



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 2016 中期報告

Contents

2	Management Discussion and Analysis
24	Other Information
28	Report on Review of Financial Statements
29	Consolidated Balance Sheet (Unaudited)
32	Consolidated Income Statement (Unaudited)
34	Consolidated Cash Flow Statement (Unaudited)
36	Consolidated Statement of Changes in Shareholders' Equity (Unaudited)
37	Company Balance Sheet (Unaudited)
39	Company Income Statement (Unaudited)
40	Company Cash Flow Statement (Unaudited)
42	Company Statement of Changes in Shareholders' Equity (Unaudited)
43	Notes to the Financial Statements
226	Supplementary Information to Financial Statements

Management Discussion and Analysis

Summary

Due to signs of stabilization in the global economy, the confidence in financial markets rebounded in the first half of 2016 with rallying bulk commodity prices. However, the real economy remained weak with sluggish market demand. Impacted by the continuing downward pressure on China's economy, the growth in investment, consumption, and import and export trade slowed down. In the first half of the year, China's GDP grew by 6.7% year on year, whereas the total value of import and export fell by 3.3% year on year.

In the first half of the year, cargo throughput handled by China's large-scale ports amounted to 5.8 billion tonnes, a year-on-year increase of 2.2%, and a 0.6 percentage point lower than the same period last year. In particular, cargo throughput handled at coastal ports in China was 4.0 billion tonnes, a year-on-year increase of 1.7% while cargo throughput handled by river ports was 1.79 billion tonnes, a year-on-year increase of 3.2%. Container cargo throughput handled by river ports was 94,272,000 TEU, a growth of 2.4% compared to the same period of last year.

The Group is principally engaged in the provision of oil/liquefied chemical terminal and the related logistics services ("**Oil Segment**"), container terminal and related logistics services ("**Container Segment**"), automobile terminal and related logistics services ("**Automobile Terminal Segment**"), ore terminal and related logistics services ("**Ore Segment**"), general cargo terminal and related logistics services ("**General Cargo Segment**"), bulk grain terminal and related logistics 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 2016, the general information on the macro-economy and industries relevant to the Group's principal business were set out as follows:

Oil Segment: In the first half of 2016, international crude oil price remained lingering at low levels. China gradually liberalized the importation of crude oil from local oil refineries, leading to faster growth in the import volume of crude oil. In the first half of the year, China imported 180 million tonnes of crude oil, an increase of 14.7% as compared to the same period last year.

Container Segment: In the first half of 2016, containers throughput handled by China's large-scale ports amounted to 105.326 million TEU, a year-on-year increase of 2.5%, which was 3.6 percentage points lower than the same period last year. Affected by the macro-economy, port production showed a trend of growth slowdown.

Automobile Terminal Segment: In the first half of 2016, the growth in the volume of automobile production and sales volume in China was higher than that of the same period last year but fell below the expectation at the beginning of the year. Automobiles output in the first half of the year was 12,892,000 vehicles, a year-on-year increase of 6.4%. Sales volume was 12,829,000 vehicles, a year-on-year increase of 8.1%.

Ore Segment: In the first half of 2016, there was no substantial improvement in the fundamentals of oversupply for iron ores in China. However, affected by factors such as policies, seasonality and the capital market, prices became more elastic, returning to a rational range after a large rebound for a quarter. During the first half of the year, accumulated iron ore imports in China amounted to 490 million tonnes, a year-on-year increase of 9.1%.

Management Discussion and Analysis

General Cargo Segment: In the first half of 2016, China's large-scale ports handled a total of 280 million tonnes of coal, basically unchanged year-on-year. The output of the crude steel across China in the first half of 2016 reached a total volume of 390 million tonnes, which represented a year-on-year decrease of 4.9%.

Bulk Grain Segment: In the first half of 2016, under the influence of national policies and low demand for bulk grain carriages, the volume of corn transshipment at Liaoning port recorded a huge fall of 51% as compared to the same period last year.

Passenger and Ro-Ro Segment: In the first half of 2016, due to the continual diversion of maritime passengers towards high-speed rails and airlines, 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 2016, the Group's major business segments had a stable performance. In terms of throughput, the Group handled a total of approximately 29.264 million tonnes of oil and liquefied chemicals, representing an increase of 16.4% as compared to the same period last year, of which 14.735 million tonnes were imported crude oil, representing a decrease of 1.3% as compared to the same period last year. In the Container Segment, the Group handled approximately 5.092 million TEUs, representing an increase of 1.9% on a year-on-year basis, of which approximately 4.691 million TEUs were handled by the Group at Dalian port, representing an increase of 1.5% on a year-on-year basis. In the Automobile Terminal Segment, the Group handled 228,688 vehicles, representing an increase of 0.7% on a year-on-year basis. In the Ore Segment, the Group handled approximately 6.891 million tonnes, representing a decrease of 16.9% on a year-on-year basis. In the General Cargo Segment, the Group handled approximately 14.531 million tonnes of cargoes, representing a decrease of 4.7% on a year-on-year basis. In the Bulk Grain Segment, the Group handled approximately 2.316 million tonnes of bulk grain, representing an increase of 23.9% on a year-on-year basis. In the Passenger and Ro-Ro Segment, the Group transported approximately 1.444 million passengers, representing a year-on-year decrease of 4.4%, and approximately 680,000 vehicles, representing a year-on-year decrease of 10.1%.

OVERALL ANALYSIS OF RESULTS

In the first half of 2016, the Group's profit attributable to owners of the Company amounted to RMB221,088,963.04, representing a decrease of RMB64,943,594.32 or 22.70% as compared with RMB286,032,557.36 in the first half of 2015. The gross profit of the Bulk Grain Segment, the Ore Segment and General Cargo Segment increased this year with a year-on-year decrease in total financial expenses. However, affected by economic condition and policies, the gross profit of the Oil Segment, the Container Segment, the Passenger and Ro-Ro Segment and the Value-added Services segment decreased year on year. The gains from transfer and holding of financial assets also decreased this year on a year-on-year basis. As a result, the net profit attributable to owners of the Company decreased year on year.

In the first half of 2016, the Group's basic earnings was RMB1.74 cents per share, representing a decrease of 38.03% from RMB2.81 cents per share in the first half of 2015.

Management Discussion and Analysis

Changes to the principal components of the net profit are set out as follows:

Items	For the six months ended 30 June 2016 (RMB)	For the six months ended 30 June 2015 (RMB)	+/- (%)
Net profit attributable to owners of the Company	221,088,963.04	286,032,557.36	-22.7%
Including:			
Revenue	6,480,216,397.27	4,098,342,144.48	58.1%
Cost of sales	5,768,556,814.06	3,383,245,327.71	70.5%
Gross profit (Note 1)	711,659,583.21	715,096,816.77	-0.5%
Gross profit margin (Note 2)	11.0%	17.4%	down 6.4 percentage points
General and administrative expenses	299,623,883.73	277,057,668.19	8.1%
Financial expenses	202,873,286.85	266,084,929.94	-23.8%
Investment income	55,648,126.15	121,252,686.91	-54.1%
Income tax expense	78,480,730.47	84,300,137.04	-6.9%

Note 1: $Gross\ profit = Revenue - Cost\ of\ sales$

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

In the first half of 2016, the Group's revenue increased by 58.1%, mainly due to the growth of the trading business. In particular, port trading income increased by 144.7% on a year-on-year basis. Excluding the trading income, revenue decreased by 3.6% on a year-on-year basis, mainly due to the drop in throughput of the Container, General Cargo and Value-added Services Segments and influence of seasonality and policy changes, partly offset by an increase in income from the Oil, Bulk Grain and Ore Segments.

In the first half of 2016, the Group's cost of sales increased by 70.5%, mainly due to the growth of the trading business. In particular, costs of the port trading business increased by 144.3% on a year-on-year basis. Excluding the increase in costs of the port trading business, cost of sales decreased by 3.5% mainly due to the drop in fuel, oil tanks leasing and other costs.

In the first half of 2016, the Group's gross profit decreased by 0.5% while gross profit margin dropped by 6.4 percentage points. Excluding the influence of the port trading business, gross profit decreased by 4.0% while gross profit margin decreased by 0.12 percentage point. The change in gross profit was mainly due to the drop in business volume of the General Cargo and Value-added Services Segments and the decrease in income from port construction, supervision and management services, partly offset by the increase in gross profit of the Ore and Bulk Grain Segments.

Management Discussion and Analysis

In the first half of 2016, the Group's general and administrative expenses increased by 8.1%, mainly due to the increase in labor costs.

In the first half of 2016, the Group's financial expenses decreased by 23.8%, mainly due to the increase in the Group's capital stock upon the completion of H shares private placement this year and the increases in interest income and exchange earnings, partly offset by the decrease in interest expenses due to the size of debt. As a result, the financial expenses decreased year-on-year in general.

In the first half of 2016, the Group's investments income decreased by 54.1%, mainly due to gains from holding and transfer of shares and equity for the same period last year.

In the first half of 2016, the Group's income tax expenses dropped by 6.9%, mainly due to the decreases in taxable income resulting from less revenue and net non-operating revenue.

ASSETS AND LIABILITIES

As of 30 June 2016, the Group's total assets and net assets amounted to RMB32,337,383,486.38 and RMB18,808,880,587.39, respectively. Net asset value per share was RMB3.11, representing a decrease of 1.9% from RMB3.17 per share as at 31 December 2015. The gearing ratio was 41.8%, which decreased by 5.4 percentage points as compared with 47.2% as at 31 December 2015.

As of 30 June 2016, the Group's total liabilities amounted to RMB13,528,502,898.99, of which total outstanding borrowings amounted to RMB10,777,143,889.38.

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2016, the Group had a balance of cash and cash equivalents of RMB5,851,419,265.85, representing an increase of RMB3,122,491,082.34 as compared to 31 December 2015.

In the first half of 2016, the Group's net cash inflows generated from operating activities amounted to RMB775,046,538.70; the Group's net cash inflows for financing activities amounted to RMB2,719,909,345.72; and the Group's net cash outflows for investing activities amounted to RMB430,899,093.80. Benefiting from the proceeds from H shares private placement, stable cash flows from its operating activities, 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 2016, the Group's outstanding borrowings amounted to RMB10,777,143,889.38, in which RMB6,474,433,175.33 were borrowings repayable after one year (including a balance of borrowings with floating rates of RMB312,010,023.77), and RMB4,302,710,714.05 were borrowings repayable within one year. The Group's net gearing ratio was 24.0% as at 30 June 2016 (54.0% as at 31 December 2015).

As at 30 June 2016, the Group's unutilized banking facilities amounted to RMB19,062,990,000.00. China Cheng Xin International Credit Rating Co. Ltd., an external rating agency of the Company, issued an annual rating report for the Company. The corporate credit rating was AAA grade and the credit rating outlook was stable, indicating the Company's sound qualification of market financing and diversified financing channels.

The Group continued to closely monitor its interest rate risk and exchange rate risk. In the first half of 2016, the Group did not enter into any foreign exchange hedging contracts in connection with its exchange rate risk.

Management Discussion and Analysis

USE OF PROCEEDS (A SHARES)

Net proceeds of the public offering of 762 million A Shares in 2010 (“A Shares IPO”) obtained by the Company amounted to approximately RMB2,772,091,500.00. As at 30 June 2016, the Company had utilized RMB23,432,000.00 of the proceeds during the year and utilized RMB2,776,068,500.00 of the gross proceeds in aggregate [including the use of idle cash of RMB400,000,000.00 out of the A Share IPO proceeds to replenish the Company’s working capital (including an interest income from the A Share IPO bank account balance of RMB73,000,000.00) and the A Share IPO proceeds actually used in the projects of RMB2,376,068,500.00]. The balance of the net proceeds was RMB79,386,300.00 (including an interest income from the A Share IPO bank account balance of RMB10,363,300.00). An interest income of RMB83,363,300.00 was earned from the A Share IPO proceeds in aggregate.

Unit: Yuan Currency: RMB

Projects	Proceeds from A Shares IPO	Use of proceeds as of 30 June 2016	Balance
Construction of oil storage tanks with a total capacity of 1,000,000 m ³ in Xingang	760,000,000.00	517,584,300.00	242,415,700.00
Construction of oil storage tanks with a total capacity of 600,000 m ³ in the Xingang resort area	550,000,000.00	550,000,000.00	0
Construction of phase II of the Shatuozi oil storage tanks project in the Xingang Shatuozi area	29,600,000.00	29,600,000.00	0
LNG project	320,000,000.00	320,000,000.00	0
No.4 stacking yard for ore terminal	520,000,000.00	384,392,100.00	135,607,900.00
Purchase of gantry for ore terminal	37,200,000.00	37,200,000.00	0
Purchase of 300 bulk grain carriages	150,000,000.00	150,000,000.00	0
Ro-ro ships for carrying cars	230,000,000.00	212,000,600.00	17,999,400.00
Construction of railway siding in Muling	41,250,000.00	41,250,000.00	0
Construction of information systems	50,000,000.00	50,000,000.00	0
Investment in phase III of Dayao Bay Terminal	84,041,500.00	84,041,500.00	0
Total	2,772,091,500.00	2,376,068,500.00	396,023,000.00

Note: In order to reduce the amount of idle cash and the financing cost and to manage cash efficiently, the second meeting of the fourth session of the Company’s board of directors in 2016 passed a resolution regarding the temporary use of certain idle cash from the A Shares IPO proceeds to improve the liquidity of the Company’s working capital. The Company was authorized to use idle cash of RMB400,000,000.00 out of the A Share IPO proceeds (including interest income from A Shares IPO of RMB73,000,000.00) to replenish the Company’s working capital. Such an authorization is valid for a period of twelve months 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 24 March 2016.

Management Discussion and Analysis

CAPITAL EXPENDITURE

In the first half of 2016, the Group's capital expenditure amounted to RMB151,540,489.38, 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 2016 is as follows:

Oil Segment

The following table sets out the oil/liquefied chemicals throughput handled by the Group in the first half of 2016 and its comparative results in the first half of 2015.

	For the six months ended 30 June 2016 (<i>'0000 tonnes</i>)	For the six months ended 30 June 2015 (<i>'0000 tonnes</i>)	Increase/(Decrease)
Crude oil	2,240.3	1,985.1	12.9%
– Foreign trade imported crude oil	1,473.5	1,492.6	(1.3%)
Refined oil	468.1	331.2	41.3%
Liquefied Chemicals	63.2	59.5	6.2%
LNG	154.8	137.8	12.3%
Total	2,926.4	2,513.6	16.4%

In the first half of 2016, in terms of throughput of oil/liquefied chemicals, the Group handled a total of approximately 29.264 million tonnes, an increase of 16.4% on a year-on-year basis.

In the first half of 2016, the Group's crude oil throughput increased by 12.9% to approximately 22.403 million tonnes, of which approximately 14.735 million tonnes were imported crude oil, a slight year-on-year decrease of 1.3%. Due to factors such as the increase in Russian pipeline oil supply and deficiency in storage tanks, there was a slight decrease in the volume of imported crude oil as compared to the same period last year. With the loosening of eligibility for the right to use imported crude oil, the Group expanded its cooperation with customers and provided more capacity to regional refineries, resulting in a higher increase in throughput for the first half of the year.

In the first half of 2016, the Group's refined oil throughput amounted to approximately 4.681 million tonnes, a year-on-year increase of 41.3%, mainly attributable to higher demand from surrounding refineries.

In the first half of 2016, the Group's liquefied chemicals throughput was approximately 632,000 tonnes, a year-on-year increase of 6.2%, mainly attributable to the Group's effort in expanding in the liquefied chemicals market of the northeast inland and expanding the breadth and width of cooperation with customers.

Management Discussion and Analysis

In the first half of the year, the Group's LNG throughput amounted to 1.548 million tonnes, a year-on-year increase of 12.3%, mainly attributable to the merge of the northeastern and North China pipeline networks.

In the first half of 2016, the total imported crude oil volume handled by the Group's ports accounted for 100% (100% in the first half of 2015) of the total amount of crude oil imported into Dalian and 63.1% (72.3% in the first half of 2015) of the total amount of crude oil imported into the Three Northeastern Provinces of China. The Group's oil products throughput accounted for 72.5% (70.2% in the first half of 2015) of the total market share in Dalian and 43.8% (44.3% in the first half of 2015) of the total market share in the Three Northeastern Provinces of China. The increase in total oil products throughput was mainly due to the fact that the Group deepened cooperation with customers and further promoted the development of a comprehensive logistic system.

The performance of the Oil Segment was as follows:

Items	For the six months ended 30 June 2016 (RMB)	For the six months ended 30 June 2015 (RMB)	+/- (%)
Revenue	2,852,423,517.82	860,573,229.29	231.5%
The share in the Group's revenue	44.0%	21.0%	up 23.0 percentage points
Gross profit	399,528,315.20	402,194,985.94	-0.7%
The share in the Group's gross profit	56.1%	56.2%	down 0.1 percentage point
Gross profit margin	14.0%	46.7%	down 32.7 percentage points

In the first half of 2016, the revenue from the Oil Segment increased by 231.5% mainly due to the in-depth development of oil/liquefied chemicals trading. Gross profit decreased by 0.7% and the gross profit margin decreased by 32.7 percentage points as compared to the same period last year. Excluding the impact of the oil/liquefied chemicals trading business, gross profit decreased by 1.7% and the gross profit margin by 1.3 percentage points as compared to the same period last year, mainly attributable to the combined effect of certain reduced storage rates and an increase in staff costs and additional asset depreciation.

Management Discussion and Analysis

In the first half of 2016, the Group's major measures taken and the progress of major projects related to the Group's Oil Segment were as follows:

- To strengthen cooperation with shippers and build up a full logistic system for the Bohai Rim, and to increase allocation of crude oil to regional refineries.
- To relocate storage tanks resources to enhance service quality of operation, and to provide storage tanks to customers under lease-back arrangements to further drive throughput growth.
- To coordinate relevant onshore units to enhance berthing capacity so that the 22# berth became able to accommodate 450,000-tonne supertankers.

Container Segment

The following table sets out the container throughput handled by the Group in the first half of 2016 and its comparative results in the first half of 2015:

		For the six months ended 30 June 2016 (<i>'0000 TEUs</i>)	For the six months ended 30 June 2015 (<i>'0000 TEUs</i>)	Increase/ (Decrease)
Foreign Trade	Dalian	253.6	247.0	2.6%
	Other ports (<i>Note 1</i>)	12.0	9.9	21.2%
	Sub-total	265.6	256.9	3.4%
Domestic Trade	Dalian	215.5	215.0	0.2%
	Other ports (<i>Note 1</i>)	28.1	27.7	1.4%
	Sub-total	243.6	242.7	0.4%
Total	Dalian	469.1	462.0	1.5%
	Other ports (<i>Note 1</i>)	40.1	37.6	6.7%
	Total	509.2	499.6	1.9%

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.

Management Discussion and Analysis

In the first half of 2016, in terms of container throughput, the Group maintained steady growth and handled a total of approximately 5.092 million TEUs, representing an increase of 1.9% as compared to the same period last year. At Dalian port, the Group handled approximately 4.691 million TEUs, representing an increase of 1.5% as compared to the same period last year, of which container throughput for foreign trade increased by 2.6% as compared to the same period last year, and container throughput for domestic trade increased by 0.2% as compared to the same period last year.

In the first half of 2016, the Group's container terminal business accounted for 98.6% (98.5% in the first half of 2015) of the total market share in Dalian and 55.3% (53.6% in the first half of 2015) 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 2015) of the total market share in Dalian and 96.6% (96.4% in the first half of 2015) of the total market share in the Three Northeastern Provinces of China.

The performance of the Container Segment was as follows:

Items	For the six months ended 30 June 2016 (RMB)	For the six months ended 30 June 2015 (RMB)	+/- (%)
Revenue	704,417,713.80	845,330,389.21	-16.7%
The share in the Group's revenue	10.9%	20.6%	down 9.8 percentage points
Gross profit	150,856,214.80	156,060,795.85	-3.3%
The share in the Group's gross profit	21.2%	21.8%	down 0.6 percentage point
Gross profit margin	21.4%	18.5%	up 3.0 percentage points

In the first half of 2016, the revenue from the Container Segment decreased by 16.7% and, excluding effect of container trading, 7.8% as compared to the same period last year, mainly attributable to the market environment unfavorable to revenue from container transportation. The increase in gross margin of 3.0 percentage points mainly benefited from the optimized capacity allocation and the resulting overall cost reduction.

In the first half of 2016, 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 deepened cooperation with major domestic and foreign shippers and shipping alliances and newly introduced two cross-ocean routes for international trading and one domestic trade route, which further enhanced our container route network system.

Management Discussion and Analysis

- The Group put its Bohai Rim strategy into full implementation and carried on to step up the construction of branch network in the Rim and a transshipment system centering around Dalian. It strengthened and expanded the scope of cooperation with regional ports to underpin its port strategy. It also built on its own capacity for development of the branch network to boost its transshipment services capabilities.
- In terms of land logistics, the Group continued to construct its inland integrated multimodal transportation by adding five inland service points and four trains. The inland network currently has four centers, 12 terminals and 31 service points connecting over 50 points in Northeast China as well as Russia, Mongolia, the five Central Asian countries and European countries. Furthermore, following the “One Belt, One Road” initiative, the Group aimed to develop its brand into logistics chain services spanning China, Korea and Russia.
- In terms of specialized logistics, innovative intermodal transportation products were developed mainly for cold chain logistics, automobile logistics and timber logistics. The top level of the cold chain logistics was finished and obtained the first international seafood transshipment certificate in China, with the port environment and functionality improving. Through cooperation with railways and car manufacturers, the multimodal exportation segment was developed to cater for automobile parts and components and finished vehicles, which was a step towards a fully integrated logistic service system for finished vehicles.

Automobile Terminal Segment

The following table sets out the throughput handled by the Group’s automobile terminal in the first half of 2016 and its comparative results in the first half of 2015.

		For the six months ended 30 June 2016	For the six months ended 30 June 2015	Increase/ (Decrease)
Vehicles (units)	Foreign trade	4,670	7,470	(37.5%)
	Domestic trade	224,018	219,666	2%
	Total	228,688	227,136	0.7%
Equipment (tonnes)		1,589	3,812	(58.3%)

In the first half of 2016, the Group handled a total of 228,688 vehicles, representing a year-on-year increase of 0.7%.

In the first half of 2016, the Group’s vehicle throughput accounted for 100% (100% in the first half of 2015) of the total market share in the Three Northeastern Provinces of China.

Management Discussion and Analysis

The performance of the Automobile Terminal Segment was as follows:

Items	For the six months ended 30 June 2016 (RMB)	For the six months ended 30 June 2015 (RMB)	+/- (%)
Revenue	1,589,415,004.15	811,171,171.03	95.9%
The share in the Group's revenue	24.5%	19.8%	up 4.7 percentage points
Gross profit	26,811,268.77	8,766,965.83	205.8%
The share in the Group's gross profit	3.8%	1.2%	up 2.6 percentage points
Gross profit margin	1.7%	1.1%	up 0.6 percentage point

In the first half of 2016, the revenue from the Automobile Segment increased by 95.9% as compared to the same period last year attributable to the steady development of the automobile trading business. Gross profit increased by 205.8% and gross profit margin 0.6 percentage point as compared to the same period last year mainly driven by development in automobile trading, which was partly offset by increase in staff costs and others.

In the first half of 2016, the Group's major measures taken and the progress of major projects relating to the Group's Automobile Segment were as follows:

- The Group continued to put effort in developing markets and potential domestic demand with shippers to increase transshipment volume for domestic trade.
- The Group further 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 our ports.

Management Discussion and Analysis

Ore Segment

The following table sets out the throughput handled by the Group's ore terminal in the first half of 2016 and its comparative results in the first half of 2015.

	For the six months ended 30 June 2016 (‘0000 tonnes)	For the six months ended 30 June 2015 (‘0000 tonnes)	Increase/(Decrease)
Ore	689.1	829.0	(16.9%)

In the first half of 2016, the ore terminal handled approximately 6.891 million tonnes of ore, a decrease of 16.9% as compared to the same period last year, which was attributable to the rapid development of nearby ports and the decrease in demand for ore transshipment.

In the first half of 2016, the Group's ore throughput accounted for 19.2% (20.6% in the first half of 2015) of the total throughput in the Three Northeastern Provinces of China.

The performance of the Ore Segment was as follows:

Items	For the six months ended 30 June 2016 (RMB)	For the six months ended 30 June 2015 (RMB)	+/- (%)
Revenue	107,805,008.45	95,552,094.31	12.8%
The share in the Group's revenue	1.7%	2.3%	down 0.6 percentage point
Gross profit	-7,828,650.23	-11,256,388.23	30.5%
The share in the Group's gross profit	-1.1%	-1.6%	up 0.5 percentage point
Gross profit margin	-7.3%	-11.8%	up 4.5 percentage points

In the first half of 2016, the revenue from the Ore Segment increased by 12.8% as compared to the same period last year, mainly due to the increase in ore import volume under foreign trade and the steady development of the ore trading business. Gross profit increased by 30.5% and gross profit margin by 4.5 percentage points as compared to the same period last year mainly due to the increase in ore handling revenue resulting from the increase in import throughput.

Management Discussion and Analysis

In the first half of 2016, the Group's major measures taken and the progress of major projects relating to the Group's Ore Segment were as follows:

- The Group further strengthened cooperation with customers and commenced near-port ore mixing and relevant marketing, which further developed port commodity centers and blending bases.
- The Group captured favorable opportunities brought by the increasing market demand for imported coal to develop new customers so as to expand its onshore coal transshipment.

General Cargo Segment

The following table sets out the throughput handled by the Group's general cargo terminal in the first half of 2016 and its comparative results in the first half of 2015.

	For the six months ended 30 June 2016 ('0000 tonnes)	For the six months ended 30 June 2015 ('0000 tonnes)	Increase/(Decrease)
Steel	308.7	362.6	(14.9%)
Coal	508.1	449.0	13.2%
Equipment	157.4	162	(2.8%)
Others	478.9	550.7	(13.0%)
Total	1,453.1	1,524.3	(4.7%)

In the first half of 2016, the Group's general cargo terminal handled approximately 14.531 million tonnes cargo, a decrease of 4.7% as compared to the same period last year.

In the first half of 2016, the volume of steel handled by the Group was approximately 3.087 million tonnes, a decrease of 14.9% as compared to the same period last year, mainly due to the continued sluggish demand in the domestic steel market and anti-dumping policies in force in European and American countries and regions against China's steel exports, resulting in intensified pressure faced by major steel production plants.

In the first half of 2016, the volume of coal handled by the Group was approximately 5.081 million tonnes, which represented an increase of 13.2% as compared to the same period last year, mainly due to, firstly, cooperation with nearby ports in commencing a new model of railway-river combined transportation of coal drawing shiftwork orders from eastern Mongolia, and, secondly, active effort in developing unloading markets among coal users surrounding Dalian such as power plants and cement plants.

In the first half of 2016, the volume of equipment handled by the Group was approximately 1.574 million tonnes, which represented a decrease of 2.8% as compared to the same period last year, mainly attributable to the sluggish overseas demand resulting in lower dispatched vehicle throughput, whose adverse effect was, however, partly offset by near-port items.

In the first half of 2016, the steel throughput handled by the Group accounted for 14.7% (14.1% in the first half of 2015) and the coal throughput accounted for 17.8% (16.3% in the first half of 2015) of the total market share in the Three Northeastern Provinces of China.

Management Discussion and Analysis

The performance of the General Cargo Segment was as follows:

Items	For the six months ended 30 June 2016 (RMB)	For the six months ended 30 June 2015 (RMB)	+/- (%)
Revenue	246,975,713.35	189,531,378.43	30.3%
The share in the Group's revenue	3.8%	4.6%	down 0.8 percentage point
Gross profit	-7,880,097.94	-7,886,243.97	0.1%
The share in the Group's gross profit	-1.1%	-1.1%	stable
Gross profit margin	-3.2%	-4.2%	up 1.0 percentage point

In the first half of 2016, the revenue from the General Cargo Segment increased by 30.3%, mainly due to the stride made in steel trading. Gross profit increased by 0.1% and gross profit margin increased by 1.0 percentage point as compared to the same period last year. Excluding the impact of steel trading business, gross profit decreased by 67.5% and gross profit margin decreased by 4.8 percentage points as compared to the same period last year, mainly due to the combined effect of domestic and overseas sluggish market demand resulting in lower throughput and a decreased in staff costs and external costs.

In the first half of 2016, the Group's major measures taken and the progress of major projects relating to the Group's General Cargo Segment were as follows:

- The Group promoted the construction of the comprehensive logistic system by strengthening cooperation among ports, railways and user companies to obtain preferential railway freight rates for steel, coal and other cargoes and lower overall logistic costs of ports in order to boost usage.
- Upon the cooperation of "two ports connected by one shipping route", the Group drew coal handling demand from eastern Mongolia to its ports to boost coal transshipment volume.
- The Group actively developed near-port industries by further soliciting ancillary equipment manufacturers in Dalian to set up processing and assembling facilities at the ports so as to boost transshipment volume of bulk equipment.

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 2016 and its comparative results in the first half of 2015.

	For the six months ended 30 June 2016 (‘0000 tonnes)	For the six months ended 30 June 2015 (‘0000 tonnes)	Increase/(Decrease)
Corn	13.5	17.9	(24.6%)
Soy bean	107.1	79.6	34.5%
Barley	25.5	29.5	(13.6%)
Wheat	1.9	0.0	100%
Others	83.6	59.9	39.8%
Total	231.6	186.9	23.9%

In the first half of 2016, the throughput handled by the Group's bulk grain terminal was approximately 2.316 million tonnes, an increase of 23.9% as compared to the same period last year.

In the first half of 2016, the Group's corn throughput was approximately 0.135 million tonnes, a decrease of 24.6% as compared to the same period last year, mainly due to, firstly, changes in procurement policies with respect to corns stored in temporary storage, and, secondly, the gaining popularity of imports and changes in the logistic market.

In the first half of 2016, the Group's soy bean throughput was approximately 1.071 million tonnes, which represented an increase of 34.5% as compared to the same period last year, mainly due to the Group's focused effort in gaining usage for soy bean imported and deepening cooperation with customers.

In the first half of 2016, the throughput handled by the Group's bulk grain terminal accounted for 14.9% (8.9% in the first half of 2015) of the total throughput in the Three Northeastern Provinces of China.

Management Discussion and Analysis

The performance of the Bulk Grain Segment was as follows:

Items	For the six months ended 30 June 2016 (RMB)	For the six months ended 30 June 2015 (RMB)	+/- (%)
Revenue	491,736,600.24	768,877,114.05	-36.0%
The share in the Group's revenue	7.6%	18.8%	down 11.2 percentage points
Gross profit	13,512,562.47	-17,799,568.58	175.9%
The share in the Group's gross profit	1.9%	-2.5%	up 4.4 percentage points
Gross profit margin	2.7%	-2.3%	up 5.0 percentage points

In the first half of 2016, the revenue from the Bulk Grain Segment decreased by 36.0% as compared to the same period last year, mainly due to a decrease in grain trading volume. Excluding the impact of the grain trading business, the revenue increased by 74.0% as compared to the same period last year, mainly due to an increased in grain throughput and revenue from bulk grain carriages. Gross profit increased by 175.9% and gross profit margin by 5.0 percentage points over that in the first half of last year, mainly due to an increase in throughput of soy bean and other grains and revenue from bulk grain carriages.

In the first half of 2016, the Group's major measures taken and the progress of major projects relating to the Group's Bulk Grain Segment were as follows:

- The Group deepened cooperation with major strategic customers in terms of both capital and business and exerted focused effort in developing the corn transshipment market for domestic trading.
- The Group solicited more demand of imported cargoes including soy bean and barley to gain further share in the imported cargo market.

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 2016 and its comparative results in the first half of 2015.

	For the six months ended 30 June 2016	For the six months ended 30 June 2015	Increase/(Decrease)
Passengers ('0000 persons)	144.4	151.1	(4.4%)
Vehicles ('0000 units)	68.0	75.6	(10.1%)

In the first half of 2016, throughput of passengers was 1.444 million persons, representing a decrease of 4.4% as compared to the same period last year. Throughput of vehicles amounted to 680,000 units, representing a decrease of 10.1% as compared to the same period last year.

In the first half of 2016, the number of passenger departing and arriving at Dalian port, affected by factors such as passengers shifting towards high-speed rails and aviation flights, experienced a fall as compared to the same period last year. Affected by domestic route deviations, business volume for roll-on, roll-off service decreased as compared to the same period last year.

The performance of the Passenger and Ro-Ro Segment was as follows:

Items	For the six months ended 30 June 2016 (RMB)	For the six months ended 30 June 2015 (RMB)	+/- (%)
Revenue	55,162,878.67	57,740,439.65	-4.5%
The share in the Group's revenue	0.9%	1.4%	down 0.5 percentage point
Gross profit	7,527,823.91	13,345,892.75	-43.6%
The share in the Group's gross profit	1.1%	1.9%	down 0.8 percentage point
Gross profit margin	13.6%	23.1%	down 9.5 percentage points

In the first half of 2016, the revenue from the Passenger and Ro-Ro Segment decreased by 4.5% as compared to the same period last year, mainly due to the decline in the throughput of passengers and cargoes. Gross profit decreased by 43.6% and gross profit margin by 9.5 percentage points as compared to the same period last year, mainly attributable to unfavorable conditions.

Management Discussion and Analysis

In the first half of 2016, the major measures taken and the progress of key projects related to the Group's Passenger and Ro-Ro Segment were as follow:

- In order to meet the requirements of the Ministry of Transport on real-name sales and checking of tickets, the Group upgraded its ticket sales and checking system to ensure the safe operation of the passenger ro-ro transportation.
- The Group constructed an e-commerce platform as a new portal for ticket sales. It also made use of the open platform WeChat for advertising its latest travelling products and promotions.
- The Group successfully completed the departure of the international cruise vessel "Chinese Taishan" and recorded a passenger turnover of 14,000 persons.

Value-added Services Segment

Tugging

In the first half of 2016, the Group's tugging division increased voyage charter while made reasonable resource allocation in Dalian by taking a number of measures such as flexibly adjusting the number of tugboats and power ratios at each of the tugboat bases with a view to increasing sources of revenue and reduced mobilization costs. However, affected by decline in business of nearby shipyards, throughput decreased by 5.9% as compared to the same period last year.

The Group continued to increase effort in developing markets outside Dalian and made adjustments to its strategies and allocation to cope with the stagnant tugging market.

Tallying

In the first half of 2016, the total tallying throughput handled by the Group was approximately 20.256 million tonnes, representing a year-on-year decrease of 4.7%.

Management Discussion and Analysis

Railway

In terms of the operation of railway transportation, the Group handled a total of approximately 260,000 carriages, representing a year-on-year decrease of 6.1%.

The performance of the Value-added Services Segment was as follows:

Items	For the six months ended 30 June 2016 (RMB)	For the six months ended 30 June 2014 (RMB)	+/- (%)
Revenue	392,960,626.54	420,924,957.69	-6.6%
The share in the Group's revenue	6.1%	10.3%	down 4.2 percentage points
Gross profit	120,740,224.42	153,413,717.41	-21.3%
The share in the Group's gross profit	17.0%	21.5%	down 4.5 percentage points
Gross profit margin	30.7%	36.4%	down 5.7 percentage points

In the first half of 2016, the revenue from the Value-added Services Segment decreased by 6.6%, mainly due to a decrease in the tugging division and the port construction supervision and management services. Gross profit decreased by 21.3% and gross profit margin by 5.7 percentage points as compared to the same period last year, mainly due to nearby stagnant tugging markets, policy-based reduction in tugging rates and the shrinking port construction supervision and management market.

Management Discussion and Analysis

PROSPECTS OF THE SECOND HALF OF 2016

COMPETITIVE LANDSCAPE AND INDUSTRY TREND

In the second half of the year, the recovery of the global economy will remain slow. In China, the economy will have steady growth and continue its restructuring, while downward pressure will remain. At present, the series of policies coming into force to facilitate growth, restructuring and efficiency are stimulating the pace of investment. However, the enduring sluggish domestic and overseas demand, the low commodity prices and other factors are expected to drag down the growth rate of total imports and exports of China.

RISKS AND ADVERSE FACTORS

Firstly, the international environment will continue to be complex and in turmoil while China will still be in the painful process of restructuring. Secondly, as the current stable economy does not have a solid footing, downward pressure will remain significant.

THE MAJOR DEVELOPMENT STRATEGY

In light of the fact that the global economy and China's are undergoing a critical stage of industry reshuffling and transformation, the Group will continue to adhere to transformation and quality enhancement. Aiming at serving and conforming to the national strategies, it will extend its ports' supply chain upstream and downstream towards terminal users. Through enhanced efficiency of resource allocation by applying information technology to logistics, it will develop its supply chain into a comprehensive one integrating and consolidating logistics with trading, finance and information technology. Through novel products, business models and cooperation models, it will put its supply chain into an integrated operation model such that the port terminal-based model will transform into a full logistic chain and then a full supply chain.

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

Oil Segment

- In view of changes in the logistic landscape brought about by new storage and transportation facilities in the Bohai Rim, the Group will continue to expand areas and scope of cooperation with transshipment customers into other areas and the share of transshipment in the distribution businesses of the Group.
- The Group will reinforce cooperation with major customers and make reasonable allocation of storage tanks to scale up bonded storage tanks and transshipment for crude oil.
- It will develop new markets and cargo business and expand its share in the high-end refined oil market by constructing a refined oil trading platform.
- For the purposes of satisfying new customer demand for crude oil storage, the Group will carry on the storage construction of phase II of Changxing Island and obtain relevant approvals.

Management Discussion and Analysis

Container Segment

- In relation to route development, the Group will, according to availability of cargoes and opportunities brought by the coming into existence of the shipping alliance and the route adjustment, negotiate with specific major shippers with a view to connecting Dalian ports as a terminal to American routes. It will also strengthen cooperation with shippers specialize in domestic trading and continue to develop major South-North marine domestic trade passages so as to improve its domestic route network.
- In respect of trans-shipment operations, the Group will continue to implement the Bohai Rim strategy and, through improving on its service system, increase its voyages, thereby further optimizing the Huanghai and Bohai branch network.
- In respect of sea-to-rail intermodal transportation, it will further improve its inland multi-modal transportation system by strengthening cooperation with railways and negotiating for favorable policies. It will stretch its reach to major cargo ports across the country and build up a south-north logistic passage, while launching innovative sea-to-rail products to enhance competitiveness in this endeavor.
- In terms of specialized logistics, the Group will further develop innovative services and products and extend its services' functionality conforming with its overall deployment in order to forge a supply chain stretching from the origin to end-users and implement the transition and upgrade of ports with higher quality and efficiency.

Automobile Terminal Segment

- Working with shippers and logistics companies, the Group will develop the market for domestic trading and attract potential customers and their loyalty in order to ensure the stability of the south-north seaborne passage and further enhance port throughput.
- The Group will continue to promote the establishment of automobile logistics system and improve its terminal service functionality to enhance competitiveness.

Ore Segment

- The Group will build on the basic port of VALEMAX and improve its regional ore distribution service system. Through the establishment of ports along Bohai rim region and the formation of alliances on bulk cargo liners (feeder ships), the Group will be able to effectively compress the overall logistics cost so as to comprehensively enhance the iron ore distribution service system with the Group being the center. (VALEMAX (also known as Chinamax) liners are very large ore carriers (VLOC) of 400,000-tonne deadweight designed by Vale S.A.)
- Leveraging the service brand Dalian Standard Mine, the Group will expand channels to trade and sell blended ore and relevant marketing in order to enhance the distribution function and service scope of its ore mixing business in order to establish the service brand of "personalized customization of ore mixing".
- The Group will capitalize on the advantages from deep berths, bonded trans-shipment, blending at ports and others to attract voyages and further enlarge its market share.
- Putting into play the delivery storage platform for iron ore futures (bonded), the Group will reduce ore procurement costs and mitigate pressure on capital of steel plants through valued-added services.

Management Discussion and Analysis

General Cargo Segment

- The Group will strengthen cooperation with ports and railways and negotiate preferential railway rates to integrated logistics costs and enhance competitiveness.
- Carrying further its business philosophy of “running shipping routes on shiftwork” and benefiting from the favorable policy of lower railway rates coming into force, the Group will attract demand for cargo transport its routes able to match and strive to launch shiftwork routes for foreign steel trading.
- The advantage of “port combinations” in cooperation with nearby ports will be further developed to gain usage of handling services from nearby coal companies and further enlarge volume of onshore coal transshipment.
- The Group will secure progress in near-port projects by promptly understanding needs of subsequent projects and further expanding areas and scope of cooperation.

Bulk Grain Segment

- The Group will continue to gain customers transporting imported soy bean while reinforcing existing cooperation to further enlarge the portion of transshipment for imports.
- The Group will spare no effort in gaining patronage of grains by paying constant attention to changes in national policy and market news such as grain auctions and grains coming on the market.
- Through frequent visits to companies in the region, the Group will diversify its capability and develop new customers and their usage of services.

Passenger and Ro-Ro Segment

- The Group will strive to enhance its departure services for international cruises, while accelerating marketing for its cruise service brand and establishing a cruise travelling brand by developing the “Cruise+” leisure travelling model.
- The Group will put the “internet+port” strategy into thorough implementation. With regard to passengers, it will spread the coverage of the existing ticket sales system to port areas and make extra effort in establishing an integrated e-ticket system to promote sales online and on mobile devices. With regard to vehicle freight, it will construct a ro-ro logistics information platform and consolidate resources for ro-ro logistics by applying the internet and big data so as to extend its logistic supply chain and capture new business opportunities.

