continued)

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

Objective evidence indicating impairment of 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.

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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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

(9) Financial instrument (continued)

(a) Financial assets (continued)

(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.

(c) Determination of fair value of financial instruments

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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

(10) Receivables

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

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

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

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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 inclusive) | 5% | 5% |
| 1-2 years (2 years inclusive) | 10% | 10% |
| 2-3 years (3 years inclusive) | 20% | 20% |
| 3-5 years (5 years inclusive) | 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.

(d) When the Group transfers the accounts receivable to the financial institutions without recourse, the difference between the proceeds received from the transaction and their carrying amounts and the related taxes is recognised in profit or loss for the current period.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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

(11) Inventories

(a) Classification

Inventories include raw materials, work in progress, 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.

(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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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

(12) Long-term equity investments (continued)

(a) Determination of investment cost

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

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

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

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

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

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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

(12) Long-term equity investments (continued)

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

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

Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

(d) Impairment of long-term equity investments

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

(13) Investment properties

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

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

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

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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

(13) Investment properties (continued)

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

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

(14) Fixed assets

(a) Recognition and initial measurement of fixed assets

Fixed assets comprise buildings, 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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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

(14) Fixed assets (continued)

(b) Depreciation methods of fixed assets (continued)

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

| | Estimated useful 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 19.2% |

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

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

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

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

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

(e) Disposal of fixed assets

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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

(15) Construction in progress

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

(16) Borrowing costs

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

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

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

(17) Intangible assets

Intangible assets 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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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

(17) Intangible assets (continued)

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

| | Estimated useful lives |
|-----------------------------------|---------------------------|
| Land use rights | 50 years |
| Container flat vehicle use rights | 16 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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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

(19) Impairment of long-term assets

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

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

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

(20) Employee benefits

Employee benefits mainly include 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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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

(20) Employee benefits (continued)

(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.

(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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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

(22) Provisions (continued)

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.

(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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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

(23) Revenue recognition (continued)

(b) Rendering of services (continued)

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

(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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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) 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:

Income tax

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 would impact the income tax and deferred tax provisions in the period in which such determination is made.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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

(29) Critical accounting estimates and judgements (continued)

(b) Critical judgments in applying the accounting policies

(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 Automobile Terminal Co., Ltd., Dalian Portsoft 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 shareholders of Dalian Haijia Automobile Terminal 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 Portsoft 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.

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 | 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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

3 Taxation (continued)

(2) Preferential tax treatments and approval documents

Corporate income tax

On 29 November 2012, the subsidiary of the Group, Dalian Port Logistics Technology Co., Ltd. ("DPLT"), was certified the *High and New Tech Enterprises Certificate* (No. GF201221200029), which would be valid for 3 years, by Dalian Municipal Science and Technology Bureau, Dalian Municipal Bureau of Finance, Dalian Municipal Office, State Administration of Taxation and Dalian Local Taxation Bureau.

On 29 September 2014, the subsidiary of the Group, Dalian Portsoft Technology Co., Ltd. ("DPT"), was certified the *High and New Tech Enterprises Certificate* (No. GR201421200032), which would be valid for 3 years, by Dalian Municipal Science and Technology Bureau, Dalian Municipal Bureau of Finance, Dalian Municipal Office, State Administration of Taxation and Dalian Local Taxation Bureau.

On 29 September 2014, the subsidiary of the Group, Dalian Port Net Co., Ltd. ("DPN"), was certified the *High and New Tech Enterprises Certificate* (No. GR201421200116), which would be valid for 3 years, by Dalian Municipal Science and Technology Bureau, Dalian Municipal Bureau of Finance, Dalian Municipal Office, State Administration of Taxation and Dalian Local Taxation Bureau.

According to the relevant provisions of the *Law of the PRC on Enterprise Income Tax's* Article 28, for the six months ended 30 June 2015, the tax levied on the above three companies shall be reduced at a rate of 15 percent.

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, part of the land use rights held by the Group used for dock are exempted from land use 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 (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements

(1) Cash at bank and in hand

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|-------------------------------------------|--------------------------------|---------------------|
| Cash in hand | 112,226.91 | 123,972.84 |
| Bank deposits (i) | 2,332,692,423.46 | 2,410,457,207.77 |
| Other cash balances (ii) | 45,005,046.13 | 30,332,224.60 |
| Including: Total amounts deposited abroad | 136,748,648.96 | 41,227,998.41 |
| | 2,377,809,696.50 | 2,440,913,405.21 |

(i) As at 30 June 2015, a bank deposit of 740,000.00 (31 December 2014: RMB1,271,400.00) is pledged as collateral for the Group's bank notes payable of RMB7,400,000.00 (31 December 2014: RMB12,714,000.00).

(ii) As at 30 June 2015, other cash balance of RMB40,092,463.13 (31 December 2014: RMB24,584,123.23) is pledged as collateral for the Group's non-cancellable letter of credit.

As at 30 June 2015, other cash balance of RMB3,127,418.00 (31 December 2014: RMB4,085,063.00) are pledged as the Group's project performance guarantee.

(2) Financial assets at fair value through profit or loss

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|---------------------------------------------------|--------------------------------|---------------------|
| Investments in equity instrument held for trading | 9,040,903.00 | 4,304,310.00 |
| Open money market fund | - | 11,141,324.60 |
| | 9,040,903.00 | 15,445,634.60 |

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(3) Notes receivable

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|-----------------------|--------------------------------|---------------------|
| Bank acceptance notes | 113,321,466.94 | 90,865,505.13 |

(a) As at 30 June 2015, the Group had no pledged notes receivable (31 December 2014: Nil).

(b) As at 30 June 2015, notes receivable which have been endorsed to other parties at end of the period but not mature yet are as follows (unaudited):

| | Derecognised | Not derecognised |
|-----------------------|----------------------|---------------------|
| Bank acceptance notes | 21,547,120.00 | – |

(4) Dividends receivable

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|-----------------------------------------------------------|--------------------------------|---------------------|
| PetroChina Dalian LNG Co., Ltd. | 30,555,884.58 | – |
| Dalian Port Container Terminal Co., Ltd. | 9,922,500.00 | 9,922,500.00 |
| Dalian Singamas International Container Co., Ltd. | 2,039,832.21 | 3,127,040.63 |
| Dalian Dagang China Shipping Container Terminal Co., Ltd. | 1,594,734.71 | 1,594,734.71 |
| Dalian Automobile Terminal Co., Ltd. | – | 4,000,000.00 |
| | 44,112,951.50 | 18,644,275.34 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(5) Interest receivable

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|----------------------------------------|--------------------------------|---------------------|
| Interest of fixed deposits | 4,880,707.21 | 9,236,213.02 |
| Interest of wealth management products | 3,555,074.41 | 3,824,876.86 |
| Interest of entrusted loans | 81,249.87 | 78,911.94 |
| Interest of current deposits | – | 78,165.27 |
| | 8,517,031.49 | 13,218,167.09 |

(6) Accounts receivable

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|-------------------------------|--------------------------------|---------------------|
| Accounts receivable | 987,207,332.55 | 840,473,630.04 |
| Less: Provision for bad debts | (3,032,229.54) | (3,032,229.54) |
| | 984,175,103.01 | 837,441,400.50 |

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

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

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|---------------|--------------------------------|---------------------|
| Within 1 year | 902,137,290.19 | 763,462,567.08 |
| 1 to 2 years | 21,305,964.17 | 30,391,817.26 |
| 2 to 3 years | 17,863,857.80 | 38,966,795.19 |
| Over 3 years | 45,900,220.39 | 7,652,450.51 |
| | 987,207,332.55 | 840,473,630.04 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(6) Accounts receivable (continued)

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

| | 30 June 2015 (Unaudited) | | | | 31 December 2014 | | | |
|-------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------|-------------------------|--------------|------------------|---------------|-------------------------|------------|
| | Ending balance | | Provision for bad debts | | Ending balance | | Provision for bad debts | |
| | % of | | Percentage | | % of | | Percentage | |
| | Amount | total balance | Amount | Percentage | Amount | total balance | Amount | Percentage |
| With amounts that are individually significant and that the related provision for bad debts is provided on the individual basis | 4,589,839.02 | 0.46% | 1,491,504.33 | 32.50% | 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 | 981,076,768.32 | 99.38% | - | - | 833,379,247.96 | 99.16% | - | - |
| Whereby | | | | | | | | |
| Group 1 | - | - | - | - | - | - | - | - |
| Group 2 | 981,076,768.32 | 99.38% | - | - | 833,379,247.96 | 99.16% | - | - |
| 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 | 0.16% | 1,540,725.21 | 100.00% | 1,540,725.21 | 0.18% | 1,540,725.21 | 100.00% |
| | 987,207,332.55 | 100.00% | 3,032,229.54 | 0.31% | 840,473,630.04 | 100.00% | 3,032,229.54 | 0.36% |

(c) As at 30 June 2015, accounts receivable with amounts that are individually significant and that the related provision for bad debts is provided on the individual basis are analysed as follows (unaudited):

| | Ending balance | Provision for bad debts | Percentage | Reason |
|-------------------|----------------|-------------------------|------------|--------|
| Ansteel Co., Ltd. | 4,589,839.02 | 1,491,504.33 | 32.50% | (i) |

(i) As at 30 June 2015, receivables with amount of RMB4,589,839.02 from Ansteel Co., Ltd., including withholding port 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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(6) Accounts receivable (continued)

- (d) For the six months ended 30 June 2015, there is no provisions made for bad debts or write-off of the Group's accounts receivable.
- (e) As at 30 June 2015, the top five balances of accounts receivable categorized by debtors are summarised for analyses below (unaudited):

| | Amount | Provision for bad debts | % of total balance |
|--------------------------------------------------|-----------------------|----------------------------|-----------------------|
| Total balance of top five accounts receivable | 543,534,677.04 | – | 55.06% |

(7) Other receivables

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|----------------------------------------------------------------|--------------------------------|---------------------|
| Government subsidies receivable | 305,130,075.00 | 177,717,395.00 |
| Receivables from freight charges, deposit and security deposit | 138,162,768.58 | 30,603,768.82 |
| Receivables from project payment and guarantee deposit | 60,060,279.38 | 59,043,764.77 |
| Entrusted loans (i) | 58,032,800.00 | 43,042,800.00 |
| Bills of exchange | 30,690,012.08 | 59,832,121.88 |
| Port construction and miscellaneous expenses | 13,097,104.30 | 37,511,748.41 |
| Public infrastructure maintenance expenses | 4,316,520.00 | 1,508,059.45 |
| Others | 44,676,746.61 | 28,739,633.30 |
| | 654,166,305.95 | 437,999,291.63 |
| Less: Provision for bad debts | (1,061,192.97) | (1,061,192.97) |
| | 653,105,112.98 | 436,938,098.66 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(7) Other receivables (continued)

(i) Entrusted loans

– Loans to joint ventures

As at 30 June 2015, the loans to joint ventures is as follows. The Group entrusted Dalian Port Group Financial Co., Ltd. (31 December 2014: Agricultural Bank of China) to provide unsecured loans of RMB4,600,000.00 to its joint venture, Liaoning Con-Rail International Logistics Co., Ltd., with interest rate of 5.60% annually. The loan was due on 11 February 2016 (31 December 2014: RMB5,610,000.00, with interest rate of 6.00% annually, due on 20 February 2015) (Note 9(5)(d)(ii)).

– Loans to associates

As at 30 June 2015, the loans to associates are as follows:

The Group entrusted Dalian Port Group Financial Co., Ltd. to provide unsecured loans of RMB24,000,000.00 (31 December 2014: RMB24,000,000.00) to its associate, Dalian Puji Storage Facility Co., Ltd., with the interest rate of 6.00% annually. The loan was due on 2 July 2015 (Note 9(5)(d)(ii)).

The Group entrusted Dalian Port Group Financial Co., Ltd. to provide unsecured loans of RMB16,000,000.00 (31 December 2014: Nil) to its associate, Dalian Puji Storage Facility Co., Ltd., with the interest rate of 6.00% annually. The loan was due on 28 January 2016 (Note 9(5)(d)(ii)).

The Group entrusted Dalian Port Group Financial Co., Ltd. to provide unsecured loans of RMB13,432,800.00 to its associate, China Harbor United Shipping Co., Ltd., with interest rate of 4.85% annually. The loan was due on 28 June 2016 (31 December 2014: RMB13,432,800.00, with interest rate of 6.00% annually, due on 27 June 2015) (Note 9(5)(d)(ii)).

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

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|---------------|--------------------------------|---------------------|
| Within 1 year | 633,536,867.18 | 405,958,707.23 |
| 1 to 2 years | 7,987,855.75 | 19,971,178.71 |
| 2 to 3 years | 5,286,871.27 | 5,903,146.39 |
| Over 3 years | 7,354,711.75 | 6,166,259.30 |
| | 654,166,305.95 | 437,999,291.63 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(7) Other receivables (continued)

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

| | 30 June 2015 (Unaudited) | | | | 31 December 2014 | | | |
|-------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------|-------------------------|--------|------------------|--------------------|-------------------------|--------|
| | 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 | 646,304,696.14 | 98.80% | - | - | 434,696,576.66 | 99.25% | - | - |
| Whereby | | | | | | | | |
| Group 1 | - | - | - | - | - | - | - | - |
| Group 2 | 646,304,696.14 | 98.80% | - | - | 434,696,576.66 | 99.25% | - | - |
| With amounts that are not individually significant but that the related provision for bad debts is provided on the individual basis | 7,861,609.81 | 1.20% | 1,061,192.97 | 13.50% | 3,302,714.97 | 0.75% | 1,061,192.97 | 32.13% |
| | 654,166,305.95 | 100.00% | 1,061,192.97 | 0.16% | 437,999,291.63 | 100.00% | 1,061,192.97 | 0.24% |

(c) For the six months ended 30 June 2015, there is no provisions made for bad debts or write-off of the Group's accounts receivable.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(7) Other receivables (continued)

(d) As at 30 June 2015, the five largest other receivables are analysed as follows (unaudited):

| | Nature | Amount | Ageing | % of total balance | Provision for bad debts |
|-----------------------------------------------------|-----------------------------------|-----------------------|----------------------|--------------------|-------------------------|
| Dalian Municipal Bureau of Finance | Government grants | 305,130,075.00 | Within 1 year | 46.64% | - |
| Heilongjiang Xinhaiyang Trade Development Co., Ltd. | Deposit for grain purchase | 75,226,035.21 | Within 1 year | 11.50% | - |
| Dalian Puji Storage Facility Co., Ltd. | Entrusted loan | 40,000,000.00 | Within 1 year | 6.11% | - |
| China Harbor United Shipping Co., Ltd. | Entrusted loan | 13,432,800.00 | Within 1 year | 2.05% | - |
| Jinqiao Station of Shenyang Railway Bureau | Freight deposit | 9,981,168.92 | Within 1 year | 1.53% | - |
| | | 443,770,079.13 | Within 1 year | 67.83% | - |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(7) Other receivables (continued)

- (e) As at 30 June 2015, the Company's government grants recognised at amounts receivable are analysed as follow (unaudited):

| | Government grants | Balance | Ageing | Estimated time, amount and basis of collection |
|-------------------------------------------------|-----------------------------------------|-----------------------|---------------|----------------------------------------------------------------------------------------------------------------------|
| Dalian Port (PDA) Company Limited | Subsidies for container development | 196,884,100.00 | Within 1 year | Notification on Implementing Regulations on Granting Subsidies for Accelerating Development of Dalian Port Container |
| Dalian Port (PDA) Company Limited | Wholesale payment of expressway project | 71,032,975.00 | Within 1 year | Notification on Implementing Regulations on Granting Subsidies for Accelerating Development of Dalian Port Container |
| Dalian Jifa Bohai Rim Container Lines Co., Ltd. | Subsidies for container development | 24,213,000.00 | Within 1 year | Notification on Implementing Regulations on Granting Subsidies for Accelerating Development of Dalian Port Container |
| Dalian Port Container Development Co., Ltd. | Subsidies for container development | 13,000,000.00 | Within 1 year | Notification on Implementing Regulations on Granting Subsidies for Accelerating Development of Dalian Port Container |
| | | <u>305,130,075.00</u> | Within 1 year | |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(8) Advances to suppliers

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

| | 30 June 2015 (Unaudited) | | 31 December 2014 | |
|---------------|--------------------------|--------------------|------------------|--------------------|
| | Amount | % of total balance | Amount | % of total balance |
| Within 1 year | 248,090,722.81 | 99.77% | 353,979,711.67 | 99.72% |
| 1 to 2 years | 580,915.18 | 0.23% | 932,015.18 | 0.26% |
| 2 to 3 years | - | - | - | - |
| Over 3 years | - | - | 62,126.40 | 0.02% |
| | 248,671,637.99 | 100.00% | 354,973,853.25 | 100.00% |

As at 30 June 2015, advances to suppliers with aging over one year is RMB580,915.18 (31 December 2014: RMB994,141.58), 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 30 June 2015, the five largest advances to suppliers are analysed as follows (unaudited):

| | Amount | % of total balance |
|-------------------------------------------------|-----------------------|--------------------|
| Total amounts of top five advances to suppliers | 172,930,323.84 | 69.54% |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(9) Inventories

(a) Inventories are summarised by categories as follows:

| | 30 June 2015 (Unaudited) | | | 31 December 2014 | | |
|--------------------|--------------------------|-----------------------------------------------|-------------------------|------------------|-----------------------------------------------|-----------------|
| | Ending balance | Provision for decline in value of inventories | Carrying amount | Ending balance | Provision for decline in value of inventories | Carrying amount |
| Raw materials | 73,662,007.24 | (2,037,642.99) | 71,624,364.25 | 77,101,073.21 | (2,037,642.99) | 75,063,430.22 |
| Work in progress | 394,882.93 | - | 394,882.93 | 322,720.01 | - | 322,720.01 |
| Finished goods | 929,314,740.44 | - | 929,314,740.44 | 884,184,563.18 | - | 884,184,563.18 |
| Turnover materials | 5,779,858.43 | - | 5,779,858.43 | 5,598,144.05 | - | 5,598,144.05 |
| | 1,009,151,489.04 | (2,037,642.99) | 1,007,113,846.05 | 967,206,500.45 | (2,037,642.99) | 965,168,857.46 |

As at 30 June 2015, inventories and relevant notes of import business with carrying amount of RMB637,622,352.06 (31 December 2014: RMB347,391,525.41) are pledged as collateral for the collateralised borrowings of RMB557,069,382.85 (31 December 2014: RMB218,422,030.38) (Note 4(25)(i)).

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

| | 31 December 2014 | Increase in current year | | Decrease in current year | | 30 June 2015 (Unaudited) |
|---------------|------------------|--------------------------|--------|--------------------------|--------|--------------------------|
| | | 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 |
|---------------|--------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| Raw materials | Stagnant | N/A |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(10) Current portion of non-current assets

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|---------------------------------------------------|--------------------------------|---------------------|
| Available-for-sale financial assets (Note 4 (12)) | 65,820,000.00 | – |

(11) Other current assets

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|---------------------------------------------------|--------------------------------|---------------------|
| Value-added taxes to be offset (i) | 115,310,578.55 | 105,106,362.22 |
| Available-for-sale financial assets (Note 4 (12)) | 80,000,000.00 | 600,000,000.00 |
| Prepaid income tax | 9,850,346.66 | – |
| | 205,160,925.21 | 705,106,362.22 |

- (i) Value-added taxes to be offset are VAT input balance arising from the Group's purchase of goods that have not been completely deducted for the period.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(12) Available-for-sale financial assets

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|-------------------------------------------------------------------------------------------------|--------------------------------|---------------------|
| Measured at fair value | | |
| – Available-for-sale equity instruments – H shares | 60,982,517.32 | 60,626,529.12 |
| Measured at cost | | |
| – Available-for-sale equity instruments – unlisted enterprises | 141,792,691.50 | 153,692,691.50 |
| – Entrusted investment | 145,820,000.00 | 665,820,000.00 |
| Less: Provision for impairment | (46,695,664.26) | (46,711,059.54) |
| | 301,899,544.56 | 833,428,161.08 |
| Less: Available-for-sale financial assets included in other current assets (i) | (80,000,000.00) | (600,000,000.00) |
| Available-for-sale financial assets included in the current portion for non-current assets (ii) | (65,820,000.00) | – |
| | 156,079,544.56 | 233,428,161.08 |
| Including: Market value of listed securities | 14,286,853.06 | 13,915,469.58 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

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

- (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.

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|--------------------------------------------------|--------------------------------|---------------------|
| Available-for-sale equity instruments – H shares | | |
| – Fair value | 14,286,853.06 | 13,915,469.58 |
| – Cost | 61,508,662.14 | 61,528,941.18 |
| – Accumulated in other comprehensive income | (526,144.82) | (902,412.06) |
| – Accumulated provision for impairment | (46,695,664.26) | (46,711,059.54) |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(12) 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.

| | 31 December 2014 | Increase in current year | Decrease in current year | 31 June 2015 (Unaudited) | Share holding in investee (%) | Cash dividend for current period |
|--------------------------------------------------------|-----------------------|-----------------------------|-----------------------------|------------------------------|----------------------------------------|----------------------------------------|
| Available-for-sale equity instruments | | | | | | |
| – Cost | | | | | | |
| – Qinhuangdao Xin'gangwan Container Terminal Co., Ltd. | 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 Xin Bei Liang Co., Ltd. | 14,414,400.00 | – | – | 14,414,400.00 | 5.01 | – |
| – 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 | 21,226,268.00 |
| – Da-In Ferry Co., Ltd. | 1,900,057.50 | – | – | 1,900,057.50 | 7.50 | – |
| – Dalian Port Design & Research Institute Co., Ltd. | 634,600.00 | – | – | 634,600.00 | 5.80 | 116,000.00 |
| | <u>153,692,691.50</u> | – | (11,900,000.00) | <u>141,792,691.50</u> | | <u>21,342,268.00</u> |

Entrusted investment:

- (i) Entrusted investment of RMB80,000,000.00 represents an asset management agreement signed by the Company and ICBC Credit Suisse Investment Management Co., Ltd.. The asset management agreement is mainly used for the project of Dalian Weiteao Nursing and Rehabilitation Centre. The estimated annual return is 8% with the maturity date on 2 August 2015.
- (ii) Entrusted investment of RMB65,820,000.00 represents a trust plan of assembled funds sold by Shanxi International Trust Co., Ltd. which is purchased 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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(12) 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 2014 | (46,711,059.54) |
| Difference on translation of foreign currency financial statements | <u>15,395.28</u> |
| 30 June 2015 (Unaudited) | <u>(46,695,664.26)</u> |

(13) Long-term receivables

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|-------------------------------|--------------------------------|----------------------|
| Entrusted loans (i) | 22,286,458.66 | 22,544,798.38 |
| Less: Provision for bad debts | – | – |
| | 22,286,458.66 | <u>22,544,798.38</u> |

(i) The group and other investors provided unsecured shareholder's loans to their associates Jadeway Limited and SINOECL Auto Liners, Limited. As at 30 June 2015, the Group provided an unsecured shareholder loan of JPY240,310,910.58 (equivalent to RMB12,039,576.62) (31 December 2014: JPY240,106,638.13 (equivalent to RMB12,341,481.20)), to its associate, Jadeway Limited, and HKD12,993,763.68 (equivalent to RMB10,246,882.04) (31 December 2014: HKD12,933,600.18 (equivalent to RMB10,203,317.18)), to its associate, SINOECL Auto Liners, Limited.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(14) Long-term equity investments

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|----------------------------------------------------------------|--------------------------------|---------------------|
| Joint ventures unlisted companies (a) | 2,366,602,638.52 | 2,354,300,066.64 |
| Associates unlisted companies (b) | 1,726,968,594.50 | 1,518,906,991.67 |
| Less: Provision for impairment of long-term equity investments | - | - |
| | 4,093,571,233.02 | 3,873,207,058.31 |

(a) Joint ventures

| | 31 December 2014 | Current period movement | | | | | | | 30 June 2015 (Unaudited) | 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 Tongli Shipping Agency Co., Ltd. | 1,435,452.09 | - | - | 179,971.39 | - | - | - | - | - | 1,615,423.48 | - |
| Dalian Harbour ECL Logistics Co., Ltd. | 30,896,947.73 | - | - | (574,348.92) | - | 10,682.76 | (512,951.67) | - | - | 29,820,329.90 | - |
| Odjell Terminals (Dalian) Ltd. | 151,181,340.66 | - | - | 9,597,901.74 | - | 272,677.08 | - | - | - | 161,051,919.48 | - |
| Dalian Port PetroChina International Terminal Co., Ltd. | 161,473,353.45 | - | - | 10,948,707.30 | - | - | (10,103,150.00) | - | - | 162,318,910.75 | - |
| Dalian United International Shipping Agency Co., Ltd. | 6,302,622.78 | - | - | 1,066,432.41 | - | - | - | - | - | 7,389,055.19 | - |
| Dalian Vanguard International Logistics Co., Ltd. | 34,870,415.90 | - | - | (322,688.11) | - | - | - | - | - | 34,547,727.79 | - |
| Dalian Yidu Cold Chain Co., Ltd. | 74,846,159.26 | - | - | 7,762,650.65 | - | - | - | - | - | 82,608,809.91 | - |
| China Tally (Dalian) Co., Ltd. | 4,690,363.06 | - | - | 953,912.88 | - | - | (1,965,400.08) | - | - | 3,678,875.86 | - |
| China Oil Dock Management (Dalian) Co., Ltd. | 10,817,828.45 | - | - | (1,968,388.79) | - | - | - | - | - | 8,849,439.66 | - |
| Liaoning Electronic Port Co., Ltd. | 5,818,128.18 | - | - | (450,850.30) | - | - | - | - | - | 5,367,277.88 | - |
| Liaoning Con-Rail International Logistics Co., Ltd. | 7,931,055.16 | - | - | (364,245.59) | - | - | - | - | - | 7,566,809.57 | - |
| Dalian Dagang China Shipping Container Terminal Co., Ltd. | 7,052,957.12 | - | - | (1,033,841.85) | - | - | - | - | - | 5,959,115.27 | - |
| Dalian Port Container Terminal Co., Ltd. | 221,034,790.70 | - | - | 4,824,532.28 | - | - | - | - | - | 225,859,322.98 | - |
| Dalian International Container Terminal Co., Ltd. | 530,656,873.99 | - | - | 3,940,237.15 | - | - | - | - | - | 534,597,111.14 | - |
| Dalian Jilong Logistics Co., Ltd. | 36,700,102.43 | - | - | 614,838.05 | - | - | - | - | - | 37,314,940.48 | - |
| Dalian Automobile Terminal Co., Ltd. | 173,478,029.45 | - | - | 3,194,684.67 | - | 52,430.07 | - | - | - | 176,725,144.19 | - |
| Dalian Singamas International Container Co., Ltd. | 43,071,497.42 | - | - | 622,928.23 | - | - | - | - | - | 43,694,415.65 | - |
| China United International Rail Containers (Dalian) Co., Ltd. | 186,590,006.49 | - | - | (2,088,705.04) | - | - | - | - | - | 184,501,301.45 | - |
| Dalian Changxing Island Port Co., Ltd. | 179,646,598.86 | - | - | (11,603,800.02) | - | 111,406.51 | - | - | - | 168,154,205.35 | - |
| Dalian Port Bulk Cargo Logistics Center Co., Ltd. | 2,120,743.57 | - | - | 163,386.21 | - | - | (91,419.78) | - | - | 2,192,710.00 | - |
| Odjell Dalian Port Consulting Co., Ltd. | 2,373,635.50 | - | - | (610,891.86) | - | - | - | - | - | 1,762,743.64 | - |
| Dalian Changxing Island Port Investment and Development Co., Ltd. | 462,810,937.89 | - | - | - | - | - | - | - | - | 462,810,937.89 | - |
| Dalian Shunde Jifa Supply Chain Management Co., Ltd. | 11,246,054.39 | - | - | 120,376.63 | - | - | - | - | - | 11,366,431.02 | - |
| Odjell Dalian Changxing Warehousing Terminals (Dalian) Co., Ltd. | 7,254,182.11 | - | - | (404,502.12) | - | - | - | - | - | 6,849,679.99 | - |
| | 2,354,300,066.64 | - | - | 24,528,296.99 | - | 447,196.42 | (12,672,921.53) | - | - | 2,366,602,638.52 | - |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(14) Long-term equity investments (continued)

