

2020 Interim Report 中期報告



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)



Contents

2	Management Discussion and Analysis
26	Other Information
28	Review Report
29	Consolidated Balance Sheet
32	Balance Sheet of the Parent Company
34	Consolidated Income Statement
36	Income Statement of the Parent Company
37	Consolidated Cash Flow Statement
39	Cash Flow Statement of the Parent Company
41	Consolidated Statement of Changes in Shareholders' Equity
45	Statement of Changes in Shareholders' Equity of the Parent Company
47	Notes to the Financial Statements
275	Supplementary Information to the Financial Statements



Management Discussion and Analysis

SUMMARY

In the first half of 2020, due to the spread of “COVID-19 epidemic” on an ongoing basis, each of the major economies in the world experienced a downfall of varying degree in its development momentum. On 24 June, the International Monetary Fund predicted that the global economy may decline by 4.9% in 2020, and defined the current crisis as a most serious one since the Great Depression in 1930s. Domestically, the epidemic also materially impacted the economic development in the PRC. In the first quarter, the gross domestic product (GDP) decreased significantly, with a lower growth rate in both consumption and investment. In the second quarter, given China’s effective prevention and control of the epidemic, the resumption of work and production continued to improve, and the decreases in consumption, investment, profit of industrial enterprises, etc. were all narrowed to a different degree. Economic development recovered while gaining its stability but still dragged by the epidemic repeatedly in some places in the PRC. In the first half of the year, China’s GDP dropped by 1.6% year-on-year, and the total value of import and export decreased by 3.2% on a year-on-year basis.

In the first half of the year, cargo throughput handled by China’s large-scale ports amounted to 6.75 billion tonnes, representing a year-on-year increase of 0.6%. In particular, cargo throughput handled at coastal ports in China was 4.50 billion tonnes, representing a year-on-year decrease of 0.1%. (Source from “Chineseport Website”)

During the reporting period, the Group principally engaged in the following businesses: oil/liquefied chemical terminal and related logistics services (Oil Segment); container terminal and related logistics services (Container Segment); automobile terminal and related logistics services (Automobile Terminal Segment); bulk and general cargo terminal and related logistics services (Bulk and General Cargo Segment); bulk grain terminal and related logistics services (Bulk Grain Segment); passenger and roll-on, roll-off terminal and related logistics services (Passenger and Ro-Ro Segment) and value-added and ancillary port operations (Value-added Services Segment).

In the first half of 2020, details of the general information on the macro-economy and industries relevant to the Group’s principal business were set out as follows:

Oil Segment: In the first half of 2020, significant fluctuations in international oil prices encouraged refineries and traders in import of crude oil and increased warehousing business needs, and low oil prices also stimulated the processing of refineries, which resulted in an increase in needs for import of crude oil. In the first half of the year, China imported 269 million tonnes of crude oil, representing an increase of 9.9% as compared to the same period of last year.

Container Segment: Affected by COVID-19 epidemic, containers throughput handled by overall ports in China amounted to 120.19 million TEUs for the six months ended 30 June 2020, representing a year-on-year decrease of 5.4%.

Automobile Terminal Segment: Affected by the epidemic in the first half of 2020, automobile production and sales volume in China witnessed a substantial decrease. For the six months ended 30 June 2020, automobile production and sales volume was 10,112,000 vehicles and 10,257,000 vehicles, representing a year-on-year decrease of 16.8% and 16.9%.



Management Discussion and Analysis

Bulk and General Cargo Segment: In the first half of 2020, iron ore terminal demands in China were relatively robust, with a year-on-year increase in outputs of pig iron, crude steel and steel. Affected by COVID-19 epidemic, major iron ore exporting countries closed part of mining areas, which gave rise to a staged decrease in output of iron ore and therefore a rise of international iron ore prices. However, to maintain the output of steel, China increased iron ore imports, with a year-on-year increase in the first half of the year. During the first half of the year, iron ore imports in China amounted to 546 million tonnes, representing a year-on-year increase of 9.6%.

Bulk Grain Segment: In the first half of 2020, corn terminal demands were relatively weak as affected by COVID-19 epidemic in the first quarter, and accompanied by the interruptions in logistics, transportation and other links, the corn market was sluggish. As the epidemic was gradually contained in China, the terminal demands gradually picked up, and the market continued to improve.

Passenger and Ro-Ro Segment: Affected by COVID-19 epidemic, Passenger and Ro-Ro Segment was significantly impacted. In the first half of 2020, passengers of the inter-provincial routes of Dalian Port decreased by 62.9%; Ro-Ro vehicles decreased by 21.4%.

In the first half of 2020, COVID-19 epidemic caused a certain effect on each of the principal businesses of the Group. In terms of throughput, the Group handled a total of 30.792 million tonnes of oil/liquefied chemicals, representing a year-on-year increase of 4.4%, of which 13.838 million tonnes were imported crude oil, representing a year-on-year increase of 21.1%. In the Container Segment, the Group handled 3.601 million TEUs, representing a decrease of 28.9% on a year-on-year basis, of which 2.934 million TEUs were handled by the Group at Dalian port, representing a decrease of 31.8% on a year-on-year basis, of which container throughput for foreign trade decreased year-on-year by 18.2%, and container throughput for domestic trade decreased year-on-year by 53.3%. In the Automobile Terminal Segment, the Group handled 325,000 vehicles, representing a decrease of 16.2% on a year-on-year basis. The Group handled 33.063 million tonnes, representing an increase of 9.6% on a year-on-year basis at the relevant bulk and general cargo terminal. In the Bulk Grain Segment, the Group handled 3.091 million tonnes of bulk grain, representing an increase of 48.5% on a year-on-year basis. In the Passenger and Ro-Ro Segment, the Group transported 684,000 passengers, representing a year-on-year decrease of 64.3%, and 312,000 vehicles, representing a year-on-year decrease of 21.4%.

OVERALL RESULTS REVIEW

In the first half of 2020, the Group's net profit attributable to shareholders of the parent company amounted to RMB418,437,195.78, representing an increase of RMB130,201,380.97 or 45.2% as compared with RMB288,235,814.81 in the first half of 2019.

In the first half of 2020, the growth of the business volume of the Group's bulk and general cargo, grain and tugging drove the growth of revenue. The reduction and exemption of social security policies and the effectiveness of cost control have reduced cost of sales. The decline in the scale of interest-bearing debt has saved financial expenses. The government subsidies received by subsidiaries increased, which effectively drove the growth of performance in the first half of the year. However, due to the impact of the epidemic, the performance of automobiles and Passenger and Ro-Ro Segment has declined, cargo harbour dues have been reduced by policy, the performance of some associates and joint ventures has declined, and subsidiaries have accrued asset impairment losses and other factors, restricting the growth of performance in the first half of the year. In light of the above combined effect, the Group's net profit attributable to the parent company reported a year-on-year increase of 45.2%.



Management Discussion and Analysis

In the first half of 2020, the Group's basic earnings per share amounted to RMB3.25 cents, representing a year-on-year increase of RMB1.01 cents or 45.2% as compared with RMB2.24 cents in the first half of 2019.

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

Item	In first half of 2020 (RMB)	In first half of 2019 (RMB)	Changes (%)
Net profit attributable to shareholders			
of the parent company	418,437,195.78	288,235,814.81	45.2
Including:			
Revenue	3,188,017,017.27	3,221,965,028.15	(1.1)
Cost of sales	2,113,736,025.67	2,340,452,073.92	(9.7)
Gross profit	1,074,280,991.60	881,512,954.23	21.9
Gross profit margin	33.7%	27.4%	Up by 6.3 percentage points
Administrative expenses	273,275,698.17	324,747,194.49	(15.8)
Finance costs	263,330,949.73	288,048,192.02	(8.6)
Assets impairment loss	(38,021,871.85)	–	(100.0)
Credit impairment loss	(14,916,894.04)	(786,089.62)	(1,797.6)
Other income	46,461,926.10	34,306,321.49	35.4
Investment income	111,996,156.13	184,445,959.72	(39.3)
Net non-operating income (Note 1)	7,946,999.35	2,266,885.83	250.6
Income tax expense	150,636,446.58	101,224,219.27	48.8

Note 1: Net non-operating income = Non-operating income – Non-operating expenses

In the first half of 2020, the Group's revenue decreased by RMB33,948,010.88 year-on-year, or 1.1%, of which trade service income decreased by RMB168 million, or 92.9%, and the main income of port logistics increased by RMB134 million or 4.4%. The main reason is that the throughput of iron ore, coal, grain and other cargoes has increased significantly, driving the growth of revenue. Affected by the epidemic, the volume of Passenger and Ro-Ro business and the branch line business in Bohai Rim region have been reduced, and the policy reduction and exemption of port charges has restrained the growth of revenue.

In the first half of 2020, the Group's cost of sales decreased by RMB226,716,048.25 year-on-year, or 9.7%, of which the cost of trade service decreased by RMB153 million, or 89.6%, and the main cost of port logistics decreased by RMB74 million, or 3.4%. The main reason is that the operating costs of the branch line in the Bohai Rim region have been declining simultaneously with revenue, the social security policy reductions and exemptions have saved labour costs, and the effectiveness of cost control has become effective.



Management Discussion and Analysis

In the first half of 2020, the Group's gross profit increased by RMB192,768,037.37 year-on-year, or 21.9%, and the gross profit margin was 33.7%, representing an increase of 6.3 percentage points. This is mainly due to the increase in the business volume of high-margin iron ore, coal, soybeans and other cargoes, and the improved business structure of branch lines in the Bohai Rim region transportation and sea-railway transportation, which enhanced the profitability of the Group.

In the first half of 2020, the Group had no sales expenses.

In the first half of 2020, the Group's administrative expenses decreased by RMB51,471,496.32 year-on-year, or 15.8%, mainly due to the state's social security reduction and exemption policy during the epidemic, and the reduction in the provident fund withholding ratio this year, resulting in a decrease in labour costs.

