



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)



2017
Interim Report
中期報告

Contents

2	Management Discussion and Analysis
25	Other Information
28	Review Report
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
230	Supplementary Information to Financial Statements

Management Discussion and Analysis

Summary

Profound adjustments in the global economy and slackened growth of the port and shipping industries across the globe continued in the first half of 2017, and the BDI index, which reflects shipping freight costs, rebounded year-on-year. Regarding the domestic environment, the economy has begun to revive, the growth in investment, consumption and import and export trade showed signs of recovery. In the first half of the year, China's GDP grew by 6.9% year-on-year, whereas the total value of import and export increased by 19.6% year-on-year.

In the first half of the year, cargo throughput handled by China's large-scale ports amounted to 6.25 billion tonnes, representing a year-on-year increase of 7.5%. In particular, cargo throughput handled at coastal ports in China was 4.3 billion tonnes, representing a year-on-year increase of 7.3%. Cargo throughput handled by river ports was 1.94 billion tonnes, representing a year-on-year increase of 8.1%.

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

In the first half of 2017, details of the general information on the macro-economy and industries relevant to the Group's principal business are set out as follows:

Oil Segment: In the first half of 2017, international crude oil price remained at low levels. China further liberalised 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 210 million tonnes of crude oil, an increase of 16.7% as compared to the same period last year.

Container Segment: Affected by the macro-economy, port production has shown signs of stable growth. In the first half of 2017, containers throughput handled by China's largescale ports amounted to 115 million TEU, representing a year-on-year increase of 8.8%, which was the highest growth rate since 2012.

Automobile Terminal Segment: In the first half of 2017, the growth in the volume of automobile production and sales volume in China was higher than that of the same period last year. Automobiles output in the first half of the year was 13,526,000 vehicles, representing a year-on-year increase of 4.6%. Sales volume was 13,354,000 vehicles, representing a year-on-year increase of 3.8%.

Ore Segment: In the first half of 2017, supported by government policies and the capital market as well as other factors, the growth in overall iron ores import in China continued. During the first half of the year, accumulated iron ore imports in China amounted to 539 million tonnes, representing a year-on-year increase of 10%.

General Cargo Segment: In the first half of 2017, China's major ports handled a total of approximately 350 million tonnes of coal, increased 15.8% year-on-year. The output of crude steel across China in the first half of 2017 reached a total volume of approximately 400 million tonnes, basically unchanged year-on-year.

Management Discussion and Analysis

Bulk Grain Segment: In the first half of 2017, affected by factors such as recovery of market demand for corn and higher demand for bulk grain carriages, the volume of corn transshipment at Liaoning port totalled 21.867 million tonnes, representing a year-on-year increase of 134.2%.

Passenger and Ro-Ro Segment: In the first half of 2017, the Group implemented precision marketing to stimulate the development of ticket office network and online ticketing. The total number of passengers during the first half of the year was higher than that of the same period of the previous year.

In the first half of 2017, the Group's major business segments achieved stable performance. In terms of throughput, the Group handled a total of 31.893 million tonnes of oil and liquefied chemicals at oil terminal, representing a year-on-year increase of 9%, of which 15.769 million tonnes were imported crude oil, representing a year-on-year increase of 7%. In the Container Segment, the Group handled 5.289 million TEUs, representing an increase of 4.1% on a year-on-year basis, of which 4.737 million TEUs were handled by the Group at Dalian port, representing an increase of 1% on a year-on-year basis. In the Automobile Terminal Segment, the Group handled 310,614 vehicles, representing an increase of 35.8% on a year-on-year basis. In the Ore Segment, the Group handled 11.252 million tonnes, representing an increase of 63.3% on a year-on-year basis. In the General Cargo Segment, the Group handled 14.889 million tonnes of cargoes, representing an increase of 2.5% on a year-on-year basis. In the Bulk Grain Segment, the Group handled 3.267 million tonnes of bulk grain, representing an increase of 41.1% on a year-on-year basis. In the Passenger and Ro-Ro Segment, the Group transported 1.643 million passengers, representing a year-on-year increase of 13.8%, and 653,000 vehicles, representing a year-on-year decrease of 4%.

OVERALL RESULTS REVIEW

In the first half of 2017, the Group's net profit attributable to owners of the Company amounted to RMB238,539,731.50, representing an increase of RMB17,450,768.46 or 7.9% as compared with RMB221,088,963.04 in the first half of 2016.

In the first half of 2017, except for the storage business with reduced gross profit due to termination of partnership with major customers, all other segments of the Company enjoyed growth in gross profit in varying degrees. The performance of joint ventures and associates was positive in general, and investment income for the first half of 2017 increased year-on-year by RMB114,944,534.89 or 206.6% due to non-operating income related to government grants; other income and net non-operating income increased year-on-year by RMB50,666,088.27 or 79.4%; exchange losses also increased as a result of exchange rate fluctuations in the capital market, which offset the increase in net profit to some extent. Under the combined effect of the above factors, the Group's net profit attributable to the Company for the first half of 2017 increased slightly overall.

In the first half of 2017, the Group's basic earnings per share was RMB1.85 cents, representing a year-on-year increase of 0.11 cents or 6.3% from RMB1.74 cents in the first half of 2016.

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 2017 (RMB)	For the six months ended 30 June 2016 (RMB)	+/- (%)
Net profit attributable to owners of the Company	238,539,731.50	221,088,963.04	7.9
Including:			
Revenue	4,318,003,378.42	6,480,216,397.27	-33.4
Cost of sales	3,676,178,953.94	5,768,556,814.06	-36.3
Gross profit (Note 1)	641,824,424.48	711,659,583.21	-9.8
Gross profit margin (Note 2)	14.9%	11.0%	up by 3.9 percentage points
General and administrative expenses	298,075,478.70	299,623,883.73	-0.5
Financial expenses	277,267,676.02	202,873,286.85	36.7
Investment income	170,592,661.04	55,648,126.15	206.6
Other revenue and net non-operating income (Note 3)	114,474,334.35	63,808,246.08	79.4
Income tax expense	49,052,758.87	78,480,730.47	-37.5

Note 1: Gross profit = Revenue – Cost of sales

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

Note 3: According to Accounting Standards for Business Enterprises No. 16 – Government Grants (Cai Kuai [2017] No. 15) issued by the Ministry of Finance on 10 May 2017, the government grants relating to daily operations should be included in other income or offset against related costs and expenses, whereas the government grants that are not related to the daily operation should be included in non-operating revenue and expenses. The item represents the net non-operating income including all the government grants received.

In the first half of 2017, the Group's revenue decreased year-on-year by RMB2,162,213,018.85 or 33.4%, mainly due to the year-on-year decrease of 55.8% in income from trading business, and the decrease in income from the trading business of the Company was mainly due to the structural adjustments actively undertaken by the Company from the perspectives of controlling risks and boosting trading business quality and revenue. Excluding the effect of trading business, revenue increased year-on-year by 7.2%, mainly due to the growth in oil, bulk grain, tugboat and barge, and cross-border container business lines and the increase in berth rentals, while revenue from oil storage business decreased by RMB153,460,234.97.

In the first half of 2017, the Group's cost of sales decreased year-on-year by RMB2,092,377,860.12 or 36.3%, mainly due to the year-on-year decrease of 55.6% in costs of trading business. Excluding the effect of trading business, cost of sales increased year-on-year by 12.8%, mainly due to the increase in labour and service costs and agency costs of cross-border container business as well as the growth in fuel and other operational costs resulting from business expansion, while the costs of oil tank leasing were down.

In the first half of 2017, the Group's gross profit decreased year-on-year by RMB69,835,158.73 or 9.8%. Excluding the effect of the port trading business, gross profit decreased by 6.4% and gross profit margin decreased by 3.7 percentage points, mainly due to the drop in gross profit margin resulting from decreased storage business revenue due to the termination of partnership with major customers of the Oil Segment. But such drop was partly offset by the increase in berth rentals and the growth of ore mixing business as well as the business expansion of the General Cargo Segment, Bulk Grain Segment and Passenger and Ro-Ro Segment.

Management Discussion and Analysis

In the first half of 2017, the Group's general and administrative expenses decreased year-on-year by RMB1,548,405.03 or 0.5%, mainly due to the decrease in business tax following the replacement of business tax with value-added tax in the whole industry, while labour costs were up.

In the first half of 2017, the Group's financial expenses increased year-on-year by RMB74,394,389.17 or 36.7%, mainly due to the increased exchange losses of foreign currency assets arising from exchange rate fluctuations, which were partly offset by the saving of interest expenses stemming from the Group's enhancement of its debt structure and the interest income from existing capital.

In the first half of 2017, the Group's investment income increased year-on-year by RMB114,944,534.89 or 206.6%, mainly due to the outstanding performance of its joint ventures and associates and the increased wealth management income arising from the enhancement of capital management.

In the first half of 2017, the Group's other income and net non-operating revenue increased year-on-year by RMB50,666,088.27 or 79.4%, mainly due to the increase in container subsidies, receipt of emergency pool subsidies and the increased income from the disposal of non-current assets.

In the first half of 2017, the Group's income tax expenses decreased year-on-year by RMB29,427,971.60 or 37.5%, mainly due to the year-on-year decrease in taxable income after deducting the non-taxable items such as the investment income from joint ventures and associates.

ASSETS AND LIABILITIES

As at 30 June 2017, the Group's total assets and net assets amounted to RMB32,986,293,367.10 and RMB19,188,262,733.90, respectively. Net asset value per share was RMB1.38, basically unchanged compared with the net asset value per share as at 31 December 2016.

As at 30 June 2017, the Group's total liabilities amounted to RMB13,798,030,633.20, of which total outstanding borrowings amounted to RMB11,575,077,732.36. The gearing ratio was 41.83%, a slight increase as compared with 40.11% as at 31 December 2016, which was mainly affected by the net increase of liability resulting from financing activities such as bond issuance and unsecured borrowings in the current period.

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2017, the Group had a balance of cash and cash equivalents of RMB5,709,159,039.34, representing a decrease of RMB666,929,048.32 as compared to 31 December 2016.

In the first half of 2017, the Group's net cash inflows generated from operating activities amounted to RMB101,761,669.09; net cash outflows for investing activities amounted to RMB1,401,020,558.62; and net cash inflows generated from financing activities amounted to RMB721,578,100.22.

Benefiting from multiple financing channels such as bond issuance in capital market and bank borrowings, and the Group's prudent decision making in assets and equity investments, the Group maintained its solid financial position and debt profile.

As at 30 June 2017, the Group's outstanding borrowings amounted to RMB11,575,077,732.36, in which RMB4,753,281,542.72 were borrowings repayable within one year, and RMB6,821,796,189.64 were borrowings repayable after one year.

The Group's net gearing ratio was 19.2% as at 30 June 2017 (20.0% as at 31 December 2016). The Group has a sound financial structure with low insolvency risk.

Management Discussion and Analysis

As at 30 June 2017, the Group's unused banking facilities amounted to RMB20,167,990,000.00.

As an A-share and H-share dual-listed company, we enjoy valuable access to both domestic and overseas capital markets for financing. China Chengxin International Credit Rating Co., Ltd. and China Chengxin Securities Rating Co., Ltd., both being external rating agencies, have assigned issuer credit ratings of AAA on the Company with stable credit rating outlook, indicating the Company's sound creditworthiness in capital market.

The Group continued to closely monitor its interest rate risk and exchange rate risk. Details of the Group's interest rate risk and foreign exchange risk are set out in Note 14(1) to the financial statements of this interim report. As at 30 June 2017, the Group has not entered into any foreign exchange hedging contracts.

USE OF PROCEEDS

Net proceeds of the public offering of 762 million A Shares in 2010 obtained by the Company amounted to approximately RMB2,772,091,519.47. As at 30 June 2017, the Company had used approximately RMB2,397,600,400.00 of the proceeds and RMB374,491,100.00 of the proceeds remained unused. In March 2017, we made use of idle cash of RMB400,000,000.00 out of the proceeds to replenish the Company's working capital (including an interest income of RMB81,000,000.00), the remaining account balance was RMB58,252,967.66 (including an interest income of RMB2,761,900.00).

Unit: Yuan Currency: RMB

Projects	Total proceeds	Use of proceeds as at 30 June 2017	Balance
Construction of oil storage tanks with a total capacity of 1,000,000 m ³ in Xingang	760,000,000.00	524,390,500.00	235,609,500.00
Construction of oil storage tanks with a total capacity of 600,000 m ³ in the Xingang resort area	550,000,000.00	550,000,000.00	0.00
Construction of phase II of the Shatuozi oil storage tanks project in the Xingang Shatuozi area	29,600,000.00	29,600,000.00	0.00
LNG project	320,000,000.00	320,000,000.00	0.00
No.4 stacking yard for ore terminal	520,000,000.00	399,117,000.00	120,883,000.00
Purchase of gantry for ore terminal	37,200,000.00	37,200,000.00	0.00
Purchase of 300 bulk grain carriages	150,000,000.00	150,000,000.00	0.00
Ro-ro ships for carrying cars	230,000,000.00	212,001,400.00	17,998,600.00
Construction of railway siding in Muling	41,250,000.00	41,250,000.00	0.00
Construction of information systems	50,000,000.00	50,000,000.00	0.00
Investment in phase III of Dayao Bay Terminal	84,041,500.00	84,041,500.00	0.00
Total	2,772,091,500.00	2,397,600,400.00	374,491,100.00

Note: In order to reduce the amount of idle cash, achieve more efficient use of funds and lower capital costs for the Company, the second meeting of the fourth session of the Company's board of directors in 2017 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 authorised to use idle cash of RMB400,000,000.00 out of the proceeds (including interest income of RMB81,000,000.00) to replenish the Company's working capital. Such an authorisation is valid for a period of twelve months from the passing of the relevant Board resolution. The Company's independent directors, supervisors, and sponsors expressed their respective opinions on the board resolution, and the Company issued a relevant announcement on 23 March 2017.

Management Discussion and Analysis

CAPITAL EXPENDITURE

In the first half of 2017, the Group's capital expenditure amounted to RMB216,806,679.15, which was mainly funded by the surplus cash generated from operating activities, the proceeds from the public offering of A Shares and the issuance of corporate bonds.

The performance analysis of each business segment of the Group in the first half of 2017 is as follows:

Oil Segment

The following table sets out the oil/liquefied chemicals throughput handled by the Group in the first half of 2017 with comparative figures for the first half of 2016:

	For the six months ended 30 June 2017 (‘0,000 tonnes)	For the six months ended 30 June 2016 (‘0,000 tonnes)	Increase/ (Decrease)
Crude oil	2,439.6	2,240.3	8.9%
– Foreign trade imported crude oil	1,576.9	1,473.5	7.0%
Refined oil	507.2	468.1	8.4%
Liquefied Chemicals	70.3	63.2	11.2%
LNG	172.2	154.8	11.2%
Total	3,189.3	2,926.4	9.0%

In the first half of 2017, in terms of throughput of oil/liquefied chemicals, the Group handled a total of 31.893 million tonnes, an increase of 9% on a year-on-year basis.

In the first half of 2017, the Group's crude oil throughput increased by 8.9% year-on-year to 24.396 million tonnes, of which 15.769 million tonnes were imported crude oil, a year-on-year increase of 7%. The Group further cooperated with customers, kept up with customer's warehousing demand, provided more capacity to regional refineries and expanded our bonded crude oil international transshipment business, resulting in higher crude oil and imported crude oil throughput for the first half of the year.

In the first half of 2017, the Group's refined oil throughput amounted to 5.072 million tonnes, a year-on-year increase of 8.4%, mainly attributable to higher demand from surrounding refineries, resulting in a larger growth as compared with the same period last year.

In the first half of 2017, the Group's liquefied chemicals throughput was 703,000 tonnes, a year-on-year increase of 11.2%, mainly attributable to the Group's effort in expanding the inland liquefied chemicals market and expanding the breadth and width of cooperation with customers, resulting in a year-on-year increase in the transshipment of liquefied chemicals in the first half of the year.

In the first half of 2017, the Group's LNG throughput amounted to 1.722 million tonnes, a year-on-year increase of 11.2%, mainly attributable to the increase in LNG consumption in Northeast and North China, resulting in a larger increase in LNG throughput as compared with the same period last year.

Management Discussion and Analysis

In the first half of 2017, the total imported crude oil throughput handled by the Group's ports accounted for 100% (100% in the first half of 2016) of the total amount of crude oil imported through the parts of Dalian and 63.3% (63.1% in the first half of 2016) of the total amount of crude oil imported through the ports in Northeast China. The Group's oil products throughput accounted for 79.9% (72.5% in the first half of 2016) of the total market share of the Dalian port and 45.7% (43.8% in the first half of 2016) of the total market share of the ports in Northeast China.

The performance of the Oil Segment is set out as follows:

Items	For the six months ended 30 June 2017 (RMB)	For the six months ended 30 June 2016 (RMB)	Change(%)
Revenue	1,629,561,166.13	2,852,423,517.82	-42.9
Share of the Group's revenue	37.7%	44.0%	Down by 6.3 percentage points
Gross profit	257,915,014.25	399,528,315.20	-35.4
Share of the Group's gross profit	40.2%	56.1%	Down by 15.9 percentage points
Gross profit margin	15.8%	14.0%	Up by 1.8 percentage points

In the first half of 2017, the revenue from the Oil Segment decreased year-on-year by 42.9%, mainly due to the contraction of oil trading business and the termination of partnership with major strategic customers. Excluding the effect of trading business, the revenue decreased year-on-year by 21.2%, mainly due to the drop in the revenue from storage business following the termination of partnership with major strategic customers.

The gross profit margin of the segment increased year-on-year by 1.8 percentage points. Excluding the effect of trading business, the gross profit margin decreased year-on-year by 9.1 percentage points, mainly due to the decrease in storage income caused by the termination of partnership with major strategic customers and the undiminished fixed costs of storage business.

Management Discussion and Analysis

In the first half of 2017, major measures taken by the Group and the progress of key projects related to the Group are set out as follows:

- Deepened cooperation with transshipment customers to jointly build up an integrated logistics system for crude oil transshipment.
- Deepened cooperation with domestic and foreign oil traders to develop international crude oil transshipment business in Japan, South Korea and other regions.
- Enhanced the allocation of storage tanks and improved quality of operations and services to meet the storage needs of regional refinery customers and further promote throughput growth.
- Coordinated the port-related production units to enable Berth 22# to accommodate 450,000-tonne supertankers through careful arrangement and close collaboration.

Container Segment

The following table sets out the container throughput handled by the Group in the first half of 2017, with comparative figures for the first half of 2016:

		For the six months ended 30 June 2017 (‘0,000 TEUs)	For the six months ended 30 June 2016 (‘0,000 TEUs)	Increase/ (Decrease)
Foreign trade	Dalian port	260.7	253.6	2.8%
	Other ports (<i>Note 1</i>)	13.7	12.0	14.2%
	Sub-total	274.4	265.6	3.3%
Domestic trade	Dalian port	213.0	215.5	(1.2%)
	Other ports (<i>Note 1</i>)	42.5	28.1	51.3%
	Sub-total	255.5	243.6	4.9%
Total	Dalian port	473.7	469.1	1%
	Other ports (<i>Note 1</i>)	56.2	40.1	40.2%
	Total	529.9	509.2	4.1%

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

Management Discussion and Analysis

In the first half of 2017, in terms of container throughput, the Group maintained steady growth and handled a total of approximately 5.299 million TEUs, representing a year-on-year increase of 4.1%. At Dalian port, the Group handled approximately 4.737 million TEUs, representing a year-on-year increase of 1%, of which container throughput for foreign trade increased by 2.8% year-on-year, and container throughput for domestic trade decreased by 1.2% year-on-year.

In the first half of 2017, the Group's container terminal business accounted for 98.7% (98.6% in the first half of 2016) of the total market share of Dalian ports and 50.4% (51.8% in the first half of 2016) of the ports in Northeast China. The Group's container throughput for foreign trade accounted for 100% (100% in the first half of 2016) of the total market share of Dalian ports and 97.3% (96.6% in the first half of 2016) of the ports in Northeast China.

The performance of the Container Segment is set out as follows:

Items	For the six months ended 30 June 2017 (RMB)	For the six months ended 30 June 2016 (RMB)	Change (%)
Revenue	892,731,692.17	704,417,713.80	26.7
Share of the Group's revenue	20.7%	10.9%	Up by 9.8 percentage points
Gross profit	166,232,293.70	150,856,214.80	10.2
Share of the Group's gross profit	25.9%	21.2%	Up by 4.7 percentage points
Gross profit margin	18.6%	21.4%	Down by 2.8 percentage points

In the first half of 2017, the revenue from the Container Segment increased year-on-year by 26.7%. Excluding the effect of trading business, the revenue increased by 23.4% on a year-on-year basis, mainly attributable to the combined effects of the increase in container loading and discharging charges, growth in berth rentals and expansion of cross-border container business.

The gross profit margin of the segment decreased year-on-year by 2.8 percentage points. Excluding the effect of trading business, the gross profit margin decreased by 2.3 percentage points on a year-on-year basis, mainly due to the growth in cross-border business with relatively low gross profit margin.

In the first half of 2017, major measures taken by the Group and the progress of key projects related to the Group are set out as follows:

- In term of opening new routes, the Group deepened collaboration with major shipping alliances and shipping companies and successfully opened three ocean-going main routes and two domestic trade routes which all enjoyed smooth operation.

Management Discussion and Analysis

- The Group continued to implement its Bohai Rim strategy by strengthening business development in the foreign trade market and improving the network layout in Bohai Rim.
- In terms of land logistics, the Group continued to intensify communication with the railway authority to seek policy support; and entered into a strategic cooperation agreement with Russian Railways to jointly promote the construction of an international logistics corridor connecting China to Europe.
- In terms of special logistics, the Group vigorously advanced and diversified its operations by developing high-end services and accelerating the transformation of its port. Specifically, the cold chain logistics business was steadily growing in tandem with the orderly construction of a logistics network; the imported automobile parts business was running steadily; the experiment research on new quarantine technology was also going smoothly and the relevant business was scaling up.

Automobile Terminal Segment

The following table sets out the throughput handled by the Group's automobile terminal in the first half of 2017, with comparative figures for the first half of 2016:

		For the six months ended 30 June 2017	For the six months ended 30 June 2016	Increase/ (Decrease)
Vehicles (units)	Foreign trade	5,065	4,670	8.5%
	Domestic trade	305,550	224,018	36.4%
	Total	310,615	228,688	35.8%
Equipment (tonnes)		526	1,589	(66.9%)

In the first half of 2017, the Group handled a total of 310,615 vehicles, representing a year-on-year increase of 35.8%.

In the first half of 2017, the Group's vehicle throughput accounted for 100% (100% in the first half of 2016) of the total market share of the ports in Northeast China.

Management Discussion and Analysis

The performance of the Automobile Terminal Segment is set out as follows:

Items	For the six months ended 30 June 2017 (RMB)	For the six months ended 30 June 2016 (RMB)	Change (%)
Revenue	696,382,273.57	1,589,415,004.15	-56.2
Share of the Group's revenue	16.1%	24.5%	Down by 8.4 percentage points
Gross profit	14,597,700.43	26,811,268.77	-45.6
Share of the Group's gross profit	2.3%	3.8%	Down by 1.5 percentage points
Gross profit margin	2.1%	1.7%	Up by 0.4 percentage point

In the first half of 2017, the revenue from the Automobile Segment decreased year-on-year by 56.2%. Excluding the effect of trading business, the revenue increased year-on-year by 72.9%, mainly due to the growth in auto freight forwarding business.

The gross profit margin of the segment increased year-on-year by 0.4 percentage point. Excluding the effect of trading business, the gross profit margin decreased year-on-year by 33.6 percentage points, mainly due to the decrease in stacking yard income caused by the contraction of trading business and to the initially low gross profit margin of new business lines.

In the first half of 2017, major measures taken by the Group and the progress of key projects related to the Group are set out as follows:

- Continued to intensify market development and strengthen cooperation with shipping companies and main engine plants to scale up sea-to-rail intermodal transportation.
- Expanded the scope of parallel import business and further improved the functions of port logistics and value-added services; and actively strengthened cooperation with other ports to enhance the influence of the Group's 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 2017, with comparative figures for the first half of 2016:

	For the six months ended 30 June 2017 (‘0,000 tonnes)	For the six months ended 30 June 2016 (‘0,000 tonnes)	Increase/(Decrease)
Ore	1,125.2	689.1	63.3%

In the first half of 2017, the Group's Ore Segment handled 11.252 million tonnes of ore, representing a year-on-year increase of 63.3%. Such increase was mainly due to the substantial increase in the Group's ore throughput after the Group enhanced its integrated logistics, gained support of preferential policies, improved service quality and further scaled up its ore mixing business.

In the first half of 2017, the Group's ore throughput accounted for 28% (19.2% in the first half of 2016) of the total throughput of the ports in Northeast China.

The performance of the Ore Segment is set out as follows:

Items	For the six months ended 30 June 2017 (RMB)	For the six months ended 30 June 2016 (RMB)	Change (%)
Revenue	157,593,780.49	107,805,008.45	46.2
Share of the Group's revenue	3.6%	1.7%	Up by 1.9 percentage points
Gross profit	20,243,606.15	-7,828,650.23	358.6
Share of the Group's gross profit	3.2%	-1.1%	Up by 4.3 percentage points
Gross profit margin	12.8%	-7.3%	Up by 20.1 percentage points

Management Discussion and Analysis

In the first half of 2017, the revenue from the Ore Segment increased year-on-year by 46.2%. Excluding the effect of trading business, the revenue increased by 63.1% on a year-on-year basis, mainly driven by the growth in imported iron ore business and the full-fledged development of ore mixing business.

The gross profit margin of the segment increased year-on-year by 20.1 percentage points. Excluding the effect of trading business, the gross profit margin increased by 21.0 percentage points on a year-on-year basis, mainly due to the growth in imported iron ore business with higher rates and the development of ore mixing business.

In the first half of 2017, major measures taken by the Group and the progress of key projects related to the Group are set out as follows:

- Deepened cooperation with customers and leveraged the Group's regional presence and the advantages of its ports to carry out port-based processing and marketing of mixed ore while promoting the construction of a port commodity hub and an ore blending base.
- Leveraged its service strengths such as deep-water berths, bonded transshipment and port-based ore blending to attract more regular shipments, so as to further enlarge its market share.

General Cargo Segment

The following table sets out the throughput handled by the Group's general cargo terminal in the first half of 2017, with comparative figures for the first half of 2016:

	For the six months ended 30 June 2017 ('0,000 tonnes)	For the six months ended 30 June 2016 ('0,000 tonnes)	Increase/(Decrease)
Steel	322.5	308.7	4.5%
Coal	467.6	508.1	(8.0%)
Equipment	153.7	157.4	(2.4%)
Others	545.1	478.9	13.8%
Total	1,488.9	1,453.1	2.5%

Management Discussion and Analysis

In the first half of 2017, the throughput of the Group's General Cargo Segment amounted to 14.889 million tonnes, representing a year-on-year increase of 2.5%.

In the first half of 2017, the Group's steel throughput was 3.225 million tonnes, representing a year-on-year increase of 4.5%, mainly due to the year-on-year increase in steel shipment volume as the Group strengthened its integrated logistics system and solicited steel plants in the hinterland for shipment.

In the first half of 2017, the Group's coal throughput was 4.676 million tonnes, representing a year-on-year decrease of 8%, mainly due to the year-on-year decrease in coal transshipment volume as a result of the restrictive policy on coal output and the drop in imported coal volume.

In the first half of 2017, the Group's equipment throughput was 1.537 million tonnes, representing a year-on-year decrease of 2.4%, mainly due to the significant drop in exported equipment caused by the lack of orders received by equipment manufacturers. Nevertheless, supported by port-based projects, the equipment throughput only decreased slightly in the first half of the year on a year-on-year basis.

In the first half of 2017, the Group's steel throughput and coal throughput accounted for approximately 16.2% (14.7% in the first half of 2016) and 17.3% (17.8% in the first half of 2016), respectively, of the total throughput of the ports in Northeast China.

The performance of the General Cargo Segment is set out as follows:

Items	For the six months ended 30 June 2017 (RMB)	For the six months ended 30 June 2016 (RMB)	Change (%)
Revenue	168,968,738.72	246,975,713.35	-31.6
Share of the Group's revenue	3.9%	3.8%	Up by 0.1 percentage point
Gross profit	-10,927,752.87	-7,880,097.94	-38.7
Share of in the Group's gross profit	-1.7%	-1.1%	Down by 0.6 percentage point
Gross profit margin	-6.5%	-3.2%	Down by 3.3 percentage points

Management Discussion and Analysis

In the first half of 2017, the revenue from the General Cargo Segment decreased year-on-year by 31.6%. Excluding the effect of trading business, the revenue increased year-on-year by 9.3%, mainly due to the growth in steel throughput and cargo transshipment.

The gross profit margin of the segment decreased year-on-year by 3.3 percentage points. Excluding the effect of trading business, the gross profit margin increased by 3.1 percentage points on a year-on-year basis, mainly due to the income increase resulting from the growth in steel throughput and cargo transshipment.

In the first half of 2017, major measures taken by the Group and the progress of key projects related to the Group are set out as follows:

- Strengthened the construction of an integrated logistics system and intensified cooperation among its ports, railways and enterprises to obtain preferential rates of railway and road freight for steel, coal and other cargos, so as to lower the overall logistics costs of its ports and attract more transshipment customers for its ports.
- Proactively participated in the construction of logistics system, provided customers with tailored logistics solutions and built up an urban coal supply network to attract urban coal-consuming enterprises to transship coal at its ports, in a bid to boost coal transshipment.
- Vigorously developed port-based business and built “frontline workshops” for equipment manufacturers to attract them to construct processing and assembly bases at its ports, so as to boost transshipment of large equipment at the ports.

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 2017, with comparative figures for the first half of 2016:

	For the six months ended 30 June 2017 (<i>'0,000 tonnes</i>)	For the six months ended 30 June 2016 (<i>'0,000 tonnes</i>)	Increase/(Decrease)
Corn	122.3	13.5	806%
Soy bean	97.5	107.1	(9%)
Barley	21.8	25.5	(14.5%)
Wheat	0	1.9	(100%)
Others	85.1	83.6	1.8%
Total	326.7	231.6	41.1%

In the first half of 2017, the throughput of the Group's Bulk Grain Segment amounted to 3.267 million tonnes, representing a year-on-year increase of 41.1%.

In the first half of 2017, the Group's corn throughput was 1.223 million tonnes, representing a year-on-year increase of 806%. The increase was mainly attributable to (1) the grain market picked up following changes of relevant national policies, and (2) the Group seized the market trend to energetically attract corn shipments, which greatly increased the Group's throughput of corn for domestic trade on a year-on-year basis.

In the first half of 2017, the Group's soybean throughput was 975,000 tonnes, representing a year-on-year decrease of 9%, mainly due to the restructuring of major customers and market changes.

In the first half of 2017, the Group's bulk grain throughput accounted for 11% (14.9% in the first half of 2016) of the total throughput of the ports in Northeast China.

Management Discussion and Analysis

The performance of the Bulk Grain Segment is set out as follows:

Items	For the six months ended 30 June 2017 (RMB)	For the six months ended 30 June 2016 (RMB)	Change (%)
Revenue	226,577,150.82	491,736,600.24	-53.9
Share of the Group's revenue	5.2%	7.6%	Down by 2.4 percentage points
Gross profit	24,808,756.98	13,512,562.47	83.6
Share of the Group's gross profit	3.9%	1.9%	Up by 2.0 percentage points
Gross profit margin	10.9%	2.7%	Up by 8.2 percentage points

In the first half of 2017, the revenue from the Bulk Grain Segment decreased year-on-year by 53.9%. Excluding the effect of trading business, the revenue increased by 31.4% on a year-on-year basis, mainly driven by the growth in grain throughput and the income from bulk grain vehicle rental business.

The gross profit margin of the segment increased year-on-year by 8.2 percentage points. Excluding the effect of trading business, the gross profit margin increased by 11.0 percentage points on a year-on-year basis, mainly due to the growth in grain throughput and bulk grain vehicle rental business.

In the first half of 2017, major measures taken by the Group and the progress of key projects related to the Group are set out as follows:

- Deepened joint venture collaboration and cooperation with major customers in terms of capital and business operations, with a focus on cultivating the corn transshipment market for domestic trade.
- Stepped up efforts in attracting grain shipments for foreign trade to further improve the grain futures business.

Management Discussion and Analysis

Passenger and Ro-Ro Segment

The following table sets out the passenger and roll-on roll-off throughput handled by the Group in the first half of 2017, with comparative figures for the first half of 2016:

	For the six months ended 30 June 2017	For the six months ended 30 June 2016	Increase/(Decrease)
Passengers ('0,000 persons)	164.3	144.4	13.8%
Vehicles ('0,000 units)	65.3	68.0	(4%)

In the first half of 2017, throughput of passengers was 1.643 million persons, representing an increase of 13.8% as compared to the same period last year. Throughput of vehicles amounted to 653,000 units, representing a decrease of 4% as compared to the same period last year.

In the first half of 2017, as the Group put greater effort in promoting ticket counters and online e-ticket system, and the total number of passenger experienced a jump 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 is set out as follows:

Items	For the six months ended 30 June 2017 (RMB)	For the six months ended 30 June 2016 (RMB)	Change (%)
Revenue	71,804,606.87	55,162,878.67	30.2
Share of the Group's revenue	1.7%	0.9%	Up by 0.8 percentage point
Gross profit	17,950,050.68	7,527,823.91	138.4
Share of the Group's gross profit	2.8%	1.1%	Up by 1.7 percentage points
Gross profit margin	25.0%	13.6%	Up by 11.4 percentage points

In the first half of 2017, the revenue from the Passenger and Ro-Ro Segment increased year-on-year by 30.2%, mainly due to the rise in throughput and the increase in the unit price of departure vehicles.

Management Discussion and Analysis

Gross profit margin increased year-on-year by 11.4 percentage points, mainly attributable to the increase in the unit price of departure vehicles and the revenue generated from the growth in throughput.

In the first half of 2017, major measures taken by the Group and the progress of key projects related to the Group are set out as follows:

- In the first half of the year, the Group made 9 outgoing voyages of international cruise ships and berthed 3 international cruise ships, representing a total of inbound and outbound passenger throughput of 26,700 person, up by 12,700 person year-on-year.
- The Company introduced e-commerce platforms to boost its online ticket sales; and increased the function of passenger car ticket sales on the WeChat public platform in an effort to gradually improve the Company's online ticketing business.

Value-added Services Segment

Tugging

In the first half of 2017, the Group's tugging division increased voyage charter and made reasonable resource allocation in regions like Dalian, Lvshun and Changxing Island by taking a number of measures such as scientifically distributing tugboats and flexibly adjusting the number of tugboats and power ratios at each of the tugboat bases with a view to increasing sources of revenue, saving fuels and reducing mobilisation costs, resulting in an increase of 8.7% in throughput on a year-on-year basis.

Tallying

The total tallying throughput handled by the Group was approximately 21.141 million tonnes, representing a year-on-year increase of 4.4%.

Railway

In terms of the operation of railway transportation, the Group handled a total of approximately 333,000 carriages, representing a year-on-year increase of 28.1%.

Management Discussion and Analysis

The performance of the Value-added Services Segment is set out as follows:

Items	For the six months ended 30 June 2017 (RMB)	For the six months ended 30 June 2016 (RMB)	Change (%)
Revenue	430,710,929.73	392,960,626.54	9.6
Share of the Group's revenue	10.0%	6.1%	Up by 3.9 percentage points
Gross profit	144,255,245.51	120,740,224.42	19.5
Share of the Group's gross profit	22.5%	17.0%	Up by 5.5 percentage points
Gross profit margin	33.5%	30.7%	Up by 2.8 percentage points

In the first half of 2017, the revenue from the Value-added Services Segment increased year-on-year by 9.6%, mainly due to the growth in income from tugging and voyage charter business as a result of market recovery and increase in tugging and charter rates, as well as the retaining of income following the cancellation of regulatory charges by the government.

The gross profit margin of the segment increased year-on-year by 2.8 percentage points, mainly attributable to the combined effect of market recovery, rising rates, implementation of tax exemption policy and the cancellation of regulatory charges by the government.