Value-added Services Segment

- The Group will expand its voyage-charter and domestic coastal tugging services to develop revenue sources and therefore revenue.
- The Group will devote greater effort to the development of services for the Yangtze River, Shandong Peninsula and Fujian ports in order to acquire new opportunities for business cooperation.
- With respect to reducing dispatching costs, the Group will optimize the deployment of its tugboats in ports by making reasonable adjustment to the number of tugboats stationed at each base.

Other Information

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS

As at 30 June 2016, 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 (“**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 they apply 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 2016.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

According to Corporate Governance Code E.1.1, persons proposed to be appointed as directors at a general meeting should be nominated by means of separate resolutions. At the AGM held on 28 June 2016, Mr. BAI Jingtao and Mr. ZHENG Shaoping were appointed as non-executive Directors by a single resolution, as the Company’s controlling shareholder Dalian Port Corporation Limited (“PDA”) and China Merchants Holdings (International) Company Limited (the “First Tranche Investor”) held more than 50% of the voting rights at the Company’s general meeting in aggregate and PDA has undertaken to appoint two directors nominated by the First Tranche Investor. As there would be sufficient votes for approving the two proposed appointments, a single resolution was proposed to enable the AGM to be conducted in an efficient manner. Nevertheless, going forward, directors shall be elected by means of separate resolutions to strictly comply with Code Provision E.1.1.

Other than the above the Company complied with the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the six months ended 30 June 2016, and so far as known to the Directors of the Company, there was no material deviation from the code.

Other Information

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2016, the Company had not redeemed any of its listed securities, and neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities.

INTERIM DIVIDENDS

The Board did not consider or recommend the payment of any interim dividend for the six months ended 30 June 2016.

AUDIT COMMITTEE

The audit committee consists of Mr. WANG Zhifeng, an independent non-executive Director, Mr. YIN Shihui, a non-executive Director, and Mr. WAN Kam To, Peter, an independent non-executive Director and its chairman. The audit committee has reviewed the interim results for the six months ended 30 June 2016.

INFORMATION ON SHARE CAPITAL AND SHAREHOLDERS OF THE COMPANY

The share capital structure of the Company as at 30 June 2016 is set out in the table below:

Type of shares	Number of shares (shares)	Percentage (%)
A share	3,363,400,000	59.99
H share	2,242,920,000	40.01
Total	5,606,320,000	100.00

Other Information

Shareholdings of shareholders with notifiable interests

As at 30 June 2016, 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	H Shares	255,760,000 (long position)	Beneficial owner	11.40%	4.56%
N.Y.K. Line (Hong Kong) Limited	H Shares	114,800,000 (long position)	Beneficial owner	5.12%	2.05%
N.Y.K. Line Group (Hong Kong) Limited	H Shares	114,800,000 (long position)	Interest of controlled corporation ³	5.12%	2.05%
Nippon Yusen Kabushiki Kaisha	H Shares	114,800,000 (long position)	Interest of controlled corporation ³	5.12%	2.05%
China Merchants Group Limited	H Shares	1,180,320,000 (long position)	Interest of controlled corporation ⁴	52.62%	21.05%
China Merchants Steam Navigation Company Limited	H Shares	1,180,320,000 (long position)	Interest of controlled corporation ⁴	52.62%	21.05%
China Merchants Holdings (Hong Kong) Company Limited	H Shares	1,180,320,000 (long position)	Interest of controlled corporation ⁴	52.62%	21.05%
China Merchants Union (BVI) Limited	H Shares	1,180,320,000 (long position)	Interest of controlled corporation ⁴	52.62%	21.05%
China Merchants Holdings (International) Company Limited	H Shares	1,180,320,000 (long position)	Interest of controlled corporation ⁴	52.62%	21.05%
Team Able International Limited	H Shares	1,180,320,000 (long position)	Beneficial owner ⁴	52.62%	21.05%

Other Information

Notes:

1. Number of shares in the relevant class of share capital: A shares – 3,363,400,000, H shares – 2,242,920,000.
2. Total number of shares of share capital: 5,606,320,000.
3. N.Y.K. Line (Hong Kong) Limited is wholly owned by N.Y.K. Line Group (Hong Kong) Limited, which is in turn wholly owned by Nippon Yusen Kabushiki Kaisha.
4. Team Able International Limited is wholly owned by China Merchants Holdings (International) Company Limited, which is in turn owned as to 35.07% by China Merchants Union (BVI) Limited, an entity which is owned as to 50% by China Merchants Holdings (Hong Kong) Company Limited. China Merchants Holdings (Hong Kong) Company Limited is a wholly owned subsidiary of China Merchants Steam Navigation Company Limited, which is wholly owned by China Merchants Group Limited. Under the SFO, China Merchants Group Limited, China Merchants Steam Navigation Company Limited, China Merchants Holdings (Hong Kong) Company Limited, China Merchants Union (BVI) Limited and China Merchants Holdings (International) Company Limited are therefore deemed to be interested in all the Shares registered in the name of Team Able International Limited, which holds 1,180,320,000 Shares in the Company.

Save as disclosed above, as at 30 June 2016, 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 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.

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS AND SUPERVISORS

As at 30 June 2016, the members of the fourth session of Board included Mr. HUI Kai and Mr. WEI Minghui as executive Directors, Mr. BAI Jingtao, Mr. XU Song, Mr. ZHENG Shaoping 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 fourth session of the Company's supervisory committee included Mr. JIA Wenjun, Mr. QI Yue, Mr. KONG Xianjing, Mr. JIAO Yingguang and Ms. ZHAO Rong.

For the six months ended 30 June 2016, there was no change to information of the above directors or supervisors which had been disclosed by the Company pursuant to (a) to (e) and (g) of Rule 13.51 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 responsibility. 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 implements each of the national and local requirements for management of work place safety, and continuously improve the implementation of safety accountability system at all levels, so as to ensure safe production is maintained.

As at 30 June 2016, the Group had a total of 6,765 full-time employees, and the total number of employees of the Group and its investees was 10,666.

Report on Review of Financial Statements

PwC ZT Yue Zi (2016) No. 048

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

We have reviewed the accompanying interim financial statements of Dalian Port (PDA) Company Limited (hereinafter “Dalian Port”), which comprise the consolidated and company balance sheets as at 30 June 2016, 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 six month period then ended, and the notes to the interim financial statements. Management of Dalian Port is responsible for the preparation and fair presentation of these interim financial statements in accordance with the requirements of Accounting Standards for Business Enterprises. Our responsibility is to express a conclusion on these interim financial statements based on our review.

We conducted our review in accordance with *China Standards on Review Engagement No. 2101 – Review of Financial Statements*. Those standards require that we plan and perform the review to obtain limited assurance about whether the interim financial statements are free from material misstatements. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with China Standards on Auditing. As we do not perform an audit on the interim financial statements, we do not express an audit opinion accordingly.

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements do not present fairly, in all material respects, the consolidated and company’s financial position of Dalian Port as at 30 June 2016, and their financial performance and cash flows for the six month period then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

PricewaterhouseCoopers Zhong Tian LLP

Certified Public Accountant
Dorman Kwan

Shanghai, the People’s Republic of China
25 August 2016

Certified Public Accountant
Xinyu Xue

The Report is accompanied with an anti-counterfeiting number 2016S40242. Please visit the website of Liaoning Certified Public Accountant Association at www.lncpa.org.cn for detail information.

Consolidated Balance Sheet (Unaudited)

As at 30 June 2016
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

	Note	30 June 2016 Consolidated (Unaudited)	31 December 2015 Consolidated
ASSETS			
Current assets			
Cash at bank and on hand	4(1)	6,070,802,142.10	2,933,297,517.35
Financial assets at fair value through profit or loss	4(2)	33,973,849.59	16,179,169.50
Notes receivable	4(3)	71,502,992.10	81,250,783.25
Accounts receivable	4(6)	933,237,865.00	821,726,759.91
Advances to suppliers	4(8)	307,887,630.82	310,199,461.71
Interest receivable	4(5)	10,889,507.31	10,165,145.48
Dividends receivable	4(4)	27,758,839.44	22,956,917.66
Other receivables	4(7)	1,016,936,293.71	968,861,537.41
Inventories	4(9)	700,292,102.07	936,271,014.10
Current portion of non-current assets	4(10)	–	65,820,000.00
Other current assets	4(11)	443,609,867.92	91,954,813.36
Total current assets		9,616,891,090.06	6,258,683,119.73
Non-current assets			
Available-for-sale financial assets	4(12)	153,586,303.99	154,014,686.92
Long-term receivables	4(13)	6,000,000.00	18,018,915.80
Long-term equity investments	4(14)	4,834,099,716.15	4,731,659,905.46
Investment properties	4(15)	654,533,061.46	663,610,456.30
Fixed assets	4(16)	14,167,253,965.60	14,333,551,893.37
Construction in progress	4(17)	1,625,792,151.17	1,837,213,589.39
Fixed assets pending for disposal	4(18)	3,977,940.99	3,100,470.31
Intangible assets	4(19)	1,012,857,579.21	881,523,132.83
Goodwill	4(20)	16,035,288.74	16,035,288.74
Long-term prepaid expenses	4(21)	49,018,590.31	52,028,185.59
Deferred tax assets	4(22)	62,286,283.81	61,839,973.50
Other non-current assets	4(23)	135,051,514.89	118,610,000.00
Total non-current assets		22,720,492,396.32	22,871,206,498.21
TOTAL ASSETS		32,337,383,486.38	29,129,889,617.94

Consolidated Balance Sheet (Unaudited) (continued)

As at 30 June 2016

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

	Note	30 June 2016 Consolidated (Unaudited)	31 December 2015 Consolidated
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	4(25)	512,379,841.05	601,694,492.83
Notes payable	4(26)	–	12,940,000.00
Accounts payable	4(27)	322,659,350.81	233,398,574.75
Advances from customers	4(28)	454,218,658.54	448,542,346.12
Employee benefits payable	4(29)	109,707,178.02	214,209,719.42
Taxes payable	4(30)	63,543,760.76	61,070,098.34
Interest payable	4(31)	159,116,843.26	143,719,858.67
Dividends payable	4(32)	487,819,064.20	67,388,950.20
Other payables	4(33)	524,670,710.71	585,807,063.52
Current portion of non-current liabilities	4(34)	1,740,307,082.76	527,771,479.16
Other current liabilities	4(35)	2,050,023,790.24	2,014,689,463.02
Total current liabilities		6,424,446,280.35	4,911,232,046.03
Non-current liabilities			
Long-term borrowings	4(36)	652,010,023.77	2,351,010,023.77
Bonds payable	4(37)	5,772,174,214.90	5,763,754,605.64
Long-term payables	4(38)	50,248,936.66	55,021,113.62
Deferred income	4(39)	541,486,403.43	565,081,808.69
Deferred tax liabilities	4(22)	11,975,130.02	11,731,632.17
Other non-current liabilities	4(40)	76,161,909.86	102,772,498.43
Total non-current liabilities		7,104,056,618.64	8,849,371,682.32
Total liabilities		13,528,502,898.99	13,760,603,728.35

Consolidated Balance Sheet (Unaudited) (continued)

As at 30 June 2016
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

	Note	30 June 2016 Consolidated (Unaudited)	31 December 2015 Consolidated
Shareholders' equity			
Share capital	4(41)	5,606,320,000.00	4,426,000,000.00
Capital surplus	4(42)	8,532,742,627.94	6,117,565,754.62
Other comprehensive income	4(43)	32,011,889.19	27,023,577.28
Surplus reserve	4(44)	623,925,889.68	623,925,889.68
Specific reserve		32,171,034.99	23,729,633.11
Undistributed profits	4(45)	2,620,842,368.57	2,820,227,405.53
Total equity attributable to shareholders of the Company		17,448,013,810.37	14,038,472,260.22
Minority interests	4(46)	1,360,866,777.02	1,330,813,629.37
Total shareholders' equity		18,808,880,587.39	15,369,285,889.59
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		32,337,383,486.38	29,129,889,617.94

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

Legal representative:
Hu 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 2016
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Note	For the six months ended 30 June 2016 Consolidated (Unaudited)	For the six months ended 30 June 2015 Consolidated (Unaudited)
1. Revenue	4(47)	6,480,216,397.27	4,098,342,144.48
Less: Cost of sales	4(47)	(5,768,556,814.06)	(3,383,245,327.71)
Taxes and surcharges	4(48)	(14,150,603.39)	(18,856,891.30)
Selling and distribution expenses	4(49)	(722,609.09)	(525,075.34)
General and administrative expenses	4(50)	(299,623,883.73)	(277,057,668.19)
Financial expenses – net	4(51)	(202,873,286.85)	(266,084,929.94)
Add: Profit arising from changes in fair value	4(53)	17,862,135.09	4,224,613.40
Investment income	4(54)	55,648,126.15	121,252,686.91
		47,176,370.19	62,510,171.74
Including: Share of profit of associates and joint ventures			
2. Operating profit		267,799,461.39	278,049,552.31
Add: Non-operating income	4(55)	63,906,343.40	125,418,244.68
Including: Gains on disposal of non-current assets		99,742.51	343,876.19
Less: Non-operating expenses	4(56)	(98,097.32)	(528,915.27)
Including: Losses on disposal of non-current assets		(31,747.48)	(252,167.18)
3. Total profit		331,607,707.47	402,938,881.72
Less: Income tax expenses	4(57)	(78,480,730.47)	(84,300,137.04)
4. Net profit		253,126,977.00	318,638,744.68
Attributable to shareholders of the Company		221,088,963.04	286,032,557.36
Minority interests		32,038,013.96	32,606,187.32

Consolidated Income Statement (Unaudited) (continued)

For the six months ended 30 June 2016
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Note	For the six months ended 30 June 2016 Consolidated (Unaudited)	For the six months ended 30 June 2015 Consolidated (Unaudited)
5. Other comprehensive income, net of tax	4(43)	4,988,311.91	199,661.90
Attributable to shareholders of the Company, net of tax		4,988,311.91	199,661.90
Other comprehensive income that will be reclassified to profit or loss in subsequent periods			
Shares of other comprehensive income that will be reclassified to profit or loss of investee under equity method		-	334,624.05
Changes in fair value of available-for-sale financial assets		(2,515,639.28)	376,267.24
Difference on translation of foreign currency financial statements		7,503,951.19	(511,229.39)
Attributable to minority interests, net of tax		-	-
6. Total comprehensive income		258,115,288.91	318,838,406.58
Attributable to shareholders of the Company		226,077,274.95	286,232,219.26
Attributable to minority interests of the Company		32,038,013.96	32,606,187.32
7. Earnings per share	4(58)		
Basic earnings per share (RMB Yuan)		0.02	0.03
Diluted earnings per share (RMB Yuan)		0.02	0.03

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

Legal representative:
Hu 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 2016
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Note	For the six months ended 30 June 2016 Consolidated (Unaudited)	For the six months ended 30 June 2015 Consolidated (Unaudited)
1. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		7,030,932,095.52	4,149,438,711.59
Refund of taxes and surcharges		2,155,613.50	6,691.18
Cash received relating to other operating activities	4(59)(a)	169,964,546.31	212,679,333.97
Sub-total of cash inflows		7,203,052,255.33	4,362,124,736.74
Cash paid for goods and services		(5,367,605,033.68)	(2,768,568,636.23)
Cash paid to and on behalf of employees		(790,316,666.99)	(729,500,582.85)
Payments of taxes and surcharges		(156,580,838.38)	(155,571,577.39)
Cash paid relating to other operating activities	4(59)(b)	(113,503,177.58)	(89,176,186.56)
Sub-total of cash outflows		(6,428,005,716.63)	(3,742,816,983.03)
Net cash flows from operating activities	4(60)(a)	775,046,538.70	619,307,753.71
2. Cash flows from investing activities			
Cash received from disposal of investments		435,712,215.58	796,452,485.71
Cash received from returns on investments		24,411,206.69	43,614,178.36
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1,229,627.64	1,301,025.89
Cash received relating to other investing activities	4(59)(c)	232,397,755.35	56,940,587.21
Sub-total of cash inflows		693,750,805.26	898,308,277.17
Cash paid to acquire fixed assets, intangible assets and other long-term assets		(178,342,151.77)	(999,302,572.67)
Cash paid to acquire investments		(698,901,535.00)	(446,088,234.12)
Cash paid relating to other investing activities	4(59)(d)	(247,406,212.29)	(78,555,510.93)
Sub-total of cash outflows		(1,124,649,899.06)	(1,523,946,317.72)
Net cash flows from investing activities		(430,899,093.80)	(625,638,040.55)

Consolidated Cash Flow Statement (Unaudited) (continued)

For the six months ended 30 June 2016
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Note	For the six months ended 30 June 2016 Consolidated (Unaudited)	For the six months ended 30 June 2015 Consolidated (Unaudited)
3. Cash flows from financing activities			
Cash received from capital contributions		3,606,890,783.11	32,600,875.00
Including: Cash received from capital contributions by minority shareholders of subsidiaries		9,800,000.00	32,600,875.00
Cash received from borrowings		1,150,972,443.49	1,243,466,576.00
Cash received from issuance of bonds		-	800,000,000.00
Cash received relating to other financing activities	4(59)(e)	9,800,000.00	439,999.52
Sub-total of cash inflows		4,767,663,226.60	2,076,507,450.52
Cash repayments of borrowings		(1,802,965,914.58)	(1,876,207,727.42)
Cash payments for interest expenses and distribution of dividends or profits		(233,494,778.37)	(238,006,160.28)
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries		(12,815,158.03)	(9,743,699.20)
Cash payments relating to other financing activities	4(59)(f)	(11,293,187.93)	(5,594,103.03)
Sub-total of cash outflows		(2,047,753,880.88)	(2,119,807,990.73)
Net cash flows from financing activities		2,719,909,345.72	(43,300,540.21)
4. Effect of foreign exchange rate changes on cash and cash equivalents			
		58,434,291.72	(9,761,159.79)
5. Net increase/(decrease) in cash and cash equivalents			
Add: Cash and cash equivalents at beginning of period	4(60)(a)	3,122,491,082.34	(59,391,986.84)
		2,728,928,183.51	2,247,075,590.78
6. Cash and cash equivalents at end of period			
	4(60)(a)	5,851,419,265.85	2,187,683,603.94

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

Legal representative:
Hu 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 2016
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Note	Attributable to shareholders of the Company							Total shareholders' equity
		Share capital	Capital surplus	Other comprehensive income	Surplus reserve	Specific reserve	Undistributed profits	Minority interests	
Balance at 1 January 2015		4,426,000,000.00	6,122,277,019.87	7,123,380.72	579,682,823.85	16,354,483.20	2,559,058,167.36	1,273,510,752.83	14,984,006,627.83
Total comprehensive income		-	-	199,661.90	-	-	286,032,557.36	32,606,187.32	318,838,406.58
Net profit		-	-	-	-	-	286,032,557.36	32,606,187.32	318,838,744.68
Other comprehensive income	4(43)	-	-	199,661.90	-	-	-	-	199,661.90
Capital contribution and withdrawal by shareholders		-	-	-	-	-	-	32,600,875.00	32,600,875.00
Subscribed capital contribution by minority shareholders		-	-	-	-	-	-	4,600,875.00	4,600,875.00
Disposal of minority interests		-	-	-	-	-	-	28,000,000.00	28,000,000.00
Profit distribution	4(45)	-	-	-	-	-	(177,040,000.00)	(11,586,010.00)	(188,626,010.00)
Profit distribution to shareholders		-	-	-	-	-	(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 the current period		-	-	-	-	14,754,873.32	-	1,451,746.21	16,206,619.53
Utilised in the current period		-	-	-	-	(3,896,131.46)	-	(77,071.00)	(3,973,202.46)
Others	4(42)	-	748,185.03	-	-	-	-	-	748,185.03
Balance at 30 June 2015 (Unaudited)		4,426,000,000.00	6,123,025,204.90	7,323,042.62	579,682,823.85	27,213,225.06	2,668,050,724.72	1,328,506,480.36	15,159,801,501.51
Balance at 1 January 2016		4,426,000,000.00	6,117,565,754.62	27,023,577.28	623,925,889.68	23,729,633.11	2,820,227,405.53	1,330,813,629.37	15,369,285,889.59
Total comprehensive income		-	-	4,988,311.91	-	-	221,088,963.04	32,038,013.96	258,115,288.91
Net profit		-	-	-	-	-	221,088,963.04	32,038,013.96	253,126,977.00
Other comprehensive income	4(43)	-	-	4,988,311.91	-	-	-	-	4,988,311.91
Capital contribution and withdrawal by shareholders		1,180,320,000.00	2,413,472,697.86	-	-	-	-	9,800,000.00	3,603,592,697.86
Establishment of subsidiaries		-	-	-	-	-	-	9,800,000.00	9,800,000.00
Capital contribution by shareholders		1,180,320,000.00	2,413,472,697.86	-	-	-	-	-	3,593,792,697.86
Profit distribution	4(45)	-	-	-	-	-	(420,474,000.00)	(12,815,158.03)	(433,289,158.03)
Profit distribution to shareholders		-	-	-	-	-	(420,474,000.00)	(12,815,158.03)	(433,289,158.03)
Specific reserve		-	-	-	-	8,441,401.88	-	1,030,291.72	9,471,693.60
Accruals in the current period		-	-	-	-	13,776,434.34	-	1,322,919.00	15,099,353.34
Utilised in the current period		-	-	-	-	(5,335,032.46)	-	(292,627.28)	(5,627,659.74)
Others	4(42)	-	1,704,175.46	-	-	-	-	-	1,704,175.46
Balance at 30 June 2016 (Unaudited)		5,606,320,000.00	8,532,742,627.94	32,011,889.19	623,925,889.68	32,171,034.99	2,620,842,368.57	1,360,866,777.02	18,808,880,587.39

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

Legal representative:
Hu Kai

Principal in charge of accounting:
Li Yu

Head of accounting department:
Li Yu

Company Balance Sheet (Unaudited)

For the six months ended 30 June 2016
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

	Note	30 June 2016 Company (Unaudited)	31 December 2015 Company
ASSETS			
Current assets			
Cash at bank and on hand		4,125,526,145.68	762,617,453.11
Financial assets at fair value through profit or loss	17(1)	13,811,458.00	16,179,169.50
Notes receivable		61,609,338.16	70,752,136.53
Accounts receivable	17(2)	615,922,994.71	604,181,704.13
Advances to suppliers		21,097,736.22	8,455,263.12
Interest receivable		10,466,866.13	9,284,624.89
Dividends receivable		661,007,203.10	632,101,224.04
Other receivables	17(3)	716,710,470.59	699,598,239.30
Inventories		49,576,730.77	48,611,513.93
Current portion of non-current assets		600,000,000.00	65,820,000.00
Other current assets		350,089,042.33	1,325,794.87
Total current assets		7,225,817,985.69	2,918,927,123.42
Non-current assets			
Available-for-sale financial assets	17(4)	13,900,057.50	13,900,057.50
Long-term receivables		243,472,054.79	1,110,000,000.00
Long-term equity investments	17(5)	7,529,071,469.96	7,582,403,325.00
Fixed assets	17(6)	11,101,982,900.64	11,186,682,178.80
Construction in progress	17(7)	1,390,661,442.95	1,485,645,240.06
Fixed assets pending for disposal		3,916,884.36	3,100,470.31
Intangible assets	17(8)	432,217,779.85	430,005,207.59
Long-term prepaid expenses		18,506,958.56	20,798,333.44
Deferred tax assets		3,979,138.18	2,600,895.71
Other non-current assets		118,610,000.00	118,610,000.00
Total non-current assets		20,856,318,686.79	21,953,745,708.41
TOTAL ASSETS		28,082,136,672.48	24,872,672,831.83

Company Balance Sheet (Unaudited) (continued)

For the six months ended 30 June 2016
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

	Note	30 June 2016 Company (Unaudited)	31 December 2015 Company
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Notes payable		–	12,140,000.00
Accounts payable		33,499,775.00	27,673,362.29
Advances from customers		18,165,732.62	19,304,602.94
Employee benefits payable		43,545,723.73	109,004,368.67
Taxes payable		30,229,477.13	9,666,795.36
Interest payable		145,577,599.24	129,842,818.38
Dividends payable		420,474,000.00	–
Other payables		301,863,344.46	341,572,687.88
Current portion of non-current liabilities		1,700,000,000.00	500,000,000.00
Other current liabilities		2,050,023,790.24	2,014,689,463.02
Total current liabilities		4,743,379,442.42	3,163,894,098.54
Non-current liabilities			
Long-term borrowings		600,000,000.00	2,300,000,000.00
Bonds payable		4,984,490,473.77	4,979,878,964.06
Deferred income		519,329,829.91	537,006,884.92
Other non-current liabilities		76,161,909.86	102,743,355.00
Total non-current liabilities		6,179,982,213.54	7,919,629,203.98
Total liabilities		10,923,361,655.96	11,083,523,302.52
Shareholders' equity			
Share capital		5,606,320,000.00	4,426,000,000.00
Capital surplus	17(10)	8,645,107,411.19	6,230,896,469.59
Surplus reserve		579,045,626.93	579,045,626.93
Specific reserve		23,678,545.29	17,836,514.63
Undistributed profits	17(11)	2,304,623,433.11	2,535,370,918.16
Total shareholders' equity		17,158,775,016.52	13,789,149,529.31
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		28,082,136,672.48	24,872,672,831.83

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

Legal representative:
Hu 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 2016

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

Item	Note	For the six months ended 30 June 2016 Company (Unaudited)	For the six months ended 30 June 2015 Company (Unaudited)
1. Revenue	17(12)	1,448,069,433.87	1,499,327,375.71
Less: Cost of sales	17(12)	(999,359,323.91)	(1,021,575,857.00)
Taxes and surcharges		(4,978,858.14)	(8,515,579.90)
General and administrative expenses		(167,079,168.95)	(149,347,025.09)
Financial expenses – net	17(13)	(157,813,376.23)	(225,515,739.70)
Add: (Losses)/gains on changes in fair value	17(15)	(2,300,256.50)	4,224,613.40
Investment income	17(16)	80,341,691.67	121,565,093.48
Including: Share of profit of associates and joint ventures		50,633,240.28	46,110,485.03
2. Operating profit		196,880,141.81	220,162,880.90
Add: Non-operating income		16,883,025.56	26,436,955.65
Including: Gains on disposal of non-current assets		27,200.00	1,452.22
Less: Non-operating expenses		(5,224.42)	(349,159.53)
Including: Losses on disposal of non-current assets		–	(91,638.04)
3. Total profit		213,757,942.95	246,250,677.02
Less: Income tax expenses	17(17)	(24,031,428.00)	(32,853,062.75)
4. Net profit		189,726,514.95	213,397,614.27
5. Other comprehensive income, net of tax		–	–
6. Total comprehensive income		189,726,514.95	213,397,614.27

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

Legal representative:

Hu 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 2016
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Note	For the six months ended 30 June 2016 Company (Unaudited)	For the six months ended 30 June 2015 Company (Unaudited)
1. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		1,457,124,168.43	1,395,943,345.89
Cash received relating to other operating activities		15,429,447.67	31,430,855.36
Sub-total of cash inflows		1,472,553,616.10	1,427,374,201.25
Cash paid for goods and services		(451,016,997.97)	(508,485,598.03)
Cash paid to and on behalf of employees		(513,140,859.79)	(367,957,872.88)
Payments of taxes and surcharges		(47,731,524.03)	(73,883,063.81)
Cash paid relating to other operating activities		(37,075,415.76)	(184,401,399.41)
Sub-total of cash outflows		(1,048,964,797.55)	(1,134,727,934.13)
Net cash flows from operating activities	17(18)	423,588,818.55	292,646,267.12
2. Cash flows from investing activities			
Cash received from disposal of investments		615,918,990.00	1,162,700,216.05
Cash received from returns on investments		39,593,535.30	86,514,125.07
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		5,200.00	2,500.00
Net cash received from disposal of subsidiaries and other business units		95,640,138.66	–
Cash received relating to other investing activities		1,214,154.35	1,271,400.00
Sub-total of cash inflows		752,372,018.31	1,250,488,241.12
Cash paid to acquire fixed assets, intangible assets and other long-term assets		(133,288,716.60)	(945,848,749.52)
Cash paid to acquire investments		(637,031,535.00)	(761,970,875.00)
Cash paid relating to other investing activities		(599,289.74)	(739,999.02)
Sub-total of cash outflows		(770,919,541.34)	(1,708,559,623.54)
Net cash flows from investing activities		(18,547,523.03)	(458,071,382.42)

Company Cash Flow Statement (Unaudited) (continued)

For the six months ended 30 June 2016
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Note	For the six months ended 30 June 2016 Company (Unaudited)	For the six months ended 30 June 2015 Company (Unaudited)
3. Cash flows from financing activities			
Cash received from capital contributions		3,597,090,783.11	–
Cash received relating to other financing activities		–	439,999.52
Sub-total of cash inflows		3,597,090,783.11	439,999.52
Cash repayments of borrowings		(500,000,000.00)	–
Cash payments for interest expenses and distribution of dividends or profits		(191,569,431.40)	(154,685,803.77)
Cash payments relating to other financing activities		(3,298,085.25)	–
Sub-total of cash outflows		(694,867,516.65)	(154,685,803.77)
Net cash flows from financing activities		2,902,223,266.46	(154,245,804.25)
4. Effect of foreign exchange rate changes on cash and cash equivalents			
		56,258,995.20	–
5. Net increase/(decrease) in cash and cash equivalents			
Add: Cash and cash equivalents at beginning of period	17(18)	3,363,523,557.18	(319,670,919.55)
		761,304,650.74	966,868,460.45
6. Cash and cash equivalents at end of period			
	17(18)	4,124,828,207.92	647,197,540.90

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

Legal representative:
Hu 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 2016
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Note	Share capital	Capital surplus	Surplus reserve	Specific reserve	Undistributed profits	Total shareholders' equity
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	17(11)	-	-	-	-	(177,040,000.00)	(177,040,000.00)
Profit distribution to shareholders		-	-	-	-	(177,040,000.00)	(177,040,000.00)
Specific reserve		-	-	-	7,620,382.17	-	7,620,382.17
Accruals in the current period		-	-	-	10,883,752.44	-	10,883,752.44
Utilised in the current period		-	-	-	(3,263,370.27)	-	(3,263,370.27)
Others	17(10)	-	748,185.03	-	-	-	748,185.03
Balance at 30 June 2015 (Unaudited)		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
Balance at 1 January 2016		4,426,000,000.00	6,230,896,469.59	579,045,626.93	17,836,514.63	2,535,370,918.16	13,789,149,529.31
Total comprehensive income		-	-	-	-	189,726,514.95	189,726,514.95
Net profit		-	-	-	-	189,726,514.95	189,726,514.95
Capital contribution and withdrawal by shareholders	17(10)	1,180,320,000.00	2,413,472,697.86	-	-	-	3,593,792,697.86
Capital contribution by shareholders		1,180,320,000.00	2,413,472,697.86	-	-	-	3,593,792,697.86
Profit distribution	17(11)	-	-	-	-	(420,474,000.00)	(420,474,000.00)
Profit distribution to shareholders		-	-	-	-	(420,474,000.00)	(420,474,000.00)
Specific reserve		-	-	-	5,842,030.66	-	5,842,030.66
Accruals in the current period		-	-	-	10,080,656.23	-	10,080,656.23
Utilised in the current period		-	-	-	(4,238,625.57)	-	(4,238,625.57)
Others	17(10)	-	738,243.74	-	-	-	738,243.74
Balance at 30 June 2016 (Unaudited)		5,606,320,000.00	8,645,107,411.19	579,045,626.93	23,678,545.29	2,304,623,433.11	17,158,775,016.52

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

Legal representative:
Hu 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 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]*

1 General information

Dalian Port (PDA) Company Limited (“the Company”) is a limited liability company jointly established by Dalian Port 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. On 6 December 2010, the Company was listed on Shanghai Stock Exchange. 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. As at 30 June 2016, the Company’s share capital totalled RMB5,606,320,000 with a par value of RMB1.00 each.

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as “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 scope of consolidation in the current period are listed in Note 6, and those newly included in the consolidation scope for the period are Dalian Jifa Nan’an International Logistics Co., Ltd., Dalian Hongyang International Logistics Co., Ltd. and Dalian Port Lianheng Supply Chain Management Co., Ltd. Such subsidiaries as Dalian Ganghang Tendering & Bidding Agency Co., Ltd. and Dalian Gangyue Car-carrying Vessel Management Co., Ltd. are ceased to be included in the consolidation scope. Please see Note 5.

These financial statements are approved and authorised for issue by the Company’s Board of Directors on 25 August 2016.

These interim financial statements are unaudited.

2 Summary of significant accounting policies and accounting estimates

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

The critical judgements made by the Group in determining significant accounting estimates are detailed in Note 2(29).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(1) Basis of preparation

The financial statements are prepared in accordance with the *Accounting Standard for Business Enterprises – Basic Standard*, and the specific accounting standards and other relevant regulations issued by the Ministry of Finance on 15 February 2006 and in subsequent periods (hereinafter collectively referred to as “the Accounting Standards for Business Enterprises” or “CAS”) and the disclosure requirements in the *Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15 – General Rules on Financial Reporting* issued by China Securities Regulatory Commission.

The financial statements are prepared on a going concern basis.

The new Hong Kong Companies Ordinance (Chapter 633 of the laws of Hong Kong) has become effective since 2014 and certain disclosures in the financial statements have been adjusted in accordance with requirements therein.

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

The financial statements of the Company for the six months ended 30 June 2016 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the financial position of the consolidated and the Company as at 30 June 2016 and of their financial performance, cash flows and other information for the six-month period then ended.

(3) Accounting year

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

(4) Recording currency

The recording currency is Renminbi (RMB).

(5) Business combinations

(a) *Business combinations involving enterprises under common control*

The consideration paid and net assets obtained by the absorbing party in a business combination are measured at the carrying amount. The difference between the carrying amount of the net assets obtained from the combination and the carrying amount of the consideration paid for the combination is treated as an adjustment 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 combination are included in profit or loss in the period in which they are incurred. Transaction costs associated with the issue of equity or debt securities for the business combination are included in the initially recognised amounts of the equity or debt securities.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(5) Business combinations (continued)

(b) Business combinations involving enterprises not under common control

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

(6) Preparation of consolidated financial statements

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

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

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

All significant intra-group balances, transactions and unrealised profits are eliminated in the consolidated financial statements. The portion of subsidiaries' shareholders' equity and the portion of subsidiaries' net profits and losses and comprehensive income for the period not attributable to the Company are recognised as minority interests, net profit attributed to minority interests and total comprehensive income attributed to minority interests and presented separately in the consolidated financial statements under shareholders' equity, net profits and total comprehensive income respectively. If the subsidiaries' loss for the current period attributed to the minority shareholders exceed the minority interests brought down, the amount will be deducted from the minority interests. Unrealised profits and losses resulting from the sale of assets by the Company to its subsidiaries are fully eliminated against net profit attributable to shareholders of the parent. Unrealised profits and losses resulting from the sale of assets by a subsidiary to the Company are eliminated and allocated between net profit attributable to shareholders of the parent and minority interests in accordance with the allocation proportion of the parent in the subsidiary. Unrealised profits and losses resulting from the sale of assets by one subsidiary to another are eliminated and allocated between net profit attributable to shareholders of the parent and minority interests in accordance with the allocation proportion of the parent in the seller subsidiary.

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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(7) Cash and cash equivalents

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

(8) Foreign currency translation

(a) Foreign currency transaction

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

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

(b) Translation of foreign currency financial statements

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(9) Financial instruments

(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 and they are presented in the balance sheet as financial assets held for trading.

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 non-derivative financial assets that are either designated in this category or not classified in any of the other categories at initial recognition. 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 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(9) Financial instruments (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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(9) Financial instruments (continued)

(a) Financial assets (continued)

(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, will affect estimated future cash flows of financial assets, and its impact can be reliably measured.

Objective evidence indicating impairment of available-for-sale equity instruments includes a significant or prolonged decline in the fair value of an investment in equity instruments. The Group separately tests the available-for-sale equity instruments at each balance sheet date. If their fair value at the balance sheet date is lower than their initial investment costs for more than 50% (inclusive) or lower than their initial investment costs for the duration of more than 1 year (inclusive), therefore, the impairment loss has occurred. However, if their fair value at the balance sheet date is lower than their initial investment costs for more than 20% (inclusive) but less than 50%, the Group will take into account other factors, such as price volatility in the judgement of impairment loss. The Group calculates the initial investment cost of available-for-sale equity instruments by using the weighted average method.

If an impairment loss on a financial asset carried at amortised cost incurs, 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 measured at fair value incurs, the cumulative losses arising from the decline in fair value that has been recognised directly in equity are transferred out from equity and into impairment loss. 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 and recognised in profit or loss for the current period. 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 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(9) Financial instruments (continued)

(a) Financial assets (continued)

(iv) Derecognition of financial assets

A financial asset is derecognised when any of the below criteria is met: (1) the contractual rights to receive the cash flows from the financial asset expire; (2) 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 (3) 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 the following 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 bonds 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 bonds 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 the financial liability or the derecognised part of the financial liability and the consideration paid is recognised in profit or loss for the current period.

(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. During valuation, the Group uses valuation techniques that are applicable in the current situation and supported by adequate available data and other information, selects inputs with the same characteristics as those of assets or liabilities considered in relevant transactions of assets or liabilities by market participants, and gives priority to the use of relevant observable inputs. The Group uses unobservable inputs when relevant observable inputs are not available or feasible.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(10) Receivables

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

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

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

The criterion for determining “individually significant” amounts is that any individual amount is 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 recognised as low credit risk characteristics according to the transaction nature and historical experience

Methods of determining provision for bad debts by groupings are as follows:

Group 1	Ageing analysis method
Group 2	No provision for bad debts

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(10) Receivables (continued)

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

The provision ratios used under the ageing analysis method for the above groupings are as follows:

Ageing	Provision ratios used for accounts receivable	Provision ratios used for other receivables
Within 1 year	5%	5%
1 to 2 years	10%	10%
2 to 3 years	20%	20%
3 to 5 years	50%	50%
Over 5 years	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.

(11) Inventories

(a) *Classification*

Inventories include raw materials, finished goods and turnover materials, and are measured at the lower of cost and net realisable value. Raw materials mainly comprise fuel and spare parts used in port operation. Finished goods mainly comprise trading goods.

(b) *Costing of inventories*

Cost is determined using the weighted average method. Costs of inventories consist of purchase cost, processing cost and other costs.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(11) Inventories (continued)

(c) Basis for determining net realisable value 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 Company's long-term equity investments in its subsidiaries, and the Group's long-term equity investments in its joint ventures and associates.

Subsidiaries are the investees over which the Company is able to exercise control. A joint venture is a joint arrangement which is structured through a separate vehicle over which the Group has joint control together with other parties and only has rights to the net assets of the arrangement based on legal forms, contractual terms and other facts and circumstances. An associate is the investee that the Group has significant influence on its financial and operating policies.

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

(a) Determination of investment cost

For long-term equity investments acquired through a business combination: for long-term equity investments acquired through a business combination involving enterprises under common control, the investment cost shall be the absorbing party's share of the carrying amount of owners' equity of the party being absorbed at the combination date; for long-term equity investments acquired through a business combination involving enterprises not under common control, the investment cost shall be the combination cost.

For long-term equity investments acquired not through a business combination: for long-term equity investments acquired by payment in 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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(12) Long-term equity investments (continued)

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

Long-term equity investments accounted for using the cost method are measured at the initial investment cost. Cash dividends or profit distributions 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 exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, 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 time of acquisition, the difference is included in profit or loss for the current period 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 the net losses of an investee after the carrying amounts 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. The changes of the Group's share of the investee's owners' equity other than those arising from the net profit or loss, other comprehensive income and profit distribution, are recognised in capital surplus with a corresponding adjustment to the carrying amounts of the long-term equity investment. 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 transactions between the Group and its investees are eliminated in proportion to the Group's equity interest in the investees, based on which the investment gains or losses are recognised. Any losses resulting from transactions between the Group and its investees attributable to asset impairment losses are not eliminated.

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

Control is the power to govern an investee, so as to obtain 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 of an arrangement, which exists only when decisions about the relevant activities 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)).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(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 are 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, terminal facilities 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 determined using the same policies as buildings, terminal facilities or land use rights (Note 2(14) and 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.

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

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

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

(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 time of acquisition. 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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(14) Fixed assets (continued)

(a) Recognition and initial measurement of fixed assets (continued)

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 upon the adjusted carrying amounts over their remaining useful lives.

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

	Estimated useful lives	Estimated net residual values	Annual depreciation rates
Buildings	20 to 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 to 28 years	4% to 5%	3.4% to 5.3%
Loading equipment	10 to 20 years	5% to 10%	4.5% to 9.5%
Transportation equipment	7 to 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 to 11 years	4% to 10%	8.2% to 19.2%

The estimated useful life and the estimated net residual value of a fixed asset and the depreciation method applied to the asset 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)).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(14) Fixed assets (continued)

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

A lease that 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 recorded 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 period of expected use; otherwise, the leased asset is depreciated over the shorter period of the lease term and the expected useful life.

(e) Disposal of fixed assets

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

(15) Construction in progress

Construction in progress is measured at actual cost. Actual cost comprises construction costs, installation costs, borrowing costs that are eligible for capitalisation and other costs necessary to bring the fixed assets ready for their 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 an asset is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(16) Borrowing costs (continued)

For the specific borrowings obtained for the acquisition or construction of an 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 an 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 comprise land use rights, container flat vehicle use rights, software, golf membership identification, sea area use rights, port facility use rights, customer relationships and port information platform. Intangible assets are measured at cost. The intangible assets contributed by the State shareholders at the reorganisation of the Company into a corporation are recognized based on the revaluated amounts as approved by the state-owned assets administration department.