In the first half of 2020, the Group's research and development expenses decreased by RMB1,176,389.79 year-on-year, or 16.6%, mainly due to factors such as social security reduction and exemption policy and reduction in the withholding ratio of provident funds, which reduced labour costs for research and development personnel.

In the first half of 2020, the Group's financial expenses decreased by RMB24,717,242.29 year-on-year, or 8.6%, mainly due to the decline in the Group's debt scale which reduced interest expenses. At the same time, the interest income from deposits also decreased. In the same period last year, it achieved USD exchange gains.

In the first half of 2020, the Group's other income increased by RMB12,155,604.61 year-on-year, or 35.4%, which was mainly due to the receipt of government subsidies from the local government by inland ports and enterprises of branch line in Bohai Rim.

In the first half of 2020, the Group's investment income decreased by RMB72,449,803.59 year-on-year, or 39.3%, mainly due to the decline in the handling and warehousing business volume of associates and joint ventures in the oil and LNG business, and the decline in performance of associates and joint ventures in the automobile and passenger transportation business affected by the epidemic. At the same time, financial income has also decreased.

In the first half of 2020, the Group's asset impairment loss was RMB38,021,871.85, mainly due to the assets held by subsidiaries in the period showing signs of asset impairment, and asset impairment reserves were made in accordance with regulations.

In the first half of 2020, the Group's credit impairment losses increased by RMB14,130,804.42 year-on-year, or 1,797.6%, mainly due to the fact that the branch company recovered contract assets and offset credit impairment losses during the same period of last year.

In the first half of 2020, the Group's net non-operating income increased by RMB5,680,113.52 year-on-year, or 250.6%, mainly due to the receipt of government subsidies by subsidiaries in the first half of the year and deferred payment penalty from customers, etc..

In the first half of 2020, the Group's income tax expenses increased by RMB49,412,227.31 year-on-year, or 48.8%, mainly due to the increase in operating gross profit.



Management Discussion and Analysis

Assets and Liabilities

As at 30 June 2020, the Group's total assets and net assets amounted to RMB34,629,520,170.47 and RMB21,642,363,730.63 respectively. Net asset value per share was RMB1.47, slightly increased from RMB1.46 as at 31 December 2019.

As of 30 June 2020, the Group's total liabilities were RMB12,987,156,439.84, of which the total outstanding borrowings were RMB7,531,886,411.10 (this part of borrowings carries a fixed interest rate), and the gearing ratio was 37.50% (the total liabilities amounted to RMB12,987,156,439.84/the total assets amounted to RMB34,629,520,170.47), representing a decrease of 1.52 percentage points from 39.02% as of 31 December 2019, mainly because the repayment of bank borrowings during the period reduced the overall debt scale.

Financial Resources and Liquidity

As at 30 June 2020, the Group had a balance of cash and cash equivalents of RMB2,882,681,900.14, representing a decrease of RMB1,159,657,764.36 as compared to that of 31 December 2019.

In the first half of 2020, the Group's net cash inflows generated from operating activities amounted to RMB948,970,920.50, net cash outflows for investing activities amounted to RMB954,716,522.99, and net cash outflows for financing activities amounted to RMB1,155,813,468.03.

Benefiting from the sufficient operating cash inflow contributed by the accumulation of the Group's operation, our ability to raise capital through multiple financing channels such as bond issuance and bank borrowings, and the Group's reasonable and prudent decision made in assets and equity investments, the Group maintained its solid financial position and capital structure.

As at 30 June 2020, the Group's outstanding borrowings amounted to RMB7,531,886,411.10 (this part of borrowings carries a fixed interest rate), in which RMB2,602,225,956.07 were borrowings repayable within one year, and RMB4,929,660,455.03 were borrowings repayable after one year.

As of 30 June 2020, the Group's net debt-equity ratio was 31.1% (31 December 2019: 33.4%), mainly due to the reduction in the scale of the Company's debt due to debt repayment this year. The Group protected itself against solvency risk and maintained an overall healthy financial structure.

As of 30 June 2020, the Group's unutilized bank line of credit amounted to RMB9.027 billion.

As an A-share and H-share dual-listed company, the Group enjoys access to both domestic and overseas capital markets for financing. China Chengxin International Credit Rating Co., Ltd., being an external rating agency, has assigned issuer credit composite ratings of AAA to the Group with stable credit rating outlook, indicating the Group's sound condition in capital market financing.

The Group continued to closely monitor its interest rate risk and exchange rate risk. As of 30 June 2020, the Group has not entered into any foreign exchange hedging contracts.



Management Discussion and Analysis

CONTINGENT LIABILITIES

Guarantee

The Company's associate, Dalian North Oil Petroleum Logistics Co., Ltd. ("DNPL"), financed RMB116 million by means of finance 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 to be paid by DNPL.

Pursuant to the related resolutions approved at the fifth meeting of the fourth session of the Board of Directors of the Company 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, non-cancellable and with joint liability 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 of 30 June 2020, DNPL had made rental payments of RMB96 million.



Management Discussion and Analysis

USE OF PROCEEDS

Use of Proceeds for A Shares

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 2020, the Company had used approximately RMB2,418,261,300.00 of the proceeds and RMB353,830,200.00 of the proceeds remained unused. In March 2020, we made use of idle cash of RMB400,000,000.00 out of the proceeds to temporarily replenish the Company's working capital (including an interest income of RMB81,000,000.00), and the remaining account balance was RMB39,503,000.00 (including an interest income of RMB4,672,800.00).

Unit: RMB'0,000

Projects	Total proceeds	Use of proceeds as at 30 June 2020	Balance
Construction of oil storage tanks with a total capacity of 1,000,000 cubic metres in Xingang	76,000.00	52,644.71	23,355.29
Construction of oil storage tanks with a total capacity of 600,000 cubic metres in the Xingang resort area	55,000.00	55,000.00	0.00
Construction of phase II of the oil storage tanks project in the Shatuozhi, Xingang	2,960.00	2,960.00	0.00
LNG Project	32,000.00	32,000.00	0.00
No.4 stacking yard for ore terminal	52,000.00	41,771.96	10,228.04
Purchase of ship unloader for ore terminal	3,720.00	3,720.00	0.00
Purchase of 300 bulk grain carriages	15,000.00	15,000.00	0.00
Ro-ro ships for carrying cars	23,000.00	21,200.31	1,799.69
Construction of railway siding in Muling	4,125.00	4,125.00	0.00
Construction of information systems	5,000.00	5,000.00	0.00
Investment in phase III of Dayao Bay Terminal	8,404.15	8,404.15	0.00
Total	277,209.15	241,826.13	35,383.02

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 fifth session of the Company's Board of Directors in 2020 reviewed and passed a resolution regarding the temporary use of certain idle cash to replenish the Company's working capital. The Company was authorised to continue to use idle cash of RMB400,000,000.00 out of the proceeds (including an interest income of RMB81,000,000.00) to temporarily replenish the Company's working capital. Such an authorisation is valid for a period of not more than twelve months from the passing of the relevant Board resolution. The Company's independent directors, supervisory committee and sponsors expressed their respective opinions on the Board resolution, and the Company issued a relevant announcement on 26 March 2020.



Management Discussion and Analysis

Use of Proceeds for H Shares

The Company completed a targeted, additional H-share issuance of 1,180,320,000 shares at HKD3.67 per H share on 1 February 2016. All net proceeds of approximately HK\$4,283 million were remitted to Mainland China, and exchanged into approximately US\$550 million and deposited in the H shares' proceeds account of the Company in Mainland China. In 2018-2019, the Company exchanged the above US\$550 million of proceeds into RMB4,040 million (inclusive of interest) at an average exchange rate of US\$1 to RMB6.879. The use of proceeds for H shares changed into repaying the loan and replenishing the working capital, which was approved by the Company's shareholders at the general meeting on 27 June 2019. As of 30 June 2020, the proceeds that have been used were RMB3,465 million, and the proceeds remained unused were approximately RMB632 million (inclusive of interest).

In the first half of 2020, the Company had used RMB220 million, of which RMB180 million and RMB40 million was used for payment of interests and land rentals respectively. In the second half of 2020, it is expected that RMB550 million will be utilised, of which RMB130 million, RMB270 million, RMB60 million and RMB90 million will be used for payment of interests, share dividends, land rentals and purchase of tugboats, respectively, which is in line with those previously disclosed. If there are other amounts qualifying for payment with the proceeds in the second half of the year, the Company will continue to make such payment with the proceeds.

CAPITAL EXPENDITURE

In the first half of 2020, the Group's capital expenditure amounted to RMB33,937,701.39, which was mainly funded by the surplus cash generated from operating activities, the proceeds from the public offering of A Shares and other external financing.

The performance analysis of each business segment of the Group in the first half of 2020 is as follows:

Oil Segment

The following table sets out the oil/liquefied chemicals throughput handled by the Group in the first half of 2020 with comparative figures for the first half of 2019:

	For the six months ended 30 June 2020 (<i>'0,000 tonnes</i>)	For the six months ended 30 June 2019 (<i>'0,000 tonnes</i>)	Increase/ (decrease)
Crude oil	2,084.1	1,984.6	5.0%
– Foreign trade imported crude oil	1,383.8	1,142.9	21.1%
Refined oil	588.6	541.9	8.6%
Liquefied chemicals	71.6	75.6	(5.3%)
LNG	334.9	346.9	(3.5%)
Total	3,079.2	2,949.0	4.4%

In the first half of 2020, in terms of throughput of oil/liquefied chemicals, the Group handled a total of 30.792 million tonnes, representing an increase of 4.4% on a year-on-year basis.



Management Discussion and Analysis

In the first half of 2020, the Group's crude oil throughput increased by 5.0% year-on-year to 20.841 million tonnes, of which 13.838 million tonnes were imported crude oil, representing a year-on-year increase of 21.1%, mainly attributable to the fact that significant fluctuations in international oil prices encouraged refineries and traders in import of crude oil and warehousing, and low oil prices also stimulated the processing of refineries, which resulted in an increase in the Group's crude oil throughput.