Management Discussion and Analysis

PROSPECTS OF THE SECOND HALF OF 2017

COMPETITIVE LANDSCAPE AND INDUSTRY TREND

In the second half of the year, the deep-seated problems of the global economy will linger, and economic growth will remain slow. Domestically, by holding on to structural reform at the supply side, China will continuously make progress in “de-capacity, de-stocking, de-leveraging, cost reduction and overcoming of weaknesses”. In addition, guided by the development concepts of “innovation, coordination, green, openness and sharing”, China will constantly adapt to, seize opportunities from and lead the new normal of economic development. As such, in the second half of the year, China’s economy is expected to stably edge up with stronger internal driving force supported by robust domestic demands.

RISKS AND ADVERSE FACTORS

The world economy will continue to recover slowly, and the domestic economy will remain in the new normal status of economic development. Against the backdrop of economic restructuring and rising labour costs, China’s import and export still have a challenging outlook with noticeable risks and uncertainties. The Group’s port operations, large but not robust, are experiencing sluggish revenue growth and facing growth bottleneck under the current business model which relies heavily on revenue from loading and unloading services.

MAJOR COUNTERMEASURES

Based on our service-oriented approach and participating in the state’s “Belt and Road” initiative, the Group will strengthen coordination, integration and resource sharing with nearby ports, shippers and third-party logistics enterprises to further improve the allocation of key resources. The Group will improve its service functions and reduce the overall costs, with an aim to integrate the elements of the whole supply chain including logistics, trade, finance and information. It will continually innovate in logistics products, explore new business models and cooperate with other parties in all aspects to build up an all-in-one supply chain service platform, so as to achieve all-round transformation and upgrading from the port to the integrated logistics system and to the supply chain.

In the second half of the year, the Group’s major initiatives for market development of its business segments are as follows:

Oil Segment

- Leverage the Group’s advantages in ports and concentration of storage tanks to deepen cooperation with customers for complementary strengths and coordinated development and to expand the crude oil bonded storage and transshipment business.
- Promote cooperation with customers engaging in supply of ship fuel to develop ship fuel supply business and build a “bonded integrated ship fuel supply service base”.

Management Discussion and Analysis

Container Segment

- Draw on the construction of the Liaoning Pilot Free Trade Zone and focus on two key tasks – “international expansion” and “transshipment hub construction” to step up efforts in marketing and improve the construction of shipping network and sea-to-rail intermodal network.
- Continue to explore an innovative development model integrating logistics, trade, finance and information with a focus on cold chain, automobile, wood and other promising sectors, in an effort to build up an integrated supply chain service system and promote upgrading of the ports for better development.

Automobile Terminal Segment

- Strive to open more liner routes to facilitate south-north water transportation; and strengthen market development targeting other potential customers engaging in domestic trade in the hinterland of northeast China.
- Complete the tasks regarding automobile trade to establish a national presence for parallel imports of cars at a faster pace and improve the industry chain of parallel car imports.

Ore Segment

- With respect to compressing logistics costs, the Group will create a regional iron ore distribution hub to comprehensively enhance the iron ore distribution service system oriented to the Group.
- Putting into play the delivery storage platform for iron ore futures (bonded), the Group will reduce ore procurement costs and mitigate financial pressure of steel plants to provide value-added services for customers.
- Carrying further its business philosophy of “running liner shipping routes” and benefiting from the advantageous policy of lower railway rates coming into force, the Group will attract demand for cargo transport to the Group and strive to launch liner shipping 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 the volume of onshore coal transshipment.
- The Group will secure progress in port-based projects by promptly understanding the requirements of subsequent projects and further expanding the aspects and scope of cooperation.

Bulk Grain Segment

- The Group will reinforce capital cooperation with customers to further expand the scope of cooperation.
- The Group will spare no effort in gaining patronage of grains by paying constant attention to changes in national policy and market news, and further improving the whole logistics service system.

Management Discussion and Analysis

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 in-depth 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 roll-on roll-off logistics information platform and consolidate resources for roll-on roll-off 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 expand revenue sources and increase revenue.
- The Group will devote greater effort into the development of services in the Yangtze River Basin, Shandong Peninsula, Fujian and nearby ports in order to acquire new opportunities for business cooperation.
- With respect to reducing dispatching costs, the Group will enhance 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 2017, 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 2017.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2017, the Company had complied with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, and so far as known to the Directors of the Company, there had been no material deviation from the code.

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

1. Issuance of First Tranche of 2017 Corporate Bonds

On 26 April 2017, the Company issued its first tranche of 2017 corporate bonds in an aggregate principal amount of RMB1.07 billion for a term of five years at a coupon rate of 4.8%. The joint lead underwriters of the issuance were JZ Securities Co. Ltd. (九州證券股份有限公司) and Ping An Securities Co., Ltd. (平安證券股份有限公司). The relevant bonds have been listed on the Shanghai Stock Exchange on 24 May 2017 for trading by qualified investors.

2. Redemption of Super Short-Term Commercial Paper Maturing in 2017

On 8 April 2017, the Company redeemed the super short-term commercial paper issued by the Company on 8 July 2016 in an aggregate principal amount of RMB3 billion for a term of 270 days at a coupon rate of 2.78% payable together with the principal amount when the paper falls due.

Save as disclosed above, during the six months ended 30 June 2017, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of its securities.

INTERIM DIVIDEND

The Board did not consider or recommend the payment of any interim dividend for the six months ended 30 June 2017.

AUDIT COMMITTEE

The audit committee consists of Mr. LAW Man Tat, an independent non-executive Director, Mr. YIN Shihui, a non-executive Director, and Mr. WANG Zhifeng, an independent non-executive Director and its chairman. The audit committee has reviewed the interim results for the six months ended 30 June 2017.

Other Information

INFORMATION ON SHARE CAPITAL AND SHAREHOLDERS OF THE COMPANY

The share capital structure of the Company as at 30 June 2017 is set out in the table below:

Type of shares	Number of shares (shares)	Percentage (%)
A share	7,735,820,000	59.99
H share	5,158,715,999	40.01
Total	12,894,535,999	100.00

SHAREHOLDINGS OF SHAREHOLDERS WITH NOTIFIABLE INTERESTS

As at 30 June 2017, so far as known to the directors of the Company, the following persons had an interest or short position in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholder	Class of shares	Number of shares/ underlying shares held	Capacity	Percentage of the relevant class of share capital ¹	Percentage of the total share capital ²
Dalian Port Corporation Limited	A Shares	5,310,255,162	Beneficial owner	68.65%	41.18%
China Merchants Group Limited	H shares	2,714,736,000 (long position)	Interest of controlled corporation	52.62%	21.05%
China Merchants Steam Navigation Company Limited	H shares	2,714,736,000	Interest of controlled corporation	52.62%	21.05%
China Merchants Holdings (Hong Kong) Company Limited	H shares	(long position)	Interest of controlled corporation	52.62%	21.05%
China Merchants Union (BVI) Limited	H shares	2,714,736,000 (long position)	Interest of controlled corporation	52.62%	21.05%
China Merchants Holdings (International) Company Limited	H shares	2,714,736,000 (long position)	Interest of controlled corporation	52.62%	21.05%
Team Able International Limited	H shares	2,714,736,000 (long position)	Beneficial owner	52.62%	21.05%
Dalian Port Corporation Limited	H Shares	588,248,000	Beneficial owner	11.40%	4.56%

Other Information

Notes:

1. Number of shares in the relevant class of share capital: A shares – 7,735,820,000, H shares – 5,158,715,999.
2. Total number of shares of share capital: 12,894,535,999.

Save as disclosed above, as at 30 June 2017, 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 2017, the members of the fifth session of the Board included Mr. ZHANG Yiming 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. WANG Zhifeng, Mr. SUN Xiyun and Mr. LAW Man Tat as independent non-executive Directors, and the members of the fifth session of the Company's supervisory committee included Mr. JIA Wenjun, Mr. QI Yue, Mr. KONG Xianjing, Mr. JIAO Yingguang and Mr. LU Yongkui.

For the six months ended 30 June 2017, 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 2017, the Group had a total of 6,818 full-time employees, and the total number of employees of the Group and its investees was 10,005.

Review Report

PwC ZT Yue Zi (2017) No. 037

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 2017, 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 months 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 the 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 2017, and their financial performance and cash flows for the six months then ended in accordance with the requirements of the Accounting Standards for Business Enterprises.

PricewaterhouseCoopers Zhong Tian LLP

Certified Public Accountant
Dorman Kwan

Shanghai, the People’s Republic of China
24 August 2017

Certified Public Accountant
Xinyu Xue

The Report is accompanied with an anti-counterfeiting number ‘2017S50478’. Please visit www.lncpa.org.cn for detail information.

Consolidated Balance Sheet (Unaudited)

As at 30 June 2017
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

	Note	30 June 2017 Consolidated (Unaudited)	31 December 2016 Consolidated
ASSETS			
Current assets			
Cash at bank and on hand	4(1)	6,380,860,572.15	6,741,279,123.84
Financial assets at fair value through profit or loss	4(2)	5,475,926.50	7,304,407.50
Notes receivable	4(3)	144,592,220.10	158,645,593.12
Accounts receivable	4(6)	703,337,454.04	658,558,980.91
Advances to suppliers	4(8)	76,175,023.05	256,592,966.84
Interest receivable	4(5)	29,393,767.31	26,268,705.14
Dividends receivable	4(4)	36,420,615.14	38,245,401.40
Other receivables	4(7)	933,374,996.73	315,286,763.19
Inventories	4(9)	395,687,255.07	451,326,094.61
Other current assets	4(10)	1,669,302,730.15	508,815,328.87
Total current assets		10,374,620,560.24	9,162,323,365.42
Non-current assets			
Available-for-sale financial assets	4(11)	159,865,657.39	155,844,671.60
Long-term receivables	4(12)	11,500,000.00	11,500,000.00
Long-term equity investments	4(13)	5,035,114,034.68	4,902,156,720.70
Investment properties	4(14)	636,378,271.78	645,455,657.62
Fixed assets	4(15)	13,643,357,463.25	13,974,066,537.95
Construction in progress	4(16)	1,731,005,768.44	1,616,008,035.15
Fixed assets pending for disposal	4(17)	3,497,210.07	2,682,824.71
Intangible assets	4(18)	1,011,269,450.55	1,090,143,242.15
Goodwill	4(19)	16,035,288.74	16,035,288.74
Long-term prepaid expenses	4(20)	91,286,308.34	53,726,901.82
Deferred tax assets	4(21)	70,708,008.20	74,929,025.62
Other non-current assets	4(22)	201,655,345.42	197,192,688.51
Total non-current assets		22,611,672,806.86	22,739,741,594.57
TOTAL ASSETS		32,986,293,367.10	31,902,064,959.99

Consolidated Balance Sheet (Unaudited) (continued)

As at 30 June 2017

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

	Note	30 June 2017 Consolidated (Unaudited)	31 December 2016 Consolidated
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	4(24)	3,908,797,189.08	499,427,798.80
Notes payable	4(25)	–	1,250,000.00
Accounts payable	4(26)	244,315,862.36	235,701,773.17
Advances from customers	4(27)	192,904,549.39	224,121,958.94
Employee benefits payable	4(28)	119,063,769.55	228,430,661.29
Taxes payable	4(29)	44,783,646.82	114,922,450.93
Interest payable	4(30)	164,820,511.49	164,961,241.06
Dividends payable	4(31)	268,571,266.94	76,661,039.64
Other payables	4(32)	505,351,967.77	516,421,553.09
Current portion of non-current liabilities	4(33)	844,484,353.64	1,047,523,521.42
Other non-current liabilities	4(34)	–	3,038,041,251.61
Total current liabilities		6,293,093,117.04	6,147,463,249.95
Non-current liabilities			
Long-term borrowings	4(35)	732,010,023.77	147,010,023.77
Bonds payable	4(36)	6,052,573,923.27	5,779,081,112.06
Long-term payables	4(37)	37,212,242.60	43,138,081.48
Deferred revenue	4(38)	572,424,280.76	565,971,998.11
Deferred tax liabilities	4(21)	14,164,948.76	13,843,600.37
Other non-current liabilities	4(39)	96,552,097.00	99,241,941.00
Total non-current liabilities		7,504,937,516.16	6,648,286,756.79
Total liabilities		13,798,030,633.20	12,795,750,006.74

Consolidated Balance Sheet (Unaudited) (continued)

As at 30 June 2017
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

	Note	30 June 2017 Consolidated (Unaudited)	31 December 2016 Consolidated
Shareholders' equity			
Share capital	4(40)	12,894,535,999.00	12,894,535,999.00
Capital surplus	4(41)	2,933,142,514.17	2,930,944,685.96
Other comprehensive income	4(42)	41,154,411.69	47,375,566.99
Surplus reserve	4(43)	676,643,140.78	676,643,140.78
Specific reserve		37,434,233.40	29,604,575.28
Undistributed profits	4(44)	1,239,250,191.06	1,194,212,957.96
Total equity attributable to shareholders of the Company		17,822,160,490.10	17,773,316,925.97
Minority interests	4(45)	1,366,102,243.80	1,332,998,027.28
Total shareholders' equity		19,188,262,733.90	19,106,314,953.25
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		32,986,293,367.10	31,902,064,959.99

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

Legal representative:
Zhang Yiming

Principal in charge of accounting:
Wang Ping

Head of accounting department:
Wang Ping

Consolidated Income Statement (Unaudited)

For the six months ended 30 June 2017
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Note	For the six months ended 30 June 2017 Consolidated (Unaudited)	For the six months ended 30 June 2016 Consolidated (Unaudited)
1. Revenue	4(46)	4,318,003,378.42	6,480,216,397.27
Less: Cost of sales	4(46)	(3,676,178,953.94)	(5,768,556,814.06)
Taxes and surcharges	4(47)	(24,720,606.43)	(14,150,603.39)
Selling and distribution expenses	4(48)	(285,811.00)	(722,609.09)
General and administrative expenses	4(49)	(298,075,478.70)	(299,623,883.73)
Financial expenses – net	4(50)	(277,267,676.02)	(202,873,286.85)
Asset impairment losses		10,000.00	–
Add: (Losses)/Profits arising from changes in fair value	4(52)	(1,695,366.00)	17,862,135.09
Investment income	4(53)	170,592,661.04	55,648,126.15
Including: Share of profit of associates and joint ventures		157,280,007.84	47,176,370.19
Other income	4(54)	88,472,117.35	–
2. Operating profit		298,854,264.72	267,799,461.39
Add: Non-operating income	4(55)	26,890,110.83	63,906,343.40
Including: Gains on disposal of non-current assets		6,862,358.12	99,742.51
Less: Non-operating expenses	4(56)	(887,893.83)	(98,097.32)
Including: Losses on disposal of non-current assets		(136,229.45)	(31,747.48)
3. Total profit		324,856,481.72	331,607,707.47
Less: Income tax expenses	4(57)	(49,052,758.87)	(78,480,730.47)
4. Net profit		275,803,722.85	253,126,977.00
Attributable to shareholders of the Company		238,539,731.50	221,088,963.04
Minority interests		37,263,991.35	32,038,013.96

Consolidated Income Statement (Unaudited) (continued)

For the six months ended 30 June 2017
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Note	For the six months ended 30 June 2017 Consolidated (Unaudited)	For the six months ended 30 June 2016 Consolidated (Unaudited)
5. Other comprehensive income, net of tax	4(42)	(6,221,155.30)	4,988,311.91
Attributable to shareholders of the Company, net of tax		(6,221,155.30)	4,988,311.91
Other comprehensive income items which will be reclassified subsequently to profit or loss			
Changes in fair value of available-for-sale financial assets		4,520,443.83	(2,515,639.28)
Differences on translation of foreign currency financial statements		(10,741,599.13)	7,503,951.19
Attributable to minority interests, net of tax		-	-
6. Total comprehensive income		269,582,567.55	258,115,288.91
Attributable to shareholders of the Company		232,318,576.20	226,077,274.95
Minority interests		37,263,991.35	32,038,013.96
7. Earnings per share	4(58)		
Basic earnings per share (RMB Yuan)		0.02	0.02
Diluted earnings per share (RMB Yuan)		0.02	0.02

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

Legal representative:
Zhang Yiming

Principal in charge of accounting:
Wang Ping

Head of accounting department:
Wang Ping

Consolidated Cash Flow Statement (Unaudited)

For the six months ended 30 June 2017
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Note	For the six months ended 30 June 2017 Consolidated (Unaudited)	For the six months ended 30 June 2016 Consolidated (Unaudited)
1. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		4,625,537,847.51	7,030,932,095.52
Refund of taxes and surcharges		-	2,155,613.50
Cash received relating to other operating activities	4(59)(a)	116,086,884.95	169,964,546.31
Sub-total of cash inflows		4,741,624,732.46	7,203,052,255.33
Cash paid for goods and services		(2,937,991,935.12)	(5,367,605,033.68)
Cash paid to and on behalf of employees		(820,980,415.70)	(790,316,666.99)
Payments of taxes and surcharges		(197,862,303.13)	(156,580,838.38)
Cash paid relating to other operating activities	4(59)(b)	(683,028,409.42)	(113,503,177.58)
Sub-total of cash outflows		(4,639,863,063.37)	(6,428,005,716.63)
Net cash flows from operating activities	4(60)(a)	101,761,669.09	775,046,538.70
2. Cash flows from investing activities			
Cash received from disposal of investments		1,603,806,700.00	435,712,215.58
Cash received from returns on investments		41,820,744.42	24,411,206.69
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		9,913,585.03	1,229,627.64
Cash received relating to other investing activities	4(59)(c)	322,024,266.32	232,397,755.35
Sub-total of cash inflows		1,977,565,295.77	693,750,805.26
Cash paid to acquire fixed assets, intangible assets and other long-term assets		(163,693,054.44)	(178,342,151.77)
Cash paid to acquire investments		(2,704,673,585.00)	(698,901,535.00)
Cash paid relating to other investing activities	4(59)(d)	(510,219,214.95)	(247,406,212.29)
Sub-total of cash outflows		(3,378,585,854.39)	(1,124,649,899.06)
Net cash flows from investing activities		(1,401,020,558.62)	(430,899,093.80)

Consolidated Cash Flow Statement (Unaudited) (continued)

For the six months ended 30 June 2017
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Note	For the six months ended 30 June 2017 Consolidated (Unaudited)	For the six months ended 30 June 2016 Consolidated (Unaudited)
3. Cash flows from financing activities			
Cash received from capital contributions		5,000,000.00	3,606,890,783.11
Including: Cash received from capital contributions by minority shareholders of subsidiaries		5,000,000.00	9,800,000.00
Cash received from borrowings		5,067,167,554.23	1,150,972,443.49
Cash received from issuance of bonds		1,070,000,000.00	-
Cash received relating to other financing activities	4(59)(e)	-	9,800,000.00
Sub-total of cash inflows		6,142,167,554.23	4,767,663,226.60
Cash repayments of borrowings		(5,158,793,474.09)	(1,802,965,914.58)
Cash payments for interest expenses and distribution of dividends or profits		(246,496,914.44)	(233,494,778.37)
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries		(8,679,024.96)	(12,815,158.03)
Cash payments relating to other financing activities	4(59)(f)	(15,299,065.48)	(11,293,187.93)
Sub-total of cash outflows		(5,420,589,454.01)	(2,047,753,880.88)
Net cash flows from financing activities		721,578,100.22	2,719,909,345.72
4. Effect of foreign exchange rate changes on cash and cash equivalents			
		(89,248,259.01)	58,434,291.72
5. Net (decrease)/increase in cash and cash equivalents			
Add: Cash and cash equivalents at the beginning of the period	4(60)(a)	6,376,088,087.66	2,728,928,183.51
6. Cash and cash equivalents at the end of the period	4(60)(a)	5,709,159,039.34	5,851,419,265.85

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

Legal representative:
Zhang Yiming

Principal in charge of accounting:
Wang Ping

Head of accounting department:
Wang Ping

Consolidated Statement of Changes in Shareholders' Equity (Unaudited)

For the six months ended 30 June 2017
(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 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(42)	-	-	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(44)	-	-	-	-	-	(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
Utilisation in the current period		-	-	-	-	(5,335,032.46)	-	(292,627.28)	(5,627,659.74)
Others	4(41)	-	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
Balance at 1 January 2017		12,894,535,999.00	2,930,944,685.96	47,375,566.99	676,643,140.78	29,604,575.28	1,194,212,957.96	1,332,998,027.28	19,106,314,953.25
Total comprehensive income		-	-	(6,221,155.30)	-	-	238,539,731.50	37,263,991.35	269,582,567.55
Net profit		-	-	-	-	-	238,539,731.50	37,263,991.35	275,803,722.85
Other comprehensive income	4(42)	-	-	(6,221,155.30)	-	-	-	-	(6,221,155.30)
Capital contribution and withdrawal by shareholders		-	-	-	-	-	-	3,600,000.00	3,600,000.00
Disposal of minority interests		-	-	-	-	-	-	(1,400,000.00)	(1,400,000.00)
Subscribed capital contribution by minority shareholders		-	-	-	-	-	-	5,000,000.00	5,000,000.00
Profit distribution	4(44)	-	-	-	-	-	(193,502,498.40)	(8,748,127.30)	(202,250,625.70)
Profit distribution to shareholders		-	-	-	-	-	(193,418,039.99)	(8,679,024.96)	(202,097,064.95)
Appropriation to employee bonus and welfare fund		-	-	-	-	-	(84,458.41)	(69,102.34)	(153,560.75)
Specific reserve		-	-	-	-	7,829,658.12	-	988,352.47	8,818,010.59
Accruals in the current period		-	-	-	-	14,285,550.13	-	1,322,183.45	15,607,733.58
Utilisation in the current period		-	-	-	-	(6,455,892.01)	-	(333,830.98)	(6,789,722.99)
Others	4(41)	-	2,197,828.21	-	-	-	-	-	2,197,828.21
Balance at 30 June 2017 (Unaudited)		12,894,535,999.00	2,933,142,514.17	41,154,411.69	676,643,140.78	37,434,233.40	1,239,250,191.06	1,366,102,243.80	19,188,262,733.90

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

Legal representative:
Zhang Yiming

Principal in charge of accounting:
Wang Ping

Head of accounting department:
Wang Ping

Company Balance Sheet (Unaudited)

As at 30 June 2017
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

		30 June 2017	31 December 2016
	Note	Company (Unaudited)	Company
ASSETS			
Current assets			
Cash at bank and on hand		4,258,234,966.75	4,490,888,768.04
Financial assets at fair value through profit or loss	17(1)	4,884,737.50	5,425,002.50
Notes receivable		128,690,231.28	145,232,088.33
Accounts receivable	17(2)	409,841,462.59	449,565,633.45
Advances to suppliers		16,918,789.87	7,369,685.66
Interest receivable		27,039,391.75	21,243,693.93
Dividends receivable		513,999,341.15	740,401,171.58
Other receivables	17(3)	211,633,883.42	190,868,135.13
Inventories		45,573,738.48	46,191,556.39
Current portion of non-current assets		-	600,000,000.00
Other current assets		1,616,599,508.08	455,784,019.32
Total current assets		7,233,416,050.87	7,152,969,754.33
Non-current assets			
Available-for-sale financial assets	17(4)	14,667,057.50	14,667,057.50
Long-term receivables		120,000,000.00	130,000,000.00
Long-term equity investments	17(5)	7,799,837,347.73	7,591,701,915.12
Fixed assets	17(6)	10,677,949,026.63	10,966,192,062.32
Construction in progress	17(7)	1,504,438,652.82	1,414,006,013.32
Fixed assets pending for disposal		3,453,202.97	2,669,061.99
Intangible assets	17(8)	444,856,194.38	439,892,583.78
Long-term prepaid expenses		23,250,979.21	24,047,150.86
Deferred tax assets		10,865,671.39	14,532,771.02
Other non-current assets		118,610,000.00	126,192,418.40
Total non-current assets		20,717,928,132.63	20,723,901,034.31
TOTAL ASSETS		27,951,344,183.50	27,876,870,788.64

Company Balance Sheet (Unaudited) (continued)

As at 30 June 2017

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

	Note	30 June 2017 Company (Unaudited)	31 December 2016 Company
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings		3,000,000,000.00	–
Notes payable		–	1,250,000.00
Accounts payable		32,213,158.90	44,429,643.26
Advances from customers		28,067,762.76	30,410,449.28
Employee benefits payable		58,224,446.40	125,478,879.47
Taxes payable		7,419,781.22	59,324,591.12
Interest payable		145,519,108.94	148,499,806.46
Dividends payable		193,418,039.99	–
Other payables		314,217,487.29	305,337,310.38
Current portion of non-current liabilities		–	1,000,000,000.00
Other non-current liabilities		–	3,038,041,251.61
Total current liabilities		3,779,079,785.50	4,752,771,931.58
Non-current liabilities			
Bonds payable		6,052,573,923.27	4,987,460,792.60
Deferred revenue		551,151,439.98	540,407,725.41
Other non-current liabilities		96,552,097.00	99,241,941.00
Total non-current liabilities		6,700,277,460.25	5,627,110,459.01
Total liabilities		10,479,357,245.75	10,379,882,390.59
Shareholders' equity			
Share capital		12,894,535,999.00	12,894,535,999.00
Capital surplus	17(10)	3,042,982,720.30	3,041,812,149.99
Surplus reserve		631,762,878.03	631,762,878.03
Specific reserve		27,004,936.48	21,421,192.02
Undistributed profits	17(11)	875,700,403.94	907,456,179.01
Total shareholders' equity		17,471,986,937.75	17,496,988,398.05
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		27,951,344,183.50	27,876,870,788.64

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

Legal representative:
Zhang Yiming

Principal in charge of accounting:
Wang Ping

Head of accounting department:
Wang Ping

Company Income Statement (Unaudited)

For the six months ended 30 June 2017

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

Item	Note	For the six months ended 30 June 2017 Company (Unaudited)	For the six months ended 30 June 2016 Company (Unaudited)
1. Revenue	17(12)	1,447,771,663.51	1,448,069,433.87
Less: Cost of sales	17(12)	(1,046,569,500.61)	(999,359,323.91)
Taxes and surcharges		(12,528,874.19)	(4,978,858.14)
General and administrative expenses		(165,155,248.16)	(167,079,168.95)
Financial expenses – net	17(13)	(258,793,939.32)	(157,813,376.23)
Asset impairment losses		10,000.00	–
Add: Losses on changes in fair value	17(15)	(407,150.00)	(2,300,256.50)
Investment income	17(16)	159,079,596.51	80,341,691.67
Including: Share of profit of associates and joint ventures		136,763,203.41	50,633,240.28
Other income		20,596,285.42	–
2. Operating profit		144,002,833.16	196,880,141.81
Add: Non-operating income		18,374,214.12	16,883,025.56
Including: Gains on disposal of non-current assets		2,586,375.49	27,200.00
Less: Non-operating expenses		(444,703.22)	(5,224.42)
Including: Losses on disposal of non-current assets		(132,543.29)	–
3. Total profit		161,932,344.06	213,757,942.95
Less: Income tax expenses	17(17)	(270,079.14)	(24,031,428.00)
4. Net profit		161,662,264.92	189,726,514.95
5. Other comprehensive income, net of tax		–	–
6. Total comprehensive income		161,662,264.92	189,726,514.95

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

Legal representative:
Zhang Yiming

Principal in charge of accounting:
Wang Ping

Head of accounting department:
Wang Ping

Company Cash Flow Statement (Unaudited)

For the six months ended 30 June 2017
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Note	For the six months ended 30 June 2017 Company (Unaudited)	For the six months ended 30 June 2016 Company (Unaudited)
1. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		1,534,069,649.47	1,457,124,168.43
Cash received relating to other operating activities		56,651,569.16	15,429,447.67
Sub-total of cash inflows		1,590,721,218.63	1,472,553,616.10
Cash paid for goods and services		(454,269,922.09)	(451,016,997.97)
Cash paid to and on behalf of employees		(547,155,165.37)	(513,140,859.79)
Payments of taxes and surcharges		(97,837,462.57)	(47,731,524.03)
Cash paid relating to other operating activities		(54,679,283.94)	(37,075,415.76)
Sub-total of cash outflows		(1,153,941,833.97)	(1,048,964,797.55)
Net cash flows from operating activities	17(18)	436,779,384.66	423,588,818.55
2. Cash flows from investing activities			
Cash received from disposal of investments		2,160,206,700.00	615,918,990.00
Cash received from returns on investments		267,530,021.44	39,593,535.30
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		2,851,800.06	5,200.00
Net cash received from disposal of subsidiaries and other business units		-	95,640,138.66
Cash received relating to other investing activities		47,233,999.99	1,214,154.35
Sub-total of cash inflows		2,477,822,521.49	752,372,018.31
Cash paid to acquire fixed assets, intangible assets and other long-term assets		(126,221,209.13)	(133,288,716.60)
Cash paid to acquire investments		(2,730,073,585.00)	(637,031,535.00)
Cash paid relating to other investing activities		(435,704.13)	(599,289.74)
Sub-total of cash outflows		(2,856,730,498.26)	(770,919,541.34)
Net cash flows from investing activities		(378,907,976.77)	(18,547,523.03)

Company Cash Flow Statement (Unaudited) (continued)

For the six months ended 30 June 2017
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Note	For the six months ended 30 June 2017 Company (Unaudited)	For the six months ended 30 June 2016 Company (Unaudited)
3. Cash flows from financing activities			
Cash received from capital contributions		–	3,597,090,783.11
Cash received from borrowings		3,000,000,000.00	–
Cash received from issuance of bonds		1,070,000,000.00	–
Sub-total of cash inflows		4,070,000,000.00	3,597,090,783.11
Cash repayments of borrowings		(4,061,693,150.68)	(500,000,000.00)
Cash payments for interest expenses and distribution of dividends or profits		(202,237,503.70)	(191,569,431.40)
Cash payments relating to other financing activities		(6,360,413.25)	(3,298,085.25)
Sub-total of cash outflows		(4,270,291,067.63)	(694,867,516.65)
Net cash flows from financing activities		(200,291,067.63)	2,902,223,266.46
4. Effect of foreign exchange rate changes on cash and cash equivalents			
		(90,544,845.68)	56,258,995.20
5. Net (decrease)/increase in cash and cash equivalents			
Add: Cash and cash equivalents at the beginning of the period	17(18)	(232,964,505.42)	3,363,523,557.18
		4,489,574,119.31	761,304,650.74
6. Cash and cash equivalents at the end of the period			
	17(18)	4,256,609,613.89	4,124,828,207.92

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

Legal representative:
Zhang Yiming

Principal in charge of accounting:
Wang Ping

Head of accounting department:
Wang Ping

Company Statement of Changes in Shareholders' Equity (Unaudited)

For the six months ended 30 June 2017
(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 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
Other comprehensive income		-	-	-	-	-	-
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
Utilisation 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
Balance at 1 January 2017		12,894,535,999.00	3,041,812,149.99	631,762,878.03	21,421,192.02	907,456,179.01	17,496,988,398.05
Total comprehensive income		-	-	-	-	161,662,264.92	161,662,264.92
Net profit		-	-	-	-	161,662,264.92	161,662,264.92
Other comprehensive income		-	-	-	-	-	-
Profit distribution	17(11)	-	-	-	-	(193,418,039.99)	(193,418,039.99)
Profit distribution to shareholders		-	-	-	-	(193,418,039.99)	(193,418,039.99)
Specific reserve		-	-	-	5,583,744.46	-	5,583,744.46
Accruals in the current period		-	-	-	10,523,861.99	-	10,523,861.99
Utilisation in the current period		-	-	-	(4,940,117.53)	-	(4,940,117.53)
Others	17(10)	-	1,170,570.31	-	-	-	1,170,570.31
Balance at 30 June 2017 (Unaudited)		12,894,535,999.00	3,042,982,720.30	631,762,878.03	27,004,936.48	875,700,403.94	17,471,986,937.75

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

Legal representative:
Zhang Yiming

Principal in charge of accounting:
Wang Ping

Head of accounting department:
Wang Ping

Notes to the Financial Statements

*For the six months ended 30 June 2017 (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 overseas investors and on 28 April 2006 it was listed on the Stock Exchange of Hong Kong Limited. As at 30 June 2017, the Company’s share capital totalled RMB12,894,535,999.00 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.; providing facilities and services for passenger waiting, embarking and disembarking; 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).

Subsidiaries included in the scope of consolidation in the current period are listed in Note 6.

These financial statements were approved for issuance by the Company’s Board of Directors on 24 August 2017.

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 2017 (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* took effect from 2015 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 2017 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 2017 and of their financial performance, cash flows and other information for the 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 2017 (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 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 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 2017 (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 2017 (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. They are presented as financial assets held for trading on the balance sheet.

Receivables

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

Available-for-sale financial assets

Available-for-sale financial assets are 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 2017 (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 2017 (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.

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

If an impairment loss on available-for-sale financial assets 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 2017 (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: (i) the contractual rights to receive the cash flows from the financial asset expire; (ii) the financial asset has been transferred and the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee; or (iii) the financial asset has been transferred and the Group has not retained control of the financial asset, although the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

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

(b) Financial liabilities

Financial liabilities are classified into 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 initially recognised 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 2017 (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 2017 (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 2017 (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 2017 (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 or 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 acquisition date, the long-term equity investment is measured at the initial investment cost; where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the acquisition date, the difference is included in profit or loss and the cost of the long-term equity investment is adjusted upwards accordingly.

For long-term equity investments accounted for using the equity method, the Group recognises the investment income according to its share of net profit or loss of the investee. The Group discontinues recognising its share of the net losses of an investee after the carrying amounts of the long-term equity investments 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 owner's equity other than those arising from the net profit or loss, other comprehensive income and profit distribution, are recognised in the Group's equity and the carrying amounts of the long-term equity investments are adjusted accordingly. 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 gain 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 2017 (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), Note 2(17)).

When an investment property is transferred to owner-occupied properties, it is reclassified as fixed asset or intangible asset at the date of the transfer. When an owner-occupied property is transferred out for earning rentals or for capital appreciation, the fixed asset or intangible asset is reclassified as investment properties at its carrying amount at the date of the transfer. When transferred, carrying amount before transfer shall be recorded as cost after 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 2017 (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 – 45 years	5% to 10%	2.0% to 4.8%
Terminal facilities	50 years	5% to 10%	1.8% to 1.9%
Oil tanks and pipelines	18 – 28 years	4% to 5%	3.4% to 5.3%
Loading equipment	10 – 20 years	5% to 10%	4.5% to 9.5%
Transportation equipment	7 – 10 years	5% to 10%	9.0% to 13.6%
Vessels	28 years	5%	3.4%
Storage facilities	40 years	0% to 10%	2.3% to 2.5%
Machinery and equipment	12 years	5%	7.9%
Other equipment	5-11 years	4% to 10%	8.2% to 19.2%

The estimated useful life 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 2017 (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) *Basis for identification 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 is 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 a fixed 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 2017 (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 recognised based on the revaluated amounts as approved by the state-owned assets administration department.

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

(a) *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 – 10 years
Golf membership identification	10 – 46 years
Sea area use rights	10 – 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 2017 (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 groups of asset groups which are expected to benefit from the synergies of the business combination. If the result of the test indicates that the recoverable amount of an asset group or group of asset groups, including the allocated goodwill, is lower than its carrying amount, the corresponding impairment loss is recognised. The impairment loss is first deducted from the carrying amount of goodwill that is allocated to the asset group or group of asset groups, and then deducted from the carrying amounts of other assets within the asset groups or groups of asset groups in proportion to the carrying amounts of assets other than goodwill.

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 employee benefit liabilities are recognised in the accounting period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets. Employee benefits which are non-monetary benefits are measured at fair value.

(b) Post-employment benefits

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

Basic pensions

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

(c) Termination benefits

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

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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.

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

(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 2017 (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 return, financial subsidy 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 its fair value. If it is unable to obtain its fair value reliably, it will be measured at its nominal amount.

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

For government grants related to assets, the carrying amount of related assets is written down to or recognised as deferred revenue, and evenly amortised to profit or loss over the useful life of the related asset in a reasonable and systematic manner; for government grants related to income, where the grant is a compensation for related expenses or losses to be incurred in the subsequent periods, the grant is recognised as deferred revenue, and included in profit or loss or offset against related costs over the periods in which the related costs or losses are recognised; where the grant is a compensation for related expenses or losses already incurred, the grant is directly recognised in profit or loss for the current period or offset against related costs; the same presentation manner is adopted for government grants of the same type, with those related to daily activities being included in operating profit, or non-operating income otherwise.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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.