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

(a) *The estimated useful lives of intangible assets are as follows:*

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(17) Intangible assets (continued)

(b) *Periodical review of useful life and amortisation method*

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

(c) *Impairment of intangible assets*

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

(18) Long-term prepaid expenses

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

(19) Impairment of long-term assets

Fixed assets, construction in progress, intangible assets with a finite useful life and long-term equity investments in subsidiaries, joint ventures and associates are tested for impairment if there is any indication that an asset may be impaired at the balance date. Intangible assets which are not ready for their intended use are tested at least annually for impairment, irrespective of whether there is any indication that it may be impaired. 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 a combination 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 a combination 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 the combination of asset groups, and then deducted from the carrying amounts of other assets within the asset groups or the combination 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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(20) Employee benefits

Employee benefits refer to all forms of consideration compensation given by the Group in exchange for service rendered by employees or for the termination of employment relationship, which include short-term employee benefits, post-employment benefits and termination benefits.

(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, labour union funds and employee education costs and etc. The short-term employee benefits actually occurred are recognised in the accounting period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets. Employee benefits which are non-monetary benefits are measured at fair value.

(b) Post-employment benefits

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

Basic pensions

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

(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 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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(21) Dividend distribution

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

(22) Provisions

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

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

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

(23) Revenue recognition

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

Revenue is recognised when the Group has transferred all the significant risks and rewards incidental to ownership of goods to the buyer and no longer reserved any right to continue to manage and implement effective control which often associated with the ownership of the goods, and costs incurred or to be incurred can be measured reliably. The amount of revenue arising from the sales 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 fair. 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 from the sales of goods is measured at the fair value of the consideration receivable.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(23) Revenue recognition (continued)

(b) Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably at the balance sheet date, revenue associated with the transaction is recognised using the percentage of completion method, otherwise, the revenue is recognised to the extent of costs incurred that are expected to be recoverable. The outcome of a transaction involving 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 related 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 completion progress of a transaction involving rendering of services based on the proportion of cost incurred to estimate total cost. The total service revenue on a transaction involving the rendering of services is determined in accordance with the consideration received or receivable from the recipient of services under contract or agreement, except where the consideration received or receivable under contract or agreement is not fair.

When the Group has entered into a contract or agreement with other enterprises comprising both sales of goods and rendering of services, if the sales of goods and the rendering of services can be separately identified and measured, they are accounted for separately; if the sales 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 sales of goods.

(24) Government grants

Government grants refer to the monetary or non-monetary assets obtained by the Group from the government, including tax refund, financial subsidies and etc.

Government grants are recognised when the Group can comply with all attached conditions and the government grant can be received. If a government grant is a monetary asset, it will be measured at the amount received or receivable. If a government grant is a non-monetary asset, it will be measured at fair value; if it is unable to obtain its fair value reliably, it will be measured at nominal amount.

Government grants related to assets refer to government grants which are obtained by the Group for the purpose of purchase, construction or acquisition of the long-term assets. Government grants related to income refer to government grants other than those related to assets.

Government grants related to assets are recognised as deferred income, and evenly amortised to profit or loss over the useful life of the related assets. Government grants measured at nominal amount are directly recorded into profit or loss for the current period.

Government grants related to income are recorded as deferred income and recognised in profit or loss in the period in which the related expenses are recognised if the grants are intended to compensate for future expenses or loss and otherwise recognised in profit or loss for the current period in which the grants are used to compensate for expenses or losses that have been incurred.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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 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.

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(26) Leases (continued)

(b) Finance leases

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

(27) Segment information

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

An operating segment is a component of the Group that satisfies all of the following conditions: (1) the component is able to earn revenue and incur expenses from its ordinary activities; (2) 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 (3) 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 regulations is charged to the cost of related products or recognised in profit or loss for the current period, and recorded in the specific reserve. Accounting for utilisation depends on whether the expenses are fixed asset related. If production safety expenses incurred are expenditure in nature, the specific 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 specific 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 judgements 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:

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(29) Critical accounting estimates and judgements (continued)

(a) Critical accounting estimates and key assumptions (continued)

Income taxes

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

(b) Critical judgements in applying the accounting policies

(i) Consolidation scope – the Group holding 50% or less equity interests of the investees

The Group determines that even if the Company only holds 50% or less of the equity interests, it has control over Dalian Haijia Automobile Terminal Co., Ltd., Dalian Portsoft Technology Co., Ltd., Dalian Golden Bay Grain Logistics Co., Ltd. and Dalian Hongyang International Logistics Co., Ltd. Pursuant to the joint venture contract entered into between the Company and the other shareholder 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 Directors of Dalian Portsoft Technology Co., Ltd. and has 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 and the Company has de-facto control over the entity. Pursuant to the joint venture contract entered into between the Company and the other shareholders of Dalian Hongyang International Logistics Co., Ltd., the other shareholder gives consent to the decisions of the Company on significant operation matters and 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 that are largely independent 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. Such judgement is made on an individual property basis.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

3 Taxation

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

Category	Tax base	Tax rate
Enterprise income tax	Taxable income	15% or 25%
Value-added tax ("VAT") (a)	Taxable value-added amount (Tax payable is calculated using the taxable sale amount multiplied by the applicable tax rate less deductible VAT input of the current period)	13% – 17% or 6% – 11%
Business tax (a)	Taxable turnover amount	5%
City maintenance and construction tax	Payment of VAT and business tax	7%
Educational surcharge	Payment of VAT and business tax	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 Lieu of Business Tax* from the *Circular on Tax Policies in the Pilot Collection of Value Added Tax in lieu of Business Tax in the Railway Transportation and Post Industries* (Cai Shui [2013] No. 106) jointly issued by the Ministry of Finance and the State Administration of Taxation and other relevant regulations, revenue from terminal business of the Group is subject to VAT at the rate of 6% – 11% from 1 August 2013, which is subject to business tax at the rate of 3%-5% before then.

(2) Preferential tax treatments

Enterprise income tax

Dalian Portsoft Technology Co., Ltd., a subsidiary of the Group, obtained on 29 September 2014 the *Certificate of the High and New Technological Enterprise* (No. GR201421200032) issued by Dalian Science and Technology Bureau, Dalian Municipal Bureau of Finance, Dalian Municipal Office of State Administration of Tax and Dalian Municipal Bureau of Local Taxation, and the term of validity is three years.

Dalian Portnet Co., Ltd., a subsidiary of the Group, obtained on 29 September 2014 the *Certificate of the High and New Technological Enterprise* (No. GR201421200116) issued by Dalian Science and Technology Bureau, Dalian Municipal Bureau of Finance, Dalian Municipal Office of State Administration of Tax and Dalian Municipal Bureau of Local Taxation, and the term of validity is three years.

Dalian Port Logistics Technology Co., Ltd., a subsidiary of the Group, obtained on 21 September 2015 the *Certificate of the High and New Technological Enterprise* (No. GR201521200005) issued by Dalian Science and Technology Bureau, Dalian Municipal Bureau of Finance, Dalian Municipal Office of State Administration of Tax and Dalian Municipal Bureau of Local Taxation, and the term of validity is three years.

Under Clause 28 of the *Enterprise Income Tax Law of the People's Republic of China*, the income tax rate applicable to the above 3 companies for the six months ended 30 June 2016 is 15%.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

3 Taxation (continued)

(2) Preferential tax treatments (continued)

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), certain land used for dock is exempted from land use tax. Accordingly, the land use rights held by the Group used for dock are exempted from land use tax.

Value-added tax ("VAT")

According to the Circular on Related Tax Policies of Encouraging Industry Development of Software and Integrated Circuit by the Ministry of Finance, State Administration of Taxation and General Administration of Customs (Cai Shui [2000] No. 25) and Clause 1.1 of the *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 are 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 enterprise income tax. Dalian Port Logistics Technology Co., Ltd. and Dalian Portsoft Technology Co., Ltd. are entitled to the aforesaid preferential tax policy.

4 Notes to the consolidated financial statements

(1) Cash at bank and on hand

	30 June 2016 (Unaudited)	31 December 2015
Cash on hand	103,017.49	88,856.07
Cash at bank (i)	6,034,900,462.41	2,900,011,535.80
Other cash balances (ii)	35,798,662.20	33,197,125.48
	6,070,802,142.10	2,933,297,517.35
Including: Amounts deposited abroad	600,810,218.34	574,311,358.65

(i) As at 30 June 2016, a bank deposit of RMB697,937.76 (31 December 2015: RMB98,648.02) is pledged as collateral for the Group's project payment guarantee of RMB6,968,888.67 (31 December 2015: RMB985,888.67).

As at 31 December 2015, a bank deposit of RMB1,374,154.35 is pledged as collateral for the Group's bank acceptance notes payable of RMB12,940,000.00. As at 30 June 2016, there is no such matters.

(ii) As at 30 June 2016, other cash balances of RMB29,664,158.49 (31 December 2015: RMB27,819,113.47) is pledged as collateral for the Group's non-cancellable letter of credit.

As at 30 June 2016, other cash balances of RMB2,520,780.00 (31 December 2015: RMB3,127,418.00) is pledged as the Group's project performance guarantee.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

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

	30 June 2016 (Unaudited)	31 December 2015
Derivative financial instruments	20,162,391.59	–
Investments in equity instrument held for trading	13,811,458.00	16,179,169.50
	33,973,849.59	16,179,169.50

The fair value of the investments in equity instrument held for trading is determined at the closing price of Shanghai Stock Exchange on the last trading day of the half-year/year.

(3) Notes receivable

	30 June 2016 (Unaudited)	31 December 2015
Trade acceptance notes	–	3,161,136.53
Bank acceptance notes	71,502,992.10	78,089,646.72
	71,502,992.10	81,250,783.25

(a) As at 30 June 2016, the Group had no pledged notes receivable (31 December 2015: nil).

(b) As at 30 June 2016, notes receivable which had been endorsed to other parties but not mature yet are as follows:

	Derecognised	Not derecognised
Bank acceptance notes	21,311,518.46	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(4) Dividends receivable

	30 June 2016 (Unaudited)	31 December 2015
Dalian Automobile Terminal Co., Ltd.	17,112,185.95	17,112,185.95
Dalian North Oil Petroleum Logistics Co., Ltd.	4,080,611.91	–
Dalian Singamas International Container Co., Ltd.	2,457,134.56	3,626,651.84
Taicang Xinggang Tug Co., Ltd.	2,218,079.87	2,218,079.87
China United Tally (Dalian) Co., Ltd.	1,890,827.15	–
	27,758,839.44	22,956,917.66

(5) Interest receivable

	30 June 2016 (Unaudited)	31 December 2015
Interest of fixed deposits	9,728,224.65	8,820,832.74
Interest of wealth management products	1,044,109.60	870,988.01
Interest of entrusted loans	106,673.06	276,113.60
Interest of current deposits	10,500.00	197,211.13
	10,889,507.31	10,165,145.48

(6) Accounts receivable

	30 June 2016 (Unaudited)	31 December 2015
Accounts receivable	933,621,883.00	823,602,282.24
Less: Provision for bad debts	(384,018.00)	(1,875,522.33)
	933,237,865.00	821,726,759.91

A portion of the Group's sale are dealt in 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 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(6) Accounts receivable (continued)

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

	30 June 2016 (Unaudited)	31 December 2015
Within 1 year	852,251,342.53	683,272,280.43
1 to 2 years	19,145,846.59	74,971,816.13
2 to 3 years	6,039,106.23	20,154,482.34
Over 3 years	56,185,587.65	45,203,703.34
	933,621,883.00	823,602,282.24

As at 30 June 2016, accounts receivable overdue but unimpaired are RMB89,233,709.10 (31 December 2015: RMB147,554,652.13). This receivable is considered recoverable based on the financial position of the customer and analysis on its credit record. The ageing of the receivable is analysed as follows:

	30 June 2016 (Unaudited)	31 December 2015
Within 1 year	17,502,876.73	61,339,057.68
1 to 2 years	10,404,014.07	22,737,798.10
2 to 3 years	5,525,248.65	20,149,615.34
Over 3 years	55,801,569.65	43,328,181.01
	89,233,709.10	147,554,652.13

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(6) Accounts receivable (continued)

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

	30 June 2016 (Unaudited)				31 December 2015			
	Ending balance		Provision for bad debts		Ending balance		Provision for bad debts	
	Amount	% of total	Amount	Percentage	Amount	% of total	Amount	Percentage
		balance				balance		
With amounts that are individually significant and that the related provision for bad debts is provided on the individual basis	-	-	-	-	5,319,057.65	0.65%	1,491,504.33	28.04%
With amounts that the related provision for bad debts is provided on the grouping basis	933,237,865.00	99.96%	-	-	817,899,206.59	99.30%	-	-
Including: Group 1	-	-	-	-	-	-	-	-
Group 2	933,237,865.00	99.96%	-	-	817,899,206.59	99.30%	-	-
With amounts that are not individually significant but that the related provision for bad debts is provided on the individual basis	384,018.00	0.04%	384,018.00	100.00%	384,018.00	0.05%	384,018.00	100.00%
	933,621,883.00	100.00%	384,018.00	0.04%	823,602,282.24	100.00%	1,875,522.33	0.23%

(c) For the six months ended 30 June 2016, the Group didn't make a provision for bad debts.

(d) Accounts receivable written off in the current period of RMB1,491,504.33 are analysed as follows (unaudited):

	Nature of accounts receivable	Amount of write-off	Reason	Procedure for write-off	Arising from
					related party transactions or not
Ansteel Co., Ltd.	Withholding port construction expenses	1,491,504.33	Uncollectible	Resolution of the Board	No

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(6) Accounts receivable (continued)

- (e) As at 30 June 2016, the top five balances of accounts receivable categorised by debtors were summarised as follows (unaudited):

	Balance	Provision for bad debts	% of total balance
Total balances of top five accounts receivable	475,263,221.54	–	50.91%

(7) Other receivables

	30 June 2016 (Unaudited)	31 December 2015
Refund of land-transferring fees receivable	491,032,200.00	491,032,200.00
Government subsidies receivable	159,180,357.00	132,479,357.00
Entrusted loans (i)	85,032,800.00	162,032,800.00
Bills of exchange	80,592,057.29	27,771,142.03
Receivables from freight charges, deposit and security deposit	68,411,834.62	39,867,642.11
Receivables from project payment and guarantee deposit	47,056,271.76	41,857,174.02
Berth rentals receivable	17,833,300.00	13,375,000.00
Port construction and miscellaneous expenses	11,894,959.37	9,882,131.44
Public infrastructure maintenance expenses	3,175,338.00	411,410.70
Others	53,788,368.64	51,213,873.08
	1,017,997,486.68	969,922,730.38
Less: Provision for bad debts	(1,061,192.97)	(1,061,192.97)
	1,016,936,293.71	968,861,537.41

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(7) Other receivables (continued)

(i) *Entrusted loans*

– Loans to joint ventures

As at 30 June 2016, loans to joint ventures include:

The Group entrusted Dalian Port Group Financial Co., Ltd. (31 December 2015: CMB Dalian Zhongshan Sub-branch) to provide unsecured loans of RMB33,000,000.00 to its joint venture, Dalian Port Yidu Cold Chain Co., Ltd., at the rate of 4.785% annually. The loan is due on 29 November 2016 (31 December 2015: mortgage loans of RMB110,000,000.00 at the rate of 5.0025% annually and due on 28 March 2016) (Note 8(5)(d)(ii)).

The Group entrusted Dalian Port Group Financial Co., Ltd. to provide unsecured loans of RMB4,600,000.00 to its joint venture, Liaoning Con-Rail International Logistics Co., Ltd., at the rate of 4.35% annually. The loans are due on 11 February 2017 (31 December 2015: loans of RMB4,600,000.00 at the rate of 5.60% annually and due on 11 February 2016) (Note 8(5)(d)(ii)).

– Loans to associates

As at 30 June 2016, loans to associates include:

The Group entrusted Dalian Port Group Financial Co., Ltd. to provide unsecured loans of RMB24,000,000.00 (31 December 2015: RMB24,000,000.00) to its associate, Dalian Puji Storage Facility Co., Ltd., at the rate of 6.00% annually. The loan should be due on 1 July 2016.

The Group entrusted Dalian Port Group Financial Co., Ltd. to provide unsecured loans of RMB16,000,000.00 to its associate, Dalian Puji Storage Facility Co., Ltd., at the rate of 4.35% annually. The loans are due on 28 January 2017 (31 December 2015: loans of RMB16,000,000.00 at the rate of 6.16% annually and due on 28 January 2016) (Note 8(5)(d)(ii)).

The Group entrusted Dalian Port Group Financial Co., Ltd. to provide unsecured loans of RMB7,432,800.00 to its associate, China Harbour United Shipping Co., Ltd., at the rate of 4.35% annually. The loans are due on 28 December 2016 (31 December 2015: loans of RMB7,432,800.00 at the rate of 4.85% annually and due on 28 June 2016) (Note 8(5)(d)(ii)).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(7) Other receivables (continued)

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

	30 June 2016 (Unaudited)	31 December 2015
Within 1 year	894,896,497.87	936,531,985.48
1 to 2 years	106,382,625.65	17,963,945.74
2 to 3 years	8,109,607.52	5,418,371.15
Over 3 years	8,608,755.64	10,008,428.01
	1,017,997,486.68	969,922,730.38

As at 30 June 2016, other receivables overdue but unimpaired are RMB29,256,410.16 (31 December 2015: RMB30,478,770.44). This receivable is considered recoverable based on the financial position of the defaulter and analysis on its credit record. The ageing of other receivables is analysed as follows:

	30 June 2016 (Unaudited)	31 December 2015
Within 1 year	10,542,240.54	13,147,172.83
1 to 2 years	9,300,037.06	10,619,780.23
2 to 3 years	6,672,442.26	3,653,340.17
Over 3 years	2,741,690.30	3,058,477.21
	29,256,410.16	30,478,770.44

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(7) Other receivables (continued)

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

	30 June 2016 (Unaudited)				31 December 2015			
	Ending balance		Provision for bad debts		Ending balance		Provision for bad debts	
	Amount	% of total	Amount	Percentage	Amount	% of total	Amount	Percentage
		balance				balance		
With amounts that are individually significant and that the related provision for bad debts is provided on the individual basis	-	-	-	-	-	-	-	-
With amounts that the related provision for bad debts is provided on the grouping basis	1,010,800,898.11	99.29%	-	-	963,884,103.01	99.38%	-	-
Including: Group 1	-	-	-	-	-	-	-	-
Group 2	1,010,800,898.11	99.29%	-	-	963,884,103.01	99.38%	-	-
With amounts that are not individually significant but that the related provision for bad debts is provided on the individual basis	7,196,588.57	0.71%	1,061,192.97	14.75%	6,038,627.37	0.62%	1,061,192.97	17.57%
	1,017,997,486.68	100.00%	1,061,192.97	0.10%	969,922,730.38	100.00%	1,061,192.97	0.11%

(c) For the six months ended 30 June 2016, the Group did not make a provision for bad debts of accounts receivable, or reserve/write off such provision for bad debts.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(7) Other receivables (continued)

(d) As at 30 June 2016, the top five balances of accounts receivable categorised by debtors are summarised as follows (unaudited):

	Nature	Balance	Ageing	% of total balance	Provision for bad debts
Dalian Municipal Bureau of Finance	Financial subsidies and refund of land-transferring fees	567,649,900.00	Within 1 year	55.76%	-
	Financial subsidies	78,504,375.00	1 to 2 years	7.71%	-
Dalian Puji Storage Facility Co., Ltd.	Entrusted loans	40,000,000.00	Within 1 year	3.93%	-
Dalian Port Yidu Cold Chain Co., Ltd.	Entrusted loans	33,000,000.00	Within 1 year	3.24%	-
	Port construction and miscellaneous expenses	126,995.00	Within 1 year	0.01%	-
Dalian Unibright International Trade Co., Ltd.	Import Bill	28,429,460.93	Within 1 year	2.79%	-
	Advance under LC				
Dalian Port Container Terminal Co., Ltd.	Berth rentals	18,474,008.39	Within 1 year	1.81%	-
	Deposits	45,000.00	Over 3 years	0.00%	-
		766,229,739.32		75.25%	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(7) Other receivables (continued)

- (e) As at 30 June 2016, the Group's government grants recognised at amounts receivable are analysed as follow (unaudited):

	Government grants	Balance	Ageing	Basis of estimated collection
Dalian Port (PDA) Company Limited	Subsidy for container development	46,617,700.00	Within 1 year	Announcement of the implementation regulation of subsidy funds for promoting the quick development of Dalian port container
	Subsidy for container development	54,460,400.00	1 to 2 years	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	24,043,975.00	1 to 2 years	Announcement of the implementation regulation of subsidy funds for promoting the quick development of Dalian port container
Heilongjiang Suimu Logistics Co., Ltd.	Subsidy for working capital	3,200,000.00	Within 1 year	Research on application for subsidy by Dalian Suimu Logistics Co., Ltd.
	Refund of tax	858,282.00	Within 1 year	Cooperation agreement on Xiachengzi Logistics Centre of Muling Economic Development Zone
Dalian Jifa Bohai Rim Container Lines Co., Ltd.	Subsidy for container development	30,000,000.00	Within 1 year	Announcement of the implementation regulation of subsidy funds for promoting the quick development of Dalian port container
		<u>159,180,357.00</u>		

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(8) Advances to suppliers

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

	30 June 2016 (Unaudited)		31 December 2015	
	Amount	% of total balance	Amount	% of total balance
Within 1 year	225,844,058.14	73.35%	308,476,143.94	99.44%
1 to 2 years	81,503,411.85	26.47%	1,101,276.19	0.36%
2 to 3 years	464,009.43	0.15%	559,915.18	0.18%
Over 3 years	76,151.40	0.02%	62,126.40	0.02%
	307,887,630.82	100.00%	310,199,461.71	100.00%

As at 30 June 2016, advances to suppliers with ageing over one year amounted to RMB82,043,572.68 (31 December 2015: RMB1,723,317.77), which represented advances to suppliers, rental deposits and advances paid to gas stations. Since the related cooperation is stable, these amounts have not been settled.

(b) As at 30 June 2016, the top five balances of advances to suppliers categorised by debtors are summarised as follows (unaudited):

	Amount	% of total balance
Total amounts of top five advances to suppliers	205,074,969.76	66.61%

(9) Inventories

(a) Inventories are summarised by categories as follows:

	30 June 2016 (Unaudited)			31 December 2015		
	Ending balance	Provision for decline in the value of inventories	Carrying amount	Ending balance	Provision for decline in the value of inventories	Carrying amount
Raw materials	77,372,747.46	(2,037,642.99)	75,335,104.47	75,159,083.83	(2,037,642.99)	73,121,440.84
Finished goods	618,681,154.32	-	618,681,154.32	856,982,556.21	-	856,982,556.21
Turnover materials	6,275,843.28	-	6,275,843.28	6,167,017.05	-	6,167,017.05
	702,329,745.06	(2,037,642.99)	700,292,102.07	938,308,657.09	(2,037,642.99)	936,271,014.10

As at 30 June 2016, inventories and relevant notes of import business with carrying amount of RMB492,364,760.00 (31 December 2015: RMB772,498,330.38) were pledged as collateral for the bank borrowings of RMB506,379,841.05 (31 December 2015: RMB566,694,492.83) (Note 4(25)(i)).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(9) Inventories (continued)

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

	31 December	Increase in the current period		Decrease in the current period		30 June 2016 (Unaudited)
	2015	Provision	Others	Reversal/write-off	Others	
Raw materials	2,037,642.99	-	-	-	-	2,037,642.99

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

	Specific basis to determine net realisable value	Reasons for provision for decline in the value of inventories reversal or write-off in the current period
Raw materials	Obsolete raw materials	N/A

(10) Current portion of non-current assets

	30 June 2016 (Unaudited)	31 December 2015
Available-for-sale financial assets (Note 4(12))	-	65,820,000.00

(11) Other current assets

	30 June 2016 (Unaudited)	31 December 2015
Available-for-sale financial assets (Note 4(12))	350,000,000.00	-
Value-added taxes to be offset (i)	93,246,547.82	90,265,698.39
Prepaid income tax	363,320.10	1,689,114.97
	443,609,867.92	91,954,813.36

(i) Value-added taxes to be offset are VAT inputs arising from the Group's purchase of goods and service with VAT payable in the current period, but not yet fully offset.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(12) Available-for-sale financial assets

	30 June 2016 (Unaudited)	31 December 2015
Measured at fair value		
– Wealth management products (ii)	350,000,000.00	–
– Available-for-sale equity instruments – H shares (i)	60,630,862.43	61,829,144.20
Measured at cost		
– Available-for-sale equity instruments – unlisted enterprises (iii)	143,562,691.50	141,792,691.50
– Entrusted investment (iv)	–	65,820,000.00
Less: Provision for impairment	(50,607,249.94)	(49,607,148.78)
	503,586,303.99	219,834,686.92
Less: Available-for-sale financial assets included in other current assets (ii)	(350,000,000.00)	–
Available-for-sale financial assets included in the current portion of non-current assets (iv)	–	(65,820,000.00)
	153,586,303.99	154,014,686.92

(a) Related information of available-for-sale financial assets is analysed as follows:

(i) Available-for-sale equity instruments measured at fair value – H shares:

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

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

(a) Related information of available-for-sale financial assets is analysed as follows: (continued)

(i) Available-for-sale equity instruments measured at fair value – H shares: (continued)

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

	30 June 2016 (Unaudited)	31 December 2015
Available-for-sale equity instruments – H shares		
– Fair value	10,023,612.49	12,221,995.42
– Cost	66,661,097.72	65,343,740.21
– Accumulated in other comprehensive income	(6,030,235.29)	(3,514,596.01)
– Accumulated provision for impairment	(50,607,249.94)	(49,607,148.78)

(ii) Wealth management products:

As at 30 June 2016, wealth management products include:

The Company purchases wealth management products of RMB200,000,000.00 (31 December 2015: nil) from China Minsheng Bank and the capital is mainly used for investment in money market instruments. The estimated annual return is 3.25% with the maturity date on 6 July 2016.

The Company purchases wealth management products of RMB100,000,000.00 (31 December 2015: nil) from China Minsheng Bank and the capital is mainly used for investment in money market instruments. The estimated annual return is 3.35% with the maturity date on 18 August 2016.

The Company purchases wealth management products of RMB50,000,000.00 (31 December 2015: nil) from Ping An Bank and the capital is mainly used for investment in money market instruments. The estimated annual return is 2.90% with the maturity date on 28 July 2016.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

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

(a) Related information of available-for-sale financial assets is analysed as follows: (continued)

(iii) Available-for-sale equity instruments – 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 2015	Increase in the current period	Decrease in the current period	30 June 2016 (Unaudited)	Shareholding of investee (%)	Cash dividend in the 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	1,770,000.00	-	16,184,400.00	5.89	1,770,000.00
- Fujian Ninglian Port Co., Ltd.	12,000,000.00	-	-	12,000,000.00	12.00	-
- 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	290,000.00
	141,792,691.50	1,770,000.00	-	143,562,691.50		2,060,000.00

(iv) Entrusted investment:

As at 31 December 2015, entrusted investment of RMB65,820,000.00 represents a trust plan of assembled funds developed by Shaanxi 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, Lvshun 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 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

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

(b) *Related information of provision for impairment of available-for-sale financial assets is analysed as follows:*

	Available-for-sale equity instruments – H shares
31 December 2015	(49,607,148.78)
Difference on translation of foreign currency financial statements	<u>(1,000,101.16)</u>
30 June 2016 (unaudited)	<u>(50,607,249.94)</u>

(13) Long-term receivables

	30 June 2016 (Unaudited)	31 December 2015
Entrusted loans (i)	6,000,000.00	18,018,915.80
Less: Provision for bad debts	–	–
	<u>6,000,000.00</u>	<u>18,018,915.80</u>

(i) The Group and other investors provided, in accordance with their proportions to their capital contributions, unsecured shareholder loans to their associates, Jadeway Limited. As at 30 June 2016, the Group provided an unsecured shareholder loan of JPY 144,324,077.73 to Jadeway Limited (31 December 2015: JPY 241,650,409.44). In 2016, due to excess deficit on long-term equity investments in Jadeway Limited, long-term receivables of RMB144,324,077.73 from it were reduced to zero.

As at 30 June 2016, the Group entrusted Dalian Port Group Financial Co., Ltd. to provide unsecured loans of RMB6,000,000.00 to its joint venture, Liaoning Con-Rail International Logistics Co., Ltd., at the rate of 5.775% annually, including RMB1,000,000.00 which was increased in the current period. The loans are due on 19 January 2019 (31 December 2015: loans of RMB5,000,000.00 at the rate of 5.775% annually including RMB2,000,000.00 due on 28 July 2018 and RMB1,000,000.00 due on 6 August 2018, 9 September 2018 and 11 December 2018 respectively) (Note 8(5)(d)(ii)).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(14) Long-term equity investments

	30 June 2016 (Unaudited)	31 December 2015
Joint ventures (a)	2,614,357,363.56	2,555,741,147.51
Associates (b)	2,219,742,352.59	2,175,918,757.95
Less: Provision for impairment of long-term equity investments	-	-
	4,834,099,716.15	4,731,659,905.46

(a) Joint ventures

	31 December 2015	Movements in the current period							30 June 2016 (Unaudited)	Balance of provision for impairment at end of period
		Increase in investment	Decrease in investment	Share of net profit/(loss) using the equity method	Adjustment on other comprehensive income	Other changes in equity	Cash dividends/profit declared by joint ventures	Provision for impairment		
Dalian Port Tongji Shipping Agency Co., Ltd.	1,755,679.10	-	-	251,130.48	-	-	-	-	2,006,809.58	-
Dalian Harbour ECL Logistics Co., Ltd.	30,862,780.65	-	-	148,208.55	-	21,215.44	-	-	30,832,204.64	-
Odfjell Terminals (Dalian) Ltd.	162,005,975.24	-	-	8,832,845.05	-	287,632.18	-	-	171,126,452.47	-
Dalian Port PetroChina International Terminal Co., Ltd.	172,913,975.56	-	-	10,025,564.02	-	-	(10,771,900.00)	-	172,167,639.58	-
Dalian United International Shipping Agency Co., Ltd.	6,569,204.82	-	-	1,104,610.78	-	-	-	-	7,673,815.60	-
Dalian Vanguard International Logistics Co., Ltd.	35,022,768.34	-	-	(149,174.22)	-	-	-	-	34,873,594.12	-
Dalian Port Yidu Cold Chain Co., Ltd.	268,028,699.89	50,000,000.00	-	6,371,956.31	-	200,608.60	-	-	324,601,264.80	-
China United Tally (Dalian) Co., Ltd.	4,615,790.14	-	-	77,419.30	-	-	(1,890,827.15)	-	2,802,382.29	-
China Oil Dock Management (Dalian) Co., Ltd.	1,271,355.58	-	-	(1,271,355.58)	-	-	-	-	-	-
Liaoning Electronic Port Co., Ltd.	4,797,814.73	-	-	(1,149,399.00)	-	-	-	-	3,648,415.73	-
Liaoning Con-Rail International Logistics Co., Ltd.	7,983,292.70	-	-	(1,193,986.44)	-	-	-	-	6,789,306.26	-
Dalian Dagang China Shipping Container Terminal Co., Ltd.	7,116,946.82	-	-	361,462.18	-	24,602.65	-	-	7,503,011.65	-
Dalian Port Container Terminal Co., Ltd.	225,822,932.26	-	-	4,873,915.30	-	403,457.92	-	-	231,100,305.48	-
Dalian International Container Terminal Co., Ltd.	534,828,400.65	-	-	2,690,935.46	-	328,385.79	-	-	537,847,721.90	-
Dalian Jilong Logistics Co., Ltd.	38,580,493.17	-	-	469,638.67	-	-	-	-	39,050,131.84	-
Dalian Automobile Terminal Co., Ltd.	164,173,919.60	-	-	2,867,357.20	-	22,803.38	-	-	167,064,080.18	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(14) Long-term equity investments (continued)

(a) Joint ventures (continued)

	Movements in the current period									30 June 2016 (Unaudited)	Balance of provision for impairment at end of period
	31 December 2015	Increase in investment	Decrease in investment	Share of net profit/(loss) using the equity method	Adjustment on other comprehensive income	Other changes in equity	Cash dividends/profit declared by joint ventures	Provision for impairment	Others		
Dalian Singamas International Container Co., Ltd.	43,097,533.44	-	-	956,384.95	-	8,876.76	-	-	-	44,062,795.15	-
China United International Rail Containers (Dalian) Co., Ltd.	184,668,298.91	-	-	(1,320,342.87)	-	-	-	-	-	183,347,956.04	-
Dalian Changxing Island Port Co., Ltd.	153,051,271.73	-	-	(17,418,300.22)	-	83,306.94	-	-	-	135,716,278.45	-
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	2,392,424.77	2,000,000.00	-	(33,899.89)	-	52,564.23	-	-	-	4,411,089.11	-
Odfjell Dalian Port Consulting Co., Ltd.	1,909,882.15	-	-	(123,073.61)	-	-	-	-	-	1,786,808.54	-
Dalian Changxing Island Port Investment and Development Co., Ltd.	464,264,932.07	-	-	246.87	-	-	-	-	-	464,265,178.94	-
Dalian Shunde Jifa Supply Chain Management Co., Ltd.	12,911,789.79	-	-	571,666.05	-	-	-	-	-	13,483,455.84	-
Odfjell Changxing Warehousing Terminals (Dalian) Co., Ltd.	6,562,901.15	-	-	39,756.82	-	-	-	-	-	6,602,657.97	-
Ha'ou International Logistics Co., Ltd.	20,732,084.25	-	-	(82,808.22)	-	-	-	-	-	20,649,276.03	-
Weifang Senda Container Service Provider Co., Ltd.	-	1,500,000.00	-	(555,268.63)	-	-	-	-	-	944,731.37	-
	2,555,741,147.51	53,500,000.00	-	16,345,489.31	-	1,433,453.89	(12,662,727.15)	-	-	2,614,357,363.56	-

Please refer to Note 6(2) for related information of interest in joint ventures.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(14) Long-term equity investments (continued)

(b) Associates

	31 December 2015	Movements in the current period							30 June 2016 (Unaudited)	Balance of provision for impairment at end of period	
		Increase in investment	Decrease in investment	Share of net profit/(loss) using the equity method	Adjustment on other comprehensive income	Other changes in equity	Cash dividends/profit declared by associates	Provision for impairment			Others
China Harbour United Shipping Co., Ltd.	76,376,789.23	-	-	(4,012,355.76)	-	-	-	-	-	72,364,433.47	-
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	15,463,845.44	-	-	4,841,645.07	-	-	-	-	-	20,305,490.51	-
Dalian Wanpeng Port Engineering Testing Co., Ltd.	2,709,275.44	-	-	149,558.85	-	-	-	-	-	2,858,834.29	-
Dalian Puji Storage Facility Co., Ltd.	146,092,613.09	-	-	(6,569,673.54)	-	-	-	-	-	139,522,939.55	-
Taicang Xinggang Tug Co., Ltd.	4,512,144.42	-	-	(508,516.21)	-	-	-	-	-	4,003,628.21	-
PetroChina Dalian LNG Co., Ltd.	554,002,932.09	-	-	10,004,809.77	-	-	-	-	-	564,007,741.86	-
SINOECL Auto Liners, Limited Jadeway Limited	-	-	-	-	-	-	-	-	-	-	-
Dalian North Oil Petroleum Logistics Co., Ltd.	62,827,791.90	-	-	1,900,761.66	-	-	(4,080,611.91)	-	-	60,647,941.65	-
Sino Rail Bohai Train Ferry Co., Ltd.	259,668,101.51	-	-	(3,480,584.52)	-	270,721.57	-	-	-	256,458,238.56	-
CDC International Logistics Co., Ltd.	105,924,351.90	-	-	2,307,328.86	-	-	-	-	-	108,231,680.76	-
Dalian Port Group Financial Co., Ltd.	942,662,258.48	-	-	36,184,252.42	-	-	-	-	-	978,846,510.90	-
Dalian Gangsheng Tendering & Bidding Agency Co., Ltd.	880,898.78	-	-	2,605.11	-	-	(105,000.00)	-	-	778,503.89	-
Guangzhou Kingport Auto International Trade Co., Ltd.	4,797,755.67	-	-	(681,346.73)	-	-	-	-	-	4,116,408.94	-
Dalian Shentie Yuangang Logistics Co., Ltd.	-	5,600,000.00	-	-	-	-	-	-	-	5,600,000.00	-
PORT OF DALIAN New Silk Road International Logistics Co., Ltd.	-	2,000,000.00	-	-	-	-	-	-	-	2,000,000.00	-
	2,175,918,757.95	7,600,000.00	-	40,138,484.98	-	270,721.57	(4,185,611.91)	-	-	2,219,742,352.59	-

Please refer to Note 6(2) for related information of interest in associates.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(15) Investment properties

	Buildings	Land use rights	Terminal facilities	Total
Cost				
31 December 2015	30,814,225.78	69,785,783.60	746,469,631.62	847,069,641.00
Increase in the current period				
Transfer from construction in progress	-	-	-	-
Decrease in the current period				
Transfer to owner-occupied property	-	-	-	-
30 June 2016 (Unaudited)	30,814,225.78	69,785,783.60	746,469,631.62	847,069,641.00
Accumulated depreciation and amortisation				
31 December 2015	(8,610,349.25)	(11,686,831.37)	(163,162,004.08)	(183,459,184.70)
Increase in the current period				
Provision or amortisation	(426,851.22)	(735,717.30)	(7,914,826.32)	(9,077,394.84)
Decrease in the current period				
Transfer to owner-occupied property	-	-	-	-
30 June 2016 (Unaudited)	(9,037,200.47)	(12,422,548.67)	(171,076,830.40)	(192,536,579.54)
Carrying amount				
30 June 2016 (Unaudited)	21,777,025.31	57,363,234.93	575,392,801.22	654,533,061.46
31 December 2015	22,203,876.53	58,098,952.23	583,307,627.54	663,610,456.30

For the six months ended 30 June 2016, no capitalised borrowing cost was included in investment properties (for the six months ended 30 June 2015: nil).

For the six months ended 30 June 2016, RMB9,077,394.84 (for the six months ended 30 June 2015: RMB9,124,305.56) of depreciation and amortisation was charged for the investment properties and no provision for impairment was provided (for the six months ended 30 June 2015: nil).

As at 30 June 2016, the investment properties above were all leased out under operating lease.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(16) Fixed assets

	Buildings	Terminal facilities	Oil tanks and pipelines	Loading equipment	Transportation equipment	Vessels	Storage facilities	Machinery and equipment	Other equipment	Total
Cost										
31 December 2015	1,584,336,889.38	5,726,383,634.89	2,825,385,271.52	2,975,755,276.40	903,247,727.52	1,706,335,194.06	3,199,870,900.19	1,088,817,446.91	714,582,103.38	20,724,714,444.25
Increase in the current period										
Increase from acquisition	806,847.79	-	-	1,650,307.26	92,741.75	-	600,000.00	1,432,834.16	4,143,755.36	8,726,486.32
Transfer from construction										
in progress	96,911,065.66	300,354.56	289,623.59	329,059.82	1,082,118.45	74,248,744.33	-	14,126,474.22	1,340,367.87	188,627,808.50
Others	-	-	-	-	-	-	61,996.56	296,000.00	-	357,996.56
Decrease in the current period										
Disposal and obsolescence	(785,957.00)	-	-	(15,507,010.82)	(1,441,495.30)	-	-	(7,535.00)	(1,379,095.51)	(19,121,093.63)
Others	-	-	-	-	-	-	-	(419,478.84)	-	(419,478.84)
30 June 2016 (Unaudited)	1,681,268,845.83	5,726,683,989.45	2,825,674,895.11	2,962,227,632.66	902,981,092.42	1,780,583,938.39	3,200,532,896.75	1,104,245,741.45	718,687,131.10	20,902,886,163.16
Accumulated depreciation										
31 December 2015	(371,824,880.33)	(1,044,043,912.28)	(873,464,270.62)	(1,763,862,458.42)	(370,324,381.24)	(453,309,483.44)	(641,474,062.15)	(547,119,700.13)	(325,739,402.27)	(6,391,162,550.88)
Increase in the current period										
Provision	(24,000,810.40)	(57,888,956.03)	(51,809,190.87)	(77,604,010.28)	(20,180,777.20)	(31,035,458.30)	(38,900,351.18)	(38,069,523.66)	(22,482,037.94)	(361,971,115.86)
Others	-	-	-	-	-	-	-	(187,466.76)	-	(187,466.76)
Decrease in the current period										
Disposal and obsolescence	430,805.97	-	-	14,682,203.60	1,364,364.83	-	-	7,158.25	1,204,403.29	17,688,935.94
30 June 2016 (Unaudited)	(395,394,884.76)	(1,101,932,868.31)	(925,273,461.49)	(1,826,784,265.10)	(389,140,793.61)	(484,344,941.74)	(680,374,413.33)	(685,369,532.30)	(347,017,036.92)	(6,735,632,197.56)
Carrying amount										
30 June 2016 (Unaudited)	1,285,873,961.07	4,624,751,121.14	1,900,401,433.62	1,135,443,367.56	513,840,298.81	1,296,238,996.65	2,520,158,483.42	518,876,209.15	371,670,094.18	14,167,253,965.60
31 December 2015	1,212,512,009.05	4,682,339,722.61	1,951,921,000.90	1,211,892,817.98	532,923,346.28	1,253,025,710.62	2,558,396,838.04	541,697,746.78	388,842,701.11	14,333,551,893.37

As at 30 June 2016, logistics stations with a carrying amount of approximately RMB95,234,388.50 (a cost of RMB102,322,342.45) (31 December 2015: a carrying amount of RMB96,449,466.32 and a cost of RMB102,322,342.45) were pledged as collaterals of long-term borrowings of RMB22,010,023.77, including the current portion of RMB10,000,000.00 (31 December 2015: RMB27,010,023.77, including the current portion of RMB10,000,000.00) (Note 4(36)(a-i)).