(b) Associates

| | 31 December 2014 | Increase in investment | Decrease in investment | Current period movement | | | | | | 30 June 2015 (Unaudited) | Current period provision for impairment |
|------------------------------------------------------------------------------|---------------------|---------------------------|---------------------------|------------------------------------------------------|---------------------------------------------------|-------------------------------|----------------------------------------------------------|-----------------------------|--------|--------------------------------|-----------------------------------------------|
| | | | | 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. | 74,362,135.45 | - | - | (298,638.18) | - | - | - | - | - | 74,063,497.27 | - |
| Dalian Petro China International Warehousing and Transportation Co., Ltd. | 8,541,840.40 | - | - | 4,422,442.27 | - | - | - | - | - | 12,964,282.67 | - |
| Dalian Wangepeng Port Engineering Testing Co., Ltd. | 2,536,942.24 | - | - | 256,784.95 | - | - | - | - | - | 2,853,727.19 | - |
| Dalian Puji Storage Facility Co., Ltd. | 157,042,154.11 | - | - | (6,241,038.84) | - | - | - | - | - | 150,801,090.27 | - |
| Taicang Xinggang Tug Co., Ltd. | 3,459,798.32 | - | - | (295,507.47) | - | - | - | - | - | 3,164,290.85 | - |
| PetroChina Dalian LNG Co., Ltd. | 562,989,012.23 | - | - | 8,206,397.87 | - | - | (30,555,884.58) | - | - | 540,639,525.52 | - |
| SINOECI Auto Liners, Limited | - | - | - | - | - | - | - | - | - | - | - |
| Jadeway Co., Ltd. | 570,233.46 | - | - | 7,676,803.42 | 334,624.05 | - | - | - | - | 8,583,660.93 | - |
| Dalian North Oil Petroleum Logistics Co., Ltd. | 59,592,013.49 | - | - | 534,279.49 | - | - | - | - | - | 60,126,292.98 | - |
| Sino Rail Bohai Train Ferry Co., Ltd. | 265,499,017.07 | - | - | (4,799,987.50) | - | 300,988.61 | - | - | - | 261,000,018.18 | - |
| Zhongshi International Logistics Co., Ltd. | 97,657,677.73 | - | - | 3,152,002.37 | - | - | - | - | - | 100,809,680.10 | - |
| Dalian Port Group Financial Co., Ltd. | 285,723,518.55 | 200,000,000.00 | - | 25,312,863.70 | - | - | - | - | - | 511,036,382.25 | - |
| Dalian Gang Sheng Tendering & Bidding Agency Co., Ltd | 872,648.62 | - | - | 53,527.67 | - | - | - | - | - | 926,176.29 | - |
| | 1,518,906,991.67 | 200,000,000.00 | - | 37,981,874.75 | 334,624.05 | 300,988.61 | (30,555,884.58) | - | - | 1,726,968,594.50 | - |

(15) Investment properties

| | Buildings | Land use rights | Terminal facility | Total |
|--------------------------------------------------|----------------|-----------------|-------------------|------------------|
| Cost | | | | |
| 31 December 2014 | 30,959,816.68 | 69,785,783.60 | 746,469,631.62 | 847,215,231.90 |
| Increase in current period | - | - | - | - |
| Decrease in current period | - | - | - | - |
| 30 June 2015 (Unaudited) | 30,959,816.68 | 69,785,783.60 | 746,469,631.62 | 847,215,231.90 |
| Accumulated depreciation and amortisation | | | | |
| 31 December 2014 | (8,057,454.71) | (10,215,396.77) | (147,282,351.44) | (165,555,202.92) |
| Increase in current period accrued/amortized | (423,761.94) | (735,717.30) | (7,964,826.32) | (9,124,305.56) |
| Decrease in current period | - | - | - | - |
| 30 June 2015 (Unaudited) | (8,481,216.65) | (10,951,114.07) | (155,247,177.76) | (174,679,508.48) |
| Net book value | | | | |
| 30 June 2015 (Unaudited) | 22,478,600.03 | 58,834,669.53 | 591,222,453.86 | 672,535,723.42 |
| 31 December 2014 | 22,902,361.97 | 59,570,386.83 | 599,187,280.18 | 681,660,028.98 |

For the six months ended 30 June 2015, RMB9,124,305.56 (for the six months ended 30 June 2014: RMB9,246,209.32) of depreciation and amortisation was charged for the investment properties and no provision for impairment is provided (for the six months ended 30 June 2014: Nil).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(15) Investment properties (continued)

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

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|-----------------------------------------------|--------------------------------|---------------------|
| Located in Mainland – 10 years to 50 years | 58,834,669.53 | 59,570,386.83 |

For the six months ended 30 June 2015, rental income earned by the Group from the above investment properties is RMB49,051,442.70 (for the six months ended 30 June 2014: RMB48,725,303.77), and direct expenditures occurred are RMB9,124,305.56 (for the six months ended 30 June 2014: RMB9,246,209.32).

(16) 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 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 |
| Increase in current period acquisition | - | 50,000.00 | - | 8,099,039.42 | 370,503.46 | - | - | 942,646.14 | 1,419,429.62 | 10,881,618.64 |
| Transfers from construction in progress | 2,811,991.70 | 37,694,072.83 | 49,400,434.98 | - | 258,772.01 | - | - | - | 11,308,818.60 | 101,414,090.12 |
| Decrease in the current period | | | | | | | | | | |
| Disposal and obsolescence | - | - | - | (5,314,778.92) | (227,199.00) | - | - | (235,357.15) | (1,970,675.08) | (7,748,010.15) |
| Others | - | - | - | - | - | - | (20,580.00) | (604,836.35) | - | (625,416.35) |
| 30 June 2015 (Unaudited) | 1,549,419,010.63 | 5,741,461,540.17 | 2,789,396,942.22 | 2,967,302,948.18 | 874,590,344.37 | 1,735,719,586.49 | 3,194,422,872.23 | 1,014,356,177.79 | 709,219,458.79 | 20,575,888,880.87 |
| Accumulated depreciation | | | | | | | | | | |
| 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) | (493,257,400.71) | (293,577,061.49) | (5,705,573,189.34) |
| Increase in current period appropriation | (22,571,537.63) | (58,609,655.05) | (48,695,904.07) | (78,435,619.42) | (21,587,247.07) | (30,478,441.86) | (38,845,098.49) | (36,463,201.21) | (22,802,550.70) | (358,489,255.50) |
| Decrease in the current period | | | | | | | | | | |
| Disposal and obsolescence | - | - | - | 4,837,932.25 | 186,322.75 | - | - | 188,984.66 | 1,802,195.59 | 7,015,435.25 |
| 30 June 2015 (Unaudited) | (343,976,159.12) | (996,609,917.89) | (818,443,393.54) | (1,685,475,629.86) | (326,991,950.16) | (448,794,299.21) | (602,646,625.95) | (519,531,617.26) | (314,577,416.60) | (6,057,047,009.59) |
| Carrying amount | | | | | | | | | | |
| 30 June 2015 (Unaudited) | 1,205,442,851.51 | 4,744,851,622.28 | 1,970,953,548.68 | 1,281,827,318.32 | 547,598,394.21 | 1,286,925,287.28 | 2,591,776,246.28 | 494,824,560.53 | 394,642,042.19 | 14,518,841,871.28 |
| 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 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(16) Fixed assets (continued)

As at 30 June 2015, fixed assets at a carrying amount of RMB97,664,544.14 (a cost of RMB102,322,342.45) (31 December 2014: a carrying amount of RMB98,879,621.96 and a cost of 102,322,342.45) were pledged as collaterals of long-term borrowings of RMB32,010,023.77 (including the current portion of RMB5,000,000.00) (31 December 2014: RMB37,010,023.77 (including the current portion of RMB10,000,000.00)) (Note 4 (36)(a-i)).

As at 30 June 2015, fixed assets at a carrying amount of RMB141,099,817.44 (a cost of RMB228,576,076.21) (31 December 2014: a carrying amount of RMB153,999,206.27 and a cost of RMB228,576,076.21) were pledged as collaterals of long-term borrowings at an amount of RMB150,000,000.00 (31 December 2014: RMB150,000,000.00) (Note 4 (36)(a-ii)).

As at 30 June 2015, fixed assets at a carrying amount of RMB425,905,495.75 (a cost of RMB935,860,681.53) (31 December 2014: a carrying amount of RMB481,593,095.85 and a cost of RMB935,860,681.53) were pledged as collaterals of long-term borrowings at an amount of RMB500,000,000.00 (31 December 2014: RMB500,000,000.00) (Note 4 (36)(a-iii)).

As at 30 June 2015, fixed assets at a carrying amount of RMB868,524,790.28 (a cost of RMB1,735,975,658.93) (31 December 2014: a carrying amount of RMB975,138,982.30 and a cost of RMB1,735,975,658.93) were pledged as collaterals of long-term borrowings at an amount of RMB1,000,000,000.00 (31 December 2014: RMB1,000,000,000.00) (Note 4 (36)(a-iv)).

As at 30 June 2015, fixed assets at a carrying amount of RMB45,911,855.27 (a cost of RMB68,391,732.00) (31 December 2014: a carrying amount of RMB49,263,623.46 and a cost of RMB68,391,732.00) were pledged as collaterals of long-term borrowings at an amount of RMB50,000,000.00 (31 December 2014: RMB50,000,000.00) (Note 4 (36)(a-v)).

As at 30 June 2015, fixed assets at a carrying amount of RMB287,495,583.31 (a cost of RMB384,992,940.93) (31 December 2014: a carrying amount of RMB313,165,498.16 and a cost of RMB384,992,940.93) were pledged as collaterals of long-term borrowings at an amount of RMB300,000,000.00 (31 December 2014: RMB300,000,000.00) (Note 4 (36)(a-vi)).

For the six months ended 30 June 2015, depreciation charged to fixed assets was RMB358,489,255.50 (for the six months ended 30 June 2014: RMB339,204,645.98), of which RMB349,771,501.13 and RMB8,717,754.37 (for the six months ended 30 June 2014: RMB329,796,386.94 and RMB9,408,259.04) were charged in cost of sales and general and administrative expenses respectively.

For the six months ended 30 June 2015, the costs of fixed assets transferred from construction in progress amounted to RMB101,414,090.12 (for the six months ended 30 June 2014: RMB460,620,572.36).

As at 30 June 2015, the Group had no temporarily idle fixed assets (31 December 2014: Nil).

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(16) Fixed assets (continued)

(a) Fixed assets held under finance leases

As at 30 June 2015, the fixed assets with a carrying amount of RMB67,588,714.67 (a cost of RMB74,802,846.88) are held under finance leases (31 December 2014: a carrying amount of RMB71,327,354.21 and a cost of RMB74,802,846.88) (Note 13). The analysis is as follows:

| | Cost | Accumulated depreciation | Provision for impairment | Carrying amount |
|--------------------------|----------------------|--------------------------|--------------------------|----------------------|
| 30 June 2015 (Unaudited) | | | | |
| Other equipment | 74,802,846.88 | (7,214,132.21) | – | 67,588,714.67 |
| 31 December 2014 | 74,802,846.88 | (3,475,492.67) | – | 71,327,354.21 |
| Other equipment | 74,802,846.88 | (3,475,492.67) | – | 71,327,354.21 |

(b) Fixed assets with pending certificates of ownership:

As at 30 June 2015, the certificate of title to buildings at a carrying amount of approximately RMB614,396,076.03 (a cost of RMB684,146,796.90) had not been obtained yet (31 December 2014: a carrying amount of RMB622,642,143.73 and cost of RMB684,548,376.80):

| | 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 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(16) Fixed assets (continued)

(c) Fixed assets held under an operating lease

| | Net book value as at 30 June 2015 (Unaudited) | Net book value as at 31 December 2014 |
|--------------------------|-----------------------------------------------------------|------------------------------------------------|
| Buildings | 13,972,725.61 | 17,863,960.06 |
| Terminal facility | 371,434,807.40 | 802,679,693.75 |
| Oil tanks and pipelines | 881,458.33 | 223,756,235.12 |
| Loading equipment | 11,188,681.17 | 13,358,538.87 |
| Transportation equipment | 68,733,919.54 | 509,134,988.20 |
| Harbour vessels | 451,611,703.57 | 463,128,729.15 |
| Storage equipment | 358,342,711.82 | – |
| Machinery and equipment | 38,655,556.19 | 53,398,734.79 |
| Other equipment | 1,440,733.06 | 35,059,392.43 |
| | 1,316,262,296.69 | 2,118,380,272.37 |

(17) Disposal of fixed assets

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|--------------------------|--------------------------------|---------------------|
| Loading equipment | 1,908,875.24 | – |
| Machinery and equipment | – | 1,744,605.02 |
| Transportation equipment | – | 15,595.86 |
| | 1,908,875.24 | 1,760,200.88 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(18) Construction in progress

| | 30 June 2015 (Unaudited) | | | 31 December 2014 | | |
|-------------------------------------------------------|--------------------------|--------------------------|-------------------------|------------------|--------------------------|------------------|
| | Ending balance | Provision for impairment | Carrying amount | Ending balance | Provision for impairment | Carrying amount |
| Dalian Bay groceries and roll-on terminal berth land | 647,360,596.02 | - | 647,360,596.02 | - | - | - |
| Dayao Bay No. 13-16 parking area in Phase II | 625,902,549.05 | - | 625,902,549.05 | 612,809,882.68 | - | 612,809,882.68 |
| New Port No. 18-21 parking area | 322,144,817.14 | - | 322,144,817.14 | 314,509,012.19 | - | 314,509,012.19 |
| Dalian automotive terminal No. 4 parking area project | 221,106,172.98 | - | 221,106,172.98 | 181,558,820.41 | - | 181,558,820.41 |
| Dayao Bay north shore automotive logistics centre | 148,785,667.33 | - | 148,785,667.33 | 148,785,597.13 | - | 148,785,597.13 |
| New Port accident buffer pool | 93,569,857.42 | - | 93,569,857.42 | 86,115,892.01 | - | 86,115,892.01 |
| Full-rotating tug | 42,906,910.81 | - | 42,906,910.81 | 17,273,354.80 | - | 17,273,354.80 |
| Ore No. 4 storage yard | 17,116,125.59 | - | 17,116,125.59 | 15,866,984.95 | - | 15,866,984.95 |
| New Port No. 7-8 oil tank | 16,813,661.98 | - | 16,813,661.98 | 16,696,959.81 | - | 16,696,959.81 |
| New Port No. 9 oil tank | - | - | - | 16,082,711.84 | - | 16,082,711.84 |
| Others | 161,980,350.51 | - | 161,980,350.51 | 145,394,148.49 | - | 145,394,148.49 |
| | 2,297,686,708.83 | - | 2,297,686,708.83 | 1,555,093,364.31 | - | 1,555,093,364.31 |

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(18) Construction in progress (continued)

(a) Movement of significant projects of construction in progress

| Name | Budgeted amount | 31 December 2014 | Increase in current period | Current period transfer into fixed assets, intangible assets and investment properties | Other decreases | 30 June 2015 (Unaudited) | Proportion of project investment to budgeted amount | Progress | Accumulative amount of capitalised borrowing costs | Including: Borrowing costs capitalised in current period | Capitalisation rate for the current period | Source of funds |
|-------------------------------------------------------|------------------|------------------|----------------------------|----------------------------------------------------------------------------------------|-----------------|--------------------------|-----------------------------------------------------|----------|----------------------------------------------------|----------------------------------------------------------|--------------------------------------------|------------------------------------------------------------------|
| Dalian Bay groceries and roll-on terminal berth land | 700,000,000.00 | - | 647,360,596.02 | - | - | 647,360,596.02 | 100.00% | 100.00% | - | - | - | Owned fund and loans from financial institutions |
| Dayao Bay No. 13-16 parking area in Phase II | 3,783,000,000.00 | 612,809,882.68 | 14,060,907.93 | - | (968,241.56) | 625,902,549.05 | 91.00% | 91.00% | 162,850,419.08 | 13,793,101.32 | 5.76% | Owned funds, loans from financial institutions and other sources |
| New Port No. 18-21 parking area | 413,770,000.00 | 314,509,012.19 | 7,635,804.95 | - | - | 322,144,817.14 | 79.00% | 79.00% | 75,337,079.65 | 6,862,500.00 | 5.70% | Loans from financial institutions and other sources |
| Dalian automotive terminal No. 4 parking area project | 461,760,000.00 | 181,558,820.41 | 39,547,352.57 | - | - | 221,106,172.98 | 47.88% | 47.88% | - | - | - | Owned funds |
| Dayao Bay north shore automotive logistics centre | 450,000,000.00 | 148,785,697.13 | 70.20 | - | - | 148,785,667.33 | 33.00% | 33.00% | 8,054,440.28 | - | - | Loans from financial institutions and other sources |
| New Port accident buffer pool | 98,886,600.00 | 86,115,892.01 | 7,453,965.41 | - | - | 93,569,657.42 | 94.00% | 95.00% | 9,363,237.39 | 2,480,371.72 | 5.76% | Owned fund and loans from financial institutions |
| Full-rotating tug | 82,080,000.00 | 17,273,354.80 | 25,633,556.01 | - | - | 42,906,910.81 | 50.00% | 50.00% | 2,120,054.81 | 1,177,556.01 | 5.76% | Owned fund, loans from financial institutions |
| Ore No. 4 storage yard | 570,600,000.00 | 15,866,984.95 | 1,249,140.64 | - | - | 17,116,125.59 | 96.00% | 96.00% | - | - | - | Funds raising |
| Crude oil tank series 7-8 of New Harbour | 718,500,000.00 | 16,696,959.81 | 116,702.17 | - | - | 16,813,661.98 | 74.00% | 99.00% | - | - | - | Funds raising |
| Crude oil Tank series 9 of New Harbour | 598,400,000.00 | 16,082,711.84 | 5,430,634.93 | (21,513,346.77) | - | - | 95.00% | 100.00% | - | - | - | Funds raising |
| Others | 1,312,380,004.78 | 145,394,148.49 | 99,115,543.32 | (81,946,219.13) | (583,122.17) | 161,980,350.51 | | | 8,510,138.67 | 3,128,695.84 | 5.76%-6% | |
| | | 1,555,093,364.31 | 847,604,274.15 | (103,459,565.90) | (1,551,363.73) | 2,297,686,708.83 | | | 266,255,370.28 | 27,442,224.89 | | |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(19) 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 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 |
| Increase in current period acquisition | - | - | 306,468.27 | - | - | - | - | - | 306,468.27 |
| Transfers from construction in progress | - | - | 2,045,475.78 | - | - | - | - | - | 2,045,475.78 |
| Decrease in current period disposal | - | - | - | - | - | - | - | - | - |
| 30 June 2015 (Unaudited) | 585,220,530.55 | 46,660,098.18 | 141,862,613.17 | 1,977,376.00 | 3,455,982.72 | 253,448,422.59 | 15,970,000.00 | 64,310,000.00 | 1,112,905,023.21 |
| Accumulated amortisation | | | | | | | | | |
| 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) |
| Increase in current period provision | (6,125,192.28) | (1,458,128.04) | (6,393,180.40) | (6,878.16) | (207,358.92) | (2,615,019.06) | (798,500.00) | (3,215,500.00) | (20,819,756.86) |
| Decrease in current period disposal | - | - | - | - | - | - | - | - | - |
| 30 June 2015 (Unaudited) | (141,890,239.61) | (26,246,305.50) | (82,856,568.35) | (954,807.97) | (1,779,777.82) | (91,219,983.61) | (11,821,500.00) | (45,552,916.67) | (402,322,039.53) |
| Carrying amount | | | | | | | | | |
| 30 June 2015 (Unaudited) | 443,330,290.94 | 20,413,792.68 | 59,006,044.82 | 1,022,568.03 | 1,676,204.90 | 162,228,438.98 | 4,148,500.00 | 18,757,083.33 | 710,582,923.68 |
| 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 |

For the six months ended 30 June 2015, the amortisation of intangible assets amounted to RMB20,819,756.86 (for the six months ended 30 June 2014: RMB19,609,650.12). The amount recognized in the profit or loss for the current period was RMB20,819,756.86 (for the period ended 30 June 2014: RMB19,609,650.12).

As at 30 June 2015, land use rights with a carrying amount of RMB15,753,301.45 (a cost of RMB17,631,590.19) (31 December 2014: a carrying amount of RMB15,929,644.33 and a cost of RMB17,631,590.19) were pledged as collateral for long-term borrowings of RMB32,010,023.77 (including borrowings due within one year of RMB5,000,000.00) (31 December 2014: RMB37,010,023.77 (including borrowings due within one year of RMB10,000,000.00) (Note 4 (36)(a-i)).

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

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|-----------------------------------------------|--------------------------------|---------------------|
| Located in Mainland – 10 years to 50 years | 443,330,290.94 | 449,455,483.22 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(20) Goodwill

| | 31 December 2014 | Increase in current period | Decrease in current period | 30 June 2015 (Unaudited) |
|---------------------------------|----------------------|-------------------------------|-------------------------------|--------------------------------|
| Goodwill – | | | | |
| Dalian Jiye 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 |
| | <u>16,035,288.74</u> | – | – | 16,035,288.74 |
| Less: Provision for impairment | – | – | – | – |
| | <u>16,035,288.74</u> | – | – | 16,035,288.74 |

(21) Long-term prepaid expenses

| | 31 December 2014 | Increase in current period | Amortisation in current period | 30 June 2015 (Unaudited) |
|--------------------------------------------|----------------------|-------------------------------|--------------------------------------|--------------------------------|
| Public facilities in bonded port | 11,115,874.36 | – | (427,533.72) | 10,688,340.64 |
| Decoration | 3,506,540.02 | 964,850.00 | (419,520.26) | 4,051,869.76 |
| Checking site expansion and reconstruction | 3,532,639.75 | – | (177,162.00) | 3,355,477.75 |
| Others | 5,437,105.18 | 196,709.43 | (493,199.96) | 5,140,614.65 |
| | <u>23,592,159.31</u> | <u>1,161,559.43</u> | <u>(1,517,415.94)</u> | 23,236,302.80 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(22) Deferred tax assets and deferred tax liabilities

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

| | 30 June 2015 (Unaudited) | | 31 December 2014 | |
|-------------------------------------------------------------------------------|--------------------------|------------------------------------------------------|---------------------|------------------------------------------------------|
| | Deferred tax assets | Deductible temporary differences and deductible loss | Deferred tax assets | Deductible temporary differences and deductible loss |
| Elimination of intra-group unrealised profit | 54,331,459.28 | 217,325,837.12 | 54,575,365.60 | 218,301,462.40 |
| Provision for asset impairment | 1,118,865.68 | 4,475,462.72 | 1,118,865.68 | 4,475,462.72 |
| Advances from customers with tax paid | 1,237,938.60 | 4,951,754.40 | 1,495,648.66 | 5,982,594.64 |
| Difference on depreciation period | 2,729,627.78 | 10,918,511.12 | 2,729,627.78 | 10,918,511.12 |
| Difference on amortisation period of software | 288,750.01 | 1,155,000.04 | 288,750.01 | 1,155,000.04 |
| Change in fair value of financial assets at fair value through profit or loss | 268,408.98 | 1,073,635.92 | 1,324,556.33 | 5,298,225.32 |
| Government grants | 154,381.71 | 617,526.84 | 812,239.44 | 3,248,957.76 |
| Others | 828,206.05 | 3,312,824.20 | 859,752.27 | 3,439,009.08 |
| | 60,957,638.09 | 243,830,552.36 | 63,204,805.77 | 252,819,223.08 |
| Including: | | | | |
| Expected to be recovered within one year (inclusive) | 1,247,626.50 | | 1,532,876.76 | |
| Expected to be recovered after one year | 59,710,011.59 | | 61,671,929.01 | |
| | 60,957,638.09 | | 63,204,805.77 | |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(22) Deferred tax assets and deferred tax liabilities (continued)

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

| | 30 June 2015 (Unaudited) | | 31 December 2014 | |
|------------------------------------------------------------------------------------------------|--------------------------|-------------------------------|--------------------------|-------------------------------|
| | Deferred tax liabilities | Taxable temporary differences | Deferred tax liabilities | Taxable temporary differences |
| Fair value adjustment for business combinations involving enterprises not under common control | 9,304,043.31 | 37,216,173.24 | 10,086,937.73 | 40,347,750.92 |
| Others | 634,710.94 | 2,538,843.76 | 634,710.94 | 2,538,843.76 |
| | 9,938,754.25 | 39,755,017.00 | 10,721,648.67 | 42,886,594.68 |
| Including: | | | | |
| Expected to reverse within one year (inclusive) | 1,496,835.52 | | 1,496,835.37 | |
| Expected to be reversed after one year | 8,441,918.73 | | 9,224,813.30 | |
| | 9,938,754.25 | | 10,721,648.67 | |

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

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|-------------------|--------------------------|------------------|
| Deductible losses | 330,556,644.72 | 321,958,219.81 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(22) Deferred tax assets and deferred tax liabilities (continued)

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

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|------|--------------------------------|---------------------|
| 2015 | 3,600,427.00 | 21,127,232.00 |
| 2016 | 99,915,817.39 | 102,683,565.96 |
| 2017 | 51,093,280.23 | 58,025,016.53 |
| 2018 | 47,222,087.02 | 49,932,293.08 |
| 2019 | 85,347,922.52 | 90,190,112.24 |
| 2020 | 43,377,110.56 | – |
| | 330,556,644.72 | 321,958,219.81 |

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

| | 30 June 2015 (Unaudited) | | 31 December 2014 | |
|--------------------------|--------------------------|--------------------------------|-----------------------|--------------------------------|
| | Offsetting amounts | Balance after offsetting | Offsetting amounts | Balance after offsetting |
| Deferred tax assets | (634,710.94) | 60,322,927.15 | (634,710.94) | 62,570,094.83 |
| Deferred tax liabilities | (634,710.94) | 9,304,043.31 | (634,710.94) | 10,086,937.73 |

(23) Other non-current assets

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|--------------------------|--------------------------------|---------------------|
| Other non-current assets | 139,880,000.00 | – |

Under the *Contract for Land Use Right Pre-Assignment* between Dalian Free Trade Zone Land Reserve and Trade Center (Party A) and the Company (Party B), the Company paid land bidding deposit of RMB139,880,000 for PDA Petrochemical Project. Party A has made a pre-assignment announcement of the land use right. If an agreement is not reached after listing period expires, Party A should return all payment back to Party B in 5 days.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(24) Provision for asset impairment

| | 31 December 2014 | Increase in current period | Decrease in current period | | 30 June 2015 (Unaudited) |
|---------------------------------------------------|---------------------|-------------------------------|----------------------------|-----------|--------------------------------|
| | | | Reversal | Write-off | |
| Provision for bad debts | 4,093,422.51 | – | – | – | 4,093,422.51 |
| Including: | | | | | |
| Provision for bad debts of accounts receivable | 3,032,229.54 | – | – | – | 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 |
| | 6,131,065.50 | – | – | – | 6,131,065.50 |

(25) Short-term loans

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|------------|--------------------------------|---------------------|
| Impawn (i) | 557,069,382.85 | 218,422,030.38 |
| Guaranteed | – | 608,880,790.90 |
| Unsecured | 35,000,000.00 | 80,000,000.00 |
| | 592,069,382.85 | 907,302,821.28 |

- (i) As at 30 June 2015, impawn borrowings of RMB557,069,382.85 (31 December 2014: RMB218,422,030.38) were secured by the Group's inventories (Note (9)(a)) at a carrying amount of RMB637,622,352.06 (31 December 2014: RMB347,391,525.41) and notes of related import business.