Lease income under an operating lease are 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 2017 (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 are 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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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

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

Income 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.

Impairment of receivables

In accordance with the accounting policies mentioned in Note 2(9) and Note 2(10), the Group tests annually whether receivables are impaired, and checks and revises the estimated provision for bad debts accordingly (if necessary). Different estimates may affect the amount of provision for impairment of receivables and profit or loss for the current period.

The Group regularly reviews its receivables to assess impairment losses. When estimating the impairment losses for receivables, the Group makes judgement and assumption, to decide whether impairment losses should be provided for. The provision for impairment reflects the difference between carrying amount and present value of future cash flows of individual receivable or a grouping of similar receivables. The Group uses individual assessment for the receivables with significant amount, and uses collective assessment for similar receivables with insignificant amounts.

Calculation of impairment losses assessed on a grouping basis is largely subject to judgements. As for those groupings of receivables that have been individually assessed for impairment and cash flows decrease have not been found, the Group makes judgement as to whether there is any observable indication of measurable decrease in the estimated future cash flows from a grouping of receivables. Impairment indications for decrease in estimated cash flows include observable data indicating that adverse changes in the payment status of the debtor of the group (e.g. debtor's payment delinquency or default), or national or local economic conditions that correlate with receivable default in the grouping and etc. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to the receivables in the grouping when calculating their future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between impairment loss estimates of receivables and actual loss experience of loans.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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)

(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 Group 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 Group 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 2017 (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
Corporate income tax	Taxable income	15% or 25%
Value-added tax ("VAT") (a)	Taxable value-added amount (Tax payable is calculated using the taxable sales amount multiplied by the applicable tax rate less deductible VAT input of the current period)	5%, 6%, 11%, 13% and 17%
Business tax (a)	Taxable turnover amount	3% or 5%
City maintenance and construction tax	Payment of VAT and business tax	7%
Educational surcharge	Payment of VAT and business tax	3%
Property tax	70% of the cost of property or rental revenue	1.2% or 12%

- (a) Pursuant to the *Notice of the Ministry of Finance and the State Administration of Taxation on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner* (Caishui [2016] No. 36) and relevant regulations, businesses of the Group, such as entrusted loans, building & construction, property leasing, and labour dispatch, are subject to VAT at the rate of 6%, 11%, 5%, and 6% respectively, since 1 May 2016, and were subject to business tax at the rate of 5%, 3%, 5%, and 5% respectively before 1 May 2016.

(2) Preferential tax treatments

Corporate 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, has 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 Article 28 of the *Corporate 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 2017 was 15%.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 lands used for dock are exempted from land use tax. Accordingly, the lands 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 are exempted from corporate income tax. The Group's subsidiaries, 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 2017 (Unaudited)	31 December 2016
Cash on hand	88,331.56	100,184.43
Cash at bank (i)	6,312,703,148.22	6,659,440,199.17
Other cash balances (ii)	68,069,092.37	81,738,740.24
	6,380,860,572.15	6,741,279,123.84
Including: Amounts deposited abroad	622,310,230.42	644,652,741.93

(i) As at 31 December 2016, a bank deposit of RMB125,000.00 was pledged as collateral for the Group's bank acceptance notes payable of RMB1,250,000.00. As at 30 June 2017, there were no such matters.

As at 30 June 2017, a bank deposit of RMB1,625,352.86 (31 December 2016: RMB1,189,648.73) was pledged as collateral for the Group's project payment guarantee of RMB16,207,596.53 (31 December 2016: RMB10,885,852.70).

(ii) As at 30 June 2017, other cash balances of RMB62,376,718.28 (31 December 2016: RMB73,636,387.45) were pledged as collateral for the Group's irrevocable letter of credit.

As at 30 June 2017, other cash balances of RMB3,177,000.00 (31 December 2016: RMB4,740,000.00) were pledged as the Group's project performance bond.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited)	31 December 2016
Investments in equity instrument held for trading	4,884,737.50	5,425,002.50
Others	591,189.00	1,879,405.00
	5,475,926.50	7,304,407.50

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.

(3) Notes receivable

	30 June 2017 (Unaudited)	31 December 2016
Trade acceptance notes	13,716,054.00	–
Bank acceptance notes	130,876,166.10	158,645,593.12
	144,592,220.10	158,645,593.12

(a) As at 30 June 2017, the Group had no pledged notes receivable (31 December 2016: Nil).

(b) As at 30 June 2017, notes receivable which had been endorsed to other parties but not mature yet were as follows:

	Derecognised	Not derecognised
Bank acceptance notes	44,812,889.14	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited)	31 December 2016
Dalian Port Container Terminal Co., Ltd.	27,787,294.44	27,787,294.44
Dalian Singamas International Container Co., Ltd.	4,598,724.27	4,598,724.27
Taicang Xinggang Tug Co., Ltd.	2,142,855.00	2,143,000.00
Dalian Shunde Jifa Supply Chain Management Co., Ltd.	1,316,382.69	1,316,382.69
China United Tally (Dalian) Co., Ltd.	575,358.74	–
Dalian United International Shipping Agency Co., Ltd.	–	2,000,000.00
Dalian Wanpeng Port Engineering Testing Co., Ltd.	–	400,000.00
	36,420,615.14	38,245,401.40

(5) Interest receivable

	30 June 2017 (Unaudited)	31 December 2016
Interest of fixed deposits	21,718,381.64	25,148,389.95
Interest of wealth management products	7,603,240.11	828,767.12
Interest of entrusted loans	36,645.56	87,149.91
Interest of current deposits	35,500.00	204,398.16
	29,393,767.31	26,268,705.14

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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

	30 June 2017 (Unaudited)	31 December 2016
Accounts receivable	703,485,454.04	658,706,980.91
Less: Provision for bad debts	(148,000.00)	(148,000.00)
	703,337,454.04	658,558,980.91

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

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

	30 June 2017 (Unaudited)	31 December 2016
Within 1 year	614,692,405.40	573,541,242.90
1 to 2 years	16,449,777.00	12,436,875.66
2 to 3 years	13,111,889.42	13,832,071.12
Over 3 years	59,231,382.22	58,896,791.23
	703,485,454.04	658,706,980.91

As at 30 June 2017, accounts receivable of RMB197,938,563.15 (31 December 2016: RMB91,414,149.82) were overdue. Based on the analysis of the customers' financial status and credit history, the Group expects that the overdue amounts can be recovered, and the accounts receivable are not impaired, thus no provision for bad debts was individually provided. The ageing of the accounts receivable is analysed as follows:

	30 June 2017 (Unaudited)	31 December 2016
Within 1 year	112,465,579.43	9,645,714.17
1 to 2 years	14,939,491.72	9,657,604.38
2 to 3 years	11,681,167.91	13,398,704.86
Over 3 years	58,852,324.09	58,712,126.41
	197,938,563.15	91,414,149.82

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited)				31 December 2016			
	Ending balance		Provision for bad debts		Ending balance		Provision for bad debts	
	% of total		Amount	Percentage	% of total		Amount	Percentage
	Amount	balance			Amount	balance		
With amounts that are individually significant and that the related provision for bad debts is provided on the individual basis	-	-	-	-	-	-	-	-
Provision for bad debts on the grouping basis	703,337,454.04	99.98%	-	-	658,558,980.91	99.98%	-	-
Including: Group 1	-	-	-	-	-	-	-	-
Group 2	703,337,454.04	99.98%	-	-	658,558,980.91	99.98%	-	-
With amounts that are not individually significant but that the related provision for bad debts is provided on the individual basis	148,000.00	0.02%	148,000.00	100.00%	148,000.00	0.02%	148,000.00	100.00%
	703,485,454.04	100.00%	148,000.00	0.02%	658,706,980.91	100.00%	148,000.00	0.02%

(c) For the six months ended 30 June 2017, accounts receivable recovered or reversed by the Group in the current period amounted to RMB10,000.00, without provision or written-off of bad debts.

(d) As at 30 June 2017, the accounts receivable from the top five debtors in respect of outstanding balance were analysed as below (unaudited):

	Balance	Provision for bad debts	% of total balance
Total balances of top five accounts receivable	229,372,353.86	-	32.61%

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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

	30 June 2017 (Unaudited)	31 December 2016
Bills of exchange	709,007,328.40	129,697,598.73
Receivables from project payment and guarantee deposit	66,444,645.32	62,922,321.14
Government subsidies receivable	61,507,692.00	1,507,692.00
Receivables from freights, deposit and security deposit	28,684,155.89	23,084,303.32
Public infrastructure maintenance expenses	15,540,059.20	1,246,024.98
Port construction and miscellaneous expenses	8,631,996.28	5,186,696.39
Entrusted loans (i)	4,600,000.00	53,600,000.00
Berth and building rentals receivable	4,173,448.67	1,355,644.85
Others	35,846,863.94	37,747,674.75
	934,436,189.70	316,347,956.16
Less: Provision for bad debts	(1,061,192.97)	(1,061,192.97)
	933,374,996.73	315,286,763.19

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017, loans to joint ventures included:

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 loan should be due on 9 February 2018 (31 December 2016: loans of RMB4,600,000.00 at the rate of 4.35% annually and due on 11 February 2017) (Note 8(5)(d)(ii)).

The Group entrusted Dalian Port Group Financial Co., Ltd. to provide unsecured loans of RMB0.00 to its joint venture, Dalian Port Yidu Cold Chain Co., Ltd. (31 December 2016: loans of RMB33,000,000.00 at the rate of 4.785% annually and due on 22 March 2017) (Note 8(5)(d)(ii)).

– Loans to associates

As at 30 June 2017, loans to associates included:

The Group entrusted Dalian Port Group Financial Co., Ltd. to provide unsecured loans of RMB0.00 to its associate, Dalian Puji Storage Facility Co., Ltd. (31 December 2016: loans of RMB16,000,000.00 at the rate of 4.35% annually and due on 28 January 2017) (Note 8(5)(d)(ii)).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited)	31 December 2016
Within 1 year	898,254,759.81	275,702,811.45
1 to 2 years	21,267,624.74	26,000,345.60
2 to 3 years	6,641,835.89	5,711,684.99
Over 3 years	8,271,969.26	8,933,114.12
	934,436,189.70	316,347,956.16

As at 30 June 2017, other receivables of RMB26,548,597.80 (31 December 2016: RMB34,053,657.84) were overdue. Based on the analysis of the financial status and credit history of the debtors, the Group expected that the overdue amounts could be recovered, and the accounts receivable were not impaired, thus no provision for bad debts was individually made. The ageing of other receivables is analysed as follows:

	30 June 2017 (Unaudited)	31 December 2016
Within 1 year	6,905,688.65	9,318,172.40
1 to 2 years	12,325,570.22	16,380,435.68
2 to 3 years	3,104,111.01	4,244,159.42
Over 3 years	4,213,227.92	4,110,890.34
	26,548,597.80	34,053,657.84

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited)				31 December 2016			
	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	-	-	-	-	-	-	-	-
Provision for bad debts on the grouping basis	931,710,592.93	99.71%	-	-	313,622,359.39	99.14%	-	-
Including: Group 1	-	-	-	-	-	-	-	-
Group 2	931,710,592.93	99.71%	-	-	313,622,359.39	99.14%	-	-
With amounts that are not individually significant but that the related provision for bad debts is provided on the individual basis	2,725,596.77	0.29%	1,061,192.97	38.93%	2,725,596.77	0.86%	1,061,192.97	38.93%
	934,436,189.70	100.00%	1,061,192.97	0.11%	316,347,956.16	100.00%	1,061,192.97	0.34%

(c) For the six months ended 30 June 2017, the Group made no provision for bad debts or reversal/written-off of such provision for bad debts of other receivables.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017, other receivables from top five debtors in respect of outstanding balance were summarised as follows (unaudited):

	Nature	Balance	Ageing	% of total balance	Provision for bad debts
Guangdong Benshun Zhongcheng Automobile Supply Chain Management Co., Ltd.	Bills of exchange	414,799,950.71	Within 1 year	44.39%	-
Dalian Bohui International Trade Co., Ltd.	Bills of exchange	115,628,628.37	Within 1 year	12.37%	-
Dalian Municipal Bureau of Finance	Subsidies	60,000,000.00	Within 1 year	6.42%	-
Dalian Dingrui International Trade Co., Ltd.	Bills of exchange	41,366,421.58	Within 1 year	4.43%	-
Dalian Haohe International Trade Co., Ltd.	Bills of exchange	38,833,836.72	Within 1 year	4.16%	-
		670,628,837.38		71.77%	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017, the Group's government grants recognised at amounts receivable were analysed as follows (unaudited):

	Government grants	Balance	Ageing	Basis of estimated collection
Dalian Jifa Bohai Rim Container Lines Co., Ltd.	Subsidies for the construction of shipping centre	42,000,000.00	Within 1 year	Request for Instructions on Formulating Special Supporting Policies for the Construction of the "13th Five-Year Shipping Centre
Dalian Jiye Logistics Co., Ltd.	Subsidies for the international logistics corridor	18,000,000.00	Within 1 year	Several Opinions on Supporting Policies for Dalian International Logistics Corridor
Heilongjiang Suimu Dalian Port Logistics Co., Ltd.	Refund of tax	1,507,692.00	Within 1 year	Cooperation agreement on Xiachengzi Logistics Centre of Muling Economic Development Zone
		61,507,692.00		

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited)		31 December 2016	
	Amount	% of total balance	Amount	% of total balance
Within 1 year	63,162,332.43	82.92%	170,988,642.43	66.64%
1 to 2 years	5,896,720.00	7.74%	85,432,130.62	33.29%
2 to 3 years	6,980,988.57	9.16%	36,777.64	0.02%
Over 3 years	134,982.05	0.18%	135,416.15	0.05%
	76,175,023.05	100.00%	256,592,966.84	100.00%

As at 30 June 2017, advances to suppliers with ageing over one year amounted to RMB13,012,690.62 (31 December 2016: RMB85,604,324.41), which represented advances to suppliers, house deposits and other advances. Since the cooperation involved in above businesses is stable, these amounts have not been settled yet.

(b) As at 30 June 2017, advances to the top five debtors in respect of outstanding balance were summarised as follows (unaudited):

	Amount	% of total balance
Total balances of advances to the top five debtors	26,039,345.98	34.18%

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(9) Inventories

(a) Inventories are summarised by categories as follows:

	30 June 2017 (Unaudited)			31 December 2016		
	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	65,917,912.57	(7,803,889.80)	58,114,022.77	70,653,011.68	(7,803,889.80)	62,849,121.88
Finished goods	331,141,372.53	-	331,141,372.53	382,785,952.13	-	382,785,952.13
Turnover materials	6,431,859.77	-	6,431,859.77	5,691,020.60	-	5,691,020.60
	403,491,144.87	(7,803,889.80)	395,687,255.07	459,129,984.41	(7,803,889.80)	451,326,094.61

As at 30 June 2017, inventories with carrying amount of RMB263,284,812.16 (31 December 2016: RMB317,241,729.72) and relevant documents of import business were pledged as collateral for the bank borrowings of RMB141,609,678.36 (31 December 2016: RMB226,487,016.66) (Note 4(24)(i)).

(b) Provision for decline in the value of inventories is analysed as below:

	31 December 2016	Increase in the current period		Decrease in current period		30 June 2017 (Unaudited)
		Provision	Others	Reversal or written off	Others	
Raw materials	7,803,889.80	-	-	-	-	7,803,889.80

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

	Specific basis to determine net realisable value	Reason for reversal of or written-off of provision for decline in the value of inventories
Raw materials	Estimated selling price	N/A

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(10) Other current assets

	30 June 2017 (Unaudited)	31 December 2016
Available-for-sale financial assets (Note 4(11))	1,600,000,000.00	450,000,000.00
VAT input to be deducted (i)	50,613,566.56	52,691,420.48
Prepaid income tax	13,896,681.92	869,046.54
VAT input to be verified	4,791,976.82	5,130,035.82
Prepaid VAT	504.85	124,826.03
	1,669,302,730.15	508,815,328.87

- (i) VAT input to be deducted 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.

(11) Available-for-sale financial assets

	30 June 2017 (Unaudited)	31 December 2016
Measured at fair value		
– Wealth management products (i)	1,600,000,000.00	450,000,000.00
– Available-for-sale equity instruments – H shares (ii)	67,694,783.04	65,248,260.82
Measured at cost		
– Available-for-sale equity instruments – unlisted enterprises (iii)	143,562,691.50	143,562,691.50
Less: Provisions for impairment	(51,391,817.15)	(52,966,280.72)
	1,759,865,657.39	605,844,671.60
Less: Available-for-sale financial assets included in other current assets (i)	(1,600,000,000.00)	(450,000,000.00)
	159,865,657.39	155,844,671.60

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

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

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

(i) Wealth management products:

As at 30 June 2017, the wealth management products included:

Wealth management products purchased by the Company from Harbing Bank amounting to RMB200,000,000.00 (31 December 2016: RMB200,000,000.00). The capital was mainly used for investment in money market instruments. The estimated annual return for wealth management products of RMB100,000,000.00 was 4.60% with the maturity date on 12 October 2017; 4.30% for wealth management products of RMB50,000,000.00 with the maturity date on 24 August 2017; 4.70% for wealth management products of RMB50,000,000.00 with the maturity date on 14 December 2017 (31 December 2016: the estimated annual return was 3.65% with the maturity date on 6 April 2017).

Wealth management products purchased by the Company from Postal Savings Bank of China amounting to RMB100,000,000.00 (31 December 2016: Nil). The capital was mainly used for investment in money market instruments. The estimated annual return was 3.10% with the maturity date on 6 November 2017.

Wealth management products purchased by the Company from Agricultural Bank of China amounting to RMB150,000,000.00 (31 December 2016: Nil). The capital was mainly used for investment in money market instruments. The estimated annual return was 3.80% with the maturity date on 21 July 2017.

Wealth management products purchased by the Company from Industrial Bank amounting to RMB300,000,000.00 (31 December 2016: RMB250,000,000.00). The capital was mainly used for investment in money market instruments. The estimated annual return was 4.50% with the maturity date on 12 September 2017 (31 December 2016: the estimated annual return for wealth management products of RMB100,000,000.00 was 3.20% with the maturity date on 3 February 2017; 3.60% for wealth management products of RMB150,000,000.00 with the maturity date on 15 March 2017).

Structural deposits purchased by the Company from Shanghai Pudong Development Bank amounting to RMB300,000,000.00 (31 December 2016: Nil). The capital was mainly used for investment in money market instruments. The estimated annual return for structural deposits of RMB200,000,000.00 was 4.15% with the maturity date on 21 August 2017; 4.15% for structural deposits of RMB100,000,000.00 with the maturity date on 25 August 2017.

Structural deposits purchased by the Company from Bank of Dalian amounting to RMB300,000,000.00 (31 December 2016: Nil). The capital was mainly used for investment in money market instruments. The estimated annual return was 3.70% with the maturity date on 13 December 2017.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

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

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

(i) Wealth management products: (continued)

Structural deposits purchased by the Company from China CITIC Bank amounting to RMB100,000,000.00 (31 December 2016: Nil). The capital was mainly used for investment in money market instruments. The estimated annual return was 4.30% with the maturity date on 11 October 2017.

Structural deposits purchased by the Company from China Everbright Bank amounting to RMB150,000,000.00 (31 December 2016: Nil). The capital was mainly used for investment in money market instruments. The estimated annual return was 4% with the maturity date on 13 July 2017.

(ii) 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.

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

	30 June 2017 (Unaudited)	31 December 2016
Available-for-sale equity instruments – H shares		
– Fair value	16,302,965.89	12,281,980.10
– Cost	67,694,548.70	69,768,470.31
– Accumulated in other comprehensive income	234.34	(4,520,209.49)
– Accumulated provision for impairment	(51,391,817.15)	(52,966,280.72)

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(11) 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 2016	Increase in the current period	Decrease in the current period	30 June 2017 (Unaudited)	Shareholding (%)	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.	16,184,400.00	-	-	16,184,400.00	5.89	-
- 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	261,000.00
	143,562,691.50	-	-	143,562,691.50		261,000.00

(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 2016	(52,966,280.72)
Differences on translation of foreign currency financial statements	1,574,463.57
30 June 2017 (Unaudited)	(51,391,817.15)

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(12) Long-term receivables

	30 June 2017 (Unaudited)	31 December 2016
Entrusted loans (i)	11,500,000.00	11,500,000.00
Less: Provision for bad debts	–	–
	11,500,000.00	11,500,000.00

- (i) The Group entrusted Dalian Port Group Financial Co., Ltd. to provide unsecured loans to its joint venture, Liaoning Con-Rail International Logistics Co., Ltd. As at 30 June 2017, the amount of loans was RMB11,500,000.00 (31 December 2016: loans was RMB11,500,000.00) with an annual interest rate of 5.775% and the principal being repaid in instalments before 8 November 2019 (Note 8(6)).

(13) Long-term equity investments

	30 June 2017 (Unaudited)	31 December 2016
Joint ventures (a)	2,689,731,723.73	2,614,399,120.72
Associates (b)	2,345,382,310.95	2,287,757,599.98
Less: Provision for impairment of long-term equity investments	–	–
	5,035,114,034.68	4,902,156,720.70

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(13) Long-term equity investments (continued)

(a) Joint ventures

	31 December 2016	Movements for the current period							30 June 2017 (Unaudited)	Balance of provision for impairment at the end of the period	
		Additional investment	Decrease in investment	Share of net profit/(loss) under equity method	Share of other comprehensive income	Share of other changes in equity	Cash dividends/ profit declared by joint ventures	Provision for impairment			Others
Dalian Port Tongji Shipping Agency Co., Ltd.	1,176,248.00	-	-	170,681.65	-	-	-	-	-	1,346,929.65	-
Dalian Harbour ECL Logistics Co., Ltd.	31,838,161.92	-	-	465,274.55	-	2,143.55	(1,247,784.25)	-	-	31,057,795.77	-
Odfjell Terminals (Dalian) Co., Ltd.	158,104,604.79	-	-	11,889,277.94	-	294,922.36	(10,000,000.00)	-	-	160,288,805.09	-
Dalian Port PetroChina International Terminal Co., Ltd.	189,034,388.78	-	-	13,977,253.46	-	-	(6,723,078.00)	-	-	196,288,564.24	-
Dalian United International Shipping Agency Co., Ltd.	6,956,231.68	-	-	1,322,405.63	-	-	-	-	-	8,278,637.31	-
Dalian Vanguard International Logistics Co., Ltd.	30,939,412.96	-	-	27,471.53	-	33,618.38	-	-	-	31,000,502.87	-
Dalian Port Yidu Cold Chain Co., Ltd.	333,208,705.77	-	-	4,475,044.13	-	205,314.50	-	-	-	337,889,064.40	-
China United Tally (Dalian) Co., Ltd.	3,300,321.72	-	-	102,325.39	-	-	(575,358.74)	-	-	2,827,288.37	-
China Oil Dock Management (Dalian) Co., Ltd.	1,318,777.63	-	-	(57,008.36)	-	-	-	-	-	1,261,769.27	-
Liaoning Electronic Port Co., Ltd.	5,549,016.38	-	-	(2,076,274.16)	-	-	-	-	-	3,472,742.22	-
Liaoning Con-Rail International Logistics Co., Ltd.	6,801,204.27	-	-	(3,082,181.01)	-	-	-	-	-	3,719,023.26	-
Dalian Dagang China Shipping Container Terminal Co., Ltd.	8,538,520.36	-	-	858,092.13	-	42,598.92	(1,412,591.41)	-	-	8,026,620.00	-
Dalian Port Container Terminal Co., Ltd.	214,519,297.05	-	-	18,199,299.55	-	418,999.75	-	-	-	233,137,596.35	-
Dalian International Container Terminal Co., Ltd.	543,703,911.85	-	-	10,804,032.24	-	279,741.46	-	-	-	554,787,685.55	-
Dalian Jilong Logistics Co., Ltd.	40,283,495.20	-	-	528,646.78	-	-	-	-	-	40,812,141.98	-
Dalian Automobile Terminal Co., Ltd.	174,377,880.00	-	-	4,035,462.29	-	113,026.16	-	-	-	178,526,368.45	-
Dalian Singamas International Container Co., Ltd.	43,146,884.08	-	-	1,087,380.18	-	46,984.89	-	-	-	44,281,249.15	-
China United International Rail Containers (Dalian) Co., Ltd.	184,977,254.66	-	-	709,733.76	-	-	-	-	-	185,686,988.42	-
Dalian Changxing Island Port Co., Ltd.	118,902,145.96	-	-	36,177,583.66	-	107,137.15	-	-	-	155,186,866.77	-
Dalian Port Bulk Cargo Logistics Centre Co., Ltd.	9,553,987.26	-	-	2,628,519.08	-	10,050.00	-	-	-	12,192,556.34	-
Odfjell Dalian Port Consulting Co., Ltd.	1,689,695.12	-	-	(186,490.60)	-	-	-	-	-	1,503,204.52	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(13) Long-term equity investments (continued)

(a) Joint ventures (continued)

	31 December 2016	Movements for the current period							30 June 2017 (Unaudited)	Balance of provision for impairment at the end of the year	
		Additional investment	Decrease in investment	Share of net profit/(loss) under equity method	Share of other comprehensive income	Share of other changes in equity	Cash dividends/ profit declared by joint ventures	Provision for impairment			Others
Dalian Changxing Island Port Investment and Development Co., Ltd.	462,425,172.67	-	-	547,992.83	-	-	-	-	-	462,973,165.50	-
Dalian Shunde Jifa Supply Chain Management Co., Ltd.	11,462,387.99	-	-	-	-	-	-	-	-	11,462,387.99	-
Ha'ou International Logistics Co., Ltd.	21,608,863.95	-	-	(6,204,317.35)	-	-	-	-	-	15,404,546.60	-
Odfjell Changxing Warehousing Terminals (Dalian) Co., Ltd.	9,481,870.75	-	-	(1,566,864.74)	-	-	-	-	(568,999.67)	7,346,006.34	-
Weifang Senda Container Service Co., Ltd.	1,500,679.92	-	-	(527,462.60)	-	-	-	-	-	973,217.32	-
	2,614,399,120.72	-	-	94,305,877.96	-	1,554,537.12	(19,958,812.40)	-	(568,999.67)	2,689,731,723.73	-

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 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(13) Long-term equity investments (continued)

(b) Associates

	31 December 2016	Movements for the current period							30 June 2017 (Unaudited)	Balance of provision for impairment at the end of the period	
		Additional investment	Decrease in investment	Share of net profit/(loss) under equity method	Share of other comprehensive income	Share of other changes in equity	Cash dividends/ profit declared by associates	Provision for impairment			Others
China Harbour United Shipping Co., Ltd.	78,296,448.99	-	-	(4,083.45)	-	-	-	-	-	78,292,365.54	-
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	22,993,396.14	-	-	5,082,769.37	-	-	(1,850,000.00)	-	-	26,226,165.51	-
Dalian Wanpeng Port Engineering Testing Co., Ltd.	2,976,023.27	-	-	185,334.97	-	-	-	-	-	3,161,358.24	-
Dalian Puji Storage Facility Co., Ltd.	135,020,600.12	-	-	(6,246,320.07)	-	-	-	-	-	128,774,280.05	-
Taicang Xinggang Tug Co., Ltd.	7,264,712.42	-	-	1,873,283.76	-	-	(2,142,710.00)	-	-	6,995,286.18	-
PetroChina Dalian LNG Co., Ltd.	575,778,637.58	-	-	22,288,692.67	-	360,362.50	-	-	-	598,427,692.75	-
SINOECL Auto Liners, Limited Jadeway Limited	-	-	-	-	-	-	-	-	-	-	-
Dalian North Oil Petroleum Logistics Co., Ltd.	66,873,874.82	-	-	2,560,739.54	-	-	(2,000,000.00)	-	-	67,434,614.36	-
Sino Rail Bohai Train Ferry Co., Ltd.	256,758,196.50	-	-	2,830,861.23	-	282,928.59	-	-	-	259,871,986.32	-
CDC International Logistics Co., Ltd.	116,946,629.82	-	-	2,417,785.38	-	-	-	-	-	119,364,415.20	-
Dalian Port Group Financial Co., Ltd.	1,011,288,813.35	-	-	31,529,147.76	-	-	-	-	-	1,042,817,961.11	-
Dalian Gangsheng Tendering & Bidding Agency Co., Ltd.	1,017,082.65	-	-	40,318.86	-	-	-	-	-	1,057,401.51	-
Guangzhou Kingport Auto International Trade Co., Ltd.	4,831,566.97	-	-	399,878.20	-	-	-	-	-	5,231,445.17	-
Dalian Shenyang Railway Bureau Yuangang Logistics Co., Ltd.	5,672,141.67	-	-	15,721.66	-	-	-	-	-	5,687,863.33	-
Dalian New Silk Road International Logistics Co., Ltd.	2,039,475.68	-	-	-	-	-	-	-	-	2,039,475.68	-
	2,287,757,599.98	-	-	62,974,129.88	-	643,291.09	(5,992,710.00)	-	-	2,345,382,310.95	-

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 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(14) Investment properties

	Buildings	Land use rights	Terminal facilities	Total
Cost				
31 December 2016	30,814,225.78	69,785,783.60	746,469,631.62	847,069,641.00
Increase in the current period				
Transfers from construction in progress	–	–	–	–
Decrease in the current period				
Transfer to owner – occupied property	–	–	–	–
30 June 2017 (Unaudited)	30,814,225.78	69,785,783.60	746,469,631.62	847,069,641.00
Accumulated depreciation and amortisation				
31 December 2016	(9,464,051.69)	(13,158,265.97)	(178,991,665.72)	(201,613,983.38)
Increase in the current period				
Provision or amortisation	(426,851.22)	(735,717.30)	(7,914,817.32)	(9,077,385.84)
Decrease in the current period				
Transfer to owner – occupied property	–	–	–	–
30 June 2017 (Unaudited)	(9,890,902.91)	(13,893,983.27)	(186,906,483.04)	(210,691,369.22)
Carrying amount				
30 June 2017 (Unaudited)	20,923,322.87	55,891,800.33	559,563,148.58	636,378,271.78
31 December 2016	21,350,174.09	56,627,517.63	567,477,965.90	645,455,657.62

For the six months ended 30 June 2017, no capitalised borrowing cost was included in investment properties (for the six months ended 30 June 2016: Nil).

For the six months ended 30 June 2017, RMB9,077,385.84 (for the six months ended 30 June 2016: RMB9,077,394.84) of depreciation and amortisation was charged for the investment properties and no provision for impairment was made (for the six months ended 30 June 2016: Nil).

As at 30 June 2017, the investment properties above were all leased out under operating lease.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(15) Fixed assets

	Buildings	Terminal facilities	Oil tanks and pipelines	Handling equipment	Transportation equipment	Vessels	Storage facilities	Machinery and equipment	Other equipment	Total
Cost										
31 December 2016	1,700,655,500.60	5,742,295,421.41	2,836,672,982.73	2,987,484,062.97	889,666,223.81	1,776,657,696.15	3,208,782,447.98	1,150,546,705.83	733,287,670.25	21,026,048,711.73
Increase in the current period										
Increase from acquisition	-	-	-	166,786.32	-	-	18,072.70	1,318,169.83	6,433,981.14	7,937,009.99
Transfers from construction in progress	1,937,991.36	915,478.55	-	513,333.33	16,589,954.58	-	-	757,817.40	8,962,564.91	29,677,140.13
Decrease in the current period										
Disposal and obsolescence	-	-	-	(39,362,583.64)	(553,826.01)	(3,211,122.78)	-	(110,279.08)	(3,857,996.03)	(47,095,807.54)
Others	-	-	(833,990.43)	-	-	-	-	-	-	(833,990.43)
30 June 2017 (Unaudited)	1,702,593,491.96	5,743,210,899.96	2,835,838,992.30	2,948,801,598.98	905,702,352.38	1,773,446,573.37	3,208,800,520.68	1,152,512,413.98	744,826,220.27	21,015,733,063.88
Accumulated depreciation										
31 December 2016	(420,868,035.07)	(1,160,399,858.34)	(976,599,744.06)	(1,901,958,439.47)	(394,103,653.94)	(512,280,258.36)	(718,886,496.01)	(617,450,202.32)	(349,435,486.21)	(7,051,982,173.78)
Increase in the current period										
Provision	(25,407,896.87)	(58,203,594.29)	(50,047,889.35)	(76,344,190.44)	(19,183,265.88)	(31,665,246.74)	(38,836,633.67)	(39,569,471.79)	(24,229,203.64)	(363,487,392.67)
Decrease in the current period										
Disposal and obsolescence	-	-	-	35,775,162.43	492,713.09	3,050,566.64	-	104,765.13	3,670,758.53	43,093,965.82
30 June 2017 (Unaudited)	(446,275,931.94)	(1,218,603,452.63)	(1,026,647,633.41)	(1,942,527,467.48)	(412,794,206.73)	(540,894,938.46)	(757,723,129.68)	(656,914,908.98)	(369,993,931.32)	(7,372,375,600.63)
Carrying amount										
30 June 2017 (Unaudited)	1,256,317,560.02	4,524,607,447.33	1,809,191,358.89	1,006,274,131.50	492,908,145.65	1,232,551,634.91	2,451,077,391.00	495,597,505.00	374,832,288.95	13,643,357,463.25
31 December 2016	1,279,787,465.53	4,581,895,563.07	1,860,073,238.67	1,085,525,623.50	495,562,569.87	1,264,377,437.79	2,489,895,951.97	533,096,503.51	383,852,184.04	13,974,066,537.95

As at 30 June 2017, fixed assets at a carrying amount of RMB92,804,232.89 (a cost of RMB102,322,342.45) (31 December 2016: a carrying amount of RMB94,019,310.68 and a cost of RMB102,322,342.45) were pledged as collateral for long-term borrowings of RMB12,010,023.77, including the current portion of RMB10,000,000.00 (31 December 2016: RMB17,010,023.77, including the current portion of RMB10,000,000.00) (Note 4(35)(a-i)).

As at 31 December 2016, fixed assets at a carrying amount of RMB143,105,574.13 (a cost of RMB228,576,076.21) were pledged as collateral for long-term borrowings of RMB150,000,000.00 (Note 4(35)(a-ii)). As at 30 June 2017, no such transactions were made.

As at 31 December 2016, fixed assets at a carrying amount of RMB414,413,226.01 (a cost of RMB935,860,681.53) were pledged as collateral for long-term borrowings of RMB500,000,000.00 (Note 4(35)(a-iii)). As at 30 June 2017, no such transactions were made.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(15) Fixed assets (continued)

As at 31 December 2016, fixed assets at a carrying amount of RMB43,882,684.51 (a cost of RMB68,391,732.00) were pledged as collateral for long-term borrowings of RMB50,000,000.00 (Note 4(35)(a-iv)). As at 30 June 2017, no such transactions were made.

As at 31 December 2016, fixed assets at a carrying amount of RMB264,933,255.01 (a cost of RMB384,992,940.93) were pledged as collateral for long-term borrowings of RMB300,000,000.00 (Note 4(35)(a-v)). As at 30 June 2017, no such transactions were made.

For the six months ended 30 June 2017, depreciation charged to fixed assets amounted to RMB363,487,392.67 (for the six months ended 30 June 2016: RMB361,971,115.86), of which RMB353,469,640.16, RMB9,776,044.66 and RMB241,707.85 (for the six months ended 30 June 2016: RMB352,807,351.68, RMB8,934,716.32 and RMB229,047.86) were charged to cost of sales, general and administrative expenses and specific reserve respectively.

For the six months ended 30 June 2017, the costs of fixed assets transferred from construction in progress amounted to RMB29,677,140.13 (for the six months ended 30 June 2016: RMB188,627,808.50).