As at 30 June 2016, fixed assets with a carrying amount of approximately RMB146,986,121.53 (a cost of RMB228,576,076.21) (31 December 2015: a carrying amount of approximately RMB150,868,257.15 and a cost of RMB228,576,076.21) were pledged as collaterals of long-term borrowings of RMB150,000,000.00 (31 December 2015: RMB150,000,000.00) (Note 4(36)(a-ii)).

As at 30 June 2016, fixed assets with a carrying amount of approximately RMB432,931,498.41 (a cost of RMB935,860,681.53) (31 December 2015: a carrying amount of approximately RMB452,722,560.60 and a cost of RMB935,860,681.53) were pledged as collaterals of long-term borrowings of RMB500,000,000.00 (31 December 2015: RMB500,000,000.00) (Note 4(36)(a-iii)).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(16) Fixed assets (continued)

As at 30 June 2016, fixed assets with a carrying amount of approximately RMB788,173,500.46 (a cost of RMB1,735,975,658.93) (31 December 2015: a carrying amount of approximately RMB842,764,288.94 and a cost of RMB1,735,975,658.93) were pledged as collaterals of long-term borrowings of RMB1,000,000,000.00 (31 December 2015: RMB1,000,000,000.00) (Note 4(36)(a-iv)).

As at 30 June 2016, fixed assets with a carrying amount of approximately RMB45,461,042.24 (a cost of RMB68,391,732.00) (31 December 2015: a carrying amount of approximately RMB47,020,107.26 and a cost of RMB68,391,732.00) were pledged as collaterals of long-term borrowings of RMB50,000,000.00 (31 December 2015: RMB50,000,000.00) (Note 4(36)(a-v)).

As at 30 June 2016, fixed assets with a carrying amount of approximately RMB272,910,047.30 (a cost of RMB384,992,940.93) (31 December 2015: a carrying amount of approximately RMB281,420,540.90 and a cost of RMB384,992,940.93) were pledged as collaterals of long-term borrowings of RMB300,000,000.00 (31 December 2015: RMB300,000,000.00) (Note 4(36)(a-vi)).

For the six months ended 30 June 2016, depreciation charged to fixed assets was RMB361,971,115.86 (for the six months ended 30 June 2015: RMB358,489,255.50) of which RMB352,807,351.68, RMB8,934,716.32 and RMB229,047.86 (for the six months ended 30 June 2015: RMB349,771,501.13, RMB8,717,754.37 and RMB0) were charged to cost of sales, general and administrative expenses and specific reserve respectively.

For the six months ended 30 June 2016, the costs of fixed assets transferred from construction in progress amounted to RMB188,627,808.50 (for the six months ended 30 June 2015: RMB101,414,090.12).

As at 30 June 2016, the Group had no temporarily idle fixed assets (31 December 2015: nil).

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

(a) Fixed assets held under finance leases

As at 30 June 2016, the fixed assets with a carrying amount of RMB60,227,998.99 (a cost of RMB74,924,214.40) were held under finance leases (31 December 2015: a carrying amount of RMB63,850,075.16 and a cost of RMB74,802,846.88) (Note 12). The analysis is as follows:

	Cost	Accumulated depreciation	Provision for impairment	Carrying amount
30 June 2016 (Unaudited):				
Other equipment	74,924,214.40	(14,696,215.41)	-	60,227,998.99
31 December 2015:				
Other equipment	74,802,846.88	(10,952,771.72)	-	63,850,075.16

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(16) Fixed assets (continued)

(b) Fixed assets with pending certificates of ownership:

As at 30 June 2016, the certificate of title to buildings at a carrying amount of approximately RMB573,804,842.03 (a cost of RMB671,869,047.29) had not been obtained yet (31 December 2015: a carrying amount of approximately RMB573,344,720.44 and a cost of RMB649,341,904.88).

	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

(c) Fixed assets held under an operating lease

	Carrying amount as at 30 June 2016 (Unaudited)	Carrying amount as at 31 December 2015
Vessels	428,289,398.32	441,904,267.96
Storage facilities	374,572,055.89	60,854,858.75
Terminal facilities	366,779,895.49	207,306,320.12
Transportation equipment	64,400,852.47	476,161,957.76
Buildings	62,483,326.35	103,207,506.33
Machinery and equipment	35,106,873.77	36,648,577.37
Loading equipment	27,664,302.61	7,906,150.39
Oil tanks and pipelines	833,958.33	857,708.33
Other equipment	5,168,733.50	146,793.73
	1,365,299,396.73	1,334,994,140.74

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(17) Construction in progress

	30 June 2016 (Unaudited)			31 December 2015		
	Ending balance	Provision for impairment	Carrying amount	Ending Balance	Provision for impairment	Carrying amount
Dayao Bay No. 13-16 Berth in Phase II	647,968,810.91	-	647,968,810.91	637,478,735.57	-	637,478,735.57
New Port No.18-21 Berth	338,404,545.57	-	338,404,545.57	336,879,169.58	-	336,879,169.58
Dalian Automotive Terminal No.4 Berth Project	179,982,946.07	-	179,982,946.07	301,127,088.34	-	301,127,088.34
Dayao Bay North Shore Automotive Logistics Centre	148,898,592.13	-	148,898,592.13	148,898,592.13	-	148,898,592.13
New Port accident buffer pool	-	-	-	95,745,117.64	-	95,745,117.64
All-rotation tug	-	-	-	68,999,734.54	-	68,999,734.54
Dalian Bay Passenger Terminal	62,555,380.47	-	62,555,380.47	32,240,961.82	-	32,240,961.82
Mobile machinery acquisition for Taiping Bay Port	31,622,305.70	-	31,622,305.70	30,750,646.63	-	30,750,646.63
Ore No.4 Storage Yard	21,932,730.60	-	21,932,730.60	18,955,125.50	-	18,955,125.50
Dalian Bay Groceries and Ro-ro Berth Project	11,550,325.26	-	11,550,325.26	6,895,244.63	-	6,895,244.63
Others	182,876,514.46	-	182,876,514.46	159,243,173.01	-	159,243,173.01
	1,625,792,151.17	-	1,625,792,151.17	1,837,213,589.39	-	1,837,213,589.39

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 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(17) Construction in progress (continued)

(a) Movement of significant projects of construction in progress

Project name	Budgeted amount	31 December 2015	Increase in the current period	Transfer to fixed assets, intangible assets and investment properties in the current period	Other decreases	30 June 2016 (Unaudited)	Proportion of expenditures incurred to budgeted amount(i)	Progress of construction	Accumulative amount of borrowing capitalised costs	Including: Borrowing costs capitalised in the current period	Capitalisation rate	Source of funds
Dayao Bay No. 13-16 Berth in Phase II	3,783,000,000.00	637,478,735.57	14,859,945.34	-	(4,369,870.00)	647,968,810.91	92%	92%	189,355,316.06	14,505,132.03	5.66%	Proprietary funds and loans from financial institutions and other sources
New Port No.18-21 Berth	413,770,000.00	336,879,169.58	1,525,375.99	-	-	338,404,545.57	82%	82%	83,522,029.54	1,284,949.69	5.40%	Loans from financial institutions and other sources
Dalian Automotive Terminal No.4 Berth Project	461,760,000.00	301,127,088.34	25,505,442.11	(145,987,584.38)	(662,000.00)	179,982,946.07	71%	71%	16,533,782.19	3,967,662.45	5.14%	Proprietary funds and loans from financial institutions
Dayao Bay North Shore Automotive Logistics Centre	450,000,000.00	148,898,592.13	-	-	-	148,898,592.13	33%	33%	8,054,440.28	-	-	Loans from financial institutions and other sources
New Port accident buffer pool	98,886,600.00	95,745,117.64	80,000.00	(95,794,420.12)	(30,697.52)	-	100%	100%	11,538,135.38	-	-	Proprietary funds and loans from financial institutions
All-rotation tug	82,080,000.00	68,999,734.54	5,249,009.79	(74,248,744.33)	-	-	100%	100%	4,546,674.63	789,796.09	5.66%	Proprietary funds and loans from financial institutions
Dalian Bay Passenger Terminal	383,160,000.00	32,240,961.82	30,377,040.01	-	(62,621.36)	62,555,380.47	16%	16%	3,318,567.29	1,857,294.06	5.66%	Proprietary funds and loans from financial institutions
Mobile machinery acquisition for Taiping Bay Port	36,400,000.00	30,750,646.63	871,659.07	-	-	31,622,305.70	87%	87%	3,089,171.84	871,659.07	5.66%	Proprietary funds and loans from financial institutions
Ore No.4 Storage Yard	570,600,000.00	18,955,125.50	2,977,605.10	-	-	21,932,730.60	96%	96%	-	-	-	Funds raising
Dalian Bay Groceries and Ro-ro Berth Project	700,000,000.00	6,895,244.63	4,655,080.63	-	-	11,550,325.26	99%	99%	-	-	-	Proprietary funds and loans from financial institutions
Others	648,821,158.41	159,243,173.01	48,234,444.66	(22,193,644.55)	(2,407,458.66)	182,876,514.46			5,544,424.11	811,913.13	5.66%	
		<u>1,837,213,589.39</u>	<u>134,335,602.70</u>	<u>(338,224,393.38)</u>	<u>(7,532,647.54)</u>	<u>1,625,792,151.17</u>			<u>325,502,541.32</u>	<u>24,088,406.52</u>		

(i) Proportion of expenditures incurred to budgeted amount is the proportion of the total expenditures incurred to budgeted amount.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(18) Fixed assets pending for disposal

	30 June 2016 (Unaudited)	31 December 2015
Loading equipment	2,081,133.57	1,681,781.69
Vessels	423,093.55	401,093.55
Office equipment	69,644.68	–
Transportation equipment	48,297.58	–
Other equipment	1,355,771.61	1,017,595.07
	3,977,940.99	3,100,470.31

(19) Intangible assets

	Land use rights	Container flat vehicle use rights	Software	Golf membership Identification	Sea area use rights	Berth facility use rights	Customer relationships	Port information platform	Total
Cost									
31 December 2015	765,820,745.35	46,660,098.18	145,935,998.37	1,977,376.00	3,455,982.72	253,448,422.59	15,970,000.00	64,310,000.00	1,297,578,623.21
Increase in the current period									
Increase from acquisition	7,204,385.82	–	135,380.17	–	–	–	–	–	7,339,765.99
Transfer from construction in progress	145,995,515.42	–	3,601,089.46	–	–	–	–	–	149,596,584.88
Others	–	–	104,731.70	–	–	–	–	–	104,731.70
Decrease in the current period									
Disposal	–	–	(2,171,879.00)	–	–	–	–	–	(2,171,879.00)
30 June 2016 (Unaudited)	919,020,646.59	46,660,098.18	147,605,300.70	1,977,376.00	3,455,982.72	253,448,422.59	15,970,000.00	64,310,000.00	1,452,447,826.78
Accumulated amortisation									
31 December 2015	(149,864,348.30)	(27,704,433.54)	(80,314,466.33)	(961,686.13)	(1,987,136.74)	(93,835,002.67)	(12,620,000.00)	(48,768,416.67)	(416,055,490.38)
Increase in the current period									
Provision	(10,470,202.15)	(1,458,128.04)	(6,935,049.86)	(6,878.16)	(207,358.92)	(2,615,019.06)	(798,500.00)	(3,215,500.00)	(25,706,636.19)
Decrease in the current period									
Disposal	–	–	2,171,879.00	–	–	–	–	–	2,171,879.00
30 June 2016 (Unaudited)	(160,334,550.45)	(29,162,561.58)	(85,077,637.19)	(968,564.29)	(2,194,495.66)	(96,450,021.73)	(13,418,500.00)	(51,983,916.67)	(439,590,247.57)
Carrying amount									
30 June 2016 (Unaudited)	758,686,096.14	17,497,536.60	62,527,663.51	1,008,811.71	1,261,487.06	156,998,400.86	2,551,500.00	12,326,083.33	1,012,857,579.21
31 December 2015	615,956,397.05	18,955,664.64	65,621,532.04	1,015,689.87	1,468,845.98	159,613,419.92	3,350,000.00	15,541,583.33	881,523,132.83

For the six months ended 30 June 2016, the amortisation of intangible assets was RMB25,706,636.19 (for the six months ended 30 June 2015: RMB20,819,756.86).

As at 30 June 2016, land use rights with a carrying amount of RMB15,400,615.69 (a cost of RMB17,631,590.19) (31 December 2015: a carrying amount of RMB15,576,958.57 and a cost of RMB17,631,590.19) are pledged as collateral for long-term borrowings of RMB22,010,023.77 (31 December 2015: RMB27,010,023.77 (Note 4 (36)(a-i)).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(20) Goodwill

	31 December 2015	Increase in the current period	Decrease in the current period	30 June 2016 (Unaudited)
Goodwill –				
Dalian Jiyi Logistics Co., Ltd.	2,397,589.82	–	–	2,397,589.82
DCT Logistics Co., Ltd.	6,218,460.29	–	–	6,218,460.29
Dalian Portnet Co., Ltd.	7,419,238.63	–	–	7,419,238.63
	16,035,288.74	–	–	16,035,288.74
Less: Provision for impairment	–	–	–	–
	16,035,288.74	–	–	16,035,288.74

(21) Long-term prepaid expenses

	31 December 2015	Increase in the current period	Amortisation in the current period	30 June 2016 (Unaudited)
Public facilities in bonded port	10,260,806.92	–	(427,533.72)	9,833,273.20
Decoration	5,520,628.48	749,672.37	(2,090,038.52)	4,180,262.33
Site development expenses	11,079,205.19	–	(558,615.36)	10,520,589.83
Environmental reconstruction expenses	16,922,061.09	–	(423,051.54)	16,499,009.55
Others	8,245,483.91	388,962.00	(648,990.51)	7,985,455.40
	52,028,185.59	1,138,634.37	(4,148,229.65)	49,018,590.31

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(22) Deferred tax assets and deferred tax liabilities

(a) Deferred tax assets before offsetting

	30 June 2016 (Unaudited)		31 December 2015	
	Deferred tax assets	Deductible temporary differences and deductible losses	Deferred tax assets	Deductible temporary differences and deductible losses
Elimination of intra-group unrealised profit	55,064,852.21	220,259,408.84	55,976,157.50	223,904,630.00
Provision for asset impairment	829,688.87	3,318,755.48	829,688.87	3,318,755.48
Advances from customers with tax paid	1,794,326.22	7,177,304.88	980,228.54	3,920,914.16
Difference on depreciation period	2,714,749.15	10,858,996.60	2,714,749.15	10,858,996.60
Changes in fair value of financial assets at fair value through profit or loss	1,161,874.73	4,647,498.92	586,810.60	2,347,242.40
Government grants	321,839.88	1,287,359.52	321,839.88	1,287,359.52
Others	1,033,663.69	4,134,654.76	1,065,209.90	4,260,839.60
	62,920,994.75	251,683,979.00	62,474,684.44	249,898,737.76
Including:				
Expected to be recovered within one year (inclusive)	3,562,483.28		1,169,032.00	
Expected to be recovered after one year	59,358,511.47		61,305,652.44	
	62,920,994.75		62,474,684.44	

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

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

(b) Deferred tax liabilities before offsetting

	30 June 2016 (Unaudited)		31 December 2015	
	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences
Fair value adjustment for business combinations involving enterprises not under common control	7,841,684.48	31,366,737.92	8,590,102.23	34,360,408.92
Others	4,768,156.48	19,072,625.92	3,776,240.88	15,104,963.52
	12,609,840.96	50,439,363.84	12,366,343.11	49,465,372.44
Including:				
Expected to be recovered within one year (inclusive)	1,496,835.51		1,496,835.51	
Expected to be recovered after one year	11,113,005.45		10,869,507.60	
	12,609,840.96		12,366,343.11	

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

	30 June 2016 (Unaudited)	31 December 2015
Deductible losses	369,057,592.68	341,894,013.82

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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 2016 (Unaudited)	31 December 2015
2016	94,861,156.35	96,444,686.49
2017	50,233,847.56	50,233,847.56
2018	47,290,126.36	47,356,751.95
2019	80,157,343.02	86,996,450.43
2020	40,793,008.03	60,862,277.39
2021	55,722,111.36	–
	369,057,592.68	341,894,013.82

(e) The net balances of deferred tax assets and liabilities after offsetting are as follows:

	30 June 2016 (Unaudited)		31 December 2015	
	Offsetting amount	Balance after offsetting	Offsetting amount	Balance after offsetting
Deferred tax assets	(634,710.94)	62,286,283.81	(634,710.94)	61,839,973.50
Deferred tax liabilities	(634,710.94)	11,975,130.02	(634,710.94)	11,731,632.17

(23) Other non-current assets

	30 June 2016 (Unaudited)	31 December 2015
Guarantee payment for land bidding (i)	118,610,000.00	118,610,000.00
Accumulated deductible value-added taxes (ii)	16,441,514.89	–
	135,051,514.89	118,610,000.00

(i) According to the *Agreement on Pre-transfer of Land* entered into by Dalian Port (PDA) Company Limited (“Party B”) and Dalian Bonded Area Land Reserve Trading Centre (“Party A”), the Company pays guarantee payment for land of RMB139,880,000.00 for Dalian Port Petrochemical Project. Party A has released a land pre-transfer announcement for the Project. If Party B fails to clinch the deal upon expiry of the quotation period, Party A will return all amounts paid by Party B within 5 days. As at 30 June 2016, guarantee payment for land bidding is RMB118,610,000.00.

(ii) Accumulated deductible value-added taxes are VAT inputs arising from the Group’s purchase of goods and services with VAT payable, but not yet fully offset in the current period.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(24) Provision for asset impairment

	31 December 2015	Increase in the current period	Decrease in the current period		30 June 2016 (Unaudited)
			Reversal	Write-off	
Provision for bad debts	2,936,715.30	-	-	(1,491,504.33)	1,445,210.97
Including:					
Provision for bad debts of accounts receivable	1,875,522.33	-	-	(1,491,504.33)	384,018.00
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
	4,974,358.29	-	-	(1,491,504.33)	3,482,853.96

(25) Short-term borrowings

	30 June 2016 (Unaudited)	31 December 2015
Pledged (i)	506,379,841.05	566,694,492.83
Unsecured	6,000,000.00	35,000,000.00
	512,379,841.05	601,694,492.83

(i) As at 30 June 2016, bank borrowings of RMB506,379,841.05 (31 December 2015: RMB566,694,492.83) were secured by the Group's inventories at a carrying amount of RMB492,364,760.00 (31 December 2015: RMB772,498,330.38) (Note 4(9)(a)) and notes of related import business.

As at 30 June 2016, the interest for the short-term borrowings was 1.80% – 5.99% (31 December 2015: 1.80% – 6.40%).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(26) Notes payable

	30 June 2016 (Unaudited)	31 December 2015
Bank acceptance notes	–	12,940,000.00

(27) Accounts payable

	30 June 2016 (Unaudited)	31 December 2015
Purchase of auxiliary materials and quality guarantee deposit	232,629,791.84	144,802,114.91
Vessel leasing and ocean freight	71,979,765.39	86,648,885.25
Purchase of goods	18,049,793.58	1,947,574.59
	322,659,350.81	233,398,574.75

(a) As at 30 June 2016, accounts payable with ageing over one year amounted to RMB14,944,139.49 (31 December 2015: RMB15,406,894.42) and mainly 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 receivable based on their recording dates is analysed as follows:

	30 June 2016 (Unaudited)	31 December 2015
Within 1 year	307,715,211.32	217,991,680.33
1 to 2 years	12,745,949.98	11,688,206.75
2 to 3 years	1,505,484.41	2,224,709.90
Over 3 years	692,705.10	1,493,977.77
	322,659,350.81	233,398,574.75

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(28) Advances from customers

	30 June 2016 (Unaudited)	31 December 2015
Sales of motor vehicles	359,468,824.48	344,600,805.52
Cold chain trade	30,796,540.04	30,796,540.04
Refined oil trade	14,013,199.30	36,367,775.00
Miscellaneous expenses	10,907,974.09	5,870,345.20
Iron ore powder trade	10,361,190.69	–
Rental expenses	5,812,664.16	6,227,258.80
Freights	5,595,451.20	3,277,514.57
Public facility maintenance expenses	2,890,073.82	3,920,914.08
Others	14,372,740.76	17,481,192.91
	454,218,658.54	448,542,346.12

As at 30 June 2016, advances from customers with ageing over one year amounted to RMB27,886,608.36 (31 December 2015: RMB5,610,557.74). Such advances from customers were mainly advances from Yidu Group, rental advances and advances of public facility maintenance services, which were unsettled due to the incompleteness of the project.

(29) Employee benefits payable

	30 June 2016 (Unaudited)	31 December 2015
Short-term employee benefits payable (a)	105,420,976.26	202,607,240.14
Defined contribution plans payable (b)	4,286,201.76	10,248,547.82
Termination benefits payable (c)	–	1,353,931.46
	109,707,178.02	214,209,719.42

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(29) Employee benefits payable (continued)

(a) Short-term employee benefits

	31 December 2015	Increase in the current period	Decrease in the current period	30 June 2016 (Unaudited)
Wages and salaries, bonus, allowances and subsidies	181,564,848.01	357,182,567.46	(448,466,412.36)	90,281,003.11
Staff welfare	–	24,878,687.10	(24,878,687.10)	–
Social security contributions	134,248.94	29,941,564.15	(29,847,947.44)	227,865.65
Including: Medical insurance	97,301.46	26,730,224.18	(26,665,596.58)	161,929.06
Work injury insurance	34,757.74	1,341,320.61	(1,312,261.03)	63,817.32
Maternity insurance	2,189.74	1,224,977.91	(1,225,048.38)	2,119.27
Others	–	645,041.45	(645,041.45)	–
Housing funds	–	60,829,509.34	(60,829,509.34)	–
Labour union funds and employee education funds	1,914,879.64	9,240,017.84	(9,177,877.14)	1,977,020.34
Labour expenses	12,293,733.36	124,649,944.63	(128,512,712.57)	8,430,965.42
Other short-term employee benefits	6,699,530.19	1,449,401.45	(3,644,809.90)	4,504,121.74
	202,607,240.14	608,171,691.97	(705,357,955.85)	105,420,976.26

(b) Defined contribution plans

	31 December 2015	Increase in the current period	Decrease in the current period	30 June 2016 (Unaudited)
Basic pensions	264,345.12	60,077,965.78	(60,077,965.78)	264,345.12
Payment of annuity	9,962,356.10	16,409,171.50	(22,371,553.34)	3,999,974.26
Unemployment insurance	21,846.60	3,067,282.55	(3,067,246.77)	21,882.38
	10,248,547.82	79,554,419.83	(85,516,765.89)	4,286,201.76

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(29) Employee benefits payable (continued)

(c) Termination benefits payable

	30 June 2016 (Unaudited)	31 December 2015
Other termination benefits (i)	-	1,353,931.46

(i) For the six months ended 30 June 2016, the Group's other termination benefits paid for termination of the employment relationship were RMB151,973.50.

(30) Taxes payable

	30 June 2016 (Unaudited)	31 December 2015
Enterprise income tax payable	43,981,545.21	40,173,551.13
Value-added tax payable	13,652,466.66	8,897,181.26
Individual income tax payable	2,227,263.44	4,343,935.90
City maintenance and construction tax payable	220,892.16	895,783.59
Educational surcharge payable	157,836.41	639,909.44
Business tax payable	24,295.26	2,931,330.16
Others	3,279,461.62	3,188,406.86
	63,543,760.76	61,070,098.34

(31) Interest payable

	30 June 2016 (Unaudited)	31 December 2015
Interest of long-term borrowings with instalment payments and principal due for maturity	9,248,053.76	10,255,941.03
Interest of bonds	149,586,960.41	133,069,780.14
Interest of short-term borrowings	-	132,916.66
Interest of entrusted loans	281,829.09	261,220.84
	159,116,843.26	143,719,858.67

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(32) Dividends payable

	30 June 2016 (Unaudited)	31 December 2015
Dalian Port Group Co., Ltd	192,342,494.40	–
China Merchants Ports Holdings Company Limited	88,524,000.00	–
Other shareholders of outstanding H shares	60,513,000.00	–
Other shareholders of outstanding A shares	79,094,505.60	–
Singapore Dalian Port Investment Pte. Ltd.	61,287,719.06	61,287,719.06
Dalian Bonded Zhengtong Company Limited	5,779,554.22	5,779,554.22
NYK Bulk & Projects Carriers Ltd.	277,790.92	277,790.92
Others	–	43,886.00
	487,819,064.20	67,388,950.20

(33) Other payables

	30 June 2016 (Unaudited)	31 December 2015
Project expenses payable	259,052,657.90	313,949,456.39
Down payment	61,995,700.94	95,267,095.93
Subsidies received for other companies	25,000,000.00	25,000,000.00
Borrowings from related parties	20,000,000.00	20,000,000.00
Port construction expenses collected for other companies	17,127,465.30	10,667,298.57
Fares collected for other companies	15,194,706.68	5,241,152.11
Guaranty	14,257,859.57	10,977,518.47
Freights	10,553,902.83	15,230,017.14
Compensation received for other companies	6,489,345.68	6,409,042.68
Security expenses payable to the Bureau of Port	1,927,830.18	5,666,222.51
Others	93,071,241.63	77,399,259.72
	524,670,710.71	585,807,063.52

As at 30 June 2016, other payables with ageing over one year amounted to RMB253,607,749.36 (31 December 2015: RMB187,366,272.01). Such other payables were mainly project expenses payable, advances and subsidies received for other companies 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 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(34) Current portion of non-current liabilities

	30 June 2016 (Unaudited)	31 December 2015
Current portion of long-term borrowings (Note 4(36))	1,724,000,000.00	510,000,000.00
Current portion of long-term payables (Note 4(38))	16,307,082.76	17,771,479.16
	1,740,307,082.76	527,771,479.16

(35) Other current liabilities

	30 June 2016 (Unaudited)	31 December 2015
Corporate bonds (a)	2,050,023,790.24	2,014,689,463.02

(a) Related information of short-term bonds payable is as follows:

	31 December 2015	Issued in the current period	Interest at par	Amortisation of premium/ discount	Repayment in the current period	30 June 2016 (Unaudited)
Corporate bonds (i)	1,010,638,606.18	-	15,925,000.00	1,606,194.72	-	1,028,169,800.90
Corporate bonds (ii)	1,004,050,856.84	-	16,177,777.80	1,625,354.70	-	1,021,853,989.34
	2,014,689,463.02	-	32,102,777.80	3,231,549.42	-	2,050,023,790.24

	Par value	Issuance date	Maturity	Issuance amount
Corporate bonds (i)	100.00	10 August 2015	1 year	1,000,000,000.00
Corporate bonds (ii)	100.00	19 October 2015	1 year	1,000,000,000.00

(i) The Company issued corporate bonds with a total amount of RMB1,000,000,000.00 and a duration of 1 year on 10 August 2015. Such bonds at a fixed interest rate have a nominal interest rate of 3.15%. Interest and principal are paid on the maturity date and related issuance expense amounts to RMB3,212,389.43.

(ii) The Company issued corporate bonds with a total amount of RMB1,000,000,000.00 and a duration of 1 year on 19 October 2015. Such bonds at a fixed interest rate have a nominal interest rate of 3.20%. Interest and principal are paid on the maturity date and related issuance expense amounts to RMB3,250,709.43.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(36) Long-term borrowings

	30 June 2016 (Unaudited)	31 December 2015
Pledged (a)	2,022,010,023.77	2,027,010,023.77
Unsecured	354,000,000.00	834,000,000.00
	2,376,010,023.77	2,861,010,023.77
Less: Current portion of long-term borrowings		
Pledged	(1,710,000,000.00)	(10,000,000.00)
Unsecured	(14,000,000.00)	(500,000,000.00)
	(1,724,000,000.00)	(510,000,000.00)
	652,010,023.77	2,351,010,023.77

- (a-i) As at 30 June 2016, bank borrowings of RMB22,010,023.77 (31 December 2015: RMB27,010,023.77) were secured by the Company's fixed assets with a carrying amount of RMB95,234,388.50 (a cost of RMB102,322,342.45) (31 December 2015: a carrying amount of RMB96,449,466.32 and a cost of RMB102,322,342.45) (Note 4(16)) and the Company's land use rights with a carrying amount of RMB15,400,615.69 (a cost of RMB17,631,590.19) (31 December 2015: a carrying amount of RMB15,576,958.57 and a cost of RMB17,631,590.19) (Note 4(19)). Interest is payable every three months and the principal due within one year should be repaid evenly on 20 December 2016 and 20 June 2017 respectively. The remaining principle should be repaid in installment before 14 March 2019.
- (a-ii) As at 30 June 2016, borrowings of RMB150,000,000.00 (31 December 2015: RMB150,000,000.00) were secured by the Company's fixed assets with a carrying amount of approximately RMB146,986,121.53 (a cost of RMB228,576,076.21) (31 December 2015: a carrying amount of RMB150,868,257.15 and 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 2016, borrowings of RMB500,000,000.00 (31 December 2015: 500,000,000.00) were secured by the Company's fixed assets with a carrying amount of approximately RMB432,931,498.41 (a cost of RMB935,860,681.53) (31 December 2015: a carrying amount of RMB452,722,560.60 and 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 2016, borrowings of RMB1,000,000,000.00 (31 December 2015: RMB1,000,000,000.00) were secured by the Company's fixed assets with a carrying amount of approximately RMB788,173,500.46 (a cost of RMB1,735,975,658.93) (31 December 2015: a carrying amount of RMB842,764,288.94 and 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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(36) Long-term borrowings (continued)

(a-v) As at 30 June 2016, borrowings of RMB50,000,000.00 (31 December 2015: RMB50,000,000.00) were secured by the Company's fixed assets with a carrying amount of approximately RMB45,461,042.24 (a cost of RMB68,391,732.00) (31 December 2015: a carrying amount of RMB47,020,107.26 and 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.

(a-vi) As at 30 June 2016, borrowings of RMB300,000,000.00 (31 December 2015: RMB300,000,000.00) were secured by the Company's fixed assets with a carrying amount of approximately RMB272,910,047.30 (a cost of RMB384,992,940.93) (31 December 2015: a carrying amount of RMB281,420,540.90 and 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 2016, the interest for the long-term borrowings was 4.41% – 6.33% (31 December 2015: 5.39% – 6.33%).

(37) Bonds payable

	31 December 2015	Issued in the current period	Issuance expense	Amortisation of premium/ discount	Repayment in the current period	30 June 2016 (Unaudited)	Interest at par
Corporate bonds	5,763,754,605.64	-	-	8,419,609.26	-	5,772,174,214.90	159,217,465.78

Related information is as follows:

	Par value	Issuance date	Maturity	Issuance amount
Corporate bonds (a)	100.00	23 May 2011	10 years	2,350,000,000.00
Corporate bonds (b)	100.00	26 September 2011	7 years	2,650,000,000.00
Corporate bonds (c)	100.00	17 February 2015	3 years	800,000,000.00

(a) Under Regulatory Permission [2011] No. 699 approved by CSRC, the Company issued corporate bonds on 23 May 2011. Interest of such bonds is annually paid and calculated by the simple interest method at a fixed interest rate of 5.30% annually. Interest is payable every year (Note 4(31)), and related issuance expense amounts to RMB25,156,495.00.

(b) Under Regulatory Permission [2011] No. 1226 approved by CSRC, the Company issued corporate bonds 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 to sell all or partial bonds back to the Company at par. Such bonds at a fixed interest rate have a nominal interest rate of 6.05%. Interest is payable every year (Note 4(31)), and related issuance expense amounts to RMB27,775,729.25.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(37) Bonds payable (continued)

- (c) The Company issued corporate bonds on 17 February 2015. Interest of such bonds is annually paid and calculated by the simple interest method at a fixed interest rate of 4.50% annually. Interest is payable every half year (Note 4(31)), and related issuance expense amounts to RMB23,424,000.00.

(38) Long-term payables

	30 June 2016 (Unaudited)	31 December 2015
Payable for finance leases	61,536,019.42	62,752,592.78
Standby letters of credit fee payable	5,020,000.00	10,040,000.00
	66,556,019.42	72,792,592.78
Less: Current portion of long-term payables	(16,307,082.76)	(17,771,479.16)
	50,248,936.66	55,021,113.62

(39) Deferred income

	31 December 2015	Increase in the current period	Decrease in the current period	30 June 2016 (Unaudited)		
Government grants	565,081,808.69	2,085.47	(23,597,490.73)	541,486,403.43		
Government grants project	31 December 2015	Increase in the current period	Amount recognised in non-operating income in the current period	Other changes in the current period	30 June 2016 (Unaudited)	Related to assets/income
Relocation compensation (i)	490,399,745.04	-	(16,810,556.88)	-	473,589,188.16	Related to assets
Production safety expense (ii)	31,750,000.00	-	-	-	31,750,000.00	Related to assets
Operation subsidies (iii)	18,780,784.19	-	(5,164,000.00)	-	13,616,784.19	Related to income
Sea-railway transportation subsidies (iv)	10,340,000.00	-	-	-	10,340,000.00	Related to assets
Energy conservation and emission reduction special fund (v)	3,654,536.49	-	(300,511.79)	-	3,354,024.70	Related to assets
Vessel construction subsidies (vi)	3,666,098.64	-	(395,608.78)	-	3,270,489.86	Related to assets
Equipment reconstruction subsidies (vii)	2,155,708.50	-	(7,563.00)	-	2,148,145.50	Related to assets
Others	4,334,935.83	2,085.47	(84,650.28)	(834,600.00)	3,417,771.02	Related to assets
	565,081,808.69	2,085.47	(22,762,890.73)	(834,600.00)	541,486,403.43	

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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 Company in respect of the government grant for safety of production will be recognised in the consolidated income statement by periods over the useful lives of the relevant assets. This project has not been completed and transferred to fixed assets.
- (iii) The subsidy related to income granted by the People's Government of Muling was used to the compensation for operating loss in five years since Heilongjiang Suimu Logistics Co., Ltd.'s incorporation. The Company was characterised as large initial investment and long payback period. The local government offered financial supporting for the operating loss incurred 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.
- (iv) The amount received by the Company in respect of the subsidy for the sea-railway co-transportation system will be recognised in the consolidated income statement by periods over the useful lives of the relevant assets. This project has not been completed and transferred to fixed assets.
- (v) 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.
- (vi) 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.
- (vii) 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.

(40) Other non-current liabilities

	30 June 2016 (Unaudited)	31 December 2015
All-in charges for cargo handling	76,161,909.86	102,772,498.43

In 2013, 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 represent the preferential period.

As at 30 June 2016, balance of prepaid all-in charges for cargo handling was RMB76,161,909.86 (31 December 2015: RMB102,772,498.43).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(41) Share capital

	31 December 2015	Movements in the current period					30 June 2016 (Unaudited)
		Newly issued	Bonus share	Transferred from reserves	Others	Subtotal	
RMB-denominated ordinary shares	3,363,400,000.00	-	-	-	-	-	3,363,400,000.00
Foreign shares listed overseas	1,062,600,000.00	1,180,320,000.00	-	-	-	1,180,320,000.00	2,242,920,000.00
	4,426,000,000.00	1,180,320,000.00	-	-	-	1,180,320,000.00	5,606,320,000.00

	31 December 2014	Movements in the current period					30 June 2015 (Unaudited)
		Newly issued	Bonus share	Transferred from reserves	Others	Subtotal	
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

Under Regulatory Permission [2015] No. 2226 *Official Reply on Approving the Issuance of Additional Overseas Listed Foreign Shares by Dalian Port Group Co., Ltd* approved by CSRC on 8 October 2015, the Company is approved to issue additional overseas listed foreign shares [H shares] of no more than 1,475,400,000 shares to overseas investors. As at 30 June 2016, the Company completed rationing of 1,180,320,000 foreign shares listed overseas [H shares] and the rationing price is HKD3.67 per share. The mentioned fund was received on 4 February 2016 and has been verified by PricewaterhouseCoopers Zhong Tian LLP with capital verification report of PricewaterhouseCoopers Zhong Tian Yan Zi (2016) No. 314. The raised fund is paid-up in HKD amounting to HKD4,331,774,400.00, equivalent to RMB3,637,824,141.12 (adopting central parity rate of HKD against RMB on 4 February 2016 set by the People's bank of China as exchange rate), the share capital of the Company is increased by RMB1,180,320,000.00. After netting of issuance expenses of RMB42,233,648.01 and related stamp taxes of RMB1,797,795.25, the remaining RMB2,413,472,697.86 is recognised in capital surplus (share premium).

As at 30 June 2016, 255,760,000 shares of overseas listed foreign shares are held by PDA Group through HKSCC Nominees Limited (31 December 2015: 149,458,000 shares). For the six months ended 30 June 2016, the additional H shares were purchased from secondary market of Stock Exchange of Hong Kong Limited.

In accordance with the resolution at the Board of Shareholders' meeting dated on 28 June 2016, the Company issues 3 bonus shares every 10 shares and increases 10 shares every 10 shares of capital surplus to all shareholders with 5,606,320,000 shares as base. As at 30 June 2016, accounting treatment was not required due to unfinished capital increase procedures. According to listing regulation and supervision rules of mainland China and overseas, the Company completed relevant capital increase procedures on 1 August 2016 and 17 August 2016 respectively and distributed dividends of RMB1,681,896,000.00 and transferred to increase capital of RMB5,606,320,000.00. Therefore total share capital was altered to RMB12,894,536,000.00.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(42) Capital surplus

	31 December 2015	Increase in the current period	Decrease in the current period	30 June 2016 (Unaudited)
Share premium	6,103,613,277.83	2,413,472,697.86	–	8,517,085,975.69
Other capital surplus –				
Share of changes in equity other than comprehensive income and profit distribution of investees under the equity method (a)	8,445,750.98	1,704,175.46	–	10,149,926.44
Others	5,506,725.81	–	–	5,506,725.81
	6,117,565,754.62	2,415,176,873.32	–	8,532,742,627.94
	31 December 2014	Increase in the current period	Decrease in the current period	30 June 2015 (Unaudited)
Share premium	6,103,613,277.83	–	–	6,103,613,277.83
Other capital surplus –				
Share of changes in equity other than comprehensive income and profit distribution of investees under the equity method (a)	8,126,932.54	748,185.03	–	8,875,117.57
Others	10,536,809.50	–	–	10,536,809.50
	6,122,277,019.87	748,185.03	–	6,123,025,204.90

- (a) Share of changes in equity other than comprehensive income and profit distribution of investees under the equity method mainly comprises specific reserves appropriated by joint ventures and associates of the Group in the current period.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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 2016 (Unaudited)				
	31 December 2015	Attributable to the Company – net of tax	30 June 2016 (Unaudited)	Amount incurred before tax for the current period	Less: Previously recognised in OCI but transferred to P&L for the current period	Less: Income tax expenses	Attributable to the Company – net of tax	Attributable to minority shareholders – net of tax
Share of the other comprehensive income of the investees accounted for using equity method which will be reclassified subsequently to profit or loss	(755,666.78)	-	(755,666.78)	-	-	-	-	-
Gains or losses on changes in fair value of available-for-sale financial assets	(3,514,596.01)	(2,515,639.28)	(6,030,235.29)	(2,515,639.28)	-	-	(2,515,639.28)	-
Difference on translation of foreign currency financial statement	31,293,840.07	7,503,951.19	38,797,791.26	7,503,951.19	-	-	7,503,951.19	-
	27,023,577.28	4,988,311.91	32,011,889.19	4,988,311.91	-	-	4,988,311.91	-

	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 the Company – net of tax	30 June 2015 (Unaudited)	Amount incurred before tax for the current period	Less: Previously recognised in OCI but transferred to P&L for the current period	Less: Income tax expenses	Attributable to the Company – net of tax	Attributable to minority shareholders – net of tax
Share of the other comprehensive income of the investees accounted for using equity method which will be reclassified	(1,834,787.33)	334,624.05	(1,500,163.28)	334,624.05	-	-	334,624.05	-
Gains or losses on changes in fair value of available-for-sale financial assets	(902,412.06)	376,267.24	(526,144.82)	376,267.24	-	-	376,267.24	-
Difference on translation of foreign currency financial statement	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	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(44) Surplus reserve

	31 December 2015	Increase in the current period	Decrease in the current period	30 June 2016 (Unaudited)
Statutory surplus reserve	622,952,355.31	–	–	622,952,355.31
Reserve fund	353,065.88	–	–	353,065.88
Discretionary surplus reserve	620,468.49	–	–	620,468.49
	623,925,889.68	–	–	623,925,889.68

	31 December 2014	Increase in the current period	Decrease in the 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
	579,682,823.85	–	–	579,682,823.85

In accordance with the Company Law of PRC 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 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(45) Undistributed profits

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Undistributed profits at beginning of the period	2,820,227,405.53	2,559,058,167.36
Add: Net profit attributable to shareholders of the Company for the current period	221,088,963.04	286,032,557.36
Less: Appropriation to statutory surplus reserve	-	-
Ordinary share dividends payable (a)	(420,474,000.00)	(177,040,000.00)
Undistributed profits at end of the period	2,620,842,368.57	2,668,050,724.72

(a) In accordance with the resolution at the Board of Shareholders' meeting, dated on 28 June 2016, the Company proposed a cash dividend to the shareholders at RMB0.75 per 10 shares (including tax), amounting to RMB420,474,000.00 calculated by 5,606,320,000 issued shares.