As at 30 June 2015, the weighted average interest rate of short-term borrowings was 1.80% to 5.60% annually (31 December 2014: 2.03% to 6.60%).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(26) Notes payable

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|-----------------------|--------------------------------|---------------------|
| Bank acceptance notes | 7,400,000.00 | 12,714,000.00 |

(27) Accounts payable

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|---------------------------------------------------------|--------------------------------|---------------------|
| Subcontracting, materials and quality guarantee deposit | 165,243,157.25 | 160,629,740.14 |
| Purchase of goods | 88,757,682.70 | 133,889,045.71 |
| Vessel leasing and ocean freight | 61,335,330.28 | 80,157,710.03 |
| | 315,336,170.23 | 374,676,495.88 |

(a) As at 30 June 2015, accounts payable over 1 year amounted to RMB6,606,956.03 (31 December 2014: RMB12,841,919.71). 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:

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|---------------|--------------------------------|---------------------|
| Within 1 year | 308,729,214.20 | 361,834,576.17 |
| 1 to 2 years | 4,903,243.57 | 10,615,746.25 |
| 2 to 3 years | 1,189,942.78 | 1,764,929.37 |
| Over 3 years | 513,769.68 | 461,244.09 |
| | 315,336,170.23 | 374,676,495.88 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(28) Advances from customers

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|--------------------------------------|--------------------------------|---------------------|
| Automobile sales | 182,955,962.90 | 275,053,781.22 |
| Sales of grains | 86,991,585.96 | – |
| Cold chain trade | 71,101,152.16 | 46,135,701.50 |
| Rental expenses | 11,572,785.57 | 5,892,675.62 |
| Port surcharges | 10,379,868.63 | 7,766,402.36 |
| Public facility maintenance expenses | 4,951,754.29 | 5,982,594.55 |
| Freight | 3,815,082.71 | 4,528,074.03 |
| Others | 15,070,150.70 | 12,050,887.69 |
| | 386,838,342.92 | 357,410,116.97 |

As at 30 June 2015, advances from customers over 1 year with a carrying amount of RMB4,951,754.29 (31 December 2014: RMB5,982,594.55) were mainly advances of public facility maintenance services, which were unsettled due to the incompleteness of the project.

(29) Employee benefits payable

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|------------------------------------------|--------------------------------|---------------------|
| Short-term employee benefits payable (a) | 109,317,144.05 | 172,515,786.21 |
| Defined contribution plans payable (b) | 13,481,412.04 | 8,112,387.74 |
| | 122,798,556.09 | 180,628,173.95 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(29) Employee benefits payable (continued)

(a) Short-term employee benefits payable

| | 31 December 2014 | Increase in current period | Decrease in current period | 30 June 2015 (Unaudited) |
|----------------------------------------------------------|-----------------------|-------------------------------|-------------------------------|--------------------------------|
| Wages and salaries, bonuses, allowances and subsidies | 143,284,720.78 | 356,948,418.17 | (412,080,506.02) | 88,152,632.93 |
| Staff welfare | – | 22,996,176.11 | (22,996,176.11) | – |
| Social security contributions | 107,404.81 | 26,317,543.72 | (26,274,734.46) | 150,214.07 |
| Including: Medical insurance | 98,101.46 | 23,918,048.45 | (23,875,240.03) | 140,909.88 |
| Work injury insurance | 7,114.28 | 1,313,379.20 | (1,313,378.95) | 7,114.53 |
| Maternity insurance | 2,189.07 | 611,495.02 | (611,494.43) | 2,189.66 |
| Others | – | 474,621.05 | (474,621.05) | – |
| Housing funds | 7,753,120.50 | 57,448,747.75 | (65,201,868.25) | – |
| Labour union funds and employee education funds | 2,345,129.15 | 8,913,552.71 | (10,519,734.97) | 738,946.89 |
| Labour expenses | 11,393,238.71 | 145,700,715.15 | (142,694,687.74) | 14,399,266.12 |
| Other short-term employee benefits | 7,632,172.26 | 415,139.15 | (2,171,227.37) | 5,876,084.04 |
| | 172,515,786.21 | 618,740,292.76 | (681,938,934.92) | 109,317,144.05 |

(b) Defined contribution plans payable

| | 31 December 2014 | Increase in current period | Decrease in current period | 30 June 2015 (Unaudited) |
|------------------------|---------------------|-------------------------------|-------------------------------|--------------------------------|
| Basic pension benefits | 264,345.12 | 53,990,318.79 | (53,990,638.79) | 264,025.12 |
| Payment of annuity | 7,826,235.18 | 8,368,022.38 | (2,998,271.64) | 13,195,985.92 |
| Unemployment insurance | 21,807.44 | 3,001,269.90 | (3,001,676.34) | 21,401.00 |
| | 8,112,387.74 | 65,359,611.07 | (59,990,586.77) | 13,481,412.04 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(30) Taxes payable

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|-----------------------------------------------|--------------------------------|---------------------|
| Value-added tax payable | 5,398,450.05 | 5,925,239.67 |
| Business tax payable | 2,292,824.32 | 17,391,879.33 |
| Enterprise income tax payable | 27,561,678.29 | 31,523,432.01 |
| Individual income tax payable | 2,560,822.92 | 5,351,058.28 |
| City maintenance and construction tax payable | 450,599.95 | 1,623,047.46 |
| Educational surcharge payable | 322,169.72 | 1,159,721.51 |
| Others | 903,233.72 | 4,415,215.01 |
| | 39,489,778.97 | 67,389,593.27 |

(31) Interest payable

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|---------------------------------------------------------------------------------------------|--------------------------------|---------------------|
| Interests of long-term borrowings with installment payments and principal due for repayment | 11,452,930.82 | 11,653,076.49 |
| Interest of corporate debentures | 149,490,615.92 | 119,656,026.71 |
| Interest of short-term borrowings | 207,666.67 | 966,348.34 |
| Interest of entrusted loans | 3,889,897.23 | 20,167.00 |
| | 165,041,110.64 | 132,295,618.54 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(32) Dividends payable

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|--------------------------------------------|--------------------------------|----------------------|
| Dalian Port (PDA) Co., Ltd. | 94,472,263.68 | – |
| Singapore Dalian Port Investment Pte. Ltd. | 67,334,900.05 | 67,334,900.05 |
| Dalian Bonded Zhengtong Co., Ltd. | 5,779,554.22 | 5,779,554.22 |
| Other shareholders of tradable A-share | 40,063,736.32 | – |
| Shareholders of tradable H-share | 42,504,000.00 | – |
| Other shareholders | 43,886.00 | – |
| | 250,198,340.27 | 73,114,454.27 |

(33) Other payables

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|----------------------------------------------------------|--------------------------------|-----------------------|
| Project expenses | 381,081,743.55 | 440,267,743.90 |
| Trade deposits | 154,383,952.32 | 61,272,444.55 |
| Freight | 52,131,401.21 | 22,402,004.98 |
| Subsidies received for other companies | 25,077,100.00 | 30,688,800.00 |
| Commission for stand by letter of credit | 15,065,898.31 | – |
| Fares collected for other companies | 14,712,513.91 | 11,807,409.94 |
| Land compensation fees | 12,400,000.00 | – |
| Risk deposits | 9,788,948.01 | 6,479,419.90 |
| Port construction expenses collected for other companies | 9,469,307.67 | 11,577,494.91 |
| Compensation received for other companies | 6,740,822.93 | 8,521,355.92 |
| Guaranty | 6,608,734.14 | 6,228,635.00 |
| Security expenses payable to the Bureau of Port | 4,605,237.71 | 3,203,470.12 |
| Rental expenses | 3,606,712.03 | 971,141.97 |
| Amount due to Dalian Port Corporation Limited | 1,200,856.10 | 1,242,023.70 |
| Others | 86,473,811.81 | 65,321,273.20 |
| | 783,347,039.70 | 669,983,218.09 |

As at 30 June 2015, other payables over 1 year with a carrying amount of RMB334,283,134.41 (31 December 2014: RMB382,618,876.15) were mainly project expenses payable, which were unsettled for the project had not been completed and finally settled.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(34) Current portion of non-current liabilities

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|---------------------------------------------|--------------------------------|---------------------|
| Current portion of long-term borrowings (a) | 505,000,000.00 | 541,474,000.00 |
| Current portion of long-term payables (b) | 12,171,133.43 | 11,913,648.39 |
| | 517,171,133.43 | 553,387,648.39 |

(a) Current portion of long-term borrowings

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|-----------------|--------------------------------|---------------------|
| Pledged (i) | 5,000,000.00 | 10,000,000.00 |
| Guaranteed (ii) | – | 281,474,000.00 |
| Unsecured | 500,000,000.00 | 250,000,000.00 |
| | 505,000,000.00 | 541,474,000.00 |

As at 30 June 2015, there were no overdue borrowings with extended maturity (31 December 2014: nil).

- (i) As at 30 June 2015, the balance of pledged borrowing from pledging was RMB5,000,000.00. The information of collaterals for borrowings can refer to notes on long-term borrowings.(Note 4 (36)(a-i)).
- (ii) As at 30 June 2015, bank borrowings were RMB0.00 (31 December 2014: RMB281,474,000.00, the principal was repaid on 23 April 2015).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

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

(b) Current portion of long-term payables

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

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|------------------------------------|--------------------------------|---------------------|
| Finance lease payable | 15,386,386.52 | 15,449,222.57 |
| Unrecognised finance lease expense | (3,215,253.09) | (3,535,574.18) |
| | 12,171,133.43 | 11,913,648.39 |

(35) Other current liabilities

| | 31 December 2014 | Issued in the current period | Interest at par | Amorisation of premium/ discount | Decrease in the current period | 30 June 2015 (Unaudited) |
|----------------------|---------------------|------------------------------------|-----------------|----------------------------------------|--------------------------------------|--------------------------------|
| Corporate debentures | 1,003,828,573.32 | - | 20,613,888.91 | 1,524,679.93 | - | 1,025,967,142.16 |

Related debenture 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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(36) Long-term borrowings

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|-------------|--------------------------------|---------------------|
| Pledged (a) | 2,027,010,023.77 | 2,027,010,023.77 |
| Unsecured | 584,000,000.00 | 800,000,000.00 |
| | 2,611,010,023.77 | 2,827,010,023.77 |

(a-i) As at 30 June 2015, bank borrowings of RMB32,010,023.77 (including current portion of RMB5,000,000.00) (31 December 2014: RMB37,010,023.77 (including current portion of RMB10,000,000.00)) were secured by the Group's fixed assets at a carrying amount of RMB97,664,544.14 (at a cost of RMB102,322,342.45 (Note 4 (16))), and land use rights at a carrying amount of RMB15,753,301.45 (at a cost of RMB17,631,590.19) (Note 4 (19)). Interest is payable every three months, the principal of current portion is due for repayment on 20 December 2015, and remaining principal is due for repayment in installment before 14 March 2019.

(a-ii) As at 30 June 2015, borrowings of RMB150,000,000.00 (31 December 2014: RMB150,000,000.00) were secured by the Company's fixed assets with a carrying amount of approximately RMB141,099,817.44 (at a cost of RMB228,576,076.21) (Note 4 (16)). Interest is payable every three months and the principal is due for repayment on 30 June 2017.

(a-iii) As at 30 June 2015, borrowings of RMB500,000,000.00 (31 December 2014: RMB500,000,000.00) were secured by the Company's fixed assets with a carrying amount of approximately RMB425,905,495.75 (at a cost of RMB935,860,681.53) (Note 4 (16)). Interest is payable every three months and the principal is due for repayment on 23 May 2017.

(a-iv) As at 30 June 2015, borrowings of RMB1,000,000,000.00 (31 December 2014: RMB1,000,000,000.00) were secured by the Company's fixed assets with a carrying amount of approximately RMB868,524,790.28 (at a cost of RMB1,735,975,658.93) (Note 4 (16)). Interest is payable every three months and the principal is due for repayment on 29 May 2017.

(a-v) As at 30 June 2015, borrowings of RMB50,000,000.00 (31 December 2014: RMB50,000,000.00) were secured by the Company's fixed assets with a carrying amount of approximately RMB45,911,855.27 (at a cost of RMB68,391,732.00) (Note 4 (16)). Interest is payable every three months and the principal is due for repayment on 30 June 2017.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(36) Long-term borrowings (continued)

(a-vi) As at 30 June 2015, borrowings of RMB300,000,000.00 (31 December 2014: RMB300,000,000.00) were secured by the Company's fixed assets with a carrying amount of approximately RMB287,495,583.31 (at a cost of RMB384,992,940.93) (Note 4 (16)). Interest is payable every three months and the principal is due for repayment on 6 November 2017.

As at 30 June 2015, the interest rate range of long-term borrowings is 5.76%-6.20% annually (31 December 2014: 5.76%-6.20%).

(37) Debentures payable

| | 31 December 2014 | Issuance for current period | Issuance fee | Amorisation of premium/ discount | Repayment for current period | 30 June 2015 (Unaudited) |
|----------------------|---------------------|--------------------------------|-----------------|----------------------------------------|---------------------------------|--------------------------------|
| Corporate debentures | 4,971,625,629.16 | - | - | 4,019,411.84 | - | 4,975,645,041.00 |
| Corporate debentures | - | 800,000,000.00 | (23,424,000.00) | 2,701,711.00 | - | 779,277,711.00 |
| | 4,971,625,629.16 | 800,000,000.00 | (23,424,000.00) | 6,721,122.84 | - | 5,754,922,752.00 |

Related debenture 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 |
| Corporate debentures | 100.00 | 17 February 2015 | 3 years | 800,000,000.00 |

Approved by CSRC, the Company issued corporate debentures with total amount of RMB2,350,000,000.00 and duration of 10 years on 23 May 2011. Interest of the debenture is annually paid and calculated by the simple interest method. The fixed interest rate is 5.30% annually, and 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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(37) Debentures payable (continued)

The Group issued corporate debentures with total amount RMB800,000,000.00 and duration of 3 years on 27 February 2015. The fixed interest rate is 4.50% annually, and interest is payable every half year, and related issuance cost amounts to RMB23,424,000.00.

(38) Long-term payables

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|----------------|--------------------------------|---------------------|
| Finance leases | 53,721,771.41 | 59,886,723.51 |

(39) Deferred income

| | 1 January 2015 | Addition in current period | Decrease in current period | 30 June 2015 (Unaudited) |
|-------------------|-----------------------|-------------------------------|-------------------------------|--------------------------------|
| Government grants | 566,797,413.08 | 440,000.00 | (23,841,925.84) | 543,395,487.24 |

| Government grants | 31 December 2014 | Addition in current period | Amount recognised in non-operating income in current year | 30 June 2015 (Unaudited) | Related to assets/income |
|-----------------------------------------------------------------|-----------------------|-------------------------------|-----------------------------------------------------------------------|--------------------------------|-----------------------------|
| Relocation compensation (i) | 524,839,661.58 | – | (17,252,592.00) | 507,587,069.58 | Related to assets |
| Acquisition of vessels (ii) | 4,457,316.20 | – | (395,608.80) | 4,061,707.40 | Related to assets |
| Equipment reconstruction (iii) | 2,420,132.18 | – | (7,563.00) | 2,412,569.18 | Related to assets |
| Energy conservation and emission reduction special fund (iv) | 4,329,393.20 | – | (300,511.78) | 4,028,881.42 | Related to assets |
| Sea-railway transportation subsidies (v) | 5,000,000.00 | – | – | 5,000,000.00 | Related to assets |
| Operation subsidies (vi) | 24,218,502.19 | – | (5,865,000.00) | 18,353,502.19 | Related to income |
| Others | 1,532,407.73 | 440,000.00 | (20,650.26) | 1,951,757.47 | Related to assets |
| | 566,797,413.08 | 440,000.00 | (23,841,925.84) | 543,395,487.24 | |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(39) Deferred income (continued)

- (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.'s incorporation. The Company 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.

(40) Other non-current liabilities

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|-----------------------------------|--------------------------------|---------------------|
| All-in charges for cargo handling | 97,036,185.00 | 97,036,185.00 |

The Company entered into an 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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(41) Share capital

| | 31 December 2014 | Current period movement | | | | | 30 June 2015 (Unaudited) |
|---------------------------------------------|-------------------------|-------------------------|-------------|---------------|----------|----------|-----------------------------|
| | | Newly issued | Bonus share | Transferred | | Subtotal | |
| | | | | 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 2013 | Current period movement | | | | | 30 June 2014 (Unaudited) |
|-------------------------------------------|-------------------------|-------------------------|-------------|---------------|----------|----------|--------------------------------|
| | | Newly issued | Bonus share | Transferred | | Subtotal | |
| | | | | 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 |

As at 30 June 2015, 53,000,000 shares of foreign shares listed overseas were held by PDA through HKSCC Nominees Limited (31 December 2014: 53,000,000 shares).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(42) Capital surplus

| | 31 December 2014 | Increase in current period | Decrease in current period | 30 June 2015 (Unaudited) |
|-----------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------------|-------------------------------|--------------------------------|
| Share premium | 6,103,613,277.83 | - | - | 6,103,613,277.83 |
| Other capital surplus – | | | | |
| Other equity changes except for comprehensive income and profit distribution for investee using the equity method (a) | 8,126,932.54 | 748,185.03 | - | 8,875,117.57 |
| Others | 5,536,809.50 | - | - | 5,536,809.50 |
| | 6,117,277,019.87 | 748,185.03 | - | 6,118,025,204.90 |

| | 31 December 2013 | Increase in current period | Decrease in current period | 30 June 2014 (Unaudited) |
|-----------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------------|-------------------------------|--------------------------------|
| Share premium | 6,103,613,277.83 | - | - | 6,103,613,277.83 |
| Other capital surplus – | | | | |
| Other equity changes except for comprehensive income and profit distribution for investee using the equity method (a) | 5,555,248.10 | 1,265,830.42 | - | 6,821,078.52 |
| Others | 97,730.59 | 610,277.32 | - | 708,007.91 |
| | 6,109,266,256.52 | 1,876,107.74 | - | 6,111,142,364.26 |

- (a) This other equity changes except for comprehensive income and profit distribution for investee using the equity method mainly comprises specific reserves appropriated by joint ventures and associates of the Group.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(43) Other comprehensive income

| | Other comprehensive income in balance sheet | | | Other comprehensive income in income statement for the six months ended 30 June 2015 (Unaudited) | | | | |
|---------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------|--------------------------|--------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------|--------------------------------|-----------------------------------|
| | 31 December 2014 | Attributable to parent company | 30 June 2015 (Unaudited) | Amount occurred before tax for the current period | Less: Previously recognised in OCI but transferred to P&L for the current year | Less: Income tax expenses | Attributable to parent 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) | 334,624.05 | (1,500,163.28) | 334,624.05 | - | - | 334,624.05 | - |
| Fair value movement of available-for-sale financial assets | (902,412.06) | 376,267.24 | (526,144.82) | 376,267.24 | - | - | 376,267.24 | - |
| Translation differences on foreign financial statements | 9,860,580.11 | (511,229.39) | 9,349,350.72 | (511,229.39) | - | - | (511,229.39) | - |
| | 7,123,380.72 | 199,661.90 | 7,323,042.62 | 199,661.90 | - | - | 199,661.90 | - |

| | Other comprehensive income in balance sheet | | | Other comprehensive income in income statement for the six months ended 30 June 2014 (Unaudited) | | | | |
|---------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------|--------------------------|--------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------|--------------------------------|-----------------------------------|
| | 31 December 2013 | Attributable to parent company | 30 June 2014 (Unaudited) | 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 parent 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 | 6,931,124.61 | (4,597,300.25) | 2,333,824.36 | (4,597,300.25) | - | - | (4,597,300.25) | - |
| Translation differences on foreign financial statements | 7,472,254.84 | (1,800,525.90) | 5,671,728.94 | (1,800,525.90) | - | - | (1,800,525.90) | - |
| | 14,403,379.45 | (6,397,826.15) | 8,005,553.30 | (6,397,826.15) | - | - | (6,397,826.15) | - |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(44) Surplus reserve

| | 31 December 2014 | Increase in current period | Decrease in current period | 30 June 2015 (Unaudited) |
|-------------------------------|-----------------------|-------------------------------|-------------------------------|--------------------------------|
| Statutory surplus reserve | 578,709,289.48 | – | – | 578,709,289.48 |
| Reserve fund | 353,065.88 | – | – | 353,065.88 |
| Discretionary surplus reserve | 620,468.49 | – | – | 620,468.49 |
| | <u>579,682,823.85</u> | – | – | <u>579,682,823.85</u> |

| | 31 December 2013 | Increase in current period | Decrease in current period | 30 June 2014 (Unaudited) |
|-------------------------------|-----------------------|-------------------------------|-------------------------------|--------------------------------|
| Statutory surplus reserve | 532,442,880.91 | – | – | 532,442,880.91 |
| Reserve fund | 353,065.88 | – | – | 353,065.88 |
| Discretionary surplus reserve | 620,468.49 | – | – | 620,468.49 |
| | <u>533,416,415.28</u> | – | – | <u>533,416,415.28</u> |

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 (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(45) Undistributed profits

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|----------------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| Undistributed profits at beginning of period | 2,558,928,773.36 | 2,352,129,307.90 |
| Add: Net profit attributable to the Company for the current period | 286,129,721.91 | 284,418,933.05 |
| Less: Ordinary share dividends payable (i) | (177,040,000.00) | (265,560,000.00) |
| Appropriation to Staff and Workers' Bonus and Welfare Fund of subsidiaries | - | (467,583.40) |
| Undistributed profits at end of period | 2,668,018,495.27 | 2,370,520,657.55 |

(i) In accordance with the resolution at the Board of Shareholders' meeting dated on 29 June 2015, the Company proposed a cash dividend to the shareholders at RMB0.4 per 10 shares (including tax), amounting to RMB177,040,000.00 calculated by 4,426,000,000 issued shares.

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.