As at 30 June 2017, the Group had no temporarily idle fixed assets (30 June 2016: 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 2017, the fixed assets with a carrying amount of RMB51,017,197.01 (a cost of RMB70,899,678.79) were held under finance leases (31 December 2016: a carrying amount of RMB54,384,931.54 and a cost of RMB70,899,678.79) (Note 12). The analysis is as follows:

	Cost	Accumulated depreciation	Provision for impairment loss	Carrying amount
30 June 2017 (Unaudited):				
Other equipment	70,899,678.79	(19,882,481.78)	-	51,017,197.01
31 December 2016:				
Other equipment	70,899,678.79	(16,514,747.25)	-	54,384,931.54

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(15) Fixed assets (continued)

(b) Fixed assets with pending certificates of ownership:

As at 30 June 2017, the certificate of title to buildings at a carrying amount of approximately RMB584,667,270.11 (a cost of RMB687,312,148.60) had not been obtained yet (31 December 2016: a carrying amount of 584,541,777.05 and a cost of 678,809,009.90).

	Reasons for not obtaining certificates of title yet	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

	30 June 2017 Carrying amount (Unaudited)	31 December 2016 Carrying amount
Transportation equipment	435,527,382.94	448,578,085.88
Vessels	389,915,145.73	400,988,400.39
Storage facilities	385,296,905.85	394,882,249.03
Terminal facilities	355,823,570.40	360,409,141.69
Buildings	129,074,643.09	123,818,242.65
Machinery and equipment	30,627,640.91	45,361,145.94
Handling equipment	13,349,698.19	18,267,005.32
Oil tanks and pipelines	786,458.35	810,208.33
Other equipment	17,205,865.81	20,619,247.98
	1,757,607,311.27	1,813,733,727.21

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(16) Construction in progress

	30 June 2017 (Unaudited)			31 December 2016		
	Ending balance	Provision for impairment loss	Carrying amount	Ending balance	Provision for impairment loss	Carrying amount
Dayao Bay No. 13-16 Berths in Phase II	670,406,460.92	-	670,406,460.92	648,548,444.26	-	648,548,444.26
New Port No. 18-21 Berths	343,494,250.36	-	343,494,250.36	336,584,575.69	-	336,584,575.69
Dalian Automotive Terminal No. 4 Berth Project	209,248,170.54	-	209,248,170.54	198,937,064.34	-	198,937,064.34
Dayao Bay North Shore Automotive Logistics Centre	148,898,592.13	-	148,898,592.13	148,898,592.13	-	148,898,592.13
Dalian Bay Passenger Terminal	121,824,520.92	-	121,824,520.92	77,552,062.51	-	77,552,062.51
Mobile machinery acquisition for Taiping Bay Port	31,622,305.70	-	31,622,305.70	31,622,305.70	-	31,622,305.70
Ore No. 4 Storage Yard	36,367,726.23	-	36,367,726.23	37,174,855.63	-	37,174,855.63
Dalian Bay Groceries and Ro-ro Berth Project	16,598,902.11	-	16,598,902.11	16,520,513.47	-	16,520,513.47
Others	152,544,839.53	-	152,544,839.53	120,169,621.42	-	120,169,621.42
	1,731,005,768.44	-	1,731,005,768.44	1,616,008,035.15	-	1,616,008,035.15

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 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(16) Construction in progress (continued)

(a) Movements of significant projects of construction in progress

Project name	Budgeted amount	31 December 2016	Increase in the current period	Transfer to fixed assets and intangible assets in the current period	Other decreases	30 June 2017 (Unaudited)	Proportion of expenditures incurred to budgeted amount (f)	Progress of construction	Accumulative amount of capitalised borrowing costs	Including: Borrowing costs		Source of funds
										capitalised in the current period	Capitalisation rate in the current period	
Dayao Bay No. 13-16 Berths in Phase II	3,783,000,000.00	648,548,444.26	21,858,016.66	-	-	670,406,460.92	92%	92%	202,885,120.42	13,928,221.39	4.90%	Proprietary funds and loans from financial institutions and other sources
New Port No. 18-21 Berths	413,770,000.00	336,584,575.69	6,909,674.67	-	-	343,494,250.36	84%	84%	83,522,029.54	-	-	Loans from financial institutions and other sources
Dalian Automotive Terminal No. 4 Berth Project	461,760,000.00	198,937,064.34	10,311,106.20	-	-	209,248,170.54	77%	77%	26,015,482.64	5,328,041.84	4.72%	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
Dalian Bay Passenger Terminal	383,160,000.00	77,552,062.51	44,272,458.41	-	-	121,824,520.92	33%	33%	6,709,712.40	3,391,145.11	4.90%	Proprietary funds and loans from financial institutions
Mobile machinery acquisition for Taiping Bay Port	36,400,000.00	31,622,305.70	-	-	-	31,622,305.70	87%	87%	3,089,171.84	-	-	Proprietary funds and loans from financial institutions
Ore No. 4 Storage Yard	570,600,000.00	37,174,855.63	-	-	(807,129.40)	36,367,726.23	99%	99%	-	-	-	Fund raising
Dalian Bay Groceries and Ro-ro Berth Project	700,000,000.00	16,520,513.47	78,388.64	-	-	16,598,902.11	99%	99%	-	-	-	Proprietary funds and loans from financial institutions
Others	872,909,321.49	120,169,621.42	77,827,693.05	(44,183,728.71)	(1,268,746.23)	152,544,839.53			5,460,913.23	1,108,258.33	4.90%	
		1,616,008,035.15	161,257,337.63	(44,183,728.71)	(2,075,875.63)	1,731,005,768.44			335,736,870.35	23,755,666.67		

- (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 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(17) Fixed assets pending for disposal

	30 June 2017 (Unaudited)	31 December 2016
Handling equipment	1,392,475.62	511,951.88
Buildings	355,151.03	355,151.03
Transportation equipment	214,069.04	280,207.42
Machinery and equipment	12,650.00	12,650.00
Other equipment	1,522,864.38	1,522,864.38
	3,497,210.07	2,682,824.71

(18) Intangible assets

	Land use rights	Container flat vehicle use rights	Software	Golf membership	Sea area use rights	Berth facility use rights	Customer relationships	Port information platform	Total
Cost									
31 December 2016	995,102,462.56	46,660,098.18	166,780,017.60	1,977,376.00	3,455,982.72	253,448,422.59	15,970,000.00	64,310,000.00	1,547,704,359.65
Increase in the current period									
Increase from acquisition	-	-	580,771.46	-	-	-	-	-	580,771.46
Transfers from construction in progress	-	-	14,506,588.58	-	-	-	-	-	14,506,588.58
Decrease in the current period									
Disposal	-	-	(246,302.00)	-	-	-	-	-	(246,302.00)
Other decreases	(70,616,548.00)	-	-	-	-	-	-	-	(70,616,548.00)
30 June 2017 (Unaudited)	924,485,914.56	46,660,098.18	181,621,075.64	1,977,376.00	3,455,982.72	253,448,422.59	15,970,000.00	64,310,000.00	1,491,928,869.69
Accumulated amortisation									
31 December 2016	(169,873,488.27)	(30,711,727.38)	(85,117,147.36)	(975,442.45)	(2,401,854.58)	(99,065,040.79)	(14,217,000.00)	(55,199,416.67)	(457,561,117.50)
Increase in the current period									
Provision	(7,022,040.36)	(1,503,646.92)	(7,975,660.22)	(6,878.16)	(207,358.92)	(2,615,019.06)	(798,500.00)	(3,215,500.00)	(23,344,603.64)
Decrease in the current period									
Disposal	-	-	246,302.00	-	-	-	-	-	246,302.00
30 June 2017 (Unaudited)	(176,895,528.63)	(32,215,374.30)	(92,846,505.58)	(982,320.61)	(2,609,213.50)	(101,680,059.85)	(15,015,500.00)	(58,414,916.67)	(480,659,419.14)
Carrying amount									
30 June 2017 (Unaudited)	747,590,385.93	14,444,723.88	88,774,570.06	995,055.39	846,769.22	151,768,362.74	954,500.00	5,895,083.33	1,011,269,450.55
31 December 2016	825,228,974.29	15,948,370.80	81,662,870.24	1,001,933.55	1,054,128.14	154,383,381.80	1,753,000.00	9,110,583.33	1,090,143,242.15

For the six months ended 30 June 2017, the amortisation of intangible assets was RMB23,344,603.64 (for the six months ended 30 June 2016: RMB25,706,636.19).

As at 30 June 2017, land use rights with a carrying amount of RMB15,047,929.48 (a cost of RMB17,631,590.19) (31 December 2016: a carrying amount of RMB15,224,272.81 and a cost of RMB17,631,590.19) were pledged as collateral for long-term borrowings of RMB12,010,023.77, including the current portion of RMB10,000,000.00 (31 December 2016: RMB17,010,023.77, including the current portion of RMB10,000,000.00) (Note 4 (35)(a-i)).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(19) Goodwill

	31 December 2016	Increase in the current period	Decrease in the current period	30 June 2017 (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: Provisions for impairment	–	–	–	–
	16,035,288.74	–	–	16,035,288.74

(20) Long-term prepaid expenses

	31 December 2016	Increase in the current period	Amortisation in the current period	30 June 2017 (Unaudited)
Public facilities in bonded port	9,405,739.48	–	(427,533.72)	8,978,205.76
Decoration	3,920,256.71	892,336.76	(1,396,228.00)	3,416,365.47
Site development expenses	9,961,974.47	2,889,223.31	(713,569.62)	12,137,628.16
Environmental reconstruction expenses	23,081,254.61	–	(598,916.71)	22,482,337.90
Rental	–	43,250,000.00	(5,750,000.00)	37,500,000.00
Others	7,357,676.55	–	(585,905.50)	6,771,771.05
	53,726,901.82	47,031,560.07	(9,472,153.55)	91,286,308.34

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(21) Deferred tax assets and deferred tax liabilities

(a) Deferred assets before offsetting

	30 June 2017 (Unaudited)		31 December 2016	
	Deferred tax assets	Deductible temporary differences and deductible losses	Deferred tax assets	Deductible temporary differences and deductible losses
Elimination of intra-group unrealised profit	55,157,437.66	220,629,750.64	55,690,722.56	222,762,890.24
Government grants	6,535,649.78	26,142,599.12	10,035,913.50	40,143,654.00
Difference on depreciation period	2,699,870.52	10,799,482.08	2,699,870.52	10,799,482.08
Advances from customers with tax paid	2,605,611.53	10,422,446.12	2,863,321.59	11,453,286.36
Provision for asset impairments	2,212,246.08	8,848,984.32	2,212,246.08	8,848,984.32
Changes in fair value of financial assets at fair value through profit or loss	965,990.60	3,863,962.40	864,203.11	3,456,812.44
Others	1,165,912.97	4,663,651.88	1,197,459.20	4,789,836.80
	71,342,719.14	285,370,876.56	75,563,736.56	302,254,946.24
Including:				
Expected to be recovered within one year (inclusive)	5,119,513.54		6,731,025.61	
Expected to be recovered after one year	66,223,205.60		68,832,710.95	
	71,342,719.14		75,563,736.56	

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

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

(b) Deferred tax liabilities before offsetting

	30 June 2017 (Unaudited)		31 December 2016	
	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences
Fair value adjustment for business combinations involving enterprises not under common control	6,344,849.09	25,379,396.36	7,093,266.86	28,373,067.44
Others	8,454,810.61	33,819,242.44	7,385,044.45	29,540,177.80
	14,799,659.70	59,198,638.80	14,478,311.31	57,913,245.24
Including:				
Expected to be recovered within one year (inclusive)	1,496,835.52		1,812,530.03	
Expected to be recovered after one year	13,302,824.18		12,665,781.28	
	14,799,659.70		14,478,311.31	

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

	30 June 2017 (Unaudited)	31 December 2016
Deductible losses	297,298,021.94	266,230,526.04

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(21) 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 2017 (Unaudited)	31 December 2016
2017	44,894,745.24	48,647,533.90
2018	47,256,880.39	47,256,880.39
2019	79,243,753.77	79,243,753.77
2020	34,882,389.74	40,378,323.82
2021	49,401,337.24	50,704,034.16
2022	41,618,915.56	–
	297,298,021.94	266,230,526.04

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

	30 June 2017 (Unaudited)		31 December 2016	
	Offsetting amount	Balance after offsetting	Offsetting amount	Balance after offsetting
Deferred tax assets	(634,710.94)	70,708,008.20	(634,710.94)	74,929,025.62
Deferred tax liabilities	(634,710.94)	14,164,948.76	(634,710.94)	13,843,600.37

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(22) Other non-current assets

	30 June 2017 (Unaudited)	31 December 2016
Guarantee payment for land bidding (i)	118,610,000.00	118,610,000.00
Advances for construction projects	54,950,000.00	54,535,212.49
VAT input to be deducted (ii)	28,095,345.42	24,047,476.02
	201,655,345.42	197,192,688.51

(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 RMB139,880,000.00.00 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 2017, the balance of guarantee payment for land bidding was RMB118,610,000.00.

(ii) VAT input to be deducted 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.

(23) Provision for asset impairments

	31 December 2016	Increase in the current period	Decrease in the current period		30 June 2017 (Unaudited)
			Reversal	Written off	
Provision for bad debts	1,209,192.97	–	–	–	1,209,192.97
Including:					
Provision for bad debts of accounts receivable	148,000.00	–	–	–	148,000.00
Provision for bad debts of other receivables	1,061,192.97	–	–	–	1,061,192.97
Provision for decline in the value of inventories	7,803,889.80	–	–	–	7,803,889.80
	9,013,082.77	–	–	–	9,013,082.77

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(24) Short-term borrowings

	30 June 2017 (Unaudited)	31 December 2016
Impawn (i)	808,797,189.08	438,427,798.80
Unsecured	3,100,000,000.00	61,000,000.00
	3,908,797,189.08	499,427,798.80

- (i) As at 30 June 2017, bank borrowings of RMB808,797,189.08 (31 December 2016: RMB438,427,798.80) were secured by the Group's inventories with carrying amount of RMB263,284,812.16 (31 December 2016: RMB317,241,729.72) and notes of related import business (Note 4(9)(a)), and by the rights and documents concerning motor vehicles of entrusted agency business.

As at 30 June 2017, the interest for the short-term borrowings was 1.80% – 6.90% (31 December 2016: 1.80% – 6.80%).

(25) Notes payable

	30 June 2017 (Unaudited)	31 December 2016
Bank acceptance notes	–	1,250,000.00

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(26) Accounts payable

	30 June 2017 (Unaudited)	31 December 2016
Purchase of auxiliary materials and guarantee deposit	145,861,022.91	178,738,447.65
Vessel leasing and ocean freight	90,826,268.48	52,453,087.11
Purchase of goods	7,628,570.97	4,510,238.41
	244,315,862.36	235,701,773.17

(a) As at 30 June 2017, accounts payable with ageing over one year amounted to RMB9,085,258.70 (31 December 2016: RMB15,755,861.28) and mainly comprised payables for subcontracting, materials and quality guarantee deposit which had not be cleared finally for the overall project had not been completed and finally settled.

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

	30 June 2017 (Unaudited)	31 December 2016
Within 1 year	235,230,603.66	219,945,911.89
1 to 2 years	5,642,606.09	11,994,623.06
2 to 3 years	2,301,150.58	2,768,046.73
Over 3 years	1,141,502.03	993,191.49
	244,315,862.36	235,701,773.17

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(27) Advances from customers

	30 June 2017 (Unaudited)	31 December 2016
Sales of motor vehicles	136,513,240.42	121,742,555.36
Miscellaneous expenses	15,825,473.67	16,052,933.70
Cold chain trade	9,738,206.69	39,747,017.39
Rental expenses	6,866,615.10	7,488,546.99
Freights	6,068,268.61	5,876,496.84
Public facility maintenance expenses	828,393.35	1,859,233.61
Refined oil trade	138,620.05	13,211,820.20
Others	16,925,731.50	18,143,354.85
	192,904,549.39	224,121,958.94

As at 30 June 2017, advances from customers with ageing over one year amounted to RMB19,501,906.38 (31 December 2016: RMB34,837,459.49). Such advances from customers were mainly advances from Dalian Port Yidu Cold Chain Co., Ltd. for trade, and advances from Chinatex Grains and Oils (Heilongjiang) Co., Ltd. as miscellaneous expenses, which were unsettled due to the incompleteness of the project.

(28) Employee benefits payable

	30 June 2017 (Unaudited)	31 December 2016
Short-term employee benefits payable (a)	113,041,175.40	220,882,346.04
Defined contribution plans payable (b)	6,022,594.15	7,548,315.25
Termination benefits payable (c)	-	-
	119,063,769.55	228,430,661.29

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(28) Employee benefits payable (continued)

(a) Short-term employee benefits

	31 December 2016	Increase in the current period	Decrease in the current period	30 June 2017 (Unaudited)
Wages and salaries, bonus, allowances and subsidies	206,816,685.10	371,979,047.43	(474,433,980.19)	104,361,752.34
Staff welfare	484,985.96	25,900,199.49	(25,903,914.41)	481,271.04
Social security contributions	207,687.14	36,087,604.48	(36,167,886.44)	127,405.18
Including: Medical insurance	110,029.46	28,380,811.78	(28,388,955.78)	101,885.46
Work injury insurance	95,482.90	2,654,272.03	(2,726,409.99)	23,344.94
Maternity insurance	2,174.78	4,237,257.45	(4,237,257.45)	2,174.78
Others	–	815,263.22	(815,263.22)	–
Housing funds	–	59,883,735.70	(59,883,735.70)	–
Labour union funds and employee education funds	2,044,971.59	9,470,859.42	(9,772,570.03)	1,743,260.98
Labour expenses	4,307,039.12	114,222,747.03	(117,126,724.78)	1,403,061.37
Other short-term employee benefits	7,020,977.13	289,389.13	(2,385,941.77)	4,924,424.49
	220,882,346.04	617,833,582.68	(725,674,753.32)	113,041,175.40

(b) Defined contribution plans

	31 December 2016	Increase in the current period	Decrease in the current period	30 June 2017 (Unaudited)
Basic pensions	264,345.12	63,951,253.92	(63,951,253.92)	264,345.12
Payment of annuity	7,262,087.75	25,526,822.22	(27,052,543.66)	5,736,366.31
Unemployment insurance	21,882.38	1,784,202.93	(1,784,202.59)	21,882.72
	7,548,315.25	91,262,279.07	(92,788,000.17)	6,022,594.15

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(28) Employee benefits payable (continued)

(c) Termination benefits payable

For the six months ended 30 June 2017, the Group's other termination benefits paid for termination of the employment relationship were RMB86,440.00.

(29) Taxes payable

	30 June 2017 (Unaudited)	31 December 2016
Enterprise income tax payable	24,398,169.34	75,558,503.53
VAT payable	12,449,243.47	14,673,333.47
Import tariff and consumption tax payable	2,288,481.23	8,793,596.43
Individual income tax payable	2,152,461.07	12,095,641.07
Others	3,495,291.71	3,801,376.43
	44,783,646.82	114,922,450.93

(30) Interest payable

	30 June 2017 (Unaudited)	31 December 2016
Interest of bonds	158,608,633.88	132,971,380.18
Interest of short-term borrowings	6,067,669.60	2,898,445.01
Interest of long-term borrowings with interest being repaid in instalments and the principal on due	144,208.01	247,636.16
Interest to be paid together with the principal of current portion of long-term borrowings	-	28,843,779.71
	164,820,511.49	164,961,241.06

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(31) Dividends payable

	30 June 2017 (Unaudited)	31 December 2016
Dalian Port Group Co., Ltd.	88,477,547.43	–
China Merchants Port Holdings Company Limited	40,721,040.00	–
Other shareholders of outstanding A shares	36,087,911.07	–
Other shareholders of outstanding H shares	27,835,979.99	–
Singapore Dalian Port Investment Pte. Ltd.	65,459,174.35	65,459,174.35
Dalian Bonded Zhengtong Company Limited	6,075,115.72	5,779,554.22
NYK Bulk & Projects Carriers Ltd.	775,327.75	277,790.92
Sankyo Corporation	621,921.04	–
Dalian Construction Investment Group Co., Ltd.	–	2,653,250.56
Others	2,517,249.59	2,491,269.59
	268,571,266.94	76,661,039.64

(32) Other payables

	30 June 2017 (Unaudited)	31 December 2016
Project expenses payable	212,512,769.79	249,840,632.82
Borrowings from related parties	50,000,000.00	50,000,000.00
Freights	28,649,527.45	21,159,562.14
Guaranty	41,335,903.15	23,356,212.38
Fares collected for other companies	21,710,008.94	6,931,818.61
Port construction expenses collected for other companies	14,534,279.78	14,657,475.83
Security expenses payable to the Bureau of Port	11,594,052.70	9,594,052.70
Subsidies received for other companies	6,840,994.00	10,379,914.78
Compensation received for other companies	5,698,716.91	5,056,848.14
Down payment	4,000,530.63	45,074,654.07
Others	108,475,184.42	80,370,381.62
	505,351,967.77	516,421,553.09

As at 30 June 2017, other payables with ageing over one year amounted to RMB160,014,907.56 (31 December 2016: RMB231,151,191.90). Such other payables were mainly project expenses payable, down payment, advances and subsidies received for other companies which were unsettled for the project had not been completed, not been commenced or finally settled.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(33) Current portion of non-current liabilities

	30 June 2017 (Unaudited)	31 December 2016
Current portion of long-term borrowings (Note 4(35))	24,000,000.00	1,024,000,000.00
Current portion of long-term payables (Note 4(37))	22,415,308.34	23,523,521.42
Bonds payable due within one year (Note 4(36))	798,069,045.30	–
	844,484,353.64	1,047,523,521.42

(34) Other current liabilities

	30 June 2017 (Unaudited)	31 December 2016
Corporate bonds (a)	–	3,038,041,251.61

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

	31 December 2016	Issued in the current period	Interest at par	Amortisation of premium/ discount	Repayment in the current period	30 June 2017 (Unaudited)
Corporate bonds (i)	3,038,041,251.61	–	21,614,817.34	2,037,081.73	(3,061,693,150.68)	–

	Par value	Issuance date	Maturity	Issuance amount
Corporate bonds (i)	100.00	8 July 2016	270 days	3,000,000,000.00

(i) The Company issued corporate bonds with a total amount of RMB3,000,000,000.00 and a duration of 270 days on 8 July 2016. Such bonds at a fixed interest rate have a nominal interest rate of 2.78%. Interest and principal is paid on the maturity date and related issuance expense amounted to RMB6,126,415.09.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(35) Long-term borrowings

	30 June 2017 (Unaudited)	31 December 2016
Pledged (a)	12,010,023.77	1,017,010,023.77
Unsecured	744,000,000.00	154,000,000.00
	756,010,023.77	1,171,010,023.77
Less: Current portion of long-term borrowings		
Pledged	(10,000,000.00)	(1,010,000,000.00)
Unsecured	(14,000,000.00)	(14,000,000.00)
	(24,000,000.00)	(1,024,000,000.00)
	732,010,023.77	147,010,023.77

(a-i) As at 30 June 2017, bank borrowings of RMB12,010,023.77 (31 December 2016: RMB17,010,023.77) were secured by the Group's fixed assets with a carrying amount of RMB92,804,232.89 (a cost of RMB102,322,342.45) (31 December 2016: a carrying amount of RMB94,019,310.68 and a cost of RMB102,322,342.45) (Note 4(15)), and land use rights with a carrying amount of RMB15,047,929.48 (a cost of RMB17,631,590.19) (31 December 2016: a carrying amount of RMB15,224,272.81 and a cost of RMB17,631,590.19) (Note 4(18)). The interest is payable every three months and the principal due within one year will be paid on 20 December 2017 and 20 June 2018 in two equal instalments respectively, and the remaining principal shall be repaid by 14 March 2019.

(a-ii) As at 31 December 2016, borrowings of RMB150,000,000.00 were secured by the Company's fixed assets with a carrying amount of approximately RMB143,105,574.13 (a cost of RMB228,576,076.21) (Note 4(15)). The interest was paid together with the principal at the maturity date. The principal was repaid on 23 January 2017. As at 30 June 2017, no such transactions were made.

(a-iii) As at 31 December 2016, borrowings of RMB500,000,000.00 were secured by the Company's fixed assets with a carrying amount of approximately RMB414,413,226.01 (a cost of RMB935,860,681.53) (Note 4(15)). The interest was paid together with the principal at the maturity date. The principal was repaid on 23 May 2017. As at 30 June 2017, no such transactions were made.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(35) Long-term borrowings (continued)

(a-iv) As at 31 December 2016, borrowings of RMB50,000,000.00 were secured by the Company's fixed assets with a carrying amount of approximately RMB43,882,684.51 (a cost of RMB68,391,732.00) (Note 4(15)). The interest was paid together with the principal at the maturity date. The principal was repaid on 23 January 2017. As at 30 June 2017, no such transactions were made.

(a-v) As at 31 December 2016, borrowings of RMB300,000,000.00 were secured by the Company's fixed assets with a carrying amount of approximately RMB264,933,255.01 (a cost of RMB384,992,940.93) (Note 4(15)). The interest was paid together with the principal at the maturity date. The principal was repaid on 23 January 2017. As at 30 June 2017, no such transactions were made.

As at 30 June 2017, the interest for the long-term borrowings was 4.28% – 6.33% (31 December 2016: 4.51% – 6.33%).

(36) Bonds payable

	31 December 2016	Issued in the current period	Issuance expense	Amortisation of premium/ discount	Repayment in the current period	Less: Bonds payable due within one year (Note 4(33))	30 June 2017 (Unaudited)	Interest at par
Corporate bonds	5,779,081,112.06	1,070,000,000.00	(6,360,413.25)	7,922,269.76	-	(798,069,045.30)	6,052,573,923.27	168,335,253.70

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
Corporate bonds (d)	100.00	26 April 2017	5 years	1,070,000,000.00

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(36) Bonds payable (continued)

- (a) Under Regulatory Permission [2011] No. 699 approved by CSRC, the Company issued corporate bonds on 23 May 2011. The interest of such bonds is calculated by the simple interest method on an annual basis at a fixed annual interest rate of 5.30%, which is payable every year (Note 4(30)). The 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 the end of the fifth year after issuance, the Company has the right to increase the nominal interest rate and holders have 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%. The interest is payable every year (Note 4(30)), and related issuance expense amounts to RMB27,775,729.25.
- (c) The Group issued corporate bonds on 17 February 2015. The interest of such bonds is calculated by adopting the simple interest method on an annual basis at a fixed annual interest rate of 4.50%, which is payable every half year (Note 4(30)). The related issuance expense amounts to RMB23,424,000.00.
- (d) Under Regulatory Permission [2016] No. 3075 approved by CSRC, the Company issued corporate bonds on 26 April 2017. The interest of such bonds is calculated by adopting the simple interest method on an annual basis at a fixed annual interest rate of 4.80%, which is payable every year (Note 4(30)). The related issuance expense amounts to RMB6,360,413.25.

(37) Long-term payables

	30 June 2017 (Unaudited)	31 December 2016
Payable for finance lease (Note 12)	59,627,550.94	61,641,602.90
Standby letters of credit fee payable	-	5,020,000.00
	59,627,550.94	66,661,602.90
Less: Current portion of long-term payables (Note 4(33))	(22,415,308.34)	(23,523,521.42)
	37,212,242.60	43,138,081.48

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(38) Deferred revenue

	31 December 2016	Increase in the current period	Decrease in the current period	30 June 2017 (Unaudited)
Government grants	565,971,998.11	33,380,000.00	(26,927,717.35)	572,424,280.76

Government grant projects	31 December 2016	Increase in the current period	Amount recognised in other income in the current period	30 June 2017 (Unaudited)	Related to assets/income
Relocation compensation (i)	456,778,631.30	–	(16,573,332.42)	440,205,298.88	Related to assets
Production safety fund (ii)	30,797,500.00	–	–	30,797,500.00	Related to assets
Foreign trade and economic development special funds (iii)	21,094,366.00	–	–	21,094,366.00	Related to income/ assets
Sea-railway transportation subsidies (iv)	10,340,000.00	1,340,000.00	–	11,680,000.00	Related to assets
Transport junction passenger station project (v)	10,000,000.00	30,000,000.00	–	40,000,000.00	Related to assets
Operation subsidies (vi)	9,778,476.19	–	(5,348,500.00)	4,429,976.19	Related to income
Log process project (vii)	8,300,000.00	–	–	8,300,000.00	Related to assets
Stable position subsidies (viii)	8,002,109.79	–	(4,001,054.90)	4,001,054.89	Related to income
Energy conservation and emission reduction special fund (ix)	3,007,876.79	1,540,000.00	(326,643.99)	4,221,232.80	Related to assets
Vessel acquisition subsidies (x)	2,874,881.08	–	(395,608.78)	2,479,272.30	Related to assets
Equipment reconstruction subsidies (xi)	1,891,284.82	–	(94,544.40)	1,796,740.42	Related to assets
Others	3,106,872.14	500,000.00	(188,032.86)	3,418,839.28	Related to assets
	565,971,998.11	33,380,000.00	(26,927,717.35)	572,424,280.76	

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(38) Deferred revenue (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.
- (iii) The Company received a government grant to encourage foreign trade and economic development from Dalian Free Trade Zone Bureau of Foreign Trade & Economic Cooperation. This subsidy is used for market development for oil products, strengthening of the safeguards for oil product bonded storage, logistic facilities and assets, and enhancing of the construction of petroleum import and export trade platform and etc. This subsidiary includes assets-related portion and income-related portion, and the Company accounts for the different portions separately, and those hard to distinguish, as income-related as a whole.
- (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 Company in respect of the subsidy for the transport junction passenger station project 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.
- (vi) 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 Dalian Port Logistics Co., Ltd.'s incorporation. This 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.
- (vii) The amount received by the Group in respect of the government grant for log process project 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.
- (viii) The amount received by the Company in respect of the government grant for supporting enterprise to stabilise the positions will be recognised in the consolidated income statement by periods based on social security contributions, welfares and education funds.
- (ix) 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.
- (x) 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.
- (xi) The amount received by the Group in respect of the subsidy for the equipment retrofit will be recognised in the consolidated income statement by periods over the useful lives of the relevant assets.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(39) Other non-current liabilities

	30 June 2017 (Unaudited)	31 December 2016
All-in charges for cargo handling	96,552,097.00	99,241,941.00

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 an 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 represented the preferential period.

As at 30 June 2017, the balance of all-in charges for cargo handling paid in advance was RMB96,552,097.00 (31 December 2016: RMB99,241,941.00).

(40) Share capital

	Movements for the current period						30 June 2017 (Unaudited)
	31 December 2016	Newly issued	Bonus share	Transferred from reserves	Others	Sub-total	
RMB-denominated ordinary shares	7,735,820,000.00	-	-	-	-	-	7,735,820,000.00
Foreign shares listed overseas	5,158,715,999.00	-	-	-	-	-	5,158,715,999.00
	12,894,535,999.00	-	-	-	-	-	12,894,535,999.00

	Movements for the current period						30 June 2016 (Unaudited)
	31 December 2015	Newly issued	Bonus share	Transferred from reserves	Others	Sub-total	
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

As at 30 June 2017, 588,248,000 shares of foreign shares listed overseas were held by PDA Group through HKSCC Nominees Limited (31 December 2016: 588,248,000 shares).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(41) Capital surplus

	31 December 2016	Increase in the current period	Decrease in the current period	30 June 2017 (Unaudited)
Share premium	2,910,765,975.69	–	–	2,910,765,975.69
Other capital surplus –				
Share of changes in equity other than comprehensive income and profit distribution of investees under the equity method (a)	13,404,290.37	2,197,828.21	–	15,602,118.58
Others	6,774,419.90	–	–	6,774,419.90
	2,930,944,685.96	2,197,828.21	–	2,933,142,514.17

	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

- (a) Share of changes in equity other than comprehensive income and profit distribution of investees under the equity method mainly comprises specific reserve 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 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(42) Other comprehensive income

	Other comprehensive income on the balance sheet			Other comprehensive income in the income statement for the six months ended 30 June 2017 (Unaudited)				
	31 December 2016	Attributable to equity owners of the Company – net of tax	30 June 2017 (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 equity owners of the Company – net of tax	Total comprehensive income attributable to minority shareholders – net of tax
Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss	(755,666.78)	-	(755,666.78)	-	-	-	-	-
Gains or losses arising from changes in fair value of available-for-sale financial assets	(4,520,209.49)	4,520,443.83	234.34	4,520,443.83	-	-	4,520,443.83	-
Differences on translation of foreign currency financial statements	52,651,443.26	(10,741,599.13)	41,909,844.13	(10,741,599.13)	-	-	(10,741,599.13)	-
	47,375,566.99	(6,221,155.30)	41,154,411.69	(6,221,155.30)	-	-	(6,221,155.30)	-

	Other comprehensive income on the balance sheet			Other comprehensive income in the income statement for the six months ended 30 June 2016 (Unaudited)				
	31 December 2015	Attributable to equity owners of the Company – net of tax	30 June 2016 (Unaudited)	Amount incurred before tax for the current period	Less: Reclassification of previous other comprehensive income to profit or loss	Less: Income tax expenses	Attributable to equity owners of the Company – net of tax	Total comprehensive income attributable to minority shareholders – net of tax
Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss	(755,666.78)	-	(755,666.78)	-	-	-	-	-
Gains or losses arising from 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)	-
Differences on translation of foreign currency financial statements	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	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(43) Surplus reserve

	31 December 2016	Accruals in the current period	Decrease in the current period	30 June 2017 (Unaudited)
Statutory surplus reserve	675,669,606.41	–	–	675,669,606.41
Reserve fund	353,065.88	–	–	353,065.88
Discretionary surplus reserve	620,468.49	–	–	620,468.49
	676,643,140.78	–	–	676,643,140.78

	31 December 2015	Accruals 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

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

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(44) Undistributed profits

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Undistributed profits at the beginning of the period	1,194,212,957.96	2,820,227,405.53
Add: Net profit attributable to shareholders of the Company for the current period	238,539,731.50	221,088,963.04
Less: Ordinary share dividends payable (a)	(193,418,039.99)	(420,474,000.00)
Appropriation to employees' bonus and welfare fund in subsidiaries	(84,458.41)	–
Undistributed profits at the end of the year	1,239,250,191.06	2,620,842,368.57

- (a) In accordance with the resolution at the Board of Shareholders' meeting, dated on 28 June 2017, the Company proposed a cash dividend to the shareholders at RMB0.15 per 10 shares (including tax), amounting to RMB193,418,039.99 calculated by 12,894,535,999 issued shares.