In the first half of 2020, the Group's refined oil throughput amounted to 5.886 million tonnes, representing a year-on-year increase of 8.6%. Affected by the epidemic in the first half of the year, overseas refined oil demands recorded a prominent decrease, suppressing partial export of refined oil. As major refineries in the hinterland had maintenance shutdowns in the same period of last year, refined oil throughput still showed an upward trend in the first half of the year.

In the first half of 2020, the Group's liquefied chemicals throughput was 716 thousand tonnes, representing a year-on-year decrease of 5.3%. Affected by COVID-19 epidemic at the beginning of the year, inter-regional transportation of dangerous chemicals was limited, impacting the chemicals transshipment and resulting in a year-on-year decrease in the Group's liquefied chemicals transshipment in the first half of the year.

In the first half of 2020, the Group's LNG throughput amounted to 3.349 million tonnes, representing a year-on-year decrease of 3.5%, mainly due to the commencement of operation of Sino-Russia natural gas pipeline, which offset part of imported offshore LNG, coupled with a decrease in demands for LNG as a result of a low manufacturing capacity in various places affected by COVID-19 epidemic at the beginning of the year, which led to a year-on-year decrease in the Group's LNG throughput in the first half of the year.

In the first half of 2020, the total imported crude oil throughput handled by the Group's ports accounted for 53.1% (74.3% in the first half of 2019) and 36.4% (42.5% in the first half of 2019) of the total amount of crude oil imported through the ports of Dalian and Northeast China, respectively. The Group's total oil products throughput accounted for 55.5% (64.1% in the first half of 2019) and 31.9% (35.2% in the first half of 2019) of the ports of Dalian and Northeast China, respectively. With the continuous improvement of storage and transportation facilities in the Bohai Rim region, constant upgrading of terminal capacity at all ports in Liaoning Port, and the successive completion and operation of cargo terminals of private refineries in the hinterland, the source of some crude oil and refined oil has gradually been diverted, which resulted in a decrease in the proportions of imported crude oil and oil products handled by the Group's Liaoning port.

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

Item	In the first half of 2020 (RMB)	In the first half of 2019 (RMB)	Change (%)
Revenue	764,525,791.23	868,990,299.07	(12.0)
Share of the Group's revenue	24.0%	27.0%	Down by 3.0 percentage points
Gross profit	330,911,872.44	321,354,968.65	3.0
Share of the Group's gross profit	30.8%	36.5%	Down by 5.7 percentage points
Gross profit margin	43.3%	37.0%	Up by 6.3 percentage points



Management Discussion and Analysis

In the first half of 2020, the revenue from Oil Segment decreased by RMB104.46 million or 12% year-on-year, of which trade service revenue decreased by RMB96.92 million, and port logistics main revenue decreased by RMB7.54 million. The decrease in the main revenue of port logistics was mainly due to the decrease of RMB19.42 million in crude oil storage revenue, but the increase of RMB14.39 million in handling and port revenue.

In the first half of 2020, the gross profit margin of Oil Segment increased by 6.3 percentage points year-on-year; excluding the impact of trade services, the gross profit margin increased by 1.7 percentage points year-on-year, mainly due to the increase in crude oil handling and port revenue.

In the first half of 2020, major measures taken by the Group and the progress of key projects related to the Group are set out as follows:

- Capturing the opportunities from international crude oil market and flexibly allocating storage tank resources to achieve an increase in crude oil transshipment throughput.
- Giving full play to the advantages of the collection and distribution capacity and meeting customers' targeted needs by combination of tanking and lightering.
- Facilitating near-port customers to successfully apply for the delivery point for the settlement of crude oil futures to create a crude oil futures storage base in North China.
- Leveraging on the new policy on low-sulphidation of ship fuel and strengthening cooperation with ship fuel suppliers to create a ship fuel supply base radiating Northeast Asia.



Management Discussion and Analysis

Container Segment

The following table sets out the Container Segment's throughput handled by the Group in the first half of 2020, with comparative figures for the first half of 2019:

		For the six months ended 30 June 2020 (<i>'0,000 TEUs</i>)	For the six months ended 30 June 2019 (<i>'0,000 TEUs</i>)	Increase/ (decrease)
Foreign trade	Dalian port	216.0	264.1	(18.2%)
	Other ports (<i>Note 1</i>)	3.4	2.8	21.4%
	Sub-total	219.4	266.9	(17.8%)
Domestic trade	Dalian port	77.4	165.9	(53.3%)
	Other ports (<i>Note 1</i>)	63.3	73.8	(14.2%)
	Sub-total	140.7	239.7	(41.3%)
Total	Dalian port	293.4	430.0	(31.8%)
	Other ports (<i>Note 1</i>)	66.7	76.6	(12.9%)
	Total	360.1	506.6	(28.9%)

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.

In the first half of 2020, in terms of container throughput, the Group handled a total of 3.601 million TEUs, representing a year-on-year decrease of 28.9%. At Dalian port, the Group handled 2.934 million TEUs, representing a year-on-year decrease of 31.8%, of which container throughput for foreign trade decreased year-on-year by 18.2%, and container throughput for domestic trade decreased year-on-year by 53.3%.



Management Discussion and Analysis

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

Item	In the first half of 2020 (RMB)	In the first half of 2019 (RMB)	Change (%)
Revenue	1,241,267,949.68	1,330,431,489.48	(6.7)
Share of the Group's revenue	38.9%	41.3%	Down by 2.4 percentage points
Gross profit	363,123,442.07	343,705,692.87	5.6
Share of the Group's gross profit	33.8%	39.0%	Down by 5.2 percentage points
Gross profit margin	29.3%	25.8%	Up by 3.5 percentage points

In the first half of 2020, the revenue from the Container Segment decreased by RMB89.16 million or 6.7% year-on-year, of which the revenue from trade service decreased by RMB62.05 million and the main revenue from port logistics decreased by RMB27.11 million, mainly due to the impact of the decrease in revenue from container terminal handling and agency.

In the first half of 2020, the gross profit margin of the container segment increased by 3.5 percentage points year-on-year, mainly due to the decrease in trade service business with lower gross profit margin and the adjustment of the business model of branch line business in Bohai Rim region that increased profitability.

In the first half of 2020, major measures taken by the Group and the progress of key projects related to the Group are set out as follows:

- Overcoming impacts from the epidemic to ensure the stable production and operation at terminals, and by virtue of efficient terminal service and perfect feeder network layout of the Group, 5 new foreign trade routes and 2 new domestic trade routes were added, further optimizing network layout of shipping routes in Southeast Asia to meet the differentiated logistics needs of different customers.
- Unifying feeder business and improving operation models, focusing on strengthening development of routes and customers for foreign trade and focusing on expansion of co-load cabin cooperation for domestic trade to effectively reduce operational costs, and improve customer service satisfaction, which further manifested the pivotal role of Bohai Rim region.
- Responding actively to national strategies on multimodal transportation development, enhancing business collaboration and cooperation with shipping companies, and railway bureaus in various links of sea-to-rail intermodal transportation, adding several freight trains for domestic and foreign trade, to promote a continuous increase in container volume of sea-to-rail intermodal transportation.



Management Discussion and Analysis

Automobile Terminal Segment

The following table sets out the throughput handled by the Group's automobile terminal in the first half of 2020, with comparative figures for the first half of 2019:

		For the six months ended 30 June 2020	For the six months ended 30 June 2019	Increase/ (decrease)
Vehicles (units)	Foreign trade	6,706	6,496	3.2%
	Domestic trade	318,616	381,776	(16.5%)
	Total	325,322	388,272	(16.2%)
Equipment (tonnes)		10,523	12,115	(13.1%)

In the first half of 2020, the Group handled a total of 325,322 vehicles in automobile terminal, representing a year-on-year decrease of 16.2%.

In the first half of 2020, the Group's vehicle throughput accounted for 100% (100% in the first half of 2019) of the total market share of the ports in Northeast China.

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

Item	In the first half of 2020 (RMB)	In the first half of 2019 (RMB)	Change (%)
Revenue	24,888,329.96	6,081,222.15	309.3
Share of the Group's revenue	0.8%	0.2%	Up by 0.6 percentage point
Gross profit	(2,481,294.78)	(64,764.38)	(3,731.3)
Share of the Group's gross profit	(0.2%)	0.0%	Down by 0.2 percentage point
Gross profit margin	(10.0%)	(1.1%)	Down by 8.9 percentage points

In the first half of 2020, the revenue from the Automobile Terminal Segment increased by RMB18.81 million year-on-year, an increase of 309.3%, mainly due to the increase in revenue of the newly consolidated Harbour ECL of RMB6.23 million, the increase in revenue from RV trading, the influence of the operation of Haijia automobile terminal and the increase of vehicle logistics business.



Management Discussion and Analysis

In the first half of 2020, the gross profit margin of Automobile Terminals Segment decreased by 8.9 percentage points year-on-year. Excluding the impact of trade services, the gross profit margin increased by 17.4 percentage points year-on-year, mainly due to the increase in the business volume of newly consolidated companies and terminal operations.

In the first half of 2020, major measures taken by the Group and the progress of key projects related to the Group are set out as follows:

- Actively coping with the epidemic, maintaining close contacts and cooperation with main engine factories and logistics suppliers in the hinterland and strengthening competitive advantages of sea-to-rail intermodal transportation of commercial vehicles to promote the rapid recovery of business.
- Leveraging on terminal advantages in warehousing resources and actively developing warehousing business with main engine factories in the hinterland, securing port-entry and stocking of a total of over 34,000 commercial vehicles.
- Seizing opportunities from growth of foreign trade imports and actively connecting logistics and shipping companies, thereby recording a year-on-year increase by 3.2% in foreign trading of commercial vehicles despite the epidemic.