As at 30 June 2015, the balance of undistributed profits included the surplus reserve proposed by subsidiaries attributable to the Company with the amount of RMB298,990,354.04. (30 June 2014: RMB277,633,189.64).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(46) Minority interest

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|-------------------------------------------------------------------|--------------------------------|---------------------|
| Dalian Container Terminal Co., Ltd. | 716,452,366.47 | 683,779,682.48 |
| Dalian Haijia Automobile Terminal Co., Ltd. | 200,000,000.00 | 200,000,000.00 |
| Dalian Port Lvshun Harbor Service Co., Ltd. | 132,358,187.74 | 132,278,798.42 |
| Dalian Golden Bay Grain Logistics Co., Ltd. | 128,117,171.60 | 128,971,740.20 |
| Dalian Dilangsirui Caravan Co., Ltd. | 40,949,746.73 | 36,551,102.16 |
| Dalian Portnet Co., Ltd. | 16,019,808.67 | 15,696,807.16 |
| Dalian Port Construction Supervision & Consultation Co., Ltd. | 12,363,579.37 | 15,516,566.02 |
| Dalian Portsoft Technology Co., Ltd. | 9,772,073.65 | 12,204,790.02 |
| Dalian FTZ Jin Xin Petro-chemistry Co., Ltd. | 13,276,419.10 | 11,380,195.60 |
| Dalian Ganghong International Trading Co., Ltd. | 8,933,608.08 | 9,800,765.54 |
| Dalian Kingport United Automobile International Trading Co., Ltd. | 8,901,624.49 | 8,713,303.52 |
| Dalian International Container Services Co., Ltd. | 7,844,489.25 | 7,169,274.35 |
| Dalian Port Telecommunications Engineering Co., Ltd. | 5,142,642.47 | 6,234,545.90 |
| Dalian Gangrun Gas Co., Ltd. | 3,823,285.37 | 4,069,399.90 |
| Heilongjiang Suimu Logistics Co., Ltd. | 3,775,526.71 | 3,773,089.99 |
| Dalian Ocean Shipping Tally Co., Ltd. | 3,777,761.13 | 2,692,689.65 |
| Dalian Jifa Bohai Rim Container Lines Co., Ltd. | 1,732,478.91 | 1,511,177.56 |
| Tangshan Caofeidian Port Jifa Shipping Agency Co., Ltd. | 199,006.42 | 250,555.96 |
| Dalian Jifa Technology Co., Ltd. | (1,226,772.00) | (1,192,977.86) |
| Dalian International Logistics Park Development Co., Ltd. | (7,910,314.23) | (5,890,753.74) |
| Dalian Port Corporation Zhuanghe Terminal Co., Ltd. | 24,205,813.96 | – |
| Dalian Port Xinshengshi Trading Co., Ltd. | (2,023.53) | – |
| | 1,328,506,480.36 | 1,273,510,752.83 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(47) Revenue and cost of sales

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|-------------------------------|----------------------------------------------------|----------------------------------------------------|
| Revenue from main operations | 3,923,824,016.69 | 3,128,749,280.81 |
| Revenue from other operations | 173,717,464.79 | 169,123,273.66 |
| | 4,097,541,481.48 | 3,297,872,554.47 |

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|-------------------------------------|----------------------------------------------------|----------------------------------------------------|
| Cost of sales from main operations | 3,258,746,653.01 | 2,457,754,346.98 |
| Cost of sales from other operations | 123,770,041.70 | 121,203,025.46 |
| | 3,382,516,694.71 | 2,578,957,372.44 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(47) Revenue and cost of sales (continued)

(a) Analysis by industries is as follows:

| | Six months ended 30 June 2015 (Unaudited) | | Six months ended 30 June 2014 (Unaudited) | |
|----------------------------------------------------------------------|----------------------------------------------|-------------------------|----------------------------------------------|------------------|
| | Revenue | Cost of sales | Revenue | Cost of sales |
| Oil and liquefied chemicals terminal and related logistics services | 860,573,229.29 | 458,378,243.34 | 724,370,024.74 | 345,553,920.01 |
| Container terminal and related logistics services | 845,330,389.21 | 689,269,593.36 | 719,588,395.16 | 609,143,906.79 |
| General cargo terminal and related logistics and trading services | 189,531,378.43 | 197,417,622.40 | 210,437,852.69 | 217,224,663.26 |
| Ore terminal and related logistics services | 95,552,094.31 | 106,808,482.54 | 129,353,555.51 | 92,458,123.36 |
| Bulk grains terminal and related logistics and trading services | 768,877,114.05 | 786,676,682.63 | 250,942,736.46 | 245,541,578.58 |
| Passenger, roll-on, roll-off terminal and related logistics services | 57,740,439.65 | 44,394,546.90 | 55,412,188.64 | 40,028,686.98 |
| Port value-added and ancillary services | 420,124,294.69 | 266,782,607.28 | 407,715,213.98 | 272,721,760.50 |
| Automobile terminal and related logistics and trading services | 811,171,171.03 | 802,404,205.20 | 748,437,695.71 | 728,591,427.81 |
| Others | 48,641,370.82 | 30,384,711.06 | 51,614,891.58 | 27,693,305.15 |
| | 4,097,541,481.48 | 3,382,516,694.71 | 3,297,872,554.47 | 2,578,957,372.44 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(47) Revenue and cost of sales (continued)

(b) The revenue is categorized by category as follows:

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|-----------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| Commodity trading | 1,686,983,527.85 | 918,418,831.04 |
| Loading services | 825,441,971.02 | 925,694,227.95 |
| Storage services | 444,917,638.01 | 428,153,874.37 |
| Agency services | 335,065,416.74 | 287,360,899.07 |
| Logistics services | 269,545,832.41 | 236,979,270.03 |
| Leasing services | 117,467,760.19 | 117,814,312.08 |
| Port management services | 110,464,368.92 | 104,566,460.20 |
| Project construction and supervision services | 52,318,744.44 | 46,170,865.71 |
| Electric supply services | 49,442,664.97 | 50,241,107.70 |
| Sales of goods | 32,967,957.59 | 7,198,943.17 |
| Tallying services | 30,768,349.14 | 29,084,092.66 |
| Information services | 30,361,275.99 | 28,360,608.61 |
| Others | 111,795,974.21 | 117,829,061.88 |
| | 4,097,541,481.48 | 3,297,872,554.47 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(48) Taxes and surcharges

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) | Tax base |
|------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Business tax | 10,824,834.87 | 10,124,150.50 | 5% of taxable income |
| City maintenance and construction tax and educational surcharges | 7,987,620.27 | 7,454,193.50 | 7% of business tax and VAT for city maintenance and construction tax, 3% for educational surcharges and 2% for local educational surcharges |
| | 18,812,455.14 | 17,578,344.00 | |

(49) General and administrative expenses

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|-------------------------------|----------------------------------------------------|----------------------------------------------------|
| Employee benefits | 180,684,056.63 | 166,046,070.32 |
| Depreciation and amortization | 20,695,684.60 | 20,206,820.74 |
| Tax and duties | 14,150,754.12 | 5,463,554.90 |
| Rental expenses | 8,430,074.98 | 7,677,413.50 |
| Entertainment expenses | 7,034,013.66 | 6,288,059.63 |
| Property insurance fee | 5,164,544.78 | 4,991,198.45 |
| General office expenses | 2,502,504.58 | 2,391,563.39 |
| Audit fees | 616,000.00 | 616,000.00 |
| Others | 37,580,777.52 | 33,780,361.40 |
| | 276,858,410.87 | 247,461,042.33 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(50) Financial expenses

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|--------------------------------|----------------------------------------------------|----------------------------------------------------|
| Interest expenses | 289,890,371.91 | 267,134,668.83 |
| Including: Bank borrowing | 207,343,154.27 | 187,120,952.08 |
| Finance lease | 1,857,842.97 | 122,308.90 |
| Other liabilities | 80,689,374.67 | 79,891,407.85 |
| Less: Capitalised interest (i) | (27,442,224.89) | (29,370,439.87) |
| Less: Interest income | (11,630,643.15) | (10,214,127.05) |
| Exchange gains or losses | 6,259,090.42 | 6,095,620.39 |
| Others | 9,082,834.58 | 2,597,029.24 |
| | 266,159,428.87 | 236,242,751.54 |

- (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:

| | 30 June 2015 (Unaudited) | | 30 June 2014 (Unaudited) | |
|-----------------------------------------------------------|--------------------------|----------------------|--------------------------|---------------|
| | Bank loans | Other loans | Bank loans | Other loans |
| Borrowings with the last repayment date within five years | 207,343,154.27 | 80,689,374.67 | 187,120,952.08 | 79,891,407.85 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(51) Expenses by nature

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

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|-------------------------------|----------------------------------------------------|----------------------------------------------------|
| Cost of goods sales | 1,700,458,679.20 | 919,549,389.37 |
| Cost of labour | 668,880,729.44 | 625,432,590.45 |
| Depreciation and amortization | 389,950,733.86 | 355,725,269.51 |
| Rental expenses | 187,133,934.45 | 230,263,771.71 |
| Fuel expenses | 95,584,870.50 | 144,277,048.96 |
| Electric charges | 68,589,319.91 | 75,781,801.00 |
| Materials expenses | 24,879,103.54 | 28,619,170.59 |
| Repair charges | 29,584,049.81 | 36,269,213.33 |
| Other fees | 494,838,760.21 | 410,548,139.85 |
| | 3,659,900,180.92 | 2,826,466,394.77 |

(52) Gains arising from changes in fair value

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|-------------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| Financial assets at fair value through profit or loss | | |
| – investments in equity instrument held for trading | 4,224,613.40 | 165,619.90 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(53) Investment income

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|--------------------------------------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| Investment income from long-term equity investment under equity method | 62,510,171.74 | 38,224,323.02 |
| Income from disposal of long-term equity investment | – | 11,431,834.66 |
| Income earned during the holding period of financial assets at fair value through profit or loss | 33,000.00 | 88,292.50 |
| Income earned during the holding period of available-for-sale financial assets | 21,342,268.00 | 1,401,343.53 |
| Income from disposal of financial assets at fair value through profit or loss | 1,809,929.87 | 663,247.70 |
| Income from entrusted investments | 14,542,340.58 | 26,214,458.25 |
| Investment income from disposal of available-for-sale financial assets | 21,014,976.72 | – |
| | 121,252,686.91 | 78,023,499.66 |

There is no restriction on recovery of investment income.

For the six months ended 30 June 2015, the Group's investment income from listed and unlisted investment is RMB11,939,706.59 and RMB109,312,980.32 (for the six months ended 30 June 2014: RMB751,540.20 and RMB77,271,595.46 respectively).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(54) Non-operating income

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) | Amount recognized in non-recurring profit or loss for the six months ended 30 June 2015 |
|----------------------------------------------|----------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Gains on disposal of non-current assets | 343,876.19 | 892,471.08 | 343,876.19 |
| Including: Gains on disposal of fixed assets | 338,396.69 | 892,471.08 | 338,396.69 |
| Gains on disposal of intangible assets | 5,479.50 | – | 5,479.50 |
| Government grants (a) | 105,908,973.54 | 136,916,671.67 | 1,232,956.52 |
| Negative goodwill from equity acquisition | – | 24,533.89 | – |
| Others | 19,165,394.95 | 7,737,474.09 | 19,165,394.95 |
| | 125,418,244.68 | 145,571,150.73 | 20,742,227.66 |

(a) Details of government grants

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) | Related to assets/income |
|---------------------------------------------------------|----------------------------------------------------|----------------------------------------------------|-----------------------------|
| Relocation compensation | 17,252,592.00 | 17,252,592.00 | Related to assets |
| Vessel construction subsidies | 395,608.80 | 395,608.80 | Related to assets |
| Equipment reconstruction subsidies | 7,563.00 | 90,545.34 | Related to assets |
| Energy conservation and emission reduction special fund | 300,511.78 | – | Related to assets |
| Others | 20,650.26 | – | Related to assets |
| Container subsidies (i) | 80,827,400.00 | 111,254,300.00 | Related to income |
| Operation subsidies | 5,865,000.00 | 5,625,000.00 | Related to income |
| Refund of turnover taxes | 6,691.18 | 2,273,625.53 | Related to income |
| Others | 1,232,956.52 | 25,000.00 | Related to income |
| | 105,908,973.54 | 136,916,671.67 | |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(54) Non-operating income (continued)

(a) Details of government grants (continued)

- (i) In accordance with 'Circular on the Plan for 2014-2015 Container Subsidy Implementation Details' (Da Gang Kou Fa [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 six months ended 30 June 2015 amounted to RMB80,827,400.00 (for the six months ended 30 June 2014: RMB111,254,300.00).

(55) Non-operating expenses

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) | Amount recognised in non-recurring profit or loss for the six months ended 30 June 2015 |
|-----------------------------------------------|----------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Losses on disposal of non-current assets | 252,167.18 | 5,589,872.83 | 252,167.18 |
| Including: Losses on disposal of fixed assets | 252,167.18 | 5,589,872.83 | 252,167.18 |
| Others | 276,748.09 | 794,853.42 | 276,748.09 |
| | 528,915.27 | 6,384,726.25 | 528,915.27 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(56) Income tax expenses

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|------------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| Current income tax calculated based on tax law and related regulations | 82,835,863.78 | 110,377,093.19 |
| Deferred income tax | 1,464,273.26 | (1,157,966.88) |
| | 84,300,137.04 | 109,219,126.31 |

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:

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|---------------------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| Total profit | 403,036,046.27 | 434,960,608.20 |
| Income tax expenses calculated at applicable tax rates | 100,759,011.57 | 108,740,152.05 |
| Effect of different tax rates applicable to subsidiaries in Mainland China | (349,668.23) | (2,046,052.65) |
| Effect of different tax rates applicable to subsidiaries outside Mainland China | 144,388.45 | 2,784,248.88 |
| Adjustments for current income tax of prior year | (1,747,830.53) | 215,293.94 |
| Income not subject to tax | (25,276,257.95) | (14,989,727.53) |
| Expenses not deductible for tax purposes | 11,439,286.27 | 778,308.07 |
| Utilisation of previously unrecognised tax losses | (10,937,614.55) | (64,331.36) |
| Deductible losses for which no deferred tax asset was recognised | 10,268,822.01 | 13,801,234.91 |
| Income tax expenses | 84,300,137.04 | 109,219,126.31 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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:

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|------------------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| Consolidated net profit attributable to ordinary shareholders of the Company | 286,129,721.91 | 284,418,933.05 |
| Weighted average number of ordinary shares outstanding | 4,426,000,000.00 | 4,426,000,000.00 |
| Basic earnings per share | 0.06 | 0.06 |
| Including: | | |
| – Basic earnings per share from continuing operations: | 0.06 | 0.06 |

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing net profit attributable to ordinary shareholders of the Company adjusted based on the dilutive potential ordinary shares by the adjusted weighted average number of ordinary shares outstanding. For the six months ended 30 June 2015, there were no dilutive potential ordinary shares (for the six months ended 30 June 2014: Nil), diluted earnings per share is equal to basic earnings per share.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(58) Notes to the cash flow statement

(a) Cash received relating to other operating activities

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|-------------------------------|----------------------------------------------------|----------------------------------------------------|
| Trade deposit received | 139,886,203.01 | – |
| Bank interest income received | 11,630,643.15 | 10,214,127.05 |
| Government grants received | 4,003,657.00 | 5,756,000.00 |
| Others | 57,158,830.81 | 5,941,704.76 |
| | 212,679,333.97 | 21,911,831.81 |

(b) Cash paid relating to other operating activities

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|----------------------------|----------------------------------------------------|----------------------------------------------------|
| Rental expenses | 8,430,074.98 | 9,205,035.80 |
| Insurance fees | 5,164,544.78 | 5,270,314.88 |
| Travel expenses | 2,959,734.85 | 2,420,198.32 |
| General office expenses | 2,502,504.58 | 2,393,086.39 |
| Fuel expenses | 1,741,518.77 | 4,797,538.22 |
| Commuting costs | 1,515,272.75 | 2,117,381.88 |
| Electric and water charges | 1,441,861.40 | 1,827,839.18 |
| Repair charges | 1,315,039.33 | 1,675,968.03 |
| Agency fees | 616,000.00 | 2,615,662.56 |
| Communication expenses | 184,550.97 | 914,426.53 |
| Others | 63,305,084.15 | 14,359,572.37 |
| | 89,176,186.56 | 47,597,024.16 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(58) Notes to the cash flow statement (continued)

(c) Cash received relating to other investing activities

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|----------------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| Restricted balances with financial institutions received | 29,940,587.21 | 5,163,645.00 |
| Withdrawal of term deposit of more than 6 months | 27,000,000.00 | – |
| | 56,940,587.21 | 5,163,645.00 |

(d) Cash paid relating to other investing activities

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|----------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| Restricted balances with financial institutions | 43,959,881.13 | 8,118,578.00 |
| Cash deposited to bank with more than 6 months' terms | 9,000,000.00 | – |
| Taxes paid relating to disposal of sea use right of Dalian Bay | 25,595,629.80 | – |
| | 78,555,510.93 | 8,118,578.00 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(58) Notes to the cash flow statement (continued)

(e) Cash received relating to other financing activities

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|----------------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| Restricted balances with financial institutions received | – | 30,309,501.88 |
| Asset-related government grants received | 439,999.52 | – |
| | 439,999.52 | 30,309,501.88 |

(f) Cash paid relating to other financing activities

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|-------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| Bonds issuance expense paid | 5,594,103.03 | – |
| Restricted balances with financial institutions | – | 34,515,400.64 |
| | 5,594,103.03 | 34,515,400.64 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(59) Supplementary information to the cash flow statement

(a) Supplementary information to the consolidated cash flow statement

Reconciliation from net profit to cash flows from operating activities

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| Net profit | 318,735,909.23 | 325,741,481.89 |
| Add: Depreciation of fixed assets | 358,489,255.50 | 339,204,645.98 |
| Depreciation of investment properties | 9,124,305.56 | 9,246,209.32 |
| Amortisation of intangible assets | 20,819,756.86 | 19,609,650.12 |
| Amortisation of long-term prepaid expenses | 1,517,415.94 | 1,423,647.99 |
| Net gains on disposal of fixed assets | (91,709.01) | 4,697,401.75 |
| Financial expenses | 268,427,881.65 | 245,032,911.25 |
| Investment income | (121,252,686.91) | (78,023,499.66) |
| Gains or losses arising from changes in fair value | (4,224,613.40) | (165,619.90) |
| Decrease/(Increase) in deferred tax assets | 2,247,167.68 | (375,072.46) |
| Decrease in deferred tax liabilities | (782,894.42) | (782,894.42) |
| Transfer from deferred income | (23,841,925.36) | (18,308,719.14) |
| Decrease/(increase) in inventories | 19,130,895.06 | (148,346,398.36) |
| Increase in specific reserve | 12,233,417.07 | 9,146,581.89 |
| Negative goodwill from equity acquisition | - | (24,533.89) |
| Increase in other current assets | (20,054,562.99) | (11,071,449.96) |
| Increase in operating receivables | (304,243,273.80) | (399,616,983.50) |
| Increase in operating payables | 83,342,399.26 | 31,740,413.09 |
| Net cash flows from operating activities | 619,576,737.92 | 329,127,771.99 |

Significant operating activities that do not involve cash payments

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|-----------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| Inward bills – Payment for goods made by bank | 61,075,883.65 | 94,059,744.76 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(59) Supplementary information to the cash flow statement (continued)

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

Significant investing and financing activities that do not involve cash receipts

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|-----------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| Inward bills – Payment for goods made by bank | 61,075,883.65 | 94,059,744.76 |

Net increase/(decrease) in cash and cash equivalents

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|--------------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| Cash and cash equivalents at end of period | 2,182,849,815.37 | 1,954,994,854.16 |
| Less: Cash and cash equivalents at beginning of period | (2,241,972,818.00) | (2,303,924,914.82) |
| Net increase in cash and cash equivalents | (59,123,002.63) | (348,930,060.66) |

(b) Cash and cash equivalents

| | For the six months ended 30 June 2015 (Unaudited) | 31 December 2014 |
|--------------------------------------------------------|---------------------------------------------------------------|---------------------|
| Cash | 112,226.91 | 123,972.84 |
| Including: Cash on hand | 112,226.91 | 123,972.84 |
| Cash at bank that can be readily drawn on demand | 2,180,952,423.46 | 2,240,185,806.79 |
| Other cash balance that can be readily drawn on demand | 1,785,165.00 | 1,663,038.37 |
| Cash and cash equivalents at end of period | 2,182,849,815.37 | 2,241,972,818.00 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(60) Monetary items dominated in foreign currency

| | Six months ended 30 June 2015 (Unaudited) | | |
|---------------------------------------|-------------------------------------------|------------------|----------------|
| | Amount in foreign currency | Translation rate | Amount in RMB |
| Cash at bank and on hand – | | | |
| USD | 10,315,936.68 | 6.1136 | 63,067,510.49 |
| JPY | 7,766,191.00 | 0.0501 | 389,086.17 |
| HKD | 14,047,423.13 | 0.7886 | 11,077,797.88 |
| CAD | 0.02 | 4.9232 | 0.10 |
| Accounts receivable – | | | |
| USD | 3,193,798.71 | 6.1136 | 19,525,607.79 |
| JPY | 1,435,213.50 | 0.0501 | 71,904.20 |
| Other receivables – | | | |
| USD | 2,197,634.17 | 6.1136 | 13,435,456.26 |
| HKD | 15,081.00 | 0.7886 | 11,892.88 |
| Accounts payable – | | | |
| USD | 2,288,553.09 | 6.1136 | 13,991,298.17 |
| Other payables – | | | |
| USD | 11,649,704.62 | 6.1136 | 71,221,634.16 |
| HKD | 821.00 | 0.7886 | 647.44 |
| Short-term borrowings – | | | |
| USD | 45,233,977.05 | 6.1136 | 276,542,442.09 |
| JPY | 730,158,396.10 | 0.0501 | 36,580,935.64 |
| CAD | 5,014,371.28 | 4.9232 | 24,686,752.69 |
| EUR | 5,521,247.27 | 6.8699 | 37,930,416.62 |
| Long-term receivables – | | | |
| JPY | 240,310,910.58 | 0.0501 | 12,039,576.62 |
| HKD | 12,993,763.68 | 0.7886 | 10,246,882.04 |
| Long-term payables – | | | |
| USD | 7,325,354.23 | 6.1136 | 44,784,285.62 |
| Available-for-sale financial assets – | | | |
| HKD | 18,116,729.72 | 0.7886 | 14,286,853.06 |

5 Changes of consolidation scope

Consolidation scope changes with other reasons

On 19 March 2015, the Company and Shandong Yaochang Group Co., Ltd. co-founded a subsidiary Dalian Port Xinchengshi Trading Co., Ltd. with RMB7,000,000.00 in cash.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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 Trade Co., Ltd. | Dalian, Liaoning | Dalian, Liaoning | Trading | 100.00 | – | 100.00 | Set up by investment |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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 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 | Automobile port construction operation | 50.00 | – | 100.00 | Set up by investment |
| Dalian Container Terminal Co., Ltd. (iv) | Dalian, Liaoning | Dalian, Liaoning | Port | – | 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 |
| Heilongjiang Suimu 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 Development Co., Ltd. | Hong Kong | Hong Kong | Logistics | 100.00 | – | 100.00 | Set up by investment |
| Dalian Port Xinshengshi Trading Co., Ltd. | Dalian, Liaoning | Dalian, Liaoning | Trading | 70.00 | – | 70.00 | 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 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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 Port Corporation Zhuanghe Terminal Co., Ltd. | Dalian, Liaoning | Dalian, Liaoning | Port Industry | 60.00 | – | 60.00 | 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 | Port | 60.00 | – | 60.00 | Business combination involving enterprise not under common control |
| Dalian Jiye Logistics Co., Ltd. | Dalian, Liaoning | Dalian, Liaoning | Freight services | – | 100.00 | 100.00 | Business combination involving enterprise not under common control |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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 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 are 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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

6 Interests in other entities (continued)

(1) Interests in subsidiaries (continued)

(b) Subsidiaries with material minority interests

| Name of subsidiaries | Shareholding of minority shareholders (%) | Total profit or loss attributable to minority shareholders for the six months ended 30 June 2015 | Dividends paid to minority interests for the year 2015 | Accumulated minority interests as at 30 June 2015 |
|---------------------------------------------|-------------------------------------------|--------------------------------------------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------|
| Dalian Container Terminal Co., Ltd. | 49.00 | 31,517,906.70 | – | 716,452,366.47 |
| Dalian Haijia Automobile Terminal Co., Ltd. | 50.00 | – | – | 200,000,000.00 |
| Dalian Port Lvshun Harbor Service Co., Ltd. | 40.00 | 57,383.78 | – | 132,358,187.74 |
| Dalian Golden Bay Grain Logistics Co., Ltd. | 62.50 | (854,568.60) | – | 128,117,171.60 |

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

| | 30 June 2015 | | | | | |
|---------------------------------------------|----------------|--------------------|----------------------|---------------------|-------------------------|-------------------|
| | Current assets | Non-current assets | Total current assets | Current liabilities | Non-current liabilities | Total liabilities |
| Dalian Container Terminal Co., Ltd. | 203,790,983.48 | 1,469,970,989.34 | 1,673,761,972.82 | 209,798,988.07 | 1,815,298.08 | 211,614,286.15 |
| Dalian Haijia Automobile Terminal Co., Ltd. | 180,277,839.08 | 221,233,705.85 | 401,511,544.93 | 1,511,544.93 | – | 1,511,544.93 |
| Dalian Port Lvshun Harbor Service Co., Ltd. | 17,469,268.02 | 361,898,100.81 | 379,367,368.83 | 48,471,899.47 | – | 48,471,899.47 |
| Dalian Golden Bay Grain Logistics Co., Ltd. | 145,132,830.10 | 59,995,239.06 | 205,128,069.16 | 140,594.60 | – | 140,594.60 |

| | 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 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

6 Interests in other entities (continued)

(1) Interests in subsidiaries (continued)

(b) Subsidiaries with material minority interests (continued)

| | Six months ended 30 June 2015 (Unaudited) | | | | Six months ended 30 June 2014 (Unaudited) | | | |
|---------------------------------------------|-------------------------------------------|----------------|----------------------------|--------------------------------------|-------------------------------------------|---------------|----------------------------|--------------------------------------|
| | Revenue | Net profit | Total comprehensive income | Cash flows from operating activities | Revenue | Net profit | Total comprehensive income | Cash flows from operating activities |
| Dalian Container Terminal Co., Ltd. | 233,956,376.15 | 64,322,258.57 | 64,322,258.57 | 84,119,703.05 | 249,069,017.79 | 71,641,838.50 | 71,641,838.50 | 159,316,018.32 |
| Dalian Haijia Automobile Terminal Co., Ltd. | - | - | - | (47,000.00) | - | - | - | (60,858.93) |
| Dalian Port Lvshun Harbor Service Co., Ltd. | 19,512,219.28 | 143,459.46 | 143,459.46 | 12,634,579.48 | 20,850,959.82 | 543,045.21 | 543,045.21 | 5,819,354.09 |
| Dalian Golden Bay Grain Logistics Co., Ltd. | 206,927.19 | (1,367,309.76) | (1,367,309.76) | 2,326,314.20 | 966,058.25 | (731,076.05) | (731,076.05) | 1,610,106.58 |

(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. (iii) | 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)(iii) | Dalian, Liaoning | Dalian, Liaoning | Container service | Yes | 35.00 | 36.36 |
| China United International Rail Containers (Dalian) Co., Ltd. (iii) | Dalian, Liaoning | Dalian, Liaoning | International container service | Yes | 40.00 | 40.00 |
| Dalian Changxing Island Port Co., Ltd. (iii) | Dalian, Liaoning | Dalian, Liaoning | Port industry | Yes | 40.00 | 40.00 |
| Dalian Automobile Terminal Co., Ltd. (ii)(iii) | 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 |
| Odffjell Terminals (Dalian) Co., Ltd. | Dalian, Liaoning | Dalian, Liaoning | Construction, operation of tank terminal | Yes | 50.00 | 50.00 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

6 Interests in other entities (continued)

(2) Interests in joint ventures and associates (continued)

(a) Basic information of important joint ventures and associates (continued)

| | Place of operation | Place of registration | Nature of business | Whether have strategic to the Group | Share-holding (%) | Voting rights (%) |
|-------------------------------------------|--------------------|-----------------------|-----------------------|-------------------------------------|-------------------|-------------------|
| 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., it has representatives in the invested company's board of directors or other similar authority, who enjoy the corresponding substantial participation in decision-making. The investment enterprises could participate in the invested company's management policy through the representatives. As a result, 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 are 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.
- (iii) 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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

6 Interests in other entities (continued)

(2) Interests in joint ventures and associates (continued)

(b) Main financial information of important joint ventures

| | 30 June 2015 (Unaudited) | | | | | | | |
|------------------------------------------------------|---------------------------------------------------|-------------------------------------------------------------------|------------------------------------------|---------------------------------------------------------------|----------------------------------------|--------------------------------------|---------------------------------------------------------|---------------------------------|
| | 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) Ltd. |
| Current assets | 162,893,255.73 | 477,984,057.38 | 175,307,783.67 | 46,109,248.60 | 46,131,538.84 | 49,894,143.01 | 13,877,227.71 | 43,889,920.40 |
| Including: Cash and cash equivalents | 47,027,679.45 | 44,379,722.72 | 89,982,477.80 | 11,512,791.14 | 23,499,490.88 | 24,096,366.32 | 13,776,921.21 | 22,533,197.57 |
| Non-current assets | 2,903,574,266.32 | 3,597,280,464.36 | 1,783,514,840.24 | 435,267,368.83 | 1,712,428,022.75 | 504,971,348.33 | 534,045,773.61 | 308,742,707.91 |
| Total assets | 3,066,467,522.05 | 4,075,264,521.74 | 1,958,822,623.91 | 481,376,617.43 | 1,758,559,561.59 | 554,865,491.34 | 547,923,001.32 | 352,632,628.31 |
| Current liabilities | 749,292,214.59 | 607,022,380.40 | 174,011,053.34 | 20,123,363.80 | 323,246,665.58 | 22,723,144.84 | 3,285,179.82 | 30,528,789.35 |
| Non-current liabilities | 979,018,384.95 | 2,474,659,191.81 | 1,013,377,348.16 | - | 1,016,576,401.23 | 96,463,531.65 | 220,000,000.00 | - |
| Total liabilities | 1,728,310,599.54 | 3,081,681,572.21 | 1,187,388,401.50 | 20,123,363.80 | 1,339,823,066.81 | 119,186,676.49 | 223,285,179.82 | 30,528,789.35 |
| Minority interest | - | - | - | - | - | - | - | - |
| Equity attributable to equity holders of the Company | 1,338,156,922.51 | 993,582,949.53 | 771,434,222.41 | 461,253,253.63 | 418,736,494.78 | 435,678,814.85 | 324,637,821.50 | 322,103,838.96 |
| Shares of net assets in proportion (i) | 535,262,769.00 | 462,810,937.89 | 270,001,977.84 | 184,501,301.45 | 167,494,597.91 | 174,271,525.94 | 162,318,910.75 | 161,051,919.48 |
| Adjustments | | | | | | | | |
| - Goodwill | - | - | - | - | - | 2,453,618.25 | - | - |
| - Unearned profit from internal transaction | (156,039.39) | - | (43,783,882.32) | - | - | - | - | - |
| Carrying amount of investment in joint ventures | 534,597,111.14 | 462,810,937.89 | 225,859,322.98 | 184,501,301.45 | 168,154,205.35 | 176,725,144.19 | 162,318,910.75 | 161,051,919.48 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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) 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 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