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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(46) Minority interests

	30 June 2016 (Unaudited)	31 December 2015
Dalian Container Terminal Co., Ltd.	720,271,981.59	684,062,425.63
Dalian Haijia Automobile Terminal Co., Ltd.	214,559,441.29	212,583,098.13
Dalian Port Lvshun Harbour Service Co., Ltd.	131,119,698.20	132,779,456.62
Dalian Golden Bay Grain Logistics Co., Ltd.	124,876,233.74	126,128,184.79
Dalian Dilangsirui Caravan Co., Ltd.	49,491,802.75	49,981,042.06
Dalian Port Group Zhuanghe Terminal Co., Ltd.	20,148,754.35	22,376,508.29
Dalian Portnet Co., Ltd.	14,657,665.51	14,419,558.98
Dalian FTZ Jinxin Petro-chemical Co., Ltd.	12,118,509.52	12,212,533.46
Dalian Portsoft Technology Co., Ltd.	10,822,345.12	12,848,674.85
Dalian Port Construction Supervision & Consultation Co., Ltd.	9,989,787.66	14,857,247.00
Dalian Port Lianheng Supply Chain Management Co., Ltd.	9,800,000.00	–
Port of Dalian SLD Timber Trading Center Co., Ltd.	9,517,100.37	11,872,527.76
Dalian Ganghong International Trade Co., Ltd.	9,403,132.90	9,581,666.36
Dalian International Container Services Co., Ltd.	7,934,112.78	7,343,738.75
Dalian Port Telecommunications Engineering Co., Ltd.	7,099,686.83	6,620,926.32
Dalian United King Port Auto Trade Co., Ltd.	5,071,711.50	4,793,303.52
Dalian Ocean Shipping Tally Co., Ltd.	3,897,176.02	2,889,051.93
Heilongjiang Suimu Logistics Co., Ltd.	3,779,968.56	3,777,570.77
Dalian Gangrun Gas Co., Ltd.	3,533,664.53	4,073,057.91
Inner Mongolia Lugang Bonded Logistics Park Co., Ltd.,	2,813,434.59	4,901,187.78
Dalian Jifa Bohai Rim Container Lines Co., Ltd.	2,659,202.21	2,547,432.62
Caofeidian Port Container logistics Co., Ltd.	252,646.45	251,722.42
Dalian Port Trans-Eurasia International Logistics Co., Ltd.	146,261.58	1,207,439.18
Dalian Port Xinshengshi Trading Co., Ltd	(9,842.09)	34,411.57
Dalian Hongyang International Logistics Co., Ltd.	(128,706.28)	–
Dalian Jifa Technology Co., Ltd.	(1,440,610.16)	(1,408,429.70)
Dalian International Logistics Park Development Co., Ltd.	(11,518,382.50)	(9,920,707.63)
	1,360,866,777.02	1,330,813,629.37

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(47) Revenue and cost of sales

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Revenue from main operations	6,324,438,817.21	3,924,624,679.69
Revenue from other operations	155,777,580.06	173,717,464.79
	6,480,216,397.27	4,098,342,144.48
	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Cost of sales from main operations	5,646,642,014.91	3,259,475,286.01
Cost of sales from other operations	121,914,799.15	123,770,041.70
	5,768,556,814.06	3,383,245,327.71

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(47) Revenue and cost of sales (continued)

(a) Analysis by industries is as follows:

	For the six months ended 30 June 2016 (Unaudited)		For the six months ended 30 June 2015 (Unaudited)	
	Revenue	Cost of sales	Revenue	Cost of sales
Oil and liquefied chemicals terminal and related logistics services	2,852,423,517.82	2,452,895,202.62	860,573,229.29	458,378,243.34
Container terminal and related logistics services	704,417,713.80	553,561,499.00	845,330,389.21	689,269,593.36
General cargo terminal and related logistics and trading services	246,975,713.35	254,855,811.29	189,531,378.43	197,417,622.40
Ore terminal and related logistics services	107,805,008.45	115,633,658.68	95,552,094.31	106,808,482.54
Grains terminal and related logistics and trading services	491,736,600.24	478,224,037.77	768,877,114.05	786,676,682.63
Passenger and roll-on, roll-off terminal and related logistics services	55,162,878.67	47,635,054.76	57,740,439.65	44,394,546.90
Port value-added and ancillary services	392,960,626.54	272,220,402.12	420,924,957.69	267,511,240.28
Automobile terminal and related logistics and trading services	1,589,415,004.15	1,562,603,735.38	811,171,171.03	802,404,205.20
Others	39,319,334.25	30,927,412.44	48,641,370.82	30,384,711.06
	6,480,216,397.27	5,768,556,814.06	4,098,342,144.48	3,383,245,327.71

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(47) Revenue and cost of sales (continued)

(b) *The revenue is categorised as follows:*

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Commodity trading	4,174,342,451.47	1,686,983,527.85
Handling services	825,930,807.42	825,441,971.02
Storage services	418,339,886.08	444,917,638.01
Agency services	325,838,853.86	335,065,416.74
Transportation services	236,897,759.25	269,545,832.41
Leasing services	101,443,497.06	117,467,760.19
Port management services	112,891,297.85	110,464,368.92
Project construction and supervision services	56,063,227.08	52,318,744.44
Electric supply services	48,079,148.80	49,442,664.97
Sales of goods	20,970,408.39	32,967,957.59
Tallying services	32,176,907.95	30,768,349.14
Information services	27,098,552.10	30,361,275.99
Others	100,143,599.96	112,596,637.21
	6,480,216,397.27	4,098,342,144.48

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(48) Taxes and surcharges

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)	Tax base
Business tax	8,093,425.84	10,864,510.02	5% of taxable income for business tax
City maintenance and construction tax and educational surcharges	6,057,177.55	7,992,381.28	7% of business tax and VAT for city maintenance and construction tax, 3% of business tax and VAT for educational surcharges and 2% for local educational surcharges
	14,150,603.39	18,856,891.30	

(49) Selling and distribution expenses

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Publicity expenses	528,465.75	–
Agent fees	65,533.02	61,988.00
Labour costs	55,049.82	–
Rental expenses	32,524.27	–
Fuel expenses	500.00	40,000.00
Warehousing expenses	–	186,792.44
Technical service fees	–	120,000.00
Others	40,536.23	116,294.90
	722,609.09	525,075.34

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(50) General and administrative expenses

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Employee benefits	199,591,381.62	180,684,056.63
Depreciation and amortisation	22,616,845.15	20,695,684.60
Taxation expenses	12,142,876.16	14,150,754.12
Rental expenses	11,571,721.02	8,430,074.98
Entertainment expenses	7,857,002.95	7,034,013.66
Property insurance fee	4,874,291.11	5,164,544.78
General office expenses	2,654,886.05	2,502,504.58
Audit fees		
– Non-audit services	742,179.01	616,000.00
Others	37,572,700.66	37,780,034.84
	299,623,883.73	277,057,668.19

(51) Financial expenses

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Interest expenses	274,766,655.41	289,890,371.91
Less: Interest income	(28,303,064.28)	(11,705,142.08)
Less: Amount of interest capitalisation (i)	(24,088,406.52)	(27,442,224.89)
Exchange gains or losses	(27,497,000.45)	6,259,090.42
Others	7,995,102.69	9,082,834.58
	202,873,286.85	266,084,929.94

- (i) Borrowing costs capitalised have been included into construction in progress, carried forward to fixed assets upon the completion of construction in progress.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(52) Expenses by nature

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

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Cost of goods sales	4,143,024,697.00	1,700,458,679.20
Labour costs	683,697,453.14	668,880,729.44
Depreciation and amortisation	398,840,899.25	389,950,733.86
Rental expenses	187,041,952.40	187,133,934.45
Fuel expenses	68,798,500.21	95,584,870.50
Electric charges	63,893,391.80	68,589,319.91
Repair expenses	29,908,882.19	29,584,049.81
Materials expenses	26,148,981.12	24,879,103.54
Audit fees		
– Non-audit services	742,179.01	616,000.00
Other expenses	466,806,370.76	495,150,650.53
	6,068,903,306.88	3,660,828,071.24

(53) Profit arising from changes in fair value

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Financial assets at fair value through profit or loss		
– Derivative financial instruments	20,162,391.59	–
– Investments in equity instrument held for trading	(2,300,256.50)	4,224,613.40
	17,862,135.09	4,224,613.40

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(54) Investment income

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Income from long-term equity investment accounted for using the equity method	47,176,370.19	62,510,171.74
Income earned during the holding period of financial assets at fair value through profit or loss	57,093.00	33,000.00
Income earned during the holding period of available-for-sale financial assets	2,060,000.00	21,342,268.00
Income from disposal of financial assets at fair value through profit or loss	337,910.18	1,809,929.87
Income from wealth management products and entrusted investments	4,535,572.51	14,542,340.58
Income from disposal of available-for-sale financial assets	–	21,014,976.72
Others	1,481,180.27	–
	55,648,126.15	121,252,686.91

There is no restriction on recovery of investment income.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(55) Non-operating income

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)	Amount recognised in non-recurring profit or loss for the six months ended 30 June 2016 (Unaudited)
Gains on disposal of non-current assets	99,742.51	343,876.19	99,742.51
Including: Gains on disposal of fixed assets	99,742.51	338,396.69	99,742.51
Gains on disposal of intangible assets	-	5,479.50	-
Government grants (a)	60,254,231.52	105,908,973.54	2,300.00
Others	3,552,369.37	19,165,394.95	3,552,369.37
	63,906,343.40	125,418,244.68	3,654,411.88

(a) Details of government grants

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)	Related to assets/ Related to income
Relocation compensation	16,810,556.88	17,252,592.00	Related to assets
Vessel construction subsidies	395,608.78	395,608.80	Related to assets
Energy conservation and emission reduction special fund	300,511.79	300,511.78	Related to assets
Equipment reconstruction subsidies	7,563.00	7,563.00	Related to assets
Others	87,650.28	20,650.26	Related to assets
Container subsidies	37,482,400.00	80,827,400.00	Related to income
Operation subsidies	5,164,000.00	5,865,000.00	Related to income
Refund of turnover taxes	3,640.79	6,691.18	Related to income
Others	2,300.00	1,232,956.52	Related to income
	60,254,231.52	105,908,973.54	

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(56) Non-operating expenses

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)	Amount recognised in non-recurring profit or loss for the six months ended 30 June 2016 (Unaudited)
Losses on disposal of non-current assets	31,747.48	252,167.18	31,747.48
Including: Losses on disposal of fixed assets	31,747.48	252,167.18	31,747.48
Others	66,349.84	276,748.09	66,349.84
	98,097.32	528,915.27	98,097.32

(57) Income tax expenses

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Current income tax calculated based on tax law and related regulations	78,683,542.82	82,835,863.78
Deferred income tax	(202,812.35)	1,464,273.26
	78,480,730.47	84,300,137.04

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(57) Income tax expenses (continued)

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

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Total profit	331,607,707.47	402,938,881.72
Income tax expenses calculated at applicable tax rates	82,901,926.87	100,734,720.43
Effect of different tax rates applicable to subsidiaries in Mainland China	(274,980.82)	(349,668.23)
Effect of different tax rates applicable to subsidiaries outside Mainland China	2,777,154.05	144,388.45
Adjustments for current income tax of prior period	(3,238,748.36)	(1,747,830.53)
Income not subject to tax	(16,937,619.62)	(25,276,257.95)
Costs, expenses and losses not deductible for tax purposes	1,175,225.26	11,439,286.27
Utilisation of previously unrecognised tax losses	(1,852,754.76)	(10,937,614.55)
Deductible losses and temporary differences for which no deferred income tax asset was recognised	13,930,527.85	10,293,113.15
Income tax expenses	78,480,730.47	84,300,137.04

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(58) Earnings per share

(a) Basic earnings per share

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

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Consolidated net profit attributable to ordinary shareholders of the Company	221,088,963.04	286,032,557.36
Weighted average number of ordinary shares outstanding	12,697,816,000.00	10,179,800,000.00
Basic earnings per share	0.02	0.03
Including:		
– Basic earnings per share from continuing operations	0.02	0.03

For the period from the balance sheet date to the date on which the financial statements are authorised for issue, the ordinary shares outstanding increased by distributing stock dividends and transferring to capital from capital surplus while the amount of shareholders' equities is not affected, earnings per share for each presentation period are recalculated as per adjusted ordinary shares outstanding.

(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 2016, there were no dilutive potential ordinary shares (for the six months ended 30 June 2015: nil), hence diluted earnings per share is equal to basic earnings per share.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(59) Notes to the consolidated cash flow statement

(a) Cash received relating to other operating activities

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Down payment received	103,480,000.00	139,886,203.01
Bank interest income received	27,938,174.64	11,630,643.15
Government grants received	10,787,340.79	4,003,657.00
Others	27,759,030.88	57,158,830.81
	169,964,546.31	212,679,333.97

(b) Cash paid relating to other operating activities

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Rental expenses	11,571,721.02	8,430,074.98
Insurance expenses	4,874,291.11	5,164,544.78
Intermediary fees	3,649,922.84	616,000.00
Business travel expenses	2,729,547.08	2,959,734.85
General office expenses	2,655,330.05	2,502,504.58
Repair expenses	1,752,242.03	1,315,039.33
Commuting expenses	1,726,965.19	1,515,272.75
Fuel expenses	1,502,981.71	1,741,518.77
Utility fees	1,420,633.99	1,441,861.40
Communication expenses	72,743.71	184,550.97
Others	81,546,798.85	63,305,084.15
	113,503,177.58	89,176,186.56

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

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

(c) Cash received relating to other investing activities

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Fixed deposit of more than six months received	143,950,000.00	27,000,000.00
Cash received from restricted balances with financial institutions	88,442,669.88	29,940,587.21
Asset-related government grants received	5,085.47	–
	232,397,755.35	56,940,587.21

(d) Cash paid relating to other investing activities

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Fixed deposit with banks of more than six months	158,500,000.00	9,000,000.00
Restricted balances with financial institutions	88,906,212.29	43,959,881.13
Payment for relevant taxation expenses for disposal of sea area use rights	–	25,595,629.80
	247,406,212.29	78,555,510.93

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

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

(e) Cash received relating to other financing activities

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Capital prepaid by minority shareholders	9,800,000.00	–
Asset-related government grants received	–	439,999.52
	9,800,000.00	439,999.52

(f) Cash paid relating to other financing activities

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Payment for bonds issuance expense	5,020,000.00	5,594,103.03
Payment for stocks issuance expense	3,298,085.25	–
Payment for bank commission charge	2,975,102.68	–
	11,293,187.93	5,594,103.03

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(60) Supplementary information to the consolidated cash flow statement

(a) Supplementary information to the consolidated cash flow statement

Reconciliation from net profit to cash flows from operating activities

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Net profit	253,126,977.00	318,638,744.68
Add: Depreciation of fixed assets	361,971,115.86	358,489,255.50
Depreciation of investment properties	9,077,394.84	9,124,305.56
Amortisation of intangible assets	23,686,046.75	20,819,756.86
Amortisation of long-term prepaid expenses	4,148,229.65	1,517,415.94
Net gains on disposal of fixed assets	(67,995.03)	(91,709.01)
Financial expenses	235,071,220.04	268,427,881.65
Investment income	(55,648,126.15)	(121,252,686.91)
Profit arising from changes in fair value	(17,862,135.09)	(4,224,613.40)
(Increase)/decrease in deferred tax assets	(446,310.31)	2,247,167.68
Increase/(decrease) in deferred tax liabilities	243,497.85	(782,894.42)
Deferred income	(22,765,890.73)	(23,841,925.36)
Decrease in inventories	278,834,980.95	19,130,895.06
Increase in special reserve	9,471,693.60	12,233,417.07
Increase in operating receivables	(248,576,355.29)	(304,243,273.80)
(Decrease)/increase in operating payables	(55,217,805.24)	63,116,016.61
Net cash flows from operating activities	775,046,538.70	619,307,753.71

Significant operating activities that do not involve cash payments

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Import Bill Advance under LC – Bank payments for goods	42,856,068.92	61,075,883.65

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

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

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

Significant financing activities that do not involve cash receipts

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Import Bill Advance under LC – Bank payments for goods	42,856,068.92	61,075,883.65

Net increase/(decrease) in cash and cash equivalents

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Cash and cash equivalents at end of the period	5,851,419,265.85	2,187,683,603.94
Less: Cash and cash equivalents at beginning of the period	(2,728,928,183.51)	(2,247,075,590.78)
Net increase/(decrease) in cash and cash equivalents	3,122,491,082.34	(59,391,986.84)

(b) Cash and cash equivalents

	30 June 2016 (Unaudited)	31 December 2015
Cash	103,017.49	88,856.07
Including: Cash on hand	103,017.49	88,856.07
Cash at bank that can be readily drawn on demand	5,847,702,524.65	2,728,061,535.80
Other monetary fund that can be readily drawn on demand	3,613,723.71	777,791.64
Cash and cash equivalents at end of the period	5,851,419,265.85	2,728,928,183.51

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(61) Monetary items dominated in foreign currency

	30 June 2016 (Unaudited)		
	Amount in foreign currency	Translation rate	Amount in RMB
Cash at bank and on hand –			
USD	605,756,892.60	6.6312	4,016,895,106.21
JPY	10,807,789.00	0.0645	697,102.39
HKD	7,242,348.49	0.8547	6,190,035.25
CAD	318,222.96	5.1222	1,630,001.65
EUR	21.94	7.3750	161.81
Accounts receivable –			
USD	3,131,367.71	6.6312	20,764,725.56
JPY	1,201,034.00	0.0645	77,466.69
Other receivables –			
USD	545,055.20	6.6312	3,614,370.04
HKD	1.00	0.8547	0.85
Accounts payable –			
USD	2,711,124.81	6.6312	17,978,010.84
Other payables –			
USD			
HKD	35,901.16	0.8547	30,684.72
Short-term borrowings –			
USD	34,711,009.93	6.6312	230,175,649.05
JPY	2,386,282,500.00	0.0645	153,915,221.25
CAD	5,968,695.55	5.1222	30,572,852.35
EUR	7,777,544.10	7.3750	57,359,387.74
Current portion of non-current liabilities –			
USD	891,780.51	6.6312	5,913,574.92
Long-term payables –			
USD	6,967,977.99	6.6312	46,206,055.65
Available-for-sale financial assets –			
HKD	11,728,050.00	0.8547	10,023,964.34

Notes to the Financial Statements (continued)

*For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]*

5 Changes of consolidation scope

Other consolidation scope changes

On 18 March 2016, the Group contributed RMB15,000,000.00 in cash to set up a wholly-owned subsidiary, Dalian Jifa Nan'an International Logistics Co., Ltd.

On 6 May 2016, the Company contributed RMB10,000,000.00 in cash to set up a subsidiary, Dalian Hongyang International Logistics Co., Ltd., with Yingkou Shuntong Transportation Co., Ltd.

On 9 May 2016, the Group contributed RMB10,200,000.00 in cash to set up a subsidiary, Dalian Port Lianheng Supply Chain Management Co., Ltd., with Liaoning Hengjiu Development Group Co., Ltd.

Due to optimisation of internal resource allocation of the Group, Dalian Ganghang Tendering & Bidding Agency Co., Ltd, a wholly-owned subsidiary of the Group, was cancelled in the current period with the approval of the Board of Directors. As at 30 June 2016, all cancellation procedures were completed.

Due to optimisation of internal resource a allocation of the Group, Dalian Gangyue Car-carrying Vessel Management Co., Ltd., wholly-owned subsidiary of the Group, was cancelled in the current period with the approval of the Board of Directors. As at 30 June 2016, all cancellation procedures were completed.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

6 Interests in other entities

(1) Interests in subsidiaries

(a) The composition of the Group

Name of subsidiaries	Category of legal person	Principal place of operation	Place of registration	Nature of business	Information of equity and debt issued	Shareholding		Voting rights (%)	Method of acquisition
						Direct (%)	Indirect (%)		
Dalian FTZ Jinxin Petro-chemical Co., Ltd.	LLC (Sino-foreign joint)	Dalian, Liaoning	Dalian, Liaoning	Wholesale and agency	None	60.00	-	60.00	Contributed by investor
Dalian Port Jifa Logistics Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Logistics	None	-	100.00	100.00	Contributed by investor
Dalian Port Container Development Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Container services	None	100.00	-	100.00	Contributed by investor
Dalian International Container Services Co., Ltd. (iv)	LLC	Dalian, Liaoning	Dalian, Liaoning	Transportation agency	None	-	55.00	60.00	Contributed by investor
Dalian International Logistics Park Development Co., Ltd.	Other LLC	Dalian, Liaoning	Dalian, Liaoning	Real estate development	None	-	90.00	90.00	Contributed by investor
Dalian Jifa Shipping Agency Co., Ltd.	LLC (Sole Proprietorship of Legal Person)	Dalian, Liaoning	Dalian, Liaoning	Shipping agency	None	-	100.00	100.00	Contributed by investor
Dalian Jifa Ship Management Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Ship management service	None	90.77	9.23	100.00	Contributed by investor
Dalian Jifa Port Technical Service Co., Ltd.	LLC (Sole Proprietorship of Legal Person)	Dalian, Liaoning	Dalian, Liaoning	Port technical services	None	-	100.00	100.00	Contributed by investor
Dalian Jifa International Freight Co., Ltd.	LLC (Sole Proprietorship of Legal Person)	Dalian, Liaoning	Dalian, Liaoning	Logistics	None	-	100.00	100.00	Contributed by investor
Dalian Jifa Bohai Rim Container Lines Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Transportation	None	-	97.36	97.36	Contributed by investor
Dalian Jifa Technology Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Computer system service	None	-	60.00	60.00	Contributed by investor
Dalian Port Logistics Technology Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Computer software	None	-	100.00	100.00	Contributed by investor
Dalian Dilangsirui Caravan Co., Ltd.	LLC (Sino-foreign joint)	Dalian, Liaoning	Dalian, Liaoning	Manufacturing	None	51.00	-	51.00	Set up by investment
Dalian Ganghong International Trade Co., Ltd. (iv)	Other LLC	Dalian, Liaoning	Dalian, Liaoning	Trading	None	-	51.00	60.00	Set up by investment
Dalian Port Grain and Oil Trading Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Trading	None	100.00	-	100.00	Set up by investment
Dalian Gangrun Gas Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Sale of fuel gas	None	51.00	-	51.00	Set up by investment

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

6 Interests in other entities (continued)

(1) Interests in subsidiaries (continued)

(a) The composition of the Group (continued)

Name of subsidiaries	Category of legal person	Principal place of operation	Place of registration	Nature of business	Information of equity and debt issued	Shareholding		Voting rights (%)	Method of acquisition
						Direct (%)	Indirect (%)		
Dalian Haijia Automobile Terminal Co., Ltd. (i)	LLC	Dalian, Liaoning	Dalian, Liaoning	Construction and operation of auto terminal	None	50.00	-	100.00	Set up by investment
Dalian Container Terminal Co., Ltd. (iv)	LLC (Sino-foreign joint)	Dalian, Liaoning	Dalian, Liaoning	Port industry	None	-	51.00	57.14	Set up by investment
Dalian United King Port Auto Trade Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Trading	None	60.00	-	60.00	Set up by investment
Dalian Steel Logistics Park Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Trading	None	100.00	-	100.00	Set up by investment
Harbour Full Group Limited	LLC	BVI	BVI	Logistics	None	-	100.00	100.00	Set up by investment
Heilongjiang Suimu Logistics Co., Ltd.	Other LLC	Muling, Heilongjiang	Muling, Heilongjiang	Logistics	None	-	91.67	91.67	Set up by investment
Qinhuangdao Jigang Shipping Agency Co., Ltd.	LLC (Sole Proprietorship of Legal Person)	Qinhuangdao, Hebei	Qinhuangdao, Hebei	Shipping agency	None	-	100.00	100.00	Set up by investment
Caofeidian Port Container logistics Co., Ltd.(vi)	LLC	Tangshan, Hebei	Tangshan, Hebei	Shipping agency	None	-	51.00	51.00	Set up by investment
Asia Pacific Ports (Dalian) Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Logistics	None	-	100.00	100.00	Set up by investment
Asia Pacific Ports Development Co., Ltd.	LLC	BVI	BVI	Logistics	(v)	-	100.00	100.00	Set up by investment
Asia Pacific Ports Investment Co., Ltd.	LLC	Hong Kong	Hong Kong	Logistics	None	-	100.00	100.00	Set up by investment
Asia Pacific Ports Company Limited	LLC	Hong Kong	Hong Kong	Logistics	None	100.00	-	100.00	Set up by investment
Dalian Port Xinchengshi Trading Co., Ltd	LLC	Dalian, Liaoning	Dalian, Liaoning	Trading	None	70.00	-	70.00	Set up by investment
Dalian Port Trans-Eurasia International Logistics Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Freight services	None	-	60.00	60.00	Set up by investment
Huanan Dalian Port Zhengjiang Cereals and Oil Trading Co., Ltd.	LLC	Jiamusi, Heilongjiang	Jiamusi, Heilongjiang	Trading	None	-	100.00	100.00	Set up by investment

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

6 Interests in other entities (continued)

(1) Interests in subsidiaries (continued)

(a) The composition of the Group (continued)

Name of subsidiaries	Category of legal person	Principal place of operation	Place of registration	Nature of business	Information of equity and debt issued	Shareholding		Voting rights (%)	Method of acquisition
						Direct (%)	Indirect (%)		
Dalian Zhuanghe Gangxing Investment Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Real estate development	None	100.00	-	100.00	Set up by investment
Port of Dalian SLD Timber Trading Center Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Service industry	None	-	51.00	51.00	Set up by investment
Inner Mongolia Lugang Bonded Logistics Park Co., Ltd.,	Other LLC	Tongliao, Inner Mongolia	Tongliao, Inner Mongolia	Freight services	None	-	51.00	51.00	Set up by investment
Dalian Hongyang International Logistics Co., Ltd. (i)	LLC	Dalian, Liaoning	Dalian, Liaoning	Freight services	None	50.00	-	100.00	Set up by investment
Dalian Port Lianheng Supply Chain Management Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Supply chain management services	None	-	51.00	51.00	Set up by investment
Dalian Jifa Nan'an International Logistics Co., Ltd.	LLC (Sole Proprietorship of Legal Person)	Dalian, Liaoning	Dalian, Liaoning	Port industry	None	-	100.00	100.00	Set up by investment
Dalian Port Power Supply Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Construction industry	None	100.00	-	100.00	Business combination involving enterprises under common control
Dalian Port Group Zhuanghe Terminal Co., Ltd.	Other LLC	Dalian, Liaoning	Dalian, Liaoning	Port industry	None	60.00	-	60.00	Business combination involving enterprises under common control
Dalian Port Construction Supervision & Consultation Co., Ltd.	LLC (Sino-foreign joint)	Dalian, Liaoning	Dalian, Liaoning	Supervision service	None	75.00	-	75.00	Business combination involving enterprises under common control
Dalian Portsoft Technology Co., Ltd. (ii)	LLC	Dalian, Liaoning	Dalian, Liaoning	Computer system service	None	49.00	-	60.00	Business combination involving enterprises under common control
Dalian Portsoft Network Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Computer system service	None	-	100.00	100.00	Business combination involving enterprises under common control
Dalian Port Telecommunications Engineering Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Telecommunication service	None	45.00	20.00	65.00	Business combination involving enterprises under common control

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

6 Interests in other entities (continued)

(1) Interests in subsidiaries (continued)

(a) The composition of the Group (continued)

Name of subsidiaries	Category of legal person	Principal place of operation	Place of registration	Nature of business	Information of equity and debt issued	Shareholding		Voting rights (%)	Method of acquisition
						Direct (%)	Indirect (%)		
Dalian Golden Bay Grain Logistics Co., Ltd. (iii)	LLC	Dalian, Liaoning	Dalian, Liaoning	Logistics	None	37.50	-	75.00	Business combination involving enterprises under common control
Dalian Ocean Shipping Tally Co., Ltd.	Other LLC	Dalian, Liaoning	Dalian, Liaoning	Tallying	None	84.00	-	84.00	Business combination involving enterprises under common control
Dalian Changxing Island Lingang Industrial Zone Wanpeng Harbour Construction Supervisory and Consultancy Co., Ltd.	LLC (Sole Proprietorship of Legal Person)	Dalian, Liaoning	Dalian, Liaoning	Supervision service	None	-	100.00	100.00	Business combination involving enterprises under common control
PORT OF DALIAN Haiheng Shipping Management Co., Ltd. (vii)	LLC	Dalian, Liaoning	Dalian, Liaoning	Service industry	None	100.00	-	100.00	Business combination involving enterprises under common control
Dalian Port Lvshun Harbour Service Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Port industry	None	60.00	-	60.00	Business combinations involving enterprises not under common control
Dalian Jiyi Logistics Co., Ltd.	LLC (Sole Proprietorship of Legal Person)	Dalian, Liaoning	Dalian, Liaoning	Freight services	None	-	100.00	100.00	Business combinations involving enterprises not under common control
DCT Logistics Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Logistics	None	-	100.00	100.00	Business combinations involving enterprises not under common control
Dalian Portnet Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Computer system service	None	-	71.43	71.43	Business combinations involving enterprises not under common control
Dalian Shunda Logistic Services Co., Ltd.	LLC (Sole Proprietorship of Legal Person)	Dalian, Liaoning	Dalian, Liaoning	Logistics	None	-	100.00	100.00	Business combinations involving enterprises not under common control

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

6 Interests in other entities (continued)

(1) Interests in subsidiaries (continued)

(a) *The composition of the Group (continued)*

- (i) Pursuant to Joint Venture Contract 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 exerts actual control over the joint venture.
- (ii) With the majority of the voting rights owned in the board, the Company actually takes the control rights.
- (iii) Pursuant to the consent agreement entered between some other shareholders and the Company, these shareholders keep a consistent policy with the Company, and the Company actually takes the control rights.
- (iv) The proportion of shareholdings is determined by the amount of contributions in the investment agreement, while the voting rights is determined by the voting methods of the highest decision-making institution in the Articles of Association of the invested company, which leads to inconsistency between the above two.
- (v) Asia Pacific Ports Development Co., Ltd. issued corporate bonds with an amount of RMB800,000,000.00 with a duration of 3 years on 17 February 2015. Please refer to Note 4(37) for related information.
- (vi) Tangshan Caofeidian Port Jifa Shipping Agency Co., Ltd. is renamed as Caofeidian Port Container logistics Co., Ltd. in the period.
- (vii) Dalian Northeast Asia International Shipping Center Shipping Talent Market Co., Ltd. is renamed as PORT OF DALIAN Haiheng Shipping Management Co.,Ltd. in the period.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

6 Interests in other entities (continued)

(1) Interests in subsidiaries (continued)

(b) Subsidiaries with material minority interests

Name of subsidiaries	Shareholding of minority shareholders (%)	Profit or loss attributable to minority shareholders for the six months ended 30 June 2016 (Unaudited)	Dividends paid to minority shareholders for the six months ended 30 June 2016 (Unaudited)	Minority interests as at 30 June 2016 (Unaudited)
		2016 (Unaudited)	2016 (Unaudited)	
Dalian Container Terminal Co., Ltd.	49.00	35,218,947.64	–	720,271,981.59
Dalian Haijia Automobile Terminal Co., Ltd.	50.00	1,976,343.16	–	214,559,441.29
Dalian Port Lvshun Harbour Service Co., Ltd.	40.00	(1,683,522.79)	–	131,119,698.20
Dalian Golden Bay Grain Logistics Co., Ltd.	62.50	(1,251,951.04)	–	124,876,233.74

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

	30 June 2016 (Unaudited)					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Dalian Container Terminal Co., Ltd.	189,062,856.17	1,408,025,346.08	1,597,088,202.25	125,410,849.52	1,734,533.16	127,145,382.68
Dalian Haijia Automobile Terminal Co., Ltd.	122,057,195.98	324,092,550.02	446,149,746.00	12,897,417.87	4,133,445.55	17,030,863.42
Dalian Port Lvshun Harbour Service Co., Ltd.	11,424,586.83	354,848,703.32	366,273,290.15	8,474,044.64	30,000,000.00	38,474,044.64
Dalian Golden Bay Grain Logistics Co., Ltd.	145,180,998.76	55,997,264.88	201,178,263.64	1,376,289.65	–	1,376,289.65

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

6 Interests in other entities (continued)

(1) Interests in subsidiaries (continued)

(b) Subsidiaries with material minority interests (continued)

	31 December 2015					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Dalian Container Terminal Co., Ltd.	150,163,932.11	1,442,163,105.92	1,592,327,038.03	194,398,355.82	1,882,915.62	196,281,271.44
Dalian Haijia Automobile Terminal Co., Ltd.	132,986,452.24	298,144,837.44	431,131,289.68	5,965,093.43	-	5,965,093.43
Dalian Port Lvshun Harbour Service Co., Ltd.	15,536,670.16	361,477,162.50	377,013,832.66	45,065,191.10	-	45,065,191.10
Dalian Golden Bay Grain Logistics Co., Ltd.	144,254,591.05	57,990,680.39	202,245,271.44	440,175.78	-	440,175.78

	For the Six Months Ended 30 June 2016 (Unaudited)				For the Six Months Ended 30 June 2015 (Unaudited)			
	Revenue	Net profit/(loss)	Total comprehensive income/(loss)	Operating activities Cash flow	Revenue	Net profit/(loss)	Total comprehensive income/(loss)	Operating activities Cash flow
Dalian Container Terminal Co., Ltd.	231,782,458.70	71,875,403.35	71,875,403.35	106,085,826.84	233,956,376.15	64,322,258.57	64,322,258.57	84,119,703.05
Dalian Haijia Automobile Terminal Co., Ltd.	-	3,952,686.32	3,952,686.32	(9,384.00)	-	-	-	(47,000.00)
Dalian Port Lvshun Harbour Service Co., Ltd.	17,831,888.70	(4,208,806.99)	(4,208,806.99)	429,603.87	19,512,219.28	143,459.46	143,459.46	12,634,579.48
Dalian Golden Bay Grain Logistics Co., Ltd.	3,462,927.24	(2,003,121.66)	(2,003,121.66)	920,186.18	206,927.19	(1,367,309.76)	(1,367,309.76)	2,326,314.20

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

6 Interests in other entities (continued)

(2) Interests in joint ventures and associates

(a) Basic information of important joint ventures and associates

	Principal place of operation	Place of registration	Nature of business	Strategic or not for the Group's activities	Shareholding (%)	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 & 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 Port Yidu Cold Chain Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Trading	Yes	50.00	50.00
Dalian Automobile Terminal Co., Ltd.(ii)(iii)	Dalian, Liaoning	Dalian, Liaoning	Import and export, handling, storage	Yes	40.00	42.86
Dalian Port PetroChina International Terminal Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Oil terminal, handling, consultancy	Yes	50.00	50.00
Odfjell Terminals (Dalian) Ltd.	Dalian, Liaoning	Dalian, Liaoning	Construction and operation of tank terminal	Yes	50.00	50.00
Associates -						
PetroChina Dalian LNG Co., Ltd	Dalian, Liaoning	Dalian, Liaoning	Liquefied natural gas business	Yes	20.00	20.00
Dalian Port Group Financial Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Financial industry	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

The above equity investments are all measured using equity method by the Group.

- (i) Although the voting rights the Company owns in Sino Rail Bohai Train Ferry Co., Ltd. are less than 20%, the Company can still have a say in the financial and operating policy of the investees for the Company's representatives appointed in the Board of Directors or similar authority institutions have substantive power in decision-making. Therefore, 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, which leads to inconsistency between the above two.
- (iii) In accordance with the Company's Articles of Association, all significant events are jointly decided by the Group, thus it is an associate under common control of the Group.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

6 Interests in other entities (continued)

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

(b) Main financial information of important joint ventures:

	30 June 2016 (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 Port Yidu Cold Chain Co., Ltd.	Dalian Automobile Terminal Co., Ltd.	Dalian Port PetroChina International Terminal Co., Ltd.	Odjell Terminals (Dalian) Ltd.
Current assets	122,664,421.28	899,696,704.63	238,546,044.05	57,134,341.56	524,226,445.51	57,653,478.65	13,159,688.70	79,484,232.40
Including: Cash and cash equivalents	31,219,053.78	670,868,506.25	149,883,588.96	12,837,492.37	131,823,785.88	41,871,240.09	13,067,173.20	56,893,778.75
Non-current assets	2,793,187,690.00	3,748,988,236.29	1,722,199,429.76	422,778,892.16	346,619,862.09	543,615,033.99	516,022,740.36	300,970,736.31
Total assets	2,915,852,111.28	4,648,684,940.92	1,960,745,473.81	479,913,233.72	870,846,307.60	601,268,512.64	529,182,429.06	380,454,968.71
Current liabilities	125,749,660.11	1,475,321,198.94	176,989,354.98	21,543,343.62	109,643,778.00	63,428,197.72	4,847,149.90	38,202,063.77
Non-current liabilities	1,445,095,268.48	2,176,637,295.14	1,001,603,193.66	-	112,000,000.00	126,314,160.09	180,000,000.00	-
Total liabilities	1,570,844,928.59	3,651,958,494.08	1,178,592,548.64	21,543,343.62	221,643,778.00	189,742,357.81	184,847,149.90	38,202,063.77
Minority interests	-	-	-	-	-	-	-	-
Attributable to equity holders of the Company	1,345,007,182.69	996,726,446.84	782,152,925.17	458,369,890.10	649,202,529.60	411,526,154.83	344,335,279.16	342,252,904.94
Shares of net assets calculated in proportion to shareholding (i)	538,002,873.08	464,275,178.94	273,753,523.81	183,347,956.04	324,601,264.80	164,610,461.93	172,167,639.58	171,126,452.47
Adjustments								
- Goodwill	-	-	-	-	-	2,453,618.25	-	-
- Unearned profit from internal transaction	(155,151.18)	-	(42,653,218.33)	-	-	-	-	-
Carrying amount of investment in joint ventures	537,847,721.90	464,265,178.94	231,100,305.48	183,347,956.04	324,601,264.80	167,064,080.18	172,167,639.58	171,126,452.47

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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 2015							
	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 Port Yidu Cold Chain Co., Ltd.	Dalian Automobile Terminal Co., Ltd.	Dalian Port PetroChina International Terminal Co., Ltd.	Odfjell Terminals (Dalian) Ltd.
Current assets	111,099,005.17	905,495,547.37	162,742,647.70	46,612,791.07	375,082,347.07	44,660,276.31	13,523,087.91	62,114,111.76
Including: Cash and cash equivalents	39,234,263.41	671,314,070.68	66,935,320.97	9,177,047.81	18,168,247.98	31,284,977.11	13,430,572.41	39,061,198.56
Non-current assets	2,832,957,282.04	3,650,418,820.72	1,757,013,194.51	428,461,013.05	335,688,007.32	541,671,210.02	525,003,379.60	305,173,014.52
Total assets	2,944,056,287.21	4,555,914,368.09	1,919,755,842.21	475,073,804.12	710,770,354.39	586,331,486.33	538,526,467.51	367,287,126.28
Current liabilities	122,889,266.29	1,188,890,200.44	149,430,171.94	13,403,056.85	172,712,954.61	77,695,201.02	2,698,516.39	43,275,175.80
Non-current liabilities	1,483,869,933.73	2,370,298,250.81	1,001,635,720.00	-	2,000,000.00	104,335,531.93	190,000,000.00	-
Total liabilities	1,606,759,200.02	3,559,188,451.25	1,151,065,891.94	13,403,056.85	174,712,954.61	182,030,732.95	192,698,516.39	43,275,175.80
Minority interests	-	-	-	-	-	-	-	-
Attributable to equity holders of the Company	1,337,297,087.19	996,725,916.84	768,689,950.27	461,670,747.27	536,057,399.78	404,300,753.38	345,827,951.12	324,011,950.48
Shares of net assets calculated in proportion to shareholding (i)	534,918,834.88	464,274,932.06	269,041,482.59	184,668,298.91	268,028,699.89	161,720,301.35	172,913,975.56	162,005,975.24
Adjustments								
- Goodwill	-	-	-	-	-	2,453,618.25	-	-
- Unearned profit from internal transaction	(177,315.64)	-	(43,218,550.33)	-	-	-	-	-
Carrying amount of investment in joint ventures	534,828,400.65	464,264,932.07	225,822,932.26	184,668,298.91	268,028,699.89	164,173,919.60	172,913,975.56	162,005,975.24

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

6 Interests in other entities (continued)

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

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

	For the Six Months Ended 30 June 2016 (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 Port Yidu Cold Chain Co., Ltd.	Dalian Automobile Terminal Co., Ltd.	Dalian Port PetroChina International Terminal Co., Ltd.	Odfjell Terminals (Dalian) Ltd.
Revenue	148,093,664.77	-	227,993,391.65	24,272,417.78	63,580,672.73	41,741,020.67	44,773,809.52	48,554,073.09
Financial expenses	29,212,338.73	-	25,198,831.84	(59,025.70)	67,897.73	2,276,290.93	4,239,246.86	202,552.20
Income tax expenses	2,296,377.01	-	1,987,176.83	-	4,247,970.87	1,208,640.72	6,683,709.35	5,573,616.59
Net profit/(loss)	6,727,338.66	530.00	13,925,472.29	(3,300,857.17)	12,743,912.62	7,168,392.99	20,051,128.04	17,665,690.10
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	6,727,338.66	530.00	13,925,472.29	(3,300,857.17)	12,743,912.62	7,168,392.99	20,051,128.04	17,665,690.10
Dividends received from associates by the Group for the current period	-	-	-	-	-	-	10,771,900.00	-

	For the 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 Port Yidu Cold Chain 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	81,752,761.52	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)	2,185,442.76	1,962,089.31	6,042,791.63	94,050.88
Income tax expenses	-	-	2,002,207.36	-	5,750,111.59	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)	17,250,334.78	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)	17,250,334.78	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	-

- (i) Share of asset is calculated according to shareholding based on the amount attributable to the parent company in the consolidated financial statements of joint ventures. The amount in the consolidated financial statements of joint ventures considers the impacts of fair value of identifiable assets and liabilities of joint ventures at the time of acquisition and the unification of accounting policies.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

6 Interests in other entities (continued)

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

(c) Main financial information of important associates

	30 June 2016 (Unaudited)				31 December 2015			
	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	23,114,266.68	9,899,079,472.82	194,279,321.59	4,481,029.16	23,950,442.10	8,545,349,484.84	292,412,579.88	11,470,805.75
Non-current assets	3,400,262,522.09	2,607,849,078.25	2,105,161,463.89	638,734,419.08	3,513,515,798.32	1,263,244,406.14	2,162,897,507.02	650,722,062.26
Total assets	3,423,376,788.77	12,506,928,551.07	2,299,440,785.48	643,215,448.24	3,537,466,240.42	9,808,593,890.98	2,455,310,086.90	662,192,868.01
Current liabilities	603,338,079.49	10,059,812,273.82	722,657,568.91	58,127,890.51	767,451,579.99	7,451,938,244.77	738,900,190.31	56,272,224.89
Non-current liabilities	-	-	90,000,000.00	169,017,999.15	-	-	205,468,000.00	172,500,000.00
Total liabilities	603,338,079.49	10,059,812,273.82	812,657,568.91	227,145,889.66	767,451,579.99	7,451,938,244.77	944,368,190.31	228,772,224.89
Minority interests	-	-	21,307,567.68	-	-	-	23,803,443.93	-
Attributable to equity holders of the Company	2,820,038,709.28	2,447,116,277.25	1,465,475,648.89	416,069,558.58	2,770,014,660.43	2,356,655,646.21	1,487,138,452.66	433,420,643.12
Shares of net assets calculated in proportion to shareholding (ii)	564,007,741.86	978,846,510.90	256,458,238.56	166,427,823.43	554,002,932.09	942,662,258.48	260,249,229.22	173,368,257.25
Adjustments								
- Goodwill	-	-	-	-	-	-	-	-
- Unearned profit from internal transaction	-	-	-	(26,904,883.88)	-	-	-	(27,275,644.16)
Carrying amount of investment in associates	564,007,741.86	978,846,510.90	256,458,238.56	139,522,939.55	554,002,932.09	942,662,258.48	259,668,101.51	146,092,613.09

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

6 Interests in other entities (continued)

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

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

	For the Six Months Ended 30 June 2016 (Unaudited)				For the Six Months Ended 30 June 2015 (Unaudited)			
	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.
Revenue	251,261,241.98	135,960,887.19	170,975,567.22	12,134,477.72	244,341,948.28	107,850,639.81	633,577,908.84	14,948,205.06
Net profit/(loss)	50,024,048.83	90,460,631.05	(23,209,783.92)	(16,424,183.85)	41,031,989.35	63,282,159.25	(27,428,500.00)	(15,602,734.60)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	50,024,048.83	90,460,631.05	(23,209,783.92)	(16,424,183.85)	41,031,989.35	63,282,159.25	(27,428,500.00)	(15,602,734.60)
Dividends received from associates by the Group for the current period	-	-	-	-	-	-	-	-

- (i) Share of asset is calculated according to shareholding based on the amount attributable to the parent company in the consolidated financial statements of associates. The amount in the consolidated financial statements of associates considers the impacts of fair value of identifiable assets and liabilities of associates at the time of acquisition and the unification of accounting policies.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

6 Interests in other entities (continued)

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

(d) Summarised information of unimportant joint ventures and associates

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Joint ventures:		
Total carrying amount of the investments	362,836,764.17	290,583,785.29
Total amount calculated in proportion to the shareholdings		
Net (loss)/profit (i)	(17,996,988.03)	5,714,738.91
Other comprehensive income (i)	-	-
Total comprehensive income	(17,996,988.03)	5,714,738.91
Associates:		
Total carrying amount of the investments	280,906,921.72	263,491,608.28
Total amount calculated in proportion to the shareholdings		
Net profit (i)	3,999,680.85	15,503,694.52
Other comprehensive income (i)	-	-
Total comprehensive income	3,999,680.85	15,503,694.52

(i) The net profit and other comprehensive income considers the impacts of both the fair value of the identifiable assets and liabilities at the time of acquisition and the unification of accounting policies.