Bulk and General Cargo Segment

The following table sets out the throughput handled by the Group's bulk and general cargo terminal in the first half of 2020, with comparative figures for the first half of 2019:

	For the six months ended 30 June 2020 (<i>'0,000 tonnes</i>)	For the six months ended 30 June 2019 (<i>'0,000 tonnes</i>)	Increase/ (decrease)
Steel	298.5	297.6	0.3%
Coal	520.2	466.3	11.6%
Equipment	27.3	75.1	(63.6%)
Ore	1,785.5	1,429.1	24.9%
Others	674.8	747.5	(9.7%)
Total	3,306.3	3,015.6	9.6%



Management Discussion and Analysis

In the first half of 2020, the throughput of the Group's Bulk and General Cargo Segment amounted to 33.063 million tonnes, representing a year-on-year increase of 9.6%.

In the first half of 2020, the throughput of the Group's ore segment amounted to 17.855 million tonnes, representing a year-on-year increase of 24.9%. Such increase was mainly due to the fact that given the orderly prevention and control of the epidemic in China, the production of steel plants in Northeast China was effected to a controllable extent, so iron ore was in sound terminal demands. Meanwhile, the Group actively coordinated with the railway departments to ensure the smooth collection and distribution capacity of railways and improve turnover efficiency, which resulted in a year-on-year increase in the Group's ore throughput.

In the first half of 2020, the Group's steel throughput was 2.985 million tonnes, representing a year-on-year increase of 0.3%. Affected by the epidemic abroad, steel terminal demands continued to slacken, resulting in a decrease in transshipment of steel in foreign trade. However, as the epidemic was gradually contained in China, enterprises accelerated their pace of work and production resumption. Meanwhile, the government issued relevant policies on stimulating the economy, which boosted the domestic needs for steel and therefore enabled the Group's steel transshipment to remain stable year-on-year.

In the first half of 2020, the Group's coal throughput was 5.202 million tonnes, representing a year-on-year increase of 11.6%, mainly due to the fact that affected by the epidemic in the first half of the year, coal enterprises resumed their work at a quicker pace than the downstream enterprises, causing a greater conflict in supply and demand of coal, and therefore leading to a decline of coal prices, during which coal customers replenished their coal reserve in advance, and meanwhile given a limited quota for imported coal, coal customers sought to secure such quota, which resulted in a year-on-year increase in the Group's coal throughput in the first half of the year.

In the first half of 2020, the Group's equipment throughput was 273,000 tonnes, representing a year-on-year decrease of 63.6%, mainly due to a suspension of certain foreign trade projects of equipment customers given the impact of the epidemic overseas in the first half of the year, which resulted in a year-on-year decrease in the Group's equipment throughput in the first half of the year.

In the first half of 2020, the Group's ore throughput accounted for 38.9% (35.1% in the first half of 2019) of the total throughput of the ports in Northeast China.

In the first half of 2020, the Group's steel throughput accounted for 11.9% (11.6% in the first half of 2019) of the total throughput of the ports in Northeast China.

In the first half of 2020, the Group's coal throughput accounted for 14.4% (16.5% in the first half of 2019) of the total throughput of the ports in Northeast China.



Management Discussion and Analysis

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

Item	In the first half of 2020 (RMB)	In the first half of 2019 (RMB)	Change (%)
Revenue	530,900,350.38	425,514,453.10	24.8
Share of the Group's revenue	16.7%	13.2%	Up by 3.5 percentage points
Gross profit	183,844,203.44	69,956,326.64	162.8
Share of the Group's gross profit	17.1%	7.9%	Up by 9.2 percentage points
Gross profit margin	34.6%	16.4%	Up by 18.2 percentage points

In the first half of 2020, the revenue from the Bulk and General Cargo Segment increased by RMB105.39 million or 24.8% year-on-year. This was mainly due to the significant increase in the throughput of foreign trade iron ore and coal in the first half of the year, as well as the restoration of rate increases, which led to an increase in revenue of RMB129.41 million. However, storage fees have been reduced.

In the first half of 2020, the gross profit margin of the Bulk and General Cargo Segment increased by 18.2 percentage points year-on-year, mainly due to the increase in foreign trade iron ore and coal businesses with higher gross profit margins.

In the first half of 2020, major measures taken by the Group and the progress of key projects related to the Group are set out as follows:

- Actively visiting many customers in the hinterland and strengthening the cooperation with customers continuously.
- Deepening the cooperation with Vale to promote construction of mixed ore transshipment and distribution center in Northeast Asia and expand the scale of mixed ore transshipped to Japan and South Korea.



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 2020, with comparative figures for the first half of 2019:

	For the six months ended 30 June 2020 ('0,000 tonnes)	For the six months ended 30 June 2019 ('0,000 tonnes)	Increase/ (decrease)
Corn	101.0	92.1	9.7%
Soybean	83.8	30.5	174.8%
Barley	32.8	26.3	24.7%
Others	91.5	59.2	54.6%
Total	309.1	208.1	48.5%

In the first half of 2020, the throughput of the Group's Bulk Grain Segment amounted to 3.091 million tonnes, representing a year-on-year increase of 48.5%.

In the first half of 2020, the Group's corn throughput was 1.010 million tonnes, representing a year-on-year increase of 9.7%. Such increase was mainly attributable to the fact that affected by the African Swine Fever in the same period of last year, corn terminal consumption decreased significantly, so port transshipment also decreased. Meanwhile, the Group deepened cooperation with relevant customers to enrich corn transshipment modes, which resulted in a year-on-year increase in the Group's corn transshipment in the first half of the year.

In the first half of 2020, the Group's soybean throughput was 838,000 tonnes, representing a year-on-year increase of 174.8%. Such substantial increase was due to the active procurement of imported goods by traders as a result of a lower price caused by an increase in output of soybean in North and South Americas, coupled with the weakening impacts of the Sino-U.S. trade friction.

In the first half of 2020, the Group's bulk grain throughput accounted for 11.6% (8.9% in the first half of 2019) 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:

Item	In the first half of 2020 (RMB)	In the first half of 2019 (RMB)	Change (%)
Revenue	89,052,816.46	68,962,056.05	29.1
Share of the Group's revenue	2.8%	2.1%	Up by 0.7 percentage point
Gross profit	15,457,175.57	(14,041,525.49)	210.1
Share of the Group's gross profit	1.4%	(1.6%)	Up by 3.0 percentage points
Gross profit margin	17.4%	(20.4%)	Up by 37.8 percentage points

In the first half of 2020, the revenue from the Bulk Grains Segment increased by RMB20.09 million or 29.1% year-on-year, of which trade service revenue decreased by RMB13.29 million, and the main revenue of port logistics increased by RMB33.38 million year-on-year, mainly due to the increase in the throughput of imported soybeans and coal, driving income increase.

In the first half of 2020, the gross profit margin of the Bulk Grain Segment increased by 37.8 percentage points year-on-year. Excluding the impact of the trading business, the gross profit margin increased by 43.0 percentage points year-on-year, mainly driven by the increase in high-margin soybean and coal business.

In the first half of 2020, major measures taken by the Group and the progress of key projects related to the Group are set out as follows:

- Cooperating with customers to jointly promote transportation of Heilongjiang-Dalian bulk grain train and improving the efficiency of transporting grains from inland to the port.
- Cooperating with shipping companies to add routes for transporting grains from Dalian to Shandong, East China and South China, to improve the network layout of routes.



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 2020, with comparative figures in the first half of 2019:

	For the six months ended 30 June 2020	For the six months ended 30 June 2019	Increase/ (decrease)
Passengers ('0,000 persons)	68.4	191.4	(64.3%)
Vehicles ('0,000 units)	31.2	39.7	(21.4%)

Throughput of passengers in passenger, roll-on, roll-off terminal was 684,000 persons, representing a year-on-year decrease of 64.3%. Throughput of vehicles amounted to 312,000 units, representing a year-on-year decrease of 21.4%, mainly due to a significant decrease in the voyages of ro-ro passenger ships affected by the epidemic, which resulted in a decrease in passenger and roll-on roll-off throughput.

The performance of the Passenger and Ro-Ro Segment is set out as follows:

Item	In the first half of 2020 (RMB)	In the first half of 2019 (RMB)	Change (%)
Revenue	54,650,841.81	83,458,420.62	(34.5)
Share of the Group's revenue	1.7%	2.6%	Down by 0.9 percentage point
Gross profit	(13,220,022.91)	19,282,063.33	(168.6)
Share of the Group's gross profit	(1.2%)	2.2%	Down by 3.4 percentage points
Gross profit margin	(24.2%)	23.1%	Down by 47.3 percentage points

In the first half of 2020, the revenue of Passenger and Ro-Ro Segment decreased by RMB28.81 million or 34.5% year-on-year, mainly due to the obvious impact of the epidemic on passenger and ro-ro business, the cancellation of all international cruise plans, the reduction of domestic routes, which resulted in the significant decline in passenger and ro-ro business volume and business revenue.

In the first half of 2020, the gross profit margin of the Passenger and Ro-Ro Segment decreased by 47.3 percentage points year-on-year, mainly due to the sharp decline in revenue due to the impact of the epidemic.



Management Discussion and Analysis

In the first half of 2020, 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, working on prevention and control of the epidemic with all efforts and strictly implementing prevention and control plans and measures to ensure a safe and controllable anti-epidemic work in operation of the terminals.
- Advancing passenger and ro-ro berth renovation project and handling of procedures, and actively introducing large passenger and ro-ro ships with a capacity of 30,000 tonnes to dock.

Value-added Services Segment

Tugging

In the first half of 2020, the Group strengthened expansion of the market, and therefore recorded a rapid increase in tugging business by 21.3% year-on-year.

Tallying

In the first half of 2020, the Group's tallying business was relatively stable through active market development. The total tallying throughput handled by the Group was 18.169 million tonnes, representing a year-on-year decrease of 3.9%.

Railway

In the first half of 2020, benefiting from the rapid growth of import demands for oil, ore, grain and other bulk and general cargoes, the increment of integrated multimodal transportation was significant. In terms of the operation of railway transportation, the Group handled a total of 415,000 carriages.