6 Interests in other entities (continued)

(2) Interests in joint ventures and associates (continued)

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

| | Six months ended 30 June 2015 (Unaudited) | | | | | | | |
|----------------------------------------------------------------------------|---------------------------------------------------|-------------------------------------------------------------------|------------------------------------------|---------------------------------------------------------------|----------------------------------------|--------------------------------------|---------------------------------------------------------|---------------------------------|
| | 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) Ltd. |
| Revenue | 151,329,448.58 | - | 232,217,243.07 | 19,983,387.31 | 32,697,616.08 | 39,159,437.32 | 45,250,000.00 | 49,118,742.80 |
| Financial expenses | 30,406,133.61 | - | 26,900,012.10 | (45,242.33) | 15,243,169.15 | 1,962,089.31 | 6,042,791.63 | 94,050.88 |
| Income tax expenses | - | - | 2,002,207.36 | - | - | 1,040,709.68 | 3,128,202.09 | 5,784,218.54 |
| Net profit/(loss) | 9,850,592.87 | - | 13,784,377.96 | (5,221,762.60) | (30,740,433.58) | 7,986,711.69 | 21,897,414.60 | 19,195,803.49 |
| Other comprehensive income | - | - | - | - | - | - | - | - |
| Total comprehensive income/(loss) | 9,850,592.87 | - | 13,784,377.96 | (5,221,762.60) | (30,740,433.58) | 7,986,711.69 | 21,897,414.60 | 19,195,803.49 |
| Dividends received from joint ventures by the Group for the current period | - | - | - | - | - | 4,000,000.00 | 10,103,150.00 | - |

| | Six months ended 30 June 2014 (Unaudited) | | | | | | | |
|----------------------------------------------------------------------------|---------------------------------------------------|-------------------------------------------------------------------|------------------------------------------|---------------------------------------------------------------|----------------------------------------|--------------------------------------|---------------------------------------------------------|---------------------------------|
| | 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) Ltd. |
| Revenue | 143,779,808.86 | - | 224,579,848.01 | 12,840,185.46 | 37,772,992.93 | 42,169,232.07 | 45,250,000.00 | 39,335,998.72 |
| Financial expenses | 2,334,866.85 | - | 2,109,279.20 | (9,607.07) | 2,779,656.53 | 347,558.08 | 1,222,576.84 | 198,550.08 |
| Income tax expenses | - | - | 638,333.18 | - | - | 348,790.21 | 1,504,557.71 | 216,479.28 |
| Net profit/(loss) | (12,008,815.95) | - | 5,864,649.94 | (787,966.65) | (25,751,294.95) | 11,141,748.05 | 21,059,878.50 | 11,252,562.60 |
| Other comprehensive income | - | - | - | - | - | - | - | - |
| Total comprehensive income/(loss) | (12,008,815.95) | - | 5,864,649.94 | (787,966.65) | (25,751,294.95) | 11,141,748.05 | 21,059,878.50 | 11,252,562.60 |
| Dividends received from joint ventures by the Group for the current period | - | - | - | - | - | - | 9,761,210.00 | - |

- (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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

6 Interests in other entities (continued)

(2) Interests in joint ventures and associates (continued)

(c) Main financial information of important associates

| | 30 June 2015 (Unaudited) | | | | 31 December 2014 | | | |
|------------------------------------------------------|---------------------------------------|------------------------------------------------|------------------------------------------------|-------------------------------------------------|---------------------------------------|------------------------------------------------|------------------------------------------------|-------------------------------------------------|
| | 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 | 55,975,509.50 | 3,854,257,356.83 | 341,458,962.55 | 10,151,803.89 | 63,295,367.76 | 4,907,573,951.02 | 347,439,008.56 | 5,478,306.58 |
| Non-current assets | 3,454,538,900.95 | 344,564,484.47 | 2,227,298,257.38 | 661,941,911.47 | 3,558,509,585.29 | 3,267,537.14 | 2,285,146,302.71 | 676,904,775.71 |
| Total assets | 3,510,514,410.45 | 4,198,821,841.30 | 2,568,757,219.93 | 672,093,715.36 | 3,621,804,953.05 | 4,910,841,488.16 | 2,632,585,311.27 | 682,383,082.29 |
| Current liabilities | 807,316,782.85 | 2,921,230,885.68 | 591,741,079.14 | 55,975,047.89 | 806,859,891.91 | 4,196,532,691.79 | 462,252,848.69 | 39,824,385.21 |
| Non-current liabilities | - | - | 453,249,600.00 | 170,000,000.00 | - | - | 618,547,000.00 | 179,910,400.00 |
| Total liabilities | 807,316,782.85 | 2,921,230,885.68 | 1,044,990,679.14 | 225,975,047.89 | 806,859,891.91 | 4,196,532,691.79 | 1,080,799,848.69 | 219,734,785.21 |
| Minority interest | - | - | 32,337,865.48 | - | - | - | 34,648,222.18 | - |
| Equity attributable to equity holders of the Company | 2,703,197,627.60 | 1,277,590,955.62 | 1,491,428,675.31 | 446,118,667.47 | 2,814,945,061.14 | 714,308,796.37 | 1,517,137,240.40 | 462,648,297.08 |
| Shares of net assets in proportion (i) | 540,639,525.52 | 511,036,382.25 | 261,000,018.18 | 178,447,466.99 | 562,989,012.23 | 285,723,518.55 | 265,499,017.07 | 185,059,318.83 |
| Adjustments | | | | | | | | |
| - Goodwill | - | - | - | - | - | - | - | - |
| - Unearned profit from internal transaction | - | - | - | (27,646,406.71) | - | - | - | (28,017,164.72) |
| Carrying amount of investment in joint ventures | 540,639,525.52 | 511,036,382.25 | 261,000,018.18 | 150,801,060.27 | 562,989,012.23 | 285,723,518.55 | 265,499,017.07 | 157,042,154.11 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

6 Interests in other entities (continued)

(2) Interests in joint ventures and associates (continued)

(c) Main financial information of important associates (continued)

| | Six months ended 30 June 2015 (Unaudited) | | | | Six months ended 30 June 2014 (Unaudited) | | | |
|------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------------------|------------------------------------------------|-------------------------------------------------|-------------------------------------------|------------------------------------------------|------------------------------------------------|-------------------------------------------------|
| | 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 | 244,341,948.28 | 107,850,639.81 | 633,577,908.84 | 14,948,205.06 | 368,061,388.51 | 78,600,817.35 | 226,145,572.39 | 16,167,763.08 |
| Net profit/(loss) | 41,031,989.35 | 63,282,159.25 | (27,428,500.00) | (15,602,734.60) | 101,780,204.05 | 43,479,967.00 | (13,223,214.57) | (14,077,482.30) |
| Other comprehensive income | - | - | - | - | - | - | - | - |
| Total comprehensive profit/(loss) | 41,031,989.35 | 63,282,159.25 | (27,428,500.00) | (15,602,734.60) | 101,780,204.05 | 43,479,967.00 | (13,223,214.57) | (14,077,482.30) |
| Dividends received from associates by the Group for the current period | - | - | - | - | - | - | - | - |

- (i) 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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

6 Interests in other entities (continued)

(2) Interests in joint ventures and associates (continued)

(d) Summary of immaterial joint ventures and associates

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Joint ventures: | | |
| Total carrying amount of the investments | 290,583,785.29 | 267,943,344.47 |
| Total amount calculated in proportion to the shareholdings | | |
| Net profit (i) | 5,714,738.91 | (9,677,483.78) |
| Other comprehensive income (i) | - | - |
| Total comprehensive income | 5,714,738.91 | (9,677,483.78) |
| Associates: | | |
| Total carrying amount of the investments | 263,491,608.28 | 232,741,978.65 |
| Total amount calculated in proportion to the shareholdings | | |
| Net profit (i) | 15,503,694.52 | (10,378,890.85) |
| Other comprehensive income (i) | - | - |
| Total comprehensive income | 15,503,694.52 | (10,378,890.85) |

(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. 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(12)(a).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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
- 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
- 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
- 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
- Port value-added and ancillary services, responsible for tallying, tugging, transportation, power supply, information technology and construction services
- Automobile terminal and related logistics and trading services, responsible for loading and discharging of automobile and related logistics services, automobile trading operation

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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

8 Segment information (continued)

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

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

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

(a) Segment information as at 30 June 2015 and for the six months ended 30 June 2015 (unaudited) 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 trading services | Passenger, roll-on, roll-off terminal and related logistics services | Port value-added and ancillary services | Automobile terminal and related logistics trading services | Others | Elimination | Total |
|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-----------------------------------------------------|------------------------------------------------------------------------------|-----------|-------------|------------|
| Revenue from external customers | 860,573 | 845,330 | 189,531 | 95,552 | 768,877 | 57,740 | 420,124 | 811,171 | 48,643 | - | 4,097,541 |
| Inter-segment revenue | 612,521 | 32 | 114,784 | 46,072 | 56,717 | 20,089 | 199,449 | 1,064 | 982,699 | (2,033,427) | - |
| Cost of sales from main operations | 452,239 | 643,097 | 187,634 | 106,044 | 774,881 | 42,339 | 234,972 | 800,786 | 16,755 | - | 3,258,747 |
| Interest income | 3,057 | 1,424 | 350 | 90 | 2,039 | 81 | 582 | 194 | 3,814 | - | 11,631 |
| Investment income from associates and joint ventures | 30,907 | 8,861 | (11,604) | 163 | - | (5,099) | 27,790 | 13,451 | 56,784 | - | 121,253 |
| Depreciation and amortisation | 105,003 | 86,191 | 43,576 | 52,790 | 34,401 | 15,481 | 34,269 | 71 | 18,169 | - | 389,951 |
| Total profit | 396,104 | 162,353 | (36,109) | (26,413) | (31,523) | (1,355) | 109,119 | 12,103 | (161,243) | - | 403,036 |
| Income tax expenses | 96,453 | 31,212 | (4,262) | (6,642) | (7,712) | 1,001 | 15,110 | 212 | (41,072) | - | 84,300 |
| Net profit | 299,651 | 131,141 | (31,847) | (19,771) | (23,811) | (2,356) | 94,009 | 11,891 | (140,171) | - | 318,736 |
| Total assets | 6,888,830 | 6,661,171 | 3,021,497 | 2,459,424 | 2,120,524 | 1,170,046 | 2,373,572 | 1,987,005 | 1,747,748 | - | 28,429,817 |
| Total liabilities | 1,588,422 | 793,938 | 92,793 | 71,744 | 506,486 | 63,807 | 137,841 | 585,442 | 9,434,574 | - | 13,275,047 |
| Non-cash expenses other than depreciation and amortisation | - | 6,412 | 11 | - | - | 18 | 3 | - | 17,388 | - | 23,842 |
| Long-term equity investments in associates and joint ventures | 1,418,988 | 1,326,206 | 168,154 | 2,193 | - | 335,064 | 527,027 | 315,939 | - | - | 4,093,571 |
| Additions of non-current assets other than long-term equity investments | 41,069 | 11,596 | 4,811 | 1,238 | 337 | 850 | 1,920 | 39,663 | 758,470 | - | 859,954 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

8 Segment information (continued)

- (b) Segment information as at 30 June 2014 and for the six months ended 30 June 2014 (unaudited) 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 trading services | Passenger, roll-on, 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 | 724,370 | 719,588 | 210,438 | 129,354 | 250,943 | 55,412 | 407,715 | 748,438 | 51,615 | - | 3,297,873 |
| Inter-segment revenue | 643 | - | 5,459 | 97 | - | 338 | 46,674 | 1,438 | 20,888 | (75,537) | - |
| Cost of sales from main operations | 345,876 | 560,237 | 208,459 | 88,503 | 230,482 | 38,442 | 239,038 | 725,416 | 21,301 | - | 2,457,754 |
| Interest income | 289 | 2,349 | 230 | 32 | 2,210 | 34 | 608 | 203 | 4,260 | - | 10,215 |
| Investment income from associates and joint ventures | 33,421 | 3,626 | (10,380) | - | - | (13,335) | 17,612 | 7,280 | - | - | 38,224 |
| Depreciation and amortisation | 96,681 | 84,428 | 41,323 | 44,746 | 35,218 | 15,718 | 30,273 | 4,045 | 17,461 | - | 389,893 |
| Total profit | 381,861 | 164,608 | (35,122) | 21,114 | 3,629 | (8,174) | 87,262 | 9,003 | (189,220) | - | 434,961 |
| Income tax expenses | 90,819 | 40,864 | (4,280) | 5,298 | 958 | 1,061 | 12,886 | 1,489 | (39,676) | - | 109,218 |
| Net profit | 291,042 | 123,744 | (30,842) | 15,816 | 2,671 | (9,235) | 74,376 | 7,514 | (149,344) | - | 325,742 |
| Total assets | 6,646,529 | 6,210,631 | 2,577,506 | 2,550,193 | 1,702,153 | 1,169,357 | 2,364,685 | 1,635,765 | 2,167,842 | (405,094) | 26,619,567 |
| Total liabilities | 1,575,742 | 567,414 | 136,483 | 92,598 | 306,184 | 63,678 | 106,192 | 587,531 | 8,867,161 | (405,094) | 11,897,889 |
| Non-cash expenses other than depreciation and amortisation | 17,253 | 6,111 | - | - | - | 18 | - | - | - | - | 23,382 |
| Long-term equity investments in associates and joint ventures | 1,429,639 | 1,306,399 | 188,841 | 1,951 | - | 341,916 | 281,596 | 297,040 | - | - | 3,847,382 |
| Additions of non-current assets other than long-term equity investments | 112,909 | 44,411 | 14,840 | 4,520 | 1,118 | 2,100 | 12,449 | 177,923 | 3,863 | - | 374,133 |

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 terminal and related logistics services segment of RMB228,082,955.69 is derived from a single customer, accounting for 5.57% of the Group's total revenue.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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 2014 | Increase in current period | Decrease in current period | 30 June 2015 (Unaudited) |
|---------------------------------|------------------|----------------------------|----------------------------|--------------------------|
| Dalian Port Corporation Limited | 4,000,000,000.00 | – | – | 4,000,000,000.00 |

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

| | 30 June 2015 (Unaudited) | | 31 December 2014 | |
|---------------------------------|--------------------------|-------------------|-------------------|-------------------|
| | Share holding (%) | Voting rights (%) | Share holding (%) | Voting rights (%) |
| Dalian Port Corporation Limited | 52.16% | 52.16% | 54.42% | 54.42% |

(2) Subsidiaries

The general and relevant information of Subsidiaries are set out in Note 6(1)(a).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

9 Related parties and related party transactions (continued)

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:

(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. (i) | Dalian, Liaoning | Dalian, Liaoning | Yes | Cargo storage and shipping agency | 45.00 | 45.00 |
| China Tally (Dalian) Co., Ltd. | Dalian, Liaoning | Dalian, Liaoning | Yes | Tally business of shipping | 50.00 | 50.00 |
| China Oil Dock Management (Dalian) Co., Ltd. (i) | 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. (i) | Dalian, Liaoning | Dalian, Liaoning | Yes | Container terminal service | 57.00 | 57.00 |
| Dalian Jlong Logistics Co., Ltd. (i) | Dalian, Liaoning | Dalian, Liaoning | Yes | Logistics storage | 30.00 | 28.57 |
| Dalian Singamas International Container Co., Ltd. (i) | Dalian, Liaoning | Dalian, Liaoning | Yes | Container service | 43.63 | 43.63 |
| Dalian Port Bulk Cargo Logistics Center Co., Ltd. (i) | 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 |

(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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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 Petro China 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 | Hong Kong, China | Yes | Maritime transport | 20.00 | 20.00 |
| Jadeway Co., Ltd. | Hong Kong, China | Hong Kong, 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 |
| Dalian Gang Sheng 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 Yongdexin Real Estate Development Co., Ltd. | Subsidiary of the parent |
| Dalian Port Land Co., Ltd. | Subsidiary of the parent |
| Dalian Wanfeng Properties 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 Dagang Hongyu Housekeeping Services Co., Ltd. | Subsidiary of the parent |
| Dalian Harbour Building | Subsidiary of the parent |
| Jinzhou Liaoxi PDA Properties Co., Ltd. | Subsidiary of the parent |
| PDA Group (Jinzhou) Liaoxi Port Investment and Development Co., Ltd. | Subsidiary of the parent |
| Dalian Taiping Bay Co., Ltd. (i) | 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 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

9 Related parties and related party transactions (continued)

(4) Other related parties (continued)

| | Relationship with the Group |
|---------------------------------------------------------------------------------------------------------------------------|------------------------------|
| 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 |
| 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 Security Service Company | Subsidiary of the parent |
| Dalian Port North Shore Automobile Terminal Co., Ltd. | Subsidiary of the parent |
| Dalian Port Engineering Co., Ltd. | Subsidiary of the parent |
| Dalian Equipment Finance Lease Co., Ltd. | Subsidiary of the parent |
| Ronghaifeng Container Co., Ltd. | Subsidiary of the parent |
| Dalian Port North Shore Investment and Development Co., Ltd. | Subsidiary of the parent |
| Dalian Port Petroleum & Chemical Co., Ltd. | Subsidiary of the parent |
| Sinopec Harbor Oil Sales (Dalian) Co., Ltd. | Associates 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 Port Industrial Co., Ltd. | Joint ventures of the parent |
| Dalian Port Property Management Co., Ltd. | Joint ventures of the parent |
| Dalian Port Landscape Engineering Co., Ltd. | Joint ventures of the parent |
| Dalian Port Rixing 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 Design&Research Institute Co., Ltd. | Joint ventures of the parent |
| Dalian Citic Harbour Investment Co., Ltd. | Joint ventures of the parent |
| Dalian China Oil Marine Fuel Shipping Co., Ltd. | Joint ventures of the parent |
| (i) Wafangdian Taiping Bay Co., Ltd., a subsidiary of the parent company, is renamed as Dalian Taiping Bay Port Co., Ltd. | |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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 six months end 30 June 2015 (Unaudited) | Amount for the six months end 30 June 2014 (Unaudited) |
|---------------------------------|--------------------------------------|-----------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| Dalian Port Corporation Limited | Comprehensive services | Terms of agreement | 6,658,462.06 | 5,121,470.78 |

Transaction with joint ventures and associates

| | Nature of related party transactions | Pricing policy for related transactions | Amount for the six months end 30 June 2015 (Unaudited) | Amount for the six months end 30 June 2014 (Unaudited) |
|-------------------------------------------------------------------|--------------------------------------|-----------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| Dalian Changxing Island Port Investment and Development Co., Ltd. | Loading services | Terms of agreement | 3,610,109.78 | 238,944.00 |
| Dalian International Container Terminal Co., Ltd. | Loading services | Terms of agreement | 766,721.69 | – |
| Dalian Port Container Terminal Co., Ltd. | Loading services | Terms of agreement | 481,089.62 | – |
| Odfjell Dalian Port Consulting Co., Ltd. | Training services | Terms of agreement | 50,720.00 | – |
| Dalian Singamas International Container Co., Ltd. | Comprehensive services | Terms of agreement | 20,397.42 | – |
| Dalian Port Group Financial Co., Ltd. | Clearing services | Terms of agreement | 14,150.00 | 16,700.00 |
| | | | 4,943,188.51 | 255,644.00 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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 six months end 30 June 2015 (Unaudited) | Amount for the six months end 30 June 2014 (Unaudited) |
|----------------------------------------------------------|--------------------------------------|-----------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| Sinopec Harbor Oil Sales (Dalian) Co., Ltd. | Fuel purchasing services | Terms of agreement | 36,881,514.50 | 40,860,694.53 |
| Dalian Port Industrial Co., Ltd. | Comprehensive services | Terms of agreement | 11,320,599.81 | 11,662,671.13 |
| Dalian Port Machinery Co., Ltd. | Maintenance and labour | Terms of agreement | 4,366,676.27 | 4,605,484.73 |
| Dalian Port Security Service Co., Ltd. | Security service | Terms of agreement | 1,065,820.00 | 880,260.00 |
| Dalian Hongyu Building Co., Ltd. | Comprehensive services | Terms of agreement | 536,395.87 | 1,572,004.93 |
| Dalian Port Engineering Co., Ltd. | Comprehensive services | Terms of agreement | 358,053.30 | 266,447.44 |
| Dalian Harbour Building | Comprehensive services | Terms of agreement | 608,002.00 | 441,950.50 |
| Dalian FTZ Yongdexin Real Estate Development Co., Ltd. | Comprehensive services | Terms of agreement | 305,276.04 | 305,126.04 |
| Dalian Port Xingang Construction & Engineering Co., Ltd. | Maintenance services | Terms of agreement | 130,639.50 | 87,989.20 |
| Dalian Port Rixin Boiler Installation Co., Ltd. | Maintenance services | Terms of agreement | 108,748.39 | 136,537.30 |
| Dalian Port Landscape Engineering Co., Ltd. | Comprehensive services | Terms of agreement | 53,187.00 | 356,439.00 |
| Dalian Port Dongwang Automotive Repair Factory | Maintenance services | Terms of agreement | 5,692.47 | – |
| Dalian Port Land Co., Ltd. | Comprehensive services | Terms of agreement | 240.00 | – |
| Dalian Port Property Management Co., Ltd. | Property services | Terms of agreement | – | 81,558.50 |
| Dalian Life Raft Inspection Co., Ltd. | Maintenance services | Terms of agreement | – | 27,310.98 |
| Dalian International Seaman Training Center | Training services | Terms of agreement | – | 1,250.00 |
| | | | 55,740,845.15 | 61,285,724.28 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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 six months end 30 June 2015 (Unaudited) | Amount for the six months end 30 June 2014 (Unaudited) |
|---------------------------------|--------------------------------------|-----------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| Dalian Port Corporation Limited | Comprehensive services | Terms of agreement | 6,344,990.20 | 2,087,007.87 |

Transactions with joint ventures and associates

| | Nature of related party transactions | Pricing policy for related transactions | Amount for the six months end 30 June 2015 (Unaudited) | Amount for the six months end 30 June 2014 (Unaudited) |
|-------------------------------------------------------------------|--------------------------------------|-----------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| Dalian Port Bulk Cargo Logistics Center Co., Ltd. | Communication services | Terms of agreement | 26,274,391.29 | 3,600.00 |
| Dalian Port Container Terminal Co., Ltd. | Comprehensive services | Terms of agreement | 19,709,996.22 | 13,792,184.41 |
| Dalian International Container Terminal Co., Ltd. | Comprehensive services | Terms of agreement | 15,974,428.50 | 15,831,688.01 |
| Taicang Xinggang Tug Co., Ltd. | Transportation services | Terms of agreement | 14,066,666.97 | 4,980,000.00 |
| Dalian Yidu Cold Chain Co., Ltd. | Comprehensive services | Terms of agreement | 10,473,511.14 | – |
| Odfjell Terminals (Dalian) Ltd. | Comprehensive services | Terms of agreement | 1,696,277.17 | 2,184,577.20 |
| Dalian Changxing Island Port Co., Ltd. | Engineering construction | Terms of agreement | 1,437,735.83 | 2,525,864.10 |
| Dalian Dagang China Shipping Container Terminal Co., Ltd. | Comprehensive services | Terms of agreement | 992,400.76 | 914,393.56 |
| Dalian Changxing Island Port Investment and Development Co., Ltd. | Comprehensive services | Terms of agreement | 632,075.46 | 1,523,584.90 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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 six months end 30 June 2015 (Unaudited) | Amount for the six months end 30 June 2014 (Unaudited) |
|--------------------------------------------------------------------------|--------------------------------------|-----------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| China United International Rail Containers (Dalian) Co., Ltd. | Comprehensive services | Terms of agreement | 570,097.77 | 223,298.10 |
| Dalian United International Shipping Agency Co., Ltd. | Communication services | Terms of agreement | 505,075.50 | 507,339.65 |
| Dalian Vanguard International Logistics Co., Ltd. | Comprehensive services | Terms of agreement | 439,862.68 | 103,640.82 |
| Dalian Singamas International Container Co., Ltd. | Comprehensive services | Terms of agreement | 338,611.35 | 401,426.57 |
| Liaoning Con-Rail International Logistics Co., Ltd. | Comprehensive services | Terms of agreement | 315,000.00 | 496,679.18 |
| Dalian Automobile Terminal Co., Ltd. | Comprehensive services | Terms of agreement | 275,303.99 | 635,505.21 |
| Dalian North Oil Petroleum Logistics Co., Ltd. | Comprehensive services | Terms of agreement | 105,844.92 | 119,550.00 |
| China Tally (Dalian) Co., Ltd. | Communication services | Terms of agreement | 96,862.52 | 91,353.58 |
| Dalian Port PetroChina International Terminal Co., Ltd. | Comprehensive services | Terms of agreement | 72,524.15 | 15,961.82 |
| Dalian Port Group Financial Co., Ltd. | Financial services | Terms of agreement | 19,763.94 | 15,713.58 |
| Dalian Harbour ECL Logistics Co., Ltd. | Comprehensive services | Terms of agreement | 1,347.75 | 948.00 |
| China Oil Dock Management (Dalian) Co., Ltd. | Comprehensive services | Terms of agreement | - | 1,623,031.42 |
| Dalian PetroChina International Warehousing and Transportation Co., Ltd. | Heating services | Terms of agreement | - | 1,475,258.15 |
| Dalian Shunde Jifa Supply Chain Management Co., Ltd. | Comprehensive services | Terms of agreement | - | 1,153,124.00 |
| Liaoning Electronic Port Co., Ltd. | Communication services | Terms of agreement | - | 283,018.86 |
| Dalian Wanpeng Port Engineering Testing Co., Ltd. | Comprehensive services | Terms of agreement | - | 876.40 |
| | | | 93,997,777.91 | 48,902,617.52 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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 six months end 30 June 2015 (Unaudited) | Amount for the six months end 30 June 2014 (Unaudited) |
|-------------------------------------------------------------------------------------------|--------------------------------------|-----------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| Dalian Taiping Bay Port Co., Ltd. | Engineering supervision | Terms of agreement | 15,866,698.16 | 3,322,415.32 |
| Dalian Port Wantong Logistics Co., Ltd. | Comprehensive services | Terms of agreement | 10,778,456.27 | 482,466.25 |
| Dalian Port North Shore Automobile Terminal Co., Ltd. | Engineering supervision | Terms of agreement | 8,299,094.92 | – |
| Dalian Wanfeng Properties Co., Ltd. | Comprehensive services | Terms of agreement | 1,640,401.93 | 65,232.27 |
| Dalian Hongyu Building Co., Ltd. | Communication services | Terms of agreement | 596,427.07 | 607,511.51 |
| Dalian FTZ Yongdixin Real Estate Development Co., Ltd. | Communication services | Terms of agreement | 580,480.48 | 692,243.07 |
| Dalian Taiping Bay Sunshine Real Estate Co., Ltd. | Comprehensive services | Terms of agreement | 362,337.74 | – |
| Dalian Port Machinery Co., Ltd. | Comprehensive services | Terms of agreement | 358,664.29 | 649,788.16 |
| Dalian Port Petroleum & Chemical Co., Ltd. | Comprehensive services | Terms of agreement | 204,548.13 | – |
| Dalian Port Land Co., Ltd. | Comprehensive services | Terms of agreement | 89,158.58 | 100,043.07 |
| Dalian Taiping Bay Investment and Development Co., Ltd. | Comprehensive services | Terms of agreement | 69,289.76 | – |
| Dalian Port North Shore Investment and Development Co., Ltd. | Engineering supervision | Terms of agreement | 48,929.01 | 3,827,004.91 |
| Dalian Port Industrial Co., Ltd. | Communication services | Terms of agreement | 36,874.85 | 880,828.69 |
| Dalian Port Engineering Co., Ltd. | Engineering construction | Terms of agreement | 43,621.57 | 31,134.64 |
| Dalian Creative Industry Project Development Co., Ltd. | Comprehensive services | Terms of agreement | 37,757.42 | 4,620.08 |
| Dalian Northeast Asia International Shipping Center of Shipping Exchange Market Co., Ltd. | Communication services | Terms of agreement | 16,421.98 | 6,300.00 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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 six months end 30 June 2015 (Unaudited) | Amount for the six months end 30 June 2014 (Unaudited) |
|----------------------------------------------------------------------|--------------------------------------|-----------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| Dalian Port Real Estate Group Co., Ltd. | Engineering construction | Terms of agreement | 11,361.15 | 37,088.00 |
| Dalian Harbour Building | Comprehensive services | Terms of agreement | 5,798.15 | 4,888.04 |
| Dalian Port Landscape Engineering Co., Ltd | Communication services | Terms of agreement | 3,611.72 | 3,390.00 |
| Dalian Port Property Management Co., Ltd | Communication services | Terms of agreement | 3,591.90 | 3,410.00 |
| PDA Group (Jinzhou) Liaoxi Port Investment and Development Co., Ltd. | Comprehensive services | Terms of agreement | 3,087.25 | 650.00 |
| Dalian Port Rixing Boiler Installation Co., Ltd. | Communication services | Terms of agreement | 2,577.75 | 2,655.00 |
| Dalian Port Xingang Construction & Engineering Co., Ltd | Communication services | Terms of agreement | 1,737.84 | 1,665.00 |
| Dalian Dagang Hongyu Housekeeping Services Co., Ltd. | Communication services | Terms of agreement | 989.18 | 717.20 |
| Dalian Port Industrial Co., Ltd. (Xingang Gas Station) | Communication services | Terms of agreement | 424.32 | 420.00 |
| Dalian Citic Harbour Investment Co., Ltd. | Comprehensive services | Terms of agreement | - | 1,435,033.46 |
| Jinzhou Liaoxi PDA Properties Co., Ltd. | Engineering supervision | Terms of agreement | - | 740,566.04 |
| Sinopec Harbor Oil Sales (Dalian) Co., Ltd. | Communication services | Terms of agreement | - | 37,511.81 |
| Dalian China Oil Marine Fuel Shipping Co., Ltd. | Comprehensive services | Terms of agreement | - | 15,883.95 |
| Dalian Life Raft Inspection Co., Ltd. | Communication services | Terms of agreement | - | 12,460.22 |
| | | | 39,062,341.42 | 12,965,926.69 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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 six months end 30 June 2015 (Unaudited) | Leasing income recognized for the six months end 30 June 2014 (Unaudited) |
|-----------------------------------------------------|-------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Dalian Port Container Terminal Co., Ltd. | Building/parking storage yard | 67,945,000.00 | 67,945,000.00 |
| China Oil Dock Management (Dalian) Co., Ltd. | Equipment | 9,420,000.00 | 9,430,000.00 |
| Dalian Jilong Logistics Co., Ltd. | Site place | 2,838,466.41 | 2,259,871.56 |
| Liaoning Con-Rail International Logistics Co., Ltd. | Loading machine | 740,603.70 | 481,073.97 |
| Dalian Port Yidu Cold Chain Co., Ltd. | Loading machine | 545,645.38 | 542,014.68 |
| Dalian North Oil Petroleum Logistics Co., Ltd. | Oil tanks and pipelines | 222,500.00 | – |
| | | 81,712,215.49 | 80,657,960.21 |