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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(45) Minority interests

	30 June 2017 (Unaudited)	31 December 2016
Dalian Container Terminal Co., Ltd.	724,229,108.06	684,568,270.94
Dalian Haijia Automobile Terminal Co., Ltd.	218,684,882.44	216,555,744.60
Dalian Port Lvshun Harbour Service Co., Ltd.	133,268,772.31	133,069,579.54
Dalian Golden Bay Grain Logistics Co., Ltd.	124,361,779.82	123,768,695.73
Dalian Dilangsirui Caravan Co., Ltd.	50,104,515.36	49,987,266.08
Dalian Port Group Zhuanghe Terminal Co., Ltd.	18,060,601.66	19,422,716.07
Dalian Port Construction Supervision & Consultation Co., Ltd.	16,290,302.62	15,672,472.46
Dalian FTZ Jinxin Petrochemical Co., Ltd.	12,479,828.15	14,823,054.96
Dalian Portsoft Technology Co., Ltd.	11,575,866.51	10,955,019.25
Dalian Portnet Co., Ltd.	11,344,582.52	10,871,291.50
Dalian Ganghong International Trade Co., Ltd.	9,416,461.88	9,582,140.71
Dalian Port Lianheng Supply Chain Management Co., Ltd.	9,276,404.97	9,814,901.15
Dalian International Container Services Co., Ltd.	8,167,522.36	8,762,121.30
Dalian Port Telecommunications Engineering Co., Ltd.	5,569,537.30	6,928,559.81
Dalian United King Port Auto Trade Co., Ltd.	5,439,827.09	5,213,994.85
Dalian Port Senlida Timber Trading Centre Co., Ltd.	4,323,822.64	5,753,081.51
Inner Mongolia Lugang Bonded Logistics Park Co., Ltd.	4,141,184.87	5,030,114.95
Dalian Hongyang International Logistics Co., Ltd.	4,119,352.14	(593,074.44)
Heilongjiang Suimu Dalian Port Logistics Co., Ltd.	3,780,784.18	3,779,471.57
Dalian Ocean Shipping Tally Co., Ltd.	3,715,205.58	3,072,081.48
Dalian Jifa Bohai Rim Container Lines Co., Ltd.	2,676,789.49	2,571,510.37
Dalian Gangrun Gas Co., Ltd.	2,422,612.39	2,943,003.03
Caofeidian Port Container logistics Co., Ltd.	119,300.11	252,715.09
Dalian Port Xinshengshi Trade Co., Ltd.	3,193.87	(2,267.95)
Dalian Jifa Technology Co., Ltd.	436.43	1,853,265.30
Dalian Port Oulu International Logistics Co., Ltd.	(3,106,166.27)	1,228,207.06
Dalian International Logistics Park Development Co., Ltd.	(14,364,264.68)	(12,885,909.64)
	1,366,102,243.80	1,332,998,027.28

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(46) Revenue and cost of sales

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Revenue from main operations	4,123,371,592.47	6,324,438,817.21
Revenue from other operations	194,631,785.95	155,777,580.06
	4,318,003,378.42	6,480,216,397.27
	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Cost of sales from main operations	3,534,080,532.70	5,646,642,014.91
Cost of sales from other operations	142,098,421.24	121,914,799.15
	3,676,178,953.94	5,768,556,814.06

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(46) Revenue and cost of sales (continued)

(a) Analysis by industries is as follows:

	For the six months ended 30 June 2017 (Unaudited)		For the six months ended 30 June 2016 (Unaudited)	
	Revenue	Cost of sales	Revenue	Cost of sales
Oil and liquefied chemicals terminal and related logistics and trading services	1,629,561,166.13	1,371,646,151.88	2,852,423,517.82	2,452,895,202.62
Container terminal and logistics services	892,731,692.17	726,499,398.47	704,417,713.80	553,561,499.00
General cargo terminal and related logistics and trading services	168,968,738.72	179,896,491.59	246,975,713.35	254,855,811.29
Ore terminal and related logistics services	157,593,780.49	137,350,174.34	107,805,008.45	115,633,658.68
Grains terminal and related logistics and trading services	226,577,150.82	201,768,393.84	491,736,600.24	478,224,037.77
Passenger and roll-on, roll-off terminal and related logistics services	71,804,606.87	53,854,556.19	55,162,878.67	47,635,054.76
Port value-added and ancillary services	430,710,929.73	286,455,684.22	392,960,626.54	272,220,402.12
Automobile terminal and related logistics and trading services	696,382,273.57	681,784,573.14	1,589,415,004.15	1,562,603,735.38
Others	43,673,039.92	36,923,530.27	39,319,334.25	30,927,412.44
	4,318,003,378.42	3,676,178,953.94	6,480,216,397.27	5,768,556,814.06

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(46) Revenue and cost of sales (continued)

(b) The revenue is categorised as follows:

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Commodity trading	1,846,255,008.97	4,174,342,451.47
Handling services	974,840,738.03	825,930,807.42
Agency services	459,475,163.90	325,838,853.86
Storage services	263,976,191.40	418,339,886.08
Transportation services	243,513,585.09	236,897,759.25
Leasing services	134,533,695.91	101,443,497.06
Port management services	120,168,723.95	112,891,297.85
Electric supply services	47,702,654.24	48,079,148.80
Information services	33,873,421.26	27,098,552.10
Project construction and supervision services	31,523,431.75	56,063,227.08
Tallying services	30,714,531.72	32,176,907.95
Sales of goods	15,353,718.84	20,970,408.39
Others	116,072,513.36	100,143,599.96
	4,318,003,378.42	6,480,216,397.27

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(47) Taxes and surcharges

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)	Tax base
Land use tax	9,893,578.34	–	Unit taxable amount stated in tax law based on actual land area used
Property tax	6,168,607.97	–	1.2% of residual value of property or 12% of lease income for property tax
City maintenance and construction tax	3,797,285.09	3,529,204.96	7% of actually paid business tax and VAT for city maintenance and construction tax
Educational surcharge	2,723,788.84	2,527,972.59	3% of actually paid business tax and VAT for educational surcharges and 2% for local educational surcharges
Stamp tax	1,894,137.66	–	Proportional tax rate stated in tax law or calculating taxable amount by number of vouchers, based on nature of taxable vouchers
Vehicle and vessel use tax	152,551.00	–	Based on categories of vehicle and vessel used and applicable tax rate in accordance with tax laws
Business tax	90,657.53	8,093,425.84	5% of taxable income for business tax
	24,720,606.43	14,150,603.39	

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(48) Selling and distribution expenses

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Advertising expenses	228,063.38	528,465.75
Labour costs	44,932.98	55,049.82
Fuel expenses	5,723.00	500.00
Agency fee	–	65,533.02
Rental expenses	–	32,524.27
Others	7,091.64	40,536.23
	285,811.00	722,609.09

(49) General and administrative expenses

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Employee benefits	208,101,827.73	199,591,381.62
Depreciation and amortisation expenses	23,325,833.97	22,616,845.15
Rental expenses	11,843,813.25	11,571,721.02
Entertainment expenses	8,307,383.72	7,857,002.95
Property insurance fee	4,235,191.65	4,874,291.11
General office expenses	2,871,963.74	2,654,886.05
Audit fees	721,628.72	742,179.01
Taxes	–	12,142,876.16
Others	38,667,835.92	37,572,700.66
	298,075,478.70	299,623,883.73

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(50) Financial expenses

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Interest expenses	255,144,437.51	274,766,655.41
Less: Capitalised interest (i)	(23,755,666.67)	(24,088,406.52)
Interest expenses	231,388,770.84	250,678,248.89
Less: Interest income	(49,616,991.20)	(28,303,064.28)
Exchange gains or losses	87,249,479.98	(27,497,000.45)
Others	8,246,416.40	7,995,102.69
	277,267,676.02	202,873,286.85

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

(51) Expenses by nature

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

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Cost of sales for goods and products	1,844,966,542.62	4,143,024,697.00
Employee benefits	706,916,299.82	683,697,453.14
Depreciation and amortisation expenses	400,644,088.29	398,840,899.25
Agency cost	368,859,498.69	264,691,363.85
Leasing and warehousing expenses	148,606,150.62	187,041,952.40
Fuel expenses	95,851,690.27	68,798,500.21
Electric charge	69,237,555.36	63,893,391.80
Repair expenses	34,422,088.70	29,908,882.19
Materials expenses	24,572,862.04	26,148,981.12
Audit fees	721,628.72	742,179.01
– Audit services	–	–
– Non-audit services	721,628.72	742,179.01
Others	279,741,838.51	202,115,006.91
	3,974,540,243.64	6,068,903,306.88

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(52) Profit arising from changes in fair value

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Financial assets at fair value through profit or loss		
– Investments in equity instrument held for trading	(407,150.00)	(2,300,256.50)
– Others	(1,288,216.00)	20,162,391.59
	(1,695,366.00)	17,862,135.09

(53) Investment income

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Investment income from long-term equity investments under equity method	157,280,007.84	47,176,370.19
Income earned during the holding period of financial assets at fair value through profit or loss	84,600.00	57,093.00
Income earned during the holding period of available-for-sale financial assets	13,047,772.79	6,595,572.51
Income from disposal of financial assets at fair value through profit or loss	180,280.41	337,910.18
Others	–	1,481,180.27
	170,592,661.04	55,648,126.15

There is no restriction on recovery of investment income.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

4 Notes to the consolidated financial statements (continued)

(54) Other income

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Government grants (a)	88,472,117.35	–

(a) Details of government grants

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)	Related to assets/income
Relocation compensation	16,573,332.42	–	Related to assets
Vessel acquisition subsidies	395,608.78	–	Related to assets
Energy conservation and emission reduction special fund	326,643.99	–	Related to assets
Equipment reconstruction subsidies	94,544.40	–	Related to assets
Others	188,032.86	–	Related to assets
Subsidies for the construction of shipping centre	42,000,000.00	–	Related to income
Subsidies for the international logistics corridor	18,000,000.00	–	Related to income
Operation subsidies	5,348,500.00	–	Related to income
Stable position subsidies	4,001,054.90	–	Related to income
Others	1,544,400.00	–	Related to income
	88,472,117.35	–	

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)	Amount recognised in non-recurring profit or loss for the six months ended 30 June 2017 (Unaudited)
Gains on disposal of non-current assets	6,862,358.12	99,742.51	6,862,358.12
Including: Gains on disposal of fixed assets	6,862,358.12	99,742.51	6,862,358.12
Government grants (a)	15,813,100.00	60,254,231.52	15,813,100.00
Others	4,214,652.71	3,552,369.37	4,214,652.71
	26,890,110.83	63,906,343.40	26,890,110.83

(a) Details of government grants

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)	Related to assets/income
Production safety fund	15,580,000.00	–	Related to assets
Energy conservation and emission reduction special fund (i)	–	300,511.79	Related to assets
Relocation compensation (i)	–	16,810,556.88	Related to assets
Vessel acquisition subsidies (i)	–	395,608.78	Related to assets
Equipment reconstruction subsidies (i)	–	7,563.00	Related to assets
Others (i)	–	87,650.28	Related to assets
Container subsidies (i)	–	37,482,400.00	Related to income
Operation subsidies (i)	–	5,164,000.00	Related to income
Refund of turnover taxes	–	3,640.79	Related to income
Others (i)	233,100.00	2,300.00	Related to income
	15,813,100.00	60,254,231.52	

- (i) In according to *Circular on Issuing the Revised Accounting Standards for Enterprises No. 16 – Government Grants* (Cai Kuai [2017] No. 15) issued by the Ministry of Finance on 10 May 2017, government grants related to daily activities of enterprises are recognised as other income or offset against related costs, and those not related to daily activities are recognised as non-operating income. Therefore, government grants related to daily activities are presented as “other income” in the current period. (Note 4(54)).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)	Amount recognised in non-recurring profit or loss for the six months ended 30 June 2017 (Unaudited)
Losses on disposal of non-current assets	136,229.45	31,747.48	136,229.45
Including: Losses on disposal of fixed assets	136,229.45	31,747.48	136,229.45
Others	751,664.38	66,349.84	751,664.38
	887,893.83	98,097.32	887,893.83

(57) Income tax expenses

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Current income tax calculated based on tax law and related regulations	44,510,393.06	78,683,542.82
Deferred income tax	4,542,365.81	(202,812.35)
	49,052,758.87	78,480,730.47

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 total profit presented in the consolidated income statement to the income tax expenses based on the applicable tax rates is listed below:

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Total profit	324,856,481.72	331,607,707.47
Income tax calculated at applicable tax rates	81,214,120.43	82,901,926.87
Effect of different tax rates applicable to subsidiaries in Mainland China	(372,324.01)	(274,980.82)
Effect of different tax rates applicable to subsidiaries outside Mainland China	3,682,789.52	2,777,154.05
Adjustments for current income tax of prior period	(3,192,389.91)	(3,238,748.36)
Income not subject to tax	(43,611,241.92)	(16,937,619.62)
Costs, expenses and losses not deductible for tax purposes	2,975,931.43	1,175,225.26
Utilisation of deductible temporary difference and deductible losses for which no deferred income tax asset was recognised in previous period	(2,051,584.88)	(1,852,754.76)
Deductible temporary difference and deductible losses that are not recognised as deferred tax assets in the current period	10,407,458.21	13,930,527.85
Income tax expenses	49,052,758.87	78,480,730.47

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Consolidated net profit attributable to ordinary shareholders of the Company	238,539,731.50	221,088,963.04
Weighted average number of ordinary shares outstanding	12,894,535,999.00	12,697,816,000.00
Basic earnings per share	0.02	0.02
Including:		
– Basic earnings per share from continuing operations:	0.02	0.02

(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 2017, as there were no dilutive potential ordinary shares (for the six months ended 30 June 2016: Nil), diluted earnings per share equal to basic earnings per share.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 cash flow statement

(a) Cash received relating to other operating activities

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Down payment received	10,670,844.66	103,480,000.00
Bank interest income received	41,600,550.85	27,938,174.64
Government grants received	3,146,191.99	10,787,340.79
Others	60,669,297.45	27,759,030.88
	116,086,884.95	169,964,546.31

(b) Cash paid relating to other operating activities

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Advances paid to suppliers	579,309,729.67	52,820,915.26
Rental expenses	49,343,813.25	11,571,721.02
Insurance expenses	4,235,191.65	4,874,291.11
Intermediary fees	2,143,213.59	3,649,922.84
Travelling expenses	2,626,059.22	2,729,547.08
General office expenses	2,871,963.74	2,655,330.05
Repair expenses	2,096,390.40	1,752,242.03
Commuting expenses	2,397,823.24	1,726,965.19
Fuel expenses	1,579,927.58	1,502,981.71
Utility fees	3,192,100.00	1,420,633.99
Communication expenses	214,292.61	72,743.71
Others	33,017,904.47	28,725,883.59
	683,028,409.42	113,503,177.58

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 cash flow statement (continued)

(c) Cash received relating to other investing activities

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Recovery of fixed deposits with term over 6 months	55,500,000.00	143,950,000.00
Cash received from restricted balances with financial institutions	146,808,718.32	88,442,669.88
Asset-related government grants received	49,099,000.00	5,085.47
Land-transferring fees refunded	70,616,548.00	–
	322,024,266.32	232,397,755.35

(d) Cash paid relating to other investing activities

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Fixed deposit with term over 6 months	374,522,461.67	158,500,000.00
Restricted balances with financial institutions	134,296,753.28	88,906,212.29
Refunds to minority shareholders	1,400,000.00	–
	510,219,214.95	247,406,212.29

(e) Cash received relating to other financing activities

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Advances from minority shareholders	–	9,800,000.00

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 cash flow statement (continued)

(f) Cash payments relating to other financing activities

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Commission charges paid for bonds issuance	11,380,413.25	5,020,000.00
Finance lease paid	2,014,051.96	–
Bank commission charges paid	1,904,600.27	2,975,102.68
Payment for stocks issuance expense	–	3,298,085.25
	15,299,065.48	11,293,187.93

(60) Supplementary information to the cash flow statement

(a) Supplementary information to the cash flow statement

Reconciliation from net profit to cash flows from operating activities

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Net profit	275,803,722.85	253,126,977.00
Add: Depreciation of fixed assets	363,487,392.67	361,971,115.86
Depreciation of investment properties	9,077,385.84	9,077,394.84
Amortisation of intangible assets	24,272,640.76	23,686,046.75
Amortisation of long-term prepaid expenses	9,472,153.55	4,148,229.65
Net gains on disposal of fixed assets	(6,726,128.67)	(67,995.03)
Financial expenses	308,588,958.69	235,071,220.04
Investment income	(170,592,661.04)	(55,648,126.15)
Profit arising from changes in fair value	1,695,366.00	(17,862,135.09)
Decrease/(increase) in deferred tax assets	4,221,017.42	(446,310.31)
Increase in deferred tax liabilities	321,348.39	243,497.85
Transfer from deferred income	(42,646,717.35)	(22,765,890.73)
Decrease in inventories	80,432,787.46	278,834,980.95
Increase in specific reserve	8,818,010.59	9,471,693.60
Increase in operating receivables	(592,742,172.21)	(248,576,355.29)
Decrease in operating payables	(171,721,435.86)	(55,217,805.24)
	101,761,669.09	775,046,538.70

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 cash flow statement (continued)

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

Significant operating activities that do not involve cash payments

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Import Bill Advance under LC – Bank payments for goods	24,793,947.92	42,856,068.92

Significant operating and financing activities that do not involve cash receipts

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Import Bill Advance under LC – Bank payments for goods	24,793,947.92	42,856,068.92

Net increase/(decrease) in cash and cash equivalents

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Cash and cash equivalents at the end of the period	5,709,159,039.34	5,851,419,265.85
Less: Cash and cash equivalents at the beginning of the period	(6,376,088,087.66)	(2,728,928,183.51)
Net (decrease)/increase in cash and cash equivalents	(666,929,048.32)	3,122,491,082.34

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 cash flow statement (continued)

(b) Cash and cash equivalents

	30 June 2017 (Unaudited)	31 December 2016
Cash	88,331.56	100,184.43
Including: Cash on hand	88,331.56	100,184.43
Cash at bank that can be readily drawn on demand	5,706,555,333.69	6,373,940,199.17
Other cash balances that can be readily drawn on demand	2,515,374.09	2,047,704.06
Cash and cash equivalents at the end of the year	5,709,159,039.34	6,376,088,087.66

(61) Monetary items denominated in foreign currencies

	30 June 2017 (Unaudited)		
	Amounts denominated in foreign currencies	Translation rate	Amount in RMB
Cash at bank and on hand –			
USD	611,930,424.13	6.7744	4,145,461,465.23
JPY	11,357,661.07	0.0605	687,138.49
HKD	10,391,470.97	0.8679	9,018,757.65
CAD	49,577.11	5.2144	258,514.88
EUR	393,990.70	7.7496	3,053,270.33
			4,158,479,146.58
Accounts receivable –			
USD	3,246,040.98	6.7744	21,989,980.01
Other receivables –			
USD	8,936.80	6.7744	60,541.46
Accounts payable –			
USD	4,253,574.65	6.7744	28,815,416.11

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 denominated in foreign currencies (continued)

	30 June 2017 (Unaudited)		
	Amounts denominated in foreign currencies	Translation rate	Amount in RMB
Other payables –			
USD	3,740.00	6.7744	25,336.26
HKD	32,952.00	0.8679	28,599.04
			<u>53,935.30</u>
Short-term borrowings –			
USD	58,258,355.80	6.7744	394,665,405.53
JPY	1,035,120,000.00	0.0605	62,624,760.00
CAD	6,383,440.11	5.2144	33,285,810.11
EUR	31,139,251.09	7.7496	241,316,740.25
			<u>731,892,715.89</u>
Current portion of non-current liabilities –			
USD	2,742,869.02	6.7744	18,581,291.89
Long-term payables –			
USD	5,443,650.40	6.7744	36,877,465.27
Available-for-sale financial assets –			
HKD	18,784,382.87	0.8679	16,302,965.89

5 Changes of consolidation scope

Due to optimisation of internal resource allocation of the Group, after approved by Board of Directors, the Group acquired its subsidiary Dalian Shunda Logistic Services Co., Ltd. on 30 November 2016. As at 30 June 2017, Dalian Shunda Logistic Services Co., Ltd. didn't complete its cancellation procedures.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

6 Interests in other entities

(1) Interests in subsidiaries

(a) Constitution of the Group

Subsidiaries	Category of legal person	Major business location	Place of registration	Nature of business	Information of stocks and bonds issued	Shareholding (%)		Voting rights (%)	Method of acquisition
						Direct (%)	Indirect (%)		
Dalian FTZ Jinxin Petrochemical 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	Property 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. (vi)	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 2017 (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) Constitution of the Group (continued)

Subsidiaries	Category of legal person	Major business location	Place of registration	Nature of business	Information of stocks and bonds 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 Dalian Port 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.	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. (v)	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 Trade Co., Ltd. (vii)	LLC	Dalian, Liaoning	Dalian, Liaoning	Trading	None	70.00	–	70.00	Set up by investment
Dalian Port Oulu International Logistics Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Freight services	None	–	60.00	60.00	Set up by investment
Huanan Dalian Gangzheng 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 2017 (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) Constitution of the Group (continued)

Subsidiaries	Category of legal person	Major business location	Place of registration	Nature of business	Information of stocks and bonds issued	Shareholding (%)		Voting rights (%)	Method of acquisition
						Direct (%)	Indirect (%)		
Dalian Zhuanghe Gangxing Investment Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Property development	None	100.00	-	100.00	Set up by investment
Dalian Port Senlida Timber Trading Centre 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 South Coast 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 Dilangsirui Caravan Co., Ltd.	LLC (Sole Proprietorship of Legal Person)	Dalian, Liaoning	Dalian, Liaoning	Tourist project development	None	-	100.00	100.00	Set up by investment
Dalian Dilangsirui Automobile Leasing Co., Ltd.	LLC (Sole Proprietorship of Legal Person)	Dalian, Liaoning	Dalian, Liaoning	Vehicle leasing	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 combinations 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 combinations 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 combinations involving enterprises under common control
Dalian Portsoft Technology Co., Ltd. (ii)(iv)	LLC	Dalian, Liaoning	Dalian, Liaoning	Computer system service	None	-	49.00	60.00	Business combinations involving enterprises under common control

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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) Constitution of the Group (continued)

Subsidiaries	Category of legal person	Major business location	Place of registration	Nature of business	Information of stocks and bonds issued	Shareholding (%)		Voting rights (%)	Method of acquisition
						Direct (%)	Indirect (%)		
Dalian Portsoft Network Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Computer system service	None	-	100.00	100.00	Business combinations 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 combinations involving enterprises under common control
Dalian Golden Bay Grain Logistics Co., Ltd. (iii)	LLC	Dalian, Liaoning	Dalian, Liaoning	Logistics	None	37.50	-	75.00	Business combinations involving enterprises under common control
Dalian Ocean Shipping Tally Co., Ltd.	Other LLC	Dalian, Liaoning	Dalian, Liaoning	Tallying	None	84.00	-	84.00	Business combinations 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 combinations involving enterprises under common control
Dalian Port Haiheng Ship Management Co., Ltd. (vii)	LLC	Dalian, Liaoning	Dalian, Liaoning	Service industry	None	100.00	-	100.00	Business combinations 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 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 under common control
DCT Logistics Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Logistics	None	-	100.00	100.00	Business combinations involving enterprises under common control
Dalian Portnet Co., Ltd.	LLC	Dalian, Liaoning	Dalian, Liaoning	Computer System service	None	-	79.03	79.03	Business combinations involving enterprises under common control

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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) Constitution 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(36) for related information.
- (vi) Due to optimisation of internal resource allocation of the Group, this company was approved by the general meeting of shareholders dated on 15 July 2016 for cancellation of registration. As at 30 June 2017, the company and the deregistration procedure was not completed.
- (vii) Due to optimisation of internal resource allocation of the Group, this company was approved by the general meeting of shareholders dated on 19 January 2017 for cancellation of registration. The deregistration procedure was completed as at 30 June 2017, but deregistration notice was not obtained.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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) Subsidiary with material minority interests

Subsidiaries	Shareholding of minority shareholders (%)	Total profit or loss attributable to minority shareholders for the 6 months ended 30 June 2017 (Unaudited)	Dividends paid to minority shareholders for the 6 months ended 30 June 2017 (Unaudited)	Minority interests as at 30 June 2017 (Unaudited)
Dalian Container Terminal Co., Ltd.	49.00	38,743,116.85	–	724,229,108.06
Dalian Haijia Automobile Terminal Co., Ltd.	50.00	2,129,137.84	–	218,684,882.44
Dalian Port Lvshun Harbour Service Co., Ltd.	40.00	136,535.30	–	133,268,772.31
Dalian Golden Bay Grain Logistics Co., Ltd.	62.50	593,084.09	–	124,361,779.82

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

	30 June 2017 (Unaudited)					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Dalian Container Terminal Co., Ltd.	254,915,369.25	1,346,855,286.32	1,601,770,655.57	120,868,771.41	2,864,654.64	123,733,426.05
Dalian Haijia Automobile Terminal Co., Ltd.	166,346,149.47	282,512,302.94	448,858,452.41	5,247,061.16	6,241,626.37	11,488,687.53
Dalian Port Lvshun Harbour Service Co., Ltd.	24,546,805.04	347,218,442.90	371,765,247.94	5,890,198.98	32,703,118.18	38,593,317.16
Dalian Golden Bay Grain Logistics Co., Ltd.	148,088,269.16	52,036,020.41	200,124,289.57	1,145,441.85	–	1,145,441.85

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2016					
	Current	Non-current	Total	Current	Non-current	Total
	assets	assets	assets	liabilities	liabilities	liabilities
Dalian Container Terminal Co., Ltd.	198,773,687.19	1,388,329,521.39	1,587,103,208.58	188,420,312.27	1,586,150.70	190,006,462.97
Dalian Haijia Automobile Terminal Co., Ltd.	105,095,629.64	341,929,526.82	447,025,156.46	8,741,807.05	5,171,860.21	13,913,667.26
Dalian Port Lvshun Harbour Service Co., Ltd.	19,689,600.05	351,321,669.04	371,011,269.09	5,603,542.80	32,733,777.45	38,337,320.25
Dalian Golden Bay Grain Logistics Co., Ltd.	146,618,141.62	53,994,297.67	200,612,439.29	2,582,526.13	-	2,582,526.13

	For the six months ended 30 June 2017 (Unaudited)				For the six months ended 30 June 2016 (Unaudited)			
	Revenue	Net profit	Total	Cash flows	Revenue	Net profit/ (loss)	Total	Cash flows
			comprehensive income	from operating activities			comprehensive income/(loss)	from operating activities
Dalian Container Terminal Co., Ltd.	246,077,956.26	79,067,585.40	79,067,585.40	108,056,850.83	231,782,458.70	71,875,403.35	71,875,403.35	106,085,826.84
Dalian Haijia Automobile Terminal Co., Ltd.	-	4,258,275.68	4,258,275.68	(50,000.00)	-	3,952,686.32	3,952,686.32	(9,384.00)
Dalian Port Lvshun Harbour Service Co., Ltd.	24,474,463.67	341,338.25	341,338.25	8,463,438.61	17,831,888.70	(4,208,806.99)	(4,208,806.99)	429,603.87
Dalian Golden Bay Grain Logistics Co., Ltd.	12,221,099.47	948,934.54	948,934.54	3,956,829.71	3,462,927.24	(2,003,121.66)	(2,003,121.66)	920,186.18

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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

	Major business location	Place of registration	Nature of business	Whether strategic to 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 and Development Co., Ltd. (ii)	Dalian, Liaoning	Dalian, Liaoning	Terminal facility development construction	Yes	46.58	50.00
Dalian Port Container Terminal Co., Ltd.(ii) (iii)	Dalian, Liaoning	Dalian, Liaoning	Container service	Yes	35.00	36.36
China United International Rail Containers (Dalian) Co., Ltd. (iii)	Dalian, Liaoning	Dalian, Liaoning	International container service	Yes	40.00	40.00
Dalian 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, and handling, storage	Yes	32.00	33.33
Dalian Port PetroChina International Terminal Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Oil terminal, handling and consultancy	Yes	50.00	50.00
Odfjell Terminals (Dalian) Co., 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 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 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.
- (iii) In accordance with the Company's Articles of Association, all significant events are jointly decided by investors, thus it is joint venture under common control of the Group.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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) Summarised financial information of significant joint ventures:

	30 June 2017 (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. (ii)	Dalian Automobile Terminal Co., Ltd.	Dalian Port PetroChina International Terminal Co., Ltd.	Odfjell Terminals (Dalian) Co., Ltd.
Current assets	120,031,821.27	895,245,202.79	306,199,635.06	68,586,419.97	225,627,244.89	41,265,687.50	9,576,133.05	58,424,261.94
Including: Cash and cash equivalents	31,258,669.54	461,105,397.54	206,472,993.09	16,891,161.76	103,509,353.96	27,475,285.98	9,481,438.05	39,816,837.35
Non-current assets	2,716,548,971.73	4,502,995,268.50	1,661,854,193.90	411,137,494.65	455,363,890.20	488,540,441.84	498,229,643.18	381,840,958.77
Total assets	2,836,580,793.00	5,398,240,471.29	1,968,053,828.96	479,723,914.62	680,991,135.09	529,806,129.34	507,805,776.23	440,265,220.71
Current liabilities	126,945,264.55	281,247,361.82	596,795,891.28	15,529,875.23	96,419,850.27	15,362,650.17	6,228,647.77	33,201,253.03
Non-current liabilities	1,322,606,462.42	4,123,040,414.11	586,514,650.00	-	126,000,000.00	41,480,381.83	109,000,000.00	86,496,716.96
Total liabilities	1,449,551,726.97	4,404,287,775.93	1,183,310,541.28	15,529,875.23	222,419,850.27	56,843,032.00	115,228,647.77	119,697,969.99
Minority interests	-	-	-	-	-	-	-	-
Attributable to shareholders of the Company	1,387,029,066.03	993,952,695.36	784,743,287.68	464,194,039.39	458,571,284.82	472,963,097.34	392,577,128.46	320,567,250.72
Shares of net assets in proportion (i)	554,811,626.41	462,983,165.50	274,660,150.68	185,677,615.76	337,889,064.40	176,094,750.02	196,288,564.24	160,283,625.36
Adjustments								
- Goodwill	-	-	-	-	-	2,453,618.25	-	-
- Unrealised profits from internal transactions	(110,822.26)	-	(41,522,554.33)	-	-	-	-	-
Carrying amount of investment in joint ventures	554,787,685.55	462,973,165.50	233,137,596.35	185,686,988.42	337,889,064.40	178,526,368.45	196,288,564.24	160,288,805.09

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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) Summarised financial information of significant joint ventures (continued)

	31 December 2016							
	Dalian		China United			Dalian Port		
	Dalian International Container Terminal Co., Ltd.	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. (ii)	Dalian Automobile Terminal Co., Ltd.	Dalian Port PetroChina International Terminal Co., Ltd.	Odfjell Terminals (Dalian) Co., Ltd.
Current assets	131,347,959.62	448,102,880.56	208,730,022.80	61,230,248.39	259,284,270.79	69,312,665.40	17,726,124.64	53,803,377.61
Including: Cash and cash equivalents	73,752,697.50	231,316,753.82	131,232,214.18	16,292,061.83	23,692,294.27	47,433,571.85	17,633,159.64	38,369,931.91
Non-current assets	2,754,556,509.12	4,319,157,507.36	1,699,507,781.08	417,710,265.21	448,907,946.08	544,747,093.64	507,039,183.29	387,724,324.75
Total assets	2,885,904,468.74	4,767,260,387.92	1,908,237,803.88	478,940,513.60	708,192,216.87	614,059,759.04	524,765,307.93	441,527,702.36
Current liabilities	127,817,394.55	1,547,529,715.48	244,503,752.75	16,497,377.04	136,981,649.29	21,427,079.36	6,696,530.36	36,914,852.55
Non-current liabilities	1,398,712,031.26	2,226,954,432.27	930,570,670.00	-	122,000,000.00	81,561,130.31	140,000,000.00	88,403,640.24
Total liabilities	1,526,529,425.81	3,774,484,147.75	1,175,074,422.75	16,497,377.04	258,981,649.29	102,988,209.67	146,696,530.36	125,318,492.79
Minority interests	-	-	-	-	-	-	-	-
Attributable to shareholders of the Company	1,359,375,042.93	992,776,240.17	733,163,381.13	462,443,136.56	449,210,567.58	511,071,549.37	378,068,777.57	316,209,209.57
Shares of net assets in proportion (i)	543,750,017.17	462,435,172.67	256,607,183.40	184,977,254.66	333,208,705.77	171,924,261.75	189,034,388.78	158,104,604.79
Adjustments								
- Goodwill	-	-	-	-	-	2,453,618.25	-	-
- Unrealised profits from internal transactions	(132,986.73)	-	(42,087,886.35)	-	-	-	-	-
Carrying amount of investment in joint ventures	543,703,911.85	462,425,172.67	214,519,297.05	184,977,254.66	333,208,705.77	174,377,880.00	189,034,388.78	158,104,604.79

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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) Summarised financial information of significant joint ventures (continued)

For the six months ended 30 June 2017 (Unaudited)								
	Dalian		China United			Dalian Port		Odfjell
	Dalian International Container Terminal Co., Ltd.	Changxing Island Port Investment and Development Co., Ltd.	Dalian Port Container Terminal Co., Ltd.	International Rail Containers (Dalian) Co., Ltd.	Dalian Port Yidu Cold Chain Co., Ltd. (ii)	Dalian Automobile Terminal Co., Ltd.	Dalian Port PetroChina International Terminal Co., Ltd.	Terminals (Dalian) Co., Ltd.
Revenue	177,869,901.20	-	275,932,638.34	31,344,559.31	60,138,530.30	49,123,318.98	51,714,285.72	55,386,111.46
Financial expenses	(27,400,368.30)	-	(22,935,018.43)	56,126.80	(240,608.17)	(840,674.11)	(2,579,949.11)	(21,710.08)
Income tax expenses	(8,984,889.83)	-	(7,907,250.28)	-	(2,983,362.75)	(1,894,187.11)	(9,318,168.97)	(7,107,618.67)
Net profit	27,010,080.60	997,783.39	51,997,998.71	1,750,902.83	8,950,088.27	12,610,819.65	27,954,506.93	23,778,555.88
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	27,010,080.60	997,783.39	51,997,998.71	1,750,902.83	8,950,088.27	12,610,819.65	27,954,506.93	23,778,555.88
Dividends received from joint ventures by the Group for the current period	-	-	-	-	-	-	6,723,078.00	10,000,000.00

For the six months ended 30 June 2016 (Unaudited)								
	Dalian		China United			Dalian Port		Odfjell
	Dalian International Container Terminal Co., Ltd.	Changxing Island Port Investment and Development Co., Ltd.	Dalian Port Container Terminal Co., Ltd.	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.	Terminals (Dalian) Co., 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 joint ventures by the Group for the current period	-	-	-	-	-	-	10,771,900.00	-

(i) Share of asset is calculated according to proportion of 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.

(ii) Profit for the current period is distributed based on the proportion of paid-in capital.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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) Summarised financial information of significant associates

	30 June 2017 (Unaudited)				31 December 2016			
	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	67,253,658.99	4,236,974,499.30	136,384,247.89	13,813,421.77	28,583,362.26	4,812,437,575.65	218,844,931.57	27,781,507.90
Non-current assets	3,154,415,243.50	3,285,901,326.05	1,997,932,920.18	608,459,525.62	3,279,303,477.76	3,032,883,600.50	2,051,034,390.78	624,145,703.42
Total assets	3,221,668,902.49	7,522,875,825.35	2,134,317,168.07	622,272,947.39	3,307,886,840.02	7,845,321,176.15	2,269,879,322.35	651,927,211.32
Current liabilities	229,170,076.25	4,915,830,922.57	448,998,180.35	18,917,073.04	428,993,652.13	5,317,099,142.78	571,636,154.24	32,022,402.86
Non-current liabilities	-	-	180,000,000.00	216,017,999.15	-	-	210,000,000.00	216,017,999.15
Total liabilities	229,170,076.25	4,915,830,922.57	628,998,180.35	234,935,072.19	428,993,652.13	5,317,099,142.78	781,636,154.24	248,040,402.01
Minority interests Attributable to shareholders of the Company	-	-	21,237,140.24	-	-	-	21,053,473.59	-
Shares of net assets in proportion (iii)	598,499,765.25	1,042,817,961.11	259,714,323.31	154,935,150.08	575,778,637.58	1,011,288,813.35	256,758,196.50	161,554,723.72
Adjustments								
- Goodwill	-	-	-	-	-	-	-	-
- Unrealised profits from internal transactions	-	-	-	(26,163,365.60)	-	-	-	(26,534,123.60)
Carrying amount of investment in associates	598,427,692.75	1,042,817,961.11	259,871,986.32	128,774,280.05	575,778,637.58	1,011,288,813.35	256,758,196.50	135,020,600.12

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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) Summarised financial information of significant associates (continued)

	For the six months ended 30 June 2017 (Unaudited)				For the six months ended 30 June 2016 (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	331,448,846.08	139,986,429.20	240,961,957.78	13,895,136.89	251,261,241.98	135,960,887.19	170,975,567.22	12,134,477.72
Net profit/(loss)	111,443,463.35	78,822,869.41	16,960,218.08	(15,615,800.17)	50,024,048.83	90,460,631.05	(23,209,783.92)	(16,424,183.85)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	111,443,463.35	78,822,869.41	16,960,218.08	(15,615,800.17)	50,024,048.83	90,460,631.05	(23,209,783.92)	(16,424,183.85)
Dividends received from associates by the Group for the current period	-	-	-	-	-	-	-	-

- (iii) Share of asset is calculated according to proportion of 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 2017 (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 financial information of insignificant joint ventures and associates

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Joint ventures:		
Aggregated carrying amount of investments	380,153,485.73	362,836,764.17
Aggregate of the following items in proportion		
Net profit/(loss) (i)	29,667,781.76	(17,996,988.03)
Other comprehensive income (i)	-	-
Total comprehensive income/(loss)	29,667,781.76	(17,996,988.03)
Associates:		
Aggregated carrying amount of investments	315,490,390.72	280,906,921.72
Aggregate of the following items in proportion		
Net profit (i)	12,571,748.29	3,999,680.85
Other comprehensive income (i)	-	-
Total comprehensive income	12,571,748.29	3,999,680.85

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

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

	Accumulated unrecognised losses at the beginning of the period	Unrecognised losses in the current period	Long-term receivables that make up for excess deficit in the current period	Accumulated unrecognised losses at the end of the period
SINOECL Auto Liners, Limited	1,470,487.07	-	-	1,470,487.07
Jadeway Limited	2,607,345.35	-	-	2,607,345.35

(f) For unrecognised commitments in relation to the investments in joint ventures, please refer to 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 2017 (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 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 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]*

7 Segment information (continued)

Management monitors the results of the business unit 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 sales and transactions are conducted in accordance with the terms mutually agreed between the parties.