Management Discussion and Analysis

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

Item	In the first half of 2020 (RMB)	In the first half of 2019 (RMB)	Change (%)
Revenue	451,033,548.40	402,254,637.03	12.1
Share of the Group's revenue	14.1%	12.5%	Up by 1.6 percentage points
Gross profit	178,382,807.05	118,636,049.56	50.4
Share of the Group's gross profit	16.6%	13.5%	Up by 3.1 percentage points
Gross profit margin	39.5%	29.5%	Up by 10.0 percentage points

In the first half of 2020, the revenue from the Value-added Services Segment increased by RMB48.78 million or 12.1% year-on-year, mainly due to the increase in tugging business, which led to the increase in the revenue of the tugging & barging company, and the increase in the iron ore blending business to boost the revenue of the railway company.

In the first half of 2020, the gross profit margin of Value-added Services Segment increased by 10.0 percentage points year-on-year, mainly due to the increase in tugging business with higher gross profit.

PROSPECTS OF THE SECOND HALF OF 2020

Competitive Landscape and Industry Trend

Currently, given global spread of the epidemic, the world economy is undergoing a serious recession with a significant downfall in international trade and investment. China's foreign trade develops amid increasing uncertainties and instabilities. Coupled with impacts from the economic and trade frictions between China and the U.S., import and export will still remain complicated in the second half of the year. Domestically, with China's effective containing of the epidemic, vigorous advancement of work and production resumption, and effective driving of national macro-regulation, the economy will become better in the second half than in the first half of the year. During the year, China's economy is expected to recover to the pre-epidemic level.

Management Discussion and Analysis

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

Oil Segment

- To coordinate with port entities to promote the implementation of bonded crude oil mixture business.
- To strengthen cooperation through joint ventures with international oil traders to facilitate development of crude oil transshipment market in Northeast Asia.
- To advance handling of qualifications for loading and discharging and warehousing of diluted asphalt, improve port service functions and drive the improvement in throughput.
- To develop the business of crude oil transshipped to Hebei and north of Shandong; explore potential customers, develop whole-process imported crude oil logistics system in Bohai Rim and consolidate crude oil transshipment sources.

Container Segment

- To stabilize operation of foreign trade routes, intensively develop routes in Southeast Asia and other emerging markets, and actively strive for domestic trade of North-South trunk routes at the Group's terminals.
- To unify transshipment strategies, improve cooperation ability and reduce operational costs to promote transformation and development of feeders in Bohai Rim and consolidate position of a transshipment port.
- To strengthen business synergy, promote resource integration and constantly explore and optimize the inland collection and distribution system in the Three Northeastern Provinces, with an aim to further increase development of cargo supply in cross-border train lines.
- To actively promote business diversification and continuously develop comprehensive logistics industry including cold chain, automobile, and rear logistics to realize parallel development of main and auxiliary industry.

Automobile Terminal Segment

- To stabilize the existing routes and endeavor to develop new routes for some commercial vehicles.
- To focus on promoting development and construction of foreign trade route to achieve launch and operation of a foreign trade route with Dalian as the basic port.



Management Discussion and Analysis

Bulk and General Cargo Segment

- To enhance the linkage with customers to jointly develop international market and expand international transshipment scale of mixed ore.
- To deepen the cooperation with customers, enrich and improve the construction of collection and distribution system, enhance operating efficiency of the whole-process logistics links to achieve mutual benefit and win-win situation.

Bulk Grain Segment

- To open grain transshipment routes between East China and Shandong, develop grain markets in East China and Shandong to drive inter-regional cargo transshipment.
- To continuously conduct operation and organization of ports to improve service efficiency, and solicit supplies and improve shares with excellent services.

Passenger and Ro-Ro Segment

- To get fully prepared for the launch of large passenger and ro-ro ships with a capacity of 30,000 tonnes, and work on marketing jointly with shipping companies.
- To conduct various production, operation and organization during the summer shipment period, and cooperate with shipping companies in marketing for inter-provincial routes, and strive to minimize the adverse impacts on the passenger and ro-ro market from the epidemic.

Value-added Services Segment

- Tugging

The Company will expand revenue sources and reduce costs and expenditures by developing tugging business in surrounding markets, increasing throughput of tugging outside the port and expanding domestic coastal tugging services.

- Tallying

The Company will accelerate the development of intelligent tallying system to reduce labour costs. It will insist on diversified development model of tallying business, and actively expand inspection and verification business including draft survey, measurement, loading and discharging supervision.



Management Discussion and Analysis

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2020.

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

During the six months ended 30 June 2020, no further redemption of our Company's listed securities had been made by the Company. Neither the Company nor any of its subsidiaries had further purchased or sold any of its listed securities.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS

As at 30 June 2020, 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)

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2020, the Company had complied with the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and so far as known to the Directors of the Company, there had been no deviation from the code provisions.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 30 June 2020, the Company had adopted a code of conduct governing Director's and supervisor's dealings in the Company's securities on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuer ("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 dealings in the Company's securities during the relevant period.

AUDIT COMMITTEE

As at the date of this announcement, the audit committee of the Company consists of Mr. LI Zhiwei as an independent non-executive Director, Mr. YUAN Yi as a non-executive Director and Mr. LAW Man Tat as an independent non-executive Director. Mr. LI Zhiwei, an independent non-executive Director, acts as the chairman of the audit committee. The audit committee has reviewed the unaudited interim results for the six months ended 30 June 2020.



Other Information

INFORMATION ON SHARE CAPITAL AND SHAREHOLDERS OF THE COMPANY

The share capital structure of the Company as at 30 June 2020 is set out in the table below:

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

SHAREHOLDINGS OF SHAREHOLDERS WITH NOTIFIABLE INTERESTS

As at 30 June 2020, 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 (shares)	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 Securities (HK) Co., Ltd.	H shares	2,721,211,000	Interest of controlled corporation	52.74%	21.10%
China Securities Depository and Clearing Corporation Limited	H shares	907,293,000	Beneficial owner	17.58%	7.04%
BOCI Securities Limited	H shares	147,291,200	Beneficial owner	2.85%	1.14%
Dalian Port Corporation Limited	H shares	722,166,000	Beneficial owner	14.00%	5.60%

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.



Other Information (continued)

Save as disclosed above, as at 30 June 2020, so far as known to the directors of the Company, no other person had an interest or short position in the shares of the Company which would fall to be disclosed to the Company and the Stock Exchange 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, SUPERVISORS AND CHIEF EXECUTIVE

As at 30 June 2020, the members of the sixth session of the Board included Mr. WEI Minghui and Mr. SUN Dequan as executive Directors; Mr. CAO Dong, Mr. QI Yue, Mr. YUAN Yi and Ms. NA Danhong as non-executive Directors, and Mr. Li Zhiwei, Dr. Liu Chunyan and Mr. LAW Man Tat as independent non-executive Directors, and the members of the sixth session of the Company's supervisory committee included Mr. JIA Wenjun, Mr. JIA Ming, Mr. Wang Zhifeng, Ms. Zhang Hong and Mr. Liu Xianfeng.

For the six months ended 30 June 2020, there was no change to information of the above directors, supervisors or chief executive which had been disclosed by the Company pursuant to paragraphs (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 2020, the Group had a total of 3,856 full-time employees, and the total number of employees of the Group and its investees was 6,264.



Review Report

Ernst & Young Hua Ming (2020) Zhuan Zi No. 60777447_E09
Dalian Port (PDA) Company Limited

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

We have reviewed the accompanying financial statements of Dalian Port (PDA) Company Limited and its subsidiaries, which comprise the consolidated and company balance sheets as at 30 June 2020 and the consolidated and company income statements, statements of changes in shareholders' equity and cash flow statements for the six months ended 30 June 2020, and notes to the financial statements (hereinafter referred to the "Interim Financial Statements"). Management of Dalian Port (PDA) Company Limited is responsible for the preparation of the Interim Financial Statements. Our responsibility is to issue a review report based on our review of the Interim Financial Statements.

We conducted our review in accordance with the Standard on Review Engagements for CPAs of China No. 2101 – Engagements to review financial statements, which requires that we plan and conduct the review to obtain limited assurance about whether the Interim Financial Statements are free from material misstatement. A review is limited primarily to enquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the abovementioned Interim Financial Statements are not prepared in accordance with Accounting Standard for Business Enterprises No. 32 – Interim Financial Reporting, and do not present fairly, in all material respects, the financial position, operating results and cash flows of Dalian Port (PDA) Company Limited.