Transactions with other related parties

| | Type of the leased property | Leasing income recognized for the six months end 30 June 2015 (Unaudited) | Leasing income recognized for the six months end 30 June 2014 (Unaudited) |
|-----------------------------------------|-----------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Dalian Port Industrial Co., Ltd. | Automobile/building | 905,236.68 | 891,367.62 |
| Dalian Hongyu Building Co., Ltd. | Facility | 320,388.35 | – |
| Dalian Port Wantong Logistics Co., Ltd. | Building | – | 48,647.25 |
| | | 1,225,625.03 | 940,014.87 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

9 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(b) Leases (continued)

The Group as the lessee (continued)

Transactions with the parent

| | Type of the leased property | Leasing income recognized for the six months end 30 June 2015 (Unaudited) | Leasing income recognized for the six months end 30 June 2014 (Unaudited) |
|---------------------------------|--------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Dalian Port Corporation Limited | Land use rights/island embankment/building | 19,086,497.31 | 14,856,975.50 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

9 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(b) Leases (continued)

The Group as the lessee (continued)

Transactions with joint ventures and associates

| | Type of the leased property | Leasing income recognized for the six months end 30 June 2015 (Unaudited) | Leasing income recognized for the six months end 30 June 2014 (Unaudited) |
|--------------------------------------------------------------------------|-----------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Dalian Changxing Island Port Investment and Development Co., Ltd. | Oil pipe and tank | 45,975,000.00 | 27,150,000.00 |
| Dalian Port PetroChina International Terminal Co., Ltd. | Terminal facility | 45,250,000.00 | 45,250,000.00 |
| Dalian International Container Terminal Co., Ltd. | Equipment/building | 9,367,500.00 | 155,660.38 |
| Dalian Port Container Terminal Co., Ltd. | Equipment | 1,342,091.90 | 625,000.00 |
| Dalian Automobile Terminal Co., Ltd. | Building | 1,082,522.34 | 541,261.17 |
| Liaoning Con-Rail International Logistics Co., Ltd. | Equipment | 59,890.00 | – |
| Dalian PetroChina International Warehousing and Transportation Co., Ltd. | Oil pipe and tank | 20,538.46 | – |
| Dalian North Oil Petroleum Logistics Co., Ltd. | Oil pipe and tank | – | 24,692,520.77 |
| Dalian Changxing Island Port Co., Ltd. | Building | – | 5,400.00 |
| | | 103,097,542.70 | 98,419,842.32 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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 income recognized for the six months end 30 June 2015 (Unaudited) | Leasing income recognized for the six months end 30 June 2014 (Unaudited) |
|--------------------------------------------------------|-----------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Dalian FTZ Yongdixin Real Estate Development Co., Ltd. | Building | 2,960,369.60 | 1,544,921.75 |
| Dalian Harbour Building | Building | 1,174,346.10 | 1,086,367.80 |
| Dalian Hongyu Building Co., Ltd. | Building | 171,121.10 | 37,684.00 |
| Dalian Port Industrial Co., Ltd. | Automobile | - | 171,880.00 |
| Dalian Automobile Terminal Co., Ltd. | Building | - | 39,411.00 |
| Dalian Port Machinery Co., Ltd. | Building | - | 35,701.50 |
| | | 4,305,836.80 | 2,915,966.05 |

Assets held under finance leases

| | Type of the leased property | Leasing income recognized for the six months end 30 June 2015 (Unaudited) | Leasing income recognized for the six months end 30 June 2014 (Unaudited) |
|------------------------------------------|-----------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Ronghaifeng Container Co., Ltd. | Container | 3,845,773.16 | 12,657,075.18 |
| Dalian Equipment Finance Lease Co., Ltd. | ISO Dry Container | 3,919,576.87 | - |
| | | 7,765,310.03 | 12,657,075.18 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

9 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(c) Guarantee

Guarantees received from the related party

Six months ended 30 June 2015 (Unaudited)

| Guarantor | Guaranteed party | Guaranteed amount | Commencement date | Termination date | Fully performed or not |
|---------------------------------------|-------------------------------------------------|-------------------|-------------------|------------------|------------------------|
| Dalian Port Corporation Limited | Dalian Port (PDA) Company Limited | 2,350,000,000.00 | 23 May 2011 | 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 Financial Co., Ltd. | Dalian Ganghong International Trading Co., Ltd. | 138,880,790.90 | 5 November 2014 | 19 March 2015 | Yes |

The above related parties provided guarantees for debenture payable and short-term borrowings without any charge (Note 4(25)(37)).

Guarantees provided to the related party

There are no guarantees provided to the related party for the six months ended 30 June 2015 (unaudited).

(d) Loans and borrowings

(i) *borrowings*

Six months ended 30 June 2015 (Unaudited)

| | Amount | Beginning date | Maturity Date |
|----------------------------------------|-----------------------|------------------------|------------------------|
| Borrowing | | | |
| Dalian Port Group Financial Co., Ltd. | 134,000,000.00 | 21 January 2015 | 20 January 2016 |
| Dalian Port Group Financial Co., Ltd. | 35,000,000.00 | 27 April 2015 | 26 April 2016 |
| Dalian Port Group Financial Co., Ltd. | 40,000,000.00 | 6 March 2015 | 5 March 2016 |
| Dalian Port Group Financial Co., Ltd. | 20,000,000.00 | 11 June 2015 | 10 June 2018 |
| Dalian Harbour ECL Logistics Co., Ltd. | 14,000,000.00 | 13 May 2015 | 12 May 2017 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

9 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(d) Loans and borrowings (continued)

(i) borrowings (continued)

Six months ended 30 June 2014 (Unaudited)

| | Amount | Beginning date | Maturity Date |
|------------------------------------------|------------------|----------------|---------------|
| Borrowing | | | |
| Dalian Equipment Finance Lease Co., Ltd. | 200,000,000.00 | 30 June 2014 | 30 June 2017 |
| 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 Port Group Financial Co., Ltd. | 30,000,000.00 | 27 June 2014 | 26 June 2015 |
| Dalian Port Group Financial Co., Ltd. | 100,000,000.00 | 17 March 2014 | 16 March 2015 |
| Dalian Harbour ECL Logistics Co., Ltd. | 10,000,000.00 | 7 May 2014 | 6 May 2015 |

Interest expenses paid

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| Dalian Equipment Finance Lease Co., Ltd. | 52,991,452.98 | 9,427,397.26 |
| Dalian Port Group Financial Co., Ltd. | 5,226,769.45 | 2,544,022.91 |
| Dalian Harbour ECL Logistics Co., Ltd. | 119,647.92 | 313,499.67 |
| | 58,337,870.35 | 12,284,919.84 |

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

9 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(d) Loans and borrowings (continued)

(ii) Lending

Six months ended 30 June 2015 (Unaudited)

| | Amount | Beginning date | Maturity Date |
|-----------------------------------------------------|---------------|------------------|------------------|
| Lending | | | |
| Dalian Puji Storage Facility Co., Ltd. | 16,000,000.00 | 29 January 2015 | 28 January 2016 |
| China Harbor United Shipping Co., Ltd. | 13,432,800.00 | 29 June 2015 | 28 June 2016 |
| Liaoning Con-Rail International Logistics Co., Ltd. | 4,600,000.00 | 12 February 2015 | 11 February 2016 |

Six months ended 30 June 2014 (Unaudited)

| | Amount | Beginning date | Maturity Date |
|-----------------------------------------------------|---------------|-----------------|------------------|
| Lending | | | |
| Liaoning Con-Rail International Logistics Co., Ltd. | 5,610,000.00 | 19 January 2014 | 20 February 2015 |
| Dalia Puji Storage Facility Co., Ltd. | 24,000,000.00 | 3 January 2014 | 2 January 2015 |
| China Harbor United Shipping Co., Ltd. | 13,432,800.00 | 28 June 2014 | 27 June 2015 |
| Liaoning Con-Rail International Logistics Co., Ltd. | 1,760,000.00 | 20 April 2013 | 19 April 2014 |

Interest income received

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|-----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| Dalia Puji Storage Facility Co., Ltd. | 1,142,880.00 | 720,000.00 |
| Jadeway Co., Ltd. | 405,222.80 | 405,222.80 |
| SINOECL Auto Liners, Limited | 139,667.22 | 181,679.18 |
| China Harbor United Shipping Co., Ltd. | 70,768.28 | 66,743.58 |
| Liaoning Con-Rail International Logistics Co., Ltd. | 59,506.89 | 47,133.13 |
| | 1,818,045.19 | 1,420,778.69 |

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

9 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(e) Transfer of assets

Acquisition of assets

| Related party | Nature of transaction | Type of transactions | Amount for the six months end 30 June 2015 (Unaudited) | Amount for the six months end 30 June 2014 (Unaudited) |
|---------------------------------------------------------|---------------------------------------------------|----------------------|--------------------------------------------------------|--------------------------------------------------------|
| Dalian Port Corporation Limited | Group assets outside the south shore of Dayao Bay | Assets acquisition | 11,406,362.41 | – |
| Dalian Port Engineering Co., Ltd. | Engineering Construction | Construction labour | 4,067,720.13 | 48,085,446.92 |
| Dalian Port Fixing Boiler Installation Co., Ltd | Engineering Construction | Construction labour | 573,100.00 | 24,329.00 |
| Dalian Port Landscape Engineering Co., Ltd | Engineering Construction | Construction labour | 361,400.00 | – |
| Dalian Port Xingang Construction & Engineering Co., Ltd | Engineering Construction | Construction labour | 3,000.00 | 1,643,287.68 |
| Dalian Port Machinery and Electric Co., Ltd. | Engineering Construction | Construction labour | – | 4,468,458.41 |
| Dalian Port Machinery Co., Ltd. | Engineering Construction | Construction labour | – | 1,000,087.49 |
| Dalian Harbour ECL Logistics Co., Ltd. | Engineering Construction | Construction labour | – | 313,499.67 |
| Dalian Port Group Financial Co., Ltd. | Engineering Construction | Construction labour | – | 3,000.00 |
| | | | 16,411,582.54 | 55,538,109.17 |

(f) Deposits with related parties

As at 30 June 2015, the Group's deposits in Dalian Port Group Financial Co., Ltd. were RMB1,271,983,436.03 (31 December 2014: RMB1,602,654,296.98) and the Group gained an interest income of RMB4,326,686.22 (for the six months ended 30 June 2014: RMB5,226,871.14) for the current period.

(g) Remuneration of key managements

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|---------------------------------|-------------------------------------------|-------------------------------------------|
| Remuneration of key managements | 1,554,960.44 | 2,800,530.00 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

9 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(h) Remuneration of directors and chief executives

In the six months ended 30 June 2015, remuneration of each director, supervisor and chief executive are as follows (unaudited):

| Title | Name | Salaries and allowances | Social security | Total |
|--------------------------------------------|----------------|-------------------------|------------------|-------------------|
| Director, executive director | Hui Kai | - | - | - |
| Executive director, general manager | Xu Song | 420,400.00 | 46,512.00 | 466,912.00 |
| Executive director, deputy general manager | Sun Benye | 59,571.00 | 23,256.00 | 82,827.00 |
| Non-executive director | Xu Jian | - | - | - |
| Non-executive director | Dong Yanhong | - | - | - |
| Non-executive director | Yin Shihui | - | - | - |
| Independent non-executive director | Yin Jintao | 105,000.00 | - | 105,000.00 |
| Independent non-executive director | Wang Zhifeng | 84,000.00 | - | 84,000.00 |
| Independent non-executive director | Guo Yu | 50,500.00 | - | 50,500.00 |
| Independent non-executive director | Sun Xiyun | - | - | - |
| Chairman of supervisory board | Zhang Zuogang | - | - | - |
| Supervisor | Jia Wenjun | - | - | - |
| Independent supervisor | Kong Xianjing | 42,000.00 | - | 42,000.00 |
| Supervisor on behalf of the shareholders | Jiao Yingguang | 141,342.00 | 46,512.00 | 187,854.00 |
| Supervisor on behalf of the shareholders | Zhao Rong | 135,744.00 | 46,512.00 | 182,256.00 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

9 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(h) Remuneration of directors and chief executives (continued)

In the six months ended 30 June 2014, remuneration of each director, supervisor and chief executive are as follows (unaudited):

| Title | Name | Salaries and allowances | Social security | Total |
|--------------------------------------------|---------------|-------------------------------|--------------------|------------|
| Director, executive director | Hui Kai | – | – | – |
| Executive director, general manager | Xu Song | 420,400.00 | 44,676.85 | 465,076.85 |
| Executive director, deputy general manager | Zhu Shiliang | 111,462.00 | 44,676.85 | 156,138.85 |
| Executive director, general accountant | Su Chunhua | 141,342.00 | 44,676.85 | 186,018.85 |
| Non-executive director | Xu Jian | – | – | – |
| Non-executive director | Zhang Zuogang | – | – | – |
| Independent non-executive director | Liu Yongze | 63,000.00 | – | 63,000.00 |
| Independent non-executive director | Gui Liyi | 63,000.00 | – | 63,000.00 |
| Independent non-executive director | Yin Jintao | 105,000.00 | – | 105,000.00 |
| Independent non-executive director | Yu Long | 84,000.00 | – | 84,000.00 |
| Chairman of supervisory board | Sun Junyou | – | – | – |
| Supervisor | Zhang Guofeng | – | – | – |
| Independent supervisor | Zhang Xianzhi | – | – | – |
| Independent supervisor | Lv Jing | 42,000.00 | – | 42,000.00 |
| Supervisor on behalf of employees | Xu Fangsheng | 124,482.00 | 44,676.85 | 169,158.85 |
| Supervisor on behalf of employees | Jiang Weihong | 126,740.44 | 44,676.85 | 171,417.29 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

9 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(i) Five highest paid individuals

The emoluments of the five highest paid individuals of the Group in the six months ended 30 June 2015 included one director (In the six months ended 30 June 2014: one director) whose emoluments are included above. The emoluments of the remaining four (In the six months ended 30 June 2014: four) highest paid individuals are as follows:

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|-------------------------|----------------------------------------------------|----------------------------------------------------|
| Salaries and allowances | 2,069,642.44 | 1,747,716.86 |
| Social security | 139,536.00 | 134,030.55 |
| | 2,209,178.44 | 1,881,747.41 |

| | Number of individual | |
|---------------------|----------------------------------------------------|----------------------------------------------------|
| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
| Emoluments bands: | | |
| RMB0 – RMB1,000,000 | 4 | 4 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

9 Related parties and related party transactions (continued)

(6) Receivables from and payables to related parties

Receivables from related parties:

| | 30 June 2015 (Unaudited) | | 31 December 2014 | |
|--------------------------------------------------------------------------|--------------------------|-------------------------|----------------------|-------------------------|
| | Ending balance | Provision for bad debts | Ending balance | Provision for bad debts |
| Accounts receivable | | | | |
| <u>Amounts due from joint ventures and associates</u> | | | | |
| Dalian Port Bulk Cargo Logistics Center Co., Ltd. | 7,485,647.20 | - | 4,374,785.03 | - |
| Dalian Port Container Terminal Co., Ltd. | 4,603,801.52 | - | 2,652,724.40 | - |
| Dalian International Container Terminal Co., Ltd. | 4,010,139.59 | - | 745,283.54 | - |
| Dalian Port Yidu Cold Chain Co., Ltd. | 2,817,306.68 | - | 33,646.00 | - |
| Dalian Changxing Island Port Co., Ltd. | 1,296,858.84 | - | 1,089,878.84 | - |
| Dalian Vanguard International Logistics Co., Ltd. | 1,153,740.00 | - | 821,607.08 | - |
| Dalian Dagang China Shipping Container Terminal Co., Ltd. | 825,708.49 | - | 30,376.41 | - |
| China Oil Dock Management (Dalian) Co., Ltd. | 700,000.00 | - | - | - |
| Liaoning Con-Rail International Logistics Co., Ltd. | 698,823.90 | - | 225,000.00 | - |
| Dalian United International Shipping Agency Co., Ltd. | 656,218.62 | - | 956,998.79 | - |
| Dalian Jilong Logistics Co., Ltd. | 595,876.03 | - | 136,057.19 | - |
| Odfjell Terminals (Dalian) Ltd. | 589,993.08 | - | - | - |
| China United International Rail Containers (Dalian) Co., Ltd. | 502,655.00 | - | 237,000.00 | - |
| Dalian Changxing Island Port Investment and Development Co., Ltd. | 335,000.00 | - | 81,500.00 | - |
| Dalian Shunde Jifa Supply Chain Management Co., Ltd. | 150,000.00 | - | 300,000.00 | - |
| China Tally (Dalian) Co., Ltd. | 58,314.00 | - | - | - |
| Dalian North Oil Petroleum Logistics Co., Ltd. | 25,639.00 | - | - | - |
| Dalian Automobile Terminal Co., Ltd. | 3,058.00 | - | 457,623.71 | - |
| Dalian Puji Storage Facility Co., Ltd. | - | - | 1,417,771.39 | - |
| Dalian Singamas International Container Co., Ltd. | - | - | 1,950.00 | - |
| Dalian PetroChina International Warehousing and Transportation Co., Ltd. | - | - | 202,140.00 | - |
| | 26,508,779.95 | - | 13,764,342.38 | - |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

9 Related parties and related party transactions (continued)

(6) Receivables from and payables to related parties (continued)

Receivables from related parties: (continued)

| | 30 June 2015 (Unaudited) | | 31 December 2014 | |
|---------------------------------------------------------|--------------------------|-------------------------|------------------|-------------------------|
| | Ending balance | Provision for bad debts | Ending balance | Provision for bad debts |
| Accounts receivable (continued) | | | | |
| <u>Amounts due from other related parties</u> | | | | |
| Dalian Port Wantong Logistics Co., Ltd. | 6,549,218.10 | – | 2,379,607.80 | – |
| Dalian Port Engineering Co., Ltd. | 5,676,000.00 | – | – | – |
| Dalian Port Machinery Co., Ltd. | 3,092,958.30 | – | 3,092,958.30 | – |
| Dalian Taiping Bay Investment and Development Co., Ltd. | 19,685.00 | – | – | – |
| Dalian Port Petroleum & Chemical Co., Ltd. | 600.00 | – | 600.00 | – |
| | 15,338,461.40 | – | 5,473,166.10 | – |

| | 30 June 2015 (Unaudited) | | 31 December 2014 | |
|------------------------------------|--------------------------|-------------------------|------------------|-------------------------|
| | Ending balance | Provision for bad debts | Ending balance | Provision for bad debts |
| Other receivables | | | | |
| <u>Amounts due from the parent</u> | | | | |
| Dalian Port (PDA) Company Limited | 2,603,454.60 | – | 2,315,963.47 | – |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

9 Related parties and related party transactions (continued)

(6) Receivables from and payables to related parties (continued)

Receivables from related parties: (continued)

| | 30 June 2015 (Unaudited) | | 31 December 2014 | |
|--------------------------------------------------------------------------|--------------------------|-------------------------|----------------------|-------------------------|
| | Ending balance | Provision for bad debts | Ending balance | Provision for bad debts |
| Other receivables (continued) | | | | |
| <u>Amounts due from joint ventures and associates</u> | | | | |
| Dalian Puji Storage Facility Co., Ltd. | 40,000,000.00 | - | 24,000,000.00 | - |
| China Harbor United Shipping Co., Ltd. | 13,432,800.00 | - | 13,432,800.00 | - |
| China United International Rail Containers (Dalian) Co., Ltd. | 8,944,431.30 | - | - | - |
| Liaoning Con-Rail International Logistics Co., Ltd. | 4,676,998.00 | - | 5,710,166.54 | - |
| Dalian Changxing Island Port Co., Ltd. | 4,392,351.53 | - | 3,644,724.53 | - |
| Dalian International Container Terminal Co., Ltd. | 1,070,906.62 | - | 532,793.88 | - |
| Dalian Changxing Island Port Investment and Development Co., Ltd. | 830,340.70 | - | 3,829,459.75 | - |
| Dalian Port Container Terminal Co., Ltd. | 753,733.63 | - | 1,665,782.78 | - |
| Dalian United International Shipping Agency Co., Ltd. | 538,974.00 | - | - | - |
| Dalian GangSheng Tendering & Bidding Agency Co., Ltd. | 460,000.00 | - | 608,000.00 | - |
| Dalian Harbour ECL Logistics Co., Ltd. | 368,924.00 | - | 35,141.00 | - |
| Dalian Port Yidu Cold Chain Co., Ltd. | 311,541.09 | - | - | - |
| Dalian Automobile Terminal Co., Ltd. | 252,187.60 | - | 1,652,908.33 | - |
| Odfjell Terminals (Dalian) Ltd. | 135,066.00 | - | 157,930.00 | - |
| Dalian Vanguard International Logistics Co., Ltd. | 120,439.00 | - | 120,439.00 | - |
| China Tally (Dalian) Co., Ltd. | 70,754.72 | - | - | - |
| Dalian Port PetroChina International Terminal Co., Ltd. | 40,509.00 | - | 40,509.00 | - |
| PetroChina Dalian LNG Co., Ltd. | 26,100.00 | - | 26,100.00 | - |
| Dalian Jilong Logistics Co., Ltd. | 20,000.00 | - | - | - |
| Dalian Dagang China Shipping Container Terminal Co., Ltd. | 7,047.69 | - | 11,680.73 | - |
| Dalian Port Group Financial Co., Ltd. | - | - | 3,075.00 | - |
| Dalian PetroChina International Warehousing and Transportation Co., Ltd. | - | - | 549,690.55 | - |
| China Oil Dock Management (Dalian) Co., Ltd. | - | - | 227,398.14 | - |
| | 76,453,104.88 | - | 56,248,599.23 | - |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

9 Related parties and related party transactions (continued)

(6) Receivables from and payables to related parties (continued)

Receivables from related parties: (continued)

| | 30 June 2015 (Unaudited) | | 31 December 2014 | |
|--------------------------------------------------------------|--------------------------|-------------------------|------------------|-------------------------|
| | Ending balance | Provision for bad debts | Ending balance | Provision for bad debts |
| Other receivables (continued) | | | | |
| <u>Amounts due from other related parties</u> | | | | |
| Dalian Port Engineering Co., Ltd. | 9,301,602.42 | – | 17,171,602.42 | – |
| Dalian Port North Shore Automobile Terminal Co., Ltd. | 4,525,510.00 | – | – | – |
| Dalian Taiping Bay Port Co., Ltd. | 1,603,402.60 | – | 14,665,934.16 | – |
| Dalian Port Petroleum & Chemical Co., Ltd. | 834,796.35 | – | 18,028.35 | – |
| Dalian Taiping Bay Investment and Development Co., Ltd. | 629,866.95 | – | 710,139.06 | – |
| Dalian Port Machinery and Electric Co., Ltd. | 489,567.50 | – | 564,567.50 | – |
| Sinopec Harbor Oil Sales (Dalian) Co., Ltd. | 310,000.00 | – | 96,000.00 | – |
| Dalian Port North Shore Investment and Development Co., Ltd. | 141,005.00 | – | – | – |
| Dalian Port Machinery Co., Ltd. | 105,370.00 | – | – | – |
| Dalian Port Industrial Co., Ltd. | 103,989.00 | – | – | – |
| Dalian Wanfeng Property Co., Ltd. | 17,293.51 | – | 17,293.51 | – |
| Dalian Hongyu Building Co., Ltd. | 15,387.00 | – | 15,387.00 | – |
| Dalian Port Land Co., Ltd. | 7,108.00 | – | 7,108.00 | – |
| Dalian Taiping Bay Sunshine Real Estate Co., Ltd. | 5,426.70 | – | 5,426.70 | – |
| Dalian Port Wantong Logistics Co., Ltd. | 482.40 | – | 673.20 | – |
| Dalian Port Xingang Construction & Engineering Co., Ltd. | – | – | 40,577.00 | – |
| | 18,090,807.43 | – | 33,312,736.90 | – |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