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

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 and as at 30 June 2017 (unaudited) was listed as follows (unit: RMB'000):

	Oil and liquefied chemicals terminal and related logistics and trading services	Container terminal and 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 operations	Automobile terminal and related logistics and trading services	Others	Elimination	Total
Revenue from external customers	1,629,561	892,732	168,969	157,594	226,577	71,805	430,711	696,382	43,672	-	4,318,003
Inter-segment revenue	616	1,565	185	-	-	338	56,469	-	17,166	(76,339)	-
Cost of sales from main operations	1,358,906	701,891	167,618	137,350	186,566	51,155	236,548	679,873	14,174	-	3,534,081
Interest income	9,494	1,785	(14)	73	1,337	106	538	1,348	34,950	-	49,617
Investment income from associates and joint ventures	54,707	21,967	36,178	2,629	-	2,827	31,654	7,317	1	-	157,280
Asset impairment losses	-	-	(10)	-	-	-	-	-	-	-	(10)
Depreciation and amortisation expenses	110,445	97,826	41,500	52,471	33,151	16,346	35,450	(145)	13,600	-	400,644
Total profit/(loss)	283,497	157,461	5,356	4,805	9,663	6,209	107,217	14,895	(264,247)	-	324,856
Income tax expenses	56,556	33,238	(6,715)	540	2,374	737	10,546	1,752	(49,975)	-	49,053
Net profit/(loss)	226,941	124,223	12,071	4,265	7,289	5,472	96,671	13,143	(214,271)	-	275,804
Total assets	7,385,556	7,403,484	2,361,858	1,931,947	1,344,016	1,322,937	2,887,340	2,035,982	7,272,720	(959,547)	32,986,293
Total liabilities	1,714,405	1,950,964	62,705	72,083	36,439	66,983	199,298	1,145,735	9,508,966	(959,547)	13,798,031
Non-cash expenses other than depreciation and amortisation	-	6,098	11	-	-	8	236	-	20,575	-	26,928
Long-term equity investments in associates and joint ventures	1,523,097	1,611,961	155,187	12,193	-	338,164	1,060,332	334,180	-	-	5,035,114
Increase in non-current assets (i)	26,300	55,919	3,579	375	8,381	4,246	4,071	15,736	98,200	-	216,807

(i) Non-current assets don't comprise financial assets, long-term equity investments and deferred tax assets.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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) was listed as follows
(unit: RMB'000):

	Oil and liquefied chemicals terminal and related logistics and trading services	Container terminal and 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-on, roll-off terminal and related logistics 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	1,589,415	39,319	-	6,480,216
Inter-segment revenue	551	856	172	-	-	338	-	25,270	(70,359)	-
Cost of sales from main operations	2,443,332	530,643	244,974	115,634	467,275	45,033	1,562,604	14,074	-	5,646,642
Interest income	10,101	1,626	361	138	1,680	63	1,305	12,496	-	28,303
Investment income/(loss) from associates and joint ventures	34,502	7,529	(17,418)	(34)	-	(7,493)	(4,666)	-	-	47,176
Asset impairment losses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation expenses	109,593	91,963	42,762	52,934	34,017	15,462	1,796	21,912	-	401,091
Total profit/(loss)	400,761	112,676	(43,081)	(23,205)	(236)	(13,237)	2,713	(190,457)	-	331,608
Income tax expenses	95,344	34,637	(5,750)	(5,756)	1	(407)	1,297	(60,291)	-	78,481
Net profit/(loss)	305,417	78,039	(37,331)	(17,449)	(237)	(12,830)	1,416	(140,166)	-	253,127
Total assets	7,663,123	6,868,922	2,524,762	1,914,113	1,392,118	1,302,353	1,800,176	9,683,008	(3,499,399)	32,337,383
Total liabilities	(1,507,226)	(642,197)	(138,063)	(52,867)	(89,505)	(59,401)	(917,441)	(13,475,808)	3,499,399	(13,528,503)
Non-cash expenses other than depreciation and amortisation	-	5,775	11	-	-	18	-	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	310,244	-	-	4,834,099
Increase in other non-current assets (i)	3,770	9,073	3,724	3,411	136	1,807	25,625	101,632	-	151,540

(i) Non-current assets don't comprise financial assets, long-term equity investments and deferred tax assets.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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. Accordingly, all revenue of segment is generated from the Mainland China and the major non-current assets are also located in Mainland China.

Information about major customers:

The revenue from oil/liquefied chemicals terminal and related logistics services segment of RMB486,271,159.63 is derived from one single customer, accounting for 11.26% of the Group's total revenue.

8 Related parties and related party transactions

(1) Information of the parent of the Company

(a) General information of the parent company

	Type	Place of registration	Nature of business
Dalian Port 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 2016	Increase in the current period	Decrease in the current period	30 June 2017
Dalian Port Group	12,000,000,000.00	–	–	12,000,000,000.00

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

	30 June 2017 (Unaudited)		31 December 2016	
	Shareholding (%)	Voting rights (%)	Shareholding (%)	Voting rights (%)
Dalian Port Group	45.74%	45.74%	45.74%	45.74%

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

8 Related parties and related party transactions (continued)

(2) Information of subsidiaries

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

(3) Information of joint ventures and associates

Except for those material joint ventures and associates 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 Centre 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 Co., Ltd.	Joint ventures
Odfjell Changxing Warehousing Terminals (Dalian) Co., Ltd.	Joint ventures
Ha'ou International Logistics Co., Ltd.	Joint ventures
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	Associates
Dalian Wanpeng Port Engineering Testing Co., Ltd.	Associates
Taicang Xinggang Tug Co., Ltd.	Associates
Dalian North Oil Petroleum Logistics Co., Ltd.	Associates
Dalian Gangsheng Tendering & Bidding Agency Co., Ltd.	Associates
Dalian Shenyang Railway Bureau Yuangang Logistics Co., Ltd.	Associates
Guangzhou Kingport Auto International Trade Co., Ltd.	Associates
Dalian New Silk Road International Logistics Co., Ltd.	Associates
CDC International Logistics Co., Ltd.	Associates
China Harbour United Shipping Co., Ltd.	Associates

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

8 Related parties and related party transactions (continued)

(4) Information of other related parties

	Relationship with the Group
Dalian FTZ Yongdexin Real Estate Development Co., Ltd.	Subsidiary of the parent company
Dalian Port Real Estate 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 Co., Ltd.	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 Harbour 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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

8 Related parties and related party transactions (continued)

(4) Information of other related parties (continued)

	Relationship with the Group
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
Dalian Cruise Development Co., Ltd.	Subsidiary of the parent company
Dalian Taiping Bay Construction Engineering Co., Ltd.	Subsidiary of the parent company
Shenyang Kaiming Industrial Co., Ltd.	Subsidiary of the parent company
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 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
Liaogang Commodity Trading Co., Ltd.	Associates of the parent company
Dalian Wanpeng Foundation Engineering Co., Ltd.	Associates of the parent company

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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) Purchase and sales of goods, and rendering and receiving of service

(i) Purchase of goods and receiving of services

Transactions with the parent company

	Nature of related party transactions	Pricing policies for related party transaction	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Dalian Port Group	Comprehensive service	Terms of agreement	5,852,217.33	6,121,561.07

Transactions with joint ventures and associates:

	Information of related party transactions	Pricing policies for related party transaction	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Ha'ou International Logistics Co., Ltd.	Transportation	Terms of agreement	30,764,707.62	-
China United International Rail Containers (Dalian) Co., Ltd.	Transportation	Terms of agreement	14,234,820.99	14,369,300.00
China Oil Dock Management (Dalian) Co., Ltd.	Port service	Terms of agreement	11,879,774.90	6,897,982.52
Dalian International Container Terminal Co., Ltd.	Handling service	Terms of agreement	1,328,538.69	2,683,478.30
Dalian Port Tongli Shipping Agency Co., Ltd.	Agent service	Terms of agreement	659,506.41	888,306.52
Dalian Singamas International Container Co., Ltd.	Comprehensive service	Terms of agreement	543,131.91	733,100.00
Liaoning Con-Rail International Logistics Co., Ltd.	Transportation	Terms of agreement	393,273.11	-
Dalian Port Container Terminal Co., Ltd.	Handling service	Terms of agreement	370,679.25	1,429,464.16
Dalian Jilong Logistics Co., Ltd.	Comprehensive service	Terms of agreement	280,792.32	197,500.00
Odfjell Dalian Port Consulting Co., Ltd.	Training service	Terms of agreement	116,466.02	20,660.00
Dalian Port Group Financial Co., Ltd.	Financial services	Terms of agreement	99,990.58	45,013.01
Dalian Gangsheng Tendering & Bidding Agency Co., Ltd.	Agent service	Terms of agreement	23,942.34	21,019.81
Dalian Changxing Island Port Investment and Development Co., Ltd.	Comprehensive service	Terms of agreement	-	38,632,075.40
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
			60,695,624.14	66,254,454.44

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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) Purchase and sales of goods, and rendering and receiving of service (continued)

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

Transaction with other related parties

	Information of related party transactions	Pricing policies for related party transaction	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	Purchase of fuel	Terms of agreement	24,603,867.52	19,771,521.06
Dalian Port Industrial Co., Ltd.	Comprehensive service	Terms of agreement	13,231,012.58	12,390,241.02
Dalian PetroChina Marine Fuel Transportation & Sales Co., Ltd.	Purchase of fuel	Terms of agreement	11,523,624.66	8,336,530.14
Dalian Port Machinery Co., Ltd.	Maintenance service	Terms of agreement	5,095,294.07	5,081,894.62
Dalian Hongyu Building Co., Ltd.	Comprehensive service	Terms of agreement	1,377,838.88	1,261,032.06
Dalian Port Security Services Co., Ltd.	Security service	Terms of agreement	1,034,962.06	881,142.35
Dalian Harbour Building Co., Ltd.	Comprehensive service	Terms of agreement	706,716.72	470,477.40
Dalian Port Landscape Engineering Co., Ltd.	Comprehensive service	Terms of agreement	377,358.49	74,118.08
Dalian Harbour Engineering Co., Ltd.	Comprehensive service	Terms of agreement	340,957.79	384,511.36
Dalian Port Property Management Co., Ltd.	Property services	Terms of agreement	331,878.50	123,474.71
Dalian Life Raft Inspection Co., Ltd.	Maintenance service	Terms of agreement	36,599.15	37,151.28
Dalian FTZ Yongdexin Real Estate Development Co., Ltd.	Comprehensive service	Terms of agreement	-	283,897.06
Dalian Port Xingang Construction Engineering Co., Ltd.	Maintenance service	Terms of agreement	-	100,789.32
Dalian Port Rixing Boiler Installation Co., Ltd.	Maintenance service	Terms of agreement	-	35,827.18
Dalian Dongwang Auto Repair Factory	Maintenance service	Terms of agreement	-	14,996.15
Dalian Port Machinery and Electric Co., Ltd.	Maintenance service	Terms of agreement	-	1,643.40
			58,660,110.42	49,249,247.19

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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) Purchase and sales of goods, and rendering and receiving of service (continued)

(ii) Sales of goods and rendering of service

Transactions with the parent company

	Information of related party transactions	Pricing policies for related party transaction	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Dalian Port Group	Comprehensive service	Terms of agreement	5,504,560.07	4,844,718.48

Transactions with joint ventures and associates:

	Information of related party transactions	Pricing policies for related party transaction	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
China Oil Dock Management (Dalian) Co., Ltd.	Comprehensive service	Terms of agreement	19,493,952.76	27,759,377.70
Dalian Port Container Terminal Co., Ltd.	Comprehensive service	Terms of agreement	18,246,714.28	18,795,056.08
Dalian International Container Terminal Co., Ltd.	Comprehensive service	Terms of agreement	18,217,972.07	11,599,417.95
Dalian Port Yidu Cold Chain Co., Ltd.	Comprehensive service	Terms of agreement	10,036,270.97	6,436,686.30
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	Comprehensive service	Terms of agreement	7,616,215.48	3,469,030.56
Taicang Xinggang Tug Co., Ltd.	Transportation	Terms of agreement	7,026,742.48	6,712,075.47
Ha'ou International Logistics Co., Ltd.	Transportation	Terms of agreement	6,902,294.02	–
Liaoning Con-Rail International Logistics Co., Ltd.	Comprehensive service	Terms of agreement	6,729,182.96	9,753,007.56
Dalian United International Shipping Agency Co., Ltd.	Telecommunication service	Terms of agreement	5,758,583.74	3,030,859.53
Dalian Changxing Island Port Investment and Development Co., Ltd.	Comprehensive service	Terms of agreement	3,963,243.47	93,065,401.83
Dalian Changxing Island Port Co., Ltd.	Engineering construction	Terms of agreement	3,829,443.71	4,884,661.54
Odfjell Terminals (Dalian) Co., Ltd.	Comprehensive service	Terms of agreement	3,223,508.66	3,940,574.15
Dalian Dagang China Shipping Container Terminal Co., Ltd.	Comprehensive service	Terms of agreement	1,517,287.30	708,774.67
CDC International Logistics Co., Ltd.	Comprehensive service	Terms of agreement	1,354,936.69	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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) Purchase 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)

	Information of related party transactions	Pricing policies for related party transaction	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Dalian Automobile Terminal Co., Ltd.	Comprehensive service	Terms of agreement	1,318,287.73	1,163,962.85
Dalian North Oil Petroleum Logistics Co., Ltd.	Comprehensive service	Terms of agreement	1,121,924.93	1,108,811.02
Dalian Jilong Logistics Co., Ltd.	Comprehensive service	Terms of agreement	1,044,756.42	1,050,680.96
Dalian Vanguard International Logistics Co., Ltd.	Comprehensive service	Terms of agreement	839,925.52	473,112.41
China United International Rail Containers (Dalian) Co., Ltd.	Comprehensive service	Terms of agreement	707,457.57	804,708.94
Weifang Senda Container Service Co., Ltd.	Comprehensive service	Terms of agreement	680,855.67	106,132.08
Dalian Singamas International Container Co., Ltd.	Comprehensive service	Terms of agreement	663,684.96	707,584.42
Odfjell Changxing Warehousing Terminals (Dalian) Co., Ltd.	Comprehensive service	Terms of agreement	309,533.94	–
Dalian Shunde Jifa Supply Chain Management Co., Ltd.	Comprehensive service	Terms of agreement	141,509.46	203,865.10
Dalian Port Tongli Shipping Agency Co., Ltd.	Comprehensive service	Terms of agreement	71,231.26	536.93
Dalian Port PetroChina International Terminal Co., Ltd.	Comprehensive service	Terms of agreement	61,092.69	61,622.38
China United Tally (Dalian) Co., Ltd.	Telecommunication service	Terms of agreement	48,832.01	82,464.51
Dalian Port Group Financial Co., Ltd.	Financial services	Terms of agreement	20,027.75	22,727.54
PetroChina Dalian LNG Co., Ltd.	Comprehensive service	Terms of agreement	16,188.04	–
Dalian Port Bulk Cargo Logistics Centre Co., Ltd.	Telecommunication service	Terms of agreement	4,032.42	3,829.73
Dalian Harbour ECL Logistics Co., Ltd.	Comprehensive service	Terms of agreement	3,284.69	1,143.25
Odfjell Dalian Port Consulting Co., Ltd.	Comprehensive service	Terms of agreement	2,773.20	–
Dalian Wanpeng Port Engineering Testing Co., Ltd.	Comprehensive service	Terms of agreement	885.60	1,138.73
Guangzhou Kingport Auto International Trade Co., Ltd.	Sales of goods	Terms of agreement	–	26,754,529.91
Dalian Puji Storage Facility Co., Ltd.	Comprehensive service	Terms of agreement	–	370,308.11
Dalian Shenyang Railway Bureau Yuangang Logistics Co., Ltd.	Transportation	Terms of agreement	–	268,900.00
			120,972,632.45	223,340,982.21

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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) Purchase and sales of goods, and rendering and receiving of service (continued)

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

Transaction with other related parties

	Information of related party transactions	Pricing policies for related party transaction	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Dalian Port Wantong Logistics Co., Ltd.	Comprehensive service	Terms of agreement	9,159,869.37	1,495,970.93
Dalian Taiping Bay Port Company Limited	Project supervision	Terms of agreement	7,377,735.86	7,599,025.66
Dalian CITIC Harbour Investment Co., Ltd.	Comprehensive service	Terms of agreement	3,204,530.74	–
Dalian Port Industrial Co., Ltd.	Telecommunication service	Terms of agreement	1,388,314.14	1,561,803.38
Datong Securities Co., Ltd.	Telecommunication service	Terms of agreement	870,947.61	670,290.61
Dalian Hongyu Building Co., Ltd.	Telecommunication service	Terms of agreement	720,207.81	577,572.48
Dalian Port North Shore Investment and Development Co., Ltd.	Project supervision	Terms of agreement	598,451.77	38,977.62
Dalian FTZ Yongdexin Real Estate Development Co., Ltd.	Telecommunication service	Terms of agreement	496,132.32	728,403.79
Dalian Harbour Engineering Co., Ltd.	Engineering construction	Terms of agreement	426,716.04	836,878.91
Dalian PetroChina Marine Fuel Transportation & Sales Co., Ltd.	Comprehensive service	Terms of agreement	378,920.41	465,796.52
Dalian Port Machinery and Electric Co., Ltd.	Engineering construction	Terms of agreement	323,636.79	350,000.00
Dalian Port Petroleum & Chemical Co., Ltd.	Comprehensive service	Terms of agreement	297,184.06	1,392,145.18
Dalian Port Machinery Co., Ltd.	Comprehensive service	Terms of agreement	243,116.83	450,210.39
Dalian Cruise Development Co., Ltd.	Comprehensive service	Terms of agreement	131,933.84	–
Dalian Wanfeng Properties Co., Ltd.	Comprehensive service	Terms of agreement	57,581.37	55,341.28
Dalian Port Investment and Financing Holding Group Co., Ltd.	Telecommunication service	Terms of agreement	40,991.50	57,047.97
Dalian Creative Industry Project Development Co., Ltd.	Comprehensive service	Terms of agreement	29,659.74	29,423.19
Dalian Port Real Estate Co., Ltd.	Comprehensive service	Terms of agreement	20,214.24	1,534,976.45
Dalian Northeast Asia International Shipping Center of Shipping Exchange Market Co., Ltd.	Telecommunication service	Terms of agreement	13,735.86	15,935.85
Dalian Port North Shore Container Terminal Co., Ltd.	Comprehensive service	Terms of agreement	11,377.38	7,411,349.09
PDA Group (Jinzhou) Liaoxi Port Investment and Development Co., Ltd.	Comprehensive service	Terms of agreement	10,939.01	957.65

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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) Purchase and sales of goods, and rendering and receiving of service (continued)

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

Transaction with other related parties (continued)

	Information of related party transactions	Pricing policies for related party transaction	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Dalian Port Design&Research Institute Co., Ltd.	Comprehensive service	Terms of agreement	8,304.00	461,777.99
Dalian Taiping Bay Investment & Development Co., Ltd.	Comprehensive service	Terms of agreement	7,927.36	1,045,673.61
Dalian Port North Shore Automobile Terminal Co., Ltd.	Project supervision	Terms of agreement	7,527.96	1,447,188.68
Dalian Harbour City Construction Development Co., Ltd.	Telecommunication service	Terms of agreement	7,437.33	19,595.15
Dalian Harbour Building Co., Ltd.	Comprehensive service	Terms of agreement	4,922.29	5,193.47
Dalian Port Landscape Engineering Co., Ltd.	Telecommunication service	Terms of agreement	3,591.90	3,847.75
Dalian Port Rixing Boiler Installation Co., Ltd.	Telecommunication service	Terms of agreement	2,984.69	5,485.20
Dalian Port Property Management Co., Ltd.	Telecommunication service	Terms of agreement	2,401.81	3,727.94
Dalian Port Xingang Construction Engineering Co., Ltd.	Telecommunication service	Terms of agreement	1,506.30	2,520.73
Dalian Dagang Hongyu Housekeeping Services Co., Ltd.	Telecommunication service	Terms of agreement	947.73	941.44
Xinghai International Commercial Factoring (Tianjin) Co., Ltd.	Comprehensive service	Terms of agreement	376.07	9,388.89
Dalian Taiping Bay Construction Engineering Co., Ltd.	Comprehensive service	Terms of agreement	145.30	-
Jinzhou Liaoxi PDA Properties Co., Ltd	Project supervision	Terms of agreement	-	151,415.09
Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	Telecommunication service	Terms of agreement	-	45,742.75
Dalian Wantong Ronghai Shipping Co., Ltd.	Telecommunication service	Terms of agreement	-	7,050.00
Dalian Port Industrial Co., Ltd. (Xingang Gas Station)	Telecommunication service	Terms of agreement	-	421.62
			25,850,269.43	28,482,077.26

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (unaudited)	Leasing income recognised for the six months ended 30 June 2016 (unaudited)
Dalian Port Container Terminal Co., Ltd.	Buildings/berth and stock yard	64,709,523.70	44,999,411.09
China Oil Dock Management (Dalian) Co., Ltd.	Berth and stock yard	7,080,000.00	9,920,000.00
Dalian Jilong Logistics Co., Ltd.	Site place	2,611,671.20	2,062,404.92
Liaoning Con-Rail International Logistics Co., Ltd.	Handling equipment	591,091.14	740,605.70
Dalian Port Yidu Cold Chain Co., Ltd.	Handling equipment	526,227.84	526,227.90
Dalian North Oil Petroleum Logistics Co., Ltd.	Oil pipe and tank	211,904.76	222,500.00
China United Tally (Dalian) Co., Ltd.	Communication device	7,003.71	–
Dalian Changxing Island Port Co., Ltd.	Optical fibre	6,792.46	–
		75,744,214.81	58,471,149.61

Transactions with other related parties:

Name of lessee	Type of the leased property	Leasing income recognised for the six months ended 30 June 2017 (unaudited)	Leasing income recognised for the six months ended 30 June 2016 (unaudited)
Dalian Port Wantong Logistics Co., Ltd.	Container/building	1,357,886.97	112,860.00
Dalian Port Industrial Co., Ltd.	Automobile/Buildings	820,091.22	1,016,020.18
Dalian Harbour City Construction Development Co., Ltd.	Buildings	249,400.02	257,713.34
Dalian Wantong Ronghai Shipping Co., Ltd.	Buildings	147,619.05	155,000.00
		2,574,997.26	1,541,593.52

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 lessor	Type of the leased property	Leasing expenses recognised for the six months ended 30 June 2017 (unaudited)	Leasing expenses recognised for the six months ended 30 June 2016 (unaudited)
Dalian Port Group	Land use rights/island embankment/buildings	22,868,638.21	22,341,731.63

Transactions with joint ventures and associates:

Name of lessor	Type of the leased property	Leasing expenses recognised for the six months ended 30 June 2017 (unaudited)	Leasing expenses recognised for the six months ended 30 June 2016 (unaudited)
Dalian Port PetroChina International Terminal Co., Ltd.	Terminal facilities	51,714,285.72	44,773,809.52
Dalian International Container Terminal Co., Ltd.	Facilities/buildings	1,417,966.02	1,422,060.42
Dalian Port Container Terminal Co., Ltd.	Facilities	1,082,522.34	1,082,522.34
Dalian Puji Storage Facility Co., Ltd.	Facilities	483,419.05	495,410.51
Dalian Automobile Terminal Co., Ltd.	Buildings	39,080.00	61,247.14
Dalian Changxing Island Port Co., Ltd.	Buildings	38,857.14	36,756.78
		54,776,130.27	47,871,806.71

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 parties:

Name of lessor	Type of the leased property	Leasing expenses recognised for the six months ended 30 June 2017 (unaudited)	Leasing expenses recognised for the six months ended 30 June 2016 (unaudited)
Dalian FTZ Yongdixin Real Estate Development Co., Ltd.	Buildings	2,990,089.45	2,826,164.01
Dalian Harbour Building Co., Ltd.	Buildings	1,481,640.30	1,502,162.44
Dalian Port Industrial Co., Ltd.	Vehicles	370,518.38	77,592.18
Dalian Hongyu Building Co., Ltd.	Buildings	165,831.64	171,614.00
Dalian Port Landscape Engineering Co., Ltd.	Flowers	3,579.25	–
		5,011,659.02	4,577,532.63

Assets held under finance leases

Name of lessor	Type of the leased property	Lease expenses paid for the six months ended 30 June 2017 (Unaudited)	Lease expenses paid for the six months ended 30 June 2016 (Unaudited)
Dalian Equipment Finance Lease Co., Ltd.	ISO Dry Container	2,003,538.48	3,822,026.22

(c) Guarantee

The Group as the guaranteed party

Guarantor	Guaranteed party	Guaranteed amount	Commencement date	Termination date	Fully performed or not
Dalian Port Group	Dalian Port (PDA) Company Limited	2,350,000,000.00	23 May 2011	23 May 2021	No
Dalian Port Group	Dalian Port (PDA) Company Limited	2,650,000,000.00	26 September 2011	25 March 2019	No

The above related parties provided guarantees for debentures payable without any charge (Note 4(36)).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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

There are no guarantees provided to the related parties for the six months ended 30 June 2017.

(d) Borrowings and lending

(i) Borrowings

For the six months ended 30 June 2017 (Unaudited)

	Amount	Starting date	Maturity date
Borrowings –			
Dalian Port Group Financial Co., Ltd.	1,260,000.00	5 January 2017	31 March 2017
Dalian Port Group Financial Co., Ltd.	15,600,000.00	12 January 2017	22 March 2017
Dalian Port Group Financial Co., Ltd.	2,230,000.00	12 January 2017	30 March 2017
Dalian Port Group Financial Co., Ltd.	4,346,300.00	12 January 2017	30 March 2017
Dalian Port Group Financial Co., Ltd.	22,740,000.00	18 January 2017	20 October 2017
Dalian Port Group Financial Co., Ltd.	30,000,000.00	13 February 2017	29 June 2017
Dalian Port Group Financial Co., Ltd.	15,600,000.00	13 February 2017	31 March 2017
Dalian Port Group Financial Co., Ltd.	6,160,000.00	15 February 2017	12 May 2017
Dalian Port Group Financial Co., Ltd.	15,750,000.00	15 February 2017	31 March 2017
Dalian Port Group Financial Co., Ltd.	2,320,000.00	15 February 2017	27 May 2017
Dalian Port Group Financial Co., Ltd.	16,550,000.00	21 February 2017	26 April 2017
Dalian Port Group Financial Co., Ltd.	30,000,000.00	8 March 2017	7 March 2018
Dalian Port Group Financial Co., Ltd.	30,000,000.00	9 March 2017	8 March 2018
Dalian Port Group Financial Co., Ltd.	50,000,000.00	12 April 2017	1 June 2017
Dalian Port Group Financial Co., Ltd.	7,030,000.00	13 April 2017	20 October 2017
Dalian Port Group Financial Co., Ltd.	7,030,000.00	18 April 2017	20 October 2017
Dalian Port Group Financial Co., Ltd.	950,000.00	27 April 2017	20 October 2017
Dalian Port Group Financial Co., Ltd.	600,000,000.00	13 May 2017	12 May 2020
Dalian Port Group Financial Co., Ltd.	4,340,000.00	22 June 2017	20 October 2017
Dalian Port Group Financial Co., Ltd.	4,830,000.00	27 June 2017	20 October 2017

- (i) The date on which the Group repays the borrowings in advance as agreed in contract, is the repayment date.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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) Financing (continued)

(i) Borrowings (continued)

For the six months ended 30 June 2016 (Unaudited)

	Amount	Starting date	Maturity date
Borrowings –			
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

Interest expenses paid

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Dalian Port Group Financial Co., Ltd.	13,349,158.97	4,882,178.53
Dalian Equipment Finance Lease Co., Ltd.	10,802,943.94	47,863,247.88
Shenyang Kaiming Industrial Co., Ltd.	787,350.00	–
Shenyang Mingshuo Industrial Development Co., Ltd.	524,900.00	227,287.67
Dalian Harbour ECL Logistics Co., Ltd.	445,209.73	504,670.59
	25,909,562.64	53,477,384.67

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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) Financing (continued)

(ii) Lending

For the six months ended 30 June 2017 (Unaudited)

	Amount	Starting date	Maturity date
Lending –			
Liaoning Con-Rail International Logistics Co., Ltd.	4,600,000.00	10 February 2017	9 February 2018

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 2017 (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) Financing (continued)

(ii) Lending (continued)

Interest income received

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Liaoning Con-Rail International Logistics Co., Ltd.	411,491.11	285,772.10
Dalian Port Yidu Cold Chain Co., Ltd.	335,175.71	–
Dalian Puji Storage Facility Co., Ltd.	32,830.19	1,102,391.11
China Harbour United Shipping Co., Ltd.	–	180,245.41
	779,497.01	1,568,408.62

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 2017 (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	Information of related party transactions	Type of related party transactions	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Dalian Harbour Engineering Co., Ltd.	Engineering Construction	Construction labour	7,037,633.20	5,521,662.44
Dalian Port Machinery and Electric Co., Ltd.	Engineering Construction	Construction labour	2,645,448.10	3,649,915.27
Dalian Port Landscape Engineering Co., Ltd.	Engineering Construction	Construction labour	888,491.93	628,241.00
Dalian Port Xingang Construction Engineering Co., Ltd.	Engineering Construction	Construction labour	304,339.32	89,500.00
Dalian Port Machinery Co., Ltd.	Engineering Construction	Construction labour	109,638.00	-
Dalian Port Design&Research Institute Co., Ltd.	Engineering Construction	Construction labour	-	948,679.25
			10,985,550.55	10,837,997.96

(f) Deposits with a related party

As at 30 June 2017, the Group's deposits in Dalian Port Group Financial Co., Ltd. were RMB1,499,187,643.35 (31 December 2016: RMB1,789,647,542.51) and the Group gained interest income of RMB8,489,202.50 for the current period (for the six months ended 30 June 2016: RMB4,600,568.95).