(e) Excess deficit incurred in joint ventures and associates (unaudited)

	Accumulated unrecognised losses at beginning of period	Accumulated unrecognised losses in the current period	Long-term receivables that make up for excess deficit (Note 4(13))	Accumulated unrecognised losses at end of period
SINOECL Auto Liners, Limited	937,283.47	533,203.60	-	1,470,487.07
Jadeway Limited	6,480,117.77	5,434,831.68	9,307,604.10	2,607,345.35
China Oil Dock Management (Dalian) Co., Ltd.	-	1,644,522.41	-	1,644,522.41

(f) Unrecognised commitments relating to investment of joint ventures are listed in Note 8(7) and Note 10. Contingent liabilities arising from investment of joint ventures and associates are detailed in Note 9.

Notes to the Financial Statements (continued)

*For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]*

7 Segment information

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

The Group identified 8 reportable segments as follows:

- Oil/liquefied chemicals terminal and related logistics services, responsible for loading and discharging, storage and transshipment of oil products and liquefied chemicals, port management services and oil trade business.
- 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 discharging of general cargo and provision of related logistics services and steel trading operation
- Ore terminal and related logistics services, responsible for loading and discharging of ore and provision of related logistics services
- Bulk grains terminal and related logistics and trading services, responsible for loading and discharging of grains and provision of related logistics services and unprocessed grains trading operation
- Passenger and 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 services and related ancillary port operations, 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 provision of related logistics and trading services

Notes to the Financial Statements (continued)

*For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]*

7 Segment information (continued)

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.

Inter-segment revenue is eliminated on consolidation. Inter-segment sale 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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

7 Segment information (continued)

(a) Segment information for the six months ended 30 June 2016 and as at 30 June 2016 (unaudited) is listed as follows (unit: RMB'000):

	Oil and liquefied chemicals, terminal and related logistics services	Container terminal and related logistics services	General cargo terminal and related logistics and trading services	Ore terminal and related logistics services	Bulk grains terminal and related logistics and trading services	Passenger and roll-off terminal and related logistics services	Port value-added and ancillary port services	Automobile terminal and related logistics and trading services	Others	Elimination	Total
Revenue from external customers	2,852,423	704,418	246,976	107,805	491,736	55,163	392,961	1,589,415	39,319	-	6,480,216
Inter-segment revenue	551	856	172	-	-	338	43,172	-	25,270	(70,359)	-
Cost of sale from main operations	2,443,332	530,643	244,974	115,634	467,275	45,033	223,073	1,562,604	14,074	-	5,646,642
Interest income	10,101	1,626	361	138	1,680	63	533	1,305	12,496	-	28,303
Investment income/(loss) from associates and joint ventures	34,502	7,529	(17,418)	(34)	-	(7,493)	34,756	(4,666)	-	-	47,176
Depreciation and amortisation expenses	109,593	91,963	42,752	52,934	34,017	15,462	30,662	1,796	21,912	-	401,091
Total profit/(loss)	400,761	112,676	(43,081)	(23,205)	(236)	(13,237)	85,674	2,713	(190,457)	-	331,608
Income tax expenses	95,344	34,637	(5,750)	(5,756)	1	(407)	9,406	1,297	(50,291)	-	78,481
Net profit/(loss)	305,417	78,039	(37,331)	(17,449)	(237)	(12,830)	76,268	1,416	(140,166)	-	253,127
Total assets	7,663,123	6,868,922	2,524,752	1,914,113	1,392,118	1,302,353	2,688,217	1,800,176	9,683,008	(3,499,399)	32,337,383
Total liabilities	(1,507,226)	(642,197)	(138,063)	(52,867)	(99,505)	(59,401)	(135,394)	(917,441)	(13,475,808)	3,499,399	(13,528,503)
Non-cash expenses other than depreciation and amortisation	-	5,775	11	-	-	18	148	-	16,811	-	22,763
Long-term equity investments in associates and joint ventures	1,462,917	1,599,050	135,716	4,411	-	328,823	992,938	310,244	-	-	4,834,099
Additions of non-current assets other than long-term equity investments	3,770	9,073	3,724	3,411	136	1,807	2,462	25,525	101,632	-	151,540

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

7 Segment information (continued)

(a) Segment information for the six months ended 30 June 2015 and as at 30 June 2015 (unaudited) is listed 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	Bulk grains terminal and related logistics and trading services	Passenger and roll-on, roll-off terminal and related logistics services	Port value-added and ancillary port services	Automobile terminal and related logistics and trading services	Others	Elimination	Total
Revenue from external customers	860,573	845,930	189,531	768,877	57,740	420,925	811,171	48,643	-	4,098,342
Inter-segment revenue	612,521	32	114,784	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	774,881	42,339	235,700	800,786	16,755	-	3,259,475
Interest income	3,057	1,424	350	2,039	81	582	194	3,814	-	11,631
Investment income/(loss) from associates and joint ventures	30,907	8,861	(11,604)	-	(5,099)	27,790	13,451	56,784	-	121,253
Depreciation and amortisation expenses	105,003	86,191	43,576	34,401	15,481	34,269	71	18,169	-	389,951
Total profit/(loss)	396,104	162,353	(36,109)	(31,523)	(1,355)	109,022	12,103	(181,243)	-	402,939
Income tax expenses	96,453	31,212	(4,262)	(7,712)	1,001	15,110	212	(41,072)	-	84,300
Net profit/(loss)	299,651	131,141	(31,847)	(23,811)	(2,356)	93,912	11,891	(140,171)	-	318,639
Total assets	6,888,830	6,661,171	3,021,497	2,120,524	1,170,046	2,378,606	1,987,005	1,747,748	-	28,434,851
Total liabilities	1,588,422	793,938	92,793	71,744	63,807	137,869	585,442	9,434,574	-	13,275,075
Non-cash expenses other than depreciation and amortisation	-	6,412	11	-	18	3	-	17,398	-	23,842
Long-term equity investments in associates and joint ventures	1,418,988	1,326,206	168,154	-	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	337	850	1,920	39,663	758,470	-	859,954

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

7 Segment information (continued)

Geographical information:

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

Information about major customers:

The revenue from oil/liquefied chemicals and related logistics services segment of RMB1,599,851,086.71 is derived from a single customer, accounting for 24.69% of the Group's total revenue.

8 Related parties and related party transactions

(1) Information of the Company

(a) General information of the parent company

	Type	Place of registration	Nature of business
PDA Group	Solely state-owned	Dalian, Liaoning	Port business

The Group's ultimate controlling party is Dalian Port Group Co., Ltd.

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

	31 December 2015	Increase in the current period	Decrease in the current period	30 June 2016
PDA Group	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 company:

	30 June 2016 (Unaudited)		31 December 2015	
	Shareholding	Voting rights	Shareholding	Voting rights
Dalian Port Group	45.74%	45.74%	52.16%	52.16%

Dalian Port Group Co., Ltd. has 4 of the 6 seats in non-independent directors and has the ability to take the control rights.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

8 Related parties and related party transactions (continued)

(2) Subsidiaries

The general information and other related information of the subsidiaries is set out in Note 6(1)(a).

(3) Joint ventures and associates

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:

	Relationship with the Group
Dalian Port Tongli Shipping Agency Co., Ltd.	Joint ventures
Dalian Harbour ECL Logistics Co., Ltd.	Joint ventures
Dalian United International Shipping Agency Co., Ltd.	Joint ventures
Dalian Vanguard International Logistics Co., Ltd.	Joint ventures
China United Tally (Dalian) Co., Ltd.	Joint ventures
China Oil Dock Management (Dalian) Co., Ltd. (i)	Joint ventures
Liaoning Electronic Port Co., Ltd.	Joint ventures
Liaoning Con-Rail International Logistics Co., Ltd.	Joint ventures
Dalian Dagang China Shipping Container Terminal Co., Ltd.	Joint ventures
Dalian Jilong Logistics Co., Ltd. (i)	Joint ventures
Dalian Singamas International Container Co., Ltd. (i)	Joint ventures
Dalian Port Bulk Cargo Logistics Center Co., Ltd. (i)	Joint ventures
Odfjell Dalian Port Consulting Co., Ltd.	Joint ventures
Dalian Shunde Jifa Supply Chain Management Co., Ltd. (i)	Joint ventures
Dalian Changxing Island Port Co., Ltd. (i)	Joint ventures
Weifang Senda Container Service Provider Co., Ltd.	Joint ventures
China Harbour United Shipping Co., Ltd.	Associates
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	Associates
Dalian Wanpeng Port Engineering Testing Co., Ltd.	Associates
Taicang Xinggang Tug Co., Ltd.	Associates
SINOECL Auto Liners, Limited	Associates
Jadeway Limited	Associates
Dalian North Oil Petroleum Logistics Co., Ltd.	Associates
Dalian Gangsheng Tendering & Bidding Agency Co., Ltd.	Associates
Dalian Shentie Yuangang Logistics Co., Ltd.	Associates
Guangzhou Kingport Auto International Trade Co., Ltd.	Associates

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

8 Related parties and related party transactions (continued)

(4) Other related parties

	Relationship with the Group
Dalian FTZ Yongdixin Real Estate Development Co., Ltd.	Subsidiary of the parent company
Dalian Port Land Co., Ltd.	Subsidiary of the parent company
Dalian Wanfeng Properties Co., Ltd.	Subsidiary of the parent company
Dalian Creative Industry Project Development Co., Ltd.	Subsidiary of the parent company
Dalian Hongyu Building Co., Ltd.	Subsidiary of the parent company
Dalian Dagang Hongyu Housekeeping Services Co., Ltd.	Subsidiary of the parent company
Dalian Harbour Building	Subsidiary of the parent company
Jinzhou Liaoxi PDA Properties Co., Ltd	Subsidiary of the parent company
PDA Group (Jinzhou) Liaoxi Port Investment and Development Co., Ltd.	Subsidiary of the parent company
Dalian Taiping Bay Port Company Limited	Subsidiary of the parent company
Dalian Taiping Bay Investment & Development Co., Ltd.	Subsidiary of the parent company
Dalian Taiping Bay Sunshine Real Estate Co., Ltd.	Subsidiary of the parent company
Dalian Port Wantong Logistics Co., Ltd.	Subsidiary of the parent company
Dalian ETDZ Harbour Freight Co., Ltd.	Subsidiary of the parent company
Dalian Port Machinery Co., Ltd.	Subsidiary of the parent company
Dalian Dongwang Auto Repair Factory	Subsidiary of the parent company
Dalian Northeast Asia International Shipping Center of Shipping Exchange Market Co., Ltd.	Subsidiary of the parent company
Dalian Port Security Services Co., Ltd.	Subsidiary of the parent company
Dalian Port North Shore Automobile Terminal Co., Ltd.	Subsidiary of the parent company
Dalian Port Engineering Co., Ltd.	Subsidiary of the parent company
Dalian Equipment Finance Lease Co., Ltd.	Subsidiary of the parent company
Ocean Harvest Container Co. Limited	Subsidiary of the parent company
Dalian Port North Shore Investment and Development Co., Ltd.	Subsidiary of the parent company
Dalian Port Petroleum & Chemical Co., Ltd.	Subsidiary of the parent company
Changhai County Guanglu Wharf Construction Management Co., Ltd.	Subsidiary of the parent company
Dalian Wantong Ronghai Shipping Co., Ltd.	Subsidiary of the parent company
Shenyang Mingshuo Industrial Development Co., Ltd	Subsidiary of the parent company
Dalian Port North Shore Container Terminal Co., Ltd.	Subsidiary of the parent company
Dalian Port Investment and Financing Holding Group Co., Ltd.	Subsidiary of the parent company
Dalian Harbour City Construction Development Co., Ltd.	Subsidiary of the parent company
Xinghai International Commercial Factoring (Tianjin) Co., Ltd.	Subsidiary of the parent company

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

8 Related parties and related party transactions (continued)

(4) Other related parties (continued)

	Relationship with the Group
Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	Joint venture of the parent company
Dalian Life Raft Inspection Co., Ltd.	Associates of the parent company
Dalian Port Real Estate Group Co., Ltd.	Associates of the parent company
Dalian Port Machinery and Electric Co., Ltd.	Associates of the parent company
Dalian Port Industrial Co., Ltd.	Associates of the parent company
Dalian Port Property Management Co., Ltd.	Associates of the parent company
Dalian Port Landscape Engineering Co., Ltd.	Associates of the parent company
Dalian Port Rixing Boiler Installation Co., Ltd.	Associates of the parent company
Dalian Port Xingang Construction & Engineering Co., Ltd.	Associates of the parent company
Dalian Port Industrial Co., Ltd. (Xingang Gas Station)	Associates of the parent company
Dalian PetroChina Marine Fuel Transportation & Sales Co., Ltd.	Associates of the parent company
Dalian Port Design & Research Institute Co., Ltd.	Associates of the parent company
Dalian CITIC Harbour Investment Co., Ltd.	Associates of the parent company
Datong Securities Co., Ltd.	Associates of the parent company
Jinzhou Port Co., Ltd.	Associates of the parent company

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

8 Related parties and related party transactions (continued)

(5) Related party transactions

(a) Purchases and sales of goods, and rendering and receiving of service

(i) Purchase of goods and receiving of service

Transactions with the parent company

	Nature of related party transactions	Pricing policy for related transactions	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Dalian Port Group Co., Ltd.	Comprehensive service	Terms of agreement	6,121,561.07	6,658,462.06

Transactions with joint ventures and associates

	Nature of related party transactions	Pricing policy for related transactions	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Dalian Changxing Island Port Investment and Development Co., Ltd.	Comprehensive service	Terms of agreement	38,632,075.40	3,610,109.78
China United International Rail Containers (Dalian) Co., Ltd.	Transportation	Terms of agreement	14,369,300.00	–
China Oil Dock Management (Dalian) Co., Ltd.	Port service	Terms of agreement	6,897,982.52	–
Dalian International Container Terminal Co., Ltd.	Handling service	Terms of agreement	2,683,478.30	766,721.69
Dalian Port Container Terminal Co., Ltd.	Handling service	Terms of agreement	1,429,464.16	481,089.62
Dalian Port Tongli Shipping Agency Co., Ltd.	Agent service	Terms of agreement	888,306.52	–
Dalian Singamas International Container Co., Ltd.	Comprehensive service	Terms of agreement	733,100.00	20,397.42
Dalian Jilong Logistics Co., Ltd.	Comprehensive service	Terms of agreement	197,500.00	–
Liaoning Electronic Port Co., Ltd.	Telecommunication Service	Terms of agreement	120,754.72	–
China United Tally (Dalian) Co., Ltd.	Tally service	Terms of agreement	115,800.00	–
Dalian Automobile Terminal Co., Ltd.	Supervision service	Terms of agreement	100,000.00	–
Dalian Port Group Financial Co., Ltd.	Financial service	Terms of agreement	45,013.01	14,150.00
Dalian Gangsheng Tendering & Bidding Agency Co., Ltd.	Agent service	Terms of agreement	21,019.81	–
Odfjell Dalian Port Consulting Co., Ltd.	Training service	Terms of agreement	20,660.00	50,720.00
			66,254,454.44	4,943,188.51

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

8 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(a) Purchases and sales of goods, and rendering and receiving of service (continued)

(i) Purchase of goods and receiving of service (continued)

Transactions with other related parties

	Nature of related party transactions	Pricing policy for related transactions	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	Purchase of fuel	Terms of agreement	19,771,521.06	36,881,514.50
Dalian Port Industrial Co., Ltd.	Comprehensive service	Terms of agreement	12,390,241.02	11,320,599.81
Dalian PetroChina Marine Fuel Transportation & Sales Co., Ltd.	Purchase of fuel	Terms of agreement	8,336,530.14	–
Dalian Port Machinery Co., Ltd.	Repair service	Terms of agreement	5,081,894.62	4,366,676.27
Dalian Hongyu Building Co., Ltd.	Comprehensive service	Terms of agreement	1,261,032.06	536,395.87
Dalian Port Security Services Co., Ltd.	Security service	Terms of agreement	881,142.35	1,065,820.00
Dalian Harbour Building	Comprehensive service	Terms of agreement	470,477.40	608,002.00
Dalian Port Engineering Co., Ltd.	Comprehensive service	Terms of agreement	384,511.36	358,053.30
Dalian FTZ Yongdixin Real Estate Development Co., Ltd.	Comprehensive service	Terms of agreement	283,897.06	305,276.04
Dalian Port Property Management Co., Ltd.	Property services	Terms of agreement	123,474.71	–
Dalian Port Xingang Construction & Engineering Co., Ltd.	Maintenance service	Terms of agreement	100,789.32	130,639.50
Dalian Port Landscape Engineering Co., Ltd.	Comprehensive service	Terms of agreement	74,118.08	53,187.00
Dalian Life Raft Inspection Co., Ltd.	Maintenance service	Terms of agreement	37,151.28	–
Dalian Port Rixing Boiler Installation Co., Ltd.	Maintenance service	Terms of agreement	35,827.18	108,748.39
Dalian Dongwang Auto Repair Factory	Maintenance service	Terms of agreement	14,996.15	5,692.47
Dalian Port Machinery and Electric Co., Ltd.	Maintenance service	Terms of agreement	1,643.40	–
Dalian Port Land Co., Ltd.	Comprehensive service	Terms of agreement	–	240.00
			49,249,247.19	55,740,845.15

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

8 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(a) Purchases and sales of goods, and rendering and receiving of service (continued)

(ii) Sales of goods and rendering of service

Transactions with the parent company

	Nature of related party transactions	Pricing policy for related transactions	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Dalian Port Group Co., Ltd.	Comprehensive service	Terms of agreement	4,844,718.48	6,344,990.20

Transactions with joint ventures and associates

	Related party transactions Contents	Related party transactions Pricing policies	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Dalian Changxing Island Port Investment and Development Co., Ltd.	Comprehensive service	Terms of agreement	93,065,401.83	632,075.46
China Oil Dock Management (Dalian) Co., Ltd.	Comprehensive service	Terms of agreement	27,759,377.70	–
Guangzhou Kingport Auto International Trade Co., Ltd.	Sales of goods	Terms of agreement	26,754,529.91	–
Dalian Port Container Terminal Co., Ltd.	Comprehensive service	Terms of agreement	18,795,056.08	19,709,996.22
Dalian International Container Terminal Co., Ltd.	Comprehensive service	Terms of agreement	11,599,417.95	15,974,428.50
Liaoning Con-Rail International Logistics Co., Ltd.	Comprehensive service	Terms of agreement	9,753,007.56	315,000.00
Taicang Xinggang Tug Co., Ltd.	Transportation	Terms of agreement	6,712,075.47	14,066,666.97
Dalian Port Yidu Cold Chain Co., Ltd.	Comprehensive service	Terms of agreement	6,436,686.30	10,473,511.14
Dalian Changxing Island Port Co., Ltd.	Engineering construction	Terms of agreement	4,884,661.54	1,437,735.83
Odfjell Terminals (Dalian) Ltd.	Comprehensive service	Terms of agreement	3,940,574.15	1,696,277.17
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	Heating services	Terms of agreement	3,469,030.56	–
Dalian United International Shipping Agency Co., Ltd.	Telecommunication Service	Terms of agreement	3,030,859.53	505,075.50
Dalian Automobile Terminal Co., Ltd.	Comprehensive service	Terms of agreement	1,163,962.85	275,303.99

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

8 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(a) Purchases and sales of goods, and rendering and receiving of service (continued)

(ii) Sales of goods and rendering of service (continued)

Transactions with joint ventures and associates (continued)

	Related party transactions Contents	Related party transactions Pricing policies	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Dalian North Oil Petroleum Logistics Co., Ltd.	Comprehensive service	Terms of agreement	1,108,811.02	105,844.92
Dalian Jilong Logistics Co., Ltd.	Comprehensive service	Terms of agreement	1,050,680.96	–
China United International Rail Containers (Dalian) Co., Ltd.	Comprehensive service	Terms of agreement	804,708.94	570,097.77
Dalian Dagang China Shipping Container Terminal Co., Ltd.	Comprehensive service	Terms of agreement	708,774.67	992,400.76
Dalian Singamas International Container Co., Ltd.	Comprehensive service	Terms of agreement	707,584.42	338,611.35
Dalian Vanguard International Logistics Co., Ltd.	Comprehensive service	Terms of agreement	473,112.41	439,862.68
Dalian Puji Storage Facility Co., Ltd.	Comprehensive service	Terms of agreement	370,308.11	–
Dalian Shentie Yuangang Logistics Co., Ltd.	Transportation	Terms of agreement	268,900.00	–
Dalian Shunde Jifa Supply Chain Management Co., Ltd.	Comprehensive service	Terms of agreement	203,865.10	–
Weifang Senda Container Service Provider Co., Ltd.	Comprehensive service	Terms of agreement	106,132.08	–
China United Tally (Dalian) Co., Ltd.	Telecommunication Service	Terms of agreement	82,464.51	96,862.52
Dalian Port PetroChina International Terminal Co., Ltd.	Comprehensive service	Terms of agreement	61,622.38	72,524.15
Dalian Port Group Financial Co., Ltd.	Financial service	Terms of agreement	22,727.54	19,763.94
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	Telecommunication Service	Terms of agreement	3,829.73	26,274,391.29
Dalian Harbour ECL Logistics Co., Ltd.	Comprehensive service	Terms of agreement	1,143.25	1,347.75
Dalian Wanpeng Port Engineering Testing Co., Ltd.	Comprehensive service	Terms of agreement	1,138.73	–
Dalian Port Tongli Shipping Agency Co., Ltd.	Telecommunication Service	Terms of agreement	536.93	–
			223,340,982.21	93,997,777.91

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

8 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(a) Purchases and sales of goods, and rendering and receiving of service (continued)

(ii) Sales of goods and rendering of service (continued)

Transactions with other related parties

	Related party transactions Contents	Related party transactions Pricing policies	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Dalian Taiping Bay Port Company Limited	Engineering supervision	Terms of agreement	7,599,025.66	15,866,698.16
Dalian Port North Shore Container Terminal Co., Ltd.	Comprehensive service	Terms of agreement	7,411,349.09	–
Dalian Port Industrial Co., Ltd.	Telecommunication Service	Terms of agreement	1,561,803.38	36,874.85
Dalian Port Land Co., Ltd.	Comprehensive service	Terms of agreement	1,534,976.45	89,158.58
Dalian Port Wantong Logistics Co., Ltd.	Comprehensive service	Terms of agreement	1,495,970.93	10,778,456.27
Dalian Port North Shore Automobile Terminal Co., Ltd.	Engineering supervision	Terms of agreement	1,447,188.68	8,299,094.92
Dalian Port Petroleum & Chemical Co., Ltd.	Comprehensive service	Terms of agreement	1,392,145.18	204,548.13
Dalian Taiping Bay Investment & Development Co., Ltd.	Comprehensive service	Terms of agreement	1,045,673.61	69,289.76
Dalian Port Engineering Co., Ltd.	Engineering construction	Terms of agreement	836,878.91	43,621.57
Dalian FTZ Yongdexin Real Estate Development Co., Ltd.	Telecommunication Service	Terms of agreement	728,403.79	580,480.48
Datong Securities Co., Ltd.	Telecommunication Service	Terms of agreement	670,290.61	–
Dalian Hongyu Building Co., Ltd.	Telecommunication Service	Terms of agreement	577,572.48	596,427.07
Dalian PetroChina Marine Fuel Transportation & Sales Co., Ltd.	Comprehensive service	Terms of agreement	465,796.52	–
Dalian Port Design & Research Institute Co., Ltd.	Comprehensive service	Terms of agreement	461,777.99	–
Dalian Port Machinery Co., Ltd.	Comprehensive service	Terms of agreement	450,210.39	358,664.29
Dalian Port Machinery and Electric Co., Ltd.	Engineering construction	Terms of agreement	350,000.00	–
Jinzhou Liaoxi PDA Properties Co., Ltd	Engineering supervision	Terms of agreement	151,415.09	–
Dalian Port Investment and Financing Holding Group Co., Ltd.	Telecommunication Service	Terms of agreement	57,047.97	–
Dalian Wanfeng Properties Co., Ltd.	Comprehensive service	Terms of agreement	55,341.28	1,640,401.93

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

8 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(a) Purchases and sales of goods, and rendering and receiving of service (continued)

(ii) Sales of goods and rendering of service (continued)

Transactions with other related parties (continued)

			For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
	Related party transactions Contents	Related party transactions Pricing policies		
Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	Telecommunication Service	Terms of agreement	45,742.75	–
Dalian Port North Shore Investment and Development Co., Ltd.	Engineering supervision	Terms of agreement	38,977.62	48,929.01
Dalian Creative Industry Project Development Co., Ltd.	Comprehensive service	Terms of agreement	29,423.19	37,757.42
Dalian Harbour City Construction Development Co., Ltd.	Telecommunication Service	Terms of agreement	19,595.15	–
Dalian Northeast Asia International Shipping Center of Shipping Exchange Market Co., Ltd.	Telecommunication Service	Terms of agreement	15,935.85	16,421.98
Xinghai International Commercial Factoring (Tianjin) Co., Ltd.	Telecommunication Service	Terms of agreement	9,388.89	–
Dalian Wantong Ronghai Shipping Co., Ltd.	Telecommunication Service	Terms of agreement	7,050.00	–
Dalian Port Rixing Boiler Installation Co., Ltd.	Telecommunication Service	Terms of agreement	5,485.20	2,577.75
Dalian Harbour Building	Comprehensive service	Terms of agreement	5,193.47	5,798.15
Dalian Port Landscape Engineering Co., Ltd.	Telecommunication Service	Terms of agreement	3,847.75	3,611.72
Dalian Port Property Management Co., Ltd.	Telecommunication Service	Terms of agreement	3,727.94	3,591.90
Dalian Port Xingang Construction & Engineering Co., Ltd.	Telecommunication Service	Terms of agreement	2,520.73	1,737.84
PDA Group (Jinzhou) Liaoxi Port Investment and Development Co., Ltd.	Comprehensive service	Terms of agreement	957.65	3,087.25
Dalian Dagang Hongyu Housekeeping Services Co., Ltd.	Telecommunication Service	Terms of agreement	941.44	989.18
Dalian Port Industrial Co., Ltd. (Xingang Gas Station)	Telecommunication Service	Terms of agreement	421.62	424.32
Dalian Taiping Bay Sunshine Real Estate Co., Ltd.	Comprehensive service	Terms of agreement	–	362,337.74
Dalian Port Real Estate Group Co., Ltd.	Engineering construction	Terms of agreement	–	11,361.15
			28,482,077.26	39,062,341.42

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

8 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(b) Leases

The Group as the lessor

Transactions with joint ventures and associates:

Name of the lessee	Type of the leased property	Leasing income recognised for the six months ended 30 June 2016 (Unaudited)	Leasing income recognised for the six months ended 30 June 2015 (Unaudited)
Dalian Port Container Terminal Co., Ltd.	Buildings/berth and stock yard	44,999,411.09	67,945,000.00
China Oil Dock Management (Dalian) Co., Ltd.	Berth and stock yard	9,920,000.00	9,420,000.00
Dalian Jilong Logistics Co., Ltd.	Site place	2,062,404.92	2,838,466.41
Liaoning Con-Rail International Logistics Co., Ltd.	Loading equipment	740,605.70	740,603.70
Dalian Port Yidu Cold Chain Co., Ltd.	Loading equipment	526,227.90	545,645.38
Dalian North Oil Petroleum Logistics Co., Ltd.	Oil pipe and tank	222,500.00	222,500.00
		58,471,149.61	81,712,215.49

Transactions with other related party transactions:

Name of the lessee	Type of the leased property	Leasing income recognised for the six months ended 30 June 2016 (Unaudited)	Leasing income recognised for the six months ended 30 June 2015 (Unaudited)
Dalian Port Industrial Co., Ltd.	Automobile/buildings	1,016,020.18	905,236.68
Dalian Harbour City Construction Development Co., Ltd.	Buildings	257,713.34	–
Dalian Wantong Ronghai Shipping Co., Ltd.	Buildings	155,000.00	–
Dalian Port Wantong Logistics Co., Ltd.	Buildings	112,860.00	–
Dalian Hongyu Building Co., Ltd.	Facilities and equipment	–	320,388.35
		1,541,593.52	1,225,625.03

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

8 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(b) Leases (continued)

The Group as the Lessee

Transactions with the parent company:

Name of the lessor	Type of the leased property	Leasing cost recognised for the six months ended 30 June 2016 (Unaudited)	Leasing cost recognised for the six months ended 30 June 2015 (Unaudited)
Dalian Port Group Co., Ltd.	Land use rights/island embankment/buildings	22,341,731.63	19,086,497.31

Transactions with joint ventures and associates:

Name of the lessor	Type of the leased property	Leasing cost recognised for the six months ended 30 June 2016 (Unaudited)	Leasing cost recognised for the six months ended 30 June 2015 (Unaudited)
Dalian Port PetroChina International Terminal Co., Ltd.	Terminal facilities	44,773,809.52	45,250,000.00
Dalian International Container Terminal Co., Ltd.	Facilities/buildings	1,422,060.42	1,342,091.90
Dalian Port Container Terminal Co., Ltd.	Facilities	1,082,522.34	1,082,522.34
Dalian Puji Storage Facility Co., Ltd.	Facilities	495,410.51	–
Dalian Automobile Terminal Co., Ltd.	Buildings	61,247.14	59,890.00
Dalian Changxing Island Port Co., Ltd.	Buildings	36,756.78	–
Dalian Changxing Island Port Investment and Development Co., Ltd.	Oil tanks and pipelines	–	45,975,000.00
Dalian North Oil Petroleum Logistics Co., Ltd.	Oil tanks and pipelines	–	9,367,500.00
Liaoning Con-Rail International Logistics Co., Ltd.	Facilities	–	20,538.46
		47,871,806.71	103,097,542.70

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

8 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 party transactions:

Name of the lessor	Type of the leased property	Leasing expenses recognised for the six months ended 30 June 2016 (Unaudited)	Leasing expenses recognised for the six months ended 30 June 2015 (Unaudited)
Dalian FTZ Yongdixin Real Estate Development Co., Ltd.	Buildings	2,826,164.01	2,960,369.60
Dalian Harbour Building	Buildings	1,502,162.44	1,174,346.10
Dalian Hongyu Building Co., Ltd.	Buildings	171,614.00	171,121.10
Dalian Port Industrial Co., Ltd.	Vehicles	77,592.18	–
		4,577,532.63	4,305,836.80

Assets held under finance leases

Name of the lessor	Type of the leased property	Rental expenses paid for the six months ended 30 June 2016 (Unaudited)	Rental expenses paid for the six months ended 30 June 2016 (Unaudited)
Dalian Equipment Finance Lease Co., Ltd.	ISO Dry Container	3,822,026.22	3,919,576.87
Ocean Harvest Container Co. Limited	Container	–	3,845,733.16
		3,822,026.22	7,765,310.03

(c) Guarantee

The Group as the guaranteed party

Guarantor	Guaranteed Party	Amount of guarantee	Commencement date	Termination date	Fully performed or not
Dalian Port Group Co., Ltd.	Dalian Port (PDA) Co., Ltd.	2,350,000,000.00	23 May 2011	23 May 2021	No
Dalian Port Group Co., Ltd.	Dalian Port (PDA) Co., Ltd.	2,650,000,000.00	26 September 2011	25 March 2019	No

The above related parties provided guarantees for debenture payable without any charge (Note 4(37)).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

8 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(c) Guarantee (continued)

The Group as the guarantor

Guarantees are not provided to related parties for the six months ended 30 June 2016.

(d) Loans or borrowings

(i) Borrowings

For the six months ended 30 June 2016 (Unaudited)

	Amount	Starting date	Maturity date
Borrowing -			
Dalian Port Group Financial Co., Ltd.	15,000,000.00	6 January 2016	5 January 2017
Dalian Port Group Financial Co., Ltd.	60,000,000.00	8 January 2016	8 April 2016
Dalian Port Group Financial Co., Ltd.	10,000,000.00	13 January 2016	12 January 2017
Dalian Port Group Financial Co., Ltd.	30,000,000.00	19 January 2016	18 January 2017
Dalian Port Group Financial Co., Ltd.	9,360,000.00	19 January 2016	20 July 2016
Dalian Port Group Financial Co., Ltd.	45,000,000.00	20 January 2016	19 January 2017
Shenyang Mingshuo Industrial Development Co., Ltd	7,620,000.00	29 February 2016	30 August 2016
Dalian Port Group Financial Co., Ltd.	17,500,000.00	2 March 2016	3 August 2016
Dalian Port Group Financial Co., Ltd.	17,430,000.00	2 March 2016	3 August 2016
Dalian Port Group Financial Co., Ltd.	30,000,000.00	22 April 2016	21 April 2019
Dalian Port Group Financial Co., Ltd.	6,000,000.00	10 May 2016	10 May 2017
Dalian Port Group Financial Co., Ltd.	6,900,000.00	8 June 2016	9 December 2016

For the six months ended 30 June 2015 (Unaudited)

	Amount	Starting 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.	40,000,000.00	6 March 2015	5 March 2016
Dalian Port Group Financial Co., Ltd.	35,000,000.00	27 April 2015	26 April 2016
Dalian Harbour ECL Logistics Co., Ltd.	14,000,000.00	13 May 2015	12 May 2017
Dalian Port Group Financial Co., Ltd.	20,000,000.00	11 June 2015	10 June 2018

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

8 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(d) Loans or borrowings (continued)

(i) Borrowings (continued)

Interest expenses paid

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Dalian Equipment Finance Lease Co., Ltd.	47,863,247.88	52,991,452.98
Dalian Port Group Financial Co., Ltd.	4,882,178.53	5,226,769.45
Dalian Harbour ECL Logistics Co., Ltd.	504,670.59	119,647.92
Shenyang Mingshuo Industrial Development Co., Ltd	227,287.67	–
	53,477,384.67	58,337,870.35

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.

(ii) Lending

For the six months ended 30 June 2016 (Unaudited)

	Amount	Starting date	Maturity date
Lending -			
Liaoning Con-Rail International Logistics Co., Ltd.	1,000,000.00	20 January 2016	19 January 2019
Dalian Puji Storage Facility Co., Ltd.	16,000,000.00	29 January 2016	28 January 2017
Liaoning Con-Rail International Logistics Co., Ltd.	4,600,000.00	12 February 2016	11 February 2017
Liaoning Con-Rail International Logistics Co., Ltd.	2,000,000.00	12 May 2016	11 May 2019
Dalian Port Yidu Cold Chain Co., Ltd.	33,000,000.00	30 May 2016	29 November 2016
China Harbour United Shipping Co., Ltd.	7,432,800.00	29 June 2016	28 December 2016

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

8 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(d) Loans or borrowings (continued)

(ii) Lending (continued)

For the six months ended 30 June 2015 (Unaudited)

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

Interest income received

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Dalian Puji Storage Facility Co., Ltd.	1,102,391.11	1,142,880.00
Liaoning Con-Rail International Logistics Co., Ltd.	285,772.10	139,667.22
China Harbour United Shipping Co., Ltd.	180,245.41	405,222.80
Jadeway Limited	-	70,768.28
SINOECL Auto Liners, Limited	-	59,506.89
	1,568,408.62	1,818,045.19

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 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

8 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(e) Transfer of assets

(i) Acquisition of assets

Related parties	Nature of related party transactions	Type of transaction	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Dalian Port Engineering Co., Ltd.	Engineering Construction	Construction labour	5,521,662.44	4,067,720.13
Dalian Port Machinery and Electric Co., Ltd.	Engineering Construction	Construction labour	3,649,915.27	–
Dalian Port Design & Research Institute Co., Ltd.	Engineering Construction	Construction labour	948,679.25	–
Dalian Port Landscape Engineering Co., Ltd.	Engineering Construction	Construction labour	628,241.00	361,400.00
Dalian Port Xingang Construction & Engineering Co., Ltd.	Engineering Construction	Construction labour	89,500.00	3,000.00
Dalian Port Group Co., Ltd.	Supporting assets off Dayao Bay south shore	Acquisition of assets	–	11,406,362.41
Dalian Port Rixing Boiler Installation Co., Ltd.	Engineering Construction	Construction labour	–	573,100.00
			10,837,997.96	16,411,582.54

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

8 Related parties and related party transactions (continued)

(5) Related party transactions (continued)

(f) Deposits with a related party

As at 30 June 2016, the Group's deposits in Dalian Port Group Financial Co., Ltd. are RMB1,216,324,240.86 (31 December 2015: RMB1,775,896,477.91) and the Group gains an interest income of RMB4,600,568.95 (for the six months ended 30 June 2015: RMB4,326,686.22) in the current period.