Ernst & Young Hua Ming LLP

Certified Public Accountant:
Wang Tianqing

Beijing, the PRC
27 August 2020

Certified Public Accountant:
Xue Wei



Consolidated Balance Sheet

30 June 2020
In RMB

Item	Note VII	Balance at the end of the period (Unaudited)	Balance at the beginning of the period
Current assets			
Cash at bank and on hand	1	2,887,993,854.24	4,051,413,174.71
Financial assets held for trading	2	1,352,792,833.70	304,951,193.83
Notes receivable	3	239,963,218.44	248,851,749.33
Accounts receivable	4	1,760,176,282.90	1,322,772,566.55
Advances to suppliers	5	44,175,886.49	34,353,478.37
Other receivables	6	456,132,855.25	756,834,129.39
Inventories	7	90,865,468.75	105,065,586.94
Other current assets	8	45,339,666.38	66,743,698.10
Total current assets		6,877,440,066.15	6,890,985,577.22
Non-current assets			
Long-term receivables	9	54,724,611.59	–
Long-term equity investments	10	4,148,162,733.03	4,146,454,686.56
Investments in other equity instruments	11	183,587,895.38	189,782,564.95
Investment properties	12	198,824,573.48	193,819,795.94
Fixed assets	13	16,240,339,853.94	16,633,125,202.39
Construction in progress	14	1,918,527,748.94	1,969,780,788.67
Right-of-use assets	15	3,068,087,665.06	3,126,927,918.95
Intangible assets	16	1,695,601,367.91	1,717,519,475.31
Goodwill	17	20,433,690.59	20,433,690.59
Long-term prepaid expenses	18	71,638,376.57	66,308,928.28
Deferred income tax assets	19	107,441,166.31	100,709,875.21
Other non-current assets	20	44,710,421.52	42,426,036.58
Total non-current assets		27,752,080,104.32	28,207,288,963.43
TOTAL ASSETS		34,629,520,170.47	35,098,274,540.65



Consolidated Balance Sheet (continued)

30 June 2020
In RMB

Item	Note VII	Balance at the end of the period (Unaudited)	Balance at the beginning of the period
Current liabilities			
Short-term borrowings	23	150,129,166.67	497,660,595.83
Accounts payable	24	193,378,043.84	189,817,515.63
Advances from customers	25	4,844,498.40	7,070,884.59
Contract liabilities	26	61,899,731.45	34,297,750.03
Employee compensation payable	27	157,112,772.60	240,218,522.22
Taxes payable	28	118,605,627.93	96,991,071.20
Other payables	29	854,458,885.28	910,581,896.50
Non-current liabilities due within one year	30	2,650,563,522.16	400,779,150.69
Total current liabilities		4,190,992,248.33	2,377,417,386.69
Non-current liabilities			
Long-term borrowings	31	1,352,771,220.00	1,508,698,814.40
Bonds payable	32	3,542,889,235.03	5,884,379,767.90
Lease liabilities	33	3,111,387,206.77	3,132,442,496.82
Long-term payables	34	66,552,555.56	32,500,000.00
Deferred income	35	522,656,560.98	549,490,699.73
Deferred income tax liabilities	19	109,251,453.59	113,385,648.38
Other non-current liabilities	36	90,655,959.58	95,544,136.00
Total non-current liabilities		8,796,164,191.51	11,316,441,563.23
Total liabilities		12,987,156,439.84	13,693,858,949.92



Consolidated Balance Sheet (continued)

30 June 2020
In RMB

Item	Note VII	Balance at the end of the period (Unaudited)	Balance at the beginning of the period
Shareholders' equity:			
Share capital	37	12,894,535,999.00	12,894,535,999.00
Capital surplus	38	2,941,409,901.37	2,938,747,542.52
Other comprehensive income	39	64,275,133.90	70,943,358.93
Special reserve	40	50,461,317.11	38,503,545.54
Surplus reserve	41	896,529,171.28	896,529,171.28
Including: Statutory reserve		895,555,636.91	895,555,636.91
Undistributed profits	42	2,078,182,045.78	1,930,530,105.98
Total equity attributable to shareholders of the parent company		18,925,393,568.44	18,769,789,723.25
Minority interests		2,716,970,162.19	2,634,625,867.48
Total shareholders' equity		21,642,363,730.63	21,404,415,590.73
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		34,629,520,170.47	35,098,274,540.65

Notes form an integral part of the financial statements

These financial statements are signed by the following persons:

Legal representative:
WEI Minghui

Principal in charge of accounting:
Wang Ping

Head of accounting department:
Wang Jinsong



Balance Sheet of the Parent Company

30 June 2020
In RMB

Item	Note XVI	Balance at the end of the period (Unaudited)	Balance at the beginning of the period
Current assets			
Cash at bank and on hand		1,491,015,757.35	2,667,067,531.46
Financial assets held for trading		1,352,792,833.70	304,951,193.83
Notes receivable		232,027,704.56	203,093,165.69
Accounts receivable	1	1,366,549,459.17	988,897,685.64
Advances to suppliers		12,540,465.12	6,422,443.00
Other receivables	2	1,350,047,825.68	1,488,764,521.13
Inventories		37,917,363.14	41,221,158.41
Non-current assets due within one year		-	18,045,516.44
Other current assets		3,905,356.91	3,398,327.10
Total current assets		5,846,796,765.63	5,721,861,542.70
Non-current assets			
Long-term receivables		733,250,863.88	310,000,000.00
Right-of-use assets		2,804,265,788.91	2,847,289,690.63
Long-term equity investments	3	8,011,616,255.77	7,986,517,316.61
Investments in other equity instruments		18,718,071.84	23,359,026.40
Fixed assets		9,894,416,838.99	10,123,538,837.06
Construction in progress		1,390,176,590.32	1,416,865,303.35
Intangible assets		541,495,547.85	552,554,874.41
Long-term prepaid expenses		34,277,797.75	23,558,422.05
Deferred income tax assets		53,123,136.88	44,760,329.15
Other non-current assets		1,860,000.00	1,860,000.00
Total non-current assets		23,483,200,892.19	23,330,303,799.66
TOTAL ASSETS		29,329,997,657.82	29,052,165,342.36

Notes form an integral part of the financial statements



Balance Sheet of the Parent Company (continued)

30 June 2020
In RMB

Item	Balance at the end of the period (Unaudited)	Balance at the beginning of the period
Current liabilities		
Accounts payable	42,216,695.87	38,113,226.37
Advances from customers	370,761.30	553,251.23
Contract liabilities	47,695,923.45	24,014,305.01
Employee compensation payable	93,000,032.30	136,336,330.09
Taxes payable	57,515,518.13	31,612,947.82
Other payables	533,664,133.82	274,296,594.40
Non-current liabilities due within one year	2,526,267,478.52	205,383,855.22
Total current liabilities	3,300,730,543.39	710,310,510.14
Non-current liabilities		
Bonds payable	3,542,889,235.03	5,884,379,767.90
Lease liabilities	2,847,057,250.93	2,864,143,612.01
Long-term payables	15,000,000.00	15,000,000.00
Deferred income	507,667,358.99	525,263,636.58
Deferred income tax liabilities	1,012,753.59	2,172,992.23
Other non-current liabilities	90,655,959.58	95,544,136.00
Total non-current liabilities	7,004,282,558.12	9,386,504,144.72
Total liabilities	10,305,013,101.51	10,096,814,654.86
Shareholders' equity:		
Share capital	12,894,535,999.00	12,894,535,999.00
Capital surplus	3,050,025,481.96	3,047,794,637.96
Other comprehensive income	3,038,260.75	6,518,976.67
Special reserve	38,423,120.78	30,179,695.36
Surplus reserve	851,648,908.53	851,648,908.53
Undistributed profits	2,187,312,785.29	2,124,672,469.98
Total shareholders' equity	19,024,984,556.31	18,955,350,687.50
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	29,329,997,657.82	29,052,165,342.36

Notes form an integral part of the financial statements



Consolidated Income Statement

For the period from 1 January to 30 June 2020
In RMB

Item	Note VII	Amount in the current period (Unaudited)	Amount in the same period of last year (Unaudited)
I. Revenue	43	3,188,017,017.27	3,221,965,028.15
Less: Cost of sales	43	2,113,736,025.67	2,340,452,073.92
Taxes and surcharges	44	26,115,865.65	27,619,854.29
Selling and distribution expenses		-	160,580.24
General and administrative expenses	45	273,275,698.17	324,747,194.49
Research and development expenses	46	5,890,491.17	7,066,880.96
Financial expenses	47	263,330,949.73	288,048,192.02
Including: Interest expenses		284,602,677.76	344,671,817.46
Interest income		19,093,387.13	43,549,350.83
Net exchange loss (net gain represented by “-”)		-2,364,451.43	-13,682,837.99
Add: Other income	48	46,461,926.10	34,306,321.49
Investment income (loss represented by “-”)	49	111,996,156.13	184,445,959.72
Including: Investment income from associates and joint ventures		99,703,865.21	158,233,958.30
Gain on changes in fair value (loss represented by “-”)	50	-571,730.00	1,825,840.00
Credit impairment loss (loss represented by “-”)	51	-14,916,894.04	-786,089.62
Assets impairment loss (loss represented by “-”)	52	-38,021,871.85	-
Gains on disposals of assets (loss represented by “-”)	53	4,347.78	-946,305.78
II. Operating profit (loss represented by “-”)		610,619,921.00	452,715,978.04
Add: Non-operating income	54	8,469,206.29	2,571,565.12
Less: Non-operating expenses	55	522,206.94	304,679.29
III. Total profit (total loss represented by “-”)		618,566,920.35	454,982,863.87
Less: Income tax expenses	56	150,636,446.58	101,224,219.27



Consolidated Income Statement (continued)

For the period from 1 January to 30 June 2020
In RMB

Item	Note VII	Amount in the current period (Unaudited)	Amount in the same period of last year (Unaudited)
IV. Net profit (net loss represented by “-”)		467,930,473.77	353,758,644.60
(I) Classified by ownership of the equity			
1. Net profit attributable to shareholders of the parent company (net loss represented by “-”)		418,437,195.78	288,235,814.81
2. Gains or losses of minority interests (net loss represented by “-”)		49,493,277.99	65,522,829.79
(II) Classified by continuity of operations			
1. Net profit from continuing operations (net loss represented by “-”)		467,930,473.77	353,758,644.60
2. Net profit from discontinued operations (net loss represented by “-”)		-	-
V. Other comprehensive income, net of tax	39	-6,544,441.22	28,571,223.73
Attributable to shareholders of the parent company, net of tax		-6,668,225.03	29,049,014.85
(I) Other comprehensive income that may not be reclassified to profit or loss		-4,769,785.99	29,239,786.96
1. Changes in fair value of investments in other equity instruments		-4,769,785.99	29,239,786.96
(II) Other comprehensive income that will be reclassified to profit or loss		-1,898,439.04	-190,772.11
1. Translation differences on translation of foreign currency financial statements		-1,898,439.04	-190,772.11
Attributable to minority interests, net of tax		123,783.81	-477,791.12
VI. Total comprehensive income		461,386,032.55	382,329,868.33
Attributable to shareholders of the parent company		411,768,970.75	317,284,829.66
Attributable to minority interests		49,617,061.80	65,045,038.67
VII. Earnings per share			
Basic earnings per share	59	0.03	0.02
Diluted earnings per share	59	0.03	0.02