(g) Remuneration of key management

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Remuneration of key management	1,634,932.46	1,565,976.63

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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

Receivables from related parties:

	30 June 2017 (Unaudited)		31 December 2016	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Accounts receivable				
<u>Amount due from the parent</u>				
Dalian Port Group	1,991,446.44	-	2,094,072.44	-
<u>Amounts due from joint ventures and associates</u>				
Dalian Port Container Terminal Co., Ltd.	8,663,489.10	-	2,615,627.31	-
Dalian Port Yidu Cold Chain Co., Ltd.	5,362,216.02	-	4,273,562.73	-
Dalian International Container Terminal Co., Ltd.	4,368,076.17	-	1,039,758.17	-
Dalian Changxing Island Port Co., Ltd.	3,954,885.44	-	1,405,300.46	-
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	865,530.00	-	-	-
Ha'ou International Logistics Co., Ltd.	859,575.00	-	-	-
China Oil Dock Management (Dalian) Co., Ltd.	550,000.00	-	220,000.00	-
Dalian United International Shipping Agency Co., Ltd.	428,811.81	-	726,523.68	-
Dalian Changxing Island Port Investment and Development Co., Ltd.	335,000.00	-	-	-
Dalian North Oil Petroleum Logistics Co., Ltd.	318,680.00	-	241,680.00	-
China United International Rail Containers (Dalian) Co., Ltd.	314,970.00	-	-	-
Dalian Dagang China Shipping Container Terminal Co., Ltd.	312,492.35	-	38,430.81	-
Dalian Automobile Terminal Co., Ltd.	246,921.73	-	763,458.13	-
Dalian Shunde Jifa Supply Chain Management Co., Ltd.	150,000.00	-	-	-
Dalian Vanguard International Logistics Co., Ltd.	92,499.96	-	104,143.00	-
Dalian Shenyang Railway Bureau Yuangang Logistics Co., Ltd.	89,040.00	-	601,249.10	-
Dalian Singamas International Container Co., Ltd.	71,816.89	-	115,297.50	-
Odfjell Terminals (Dalian) Co., Ltd.	62,646.56	-	552,904.00	-
Dalian Jilong Logistics Co., Ltd.	43,300.00	-	46,460.00	-
Dalian Port Group Financial Co., Ltd.	20,000.00	-	21,300.00	-
Dalian New Silk Road International Logistics Co., Ltd.	18,992.00	-	-	-
PetroChina Dalian LNG Co., Ltd.	15,220.00	-	-	-
Liaoning Con-Rail International Logistics Co., Ltd.	50.00	-	2,352,753.00	-
Sino Rail Bohai Train Ferry Co., Ltd.	-	-	2,695.00	-
	27,144,213.03	-	15,121,142.89	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited)		31 December 2016	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Accounts receivable (continued)				
<i>Amounts due from other related parties</i>				
Dalian Port Wantong Logistics Co., Ltd.	1,865,290.50	-	445,262.00	-
Dalian Harbour Engineering Co., Ltd.	444,123.94	-	299,309.44	-
Dalian Taiping Bay Investment & Development Co., Ltd.	316,029.50	-	727,197.50	-
Dalian Port Machinery and Electric Co., Ltd.	121,000.00	-	471,000.00	-
Dalian CITIC Harbour Investment Co., Ltd.	90,634.81	-	61,940.01	-
Changhai County Guanglu Wharf Construction Management Co., Ltd.	89,756.00	-	89,756.00	-
Liaogang Commodity Trading Co., Ltd.	84,600.00	-	-	-
Dalian Port Machinery Co., Ltd.	78,176.00	-	78,176.00	-
Dalian Port Design&Research Institute Co., Ltd.	73,262.00	-	262,156.00	-
Dalian Port Petroleum & Chemical Co., Ltd.	64,410.00	-	-	-
PDA Group (Jinzhou) Liaoxi Port Investment and Development Co., Ltd.	9,200.00	-	-	-
Dalian Creative Industry Project Development Co., Ltd.	-	-	485.00	-
	3,236,482.75	-	2,435,281.95	-
	30 June 2017 (Unaudited)		31 December 2016	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Other receivables				
<i>Amount due from the parent</i>				
Dalian Port Group	8,020,645.28	-	8,615,365.50	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited)		31 December 2016	
	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 Changxing Island Port Co., Ltd.	11,825,660.35	-	10,307,572.59	-
Liaoning Con-Rail International Logistics Co., Ltd.	4,600,000.00	-	4,600,000.00	-
Dalian Changxing Island Port Investment and Development Co., Ltd.	1,540,745.65	-	907,884.49	-
Dalian Automobile Terminal Co., Ltd.	1,016,382.11	-	309,334.81	-
Dalian Port Container Terminal Co., Ltd.	671,662.14	-	7,056,518.83	-
Dalian North Oil Petroleum Logistics Co., Ltd.	540,474.88	-	-	-
Dalian International Container Terminal Co., Ltd.	387,228.60	-	3,780,781.88	-
Dalian United International Shipping Agency Co., Ltd.	335,062.00	-	315,750.00	-
China United Tally (Dalian) Co., Ltd.	325,002.00	-	35,147.25	-
Dalian Port Yidu Cold Chain Co., Ltd.	293,627.00	-	33,124,766.00	-
Dalian Port Bulk Cargo Logistics Centre Co., Ltd.	215,322.92	-	128,118.96	-
Dalian Gangsheng Tendering & Bidding Agency Co., Ltd.	170,000.00	-	33,300.00	-
Odfjell Changxing Warehousing Terminals (Dalian) Co., Ltd.	164,052.99	-	52,479.33	-
Dalian Harbour ECL Logistics Co., Ltd.	150,000.00	-	-	-
Dalian Port Tongli Shipping Agency Co., Ltd.	75,000.00	-	-	-
China United International Rail Containers (Dalian) Co., Ltd.	58,961.80	-	27,500.70	-
Dalian Jilong Logistics Co., Ltd.	50,000.00	-	50,000.00	-
Dalian Dagang China Shipping Container Terminal Co., Ltd.	15,716.13	-	6,969.32	-
Odfjell Terminals (Dalian) Co., Ltd.	12,100.00	-	7,100.00	-
PetroChina Dalian LNG Co., Ltd.	9,100.00	-	9,100.00	-
Dalian Port Group Financial Co., Ltd.	7,355.08	-	15,000.00	-
Dalian Puji Storage Facility Co., Ltd.	-	-	16,000,000.00	-
	22,463,453.65	-	76,767,324.16	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited)		31 December 2016	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Other receivables (continued)				
<i>Amounts due from other related parties</i>				
Dalian Taiping Bay Port Company Limited	7,275,607.60	-	2,443,607.60	-
Dalian Harbour Engineering Co., Ltd.	6,511,798.44	-	9,006,629.84	-
Dalian Port Machinery and Electric Co., Ltd.	4,645,525.10	-	4,691,699.10	-
Dalian Port Industrial Co., Ltd.	1,964,308.86	-	1,465,429.24	-
Changhai County Guanglu Wharf Construction Management Co., Ltd.	658,000.00	-	658,000.00	-
Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	575,870.24	-	288,000.00	-
Dalian Port North Shore Investment and Development Co., Ltd.	530,000.00	-	60,000.00	-
Jinzhou Liaoxi PDA Properties Co., Ltd.	360,500.00	-	360,500.00	-
Dalian Wanfeng Properties Co., Ltd.	304,001.00	-	304,001.00	-
Dalian Port Petroleum & Chemical Co., Ltd.	259,481.47	-	248,100.77	-
Dalian Port Machinery Co., Ltd.	250,100.00	-	250,100.00	-
Dalian Port Design&Research Institute Co., Ltd.	85,548.00	-	175,268.00	-
Dalian Taiping Bay Investment & Development Co., Ltd.	70,137.95	-	146,309.95	-
Dalian Hongyu Building Co., Ltd.	15,387.00	-	15,387.00	-
Dalian Port Xingang Construction Engineering Co., Ltd.	9,300.00	-	247,734.18	-
Dalian Harbour Building Co., Ltd.	7,426.40	-	46,454.80	-
Jinzhou Port Co., Ltd.	2,500.00	-	-	-
Dalian Port Security Services Co., Ltd.	2,000.00	-	400.00	-
Dalian Port North Shore Automobile Terminal Co., Ltd.	-	-	118,000.00	-
Dalian CITIC Harbour Investment Co., Ltd.	-	-	96,908.50	-
Dalian Taiping Bay Sunshine Real Estate Co., Ltd.	-	-	5,426.70	-
	23,527,492.06	-	20,627,956.68	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited)		31 December 2016	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Advances to suppliers				
<u>Advances to joint ventures and associates</u>				
China United International Rail Containers (Dalian) Co., Ltd.	-	-	1,673,376.90	-
Dalian Shenyang Railway Bureau Yuangang Logistics Co., Ltd.	-	-	910,000.00	-
	-	-	2,583,376.90	-
<u>Advances to other related parties</u>				
Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	1,480,373.18	-	1,260,588.09	-
Dalian Port Machinery Co., Ltd.	1,047,180.00	-	-	-
Dalian Port Machinery and Electric Co., Ltd.	1,041,810.00	-	-	-
Dalian Port Industrial Co., Ltd.	10,565.71	-	2,850.00	-
Dalian Port Landscape Engineering Co., Ltd.	-	-	3,579.25	-
	3,579,928.89	-	1,267,017.34	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited)		31 December 2016	
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Interests receivable				
<u>Amounts due from joint ventures and associates</u>				
Dalian Port Group Financial Co., Ltd.	1,490,289.62	-	4,391,163.57	-
Liaoning Con-Rail International Logistics Co., Ltd.	24,562.23	-	26,406.99	-
Dalian Port Yidu Cold Chain Co., Ltd.	-	-	39,476.25	-
Dalian Puji Storage Facility Co., Ltd.	-	-	21,266.67	-
	1,514,851.85	-	4,478,313.48	-
	30 June 2017 (Unaudited)		31 December 2016	
	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.	11,500,000.00	-	11,500,000.00	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited) Ending balance	31 December 2016 Ending balance
Accounts payable		
<u>Amounts due to joint ventures and associates</u>		
Ha'ou International Logistics Co., Ltd.	14,903,663.91	1,200.00
Dalian International Container Terminal Co., Ltd.	716,369.00	–
Dalian Singamas International Container Co., Ltd.	491,722.03	82,345.91
Dalian Port Container Terminal Co., Ltd.	205,094.00	25,134.00
Dalian Jilong Logistics Co., Ltd.	83,625.00	788.00
China United International Rail Containers (Dalian) Co., Ltd.	36,942.40	–
Weifang Senda Container Service Co., Ltd.	9,800.00	19,600.00
Dalian Vanguard International Logistics Co., Ltd.	1,000.00	700.00
	16,448,216.34	129,767.91
<u>Payables to other related parties</u>		
Dalian Port Machinery and Electric Co., Ltd.	2,306,467.01	2,748,304.51
Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	1,000,000.00	19,950.53
Dalian Port Industrial Co., Ltd.	660,000.00	209,706.00
Dalian Port Machinery Co., Ltd.	517,543.00	316,980.00
Dalian FTZ Yongdixin Real Estate Development Co., Ltd.	371,190.78	–
Dalian Taiping Bay Construction Engineering Co., Ltd.	370,540.00	370,540.00
Dalian Harbour Engineering Co., Ltd.	284,737.00	268,631.00
Dalian Hongyu Building Co., Ltd.	190,003.86	–
Dalian Port Xingang Construction Engineering Co., Ltd.	–	13,785.86
	5,700,481.65	3,947,897.90

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited) Ending balance	31 December 2016 Ending balance
Other payables		
<u>Amount due to the parent</u>		
Dalian Port Group	6,488,865.30	1,737,959.96
<u>Amounts due to joint ventures and associates</u>		
Liaoning Con-Rail International Logistics Co., Ltd.	5,000,000.00	5,000,000.00
Dalian Port Container Terminal Co., Ltd.	646,960.62	376,343.90
Dalian International Container Terminal Co., Ltd.	515,454.94	234,630.26
Dalian United International Shipping Agency Co., Ltd.	300,500.00	300,500.00
China United Tally (Dalian) Co., Ltd.	176,000.00	180,000.00
Dalian Port Yidu Cold Chain Co., Ltd.	150,000.00	1,544,890.48
Dalian Port Bulk Cargo Logistics Centre Co., Ltd.	68,639.08	338,073.63
Dalian Changxing Island Port Co., Ltd.	38,857.14	–
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 Jilong Logistics Co., Ltd.	5,000.00	–
Dalian Vanguard International Logistics Co., Ltd.	2,000.00	2,000.00
China United International Rail Containers (Dalian) Co., Ltd.	–	2,000.00
	6,944,111.78	8,019,138.27

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited) Ending balance	31 December 2016 Ending balance
Other payables (continued)		
<u>Payables to other related parties</u>		
Dalian Harbour Engineering Co., Ltd.	38,478,330.68	59,771,314.45
Shenyang Kaiming Industrial Co., Ltd.	30,000,000.00	30,000,000.00
Shenyang Mingshuo Industrial Development Co., Ltd.	20,000,000.00	20,000,000.00
Dalian Port Machinery and Electric Co., Ltd.	3,001,941.37	20,790,523.75
Dalian Port Xingang Construction Engineering Co., Ltd.	2,053,723.87	2,741,301.02
Dalian FTZ Yongdixin Real Estate Development Co., Ltd.	2,041,944.26	–
Dalian Port Rixing Boiler Installation Co., Ltd.	1,688,874.06	3,122,647.21
Dalian Hongyu Building Co., Ltd.	1,125,257.30	–
Dalian Port Machinery Co., Ltd.	757,645.01	931,671.35
Dalian Wanpeng Foundation Engineering Co., Ltd.	736,116.43	736,116.43
Dalian Port Design & Research Institute Co., Ltd.	341,300.00	395,800.00
Dalian ETDZ Harbour Freight Co., Ltd.	317,302.05	316,741.35
Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	282,528.34	633,643.78
Dalian CITIC Harbour Investment Co., Ltd.	250,000.00	–
Dalian Port Wantong Logistics Co., Ltd.	61,400.00	63,315.80
Dalian Port Landscape Engineering Co., Ltd.	45,800.00	–
Dalian Port Industrial Co., Ltd.	30,000.00	30,000.00
Jinzhou Port Co., Ltd.	–	3,000.00
	101,212,163.37	139,536,075.14
	30 June 2017 (Unaudited) Ending balance	31 December 2016 Ending balance
Advances from customers		
<u>Advances from the parent</u>		
Dalian Port Group	–	436,926.14

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited) Ending balance	31 December 2016 Ending balance
Advances from customers (continued)		
<u>Advances from joint ventures and associates</u>		
Dalian Port Yidu Cold Chain Co., Ltd.	9,740,206.69	13,064,526.05
Dalian Port Container Terminal Co., Ltd.	828,393.35	1,859,233.61
Dalian New Silk Road International Logistics Co., Ltd.	223,866.90	–
Dalian Changxing Island Port Co., Ltd.	100,000.00	–
Liaoning Con-Rail International Logistics Co., Ltd.	4,212.00	9,852.00
Dalian Port Bulk Cargo Logistics Centre Co., Ltd.	515.00	710.00
PetroChina Dalian LNG Co., Ltd.	510.00	320,847.31
Dalian Jilong Logistics Co., Ltd.	–	145,332.88
Dalian Singamas International Container Co., Ltd.	–	49,410.09
China United International Rail Containers (Dalian) Co., Ltd.	–	6,900.00
Dalian Wanpeng Port Engineering Testing Co., Ltd.	–	5,712.43
Dalian Puji Storage Facility Co., Ltd.	–	3,525.07
Dalian Port Tongli Shipping Agency Co., Ltd.	–	525.00
	10,897,703.94	15,466,574.44
<u>Advances from other related parties</u>		
Liaogang Commodity Trading Co., Ltd	148,725.00	72,229.00
Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	5,371.00	2,084.96
Dalian Port Petroleum & Chemical Co., Ltd.	1,190.00	120.00
Dalian Port Industrial Co., Ltd.	–	194,649.63
Dalian Harbour Engineering Co., Ltd.	–	88,117.53
Dalian Port Landscape Engineering Co., Ltd.	–	18,764.60
Dalian Port Rixing Boiler Installation Co., Ltd.	–	16,488.52
Dalian Wanpeng Foundation Engineering Co., Ltd.	–	13,720.22
Dalian Port Xingang Construction Engineering Co., Ltd.	–	4,169.91
Dalian PetroChina Marine Fuel Transportation & Sales Co., Ltd.	–	3,917.98
Dalian Port Wantong Logistics Co., Ltd.	–	1,651.50
Jinzhou Port Co., Ltd.	–	350.00
	155,286.00	416,263.85

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited) Ending balance	31 December 2016 Ending balance
Short-term borrowings		
<u>Amount due to joint ventures and associates</u>		
Dalian Port Group Financial Co., Ltd.	146,920,000.00	116,655,000.00
Interest payable		
<u>Amounts due to joint ventures and associates</u>		
Dalian Port Group Financial Co., Ltd.	815,743.05	600,582.23
Dalian Harbour ECL Logistics Co., Ltd.	–	27,056.94
	815,743.05	627,639.17
<u>Payables to other related parties</u>		
Shenyang Kaiming Industrial Co., Ltd.	787,350.00	–
Shenyang Mingshuo Industrial Development Co., Ltd.	524,900.00	–
Dalian Equipment Finance Lease Co., Ltd.	–	28,843,779.71
	1,312,250.00	28,843,779.71
Long-term borrowings		
<u>Amounts due to joint ventures and associates</u>		
Dalian Port Group Financial Co., Ltd.	730,000,000.00	140,000,000.00

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited) Ending balance	31 December 2016 Ending balance
Long-term payables		
<u>Payables to other related parties</u>		
Ocean Harvest Container Co. Limited	36,877,465.27	40,854,220.41
Dalian Equipment Finance Lease Co., Ltd.	334,777.33	2,283,861.07
	37,212,242.60	43,138,081.48
Current portion of non-current liabilities		
<u>Amounts due to joint ventures and associates</u>		
Dalian Harbour ECL Logistics Co., Ltd.	14,000,000.00	14,000,000.00
<u>Payables to other related parties</u>		
Dalian Equipment Finance Lease Co., Ltd.	3,834,016.45	1,003,705,219.10
Ocean Harvest Container Co. Limited	18,581,291.89	14,798,302.32
	22,415,308.34	1,018,503,521.42

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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

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 were as follows:

Leases

	30 June 2017 (Unaudited)	31 December 2016
Lessee –		
Dalian Port Group	116,628,788.29	139,006,152.49
Dalian International Container Terminal Co., Ltd.	1,165,048.56	1,273,000.48
Dalian Port Container Terminal Co., Ltd.	1,082,522.34	2,186,699.00
Dalian FTZ Yongdixin Real Estate Development Co., Ltd.	834,411.57	1,279,225.21
Dalian Puji Storage Facility Co., Ltd.	483,419.05	986,842.01
Dalian Hongyu Building Co., Ltd.	391,347.51	704,446.40
Dalian Port Industrial Co., Ltd.	213,280.00	–
Dalian Changxing Island Port Co., Ltd.	38,857.14	–
	120,837,674.46	145,436,365.59
Lessor –		
Dalian Port Container Terminal Co., Ltd.	231,421,190.48	247,170,000.00
China Oil Dock Management (Dalian) Co., Ltd.	7,080,000.00	14,260,000.00
Dalian Port Industrial Co., Ltd.	1,268,637.62	1,417,028.43
Liaoning Con-Rail International Logistics Co., Ltd.	591,091.14	308,395.92
Dalian Port Wantong Logistics Co., Ltd.	506,939.13	1,169,784.68
Dalian Port Yidu Cold Chain Co., Ltd.	434,227.84	1,052,455.77
Dalian Jilong Logistics Co., Ltd.	399,708.00	–
Dalian Harbour City Construction Development Co., Ltd.	262,762.48	–
Dalian North Oil Petroleum Logistics Co., Ltd.	211,904.76	222,500.00
	242,176,461.45	265,600,164.80

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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)

Transfer of assets

	30 June 2017 (Unaudited)	31 December 2016
Transferred in –		
Dalian Harbour Engineering Co., Ltd.	11,233,600.90	11,233,600.90
Dalian Port Machinery and Electric Co., Ltd.	10,033,979.80	–
Dalian Port Rixing Boiler Installation Co., Ltd.	1,616,863.70	–
Dalian Port Machinery Co., Ltd.	174,300.00	–
	23,058,744.40	11,233,600.90

Guarantee

For the details of guarantee provided as at 30 June 2017, please see Note 8(5)(c).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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) Emoluments of directors and chief executives

Emoluments of directors, supervisors and chief executives the six months ended 30 June 2017 were 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	Other allowances and benefits	Emoluments paid or receivable in respect of director's other services in connection with the management of the Company or subsidiaries	Emoluments paid or receivable in respect of director's other services in connection with the management of the Company or subsidiaries	
Chairman of the board/Executive director	Zhang Yiming	-	-	-	-	-	-	
General manager/Executive director	Wei Minghui	-	-	-	-	212,099.98	212,099.98	
Vice chairman of the board/ Non-executive director	Xu Song	-	-	-	-	-	-	
Vice chairman of the board/ Non-executive director	Bai Jingtao	-	-	-	-	-	-	
Non-executive director	Zheng Shaoping	-	-	-	-	-	-	
Non-executive director	Yin Shihui	-	-	-	-	-	-	
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	Luo Wenda	-	-	-	-	-	-	
Independent non-executive director	Yin Jintao	125,000.00	-	-	-	-	125,000.00	
Chairman of supervisory board/Supervisor on behalf of the shareholders	Jia Wenjun	-	-	-	-	-	-	
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	207,219.98	-	-	-	-	207,219.98	
Supervisor on behalf of employees	Lu Yongkui	-	-	-	-	-	-	
Supervisor on behalf of employees	Zhao Rong	178,986.24	-	-	-	-	178,986.24	

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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) Emoluments of directors and chief executives (continued)

Emoluments of directors, supervisors and chief executives the six months ended 30 June 2016 were 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	Other allowances and benefits		
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	-	-	-	-	-	-
General manager/Executive director	Wei Minghui	-	-	-	-	242,825.70	242,825.70
Vice general manager/Executive director	Sun Benye	-	-	-	-	215,617.70	215,617.70
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 2017 (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) Emoluments of directors and chief executives (continued)

The term of expiration for independent non-executive director Yin Jintao fell on 27 June 2017; Luo Wenda was appointed as independent non-executive director on 28 June 2017.

The term of expiration for supervisor Zhao Rong fell on 27 June 2017; Lu Yongkui was appointed as supervisor on 28 June 2017.

(b) Consideration paid to third parties in return for director services

For the six months ended 30 June 2017, the Company had no consideration paid to third parties in return for 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 provided no loans, quasi-loans and other transactions to any directors, the legal person controlled by the directors, and associated person of the directors.

(d) Substantial interests of directors in transaction, arrangement or contract

For the period, the Company did not sign any important transaction, arrangement or contract related to the business of the Group within which the directors of the Company directly or indirectly have substantial interests.

(9) The five individuals whose emoluments are the highest

For the six months ended 30 June 2017, the five individuals whose emoluments were the highest in the Group include zero (for the six months ended 30 June 2016: zero) director whose emoluments were reflected in the analysis presented above. The emoluments payable to the remaining five (for the six months ended 30 June 2016: five) individuals during the period were as follows:

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Salary and allowance	3,466,017.41	2,466,050.51
Social security contributions	201,103.92	194,907.30
	3,667,121.33	2,660,957.81

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Emolument bands: RMB0 – RMB1,000,000	5	5

9 Contingencies

Guarantee

- (1) The Company's associate, Dalian North Oil Petroleum Logistics Co., Ltd. ("DNPL"), financed RMB116 million by means of financial leasing from Zhongbing Financial Leasing Co., Ltd. ("Lessor") for a term of 5 years starting from 25 July 2016. As the substantial shareholder (29% equity interests) of DNPL, China ZhenHua Oil Co., Ltd. provided full guarantee with joint and several liability for the rental paid by DNPL.

Pursuant to the resolutions passed at the fifth meeting of the second session of the Board of Directors in 2016, the Company provided a counter guarantee for 20% of the guarantee liability and other necessary expenses and losses actually assumed by China Zhenhua Oil Co., Ltd. to the lessor for DNPL. The counter guarantee was unconditional and non-cancellable and the relevant counter guarantee contract was signed on 11 November 2016. The counter guarantee period shall be two years since the date when China Zhenhua Oil Co., Ltd. has the guarantee responsibility to the lessor according to the guarantee contract. If China Zhenhua Oil Co., Ltd. fulfils its guarantee obligation to the lessor according to the guarantee contract more than once, the counter guarantee period provided by the Company will have to be calculated separately. As at 30 June 2017, DNPL had made a repayment of RMB20 million for the principal of the financial lease.

- (2) The Company's associate, Dalian North Oil Petroleum Logistics Co., Ltd. ("DNPL"), applied to the North Industries Group Finance Company Ltd. ("creditor") of China North Industries Group Corporation for a bank loan of RMB30 million for a term of one year starting from 1 December 2016. As the substantial shareholder (29% equity interests) of DNPL, China ZhenHua Oil Co., Ltd. provided full guarantee with joint and several liability for the loan applied.

Pursuant to the resolutions passed at the fifth meeting of the fourth session of the Board of Directors in 2016, the Company provided a counter guarantee for 20% of the guarantee liability and other necessary expenses and losses actually assumed by China Zhenhua Oil Co., Ltd. to the creditor for DNPL. The counter guarantee was unconditional and non-cancellable and the relevant counter guarantee contract was signed on 1 December 2016. The counter guarantee period shall be two years since the date when China Zhenhua Oil Co., Ltd. has the guarantee responsibility to the creditor according to the guarantee contract. If China Zhenhua Oil Co., Ltd. fulfils its guarantee obligation to the creditor according to the guarantee contract more than once, the counter guarantee period provided by the Company will have to be calculated separately.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

9 Contingent liabilities (continued)

Guarantee (continued)

- (3) CDB Development Fund intended to contribute RMB35 million to increase the capital of the Group's joint venture Dalian Port Yidu Cold Chain Co., Ltd. ("Dalian Port Yidu") by investing in the second-phase cold storage project of Dalian Port Yidu. After the capital increase, CDB Development Fund held 6.7% of the shares in Dalian Port Yidu. Upon expiration of the investment, CDB Development Fund required the wholly-owned subsidiary of the Group Dalian Port Jifa Logistics Co., Ltd. ("Jifa Logistics") to repurchase its equity interest acquired from capital increase in Dalian Port Yidu, and required the parent company of Jifa Logistics, Dalian Port Container Development Co., Ltd. ("DPCD"), to provide joint and several liability guarantee for the repurchase. DPCD is a wholly-owned subsidiary of the Company.

Pursuant to the resolutions passed at the first meeting of the fourth session of the Board of Directors in 2016, DPCD had the consent of the board of the directors to provide joint and several liability guarantee for the repurchase of Jifa Logistics from CDB Development Fund with a cap of RMB42.14 million. The guarantee covers the payment for repurchase, investment income of CDB Development Fund, other obligations and compensations due to insufficient fund, liquidated damages, damage awards and realisation of obligation right. The guarantee period is two years since the date of expiry of the debt performance under the master contract. This guarantee contract was entered into and signed on 25 February 2016.

10 Commitments

(1) Capital commitments

Capital expenditures contracted for by the Group at the balance sheet date but were not yet necessary to be recognised on the balance sheet were as follows:

	30 June 2017 (Unaudited)	31 December 2016
Buildings, machinery and equipment	114,015,564.91	110,218,766.89

(2) Operating lease commitments

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

	30 June 2017 (Unaudited)	31 December 2016
Within 1 year	78,970,298.42	90,484,803.57
1 to 2 years	40,882,177.20	72,170,264.20
2 to 3 years	32,017,866.83	28,032,540.85
Over 3 years	96,065,462.90	102,543,883.24
	247,935,805.35	293,231,491.86

Notes to the Financial Statements (continued)

*For the six months ended 30 June 2017 (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 and 31 August 2016, the Company was committed to investing RMB20 million for 40% equity interests of Odfjell Changxing Warehousing Terminals (Dalian) Co., Ltd. As at 30 June 2017, the Company had made an aggregate investment of RMB10.60 million with no payment made for the six months ended 30 June 2017. Therefore, there was still RMB9.40 million outstanding.

Pursuant to the resolutions passed at the second meeting of the fourth session of the Board of Directors in 2017, the Company agreed with Xiamen Xiangyu Co., Ltd. to jointly establish Dalian Port Xiangyu Food & Logistics Co., Ltd. on 29 June 2017, with registered capital of RMB10 million; of which, the Company subscribed RMB5.10 million, with a shareholding of 51%. As at 30 June 2017, the Company had not made the payment.

Pursuant to the resolutions passed at the fourth meeting (extraordinary) of the fourth session of the Board of Directors in 2017, the Company had the consent of holding subsidiary Dalian United King Port Auto Trade Co., Ltd. to jointly establish Ningbo United King Port Auto Trade Co., Ltd. with Ningbo International Logistics Co., Ltd. Such joint venture was incorporated on 16 March 2017 with registered capital of RMB20 million; of which, Dalian United King Port Auto Trade Co., Ltd. subscribed RMB9.80 million, with a shareholding of 49%. As at 30 June 2017, Dalian United King Port Auto Trade Co., Ltd. had not made the payment.

Pursuant to the resolutions passed at the first meeting (extraordinary) of the fifth session of the Board of Directors in 2017, the Group had the consent of wholly-owned subsidiary Dalian Port Container Development Co., Ltd. to acquire 50% equity interests of Liaoning Con-Rail International Logistics Co., Ltd. in cash at an estimated consideration of RMB7 million (the final assessment shall prevail). As at 30 June 2017, Dalian Port Container Development Co., Ltd. had not made the payment.

Pursuant to the agreement signed between the Group's subsidiaries, Dalian FTZ Jinxin Petro-chemical Co., Ltd., Asia Pacific Ports (Dalian) Co., Ltd., Northeast Asia Spot Commodity Exchange Limited and Dalian Port Petroleum & Chemical Co., Ltd. on 17 April 2014, Dalian FTZ Jinxin Petrochemical Co., Ltd. and Asia Pacific Ports (Dalian) Co., Ltd. were committed to investing RMB12.50 million and RMB10 million for 25% and 20% equity interests of Northeast Asia Petrochemical Trading centre Co., Ltd., respectively. As Northeast Asia Petrochemical Trading Centre Co., Ltd. applies subscribed registration system, it suffices to pay the amount within operation period of 30 years. As at 30 June 2017, the registered capital had not been paid yet, and it would be paid according to the company needs and business development in the future.

Pursuant to the resolutions passed at the eighth meeting of the fourth session of the Board of Directors in 2016, the Company agreed with the capital increase of RMB30 million which was made in cascade to its wholly-owned subsidiary Dalian Port Container Development Co., Ltd., then Dalian Port Jifa Logistics Co., Ltd. (the wholly-owned subsidiary of Dalian Port Container Development Co., Ltd.) and finally Dalian Port Yidu Cold Chain Co., Ltd. (in which Dalian Port Jifa Logistics Co., Ltd. is a shareholder). The capital increase was mainly used for investment of Dalian Port Yidu Cold Chain Co., Ltd. in the project of Central China fresh and refrigeration port in Zhengzhou. As at 30 June 2017, the capital increase was not paid.

Notes to the Financial Statements (continued)

*For the six months ended 30 June 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]*

10 Commitments (continued)

(3) Investment commitments (continued)

Dalian Dilangsirui Caravan Co., Ltd., subsidiary of the Group, incorporated Dalian Dilangsirui Automobile Leasing Co., Ltd. as its wholly-owned subsidiary with registered capital of RMB500,000 on 30 July 2015. As at 30 June 2017, Dalian Dilangsirui Caravan Co., Ltd. had not made the payment.

Dalian Dilangsirui Caravan Co., Ltd., subsidiary of the Group, incorporated Dalian Dilangsirui Tourism Development Co., Ltd. as its wholly-owned subsidiary with registered capital of RMB30 million on 15 December 2015. As at 30 June 2017, Dalian Dilangsirui Caravan Co., Ltd. had made contribution totalling RMB10 million which had been paid up for the six months ended 30 June 2017, with RMB20 million still outstanding.

11 Events after the balance sheet date

Significant non-adjusting events

The Company held the second meeting (extraordinary) of the fifth session of the Board of Directors on 3 August 2017, which passed the following resolutions: the Proposal Regarding the Acquisition of 20% Equity Interests of Dalian Port Container Terminal Co., Ltd. (DPCM) Held by APM Terminals and the Proposal Regarding the Integration of Dalian Container Terminal Co., Ltd. (DCT), Dalian Port Container Terminal Co., Ltd. (DPCM) and Dalian International Container Terminal Co., Ltd.(DICT). The major effects arising from the aforementioned proposals are as follows:

- (1) The Group's wholly-owned subsidiary Dalian Port Container Development Co., Ltd. ("DPCD") will acquire 20% equity interests of DPCM at a consideration of USD18 million, and after this acquisition, the shareholding of DPCM held by DPCD will increase to 55% from 35%;
- (2) The Group's holding subsidiary DCT will merge DPCM and DICT. After the merger, DPCM and DICT will be deregistered, and DCT will take over all the assets, liabilities, equities and businesses of these two companies. The Group takes a shareholding of 48.15% in the new joint venture. Pursuant to the Agreement on Persons Acting in Concert signed with another shareholder Nippon Yusen Kabushiki Kaisha (with a shareholding of 6.85% in the new joint venture), the Group will control the new joint venture and include it in the Group's consolidated financial statements.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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(15)(a)) are as follows:

	30 June 2017 (Unaudited)	31 December 2016
Within 1 year	23,953,742.17	21,005,116.72
1 to 2 years	38,739,699.93	45,092,426.00
	62,693,442.10	66,097,542.72

As at 30 June 2017, the balance of unrecognised financing expense amounted to RMB3,065,891.16 (31 December 2016: RMB4,455,939.82).

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 and HKD. 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 2017 and the year ended 31 December 2016, the Group did not enter into any forward exchange contracts or currency swap contracts.

As at 30 June 2017 and 31 December 2016, the carrying amounts in RMB equivalent of the Group's assets and liabilities denominated in foreign currencies were summarised below:

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited)			
	USD	HKD	Others	Total
Financial assets denominated in foreign currency –				
Cash at bank and on hand	4,145,461,465.23	9,018,757.65	3,998,923.70	4,158,479,146.58
Receivables	22,050,521.47	-	-	22,050,521.47
Available-for-sale financial assets	-	16,302,965.89	-	16,302,965.89
	4,167,511,986.70	25,321,723.54	3,998,923.70	4,196,832,633.94
Financial liabilities denominated in foreign currency –				
Short-term borrowings	394,665,405.53	-	337,227,310.36	731,892,715.89
Payables	28,840,752.37	28,599.04	-	28,869,351.41
Long-term payables	36,877,465.27	-	-	36,877,465.27
Others	18,581,291.89	-	-	18,581,291.89
	478,964,915.06	28,599.04	337,227,310.36	816,220,824.46

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2016			
	USD	HKD	Others	Total
Financial assets denominated in foreign currency –				
Cash at bank and on hand	4,207,691,349.16	7,964,205.49	1,266,129.30	4,216,921,683.95
Receivables	18,136,139.28	–	19,745.60	18,155,884.88
Available-for-sale financial assets	–	12,281,980.10	–	12,281,980.10
	<u>4,225,827,488.44</u>	<u>20,246,185.59</u>	<u>1,285,874.90</u>	<u>4,247,359,548.93</u>
Financial liabilities denominated in foreign currency –				
Short-term borrowings	149,232,004.39	–	162,710,794.40	311,942,798.79
Payables	13,619,937.92	40,141.61	–	13,660,079.53
Long-term payables	40,854,220.41	–	–	40,854,220.41
Others	14,798,302.32	–	–	14,798,302.32
	<u>218,504,465.04</u>	<u>40,141.61</u>	<u>162,710,794.40</u>	<u>381,255,401.05</u>

As at 30 June 2017, if the currency had strengthened/weakened by 10% against the USD while all other variables had been held constant, the Group's net profit for the year would have been approximately RMB276,641,030.37 (31 December 2016: approximately RMB300,549,226.76) lower/higher for various financial assets and liabilities denominated in USD.

As at 30 June 2017, if the currency had strengthened/weakened by 10% against the HKD while all other variables had been held constant, the Group's net profit for the year would have been approximately RMB1,896,984.34 (31 December 2016: approximately RMB1,515,453.30) lower/higher for various financial assets and liabilities denominated in HKD.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 bonds 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 2017, the Group's long-term interest bearing borrowings were mainly RMB denominated with floating rates, amounting to RMB612,010,023.77 with long-term borrowings of RMB10,000,000.00 due within one year (31 December 2016: RMB17,010,023.77 with long-term borrowings of RMB10,000,000.00 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 interest-bearing borrowings 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 2017 and the year ended 31 December 2016, the Group did not enter into any interest rate swap agreements.

As at 30 June 2017, if interest rates on the floating rate borrowings had strengthened/weakened by 50 basis points while all other variables had been held constant, the Group's net profit would have been approximately RMB2,295,037.59 (31 December 2016: approximately RMB63,787.59) lower/higher.

(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 state-owned banks, Dalian Port Group Financial Co., Ltd., and other medium or large size 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 2017 (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. 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 were analysed by their maturity date below at their undiscounted contractual cash flows:

	30 June 2017 (Unaudited)				Total
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term borrowings	4,010,899,534.26	-	-	-	4,010,899,534.26
Accounts payable	244,315,862.36	-	-	-	244,315,862.36
Interest payable	164,820,511.49	-	-	-	164,820,511.49
Dividends payable	268,571,266.94	-	-	-	268,571,266.94
Other payables	505,351,967.77	-	-	-	505,351,967.77
Current portion of non-current liabilities	872,057,279.53	-	-	-	872,057,279.53
Long-term borrowings	31,676,415.25	64,277,163.55	725,080,131.94	-	821,033,710.74
Bonds payable	193,512,452.05	2,987,156,191.78	3,824,766,547.95	-	7,005,435,191.78
Long-term payables	-	38,739,699.93	-	-	38,739,699.93
	6,291,205,289.65	3,090,173,055.26	4,549,846,679.89	-	13,931,225,024.80

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

14 Financial risk (continued)

(3) Liquidity risk (continued)

	31 December 2016				Total
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term borrowings	505,758,552.70	-	-	-	505,758,552.70
Notes payable	1,250,000.00	-	-	-	1,250,000.00
Accounts payable	235,701,773.17	-	-	-	235,701,773.17
Interest payable	164,961,241.06	-	-	-	164,961,241.06
Dividends payable	76,661,039.64	-	-	-	76,661,039.64
Other payables	516,421,553.09	-	-	-	516,421,553.09
Current portion of non-current liabilities	1,082,344,236.29	-	-	-	1,082,344,236.29
Other current liabilities	3,061,693,150.68	-	-	-	3,061,693,150.68
Long-term borrowings	6,883,029.35	23,669,635.81	134,330,020.83	-	164,882,685.99
Bonds payable	190,566,986.30	3,770,875,000.00	2,723,650,000.00	-	6,685,091,986.30
Long-term payables	-	45,092,426.00	-	-	45,092,426.00
	5,842,241,562.28	3,839,637,061.81	2,857,980,020.83	-	12,539,858,644.92

Bank and other borrowings are analysed by repayment terms as follows:

	30 June 2017 (Unaudited)		31 December 2016	
	Bank borrowings	Other borrowings	Bank borrowings	Other borrowings
Within 1 year	3,918,797,189.08	837,953,742.17	509,427,798.80	4,035,005,116.72
1 to 2 years	32,010,023.77	2,688,739,699.93	17,010,023.77	3,495,092,426.00
2 to 5 years	700,000,000.00	3,420,000,000.00	130,000,000.00	2,350,000,000.00
	4,650,807,212.85	6,946,693,442.10	656,437,822.57	9,880,097,542.72

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

15 Fair value estimates

The level in which fair value measurement is categorised is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement:

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: Unobservable inputs for the asset or liability.

(1) Assets measured at fair value on a recurring basis

As at 30 June 2017, the assets measured at fair value on a recurring basis by the above three levels were 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	4,884,737.50	–	–	4,884,737.50
Others	–	591,189.00	–	591,189.00
Available-for-sale financial assets –				
Available-for-sale equity instruments	16,302,965.89	–	–	16,302,965.89
Wealth management products	–	–	1,600,000,000.00	1,600,000,000.00
Total assets	21,187,703.39	591,189.00	1,600,000,000.00	1,621,778,892.39

As at 31 December 2016, the assets measured at fair value on a recurring basis by the above three levels were 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	5,425,002.50	–	–	5,425,002.50
Others	–	1,879,405.00	–	1,879,405.00
Available-for-sale financial assets –				
Available-for-sale equity instruments	12,281,980.10	–	–	12,281,980.10
Wealth management products	–	–	450,000,000.00	450,000,000.00
Total assets	17,706,982.60	1,879,405.00	450,000,000.00	469,586,387.60

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

15 Fair value estimates (continued)

(1) Assets measured at fair value on a recurring basis (continued)

The Group takes the date on which events causing the transfers between the levels take place as the timing specific for recognising the transfers. There is no transfer between Level 1 and Level 2 for the current period.

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation technique. The valuation models used mainly primarily comprise discounted cash flow model and market comparable corporate model. The inputs of the valuation technique mainly include risk-free interest rate, benchmark rate, exchange rate, credit spread, liquidity premium, EBITDA multiplier and restricted discount.