(g) Remuneration of key management

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Remuneration of key management	1,565,976.63	1,554,960.44

(6) Receivables from and payables to related parties

Receivables from related parties:

	30 June 2016 (Unaudited)		31 December 2015	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Accounts receivable				
Amount due to the parent				
Dalian Port Group Co., Ltd.	73,463.00	-	428,944.00	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

8 Related parties and related party transactions (continued)

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

Receivables from related parties: (continued)

	30 June 2016 (Unaudited)		31 December 2015	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Accounts receivable (continued)				
<u>Amounts due from joint ventures and associates</u>				
Dalian Changxing Island Port Investment and Development Co., Ltd.	67,524,369.16	-	230,000.00	-
China Oil Dock Management (Dalian) Co., Ltd.	10,564,631.00	-	3,816,288.00	-
Dalian Port Container Terminal Co., Ltd.	6,657,736.08	-	1,939,469.36	-
Liaoning Con-Rail International Logistics Co., Ltd.	6,132,956.00	-	3,364,393.60	-
Dalian International Container Terminal Co., Ltd.	3,863,160.99	-	803,477.45	-
Dalian Changxing Island Port Co., Ltd.	2,226,521.46	-	1,622,921.46	-
Dalian Port Yidu Cold Chain Co., Ltd.	2,178,733.05	-	2,940,882.74	-
Dalian Puji Storage Facility Co., Ltd.	1,417,771.39	-	1,417,771.39	-
Taicang Xinggang Tug Co., Ltd.	1,200,000.00	-	2,400,000.00	-
Dalian Vanguard International Logistics Co., Ltd.	1,098,621.88	-	540,080.00	-
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	916,750.05	-	1,092,872.00	-
Dalian United International Shipping Agency Co., Ltd.	402,249.52	-	233,644.95	-
Dalian Dagang China Shipping Container Terminal Co., Ltd.	352,237.42	-	31,094.81	-
Dalian Shentie Yuangang Logistics Co., Ltd.	285,120.00	-	-	-
Dalian Automobile Terminal Co., Ltd.	268,310.38	-	264,378.30	-
China United International Rail Containers (Dalian) Co., Ltd.	184,052.33	-	9,293.00	-
Dalian Shunde Jifa Supply Chain Management Co., Ltd.	165,000.00	-	18,000.00	-
Odfjell Terminals (Dalian) Ltd.	116,384.44	-	862,483.52	-
Weifang Senda Container Service Provider Co., Ltd.	112,500.00	-	-	-
Dalian North Oil Petroleum Logistics Co., Ltd.	77,000.00	-	-	-
Dalian Singamas International Container Co., Ltd.	71,817.50	-	3,049.50	-
Dalian Jilong Logistics Co., Ltd.	20,260.00	-	-	-
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	10,000.00	-	560,869.80	-
Dalian Port Group Financial Co., Ltd.	1,300.00	-	149,402.78	-
Liaoning Electronic Port Co., Ltd.	-	-	305,000.00	-
	105,847,482.65	-	22,605,372.66	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

8 Related parties and related party transactions (continued)

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

Receivables from related parties: (continued)

	30 June 2016 (Unaudited)		31 December 2015	
	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 Machinery Co., Ltd.	836,061.04	-	3,183,401.77	-
Dalian Taiping Bay Investment & Development Co., Ltd.	797,777.50	-	834,344.00	-
Dalian Port Wantong Logistics Co., Ltd.	618,115.51	-	2,892,724.30	-
Dalian Port Machinery and Electric Co., Ltd.	510,855.56	-	561,215.56	-
Dalian Port Design & Research Institute Co., Ltd.	462,156.00	-	-	-
Dalian Port Engineering Co., Ltd.	299,309.44	-	5,676,000.00	-
Changhai County Guanglu Wharf Construction Management Co., Ltd.	89,756.00	-	-	-
Dalian CITIC Harbour Investment Co., Ltd.	58,445.51	-	58,445.51	-
	3,672,476.56	-	13,206,131.14	-
	30 June 2016 (Unaudited)		31 December 2015	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Other receivables				
<u>Amount due to the parent</u>				
Dalian Port Group Co., Ltd.	3,275,433.97	-	3,413,066.79	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

8 Related parties and related party transactions (continued)

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

Receivables from related parties: (continued)

	30 June 2016 (Unaudited)		31 December 2015	
	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 Port Yidu Cold Chain Co., Ltd.	33,126,995.00	-	110,000,000.00	-
Dalian Puji Storage Facility Co., Ltd.	40,000,000.00	-	40,000,000.00	-
Dalian Port Container Terminal Co., Ltd.	18,519,008.39	-	15,026,281.43	-
China United International Rail Containers (Dalian) Co., Ltd.	16,799,936.45	-	215,000.00	-
Dalian Changxing Island Port Co., Ltd.	7,816,523.35	-	6,482,920.35	-
China Harbour United Shipping Co., Ltd.	7,432,800.00	-	7,432,800.00	-
Liaoning Con-Rail International Logistics Co., Ltd.	4,677,000.00	-	4,600,000.00	-
Dalian Automobile Terminal Co., Ltd.	923,366.18	-	484,767.34	-
Dalian Changxing Island Port Investment and Development Co., Ltd.	898,295.70	-	2,612,295.70	-
Dalian Gangsheng Tendering & Bidding Agency Co., Ltd.	544,900.00	-	445,662.67	-
Dalian International Container Terminal Co., Ltd.	366,068.03	-	281,592.14	-
China United Tally (Dalian) Co., Ltd.	325,002.00	-	-	-
China Oil Dock Management (Dalian) Co., Ltd.	321,966.39	-	-	-
Dalian United International Shipping Agency Co., Ltd.	233,945.00	-	155,111.00	-
Dalian Harbour ECL Logistics Co., Ltd.	150,000.00	-	-	-
Dalian Jilong Logistics Co., Ltd.	128,440.00	-	20,000.00	-
Odfjell Terminals (Dalian) Ltd.	86,776.00	-	127,462.00	-
PetroChina Dalian LNG Co., Ltd.	26,100.00	-	17,000.00	-
Dalian Port Group Financial Co., Ltd.	15,023.77	-	48,362.50	-
Dalian Dagang China Shipping Container Terminal Co., Ltd.	4,941.28	-	5,498.51	-
Dalian Port Tongli Shipping Agency Co., Ltd.	-	-	1,311.10	-
	132,397,087.54	-	187,956,064.74	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

8 Related parties and related party transactions (continued)

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

Receivables from related parties: (continued)

	30 June 2016 (Unaudited)		31 December 2015	
	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.	14,233,432.14	-	16,649,863.94	-
Dalian Taiping Bay Port Company Limited	8,679,544.09	-	7,671,728.41	-
Dalian Port Land Co., Ltd.	1,558,295.00	-	5,724.00	-
Dalian Port Industrial Co., Ltd.	854,107.62	-	6,275.00	-
Dalian Port Machinery and Electric Co., Ltd.	781,647.89	-	610,724.50	-
Dalian Port Petroleum & Chemical Co., Ltd.	494,051.10	-	378,833.30	-
Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	450,000.00	-	236,000.00	-
Changhai County Guanglu Wharf Construction Management Co., Ltd.	445,000.00	-	-	-
Dalian Port North Shore Automobile Terminal Co., Ltd.	380,000.00	-	-	-
Jinzhou Liaoxi PDA Properties Co., Ltd	360,500.00	-	200,000.00	-
Dalian Port Machinery Co., Ltd.	288,451.55	-	-	-
Dalian Port Design & Research Institute Co., Ltd.	265,395.00	-	265,395.00	-
Dalian Taiping Bay Investment & Development Co., Ltd.	232,829.95	-	384,350.45	-
Dalian CITIC Harbour Investment Co., Ltd.	96,908.50	-	96,908.50	-
Dalian Port North Shore Investment and Development Co., Ltd.	90,000.00	-	-	-
Dalian Harbour Building	46,454.80	-	7,426.40	-
Dalian Hongyu Building Co., Ltd.	15,387.00	-	15,387.00	-
Dalian Taiping Bay Sunshine Real Estate Co., Ltd.	5,426.70	-	5,426.70	-
Dalian Port Security Services Co., Ltd.	2,200.00	-	-	-
Dalian Port Wantong Logistics Co., Ltd.	-	-	5,574.00	-
	29,279,631.34	-	26,539,617.20	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

8 Related parties and related party transactions (continued)

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

Receivables from related parties: (continued)

	30 June 2016 (Unaudited)		31 December 2015	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Advances to suppliers				
<u>Amount prepaid to joint ventures and associates</u>				
Dalian Port Container Terminal Co., Ltd.	10,197.00	-	-	-
Dalian International Container Terminal Co., Ltd.	4,659.00	-	-	-
	14,856.00	-	-	-
<u>Advances to other related parties</u>				
Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	2,140,929.17	-	1,836,748.93	-
Dalian Port Machinery Co., Ltd.	480,000.00	-	-	-
Dalian Port Machinery and Electric Co., Ltd.	383,400.00	-	-	-
Dalian Port Industrial Co., Ltd.	-	-	13,789.02	-
	3,004,329.17	-	1,850,537.95	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

8 Related parties and related party transactions (continued)

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

Receivables from related parties: (continued)

	30 June 2016 (Unaudited)		31 December 2015	
	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.	301,968.05	-	3,154,590.34	-
Dalian Puji Storage Facility Co., Ltd.	47,466.65	-	174,288.90	-
Dalian Port Yidu Cold Chain Co., Ltd.	43,862.50	-	74,115.54	-
Liaoning Con-Rail International Logistics Co., Ltd.	15,343.91	-	16,694.17	-
China Harbour United Shipping Co., Ltd.	-	-	11,014.99	-
	408,641.11	-	3,430,703.94	-

	30 June 2016 (Unaudited)		31 December 2015	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Long-term receivables				
<u>Amounts due from joint ventures and associates</u>				
Liaoning Con-Rail International Logistics Co., Ltd.	6,000,000.00	-	5,000,000.00	-
Jadeway Limited	-	-	13,018,915.80	-
	6,000,000.00	-	18,018,915.80	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

8 Related parties and related party transactions (continued)

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

Payables to related parties:

	30 June 2016 (Unaudited) Ending balance	31 December 2015 Ending balance
Accounts payable		
<u>Amount due to joint ventures and associates</u>		
China United International Rail Containers (Dalian) Co., Ltd.	10,164,515.30	664,419.30
Dalian Port PetroChina International Terminal Co., Ltd.	9,100,000.00	–
Liaoning Con-Rail International Logistics Co., Ltd.	1,701,575.70	1,732,610.80
Dalian International Container Terminal Co., Ltd.	791,839.00	22,808.00
China Oil Dock Management (Dalian) Co., Ltd.	500,000.00	–
Dalian Port Container Terminal Co., Ltd.	233,308.00	2,106,752.00
Dalian Singamas International Container Co., Ltd.	83,071.88	89,342.83
Dalian United International Shipping Agency Co., Ltd.	–	7,482.24
	22,574,309.88	4,623,415.17
<u>Amount due to other related parties</u>		
Jinzhou Port Co., Ltd.	7,547,169.81	7,547,169.81
Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	1,000,000.00	13,414.85
Dalian FTZ Yongdixin Real Estate Development Co., Ltd.	372,207.72	–
Dalian Port Engineering Co., Ltd.	305,707.00	305,707.00
Dalian Port Machinery Co., Ltd.	201,908.00	319,629.00
Dalian Hongyu Building Co., Ltd.	190,003.86	–
Dalian Port Industrial Co., Ltd.	60,000.00	–
Dalian Port Landscape Engineering Co., Ltd.	25,800.00	–
Dalian Port Machinery and Electric Co., Ltd.	20,400.00	–
	9,723,196.39	8,185,920.66

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

8 Related parties and related party transactions (continued)

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

Payables to related parties: (continued)

	30 June 2016 (Unaudited) Ending balance	31 December 2015 Ending balance
Other payables		
<u>Amount due to the parent</u>		
Dalian Port Group Co., Ltd.	6,906,477.49	499,245.65
<u>Amount due to joint ventures and associates</u>		
Dalian Port Yidu Cold Chain Co., Ltd.	1,345,890.48	1,345,890.48
Liaoning Con-Rail International Logistics Co., Ltd.	663,886.41	1,193,780.41
Dalian Port Container Terminal Co., Ltd.	489,230.43	245,000.00
Dalian United International Shipping Agency Co., Ltd.	300,500.00	300,500.00
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	247,717.20	–
Dalian International Container Terminal Co., Ltd.	194,427.09	30,000.00
Dalian Changxing Island Port Co., Ltd.	36,756.78	–
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.	15,900.00	100,000.00
Dalian Vanguard International Logistics Co., Ltd.	2,000.00	2,000.00
	3,337,008.39	3,257,870.89

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

8 Related parties and related party transactions (continued)

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

Payables to related parties: (continued)

	30 June 2016 (Unaudited) Ending balance	31 December 2015 Ending balance
Other payables (continued)		
<u>Amount due to other related parties</u>		
Dalian Port Engineering Co., Ltd.	84,082,257.68	100,853,441.86
Shenyang Mingshuo Industrial Development Co., Ltd	20,000,000.00	20,000,000.00
Dalian Port Machinery and Electric Co., Ltd.	10,437,485.75	22,580,801.47
Dalian FTZ Yongdixin Real Estate Development Co., Ltd.	1,963,284.62	–
Dalian Port Xingang Construction & Engineering Co., Ltd.	1,801,809.01	4,970,251.01
Dalian Port Rixing Boiler Installation Co., Ltd.	1,726,072.86	7,389,426.08
Dalian Hongyu Building Co., Ltd.	1,080,008.30	–
Dalian Port Design & Research Institute Co., Ltd.	503,250.00	407,250.00
Dalian Port Machinery Co., Ltd.	452,859.95	3,416,921.21
Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	446,353.66	8,335.53
Dalian ETDZ Harbour Freight Co., Ltd.	316,178.57	315,616.79
Dalian Port Wantong Logistics Co., Ltd.	63,315.80	63,315.80
Dalian Port Landscape Engineering Co., Ltd.	31,400.00	–
	122,904,276.20	160,005,359.75
	30 June 2016 (Unaudited) Ending balance	31 December 2015 Ending balance
Advances from customers		
<u>Advances from the parent</u>		
Dalian Port Group Co., Ltd.	1,463,569.70	213,057.81

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

8 Related parties and related party transactions (continued)

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

Payables to related parties: (continued)

	30 June 2016 (Unaudited) Ending balance	31 December 2015 Ending balance
Advances from customers (continued)		
<i>Advance from joint ventures and associates</i>		
Dalian Port Yidu Cold Chain Co., Ltd.	10,258,164.81	14,900,494.81
Guangzhou Kingport Auto International Trade Co., Ltd.	4,960,000.00	–
Dalian Port Container Terminal Co., Ltd.	2,890,073.82	3,920,914.08
China United International Rail Containers (Dalian) Co., Ltd.	178,099.14	–
Liaoning Con-Rail International Logistics Co., Ltd.	89,079.00	1,979.00
Dalian United International Shipping Agency Co., Ltd.	1,360.00	–
Dalian Port Tongli Shipping Agency Co., Ltd.	785.00	250.00
Dalian Port Bulk Cargo Logistics Centre Co., Ltd.	750.00	845.00
PetroChina Dalian LNG Co., Ltd.	720.00	321,027.31
Dalian Jilong Logistics Co., Ltd.	–	148,252.88
Dalian Singamas International Container Co., Ltd.	–	51,155.09
China Oil Dock Management (Dalian) Co., Ltd.	–	16,679.64
Dalian Wanpeng Port Engineering Testing Co., Ltd.	–	5,712.43
Dalian Puji Storage Facility Co., Ltd.	–	2,592.47
China United Tally (Dalian) Co., Ltd.	–	666.67
	18,379,031.77	19,370,569.38
<i>Advance from other related parties</i>		
Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	6,198.00	8,282.96
Dalian Port Wantong Logistics Co., Ltd.	1,065.50	6,030.00
Dalian Port Petroleum & Chemical Co., Ltd.	1,450.00	2,460.00
Jinzhou Port Co., Ltd.	605.00	800.00
Dalian Port Industrial Co., Ltd.	–	218,303.28
Dalian Port Engineering Co., Ltd.	–	66,939.24
Dalian Port Landscape Engineering Co., Ltd.	–	15,115.93
	9,318.50	317,931.41

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

8 Related parties and related party transactions (continued)

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

Payables to related parties: (continued)

	30 June 2016 (Unaudited) Ending balance	31 December 2015 Ending balance
Notes payable		
<u>Amount due to other related parties</u>		
Dalian Port Engineering Co., Ltd.	–	3,340,000.00
	30 June 2016 (Unaudited) Ending balance	31 December 2015 Ending balance
Short-term borrowings		
<u>Amount due to joint ventures and associates</u>		
Dalian Port Group Financial Co., Ltd.	21,521,000.00	188,450,000.00
	30 June 2016 (Unaudited) Ending balance	31 December 2015 Ending balance
Interest payable		
<u>Amount due to joint ventures and associates</u>		
Dalian Port Group Financial Co., Ltd.	293,704.11	159,305.56
Dalian Harbour ECL Logistics Co., Ltd.	–	27,056.94
	293,704.11	186,362.50
<u>Amount due to other related parties</u>		
Dalian Equipment Finance Lease Co., Ltd.	9,013,666.69	9,166,666.67
Shenyang Mingshuo Industrial Development Co., Ltd.	–	245,917.81
	9,013,666.69	9,412,584.48

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

8 Related parties and related party transactions (continued)

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

Payables to related parties: (continued)

	30 June 2016 (Unaudited) Ending balance	31 December 2015 Ending balance
Long-term borrowings		
<u>Amount due to joint ventures and associates</u>		
Dalian Port Group Financial Co., Ltd.	40,000,000.00	20,000,000.00
Dalian Harbour ECL Logistics Co., Ltd.	-	14,000,000.00
	40,000,000.00	34,000,000.00
<u>Amount due to other related parties</u>		
Dalian Equipment Finance Lease Co., Ltd.	300,000,000.00	2,000,000,000.00
	30 June 2016 (Unaudited) Ending balance	31 December 2015 Ending balance
Long-term payables		
<u>Amount due to other related parties</u>		
Ocean Harvest Container Co. Limited	46,127,007.82	44,012,033.43
Dalian Equipment Finance Lease Co., Ltd.	4,121,928.84	5,989,080.18
	50,248,936.66	50,001,113.61
	30 June 2016 (Unaudited) Ending balance	31 December 2015 Ending balance
Current portion of non-current liabilities		
<u>Amount due to joint ventures and associates</u>		
Dalian Harbour ECL Logistics Co., Ltd.	14,000,000.00	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

8 Related parties and related party transactions (continued)

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

Payables to related parties: (continued)

	30 June 2016 (Unaudited) Ending balance	31 December 2015 Ending balance
Current portion of non-current liabilities (continued)		
<i>Amount due to other related parties</i>		
Dalian Equipment Finance Lease Co., Ltd.	1,705,373,507.83	7,006,473.25
Ocean Harvest Container Co. Limited	5,913,574.93	5,745,005.91
	1,711,287,082.76	12,751,479.16

(7) Commitments in relation to related parties

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

Leases

	30 June 2016 (Unaudited)	31 December 2015
Leased in –		
Dalian Port Group Co., Ltd.	63,611,268.91	66,007,118.90
Dalian Port Container Terminal Co., Ltd.	1,104,172.78	2,230,000.00
Dalian International Container Terminal Co., Ltd.	590,476.20	1,200,000.00
Dalian Port Industrial Co., Ltd.	288,960.00	–
Dalian Port Machinery Co., Ltd.	71,403.00	–
	65,666,280.89	69,437,118.90

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

8 Related parties and related party transactions (continued)

(7) Commitments in relation to related parties (continued)

Leases (continued)

	30 June 2016 (Unaudited)	31 December 2015
Leased out –		
Dalian Port Container Terminal Co., Ltd.	288,365,000.00	329,560,000.00
Dalian Jilong Logistics Co., Ltd.	23,316,895.00	25,771,305.00
China Oil Dock Management (Dalian) Co., Ltd.	18,860,000.00	28,290,000.00
Dalian Port Industrial Co., Ltd.	635,698.68	1,741,353.42
Liaoning Con-Rail International Logistics Co., Ltd.	899,091.14	1,139,168.56
Dalian Port Yidu Cold Chain Co., Ltd.	526,227.90	1,084,029.36
Dalian North Oil Petroleum Logistics Co., Ltd.	–	222,500.00
	332,602,912.72	387,808,356.34

Transfer of assets

	30 June 2016 (Unaudited)	31 December 2015
Transferred in –		
Dalian Port Engineering Co., Ltd.	8,334,301.00	14,190,066.00
Dalian Port Design & Research Institute Co., Ltd.	11,320.75	–
	8,345,621.75	14,190,066.00

Guarantee

For the detail of guarantee provided as at 30 June 2016, Please see Note 8(5)(c).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

8 Related parties and related party transactions (continued)

(8) Benefits and interests of directors

(a) Directors' and chief executive's emoluments

Emoluments of directors, supervisors and chief executives for the six months ended 30 June 2016 are set out below (unaudited):

Position	Name	Emoluments paid or receivable in respect of a person's services as a director							Emoluments paid or receivable in respect of director's other services in connection with the management of the Company or subsidiaries	Total
		Salary and allowance	Pension plan contribution	Bonus	Signing bonus	Housing allowance	Other benefits	Total		
Chairman of the board/Executive director	Hui Kai	-	-	-	-	-	-	-	-	-
Vice Chairman of the Board/ Non-executive director	Xu Song	-	-	-	-	-	-	-	-	-
Vice Chairman of the Board/ Non-executive director	Bai Jingtao	-	-	-	-	-	-	242,825.70	242,825.70	-
General manager/Executive director	Wei Minghui	-	-	-	-	-	-	215,617.70	215,617.70	-
Vice General manager/Executive director	Sun Benye	-	-	-	-	-	-	-	-	-
Non-executive director	Zheng Shaoping	-	-	-	-	-	-	-	-	-
Non-executive director	Yin Shihui	-	-	-	-	-	-	-	-	-
Independent non-executive director	Yin Jintao	125,000.00	-	-	-	-	-	-	-	125,000.00
Independent non-executive director	Wang Zhifeng	100,000.00	-	-	-	-	-	-	-	100,000.00
Independent non-executive director	Sun Xiyun	100,000.00	-	-	-	-	-	-	-	100,000.00
Independent non-executive director	Xu Jian	-	-	-	-	-	-	-	-	-
Chairman of supervisory board/Supervisor on behalf of the shareholders	Jia Wenjun	-	-	-	-	-	-	-	-	-
Chairman of supervisory board	Zhang Zuogang	-	-	-	-	-	-	-	-	-
Supervisor on behalf of the shareholders	Qi Yue	-	-	-	-	-	-	-	-	-
Independent supervisor	Kong Xianjing	50,000.00	-	-	-	-	-	-	-	50,000.00
Supervisor on behalf of employees	Jiao Yingguang	190,625.70	-	-	-	-	-	-	-	190,625.70
Supervisor on behalf of employees	Zhao Rong	204,429.70	-	-	-	-	-	-	-	204,429.70

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

8 Related parties and related party transactions (continued)

(8) Benefits and interests of directors (continued)

(a) Directors' and chief executive's emoluments (continued)

Emoluments of directors, supervisors and chief executives for the six months ended 30 June 2015 are set out below (unaudited):

Position	Name	Emoluments paid or receivable in respect of a person's services as a director						Other benefits	Emoluments paid or receivable in respect of director's other services in connection with the management of the Company or subsidiaries	Total
		Salary and allowance	Pension plan contribution	Bonus	Signing bonus	Housing allowance				
Chairman of the board/Executive director	Hui Kai	-	-	-	-	-	-	-	-	
Executive directors/General manager	Xu Song	-	-	-	-	-	-	466,912.00	466,912.00	
Executive directors/Vice general manager	Sun Benye	-	-	-	-	-	-	82,827.00	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 employees	Jiao Yingguang	-	-	-	-	-	-	187,854.00	187,854.00	
Supervisor on behalf of employees	Zhao Rong	-	-	-	-	-	-	182,256.00	182,256.00	

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

8 Related parties and related party transactions (continued)

(8) Benefits and interests of directors (continued)

(a) Directors' and chief executive's emoluments (continued)

The directors Xu Jian and Sun Benye resigned on 18 March 2016; Wei Minghui was appointed as director on 24 February 2016; Bai Jingtao and Zheng Shaoping were appointed as directors on 28 June 2016.

Zhang Zuogang, the chairman of supervisory board, resigned on 18 March 2016. The supervisor Qi Yue was appointed on 28 June 2016.

(b) Consideration paid to the third party on director services

For the six months ended 30 June 2016, the Company had no consideration paid to the third party on director services.

(c) Loans, quasi-loans and other transactions provided to the directors, the legal person controlled by the directors, and associated person of the directors

For the period, the Company had no loans, quasi-loans and other transactions provided to the directors, the legal person controlled by the directors, or associated person of the directors.

(d) Material interest of directors in transactions, arrangements and contracts

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted for the period.

(9) The five individuals whose emoluments are the highest

For the six months ended 30 June 2016, the five individuals whose emoluments were the highest in the Group include zero (for the six months ended 30 June 2015: one) director whose emoluments is reflected in the analysis presented above. The emoluments payable to the remaining five (for the six months ended 30 June 2015: four) individuals during the year are as follows:

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Salary and allowance	2,466,050.51	2,069,642.44
Social security contributions	194,907.30	139,536.00
	2,660,957.81	2,209,178.44

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

8 Related parties and related party transactions (continued)

(9) The five individuals whose emoluments are the highest (continued)

	Number of individuals	
	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Emolument bands: RMB0 – RMB1,000,000	5	4

9 Contingencies

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 when 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 Bank of China for DNPL. The counter guarantee was unconditional and non-cancellable and the relevant counter guarantee contract was signed on 24 November 2015. The counter guarantee period was two years since the date when 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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

9 Contingencies (continued)

Guarantee (continued)

China Development Fund Co., Ltd. ("China Development Fund") plans to provide RMB35 million for Dalian Port Yidu Cold Chain Co., Ltd. ("Dalian Port Yidu"), the joint venture of the Group. The investment is mainly for the second phase of cold storage project of Dalian Port Yidu. After the injection, China Development Fund would account for 6.7% of shareholding. When the investment term expires, China Development Fund would require Dalian Port Jifa Logistics Co., Ltd. ("Jifa Logistics"), the wholly-owned subsidiary of the Group, to repurchase the equity of the increased capital, and require Dalian Port Container Development Co., Ltd. ("Dalian Port Container"), the parent company of Jifa Logistics, to provide joint liability for the repurchase. Dalian Port Container is a wholly-owned subsidiary of the Company.

Pursuant to the directors' resolution at the first meeting in 2016 of the fourth board of directors, the Company agrees that Dalian Port Container provided joint liability for the repurchase between Jifa Logistics and China Development Fund with amount of guarantee no more than RMB42.14 million, including repurchase fund, investment income of China Development Fund, other insufficient fund obligations and compensation, penalty, damage awards and realisation of creditor rights. The guarantee term is two years from the expiration date of debt performance under the master contract. This guarantee contract is signed on 25 February 2016.

10 Commitments

(1) Capital commitments

Capital expenditures contracted for by the Group at the balance sheet date but are not yet necessary to be recognised on the balance sheet are as follows:

	30 June 2016 (Unaudited)	31 December 2015
Buildings, machinery and equipment	92,911,715.79	141,397,986.69

(2) Operating lease commitments

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

	30 June 2016 (Unaudited)	31 December 2015
Within 1 year	11,052,708.32	19,826,437.03
1 to 2 years	9,674,166.79	9,003,723.94
2 to 3 years	8,922,616.30	6,165,849.63
Over 3 years	51,563,995.96	53,323,995.96
	81,213,487.37	88,320,006.56

Notes to the Financial Statements (continued)

*For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]*

10 Commitments (continued)

(3) Investment commitments

Pursuant to the agreement signed with Dalian Xizhong Island Petrochemical Industrial Park Development Co., Ltd. and Odfjell (China) Tank Terminals Co., Ltd. on 1 September 2013, the Company was committed to invest RMB15 million for 30% equity interests of Odfjell Changxing Warehousing Terminals (Dalian) Co., Ltd. As at 30 June 2016, the Company paid RMB7.95 million with no payment made in the six months ended 30 June 2016. Therefore, there are still RMB7.05 million to be paid.

Pursuant to the agreement signed between the Group's subsidiaries, Dalian FTZ Jinxin Petro-chemical 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 Jinxin Petro-chemical Co., Ltd. and Asia Pacific Ports (Dalian) Co., Ltd. were committed to invest RMB12.5 million and RMB10 million for 25% and 20% equity interests of Northeast Asia Petrochemical Trading Centre Co., Ltd., respectively. As Northeast Asia Petrochemical Trading Center Co., Ltd. takes subscribed registration system, it suffices to pay the amount within operation period of 30 years. As at 30 June 2016, the registered capital wasn't paid yet, and it would be paid according to the company needs and business development in the future.

11 Events after the balance sheet date

Significant non-adjusting events

- (a) Dalian Jifa Technology Co., Ltd., a wholly-owned subsidiary of the Group, is mainly engaged in software and information technology service business. Due to optimisation of internal resource allocation of the Group, the company was approved for cancellation on the shareholder meeting on 15 July 2016.
- (b) On 8 July 2016, the Company successfully issued RMB3 billion of super short-term financing bond with 270 days and nominal interest rate of 2.78% in the national inter-bank bond market. The interest and principal are paid on the maturity date.
- (c) On 1 August 2016, the Company completed relevant procedures of dividend distribution and transferring of capital surplus to equity (Note 4(41)).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

12 Leases

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

	30 June 2016 (Unaudited)	31 December 2015
Within 1 year	13,965,140.22	15,707,500.66
1 to 2 years	16,017,442.53	11,857,185.74
2 to 3 years	37,304,964.65	42,359,663.67
	67,287,547.40	69,924,350.07

As at 30 June 2016, the unrecognised financing charge amounts to RMB5,751,527.98 (31 December 2015: RMB7,171,757.29).

13 Business combinations

See Note 5.

14 Financial risk

The Group's activities expose it to a variety of financial risks: market risk (primarily foreign exchange 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 recognised assets and liabilities, and future transactions denominated in foreign currencies, primarily with respect to US dollars. The Group's finance department at its headquarters is responsible for monitoring the amount of assets and liabilities, and transactions denominated in foreign currencies to minimise the foreign exchange risk. Therefore, 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 2016 and the year ended 31 December 2015, the Group did not enter into any forward exchange contracts or currency swap contracts.

As at 30 June 2016 and 31 December 2015, the carrying amounts in RMB equivalent of the Group's assets and liabilities denominated in foreign currencies are summarised below:

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

14 Financial risk (continued)

(1) Market risk (continued)

(a) Foreign exchange risk (continued)

	30 June 2016 (Unaudited)			
	USD	HKD	Others	Total
Financial assets denominated in foreign currency –				
Cash at bank and on hand	4,016,895,106.21	6,190,035.25	2,327,265.85	4,025,412,407.31
Receivables	24,379,095.60	0.85	77,466.69	24,456,563.14
Available-for-sale financial assets	–	10,023,964.34	–	10,023,964.34
	4,041,274,201.81	16,214,000.44	2,404,732.54	4,059,892,934.79
Financial liabilities denominated in foreign currency –				
Short-term borrowings	230,175,649.05	–	241,847,461.34	472,023,110.39
Payables	17,978,010.84	30,684.72	–	18,008,695.56
Long-term payables	46,206,055.65	–	–	46,206,055.65
Others	5,913,574.92	–	–	5,913,574.92
	300,273,290.46	30,684.72	241,847,461.34	542,151,436.52

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

14 Financial risk (continued)

(1) Market risk (continued)

(a) Foreign exchange risk (continued)

	31 December 2015			
	USD	HKD	Others	Total
Financial assets denominated in foreign currency –				
Cash at bank and on hand	52,375,834.33	8,605,016.34	656,112.77	61,636,963.44
Receivables	19,794,309.97	0.84	21,024.11	19,815,334.92
Available-for-sale financial assets	–	12,221,995.42	–	12,221,995.42
Others	–	–	13,018,915.80	13,018,915.80
	<u>72,170,144.30</u>	<u>20,827,012.60</u>	<u>13,696,052.68</u>	<u>106,693,209.58</u>
Financial liabilities denominated in foreign currency –				
Short-term borrowings	226,221,151.11	–	186,018,341.73	412,239,492.84
Payables	29,545,532.27	64,438.82	–	29,609,971.09
Long-term payables	44,012,033.44	–	–	44,012,033.44
Others	5,745,005.91	–	–	5,745,005.91
	<u>305,523,722.73</u>	<u>64,438.82</u>	<u>186,018,341.73</u>	<u>491,606,503.28</u>

As at 30 June 2016, if the currency has strengthened/weakened by 10% against the USD while all other variables had been held constant, the Group's net profit would have been approximately RMB280,575,068.35 (31 December 2015: RMB17,501,518.38) higher/lower for various financial assets and liabilities denominated in USD.

As at 30 June 2016, if the currency has strengthened/weakened by 10% against the HKD while all other variables had been held constant, the Group's net profit would have been approximately RMB1,213,748.68 (31 December 2015: RMB1,557,193.03) higher/lower for various financial assets and liabilities denominated in HKD.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

14 Financial risk (continued)

(1) Market risk (continued)

(b) Interest rate risk

The Group's interest rate risk arises from long-term interest bearing borrowings including long-term borrowings and debentures payable. 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 determines the relative proportions of its fixed rate and floating rate contracts depending on the prevailing market conditions. As at 30 June 2016, the Group's long-term interest bearing borrowings are mainly RMB-denominated contracts with floating rates, amounting to RMB322,010,023.77 (including long-term borrowings due within one year of RMB10,000,000.00) (31 December 2015: RMB800,000,000.00 (including long-term borrowings of RMB500,000,000.00 due within one year)).

The Group's finance department at its headquarters 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 floating rate borrowings, 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 2016 and the year ended 31 December 2015, the Group did not enter into any interest rate swap agreements.

As at 30 June 2016, if the float rate has strengthened/weakened by 50 base points, while all other variables had been held constant, the Group's net profit would decrease/increase RMB603,768.79 (31 December 2015: RMB3,000,000.00).

(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 etc.

The Group expects that there is no significant credit risk associated with cash at bank since they are deposited at Dalian Port Group Finance Co., Ltd., state-owned banks and other medium or large size listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

In addition, the Group has policies to limit the credit exposure on accounts receivable, other receivables and notes receivable. 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 history of the customers is regularly monitored by the Group. In respect of customers with a poor credit history, the Group will use written payment reminders, or shorten or cancel credit periods, to ensure the overall credit risk of the Group is limited to a controllable extent.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

14 Financial risk (continued)

(3) Liquidity risk

Cash flow forecasting is performed by each subsidiary of the Group and aggregated by the Group's finance department in its headquarters. The Group's finance department at its headquarters 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 to cash to meet operational needs, while maintaining sufficient headroom on its undrawn committed borrowing facilities from major financial institutions so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities to meet the short-term and long-term liquidity requirements.

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

	30 June 2016 (Unaudited)				Total
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term borrowings	515,688,205.94	-	-	-	515,688,205.94
Accounts payable	322,659,350.81	-	-	-	322,659,350.81
Interest payable	159,116,843.26	-	-	-	159,116,843.26
Dividends payable	487,819,064.20	-	-	-	487,819,064.20
Other payables	524,670,710.71	-	-	-	524,670,710.71
Current portion of non-current liabilities	1,839,121,916.92	-	-	-	1,839,121,916.92
Other current liabilities	2,063,500,000.00	-	-	-	2,063,500,000.00
Long-term borrowings	15,768,807.77	651,639,912.43	33,287,569.80	-	700,696,290.00
Bonds payable	173,850,205.48	320,875,000.00	6,351,975,000.00	-	6,846,700,205.48
Long-term payables	-	16,017,442.54	37,304,964.65	-	53,322,407.19
	6,102,195,105.09	988,532,354.97	6,422,567,534.45	-	13,513,294,994.51

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

14 Financial risk (continued)

(3) Liquidity risk (continued)

	31 December 2015				Total
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term borrowings	614,375,904.74	-	-	-	614,375,904.74
Notes payable	12,940,000.00	-	-	-	12,940,000.00
Accounts payable	233,398,574.75	-	-	-	233,398,574.75
Interest payable	143,719,858.67	-	-	-	143,719,858.67
Dividends payable	67,388,950.20	-	-	-	67,388,950.20
Other payables	585,807,063.52	-	-	-	585,807,063.52
Current portion of non-current liabilities	545,579,986.77	-	-	-	545,579,986.77
Other current liabilities	2,063,500,000.00	-	-	-	2,063,500,000.00
Long-term borrowings	131,317,046.55	2,389,586,539.01	38,702,512.68	-	2,559,606,098.24
Bonds payable	173,347,465.75	320,875,000.00	4,019,876,369.86	2,474,550,000.00	6,988,648,835.61
Long-term payables	-	16,877,185.74	42,359,663.67	-	59,236,849.41
	4,571,374,850.95	2,727,338,724.75	4,100,938,546.21	2,474,550,000.00	13,874,202,121.91

Bank and other borrowings are analysed by repayment terms as follows:

	30 June 2016 (Unaudited)		31 December 2015	
	Bank borrowings	Other borrowings	Bank borrowings	Other borrowings
Within 1 year	522,379,841.05	3,727,965,140.22	510,000,000.00	17,771,479.16
1 to 2 years	320,000,000.00	353,322,407.19	300,000,000.00	2,028,516,193.52
2 to 5 years	32,010,023.77	5,800,000,000.00	37,010,023.77	3,490,504,920.10
Over 5 days	-	-	-	2,350,000,000.00
	874,389,864.82	9,881,287,547.41	847,010,023.77	7,886,792,592.78

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

15 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 or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data.

(1) Assets continuously measured at fair value

As at 30 June 2016, the assets continuously 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	13,811,458.00	–	–	13,811,458.00
Derivative financial instruments	–	20,162,391.59	–	20,162,391.59
Available-for-sale financial assets –				
Available-for-sale equity instruments	10,023,612.49	–	–	10,023,612.49
Wealth management products	–	–	350,000,000.00	350,000,000.00
Total assets	23,835,070.49	20,162,391.59	350,000,000.00	393,997,462.08

As at 31 December 2015, the assets continuously 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	16,179,169.50	–	–	16,179,169.50
Available-for-sale financial assets –				
Available-for-sale equity instruments	12,221,995.42	–	–	12,221,995.42
Entrusted investment	–	–	65,820,000.00	65,820,000.00
Total assets	28,401,164.92	–	65,820,000.00	94,221,164.92

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

15 Fair value estimates (continued)

(1) Assets continuously measured at fair value (continued)

The Group takes the date on which events causing the transfers between the levels take place as the timing for recognising the transfers. There is no transfer between Level 1 and Level 2 for the current year.

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using a valuation method. The mainly used valuation model are Discounted 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 assets are analysed below:

	Available-for-sale financial assets	
	Wealth management products	Entrusted investment
1 January 2016	–	65,820,000.00
Purchases	600,000,000.00	–
Sale	(250,000,000.00)	(65,820,000.00)
30 June 2016 (Unaudited)	350,000,000.00	–
		Available-for-sale financial assets – Entrusted investment
1 January 2015		665,820,000.00
Purchases		180,000,000.00
Sale		(780,000,000.00)
31 December 2015		65,820,000.00

Gains or losses recognised in profit or loss are separately recorded in income from changed in fair value, investment income, asset impairment losses, etc., in the income statement.

(2) Assets and liabilities not measured at fair value but disclosed at fair value

The Group's financial assets and liabilities measured at amortised cost mainly represent receivables, held-to-maturity investments, short-term borrowings, payables, Long-term borrowings, 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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

15 Fair value estimates (continued)

(2) Assets and liabilities not measured at fair value but disclosed at fair value (continued)

	30 June 2016 (Unaudited)		31 December 2015	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets –				
Shareholder loans	-	-	13,018,915.80	6,534,869.50
Financial liabilities –				
Long-term borrowings	652,010,023.77	654,275,422.33	2,351,010,023.77	2,383,390,332.11
Bonds payable	5,772,174,214.90	6,114,217,288.04	5,763,754,605.64	5,990,650,657.24
	6,424,184,238.67	6,768,492,710.37	8,114,764,629.41	8,374,040,989.35

The fair value of held-to-maturity investments in an active market is determined at the quoted price in the active market, which is subject to Level 1. The fair value of long-term borrowings and long-term payables 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, which is subject to Level 3.

16 Capital management

The Group's objectives when managing capital are to safeguard the Group'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 Group may adjust the amount of dividends paid to shareholders, refund capital to shareholders, issue new shares or sell assets to reduce debts.

The Group's total capital is calculated as 'shareholders' equity' as shown in the consolidated balance sheet. The Group 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.

As at 30 June 2016 and 31 December 2015, the Group's net debt-to-equity ratio is set out below:

	30 June 2016 (Unaudited)	31 December 2015
Net debt-to-equity ratio	24%	54%

The Group maintains the net debt-to-equity ratio between 40% and 60% through proper capital arrangement and financing measures. As at 30 June 2016, the ratio decreased by 30 percentages year-on-year, mainly because the Company completed H-share private placement in February 2016, which effectively expanded the shareholders' equity and relatively reduced net debt.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

17 Notes to the Company's financial statements

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

	30 June 2016 (Unaudited)	31 December 2015
Investments in equity instrument held for trading	13,811,458.00	16,179,169.50
	13,811,458.00	16,179,169.50

The fair value of the investments in equity instrument held for trading is determined at the closing price of Shanghai Stock Exchange and Shenzhen Stock Exchange on the last trading day of the half-year/year.