9 Related parties and related party transactions (continued)

(6) Receivables from and payables to related parties (continued)

Receivables from related parties: (continued)

| | 30 June 2015 (Unaudited) | | 31 December 2014 | |
|-----------------------------------------------------------------------------------------|--------------------------|-------------------------|------------------|-------------------------|
| | Ending balance | Provision for bad debts | Ending balance | Provision for bad debts |
| Advances to suppliers | | | | |
| <u>Advance to the parent company</u> Dalian Port (PDA) Co., Ltd. | 2,166,656.00 | - | - | - |
| <u>Advances to associates</u> Dalian Port Group Financial Co., Ltd. | 452,688.67 | - | - | - |
| <u>Advances to other related parties</u> Sinopec Harbor Oil Sales (Dalian) Co., Ltd. | 2,967,208.84 | - | 5,506.36 | - |
| Dalian Equipment Finance Lease Co., Ltd. | 390,690.00 | - | - | - |
| Dalian Port Machinery Co., Ltd. | 189,000.00 | - | - | - |
| | 3,546,898.84 | - | 5,506.36 | - |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

9 Related parties and related party transactions (continued)

(6) Receivables from and payables to related parties (continued)

Receivables from related parties: (continued)

| | 30 June 2015 (Unaudited) | | 31 December 2014 | |
|-------------------------------------------------------|--------------------------|-------------------------|---------------------|-------------------------|
| | Ending balance | Provision for bad debts | Ending balance | Provision for bad debts |
| Interest receivable | | | | |
| <u>Amounts due from joint ventures and associates</u> | | | | |
| Dalian Port Group Financial Co., Ltd. | 970,604.12 | - | 3,873,034.65 | - |
| Dalian Puji Storage Facility Co., Ltd. | 44,000.00 | - | 44,000.00 | - |
| China Harbor United Shipping Co., Ltd. | 24,626.80 | - | 24,626.80 | - |
| Liaoning Con-Rail International Logistics Co., Ltd. | 10,285.14 | - | 10,285.14 | - |
| | 1,049,516.06 | - | 3,951,946.59 | - |

| | 30 June 2015 (Unaudited) | | 31 December 2014 | |
|----------------------------------------|--------------------------|-------------------------|----------------------|-------------------------|
| | Ending balance | Provision for bad debts | Ending balance | Provision for bad debts |
| Long-term receivables | | | | |
| <u>Amounts due from joint ventures</u> | | | | |
| Jadeway Co., Ltd. | 12,039,576.62 | - | 12,341,481.20 | - |
| SINOECL Auto Liners Co., Ltd. | 10,246,882.04 | - | 10,203,317.18 | - |
| | 22,286,458.66 | - | 22,544,798.38 | - |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

9 Related parties and related party transactions (continued)

(6) Receivables from and payables to related parties (continued)

Payables to related parties:

| | 30 June 2015 (Unaudited) Ending balance | 31 December 2014 Ending balance |
|--------------------------------------------------------------------------|-----------------------------------------------|------------------------------------|
| Accounts payable | | |
| <u>Amounts due to joint ventures and associates</u> | | |
| Dalian Port Yidu Cold Chain Co., Ltd. | 54,955,749.07 | 53,853,240.55 |
| Dalian Changxing Island Port Investment and Development Co., Ltd. | 36,526,720.96 | 6,224,850.00 |
| Dalian North Oil Petroleum Logistics Co., Ltd. | 4,611,000.00 | – |
| Dalian International Container Terminal Co., Ltd. | 701,105.00 | 13,871.00 |
| Dalian Singamas International Container Co., Ltd. | 89,681.90 | 84,513.34 |
| Dalian Port Container Terminal Co., Ltd. | 56,007.00 | 25,109.00 |
| Dalian United International Shipping Agency Co., Ltd. | 44,614.00 | – |
| Dalian Jilong Logistics Co., Ltd. | 4,192.78 | 1,276.78 |
| Dalian PetroChina International Warehousing and Transportation Co., Ltd. | – | 9,711,200.00 |
| | 96,989,070.71 | 69,914,060.67 |
| <u>Amounts due to other related parties</u> | | |
| Dalian Port Engineering Co., Ltd. | 887,587.64 | 669,784.12 |
| Dalian FTZ Yongdixin Real Estate Development Co., Ltd. | 448,222.84 | – |
| Dalian Port Machinery Co., Ltd. | 252,540.00 | 2,500.00 |
| Dalian Hongyu Building Co., Ltd. | 226,038.07 | – |
| Dalian Taiping Bay Construction Engineering Co., Ltd. | 217,060.00 | 217,060.00 |
| Sinopec Harbor Oil Sales (Dalian) Co., Ltd. | 27,170.72 | 21,842.98 |
| Dalian Port Design & Research Institute Co., Ltd. | 26,100.00 | – |
| | 2,084,719.27 | 911,187.10 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

9 Related parties and related party transactions (continued)

(6) Receivables from and payables to related parties (continued)

Payables to related parties: (continued)

| | 30 June 2015 (Unaudited) Ending balance | 31 December 2014 Ending balance |
|-----------------------------------------------------------|-----------------------------------------------|------------------------------------|
| Other payables | | |
| <u>Amounts due to the parent</u> | | |
| Dalian Port (PDA) Company Limited | 2,514,001.27 | 1,848,589.11 |
| <u>Amounts due from joint ventures and associates</u> | | |
| Dalian United International Shipping Agency Co., Ltd. | 300,500.00 | 300,800.00 |
| Dalian International Container Terminal Co., Ltd. | 160,000.00 | 30,000.00 |
| Dalian Port Yidu Cold Chain Co., Ltd. | 50,000.00 | 50,000.00 |
| Dalian Changxing Island Port Co., Ltd. | 40,800.00 | – |
| Liaoning Con-Rail International Logistics Co., Ltd. | 22,500.00 | – |
| Dalian Singamas International Container Co., Ltd. | 20,700.00 | 20,700.00 |
| Dalian Dagang China Shipping Container Terminal Co., Ltd. | 20,000.00 | 20,000.00 |
| Dalian Automobile Terminal Co., Ltd. | 7,236.00 | – |
| Dalian Port Bulk Cargo Logistics Center Co., Ltd. | – | 21,673.80 |
| Dalian Port Container Terminal Co., Ltd. | – | 30,000.00 |
| China Tally (Dalian) Co., Ltd. | – | 12,000.00 |
| | 621,736.00 | 485,173.80 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

9 Related parties and related party transactions (continued)

(6) Receivables from and payables to related parties (continued)

Payables to related parties: (continued)

| | 30 June 2015 (Unaudited) Ending balance | 31 December 2014 Ending balance |
|----------------------------------------------------------|-----------------------------------------------|------------------------------------|
| Other payables | | |
| <u>Amounts due to other related parties</u> | | |
| Dalian Port Engineering Co., Ltd. | 121,034,726.09 | 152,926,726.06 |
| Dalian Port Machinery and Electric Co., Ltd. | 33,953,014.77 | 49,390,508.57 |
| Dalian Port Xingang Construction & Engineering Co., Ltd. | 3,242,980.00 | 4,087,465.92 |
| Dalian FTZ Yongdixin Real Estate Development Co., Ltd. | 1,942,523.92 | – |
| Dalian Port Rixing Boiler Installation Co., Ltd. | 1,449,422.66 | 3,889,968.24 |
| Dalian Hongyu Building Co., Ltd. | 940,801.58 | – |
| Dalian Port Landscape Engineering Co., Ltd. | 405,930.00 | 430,828.00 |
| Dalian ETDZ Harbour Freight Co., Ltd. | 315,056.02 | 314,499.30 |
| Dalian Port Machinery Co., Ltd. | 140,998.83 | 194,354.63 |
| Dalian Port Design & Research Institute Co., Ltd. | 132,530.00 | 20,000.00 |
| Dalian Port Wantong Logistics Co., Ltd. | 60,700.00 | 61,900.00 |
| Dalian Equipment Finance Lease Co., Ltd. | 50,690.00 | – |
| Dalian Port Industrial Co., Ltd. | 21,317.49 | 458,475.60 |
| Sinopec Harbor Oil Sales (Dalian) Co., Ltd. | 9,627.66 | – |
| Dalian Creative Industry Project Development Co., Ltd. | – | 18,100.00 |
| | 163,700,319.02 | 211,792,826.32 |

| | 30 June 2015 (Unaudited) Ending balance | 31 December 2014 Ending balance |
|-----------------------------------|-----------------------------------------------|------------------------------------|
| Advances from customers | | |
| <u>Amounts due to the parent</u> | | |
| Dalian Port (PDA) Company Limited | 375,000.00 | – |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

9 Related parties and related party transactions (continued)

(6) Receivables from and payables to related parties (continued)

Payables to related parties: (continued)

| | 30 June 2015 (Unaudited) Ending balance | 31 December 2014 Ending balance |
|-----------------------------------------------------|-----------------------------------------------|------------------------------------|
| Advances from customers (continued) | | |
| <u>Amounts due to joint ventures and associates</u> | | |
| Dalian Port Yidu Cold Chain Co., Ltd. | 15,038,476.71 | 13,145,701.50 |
| Dalian Port Container Terminal Co., Ltd. | 4,951,754.29 | 5,982,594.55 |
| Dalian Singamas International Container Co., Ltd. | 3,640.00 | 51,991.06 |
| Dalian Port Bulk Cargo Logistics Center Co., Ltd. | 1,050.00 | 350.00 |
| PetroChina Dalian LNG Co., Ltd. | 860.00 | 940.00 |
| Dalian Port Tongli Shipping Agency Co., Ltd. | 450.00 | 150.00 |
| Dalian North Oil Petroleum Logistics Co., Ltd. | - | 300,000.00 |
| Dalian Jilong Logistics Co., Ltd. | - | 154,709.20 |
| China Oil Dock Management (Dalian) Co., Ltd. | - | 17,755.75 |
| Dalian Wanpeng Port Engineering Testing Co., Ltd. | - | 14,163.55 |
| Dalian Puji Storage Facility Co., Ltd. | - | 2,759.72 |
| China Tally (Dalian) Co., Ltd. | - | 666.67 |
| | 19,996,231.00 | 19,671,782.00 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

9 Related parties and related party transactions (continued)

(6) Receivables from and payables to related parties (continued)

Payables to related parties: (continued)

| | 30 June 2015 (Unaudited) Ending balance | 31 December 2014 Ending balance |
|---------------------------------------------------------|-----------------------------------------------|------------------------------------|
| Advances from customers (continued) | | |
| <u>Amounts due to other related parties</u> | | |
| Dalian Hongyu Building Co., Ltd. | 640,776.70 | – |
| Dalian Taiping Bay Investment and Development Co., Ltd. | 203,747.00 | – |
| Sinopec Harbor Oil Sales (Dalian) Co., Ltd. | 4,695.00 | 2,219.47 |
| Dalian Port Petroleum & Chemical Co., Ltd. | 640.00 | 1,240.00 |
| Dalian Port Wantong Logistics Co., Ltd. | 605.50 | 685.50 |
| Dalian Port Industrial Co., Ltd. | – | 233,787.99 |
| Dalian Port Landscape Engineering Co., Ltd. | – | 16,091.15 |
| | 850,464.20 | 254,024.11 |

| | 30 June 2015 (Unaudited) Ending balance | 31 December 2014 Ending balance |
|----------------------------------------------------|-----------------------------------------------|------------------------------------|
| Interest payable | | |
| <u>Amount due to joint ventures and associates</u> | | |
| Dalian Port Group Financial Co., Ltd. | 238,222.22 | 885,900.01 |
| Dalian Harbour ECL Logistics Co., Ltd. | 24,597.23 | 20,167.00 |
| | 262,819.45 | 906,067.01 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

9 Related parties and related party transactions (continued)

(6) Receivables from and payables to related parties (continued)

Payables to related parties: (continued)

| | 30 June 2015 (Unaudited) Ending balance | 31 December 2014 Ending balance |
|--------------------------------------------|-----------------------------------------------|------------------------------------|
| Interest payable (continued) | | |
| <u>Amount due to other related parties</u> | | |
| Dalian Equipment Finance Lease Co., Ltd. | 9,935,897.42 | 9,935,897.40 |

| | 30 June 2015 (Unaudited) Ending balance | 31 December 2014 Ending balance |
|--------------------------------------------|-----------------------------------------------|------------------------------------|
| Notes payable | | |
| <u>Amount due to other related parties</u> | | |
| Dalian Port Engineering Co., Ltd. | 3,700,000.00 | 3,000,000.00 |

| | 30 June 2015 (Unaudited) Ending balance | 31 December 2014 Ending balance |
|----------------------------------------|-----------------------------------------------|------------------------------------|
| Short-term borrowings | | |
| <u>Amount due to joint ventures</u> | | |
| Dalian Port Group Financial Co., Ltd. | 209,000,000.00 | 546,110,000.00 |
| Dalian Harbour ECL Logistics Co., Ltd. | - | 10,000,000.00 |
| | 209,000,000.00 | 556,110,000.00 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

9 Related parties and related party transactions (continued)

(6) Receivables from and payables to related parties (continued)

Payables to related parties: (continued)

| | 30 June 2015 (Unaudited) Ending balance | 31 December 2014 Ending balance |
|----------------------------------------------------|-----------------------------------------------|------------------------------------|
| Long-term borrowings | | |
| <u>Amount due to joint ventures and associates</u> | | |
| Dalian Port Group Financial Co., Ltd. | 20,000,000.00 | – |
| Dalian Harbour ECL Logistics Co., Ltd. | 14,000,000.00 | – |
| | 34,000,000.00 | – |
| <u>Amount due to other related parties</u> | | |
| Dalian Equipment Finance Lease Co., Ltd. | 2,000,000,000.00 | 2,000,000,000.00 |

| | 30 June 2015 (Unaudited) Ending balance | 31 December 2014 Ending balance |
|------------------------------------------------|-----------------------------------------------|------------------------------------|
| Current portion of long-term borrowings | | |
| <u>Amount due to other related parties</u> | | |
| Dalian Equipment Finance Lease Co., Ltd. | – | 11,913,648.39 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

9 Related parties and related party transactions (continued)

(7) Commitments in relation to related parties

The commitments in relation to related parties contracted for but not yet necessary to be recognized on the balance sheet by the Group as at the balance sheet date are as follows:

Leases

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|-------------------------------------------------------------------|-----------------------------|------------------|
| Leased in | | |
| Dalian Port (PDA) Co., Ltd. | 68,719,906.65 | 69,804,977.99 |
| Dalian Changxing Island Port Investment and Development Co., Ltd. | 45,975,000.00 | – |
| Dalian Port PetroChina International Terminal Co., Ltd. | 45,250,000.00 | – |
| Dalian North Oil Petroleum Logistics Co., Ltd. | 9,367,500.00 | – |
| Dalian Harbour Building | 1,569,646.02 | – |
| Dalian International Container Terminal Co., Ltd. | 1,250,000.00 | – |
| Dalian Port Container Terminal Co., Ltd. | 1,115,002.00 | – |
| Dalian FTZ Yongdexin Real Estate Development Co., Ltd. | 88,790.00 | 492,299.23 |
| Dalian Hongyu Building Co., Ltd. | 63,212.00 | 245,249.60 |
| Dalian Changxing Island Port Co., Ltd. | 40,800.00 | – |
| Dalian Port Industrial Co., Ltd. | 28,563.00 | 234,490.00 |
| Dalian Port Machinery Co., Ltd. | – | 71,403.00 |
| | 173,468,419.67 | 70,848,419.82 |

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|-----------------------------------------------------|-----------------------------|------------------|
| Leased out | | |
| Dalian Port Container Terminal Co., Ltd. | 370,755,000.00 | 411,950,000.00 |
| China Oil Dock Management (Dalian) Co., Ltd. | 37,730,000.00 | 47,150,000.00 |
| Dalian Jilong Logistics Co., Ltd. | 18,229,645.00 | 20,148,555.00 |
| Dalian Hongyu Building Co., Ltd. | 1,601,941.75 | – |
| Dalian Port Industrial Co., Ltd. | 1,164,130.68 | 1,782,735.24 |
| Liaoning Con-Rail International Logistics Co., Ltd. | 590,893.18 | 1,597,394.20 |
| Dalian Port Yidu Cold Chain Co., Ltd. | 526,227.90 | 1,052,455.80 |
| Dalian North Oil Petroleum Logistics Co., Ltd. | 222,500.00 | – |
| Dalian Port Wantong Logistics Co., Ltd. | – | 102,645.90 |
| | 430,820,338.51 | 483,783,786.14 |

Guarantee

For the detail of guarantee provided as at 30 June 2015, please refer to Note 9(5)(c).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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 sixth meeting in 2015 of the fourth 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 Dalian North Oil Petroleum Logistics Co., Ltd. for DNPL. The counter guarantee was unconditional and non-cancellable. The counter guarantee period was two years of the valid period of master contract and the period from the next day of loan maturity date determined in the master contract. As at 30 June 2015, the relevant counter guarantee contract had not been signed yet.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

11 Commitments

(1) Capital commitments

(a) Capital expenditures contracted for but not yet necessary to be recognized on the balance sheet are as follows:

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|------------------------------------|-----------------------------|------------------|
| Buildings, machinery and equipment | 83,438,590.37 | 130,400,309.22 |
| Intangible assets | 280,000.00 | 280,000.00 |
| | 83,718,590.37 | 130,680,309.22 |

(b) Capital expenditures approved by the management but are not yet signed are as follows:

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|------------------------------------|-----------------------------|------------------|
| Buildings, machinery and equipment | 923,747,161.63 | 560,155,741.95 |

(2) Operating lease commitments

The future minimum lease payments due under the signed irrevocable operating leases contracts are summarised as follows:

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|---------------|-----------------------------|------------------|
| Within 1 year | 146,013,349.37 | 6,393,371.93 |
| 1 to 2 years | 9,934,868.56 | 4,556,501.12 |
| 2 to 3 years | 9,213,015.17 | 3,752,347.35 |
| Over 3 years | 55,522,624.21 | 57,085,944.43 |
| | 220,683,857.31 | 71,788,164.83 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

11 Commitments (continued)

(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 30 June 2015, 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 Co., Ltd. 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 Co., Ltd. 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 Jifa Logistics Co., Ltd., was committed to inject additional capital of RMB50 million to its invested enterprise, Dalian Yidu Cold Chain Co., Ltd.. As at 30 June 2015, the investment had not been paid.

Pursuant to the resolution of the sixth (interim) meeting of the fourth board of directors in 2015, the Company will acquire 12.86% of equity from Taicang Xinggang Tug Co., Ltd. The transaction price is subject to the audit assessment. As at 30 June 2015, the Company had not paid the above fund.

Pursuant to the resolution of the sixth (interim) meeting of the fourth board of directors in 2015, the Company sets up an automobile logistics company with an independent third party with contribution of RMB10,000,000 respectively. As at 30 June 2015, the Company had not paid the above fund.

Pursuant to the resolution of the six (interim) meeting of the fourth board of directors in 2015, the Company shall increase capital of RMB100 million to Dalian Jifa Ship Management Co., Ltd.. As at 30 June 2015, the Company had not paid the above fund.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

11 Commitments (continued)

(4) Fulfilment of commitments for the previous period

The Group had fulfilled the capital and operating lease commitments disclosed on 31 December 2014.

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 30 June 2015, the Company has invested a total of RMB7.95 million, of which none was paid for the six months end 30 June 2015. RMB7.05 million has not been invested.

12 Events after the balance sheet date

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(27)(33)) | Repayment of large amount of payables with aging over 1 year | Assets and liabilities both decreased by RMB6,760,970.65 Yuan | – |
| (b) | In the fifth (interim) meeting of the fourth board of directors in 2015, it is approved that the Company is eligible to newly issue no more than 1,475,400,000 H shares (1,475,400,000 shares inclusive) overseas and apply to list the newly issued H shares on the main board of Stock Exchange of Hong Kong Limited. Meanwhile, the general shareholders meeting and the separate meeting of classes of shareholders authorize the board of directors and authorized personnel to determine and deal with all issues related to the issuance of H shares. As at 30 June 2015, the matters related to the issuance of H shares have been approved by Dalian SASAC and the Company's stockholders' meeting, remain to be approved by CSRC. | | | |
| (c) | On 10 August 2015, the Company successfully issued the first short-term financial bonds of 2015 in the association of financial market institutional investors, amounted to 1 billion with a 3.15% coupon, 1-year period, and the principal and interest should be paid on maturity. | | | |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

13 Leases

For the six months ended 30 June 2015, operating lease recognized in profit or loss for the current year amounts to RMB187,133,934.45 (for the six months ended 30 June 2014: RMB230,263,771.71).

The future lease payments of fixed assets and intangible assets held under finance leases by the Group (Note 4(16)(a)) are as follows:

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|---------------|-----------------------------|------------------|
| Within 1 year | 15,386,386.52 | 15,449,222.57 |
| 1 to 2 years | 13,352,811.95 | 15,288,159.80 |
| 2 to 3 years | 11,263,802.44 | 11,404,332.05 |
| Over 3 years | 34,350,486.55 | 39,977,083.07 |
| | 74,353,487.46 | 82,118,797.49 |

As at 30 June 2015, the balance of unrecognized financing charge is RMB8,460,582.62 (31 December 2014: RMB10,318,425.59).

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 six months ended 30 June 2015 and the year ended 31 December 2014, the Group did not enter into any forward exchange contracts or currency swap contracts.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

15 Financial instruments and risk (continued)

(1) Market risk (continued)

(a) Foreign exchange risk (continued)

As at 30 June 2015 and 31 December 2014, the carrying amounts in RMB equivalent of the Group's assets and liabilities denominated in foreign currencies are summarised below:

| | 30 June 2015 (Unaudited) | | | |
|---------------------------------------------------------|--------------------------|----------------------|----------------------|-----------------------|
| | USD | HKD | Others | Total |
| Financial assets denominated in foreign currency – | | | | |
| Cash at bank and on hand | 63,067,510.49 | 11,077,797.88 | 389,086.27 | 74,534,394.64 |
| Receivables | 32,961,064.05 | 11,892.88 | 71,904.20 | 33,044,861.13 |
| Available-for-sale financial assets | – | 14,286,853.06 | – | 14,286,853.06 |
| Others | – | 10,246,882.04 | 12,039,576.62 | 22,286,458.66 |
| | 96,028,574.54 | 35,623,425.86 | 12,500,567.09 | 144,152,567.49 |
| Financial liabilities denominated in foreign currency – | | | | |
| Short-term borrowings | 276,542,442.09 | – | 99,198,104.95 | 375,740,547.04 |
| Payables | 85,212,932.33 | 647.44 | – | 85,213,579.77 |
| Others | 44,784,285.62 | – | – | 44,784,285.62 |
| | 406,539,660.04 | 647.44 | 99,198,104.95 | 505,738,412.43 |

| | 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 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

15 Financial instruments and risk (continued)

(1) Market risk (continued)

(a) Foreign exchange risk (continued)

As at 30 June 2015, if the RMB Yuan had appreciated or depreciated 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 RMB23,288,331.41 (31 December 2014: approximately RMB24,795,133.64 higher/lower) higher/lower for various financial assets and liabilities denominated in USD.

As at 30 June 2015, if the RMB Yuan had appreciated or depreciated 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 RMB2,671,708.38 (31 December 2014: approximately RMB1,972,088.48 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 30 June 2015, the Group's long-term interest bearing borrowings is mainly calculated with floating rates denominated in RMB, amounted to RMB1,050,000,000.00 (including the current portion of long-term borrowings amounted to RMB500,000,000.00).

The Group's finance department continuously monitors the interest rate position of the Group. Increases in interest rates will increase the cost of new borrowing and the interest expenses with respect to the Group's outstanding interest bearing borrowings calculated with floating rates, and therefore could have a material adverse effect on the Group's financial position. The Group makes adjustments timely with reference to the latest market conditions and may enter into interest rate swap agreements to mitigate its exposure to interest rate risk. For the six months ended 30 June 2015 and the year ended 31 December 2014, the Group did not enter into interest rate swap agreements.

As at 30 June 2015, if the borrowing rate of interest calculated with floating rates rises or falls 50 base point, and other factors remain unchanged, the Group's net profit will decrease or increase about RMB1,968,750.00 Yuan.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

15 Financial instruments and risk (continued)

(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, Dalian Port Group Financial Co., Ltd. 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.

(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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

15 Financial instruments and risk (continued)

(3) Liquidity risk (continued)

The financial liabilities of the Group at the balance sheet date are analysed by their maturity date below at their undiscounted contractual cash flows:

| | 30 June 2015 (Unaudited) | | | | |
|--------------------------------------------|--------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| | Within 1 year | 1 to 2 years | 2 to 5 years | Over 5 years | Total |
| Short-term borrowings | 601,358,167.41 | - | - | - | 601,358,167.41 |
| Payables | 1,106,083,209.93 | - | - | - | 1,106,083,209.93 |
| Interest payables | 165,041,110.64 | - | - | - | 165,041,110.64 |
| Current portion of non-current liabilities | 535,070,653.64 | - | - | - | 535,070,653.64 |
| Other current liabilities | 1,014,265,753.42 | - | - | - | 1,014,265,753.42 |
| Long-term borrowings | 148,212,607.91 | 2,116,119,414.29 | 668,420,315.26 | - | 2,932,752,337.46 |
| Debentures payable | 174,339,383.56 | 320,875,000.00 | 4,180,201,369.86 | 2,474,550,000.00 | 7,149,965,753.42 |
| Long-term payables | - | 13,352,811.95 | 45,614,288.99 | - | 58,967,100.94 |
| | 3,744,370,886.51 | 2,450,347,226.24 | 4,894,235,974.11 | 2,474,550,000.00 | 13,563,504,086.86 |

| | 30 June 2014 | | | | |
|--------------------------------------------|-------------------------|-----------------------|-------------------------|-------------------------|--------------------------|
| | Within 1 year | 1 to 2 years | 2 to 5 years | Over 5 years | Total |
| 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 | 1,618,407,288.14 | - | - | - | 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 |
| | 4,205,543,503.92 | 995,157,628.86 | 5,868,067,223.69 | 2,599,100,000.00 | 13,667,868,356.47 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

15 Financial instruments and risk (continued)

(3) Liquidity risk (continued)

Maturity dates of bank and other borrowings are analysed as follow:

| | 30 June 2015 (Unaudited) | | 31 December 2014 | |
|----------------------------------------------|--------------------------|-------------------------|------------------|------------------|
| | Bank borrowings | Other borrowings | Bank borrowings | Other borrowings |
| Borrowings with the last maturity in 5 years | 1,082,010,023.77 | 2,034,000,000.00 | 1,368,484,023.77 | 2,000,000,000.00 |

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 30 June 2015, the financial assets measured at fair value by the above three levels are analysed below(Unaudited):

| | Level 1 | Level 2 | Level 3 | Total |
|---------------------------------------------------------|----------------------|---------|-----------------------|-----------------------|
| Financial assets | | | | |
| Financial assets at fair value through profit or loss – | | | | |
| Investments in equity instrument held for trading | 9,040,903.00 | – | – | 9,040,903.00 |
| Available-for-sale financial assets – | | | | |
| Available-for-sale equity instruments | 14,286,853.06 | – | – | 14,286,853.06 |
| Entrusted investment | – | – | 145,820,000.00 | 145,820,000.00 |
| Total financial assets | 23,327,756.06 | – | 145,820,000.00 | 169,147,756.06 |
| Total assets | 23,327,756.06 | – | 145,820,000.00 | 169,147,756.06 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

16 Fair value estimates (continued)

(1) Financial assets measured at fair value (continued)

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 |

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 period.