Notes form an integral part of the financial statements



Income Statement of the Parent Company

For the period from 1 January to 30 June 2020
In RMB

Item	Note XVI	Amount in the current period (Unaudited)	Amount in the same period of last year (Unaudited)
I. Revenue	4	1,834,457,407.50	1,679,237,903.90
Less: Cost of sales	4	1,156,495,682.48	1,153,146,981.58
Taxes and surcharges		18,729,438.80	16,377,184.11
General and administrative expenses		160,226,652.36	197,794,960.14
Research and development expenses		32,694.06	21,915.00
Financial expenses		216,756,267.29	226,248,595.64
Including: Interest expenses		229,604,615.26	273,374,136.82
Interest income		12,884,213.09	34,618,586.88
Add: Other income		26,724,971.62	29,034,765.04
Investment income (loss represented by "-")	5	112,031,435.33	185,651,682.54
Including: Investment income from associates and joint ventures		91,594,603.94	156,964,019.28
Gain on changes in fair value (loss represented by "-")		-571,730.00	1,825,840.00
Credit impairment loss (loss represented by "-")		-12,436,365.99	1,210,792.36
Gains on disposals of assets (loss represented by "-")		-6,226.44	-
II. Operating profit (loss represented by "-")		407,958,757.03	303,371,347.37
Add: Non-operating income		407,496.92	91,036.80
Less: Non-operating expenses		150,301.48	7,147.42
III. Total profit (total loss represented by "-")		408,215,952.47	303,455,236.75
Less: Income tax expenses		74,790,381.18	34,565,170.59
IV. Net profit (net loss represented by "-")		333,425,571.29	268,890,066.16
Net profit from continuing operations (net loss represented by "-")		333,425,571.29	268,890,066.16
Net profit from discontinued operations (net loss represented by "-")		-	-
V. Other comprehensive income, net of tax		-3,480,715.92	2,477,750.74
(I) Other comprehensive income that may not be reclassified to profit or loss		-3,480,715.92	2,477,750.74
1. Changes in fair value of investments in other equity instruments		-3,480,715.92	2,477,750.74
(II) Other comprehensive income that will be reclassified to profit or loss		-	-
VI. Total comprehensive income		329,944,855.37	271,367,816.90

Notes form an integral part of the financial statements



Consolidated Cash Flow Statement

For the period from 1 January to 30 June 2020
In RMB

Item	Note VII	Amount in the current period (Unaudited)	Amount in the same period of last year (Unaudited)
I. Cash flows from operating activities:			
Cash received from the sale of goods or rendering of services		3,043,582,765.98	2,962,774,104.24
Refund of taxes and surcharges		16,741,718.59	–
Cash received relating to other operating activities	60	45,651,261.76	74,604,807.35
Sub-total of cash inflows		3,105,975,746.33	3,037,378,911.59
Cash paid for goods and services		1,003,789,694.72	1,355,729,627.60
Cash paid to and on behalf of employees		822,808,152.58	944,045,587.55
Payments of taxes and surcharges		241,065,490.66	159,984,332.23
Cash paid relating to other operating activities	60	89,341,487.87	79,376,407.49
Subtotal of cash outflows		2,157,004,825.83	2,539,135,954.87
Net cash flows from operating activities	61	948,970,920.50	498,242,956.72
II. Cash flows from investing activities			
Cash received from disposal of investments		1,150,012,567.14	3,357,118,957.13
Cash received from return on investments		235,454,618.77	81,839,941.37
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		39,125.25	49,582,592.01
Cash received relating to other investing activities	60	1,736,397.34	147,084,866.62
Sub-total of cash inflows		1,387,242,708.50	3,635,626,357.13
Cash paid to acquire fixed assets, intangible assets and other long-term assets		86,626,856.49	147,507,592.72
Cash paid to acquire investments		2,199,994,375.00	2,845,292,904.00
Cash paid relating to other investing activities	60	55,338,000.00	162,123,000.00
Sub-total of cash outflows		2,341,959,231.49	3,154,923,496.72
Net cash flows from investing activities		-954,716,522.99	480,702,860.41



Consolidated Cash Flow Statement (continued)

For the period from 1 January to 30 June 2020
In RMB

Item	Note VII	Amount in the current period (Unaudited)	Amount in the same period of last year (Unaudited)
III. Cash flows from financing activities:			
Cash received from borrowings		964,000,000.00	1,435,000,000.00
Sub-total of cash inflows		964,000,000.00	1,435,000,000.00
Cash repayments of borrowings		1,775,707,229.61	3,989,468,659.76
Cash paid for distribution of dividends or profits or for interest expenses		344,106,238.42	367,421,567.12
Cash paid relating to other financing activities	60	–	73,013,712.80
Subtotal of cash outflows		2,119,813,468.03	4,429,903,939.68
Net cash flows from financing activities		-1,155,813,468.03	-2,994,903,939.68
IV. Effect of foreign exchange rate changes on cash and cash equivalents			
		1,901,306.16	13,752,241.97
V. Net decrease in cash and cash equivalents			
Add: Cash and cash equivalents at the beginning of the period		4,042,339,664.50	5,554,545,244.33
VI. Cash and cash equivalents at the end of the period	62	2,882,681,900.14	3,552,339,363.75

Notes form an integral part of the financial statements



Cash Flow Statement of the Parent Company

For the period from 1 January to 30 June 2020
In RMB

Item	Note XVI	Amount in the current period (Unaudited)	Amount in the same period of last year (Unaudited)
I. Cash flows from operating activities:			
Cash received from the sale of goods or rendering of services		1,520,731,724.85	1,315,322,664.40
Cash received relating to other operating activities		72,491,856.11	71,846,946.73
Sub-total of cash inflows		1,593,223,580.96	1,387,169,611.13
Cash paid for goods and services		514,065,198.02	523,185,485.23
Cash paid to and on behalf of employees		525,331,641.47	609,699,486.53
Payments of taxes and surcharges		140,406,335.37	77,711,858.21
Cash paid relating to other operating activities		29,101,949.19	45,282,765.09
Subtotal of cash outflows		1,208,905,124.05	1,255,879,595.06
Net cash flows from operating activities	6	384,318,456.91	131,290,016.07
II. Cash flows from investing activities			
Cash received from disposal of investments		1,150,052,807.08	3,334,006,044.00
Cash received from return on investments		226,835,194.39	96,643,146.37
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		-	49,544,143.98
Sub-total of cash inflows		1,376,888,001.47	3,480,193,334.35
Cash paid to acquire fixed assets, intangible assets and other long-term assets		71,086,368.21	43,502,953.59
Cash paid to acquire investments		2,600,000,000.00	2,845,292,904.00
Sub-total of cash outflows		2,671,086,368.21	2,888,795,857.59
Net cash flows from investing activities		-1,294,198,366.74	591,397,476.76



Cash Flow Statement of the Parent Company (continued)

For the period from 1 January to 30 June 2020
In RMB

Item	Note XVI	Amount in the current period (Unaudited)	Amount in the same period of last year (Unaudited)
III. Cash flows from financing activities:			
Cash received from borrowings		-	111,000,000.00
Sub-total of cash inflows		-	111,000,000.00
Cash repayments of borrowings		92,127,829.82	2,221,000,000.00
Cash paid for distribution of dividends or profits or for interest expenses		173,891,988.47	241,659,478.18
Cash paid relating to other financing activities		-	88,677,000.64
Subtotal of cash outflows		266,019,818.29	2,551,336,478.82
Net cash flows from financing activities		-266,019,818.29	-2,440,336,478.82
IV. Effect of foreign exchange rate changes on cash and cash equivalents			
		-31.77	12,506,954.30
V. Net decrease in cash and cash equivalents			
Add: Cash and cash equivalents at the beginning of the period		-1,175,899,759.89	-1,705,142,031.69
		2,666,892,626.45	3,802,220,542.48
VI. Cash and cash equivalents at the end of the period		1,490,992,866.56	2,097,078,510.79

Notes form an integral part of the financial statements



Consolidated Statement of Changes in Shareholders' Equity

For the period from 1 January to 30 June 2020
In RMB

Item	Amount in the current period (Unaudited)										Total shareholders' equity
	Share capital	Capital surplus	Other comprehensive income	Other foreign currency financial statements	Special reserve	Surplus reserve	Undistributed profits	Subtotal	Minority interests		
I. Closing balance of last year	12,894,535,999.00	2,938,747,542.52	70,943,358.93	37,876,693.23	38,503,545.54	896,529,171.28	1,930,530,105.98	18,769,789,725.25	2,634,825,867.48	21,404,415,590.73	
Add: Changes of accounting policies	-	-	-	-	-	-	-	-	-	-	
Correction of errors in prior periods	-	-	-	-	-	-	-	-	-	-	
Others	-	-	-	-	-	-	-	-	-	-	
II. Opening balance of the period	12,894,535,999.00	2,938,747,542.52	70,943,358.93	37,876,693.23	38,503,545.54	896,529,171.28	1,930,530,105.98	18,769,789,725.25	2,634,825,867.48	21,404,415,590.73	
III. Changes for the period (decrease represented by "-")	-	-	-6,663,225.03	-1,898,439.04	-	-	418,437,195.78	411,788,970.75	49,617,061.80	461,386,032.55	
(I) Total comprehensive income	-	-	-6,663,225.03	-1,898,439.04	-	-	418,437,195.78	411,788,970.75	49,617,061.80	461,386,032.55	
(II) Capital contribution and withdrawal by shareholders	-	2,662,358.85	-	-	-	-	-	2,662,358.85	30,731,668.82	33,394,027.67	
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-	
2. Capital contributed by other equity instrument holders	-	-	-	-	-	-	-	-	-	-	
3. Amount of share-based payment included in owners' equity	-	-	-	-	-	-	-	-	-	-	
4. Business combination not involving entities under common control	-	-	-	-	-	-	-	-	31,931,668.82	31,931,668.82	
5. Disposal of subsidiaries	-	-	-	-	-	-	-	-	-1,200,000.00	-1,200,000.00	
6. Others	-	2,662,358.85	-	-	-	-	-	2,662,358.85	-	2,662,358.85	