The changes in Level 3 financial assets are analysed below:

	Available-for-sale financial assets – wealth management products
1 January 2017	450,000,000.00
Purchases	2,700,000,000.00
Sales	<u>(1,550,000,000.00)</u>
30 June 2017 (Unaudited)	<u>1,600,000,000.00</u>

	Available-for-sale financial assets	
	Wealth management products	Entrusted investments
1 January 2016	–	65,820,000.00
Purchases	2,250,000,000.00	–
Sales	<u>(1,800,000,000.00)</u>	<u>(65,820,000.00)</u>
31 December 2016	<u>450,000,000.00</u>	–

Gains or losses recognised in profit or loss are included in the income statement under the items of gains on changes in fair value, investment income and asset impairment loss respectively.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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

Financial assets and liabilities measured at amortised cost mainly include receivables, short-term borrowings, payables, long-term borrowings, bonds payable and long-term payables.

Except for financial liabilities listed below, the carrying amount of the other financial assets and liabilities not measured at fair value is a reasonable approximation of their fair value.

	30 June 2017 (Unaudited)		31 December 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities - Bonds payable	6,052,573,923.27	6,357,796,639.52	5,779,081,112.06	6,140,891,346.01

The fair value of bonds payable quoted in an active market is determined at the quoted market price and categorised within Level 1 of the fair value hierarchy. The fair value of long-term borrowings, long-term payables and bonds payable not quoted in an active market is the present value of the contractually determined stream of future cash flows discounted at the rate of interest applied at that time by the market to instruments of comparable credit status and providing substantially the same cash flows on the same terms, and categorised within Level 3 of the fair value hierarchy.

16 Capital management

The Group's capital management policies aim 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 'shareholder's 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 shareholders' equity.

As at 30 June 2017 and 31 December 2016, the Group's net debt-to-equity ratio was as follows:

	30 June 2017 (Unaudited)	31 December 2016
Net debt-to-equity ratio	19%	20%

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited)	31 December 2016
Investments in equity instrument held for trading	4,884,737.50	5,425,002.50

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 2017 (Unaudited)	31 December 2016
Accounts receivable	409,841,462.59	449,565,633.45
Less: Provision for bad debts	-	-
	409,841,462.59	449,565,633.45

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 2017 (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 2017 (Unaudited)	31 December 2016
Within 1 year	344,908,845.17	389,916,561.13
1 to 2 years	5,787,897.32	797,660.00
2 to 3 years	497,222.00	203,914.22
Over 3 years	58,647,498.10	58,647,498.10
	409,841,462.59	449,565,633.45

As at 30 June 2017, accounts receivable overdue but unimpaired are RMB154,763,376.42 (31 December 2016: RMB65,156,935.17). Such receivables were considered recoverable based on the financial position of the customer and analysis on its credit record, so no individual provision for impairment was made. The ageing of the accounts receivable is analysed as follows:

	30 June 2017 (Unaudited)	31 December 2016
Within 1 year	90,393,374.21	6,028,420.06
1 to 2 years	5,678,097.32	794,604.00
2 to 3 years	497,222.00	139,228.22
Over 3 years	58,194,682.89	58,194,682.89
	154,763,376.42	65,156,935.17

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited)				31 December 2016			
	Ending balance		Provision for bad debts		Ending balance		Provision for bad debts	
	Amount	% of total balance	Amount	Provision %	Amount	% of total balance	Amount	Provision %
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	409,841,462.59	100.00%	-	-	449,565,633.45	100.00%	-	-
Including: Group 1	-	-	-	-	-	-	-	-
Group 2	409,841,462.59	100.00%	-	-	449,565,633.45	100.00%	-	-
With amounts that are not individually significant but that the related provision for bad debts is provided on the individual basis	-	-	-	-	-	-	-	-
	409,841,462.59	100.00%	-	-	449,565,633.45	100.00%	-	-

(c) For the six months ended 30 June 2017, accounts receivable recovered or written off by the Company in the current period amounted to RMB10,000.00, without provision or written-off of bad debts.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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) As at 30 June 2017, the accounts receivable from the top five debtors in respect of outstanding balance were analysed as below (unaudited):

	Balance	Provision for bad debts	% of total balance
Total balances of top five accounts receivable	209,250,469.41	–	51.06%

(3) Other receivables

	30 June 2017 (Unaudited)	31 December 2016
Entrusted loans	150,000,000.00	150,000,000.00
Berth rental receivable	–	1,294,354.84
Others	61,649,981.89	39,589,878.76
	211,649,981.89	190,884,233.60
Less: Provision for bad debts	(16,098.47)	(16,098.47)
	211,633,883.42	190,868,135.13

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited)	31 December 2016
Within 1 year	194,790,134.60	177,805,910.13
1 to 2 years	6,492,194.73	4,652,269.77
2 to 3 years	4,037,881.70	4,642,060.04
Over 3 years	6,329,770.86	3,783,993.66
	211,649,981.89	190,884,233.60

As at 30 June 2017, other receivables of RMB20,802,358.64 (31 December 2016: RMB13,437,260.30) were overdue. Based on the analysis of the financial status and credit history of the debtors, the Company expected that the overdue amounts could be recovered, and the accounts receivable were not impaired, thus no provision for bad debts was individually provided. The ageing of the other receivables is analysed as follows:

	30 June 2017 (Unaudited)	31 December 2016
Within 1 year	7,931,246.73	3,123,865.55
1 to 2 years	4,591,617.82	4,013,036.70
2 to 3 years	3,882,421.70	4,440,162.86
Over 3 years	4,397,072.39	1,860,195.19
	20,802,358.64	13,437,260.30

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited)				31 December 2016			
	Ending balance		Provision for bad debts		Ending balance		Provision for bad debts	
	% of total				% of total			
	Amount	balance	Amount	Provision %	Amount	balance	Amount	Provision %
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	211,633,883.42	99.99%	-	-	190,868,135.13	99.99%	-	-
Including: Group 1	-	-	-	-	-	-	-	-
Group 2	211,633,883.42	99.99%	-	-	190,868,135.13	99.99%	-	-
With amounts that are not individually significant but that the related provision for bad debts is provided on the individual basis	16,098.47	0.01%	16,098.47	100.00%	16,098.47	0.01%	16,098.47	100.00%
	211,649,981.89	100.00%	16,098.47	0.01%	190,884,233.60	100.00%	16,098.47	0.01%

(c) For the six months ended 30 June 2017, the Company made no provision for bad debts or reversal/write-off of such provision for bad debts of other receivables.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017, the other receivables from the top five debtors in respect of outstanding balance were analysed as below (unaudited):

	Nature	Balance	Ageing	% of total balance	Provision for bad debts
Asia Pacific Ports Company Limited	Entrusted loans	150,000,000.00	Within 1 year	70.87%	-
Dalian Port Pilot Station	Public infrastructure maintenance expenses	15,540,059.20	Within 1 year	7.34%	-
Dalian Portnet Co., Ltd.	Equity transfer from Portsoft	10,156,230.00	Within 1 year	4.80%	-
Dalian Steel Logistics Park Co., Ltd.	Advances and rental	1,586,733.22	Within 1 year	0.75%	-
		2,013,830.31	1 to 2 years	0.95%	-
		2,007,165.70	2 to 3 years	0.95%	-
		1,786,877.20	Over 3 years	0.84%	-
Dalian Changxing Island Port Co., Ltd.	Appointment of senior management	2,340,000.00	Within 1 year	1.11%	-
		1,560,000.00	1 to 2 years	0.74%	-
		1,560,000.00	2 to 3 years	0.74%	-
		1,560,000.00	Over 3 years	0.74%	-
		190,110,895.63		89.83%	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited)	31 December 2016
Measured at fair value		
– Wealth management products (i)	1,600,000,000.00	450,000,000.00
Measured at cost		
– Available-for-sale equity instruments – unlisted enterprises (ii)	14,667,057.50	14,667,057.50
Less: Provision for impairment	–	–
	1,614,667,057.50	464,667,057.50
Less: Available-for-sale financial assets included in other current assets (i)	(1,600,000,000.00)	(450,000,000.00)
	14,667,057.50	14,667,057.50

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

(i) Wealth management products

As at 30 June 2017, the wealth management products included:

Wealth management products purchased by the Company from Harbing Bank amounting to RMB200,000,000.00 (31 December 2016: RMB200,000,000.00). The capital was mainly used for investment in money market instruments. The estimated annual return for wealth management products of RMB100,000,000.00 was 4.60% with the maturity date on 12 October 2017; 4.30% for wealth management products of RMB50,000,000.00 with the maturity date on 24 August 2017; 4.70% for wealth management products of RMB50,000,000.00 with the maturity date on 14 December 2017 (31 December 2016: the estimated annual return was 3.65% with the maturity date on 6 April 2017).

Wealth management products purchased by the Company from Postal Savings Bank of China amounting to RMB100,000,000.00 (31 December 2016: Nil). The capital was mainly used for investment in money market instruments. The estimated annual return was 3.10% with the maturity date on 6 November 2017.

Notes to the Financial Statements (continued)

*For the six months ended 30 June 2017 (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: (continued)

(i) Wealth management products (continued)

Wealth management products purchased by the Company from Agricultural Bank of China amounting to RMB150,000,000.00 (31 December 2016: Nil). The capital was mainly used for investment in money market instruments. The estimated annual return was 3.80% with the maturity date on 21 July 2017.

Wealth management products purchased by the Company from Industrial Bank amounting to RMB300,000,000.00 (31 December 2016: RMB250,000,000.00). The capital was mainly used for investment in money market instruments with an estimated annual return of 4.50% due on 12 September 2017 (31 December 2016: the estimated annual return for wealth management products of RMB100,000,000.00 was 3.20% with the maturity date on 3 February 2017; 3.60% for wealth management products of RMB150,000,000.00 with the maturity date on 15 March 2017).

Structural deposits purchased by the Company from Shanghai Pudong Development Bank amounting to RMB300,000,000.00 (31 December 2016: Nil). The capital was mainly used for investment in money market instruments. The estimated annual return for structural deposits of RMB200,000,000.00 was 4.15% with the maturity date on 21 August 2017; 4.15% for structural deposits of RMB100,000,000.00 with the maturity date on 25 August 2017.

Structural deposits purchased by the Company from Bank of Dalian amounting to RMB300,000,000.00 (31 December 2016: Nil). The capital was mainly used for investment in money market instruments. The estimated annual return was 3.70% with the maturity date on 13 December 2017.

Structural deposits purchased by the Company from China CITIC Bank amounting to RMB100,000,000.00 (31 December 2016: Nil). The capital was mainly used for investment in money market instruments. The estimated annual return was 4.30% with the maturity date on 11 October 2017.

Structural deposits purchased by the Company from China Everbright Bank amounting to RMB150,000,000.00 (31 December 2016: Nil). The capital was mainly used for investment in money market instruments. The estimated annual return was 4% with the maturity date on 13 July 2017.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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)

(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 Company 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 Company had no plan for disposal of these investments.

	31 December 2016	Increase in the current period	Decrease in the current period	30 June 2017 (Unaudited)	Shareholding (%) in the investee	Cash dividend in the current 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	–
– Liaoning Electronic Port Co., Ltd.	767,000.00	–	–	767,000.00	5.00	–
	14,667,057.50	–	–	14,667,057.50		–

(5) Long-term equity investments

	30 June 2017 (Unaudited)	31 December 2016
Subsidiaries (a)	4,389,607,540.45	4,294,297,950.90
Joint ventures (b)	1,210,799,320.31	1,161,203,254.60
Associates (c)	2,199,430,486.97	2,136,200,709.62
	7,799,837,347.73	7,591,701,915.12
Less: Provision for impairment of long-term equity investments	–	–
	7,799,837,347.73	7,591,701,915.12

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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

	Movements for the current period					Balance of provision for impairment at the end of the period	Cash dividends declared in the current period
	31 December 2016	Additional investment	Decrease in investment	Provision for impairment	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 Petrochemical Co., Ltd.	6,629,301.65	-	-	-	-	6,629,301.65	7,257,167.36
Dalian Jifa Ship Management Co., Ltd.	391,984,354.73	-	-	-	-	391,984,354.73	-
Dalian Ocean Shipping Tally Co., Ltd.	14,259,172.03	-	-	-	-	14,259,172.03	-
Dalian Port Construction Supervision & Consultation Co., Ltd.	18,278,125.97	-	-	-	-	18,278,125.97	-
Dalian Port Telecommunications Engineering Co., Ltd.	6,137,212.61	-	-	-	-	6,137,212.61	2,388,200.00
Dalian Golden Bay Grain Logistics Co., Ltd.	53,156,426.75	-	-	-	-	53,156,426.75	-
Dalian Port Power Supply Co., Ltd.	25,895,508.24	95,309,589.55	-	-	-	121,205,097.79	-
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 Haijia Automobile Terminal Co., Ltd.	200,000,000.00	-	-	-	-	200,000,000.00	-
Dalian Diliangsirui 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 Trade Co., Ltd.	7,000,000.00	-	-	-	-	7,000,000.00	-
Dalian Port Haiheng Ship 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	-
	4,294,297,960.90	95,309,589.55	-	-	-	4,389,607,540.45	9,585,367.36

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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

	Movements for the current period							Balance of provision for impairment at the end of the period		
	31 December 2016	Additional investment	Decrease in investment	Net profit/(loss) under equity method	Adjustments of 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.	1,176,248.00	-	-	170,881.65	-	-	-	-	-	1,346,929.65
Dalian Harbour ECL Logistics Co., Ltd.	31,838,161.92	-	-	485,274.55	-	2,143.55	(1,247,784.25)	-	-	31,057,795.77
Ojifell Terminals (Dalian) Co., Ltd.	158,104,604.79	-	-	11,889,277.94	-	294,922.36	(10,000,000.00)	-	-	160,288,805.09
Dalian Port PetroChina International Terminal Co., Ltd.	189,034,388.78	-	-	13,977,253.46	-	-	(6,723,078.00)	-	-	196,288,564.24
China United Tally (Dalian) Co., Ltd.	3,300,321.72	-	-	102,325.39	-	-	(575,588.74)	-	-	2,827,288.37
China Oil Dock Management (Dalian) Co., Ltd.	1,318,777.63	-	-	(57,006.36)	-	-	-	-	-	1,261,769.27
Dalian Automobile Terminal Co., Ltd.	174,377,880.00	-	-	4,035,462.29	-	113,026.16	-	-	-	178,526,368.45
Dalian Changyong Island Port Co., Ltd.	118,902,145.96	-	-	36,177,583.66	-	107,137.15	-	-	-	155,186,866.77
Dalian Port Bulk Cargo Logistics Centre Co., Ltd.	9,553,987.26	-	-	2,628,519.08	-	10,060.00	-	-	-	12,192,556.34
Ojifell Dalian Port Consulting Co., Ltd.	1,689,685.12	-	-	(186,490.60)	-	-	-	-	-	1,503,204.52
Dalian Changyong Island Port Investment and Development Co., Ltd.	462,425,172.67	-	-	547,392.83	-	-	-	-	-	462,973,165.50
Ojifell Changyong Warehousing Terminals (Dalian) Co., Ltd.	9,481,870.75	-	-	(1,566,864.74)	-	-	-	(568,993.67)	-	7,946,006.34
	1,161,233,254.60	-	-	68,184,007.15	-	527,279.22	(18,546,220.99)	-	(568,993.67)	1,210,795,320.31

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 for the current period										Balance of provision for impairment at the end of the period
	31 December 2016	Additional investment	Decrease in investment	Net profit/(loss) under equity method	Adjustments of other comprehensive income	Share of other changes in equity	Cash dividends/profit declared by associates	Provision for impairment	Others	30 June 2017 (Unaudited)	
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	22,983,385.14	-	-	5,082,769.37	-	-	(1,850,000.00)	-	-	26,226,165.51	
Taizang Xinggang Tug Co., Ltd.	7,284,712.42	-	-	1,873,283.76	-	-	(2,142,710.00)	-	-	6,995,286.18	
PetroChina Dalian LNG Co., Ltd.	575,778,637.58	-	-	22,288,692.67	-	380,382.50	-	-	-	598,427,692.75	
Dalian North Oil Petroleum Logistics Co., Ltd.	66,873,874.82	-	-	2,580,739.54	-	-	(2,000,000.00)	-	-	67,454,614.36	
China Harbour United Shipping Co., Ltd.	78,296,448.99	-	-	(4,083.45)	-	-	-	-	-	78,292,365.54	
Sino Rail Bohai Train Ferry Co., Ltd.	266,788,186.50	-	-	2,830,861.23	-	282,928.69	-	-	-	269,871,966.32	
CDC International Logistics Co., Ltd.	116,946,629.82	-	-	2,417,785.38	-	-	-	-	-	119,364,415.20	
Dalian Port Group Financial Co., Ltd.	1,011,288,813.35	-	-	31,529,147.76	-	-	-	-	-	1,042,817,961.11	
	2,136,200,709.62	-	-	68,579,196.26	-	643,291.09	(5,992,710.00)	-	-	2,199,439,466.97	

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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	Port facilities	Oil tanks and pipelines	Handling equipment	Transportation equipment	Vessels	Storage facilities	Machinery and equipment	Other equipment	Total
Cost										
31 December 2016	1,299,888,865.67	4,677,316,999.61	2,385,514,605.67	1,965,589,897.73	755,289,166.49	1,119,220,990.57	2,365,739,654.27	994,161,080.63	504,226,311.59	16,056,556,042.23
Increase in the current period	-	-	-	-	-	-	-	-	-	-
Increase from acquisition	-	-	-	-	-	-	38,350.27	721,871.87	4,948,092.60	5,638,314.74
Transfers from construction in progress	2,270,995.84	1,206,337.65	-	513,333.33	16,589,954.58	-	-	1,390,392.89	8,645,859.55	30,616,863.84
Decrease in the current period	-	-	-	-	-	-	-	-	-	-
Disposal and obsolescence	-	(23,869,935.61)	-	(20,155,920.53)	(175,855.01)	(3,211,122.78)	(2,027.57)	(178,624.06)	(53,855,322.64)	(101,466,461.20)
Others	-	-	(833,990.43)	-	-	-	-	-	-	(833,990.43)
30 June 2017 (Unaudited)	1,301,559,361.51	4,654,663,401.65	2,384,680,615.24	1,945,566,910.53	771,103,263.06	1,116,009,837.79	2,365,757,269.97	986,094,711.33	463,864,941.10	15,990,280,769.18
Accumulated depreciation										
31 December 2016	(304,637,629.92)	(888,415,017.18)	(806,678,105.76)	(1,236,165,989.29)	(323,068,726.64)	(389,883,664.54)	(41,037,524.24)	(541,390,929.10)	(238,948,674.24)	(5,030,163,979.91)
Increase in the current period	-	-	-	-	-	-	-	-	-	-
Provision	(19,997,250.62)	(47,655,102.33)	(44,012,654.10)	(51,358,945.57)	(16,197,851.43)	(17,382,672.46)	(29,233,290.55)	(33,296,223.32)	(14,970,933.58)	(274,304,921.98)
Decrease in the current period	-	-	-	-	-	-	-	-	-	-
Disposal and obsolescence	-	5,782,265.12	-	19,349,682.44	188,823.69	3,060,666.64	-	157,143.27	23,658,498.18	52,137,159.34
30 June 2017 (Unaudited)	(324,634,879.54)	(910,517,854.39)	(850,690,759.86)	(1,288,175,070.42)	(339,897,754.38)	(374,215,770.38)	(440,208,534.79)	(574,530,009.15)	(230,261,109.64)	(5,312,331,742.55)
Carrying amount										
30 June 2017 (Unaudited)	976,924,481.97	3,744,155,547.26	1,533,989,855.38	677,781,840.11	432,005,508.68	741,794,067.41	1,925,549,192.18	411,564,702.18	233,603,831.46	10,677,949,026.63
31 December 2016	994,650,736.75	3,808,301,982.43	1,578,636,499.91	729,432,908.44	432,202,439.85	759,337,296.03	1,954,764,410.03	442,770,151.53	265,277,637.35	10,986,192,062.32

Notes to the Financial Statements (continued)

*For the six months ended 30 June 2017 (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 31 December 2016, fixed assets at a carrying amount of RMB143,105,574.13 (a cost of RMB228,576,076.21) were pledged as collateral for long-term borrowings of RMB150,000,000.00 (Note 4(35)(a-ii)). As at 30 June 2017, no such transactions were made.

As at 31 December 2016, fixed assets at a carrying amount of RMB414,413,226.01 (a cost of RMB935,860,681.53) were pledged as collateral for long-term borrowings of RMB500,000,000.00 (Note 4(35)(a-iii)). As at 30 June 2017, no such transactions were made.

As at 31 December 2016, fixed assets at a carrying amount of RMB43,882,684.51 (a cost of RMB68,391,732.00) were pledged as collateral for long-term borrowings of RMB50,000,000.00 (Note 4(35)(a-iv)). As at 30 June 2017, no such transactions were made.

As at 31 December 2016, fixed assets at a carrying amount of RMB264,933,255.01 (a cost of RMB384,992,940.93) were pledged as collateral for long-term borrowings of RMB300,000,000.00 (Note 4(35)(a-v)). As at 30 June 2017, no such transactions were made.

For the six months ended 30 June 2017, depreciation charged to fixed assets amounted to RMB274,304,921.98 (for the six months ended 30 June 2016: RMB275,427,952.79), of which RMB266,446,130.75, RMB7,628,427.05 and RMB230,364.18 (for the six months ended 30 June 2016: RMB268,044,866.42, RMB7,154,038.51 and RMB229,047.86) were charged to cost of sales, general and administrative expenses and specific reserve respectively.

For the six months ended 30 June 2017, the costs of fixed assets transferred from construction in progress amounted to RMB30,616,863.84 (for the six months ended 30 June 2016: RMB190,170,891.43).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited)			31 December 2016		
	Ending Balance	Provision for impairment	Carrying amount	Ending Balance	Provision for impairment	Carrying amount
Dayao Bay No. 13-16 Berths in Phase II	685,902,374.70	-	685,902,374.70	664,044,358.04	-	664,044,358.04
New Port No. 18-21 Berths	349,029,443.22	-	349,029,443.22	342,119,768.55	-	342,119,768.55
Dayao Bay North Shore Automotive Logistics Centre	148,898,592.13	-	148,898,592.13	148,898,592.13	-	148,898,592.13
Dalian Bay Passenger Terminal	124,811,977.00	-	124,811,977.00	80,539,518.59	-	80,539,518.59
Ore No. 4 Storage Yard	37,235,204.77	-	37,235,204.77	37,884,468.02	-	37,884,468.02
Mobile machinery acquisition for Taiping Bay Port	31,622,305.70	-	31,622,305.70	31,622,305.70	-	31,622,305.70
Dalian Bay Groceries and Ro-ro Berth Project	20,060,247.25	-	20,060,247.25	19,981,858.61	-	19,981,858.61
Others	106,878,508.05	-	106,878,508.05	88,915,143.68	-	88,915,143.68
	1,504,438,652.82	-	1,504,438,652.82	1,414,006,013.32	-	1,414,006,013.32

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 2017 (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) Movements of significant projects of construction in progress

Project name	Budgeted amount	31 December 2016	Increase in the current period	Transfer to fixed assets and intangible assets in the current period	Other decreases	30 June 2017 (Unaudited)	Proportion of expenditures incurred to budgeted amount (i)	Progress of construction	Borrowing costs capitalised in the current period	Including: Borrowing costs capitalised in the current period	Capitalisation rate in the current period	Source of funds
Dalian Bay No. 18-16 Berths in Phase II	3,738,000,000.00	661,044,338.04	21,883,016.66	-	-	683,927,354.70	92%	92%	202,885,120.42	13,328,221.39	4.90%	Proprietary funds and loans from financial institutions and other sources
New Port No. 18-21 Berths	413,770,000.00	342,119,788.55	6,309,674.67	-	-	349,429,463.22	84%	84%	83,522,029.54	-	-	Loans from financial institutions and other sources
Dalian Harbour North Automobile Logistics Centre	450,000,000.00	148,884,392.13	-	-	-	148,884,392.13	33%	33%	8,054,440.28	-	-	Loans from financial institutions and other sources
Dalian Bay Passenger Terminal	383,160,000.00	80,539,518.59	44,272,458.41	-	-	124,811,977.00	33%	33%	6,709,712.40	3,391,145.11	4.90%	Proprietary funds and loans from financial institutions
Mobile machinery acquisition for Tailing Bay Port	36,400,000.00	31,622,365.70	-	-	-	31,622,365.70	87%	87%	3,089,171.84	-	-	Proprietary funds and loans from financial institutions
One No.4 Storage Yard	570,800,000.00	37,864,468.02	-	-	(649,253.25)	37,215,214.77	99%	99%	-	-	-	Fund raising
Dalian Bay Groceries and Pono Berth Project	700,000,000.00	19,991,838.61	78,388.64	-	-	20,070,227.25	99%	99%	-	-	-	Proprietary funds and loans from financial institutions
Others	376,485,054.93	85,915,143.88	63,375,794.81	(44,505,931.05)	(800,439.39)	106,678,368.05	99%	99%	5,490,913.23	1,109,258.33	4.90%	Proprietary funds and loans from financial institutions
		1,414,008,013.32	136,464,333.19	(44,505,931.05)	(1,555,782.64)	1,504,438,632.82			309,721,387.71	18,427,624.83		

(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 2017 (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 2016	439,460,682.78	97,639,305.22	537,099,988.00
Increase in the current period			
Transfers from construction in progress	–	13,889,067.21	13,889,067.21
Decrease in the current period			
Disposal	–	–	–
30 June 2017 (Unaudited)	439,460,682.78	111,528,372.43	550,989,055.21
Accumulated amortisation			
31 December 2016	(46,625,413.01)	(50,581,991.21)	(97,207,404.22)
Increase in the current period			
Provision	(4,379,975.40)	(4,545,481.21)	(8,925,456.61)
Decrease in the current period			
Disposal	–	–	–
30 June 2017 (Unaudited)	(51,005,388.41)	(55,127,472.42)	(106,132,860.83)
Carrying amount			
30 June 2017 (Unaudited)	388,455,294.37	56,400,900.01	444,856,194.38
31 December 2016	392,835,269.77	47,057,314.01	439,892,583.78

For the six months ended 30 June 2017, the amortisation of intangible assets was RMB8,925,456.61 (for the six months ended 30 June 2016: RMB8,600,814.06).

(9) Provision for asset impairments

	31 December 2016	Increase in the current period	Decrease in the current period		30 June 2017 (Unaudited)
			Reversal	Write-off	
Provision for bad debts of other receivables	16,098.47	–	–	–	16,098.47

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2016	Increase in the current period	Decrease in the current period	30 June 2017 (Unaudited)
Share premium	3,019,702,296.53	–	–	3,019,702,296.53
Other capital surplus –				
Share of changes in equity other than comprehensive income and profit distribution of investees under the equity method (a)	22,109,853.46	1,170,570.31	–	23,280,423.77
	3,041,812,149.99	1,170,570.31	–	3,042,982,720.30
	31 December 2015	Increase in the current period	Decrease in the current period	30 June 2016 (Unaudited)
Share premium	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

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Undistributed profits at the beginning of the period	907,456,179.01	2,535,370,918.16
Add: Net profit realised in the current period	161,662,264.92	189,726,514.95
Less: Appropriation to statutory surplus reserve	-	-
Ordinary share dividends payable (a)	(193,418,039.99)	(420,474,000.00)
Undistributed profits at the end of the period	875,700,403.94	2,304,623,433.11

- (a) In accordance with the resolution at the Board of Shareholders' meeting, dated on 28 June 2017, the Company proposed a cash dividend to the shareholders at RMB0.15 per 10 shares (including tax), amounting to RMB193,418,039.99 calculated by 12,894,535,999 issued shares.

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.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Revenue from main operations	1,242,451,408.09	1,283,155,364.37
Revenue from other operations	205,320,255.42	164,914,069.50
	1,447,771,663.51	1,448,069,433.87
	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Cost of sales from main operations	930,739,457.73	900,070,335.94
Cost of sales from other operations	115,830,042.88	99,288,987.97
	1,046,569,500.61	999,359,323.91

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 six months ended 30 June 2017 (Unaudited)		For the six months ended 30 June 2016 (Unaudited)	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Oil and liquefied chemicals terminal and related logistics services	577,740,495.09	368,206,799.32	747,003,415.29	397,598,466.67
Container terminal and logistics services	25,476,190.48	7,844,723.36	4,458,300.00	7,844,723.37
General cargo terminal and related logistics and trading services	158,656,174.84	170,730,029.32	149,989,532.25	160,691,437.06
Ore terminal and related logistics services	157,593,780.49	137,506,224.90	96,793,881.36	104,647,765.26
Grains terminal and related logistics and trading services	98,153,228.14	74,698,754.50	80,378,647.57	68,849,737.56
Passenger and roll-on, roll-off terminal and related logistics services	47,668,007.28	35,288,415.90	37,668,854.05	31,323,954.50
Port value-added and ancillary services	321,645,197.64	214,096,777.25	266,650,117.45	196,130,650.29
Others	60,838,589.55	38,197,776.06	65,126,685.90	32,272,589.20
	1,447,771,663.51	1,046,569,500.61	1,448,069,433.87	999,359,323.91

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Handling services	676,889,023.69	564,522,538.11
Storage services	230,792,708.43	386,325,741.03
Transportation services	198,717,635.28	200,351,628.71
Port management services	119,372,785.59	113,114,398.41
Utility services	56,658,394.45	52,441,305.32
Leasing services	60,946,075.70	30,209,044.90
Agency services	9,387,350.34	8,698,558.11
Others	95,007,690.03	92,406,219.28
	1,447,771,663.51	1,448,069,433.87

(13) Financial expenses

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Interest expenses	216,803,170.63	242,230,049.19
Less: Capitalised interest (i)	(18,427,624.83)	(20,120,744.07)
Interest expenses	198,375,545.80	222,109,305.12
Less: Interest income	(35,468,838.37)	(13,133,519.97)
Exchange gains or losses	90,544,845.68	(56,258,995.20)
Others	5,342,386.21	5,096,586.28
	258,793,939.32	157,813,376.23

(i) Borrowing costs capitalised had been included into construction in progress and 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 2017 (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 as follows by category:

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Employee benefits expenses	485,821,501.64	447,079,150.25
Depreciation and amortisation expenses	284,075,440.09	286,048,685.29
Leasing and warehousing expenses	76,623,288.29	167,531,169.56
Electric charges	66,592,672.11	59,599,995.13
Fuel expenses	51,575,740.83	38,060,684.46
Repair expenses	28,945,888.35	25,538,695.95
Materials expenses	18,071,312.11	19,168,668.38
Audit fees	721,628.72	742,179.01
– Audit services	–	–
– Non-audit services	721,628.72	742,179.01
Others	199,297,276.63	122,669,264.83
	1,211,724,748.77	1,166,438,492.86

(15) Losses on changes in fair value

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Financial assets at fair value through profit or loss		
– Investments in equity instrument held for trading	407,150.00	2,300,256.50

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Investment income from long-term equity investment under cost method	9,595,367.36	29,097,737.04
Investment income from long-term equity investment under equity method	136,763,203.41	50,633,240.28
Losses 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	84,600.00	57,093.00
Income earned during the holding period of available-for-sale financial assets	12,456,145.33	4,535,572.51
Income from disposal of financial assets at fair value through profit or loss	180,280.41	337,910.18
	159,079,596.51	80,341,691.67

There is no restriction on recovery of investment income.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Current income tax calculated based on tax law and related regulations	(3,397,020.49)	25,409,670.47
Deferred income tax	3,667,099.63	(1,378,242.47)
	270,079.14	24,031,428.00

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

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Total profit	161,932,344.06	213,757,942.95
Income tax expenses calculated at applicable tax rates	40,483,086.02	53,439,485.74
Adjustments for current income tax of prior period	(1,782,395.78)	(6,084,558.62)
Income not subject to tax	(40,735,402.05)	(24,245,892.34)
Costs, expenses and losses not deductible for tax purposes	2,304,790.95	922,393.22
Income tax expenses	270,079.14	24,031,428.00

Notes to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 consolidated cash flow statement

Reconciliation from net profit to cash flows from operating activities

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Net profit	161,662,264.92	189,726,514.95
Add: Depreciation of fixed assets	274,304,921.98	275,427,952.79
Amortisation of intangible assets	8,925,456.61	8,600,814.06
Amortisation of long-term prepaid expenses	796,171.65	2,291,374.88
Net gains on disposal of fixed assets	(2,453,832.20)	(27,200.00)
Financial expenses	274,064,963.53	147,005,789.87
Investment income	(159,079,596.51)	(80,341,691.67)
Losses on changes in fair value	407,150.00	2,300,256.50
Decrease/(increase) in deferred tax assets	3,667,099.63	(1,378,242.47)
Transfer from deferred income	(36,365,285.42)	(16,842,455.01)
Decrease/(increase) in inventories	617,817.91	(965,216.84)
Increase in specific reserve	5,583,744.46	5,842,030.66
Increase in operating receivables	(7,740,640.88)	(57,182,353.61)
Decrease in operating payables	(87,610,851.02)	(50,868,755.56)
Net cash flows from operating activities	436,779,384.66	423,588,818.55

Net increase/(decrease) in cash and cash equivalents

	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Cash and cash equivalents at the end of the period	4,256,609,613.89	4,124,828,207.92
Less: Cash and cash equivalents at the beginning of the period	(4,489,574,119.31)	(761,304,650.74)
Net (decrease)/increase in cash and cash equivalents	(232,964,505.42)	3,363,523,557.18

Supplementary Information to the Financial Statements

For the six months ended 30 June 2017 (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 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Profit or loss on disposal of non-current assets	6,726,128.67	67,995.03
Government grants recognised in profit or loss for the current period	15,813,100.00	2,300.00
Interest income from outward entrusted loans	779,497.01	2,955,398.30
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 losses from disposal of financial assets and financial liabilities held for trading and available-for-sale financial assets	(142,269.59)	(1,905,253.32)
Recovery of write-off receivables	10,000.00	–
Profit from entrusting others for investment or asset management	12,456,145.33	4,535,572.51
Non-operating income and expenses other than aforesaid items	3,462,988.33	3,486,019.53
	39,105,589.75	9,142,032.05
Effect of income tax	(9,799,333.22)	(2,108,857.03)
Effect of minority interest (after tax)	(1,779,298.59)	(1,289,740.30)
	27,526,957.94	5,743,434.72

Supplementary Information to the Financial Statements (continued)

For the six months ended 30 June 2017 (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 that arises from transactions and events that are not directly relevant to ordinary activities, or that 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 are recognised in government grants charged to profit or loss for the current period can be continuously obtained on a fixed quota or quantity for their close relation to ordinary activities. Thus the following items are not regarded as non-recurring profit or loss.

	For the six months ended 30 June 2017 (Unaudited)	Reasons for regarding as recurring profit or loss
Subsidies for the construction of shipping centre	42,000,000.00	Fixed quantity on a continuous basis
Subsidies for the international logistics corridor	18,000,000.00	Fixed quantity on a continuous basis
Relocation compensation	16,573,332.42	Fixed quota on a continuous basis
Operation subsidies	5,348,500.00	Fixed quota on a continuous basis
Stable position subsidies	4,001,054.90	Fixed quota on a continuous basis
Vessel acquisition subsidies	395,608.78	Fixed quota on a continuous basis
Equipment reconstruction subsidies	94,544.40	Fixed quota on a continuous basis
Energy conservation and emission reduction special fund	326,643.99	Fixed quota on a continuous basis
Others	1,732,432.86	Fixed quota on a continuous basis
	88,472,117.35	

Supplementary Information to the Financial Statements (continued)

For the six months ended 30 June 2017 (Unaudited)
 (All amounts in RMB Yuan unless otherwise stated)
 [English translation for reference only]

2 Return on net assets and earnings per share

	Weighted average return on net assets (%)		Earnings per share Basic earnings per share	
	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)	For the six months ended 30 June 2017 (Unaudited)	For the six months ended 30 June 2016 (Unaudited)
Net profit attributable to ordinary shareholders of the Company	1.33%	1.42%	0.02	0.02
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	1.18%	1.39%	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