(2) Accounts receivable

	30 June 2016 (Unaudited)	31 December 2015
Accounts receivable	615,922,994.71	605,673,208.46
Less: Provision for bad debts	-	(1,491,504.33)
	615,922,994.71	604,181,704.13

Parts of the Company's sales are dealt in 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 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

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

(2) Accounts receivable (continued)

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

	30 June 2016 (Unaudited)	31 December 2015
Within 1 year	550,073,844.14	493,882,950.58
1 to 2 years	7,163,207.02	52,104,070.66
2 to 3 years	4,401,260.66	16,762,413.25
Over 3 years	54,284,682.89	42,923,773.97
	615,922,994.71	605,673,208.46

As at 30 June 2016, accounts receivable overdue but unimpaired are RMB62,235,347.57 (31 December 2015: RMB107,383,051.82). This receivable is considered recoverable based on the financial position of the customer and analysis on its credit record. The ageing of the receivable is analysed as follows:

	30 June 2016 (Unaudited)	31 December 2015
Within 1 year	2,666,197.00	48,212,422.27
1 to 2 years	883,207.02	975,946.66
2 to 3 years	4,401,260.66	16,762,413.25
Over 3 years	54,284,682.89	41,432,269.64
	62,235,347.57	107,383,051.82

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

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

(2) Accounts receivable (continued)

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

	30 June 2016 (Unaudited)				31 December 2015			
	Ending balance		Provision for bad debts		Ending balance		Provision for bad debts	
	% of total				% of total			
	Amount	balance	Amount	Percentage	Amount	balance	Amount	Percentage
With amounts that are individually significant and that the related provision for bad debts is provided on the individual basis	-	-	-	-	5,319,057.65	0.88%	1,491,504.33	28.04%
With amounts that the related provision for bad debts is provided on the grouping basis	615,922,994.71	100.00%	-	-	600,354,150.81	99.12%	-	-
Including: Group 1	-	-	-	-	-	-	-	-
Group 2	615,922,994.71	100.00%	-	-	600,354,150.81	99.12%	-	-
With amounts that are not individually significant but subject to separate assessment for provision for bad debts	-	-	-	-	-	-	-	-
	615,922,994.71	100.00%	-	-	605,673,208.46	100.00%	1,491,504.33	0.25%

(c) For the six months ended 30 June 2016, the Group did not make a provision for bad debts.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(2) Accounts receivable (continued)

(d) Accounts receivable written off in the current period of RMB1,491,504.33 are analysed as follows (unaudited):

	Nature of accounts receivable	Write-off amount	Write-off reason	Procedure for write-off	Arising from related party transactions or not
	Ansteel Co., Ltd. Withholding port construction expenses	1,491,504.33	Uncollectible	Resolution of the Board of Directors	No

(e) As at 30 June 2016, the top five balances of accounts receivable categorised by debtors are summarised as follows (unaudited):

	Balance	Provision for bad debts	% of total balance
Total balances of top five accounts receivable	427,195,635.17	–	69.36%

(3) Other receivables

	30 June 2016 (Unaudited)	31 December 2015
Refund of land-transferring fees receivable	491,032,200.00	491,032,200.00
Government subsidies receivable	125,122,075.00	125,122,075.00
Entrusted loans	32,432,800.00	32,432,800.00
Berth rentals receivable	17,833,300.00	13,375,000.00
Others	50,306,194.06	37,652,262.77
	716,726,569.06	699,614,337.77
Less: Provision for bad debts	(16,098.47)	(16,098.47)
	716,710,470.59	699,598,239.30

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(3) Other receivables (continued)

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

	30 June 2016 (Unaudited)	31 December 2015
Within 1 year	618,998,979.22	682,525,841.57
1 to 2 years	90,172,615.75	11,387,657.11
2 to 3 years	4,479,626.53	2,516,974.96
Over 3 years	3,075,347.56	3,183,864.13
	716,726,569.06	699,614,337.77

As at 30 June 2016, other receivables overdue but unimpaired are RMB24,660,571.50 (31 December 2015: RMB23,276,168.15). This receivable is considered recoverable based on the financial position of the defaulter and analysis on its credit record. The ageing of other receivables is analysed as follows:

	30 June 2016 (Unaudited)	31 December 2015
Within 1 year	9,401,508.27	9,923,310.43
1 to 2 years	10,291,798.15	10,743,565.03
2 to 3 years	4,625,124.53	2,330,833.53
Over 3 years	342,140.55	278,459.16
	24,660,571.50	23,276,168.15

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

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

(3) Other receivables (continued)

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

	30 June 2016 (Unaudited)				31 December 2015			
	Ending balance		Provision for bad debts		Ending balance		Provision for bad debts	
	% of total balance % of total balance		Provision % of total balance		% of total balance		Percentage	
	Amount	balance	Amount	balance	Amount	balance	Amount	Percentage
With amounts that are individually significant and that the related provision for bad debts is provided on the individual basis	-	-	-	-	-	-	-	-
With amounts that the related provision for bad debts is provided on the grouping basis	716,710,470.59	100.00%	-	-	699,598,239.30	100.00%	-	-
Including: Group 1	-	-	-	-	-	-	-	-
Group 2	716,710,470.59	100.00%	-	-	699,598,239.30	100.00%	-	-
With amounts that are not individually significant but subject to separate assessment for provision for bad debts	16,098.47	0.00%	16,098.47	100.00%	16,098.47	0.00%	16,098.47	100.00%
	716,726,569.06	100.00%	16,098.47	0.00%	699,614,337.77	100.00%	16,098.47	0.00%

(c) For the six months ended 30 June 2016, the Company did not make a provision for bad debts of accounts receivable, or reserve/write off such provision for bad debts.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

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

(3) Other receivables (continued)

(d) As at 30 June 2016, the top five balances of other receivables categorised by debtors are summarised as follows (unaudited):

	Nature	Balance	Ageing	% of total balance	Provision for bad debts
Dalian Finance Bureau	Financial subsidies and refund of land-transferring fees	537,649,900.00	Within 1 year	75.01%	-
	Government subsidies	78,504,375.00	1 to 2 years	10.95%	-
Dalian Steel Logistics Park Co., Ltd.	Entrusted loans	28,726,373.69	Within 1 year	4.01%	-
	Advances	1,786,877.20	1 to 2 years	0.25%	-
Dalian Port Container Terminal Co., Ltd.	Berth rentals	18,235,923.39	Within 1 year	2.54%	-
Dalian Taiping Bay Port Company Limited	Advances	5,684,284.83	Within 1 year	0.79%	-
	Advances	1,950,890.16	1 to 2 years	0.27%	-
China Harbour United Shipping Co., Ltd.	Entrusted loans	7,432,800.00	Within 1 year	1.04%	-
		679,971,424.27		94.86%	

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

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

(3) Other receivables (continued)

- (e) As at 30 June 2016, the Company's government grants recognised at amounts receivable are analysed as follow (unaudited):

	Project name of government grants	Balance	Ageing	Basis of estimated collection
Dalian Port (PDA) Company Limited	Subsidy for container development	46,617,700.00	Within 1 year	Announcement of the implementation regulation of subsidy funds for promoting the quick development of Dalian port container
	Subsidy for container development	54,460,400.00	1 to 2 years	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	24,043,975.00	1 to 2 years	Announcement of the implementation regulation of subsidy funds for promoting the quick development of Dalian port container
		125,122,075.00		

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

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

(4) Available-for-sale financial assets

	30 June 2016 (Unaudited)	31 December 2015
Measured at fair value		
– Wealth management products (i)	350,000,000.00	–
Measured at cost		
– Available-for-sale equity instruments – unlisted enterprises (ii)	13,900,057.50	13,900,057.50
– Entrusted investment (iii)	–	65,820,000.00
Less: Provision for impairment	–	–
	363,900,057.50	79,720,057.50
Less: Available-for-sale financial assets included in other current assets (i)	(350,000,000.00)	–
Available-for-sale financial assets included in the current portion of non-current assets (iii)	–	(65,820,000.00)
	13,900,057.50	13,900,057.50

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

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

Related information of available-for-sale financial assets is analysed as follows:

- (i) Wealth management products measured at fair value:

As at 30 June 2016, the wealth management products include:

The Company purchases wealth management products of RMB200,000,000.00 (31 December 2015: nil) from China Minsheng Bank and the capital was mainly used for investment in money market instruments. The estimated annual return is 3.25% with the maturity date on 6 July 2016.

The Company purchases wealth management products of RMB100,000,000.00 (31 December 2015: nil) from China Minsheng Bank and the capital was mainly used for investment in money market instruments. The estimated annual return is 3.35% with the maturity date on 18 August 2016.

The Company purchases wealth management products of RMB50,000,000.00 (31 December 2015: nil) from Ping An Bank and the capital was mainly used for investment in money market instruments. The estimated annual return is 2.90% with the maturity date on 28 July 2016.

- (ii) Available-for-sale financial assets 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 2015	Increase in the current period	Decrease in the current period	30 June 2016 (Unaudited)	Percentage of shareholding in investee (%)	Cash dividend in the period
Available-for-sale equity instruments						
– Cost						
– Fujian Ninglian Port Co., Ltd.	12,000,000.00	–	–	12,000,000.00	12.00	–
– Da-In Ferry Co., Ltd.	1,900,057.50	–	–	1,900,057.50	7.50	–
	13,900,057.50	–	–	13,900,057.50		–

- (iii) Entrusted investment:

On 31 December 2015, entrusted investment of RMB65,820,000.00 represents a trust plan of assembled funds developed by Shaanxi 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, Lvshun 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 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(5) Long-term equity investments

	30 June 2016 (Unaudited)	31 December 2015
Subsidiaries (a)	4,305,424,222.29	4,395,384,222.29
Joint ventures (b)	1,158,781,581.75	1,165,580,887.74
Associates (c)	2,064,865,665.92	2,021,438,214.97
	7,529,071,469.96	7,582,403,325.00
Less: Provision for impairment of long-term equity investments	-	-
	7,529,071,469.96	7,582,403,325.00

There is no significant 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 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(5) Long-term equity investments (continued)

(a) Subsidiaries

	31 December 2015	Movements in the current period				30 June 2016 (Unaudited)	Provision for impairment Ending balance	Cash dividends declared in the current period
		Increase in investment	Decrease in investment	Provision for impairment loss	Others			
Dalian Port Container Development Co., Ltd.	3,045,297,222.38	-	-	-	-	3,045,297,222.38	-	-
Asia Pacific Ports Company Limited	76,155,000.00	-	-	-	-	76,155,000.00	-	-
Dalian FTZ Jinxin Petro-chemical Co., Ltd.	6,629,301.65	-	-	-	-	6,629,301.65	-	4,147,737.04
Dalian Jifa Ship Management Co., Ltd.	391,984,354.73	-	-	-	-	391,984,354.73	-	-
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 Portssoft 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	-	-
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 Harbour Service Co., Ltd.	217,580,000.00	-	-	-	-	217,580,000.00	-	-
Dalian Port Group Zhuanghe Terminal Co., Ltd.	42,000,000.00	-	-	-	-	42,000,000.00	-	-
Dalian United King Port Auto Trade Co., Ltd.	6,000,000.00	-	-	-	-	6,000,000.00	-	-
Dalian Port Grain and Oil Trading Co., Ltd.	25,000,000.00	-	-	-	-	25,000,000.00	-	-
Dalian Steel Logistics Park Co., Ltd.	8,000,000.00	-	-	-	-	8,000,000.00	-	-
Dalian Gangrun Gas Co., Ltd.	5,100,000.00	-	-	-	-	5,100,000.00	-	-
Dalian Heilija Automobile Terminal Co., Ltd.	200,000,000.00	-	-	-	-	200,000,000.00	-	-
Dalian Dilangsiwei Caravan Co., Ltd.	51,000,000.00	-	-	-	-	51,000,000.00	-	-
Dalian Zhuanghe Gangxing Investment Co., Ltd.	80,000,000.00	-	-	-	-	80,000,000.00	-	-
Dalian Port Xinshengshi Trading Co., Ltd	7,000,000.00	-	-	-	-	7,000,000.00	-	-
PORT OF DALIAN Haiheng Shipping Management Co., Ltd.	4,825,626.54	-	-	-	-	4,825,626.54	-	-
Dalian Hongyang International Logistics Co., Ltd.	-	10,000,000.00	-	-	-	10,000,000.00	-	-
	4,395,384,222.29	10,000,000.00	(99,960,000.00)	-	-	4,305,424,222.29	-	29,097,737.04

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(5) Long-term equity investments (continued)

(b) Joint ventures

	31 December 2015	Movements in the current period							Balance of provision for impairment at end of period	
		Increase in investment	Decrease in investment	Share of net profit/(loss) using the equity method	Adjustment on other comprehensive income	Other changes in equity	Cash dividends/ profit declared by joint ventures	Provision for impairment		Others
Dalian Port Tongli Shipping Agency Co., Ltd.	1,755,679.10	-	-	251,130.48	-	-	-	-	-	2,006,809.58
Dalian Harbour ECL Logistics Co., Ltd.	30,862,780.65	-	-	148,208.55	-	21,215.44	-	-	-	30,832,204.64
Oufei Terminal (Dalian) Ltd.	182,005,975.24	-	-	8,832,845.05	-	287,632.18	-	-	-	171,126,432.47
Dalian Port PetroChina International Terminal Co., Ltd.	172,913,975.56	-	-	10,025,564.02	-	-	(10,771,900.00)	-	-	172,167,639.58
China United Tally (Dalian) Co., Ltd.	4,615,790.14	-	-	77,419.30	-	-	(1,890,827.15)	-	-	2,802,382.29
China Oil Dock Management (Dalian) Co., Ltd.	1,271,355.58	-	-	(1,271,355.58)	-	-	-	-	-	-
Dalian Automobile Terminal Co., Ltd.	164,173,919.60	-	-	2,667,357.20	-	22,503.38	-	-	-	167,064,080.18
Dalian Changxing Island Port Co., Ltd.	153,051,271.73	-	-	(17,418,300.22)	-	83,306.94	-	-	-	135,716,278.45
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	2,392,424.77	2,000,000.00	-	(63,889.89)	-	52,564.23	-	-	-	4,411,089.11
Oufei Dalian Port Consulting Co., Ltd.	1,909,882.15	-	-	(123,073.61)	-	-	-	-	-	1,786,808.54
Dalian Changxing Island Port Investment and Development Co., Ltd.	464,264,932.07	-	-	246.87	-	-	-	-	-	464,265,178.94
Oufei Changxing Warehousing Terminals (Dalian) Co., Ltd.	6,562,901.15	-	-	39,756.82	-	-	-	-	-	6,602,657.97
	1,165,560,887.74	2,000,000.00	-	3,395,888.89	-	467,522.17	(12,662,727.15)	-	-	1,158,781,581.75

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(5) Long-term equity investments (continued)

(c) Associates

	Movements in the current period										Balance of provision for impairment at end of period
	31 December 2015	Increase in investment	Decrease in investment	Share of net profit/(loss) using the equity method	Adjustment on other comprehensive income	Other changes in equity	Cash dividends/profit declared by associates	Provision for impairment	Others	30 June 2016 (Unaudited)	
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	15,463,845.44	-	-	4,841,645.07	-	-	-	-	-	20,305,490.51	
Taichang Xinggang Tug Co., Ltd.	4,512,144.42	-	-	(508,516.21)	-	-	-	-	-	4,003,628.21	
PetroChina Dalian LNG Co., Ltd	554,002,932.09	-	-	10,004,809.77	-	-	-	-	-	564,007,741.86	
Dalian North Oil Petroleum Logistics Co., Ltd.	62,827,791.90	-	-	1,900,761.66	-	-	(4,080,611.91)	-	-	60,647,941.65	
China Harbour United Shipping Co., Ltd.	76,376,789.23	-	-	(4,012,355.76)	-	-	-	-	-	72,364,433.47	
Sino Rail Bohai Train Ferry Co., Ltd.	259,668,101.51	-	-	(3,480,584.32)	-	270,721.57	-	-	-	256,458,238.56	
CDC International Logistics Co., Ltd.	105,924,351.90	-	-	2,307,328.86	-	-	-	-	-	108,231,680.76	
Dalian Port Group Financial Co., Ltd.	942,662,258.48	-	-	36,184,252.42	-	-	-	-	-	978,846,510.90	
	2,021,438,214.97	-	-	47,237,341.29	-	270,721.57	(4,080,611.91)	-	-	2,064,865,665.92	

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(6) Fixed assets

	Buildings	Terminal facilities	Oil tanks and pipelines	Loading equipment	Transportation equipment	Vessels	Storage facilities	Machinery and equipment	Other equipment	Total
Cost										
31 December 2015	1,184,249,057.57	4,664,594,052.88	2,373,522,674.70	1,959,391,212.99	762,758,933.23	1,048,898,459.48	2,354,042,803.30	924,996,656.14	487,969,823.94	15,760,423,678.23
Increase in the current period										
Increase from acquisition	791,847.79	-	-	-	-	-	-	60,641.03	499,706.43	1,352,197.25
Transfer from construction in progress	98,983,923.80	300,354.56	289,623.59	-	1,082,118.45	74,248,744.33	-	14,099,534.05	1,166,892.65	190,170,891.43
Others	-	-	-	-	-	-	-	296,000.00	-	296,000.00
Decrease in the current period										
Disposal and obsolescence	(785,957.00)	-	-	(9,983,796.98)	(1,289,650.30)	-	-	-	(447,947.27)	(12,507,351.55)
30 June 2016 (Unaudited)	1,283,238,872.16	4,664,894,407.44	2,373,812,298.29	1,949,407,416.01	762,551,401.38	1,123,147,202.81	2,354,042,803.30	939,453,031.22	489,188,182.75	15,939,735,415.36
Accumulated depreciation										
31 December 2015	(266,525,327.62)	(773,067,927.04)	(715,164,632.69)	(1,139,499,864.04)	(298,757,718.02)	(329,476,038.14)	(652,346,596.99)	(477,459,455.16)	(221,441,939.73)	(4,573,741,499.43)
Increase in the current period										
Provision	(18,775,425.86)	(47,586,376.70)	(46,124,528.04)	(53,182,452.48)	(16,896,219.73)	(16,752,884.04)	(29,161,643.16)	(32,686,232.06)	(14,162,190.72)	(275,427,952.79)
Others	-	-	-	-	-	-	-	(187,466.76)	-	(187,466.76)
Decrease in the current period										
Disposal and obsolescence	430,805.97	-	-	9,584,445.10	1,236,641.08	-	-	-	352,512.11	11,604,404.26
30 June 2016 (Unaudited)	(284,669,947.51)	(820,654,303.74)	(761,289,160.73)	(1,183,097,871.42)	(314,517,286.67)	(346,230,922.18)	(391,508,240.15)	(510,333,153.98)	(235,251,618.34)	(4,837,752,514.72)
Carrying amount										
30 June 2016 (Unaudited)	998,568,924.65	3,844,240,103.70	1,612,523,137.56	786,309,544.59	448,034,104.71	776,916,280.63	1,972,534,363.15	429,119,877.24	253,936,564.41	11,101,982,900.64
31 December 2015	917,723,729.95	3,891,526,125.84	1,658,358,042.01	819,891,348.95	464,001,215.21	719,420,420.34	2,001,696,006.31	447,537,400.98	266,527,889.21	11,186,682,178.80

Notes to the Financial Statements (continued)

*For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]*

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

(6) Fixed assets (continued)

As at 30 June 2016, fixed assets with a carrying amount of approximately RMB146,986,121.53 (a cost of RMB228,576,076.21) (31 December 2015: a carrying amount of approximately RMB150,868,257.15 and a cost of RMB228,576,076.21) were pledged as collaterals of current portion of the long-term borrowings of RMB150,000,000.00 (31 December 2015: RMB150,000,000.00) (Note 4(36)(a-ii)).

As at 30 June 2016, fixed assets with a carrying amount of approximately RMB432,931,498.41 (a cost of RMB935,860,681.53) (31 December 2015: a carrying amount of approximately RMB452,722,560.60 and a cost of RMB935,860,681.53) were pledged as collaterals of current portion of the long-term borrowings of RMB500,000,000.00 (31 December 2015: RMB500,000,000.00) (Note 4(36)(a-iii)).

As at 30 June 2016, fixed assets with a carrying amount of approximately RMB788,173,500.46 (a cost of RMB1,735,975,658.93) (31 December 2015: a carrying amount of approximately RMB842,764,288.94 and a cost of RMB1,735,975,658.93) were pledged as collaterals of current portion of the long-term borrowings of RMB1,000,000,000.00 (31 December 2015: RMB1,000,000,000.00) (Note 4(36)(a-iv)).

As at 30 June 2016, fixed assets with a carrying amount of approximately RMB45,461,042.24 (a cost of RMB68,391,732.00) (31 December 2015: a carrying amount of approximately RMB47,020,107.26 and a cost of RMB68,391,732.00) were pledged as collaterals of current portion of the long-term borrowings of RMB50,000,000.00 (31 December 2015: RMB50,000,000.00) (Note 4(36)(a-v)).

As at 30 June 2016, fixed assets with a carrying amount of approximately RMB272,910,047.30 (a cost of RMB384,992,940.93) (31 December 2015: a carrying amount of RMB281,420,540.90 and a cost of RMB384,992,940.93) were pledged as collaterals of long-term borrowings of RMB300,000,000.00 (31 December 2015: RMB300,000,000.00) (Note 4(36)(a-vi)).

For the six months ended 30 June 2016, depreciation charged to fixed assets was RMB275,427,952.79 (for the six months ended 30 June 2015: RMB271,341,228.15) of which RMB268,044,866.42, RMB7,154,038.51 and RMB229,047.86 (for the six months ended 30 June 2015: RMB264,872,113.04, RMB6,469,115.11 and RMB0) were charged to cost of sale, general and administrative expenses and specific reserve respectively.

For the six months ended 30 June 2016, the costs of fixed assets transferred from construction in progress amounted to RMB190,170,891.43 (for the six months ended 30 June 2015: RMB91,005,388.17).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(7) Construction in progress

	30 June 2016 (Unaudited)			31 December 2015		
	Ending balance	Provision for impairment	Carrying amount	Ending balance	Provision for impairment	Carrying amount
Dayao Bay No. 13-16 Berth in Phase II	664,049,873.08	-	664,049,873.08	652,974,649.35	-	652,974,649.35
New Port No.18-21 Berth	343,939,738.43	-	343,939,738.43	342,414,362.44	-	342,414,362.44
Dayao Bay North Shore Automotive Logistics Centre	148,898,592.13	-	148,898,592.13	148,898,592.13	-	148,898,592.13
New Port accident buffer pool	-	-	-	97,817,975.78	-	97,817,975.78
All-rotation tug	-	-	-	68,999,734.54	-	68,999,734.54
Dalian Bay Passenger Terminal	64,412,592.28	-	64,412,592.28	34,098,173.63	-	34,098,173.63
Mobile machinery acquisition for Taiping Bay Port	31,622,305.70	-	31,622,305.70	30,750,646.63	-	30,750,646.63
Ore No.4 Storage Yard	22,652,610.52	-	22,652,610.52	19,574,704.25	-	19,574,704.25
Dalian Bay Groceries and Ro-ro Berth Project	12,647,837.23	-	12,647,837.23	7,415,672.23	-	7,415,672.23
Others	102,437,893.58	-	102,437,893.58	82,700,729.08	-	82,700,729.08
	1,390,661,442.95	-	1,390,661,442.95	1,485,645,240.06	-	1,485,645,240.06

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 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(7) Construction in progress (continued)

(a) Movement of significant projects of construction in progress

Project name	Budgeted amount	31 December 2015	Increase in the current period	Transfer to fixed assets and intangible assets for the current period	Other decreases	30 June 2016 (Unaudited)	Proportion of expenditures incurred to budgeted amount (i)	Progress of construction	Accumulative amount of capitalised borrowing costs	Including: Borrowing costs capitalised in the current period	Capitalisation rate of borrowing costs in the current period	Source of funds
Dayao Bay No. 13-16 Berth in Phase II	3,783,000,000.00	652,974,649.35	15,445,083.73	-	(4,389,870.00)	664,049,873.08	92%	92%	189,355,316.06	14,505,132.03	5.66%	Proprietary funds and loans from financial institutions and other sources Loans from financial institutions and other sources
New Port No.18-21 Berth	413,770,000.00	342,414,362.44	1,525,975.99	-	-	343,939,738.43	82%	82%	83,622,029.54	1,284,949.69	5.40%	Loans from financial institutions and other sources
Dayao Bay North Shore Automotive Logistics Centre	450,000,000.00	148,885,692.13	-	-	-	148,886,592.13	33%	33%	8,054,440.28	-	-	Proprietary funds and loans from financial institutions and other sources
New Port Accident Buffer Pool	98,886,600.00	97,817,975.78	80,000.00	(97,867,278.26)	(30,697.52)	-	100%	100%	11,539,135.98	-	-	Proprietary funds and loans from financial institutions
All-rotation Tug	82,080,000.00	68,999,734.54	5,249,093.79	(74,248,744.33)	-	-	100%	100%	4,546,674.63	789,796.09	5.66%	Proprietary funds and loans from financial institutions
Dalian Bay Passenger Terminal	383,160,000.00	34,088,173.63	30,377,040.01	-	(62,621.36)	64,412,592.28	16%	16%	3,316,657.29	1,857,294.06	5.66%	Proprietary funds and loans from financial institutions
Mobile Machinery Acquisition for Taping Bay Port	36,400,000.00	30,750,646.63	871,659.07	-	-	31,622,305.70	87%	87%	3,089,171.84	871,659.07	5.66%	Proprietary funds and loans from financial institutions
Ore No.4 Storage Yard	570,600,000.00	19,574,704.25	3,077,906.27	-	-	22,652,610.52	96%	96%	-	-	-	Fund raising Proprietary funds and loans from financial institutions
Dalian Bay Groceries and Ro-ro Berth Project	700,000,000.00	7,415,672.23	5,232,165.00	-	-	12,647,837.23	99%	99%	5,544,424.11	811,913.13	5.66%	Proprietary funds and loans from financial institutions
Others	239,520,188.41	82,700,728.08	43,791,052.32	(21,663,869.34)	(2,390,018.48)	102,437,893.58						
		1,465,645,240.06	105,649,302.18	(193,779,891.93)	(6,853,207.36)	1,391,661,442.95			308,965,759.13	20,120,744.07		

(i) Proportion of expenditures incurred to budgeted amount is the proportion of the total expenditures incurred to budgeted amount.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

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

(8) Intangible assets

	Land use rights	Software	Total
Cost			
31 December 2015	430,967,563.00	80,186,075.48	511,153,638.48
Increase in the current period			
Increase from acquisition	–	7,204,385.82	7,204,385.82
Transfer from construction in progress	3,609,000.50	–	3,609,000.50
Decrease in the current period			
Disposal	–	–	–
30 June 2016 (Unaudited)	434,576,563.50	87,390,461.30	521,967,024.80
Accumulated amortisation			
31 December 2015	(37,439,660.74)	(43,708,770.15)	(81,148,430.89)
Increase in the current period			
Provision	(4,810,111.23)	(3,790,702.83)	(8,600,814.06)
Decrease in the current period			
Disposal	–	–	–
30 June 2016 (Unaudited)	(42,249,771.97)	(47,499,472.98)	(89,749,244.95)
Carrying amount			
30 June 2016 (Unaudited)	392,326,791.53	39,890,988.32	432,217,779.85
31 December 2015	393,527,902.26	36,477,305.33	430,005,207.59

For the six months ended 30 June 2016, the amortisation of intangible assets was RMB8,600,814.06 (for the six months ended 30 June 2015: RMB6,036,359.76).

(9) Provision for asset impairment

	31 December 2015	Increase in the current period	Decrease in the current period		30 June 2016 (Unaudited)
			Reversal	Write-off	
Provision for bad debts	1,507,602.80	–	–	(1,491,504.33)	16,098.47
Including: Provision for bad debts of					
accounts receivable	1,491,504.33	–	–	(1,491,504.33)	–
Provision for bad debts of other receivables	16,098.47	–	–	–	16,098.47
	1,507,602.80	–	–	(1,491,504.33)	16,098.47

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(10) Capital surplus

	31 December 2015	Increase in the current period	Decrease in the current period	30 June 2016 (Unaudited)
Share premium (b)	6,212,549,598.67	2,413,472,697.86	–	8,626,022,296.53
Other capital surplus –				
Share of changes in equity other than comprehensive income and profit distribution of investees under the equity method (a)	18,346,870.92	738,243.74	–	19,085,114.66
	6,230,896,469.59	2,414,210,941.60	–	8,645,107,411.19
	31 December 2014	Increase in the current period	Decrease in the current period	30 June 2015 (Unaudited)
Share premium	6,212,549,598.67	–	–	6,212,549,598.67
Other capital surplus –				
Share of changes in equity other than comprehensive income and profit distribution of investees under the equity method (a)	18,725,645.23	748,185.03	–	19,473,830.26
	6,231,275,243.90	748,185.03	–	6,232,023,428.93

(a) Share of changes in equity other than comprehensive income and profit distribution of investees under the equity method mainly comprises special reserves appropriated by joint ventures and associates of the Company in the current period.

(b) According to the resolution made at the shareholder meeting on 28 June 2016, the Company increased 10 shares every 10 shares of capital surplus to all shareholders with 5,606,320,000 shares as base. As at 30 June 2016, accounting was not required due to unfinished capital increase procedures. According to listing regulation and supervision rules of mainland China and overseas, the Company completed relevant capital increase procedures for A shares and H shares on 1 August 2016 and 17 August 2016 respectively and transferred to increase capital of RMB5,606,320,000.00.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

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

(11) Undistributed profits

	For the 6 months ended 30 June 2016 (Unaudited)	For the 6 months ended 30 June 2015 (Unaudited)
Undistributed profits at beginning of period	2,535,370,918.16	2,314,223,325.63
Add: Net profit realised in the period	189,726,514.95	213,397,614.27
Less: Appropriation to statutory surplus reserve	-	-
Ordinary share dividends payable (a)	(420,474,000.00)	(177,040,000.00)
Undistributed profits at end of period (b)	2,304,623,433.11	2,350,580,939.90

(a) In accordance with the resolution at the Board of Shareholders' meeting, dated on 28 June 2016, the Company proposed a cash dividend to the shareholders at RMB0.75 per 10 shares (including tax), amounting to RMB420,474,000.00 calculated by 5,606,320,000 issued shares.

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.

(b) According to the resolution made at the shareholder meeting on 28 June 2016, the Company distributed 3 bonus shares every 10 shares with 5,606,320,000 shares as base. As at 30 June 2016, accounting was not required due to unfinished capital increase procedures. According to listing regulation and supervision rules of mainland China and overseas, the Company completed relevant capital increase procedures on 1 August 2016 and 17 August 2016 respectively and distributed dividends of RMB1,681,896,000.00.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

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

(12) Revenue and cost of sales

	For the 6 months ended 30 June 2016 (Unaudited)	For the 6 months ended 30 June 2015 (Unaudited)
Revenue from main operations	1,283,155,364.37	1,309,089,292.99
Revenue from other operations	164,914,069.50	190,238,082.72
	1,448,069,433.87	1,499,327,375.71
	For the 6 months ended 30 June 2016 (Unaudited)	For the 6 months ended 30 June 2015 (Unaudited)
Cost of sales from main operations	900,070,335.94	915,124,028.73
Cost of sales from other operations	99,288,987.97	106,451,828.27
	999,359,323.91	1,021,575,857.00

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

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

(12) Revenue and cost of sales (continued)

(a) Revenue and cost of sales from main operations

Analysis by industries is as follows:

	For the 6 months ended 30 June 2016 (Unaudited)		For the 6 months ended 30 June 2015 (Unaudited)	
	Revenue	Cost of sales	Revenue	Cost of sales
Oil and liquefied chemicals terminal and related logistics services	747,003,415.29	397,598,466.67	742,460,977.74	389,123,422.98
Container terminal and related logistics services	4,458,300.00	7,844,723.37	26,750,000.00	7,844,723.34
General cargo terminal and related logistics and trading services	149,989,532.25	160,691,437.06	179,149,995.97	174,977,809.85
Ore terminal and related logistics services	96,793,881.36	104,647,765.26	95,608,404.99	98,800,328.82
Grains terminal and related logistics and trading services	80,378,647.57	68,849,737.56	48,864,806.34	66,093,588.74
Passenger and roll-on, roll-off terminal and related logistics services	37,668,854.05	31,323,954.50	38,509,773.77	29,374,370.26
Port value-added and ancillary services	266,650,117.45	196,130,650.29	287,745,638.89	224,477,324.49
Others	65,126,685.90	32,272,589.20	80,237,778.01	30,884,288.52
	1,448,069,433.87	999,359,323.91	1,499,327,375.71	1,021,575,857.00

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

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

(12) Revenue and cost of sales (continued)

(b) The revenue is categorised as follows:

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Handling services	564,522,538.11	553,318,083.05
Storage services	386,325,741.03	412,691,525.95
Transportation services	200,351,628.71	216,023,848.00
Port management services	113,114,398.41	109,674,348.84
Electric supply services	52,441,305.32	55,484,806.38
Leasing services	30,209,044.90	46,934,398.83
Agency services	8,698,558.11	7,738,987.15
Others	92,406,219.28	97,461,377.51
	1,448,069,433.87	1,499,327,375.71

(13) Financial expenses

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Interest expenses	242,230,049.19	252,257,015.09
Less: Interest income	(13,133,519.97)	(4,362,345.50)
Less: Amount of interest capitalisation (i)	(20,120,744.07)	(27,442,224.89)
Exchange gains or losses	(56,258,995.20)	39,561.72
Others	5,096,586.28	5,023,733.28
	157,813,376.23	225,515,739.70

- (i) Borrowing costs capitalised have been included into construction in progress, carried forward to fixed assets upon the completion of construction in progress.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

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

(14) Expenses by nature

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

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Labour costs	447,079,150.25	432,909,348.83
Depreciation and amortisation	286,048,685.29	277,493,273.49
Leasing and warehousing expenses	167,531,169.56	166,847,094.85
Electric charges	59,599,995.13	65,954,266.02
Fuel expenses	38,060,684.46	42,755,201.22
Repair charges	25,538,695.95	25,212,210.12
Materials expenses	19,168,668.38	19,658,026.58
Auditor fees – non-audit services	742,179.01	616,000.00
Other expenses	122,669,264.83	139,477,460.98
	1,166,438,492.86	1,170,922,882.09

(15) Gains/(losses) on changes in fair value

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Financial assets at fair value through profit or loss – Investments in equity instrument held for trading	(2,300,256.50)	4,224,613.40
	(2,300,256.50)	4,224,613.40

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

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

(16) Investment income

	For the 6 months ended 30 June 2016 (Unaudited)	For the 6 months ended 30 June 2015 (Unaudited)
Income from long-term equity investment under cost method	29,097,737.04	26,924,870.00
Income from long-term equity investment under equity method	50,633,240.28	46,110,485.03
Loss from disposal of long-term equity investment	(4,319,861.34)	–
Income earned during the holding period of financial assets at fair value through profit or loss	57,093.00	33,000.00
Income earned during the holding period of available-for-sale financial assets	–	21,226,268.00
Income from disposal of financial assets at fair value through profit or loss	337,910.18	1,809,929.87
Income from disposal of available-for-sale financial assets	–	10,918,200.00
Income from wealth management products and entrusted investments	4,535,572.51	14,542,340.58
	80,341,691.67	121,565,093.48

There is no restriction on recovery of investment income.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

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

(17) Income tax expenses

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Current income tax calculated based on tax law and related regulations	25,409,670.47	30,870,428.27
Deferred income tax	(1,378,242.47)	1,982,634.48
	24,031,428.00	32,853,062.75

The reconciliation from income tax calculated based on the applicable tax rates and total profit presented in the income statements to the income tax expenses is listed below:

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Total profit	213,757,942.95	246,250,677.02
Income tax expenses calculated at applicable tax rates	53,439,485.74	61,562,669.26
Adjustments for current income tax of prior period	(6,084,558.62)	(831,052.74)
Income not subject to tax	(24,245,892.34)	(27,878,553.77)
Costs, expenses and losses not deductible for tax purposes	922,393.22	-
Income tax expenses	24,031,428.00	32,853,062.75

Notes to the Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

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

(18) Supplementary information to the cash flow statement

Reconciliation from net profit to cash flows from operating activities

	For the six months ended 30 June 2016 (Unaudited)	For the 6 months ended 30 June 2015 (Unaudited)
Net profit	189,726,514.95	213,397,614.27
Add: Depreciation of fixed assets	275,427,952.79	271,341,228.15
Amortisation of intangible assets	8,600,814.06	6,036,359.76
Amortisation of long-term prepaid expenses	2,291,374.88	115,685.58
Net gains on disposal of fixed assets	(27,200.00)	(98,675.47)
Financial expenses	147,005,789.87	224,814,790.20
Investment income	(80,341,691.67)	(121,565,093.48)
Losses/(gains) arising from changes in fair value	2,300,256.50	(4,224,613.40)
(Increase)/decrease in deferred tax assets	(1,378,242.47)	1,982,634.48
Deferred income	(16,842,455.01)	(17,284,489.65)
(Increase)/decrease in inventories	(965,216.84)	4,378,267.74
Increase in special reserve	5,842,030.66	7,620,382.17
Increase in operating receivables	(57,182,353.61)	(250,397,929.89)
Decrease in operating payables	(50,868,755.56)	(43,469,893.34)
Net cash flows from operating activities	423,588,818.55	292,646,267.12

Net increase/(decrease) in cash and cash equivalents

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Cash and cash equivalents at end of period	4,124,828,207.92	647,197,540.90
Less: Cash and cash equivalents at beginning of period	(761,304,650.74)	(966,868,460.45)
Net increase in cash and cash equivalents	3,363,523,557.18	(319,670,919.55)

Supplementary Information to Financial Statements

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

1 Statement of non-recurring profit or loss

	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Profit or loss on disposal of non-current assets	67,995.03	91,709.01
Government grants recognised in profit or loss for the current period	2,300.00	1,232,956.52
Interest income from outward entrusted loans	2,955,398.30	1,790,835.97
Net profit or loss of the subsidiary acquired in business combination involving entities under common control for the period from the beginning of the period to the combination date	-	(97,164.55)
Except for the effective hedging activities related to the Group's ordinary activities, profit or loss arising from changes in fair value of financial assets and financial liabilities held for trading, and investment income/(loss) from disposal of financial assets and financial liabilities held for trading and available-for-sale financial assets	(1,905,253.32)	27,082,519.99
Non-operating income and expenses other than aforesaid items	3,486,019.53	18,888,646.86
Income from entrusting others with investment or management	4,535,572.51	14,542,340.58
	9,142,032.05	63,531,844.38
Effect of income tax	(2,108,857.03)	(12,548,535.21)
Effect of minority interests (net of tax)	(1,289,740.30)	(1,352,818.65)
	5,743,434.72	49,630,490.52

Supplementary Information to Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

1. Statement of non-recurring profit or loss (continued)

Basis for preparation of statement 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 refers to those arises from transactions and events that are not directly relevant to ordinary activities, or those are relevant to ordinary activities, but are extraordinary and not expected to recur frequently that would have an influence on users of financial statements making economic decisions on the financial performance and profitability of an enterprise.

Pursuant to national policies and regulations, the items which recognised in government grants charged to profit or loss for the current year can be continuously obtained on a fixed quota or quantity for their close relation to ordinary activities. Thus the following items which are not regarded as non-recurring profit or loss.

	Amount for the six months ended 30 June 2016 (Unaudited)	Reasons for regarding as recurring profit or loss
Container subsidies	37,482,400.00	Fixed quantity on a continuous basis
Relocation compensation	16,810,556.88	Fixed quota on a continuous basis
Operation subsidies	5,164,000.00	Fixed quota on a continuous basis
Vessel construction subsidies	395,608.78	Fixed quota on a continuous basis
Energy conservation and emission reduction special fund	300,511.79	Fixed quota on a continuous basis
Equipment reconstruction subsidies	7,563.00	Fixed quota on a continuous basis
Refund of turnover taxes	3,640.79	Fixed quota on a continuous basis
Others	87,650.28	Fixed quota on a continuous basis
	60,251,931.52	

Supplementary Information to Financial Statements (continued)

For the six months ended 30 June 2016 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

2 Return on equity and earnings per share

	Weighted average ROE (%)		Earnings per share Basic earnings per share	
	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2015 (Unaudited)
Net profit attributable to ordinary shareholders of the Company	1.42%	2.06%	0.02	0.03
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	1.39%	1.71%	0.02	0.02

No dilutive potential ordinary shares have been issued by the Company.



DALIAN PORT (PDA) COMPANY LIMITED
大連港股份有限公司

(A sino-foreign joint stock limited company incorporated in the People's Republic of China)
(於中華人民共和國註冊成立之外商投資股份有限公司)
(Stock Code 股份代號 : 2880)

Address: Xingang Commercial Building, Jingang Road, Dalian International Logistics Park Zone,
Liaoning Province, the PRC (P.C.: 116601)

地址：中國遼寧省大連國際物流園區金港路新港商務大廈（郵遞區號：116601）

Tel 電話：86-0411-87599900

Fax 傳真：86-0411-87599854

Website 網址：www.dlport.cn