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 models are Discounted Cash flow Model and Comparable Companies Analysis. The input of valuation techniques includes the risk free interest rate, benchmark interest rate, exchange rate, credit spreads, liquidity premium, EBITDA multiplier, the lack of liquidity discount etc.

The changes in level 3 financial assets are analysed below:

| | Available-for-sale financial assets | Entrusted investment |
|--------------------------|----------------------------------------|----------------------|
| 1 January 2015 | 665,820,000.00 | |
| Purchases | 180,000,000.00 | |
| Sales | (700,000,000.00) | |
| 30 June 2015 (Unaudited) | 145,820,000.00 | |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

16 Fair value estimates (continued)

(1) Financial assets measured at fair value (continued)

| | Available-for-sale financial assets |
|------------------|----------------------------------------|
| | Entrusted investment |
| 1 January 2014 | 1,000,000,000.00 |
| Purchases | 665,820,000.00 |
| Sales | <u>(1,000,000,000.00)</u> |
| 31 December 2014 | <u>665,820,000.00</u> |

The total gains recognized in profit or loss for the six months ended 30 June 2015 that are attributable to level 3 financial assets held by the Company as 30 June 2015 amounted to RMB5,837,062.80. The total gains recognized in profit or loss for the year that are attributable to level 3 financial assets held as at 31 December 2014 amounted to RMB7,030,112.50.

(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.

| | 30 June 2015 (Unaudited) | | 31 December 2014 | |
|-----------------------|--------------------------|---------------------|------------------|----------------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets – | | | | |
| Long-term receivables | 22,286,458.66 | 9,842,496.13 | 22,544,798.38 | <u>12,409,850.98</u> |

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 (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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 30 June 2015 and 31 December 2014, the Company's net debt to equity ratio is as follows:

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|--------------------------|-----------------------------|------------------|
| Net debt to equity ratio | 52% | 48% |

18 Notes to the Company's financial statements

(1) Accounts receivable

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|-------------------------------|-----------------------------|------------------|
| Accounts receivable | 662,755,536.20 | 611,383,231.01 |
| Less: Provision for bad debts | (1,491,504.33) | (1,491,504.33) |
| | 661,264,031.87 | 609,891,726.68 |

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 (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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:

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|---------------|-----------------------------|------------------|
| Within 1 year | 595,923,592.76 | 548,554,699.87 |
| 1 to 2 years | 9,726,193.62 | 19,904,757.17 |
| 2 to 3 years | 14,181,975.85 | 38,443,176.33 |
| Over 3 years | 42,923,773.97 | 4,480,597.64 |
| | 662,755,536.20 | 611,383,231.01 |

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

| | 30 June 2015 (Unaudited) | | | | 31 December 2014 | | | |
|---------------------------------------------------------------------------------------------------------------------------------|--------------------------|-----------------------|-------------------------|-----------------|------------------|-----------------------|-------------------------|-----------------|
| | 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 | 4,589,839.02 | 0.69% | 1,491,504.33 | 32.50% | 5,553,656.87 | 0.91% | 1,491,504.33 | 26.86% |
| With amounts for that are subject to provision for bad debts on the grouping basis | 658,165,697.18 | 99.31% | - | - | 605,829,574.14 | 99.09% | - | - |
| Whereby Group 1 | - | - | - | - | - | - | - | - |
| Group 2 | 658,165,697.18 | 99.31% | - | - | 605,829,574.14 | 99.09% | - | - |
| Amounts that are not individually significant but that the related provision for bad debts is provided on the individual basis | - | - | - | - | - | - | - | - |
| | 662,755,536.20 | 100.00% | 1,491,504.33 | 0.23% | 611,383,231.01 | 100.00% | 1,491,504.33 | 0.24% |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

18 Notes to the Company's financial statements (continued)

(1) Accounts receivable (continued)

- (c) As at 30 June 2015, accounts receivable with amounts that are individually significant and subject to separate assessment for provision for bad debts: are analyzed as follows: (Unaudited)

| | Ending balance | Provision for bad debts | Percentage | Reason |
|-------------------|----------------|-------------------------|------------|--------|
| Ansteel Co., Ltd. | 4,589,839.02 | 1,491,504.33 | 32.50% | (i) |

- (i) As at 30 June 2015, the carry amount of receivables of Ansteel Co., Ltd. is RMB4,589,839.02, 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) As at 30 June 2015, the top five balances of accounts receivable categorized by debtors are summarised for analyzed below: (Unaudited)

| | Amount | Provision for bad debts | % of total balance |
|-----------------------------------------------|----------------|-------------------------|--------------------|
| Total amounts of top five accounts receivable | 472,880,272.65 | - | 71.51% |

(2) Other receivables

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|---------------------------------|-----------------------------|------------------|
| Entrusted loans | 311,432,800.00 | 495,432,800.00 |
| Government subsidies receivable | 267,917,075.00 | 153,504,395.00 |
| Port construction expenses | 12,082,202.86 | 24,975,226.19 |
| Others | 37,106,445.28 | 31,603,077.78 |
| | 628,538,523.14 | 705,515,498.97 |
| Less: Provision for bad debts | (16,098.47) | (41,734,302.42) |
| | 628,522,424.67 | 663,781,196.55 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

18 Notes to the Company's financial statements (continued)

(2) Other receivables (continued)

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

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|---------------|-----------------------------|------------------|
| Within 1 year | 622,183,724.87 | 648,844,877.36 |
| 1 to 2 years | 3,042,211.53 | 53,408,783.25 |
| 2 to 3 years | 146,758.35 | 740,209.97 |
| Over 3 years | 3,165,828.39 | 2,521,628.39 |
| | 628,538,523.14 | 705,515,498.97 |

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

| | 30 June 2015 (Unaudited) | | | | 31 December 2014 | | | |
|---------------------------------------------------------------------------------------------------------------------------------|--------------------------|-----------------------|-------------------------|-----------------|------------------|-----------------------|-------------------------|-----------------|
| | 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 | - | - | - | - | 49,000,000.00 | 6.95% | 41,718,203.95 | 85.14% |
| With amounts for that are subject to provision for bad debts on the grouping basis | 628,522,424.67 | 100.00% | - | - | 656,499,400.50 | 93.05% | - | - |
| Whereby Group 1 | - | - | - | - | - | - | - | - |
| Group 2 | 628,522,424.67 | 100.00% | - | - | 656,499,400.50 | 93.05% | - | - |
| 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 | 0.00% | 16,098.47 | 100.00% |
| | 628,538,523.14 | 100.00% | 16,098.47 | 100.00% | 705,515,498.97 | 100.00% | 41,734,302.42 | 5.92% |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

18 Notes to the Company's financial statements (continued)

(2) Other receivables (continued)

- (c) Other receivables that are actually written off for the current year is RMB41,718,203.95. The details are analysed below:

| | Nature of other receivables | Writing-off amount | Writing-off reason | Writing-off procedure performed | Generated from related party transaction or not |
|---------------------------------------------------------|-----------------------------|--------------------|---------------------------------|----------------------------------------|-------------------------------------------------|
| Dalian Port Corporation Zhuanghe Terminal Co., Ltd. (i) | Entrusted loan | 41,718,203.95 | Exemption of debt restructuring | Board of directors resolution approval | Yes |

- (i) Dalian Port Corporation Zhuanghe Terminal Co., Ltd. was formerly one of the Company's wholly owned subsidiaries. With the approval of Board of Directors, the Company agreed to invest more capital in Dalian Port Corporation Zhuanghe Terminal Co., Ltd., after its restructuring together with Dalian Huanghai Harbour Co., Ltd.. Meantime, the Company exempted Dalian Port Corporation Zhuanghe Terminal Co., Ltd. from the principal of entrusted loan amounted to RMB41,718,203.95.
- (d) As at 30 June 2015, the five largest other receivables are analyzed as follows (Unaudited):

| | Nature | Amount | Ageing | % of total balance | Provision for bad debts |
|-------------------------------------------------------|---------------------------------------|-----------------------|---------------|--------------------|-------------------------|
| Dalian Port Grain and Oil Trade Co., Ltd. | Entrusted loan | 283,000,000.00 | Within 1 year | 45.03% | - |
| Dalian Municipal Bureau of Finance | Fiscal subsidies | 267,917,075.00 | Within 1 year | 42.63% | - |
| Dalian Steel Logistics Park Co., Ltd. | Entrusted loan etc. | 28,187,701.49 | Within 1 year | 4.48% | - |
| China Harbor United Shipping Co., Ltd. | Entrusted loan | 13,432,800.00 | Within 1 year | 2.14% | - |
| Dalian Changxing Island Oil Products Terminal Company | Salary of appointed senior management | 6,169,544.86 | 1 to 2 years | 0.98% | - |
| | | 598,707,121.35 | | 95.26% | - |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

18 Notes to the Company's financial statements (continued)

(2) Other receivables (continued)

- (e) As at 30 June 2015, the Company's government grants recognized at amounts receivable are analyzed as follows (Unaudited):

| | Government grants | Balance | Ageing | Estimated time, amount and basis of collection |
|-----------------------------------|-----------------------------------|----------------|---------------|-----------------------------------------------------------------------------------------------------------------------------|
| Dalian Port (PDA) Company Limited | Subsidy for container development | 196,884,100.00 | 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 | 71,032,975.00 | Within 1 year | Announcement of the implementation regulation of subsidy funds for promoting the quick development of Dalian port container |
| | | 267,917,075.00 | | |

(3) Long-term equity investments

| | 30 June 2015 (Unaudited) | 31 December 2014 |
|----------------------------------------------------------------|-----------------------------|------------------|
| Subsidiaries – unlisted company (a) | 4,155,558,595.75 | 4,070,558,595.75 |
| Joint ventures – unlisted company (b) | 1,185,830,320.19 | 1,188,179,412.82 |
| Associates – unlisted company (c) | 1,563,803,969.82 | 1,357,825,013.24 |
| | 6,905,192,885.76 | 6,616,563,021.81 |
| Less: Provision for impairment of long-term equity investments | – | – |
| | 6,905,192,885.76 | 6,616,563,021.81 |

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

18 Notes to the Company's financial statements (continued)

(3) Long-term equity investments (continued)

(a) Subsidiaries

| | 31 December 2014 | Current period movement | | | | 30 June 2015 (Unaudited) | Provision for impairment | Cash dividends declared in current year |
|----------------------------------------------------------------------|---------------------|---------------------------|---------------------------|-----------------------------|--------|-----------------------------|-----------------------------|-----------------------------------------------|
| | | Increase in investment | Decrease in investment | Provision for impairment | Others | | | |
| Dalian Port Container Development Co., Ltd. (i) | 3,009,297,222.38 | 36,000,000.00 | - | - | - | 3,045,297,222.38 | - | - |
| Asia Pacific Ports Development Co., Ltd. | 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 | - | - |
| Dalian Portsoft Technology Co., Ltd. | 11,126,271.39 | - | - | - | - | 11,126,271.39 | - | 2,450,000.00 |
| Dalian Port Construction Supervision & Consultation Co., Ltd. | 18,278,125.97 | - | - | - | - | 18,278,125.97 | - | 22,500,000.00 |
| Dalian Port Telecommunications Engineering Co., Ltd. | 6,137,212.61 | - | - | - | - | 6,137,212.61 | - | 1,974,870.00 |
| 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 | - | - |
| Dalian Port Lvshun Harbor Service Co., Ltd. | 217,580,000.00 | - | - | - | - | 217,580,000.00 | - | - |
| Dalian Port Corporation Zhuanghe Terminal Co., Ltd. | - | 42,000,000.00 | - | - | - | 42,000,000.00 | - | - |
| Dalian Kingport United Automobile International Trading Co., Ltd. | 6,000,000.00 | - | - | - | - | 6,000,000.00 | - | - |
| Dalian Port Grain and Oil Trade Co., Ltd. (ii) | 25,000,000.00 | - | - | - | - | 25,000,000.00 | - | - |
| Dalian Steel Logistics Park Co., Ltd. (iii) | 8,000,000.00 | - | - | - | - | 8,000,000.00 | - | - |
| Dalian Gangrun Gas Co., Ltd. | 5,100,000.00 | - | - | - | - | 5,100,000.00 | - | - |
| Dalian Haijia Automobile Terminal Co., Ltd. | 200,000,000.00 | - | - | - | - | 200,000,000.00 | - | - |
| Dalian Dilangsinrui Caravan Co., Ltd. | 51,000,000.00 | - | - | - | - | 51,000,000.00 | - | - |
| Dalian Port Xinshengshi Trading Co., Ltd. | - | 7,000,000.00 | - | - | - | 7,000,000.00 | - | - |
| | 4,070,558,595.75 | 85,000,000.00 | - | - | - | 4,155,558,595.75 | - | 26,924,870.00 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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 30 June 2015, the Company provided unsecured loan of RMB600,000,000.00 (31 December 2014: RMB600,000,000.00) 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 is on 12 May 2017.
- (ii) As at 30 June 2015, the Company provided unsecured loan of RMB283,000,000.00 (31 December 2014: RMB0.00) to Dalian Port Grain and Oil Trade Co., Ltd., at the interest rate of 5.35% annually. The interest was paid monthly and the repayment of the principal is on 15 September 2015.
- (iii) As at 30 June 2015, the Company provided unsecured loan of RMB10,000,000.00 (31 December 2014: RMB10,000,000.00) to Dalian Steel Logistics Park Co., Ltd., at the interest rate of 5.35% annually. The interest was paid monthly and the repayment of the principal is on 8 April 2016.

As at 30 June 2015, the Company provided unsecured loan of RMB15,000,000.00 (31 December 2014: RMB15,000,000.00) to Dalian Steel Logistics Park Co., Ltd., at the interest rate of 5.35% annually. The interest was paid monthly and the repayment of the principal is on 23 April 2016.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

18 Notes to the Company's financial statements (continued)

(3) Long-term equity investments (continued)

(b) Joint ventures

| | Current period movement | | | | | | | | | 30 June 2015 (Unaudited) | Provision for impairment |
|----------------------------------------------------------------------|-------------------------|---------------------------|---------------------------|------------------------------------------------------|---------------------------------------------------|-------------------------------|-----------------------------------------------------------------|-----------------------------|--------|-----------------------------|-----------------------------|
| | 31 December 2014 | Increase in investment | Decrease in investment | Share of net profit using the equity method | Adjustment on other comprehensive income | Other changes in equity | Cash dividends or profit declared in current period | Provision for impairment | Others | | |
| Dalian Port Tongji Shipping Agency Co., Ltd. | 1,435,452.09 | - | - | 179,971.39 | - | - | - | - | - | 1,615,423.48 | - |
| Dalian Harbour EQL Logistics Co., Ltd. | 30,896,947.73 | - | - | (574,348.92) | - | 10,882.76 | (512,951.67) | - | - | 29,820,329.90 | - |
| Odfjell Terminals (Dalian) Co., Ltd. | 151,181,340.66 | - | - | 9,597,901.74 | - | 272,677.08 | - | - | - | 161,051,919.48 | - |
| Dalian Port PetroChina International Terminal Co., Ltd. | 161,473,353.45 | - | - | 10,948,707.30 | - | - | (10,103,150.00) | - | - | 162,318,910.75 | - |
| China Tally (Dalian) Co., Ltd. | 4,690,363.06 | - | - | 953,912.88 | - | - | (1,965,400.08) | - | - | 3,678,875.86 | - |
| China Oil Dock Management (Dalian) Co., Ltd. | 10,817,828.45 | - | - | (1,968,388.79) | - | - | - | - | - | 8,849,439.66 | - |
| Dalian Automobile Terminal Co., Ltd. | 173,478,029.45 | - | - | 3,194,684.67 | - | 52,430.07 | - | - | - | 176,725,144.19 | - |
| Dalian Changxing Island Port Co., Ltd. | 179,646,598.86 | - | - | (11,603,800.02) | - | 111,406.51 | - | - | - | 168,154,205.35 | - |
| Dalian Port Bulk Cargo Logistics Center Co., Ltd. | 2,120,743.57 | - | - | 163,386.21 | - | - | (91,419.78) | - | - | 2,192,710.00 | - |
| Odfjell Dalian Port Consulting Co., Ltd. | 2,373,635.50 | - | - | (610,891.86) | - | - | - | - | - | 1,762,743.64 | - |
| Dalian Changxing Island Port Investment and Development Co., Ltd. | 462,810,937.89 | - | - | - | - | - | - | - | - | 462,810,937.89 | - |
| Odfjell Changxing Warehousing Terminals (Dalian) Co., Ltd. | 7,254,182.11 | - | - | (404,502.12) | - | - | - | - | - | 6,849,679.99 | - |
| | 1,188,179,412.82 | - | - | 9,876,632.48 | - | 447,196.42 | (12,672,921.53) | - | - | 1,185,830,320.19 | - |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

18 Notes to the Company's financial statements (continued)

(4) Revenue and cost of sales (continued)

(a) Analysis by segment is as follows:

| | Six months ended 30 June 2015 (Unaudited) | | Six months ended 30 June 2014 (Unaudited) | |
|----------------------------------------------------------------------|----------------------------------------------|-------------------------|----------------------------------------------|----------------|
| | Revenue | Cost of sales | Revenue | Cost of sales |
| Oil and liquefied chemicals terminal and related logistics services | 742,460,977.74 | 389,123,422.98 | 655,463,281.75 | 322,981,543.67 |
| Container terminal and related logistics services | 26,750,000.00 | 7,844,723.34 | 26,750,000.00 | 7,844,723.34 |
| General cargo terminal and related logistics services | 179,149,995.97 | 174,977,809.85 | 185,519,410.00 | 181,234,636.42 |
| Ore terminal and related logistics services | 95,608,404.99 | 98,800,328.82 | 140,957,452.67 | 93,599,713.63 |
| Bulk grains terminal and related logistics services | 48,864,806.34 | 66,093,588.74 | 95,425,950.41 | 82,273,094.50 |
| Passenger, roll-on, roll-off terminal and related logistics services | 38,509,773.77 | 29,374,370.26 | 34,899,092.90 | 24,551,327.16 |
| Port value-added and ancillary services | 287,745,638.89 | 224,477,324.49 | 270,474,654.18 | 212,916,919.19 |
| Others | 80,237,778.01 | 30,884,288.52 | 72,503,114.87 | 33,135,992.51 |
| | 1,499,327,375.71 | 1,021,575,857.00 | 1,481,992,956.78 | 958,537,950.42 |

(b) Revenue is categorized as follows:

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|--------------------------|-------------------------------------------------|-------------------------------------------------|
| Loading services | 553,318,083.05 | 632,450,806.73 |
| Storage services | 412,691,525.95 | 358,622,070.80 |
| Logistics services | 216,023,848.00 | 190,379,693.14 |
| Port management services | 109,674,348.84 | 103,884,036.56 |
| Electric charges | 55,484,806.38 | 57,284,105.47 |
| Leasing services | 46,934,398.83 | 49,736,995.71 |
| Agency services | 7,738,987.15 | 3,775,709.77 |
| Others | 97,461,377.51 | 85,859,538.60 |
| | 1,499,327,375.71 | 1,481,992,956.78 |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

18 Notes to the Company's financial statements (continued)

(5) Investment income

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|----------------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Income from long-term equity investment under cost method | 26,924,870.00 | 22,772,831.23 |
| Income from long-term equity investment under equity method | 46,110,485.03 | 34,140,419.18 |
| Investment income obtained during holding of financial assets at fair value through profit or loss | 33,000.00 | 88,292.50 |
| Investment income obtained during holding of available-for-sale financial assets | 21,226,268.00 | 372,503.53 |
| Income from disposal of available-for-sale financial assets | 10,918,200.00 | – |
| Investment income from disposal of financial assets at fair value through profit or loss | 1,809,929.87 | 663,247.70 |
| Investment income obtained from entrusted investment | 14,542,340.58 | 26,214,458.25 |
| | 121,565,093.48 | 84,251,752.39 |

There is no restriction on recovery of investment income.

In six months ended 30 June 2015, the Company's investment income from listed and unlisted investment is RMB1,842,929.87 and RMB119,722,163.61 (for the six months ended 30 June 2014: RMB751,540.20 and RMB83,500,212.19) respectively.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

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

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|--------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Net profit | 213,397,614.27 | 225,390,020.58 |
| Add: Depreciation of fixed assets | 271,341,228.15 | 252,805,570.75 |
| Amortisation of intangible assets | 6,036,359.76 | 6,532,927.27 |
| Amortisation of long-term prepaid expenses | 115,685.58 | 115,685.58 |
| Net income from disposal of fixed assets | (98,675.47) | 206,673.53 |
| Financial expenses | 224,814,790.20 | 214,460,549.57 |
| Investment income | (121,565,093.48) | (84,251,752.39) |
| Profit or losses on change in fair value | (4,224,613.40) | (165,619.90) |
| Decrease in other current assets | – | 12,085,907.23 |
| Decrease in deferred tax assets | 1,982,634.48 | 310,028.38 |
| Transfer from deferred income | (17,284,489.65) | (17,953,565.00) |
| Decrease in inventories | 4,378,267.74 | 825,905.83 |
| Increase in specific reserve | 7,620,382.17 | 5,570,446.66 |
| Increase in operating receivables | (250,397,929.89) | (383,860,640.24) |
| Decrease in operating payables | (43,469,893.34) | (27,154,104.06) |
| Net cash flows from operating activities | 292,646,267.12 | 204,918,033.79 |

(b) Net increase/(decrease) in cash and cash equivalents

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|--------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Cash and cash equivalents at end of year | 647,197,540.90 | 776,982,638.55 |
| Less: Cash and cash equivalents at beginning of period | (966,868,460.45) | (852,556,002.57) |
| Net increase in cash and cash equivalents | (319,670,919.55) | (75,573,364.02) |

Notes to the Financial Statements (continued)

For the six months ended 30 June 2015
(All amounts in RMB Yuan unless otherwise stated)

19 Net current assets

| | The Group | |
|---------------------------|-----------------------------|--------------------|
| | 30 June 2015 (Unaudited) | 31 December 2014 |
| Current assets | 5,716,848,674.67 | 5,878,715,559.46 |
| Less: Current liabilities | (4,205,656,997.26) | (4,332,730,713.96) |
| Net current assets | 1,511,191,677.41 | 1,545,984,845.50 |

| | The Company | |
|---------------------------|-----------------------------|--------------------|
| | 30 June 2015 (Unaudited) | 31 December 2014 |
| Current assets | 2,819,825,508.33 | 3,510,236,086.37 |
| Less: Current liabilities | (2,450,065,425.71) | (2,053,359,569.66) |
| Net current assets | 369,760,082.62 | 1,456,876,516.71 |

20 Total assets less current liabilities

| | The Group | |
|---------------------------------------|-----------------------------|--------------------|
| | 30 June 2015 (Unaudited) | 31 December 2014 |
| Total assets | 28,429,816,532.05 | 27,844,050,860.04 |
| Less: Current liabilities | (4,205,656,997.26) | (4,332,730,713.96) |
| Total assets less current liabilities | 24,224,159,534.79 | 23,511,320,146.08 |

| | The Company | |
|---------------------------------------|-----------------------------|--------------------|
| | 30 June 2015 (Unaudited) | 31 December 2014 |
| Total assets | 24,152,572,661.20 | 23,973,965,701.97 |
| Less: Current liabilities | (2,450,065,425.71) | (2,053,359,569.66) |
| Total assets less current liabilities | 21,702,507,235.49 | 21,920,606,132.31 |

Supplementary Information to Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2015
(All amounts in RMB Yuan unless otherwise stated)

1 Summary of non-recurring profit or loss

| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Profit or loss on disposal of non-current assets | 91,709.01 | (4,697,401.75) |
| Government grants charged to profit or loss for the current year | 1,232,956.52 | 2,298,625.53 |
| Interest income from outward entrusted loans | 1,790,835.97 | 1,424,245.36 |
| 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 | 27,082,519.99 | 751,540.20 |
| Profit from entrusting others with investment or asset management | 14,542,340.58 | 26,214,458.25 |
| 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 |
| Non-operating income and expenses other than aforesaid items | 18,888,646.86 | 6,942,620.67 |
| | 63,629,008.93 | 44,390,456.81 |
| Impact on income tax | (12,548,535.21) | (2,592,490.81) |
| Impact on minority interests (after tax) | (1,352,818.65) | (1,592,994.49) |
| | 49,727,655.07 | 40,204,971.51 |

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 Financial Statements (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2015
(All amounts in RMB Yuan unless otherwise stated)

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:

| | Six months ended 30 June 2015 (Unaudited) | Reasons for regarding as recurring profit or loss |
|---------------------------------------------------------|-------------------------------------------------|------------------------------------------------------|
| Container subsidies | 80,827,400.00 | Fixed quantity on a continuous basis |
| Relocation compensation | 17,252,592.00 | Fixed quota on a continuous basis |
| Operation subsidies | 5,865,000.00 | Fixed quota on a continuous basis |
| Vessel construction subsidies | 395,608.80 | Fixed quota on a continuous basis |
| Energy conservation and emission reduction special fund | 300,511.78 | Fixed quota on a continuous basis |
| Equipment reconstruction subsidies | 7,563.00 | Fixed quota on a continuous basis |
| Refund of turnover tax | 6,691.18 | Fixed quota on a continuous basis |
| Others | 20,650.26 | Fixed quota on a continuous basis |
| | 104,676,017.02 | |

2 Return on equity and earnings per share

| | Weighted average ROE (%) | | Earnings per share Basic earnings per share | |
|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) | Six months ended 30 June 2015 (Unaudited) | Six months ended 30 June 2014 (Unaudited) |
| | Net profit attributable to ordinary shareholders of the Company | 2.07% | 2.11% | 0.06 |
| Net profit attributable to ordinary shareholders of the company excluding non-recurring profit and loss | 1.71% | 1.88% | 0.05 | 0.06 |

The Company has no dilutive potential ordinary shares.



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)

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