Consolidated Statement of Changes in Shareholders' Equity (continued)

For the period from 1 January to 30 June 2020
In RMB

Item	Amount in the current period (Unaudited)										Total shareholders' equity
	Share capital	Capital surplus	Other comprehensive income	Including: Translation differences on translation of foreign currency financial statements	Special reserve	Surplus reserve	Undistributed profits	Subtotal	Minority interests		
(III) Accrual and usage of special reserve	-	-	-	-	11,957,771.57	-	-	11,957,771.57	3,049,200.33	15,006,971.90	
1. Accrual of special reserve	-	-	-	-	19,746,256.81	-	-	19,746,256.81	3,334,361.41	23,600,618.22	
2. Usage of special reserve	-	-	-	-	-7,788,485.24	-	-	-7,788,485.24	-885,161.08	-8,673,646.32	
(IV) Profit distribution	-	-	-	-	-	-270,785,255.98	-270,785,255.98	-270,785,255.98	-1,053,636.24	-271,838,892.22	
1. Appropriation to surplus reserve	-	-	-	-	-	-	-	-	-	-	
Including: Statutory reserve	-	-	-	-	-	-	-	-	-	-	
Discretionary reserve	-	-	-	-	-	-	-	-	-	-	
2. Appropriation to general risk reserve	-	-	-	-	-	-	-	-	-	-	
3. Profit distribution to shareholders	-	-	-	-	-	-270,785,255.98	-270,785,255.98	-270,785,255.98	-1,053,636.24	-271,838,892.22	
4. Others	-	-	-	-	-	-	-	-	-	-	
(V) Internal carry-over of shareholders' equity	-	-	-	-	-	-	-	-	-	-	
1. Transfer of capital reserve to capital	-	-	-	-	-	-	-	-	-	-	
2. Transfer of surplus reserve to capital	-	-	-	-	-	-	-	-	-	-	
3. Surplus reserve to cover losses	-	-	-	-	-	-	-	-	-	-	
4. Other comprehensive income carried over to retained earnings	-	-	-	-	-	-	-	-	-	-	
IV. Closing balance of the period	12,894,535,999.00	2,941,409,901.37	64,275,133.90	35,978,254.19	50,461,317.11	896,529,171.28	2,078,182,045.78	18,925,393,566.44	2,716,970,162.19	21,642,363,730.63	

Notes form an integral part of the financial statements

Consolidated Statement of Changes in Shareholders' Equity (continued)

For the period from 1 January to 30 June 2020
In RMB

Item	Amount in last period (Unaudited)										Total shareholders' equity
	Share capital	Capital surplus	Other comprehensive income	Other foreign currency financial statements	Special reserve	Surplus reserve	Undistributed profits	Subtotal	Minority interest		
I. Closing balance of last year	12,894,535,999.00	2,935,193,506.32	5,924,000.77	38,774,283.33	32,179,588.47	823,997,607.17	1,584,535,562.22	18,276,366,263.95	2,583,949,680.22	20,860,315,944.17	
Add: Changes of accounting policies	-	-	-	-	-	-	-7,703,297.95	-7,703,297.95	-	-7,703,297.95	
Correction of errors in prior periods	-	-	-	-	-	-	-	-	-	-	
Others	-	-	-	-	-	-	-	-	-	-	
II. Opening balance of the period	12,894,535,999.00	2,935,193,506.32	5,924,000.77	38,774,283.33	32,179,588.47	823,997,607.17	1,576,832,264.27	18,268,662,966.00	2,583,949,680.22	20,852,612,646.22	
III. Changes for the period (decrease represented by "-")											
(I) Total comprehensive income	-	-	29,049,014.85	-190,772.11	-	-	288,235,814.81	317,284,829.66	65,045,038.67	382,329,868.33	
(II) Capital contribution and withdrawal by shareholders	-	2,095,026.17	-	-	-	-	-	2,095,026.17	-	2,095,026.17	
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-	
2. Capital contributed by other equity instrument holders	-	-	-	-	-	-	-	-	-	-	
3. Amount of share-based payment included in owners' equity	-	-	-	-	-	-	-	-	-	-	
4. Business combination not involving entities under common control	-	-	-	-	-	-	-	-	-	-	
5. Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	
6. Others	-	2,095,026.17	-	-	-	-	-	2,095,026.17	-	2,095,026.17	



Consolidated Statement of Changes in Shareholders' Equity (continued)

For the period from 1 January to 30 June 2020
In RMB

Item	Amount in last period (Unaudited)							Total shareholders' equity		
	Share capital	Capital surplus	Other comprehensive income	Including: Translation differences on translation of foreign currency financial statements	Special reserve	Surplus reserve	Undistributed profits		Subtotal	Minority interests
(III) Accrual and usage of special reserve	-	-	-	-	10,082,758.67	-	-	10,082,758.67	3,313,401.29	13,376,159.96
1. Accrual of special reserve	-	-	-	-	19,193,181.23	-	-	19,193,181.23	3,966,090.07	23,159,271.30
2. Usage of special reserve	-	-	-	-	(9,130,422.56)	-	-	(9,130,422.56)	(652,688.78)	(9,783,111.34)
(IV) Profit distribution	-	-	-	-	-	-	(245,082,827.55)	(245,082,827.55)	(3,190,884.85)	(248,273,712.40)
1. Appropriation to surplus reserve including: Statutory reserve	-	-	-	-	-	-	-	-	-	-
Discretionary reserve	-	-	-	-	-	-	-	-	-	-
2. Appropriation to general risk reserve	-	-	-	-	-	-	-	-	-	-
3. Profit distribution to shareholders	-	-	-	-	-	-	(244,996,183.98)	(244,996,183.98)	(3,119,994.66)	(248,116,178.64)
4. Others	-	-	-	-	-	-	(86,643.57)	(86,643.57)	(70,890.19)	(157,533.76)
(V) Internal carry-over of shareholders' equity	-	-	41,215,576.63	-	-	-	(41,215,576.63)	-	-	-
1. Transfer of capital reserve to capital	-	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve to capital	-	-	-	-	-	-	-	-	-	-
3. Surplus reserve to cover losses	-	-	-	-	-	-	-	-	-	-
4. Other comprehensive income carried over to retained earnings	-	-	41,215,576.63	-	-	-	(41,215,576.63)	-	-	-
IV. Closing balance of the period	12,894,535,989.00	2,937,288,632.49	76,188,592.25	38,583,511.22	42,242,347.14	823,997,607.17	1,578,769,674.90	18,353,022,752.95	2,649,117,235.33	21,002,139,988.28

Notes form an integral part of the financial statements

Statement of Changes in Shareholders' Equity of the Parent Company

For the period from 1 January to 30 June 2020
In RMB

Item	Amount in the current period (Unaudited)						Total shareholders' equity
	Share capital	Capital surplus	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	
I. Closing balance of last year	12,894,535,999.00	3,047,794,637.96	6,518,976.67	30,179,695.36	851,648,908.53	2,124,672,469.98	18,955,350,687.50
Add: Changes of accounting policies	-	-	-	-	-	-	-
Correction of errors in prior periods	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
II. Opening balance of the period	12,894,535,999.00	3,047,794,637.96	6,518,976.67	30,179,695.36	851,648,908.53	2,124,672,469.98	18,955,350,687.50
III. Changes for the period (decrease represented by "-")							
(I) Total comprehensive income	-	-	-3,480,715.92	-	-	333,425,571.29	329,944,855.37
(II) Capital contribution and withdrawal by shareholders	-	2,230,844.00	-	-	-	-	2,230,844.00
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-
2. Capital contributed by other equity instrument holders	-	-	-	-	-	-	-
3. Amount of share-based payment included in shareholders' equity	-	-	-	-	-	-	-
4. Others	-	2,230,844.00	-	-	-	-	2,230,844.00
(III) Accrual and usage of special reserve	-	-	-	8,243,425.42	-	-	8,243,425.42
1. Accrual of special reserve	-	-	-	13,455,345.19	-	-	13,455,345.19
2. Usage of special reserve	-	-	-	-5,211,919.77	-	-	-5,211,919.77
(IV) Profit distribution	-	-	-	-	-	-270,785,255.98	-270,785,255.98
1. Appropriation to surplus reserve	-	-	-	-	-	-	-
Including: Statutory reserve	-	-	-	-	-	-	-
Discretionary reserve	-	-	-	-	-	-	-
2. Appropriation to general risk reserve	-	-	-	-	-	-	-
3. Profit distribution to shareholders	-	-	-	-	-	-270,785,255.98	-270,785,255.98
4. Others	-	-	-	-	-	-	-
(V) Internal carry-over of shareholders' equity	-	-	-	-	-	-	-
1. Transfer of capital reserve to capital	-	-	-	-	-	-	-
2. Transfer of surplus reserve to capital	-	-	-	-	-	-	-
3. Surplus reserve to cover losses	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-
IV. Closing balance of the period	12,894,535,999.00	3,050,025,481.96	3,038,260.75	38,423,120.78	851,648,908.53	2,187,312,785.29	19,024,984,556.31

Notes form an integral part of the financial statements



Statement of Changes in Shareholders' Equity of the Parent Company (continued)

For the period from 1 January to 30 June 2020
In RMB

Item	Amount in last period (Unaudited)						Total shareholders' equity
	Share capital	Capital surplus	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	
I. Closing balance of last year	12,894,535,999.00	3,044,416,520.66	3,487,796.18	23,263,855.52	779,117,344.42	1,716,884,576.97	18,461,706,092.75
Add: Changes of accounting policies	-	-	-	-	-	-	-
Correction of errors in prior periods	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
II. Opening balance of the period	12,894,535,999.00	3,044,416,520.66	3,487,796.18	23,263,855.52	779,117,344.42	1,716,884,576.97	18,461,706,092.75
III. Changes for the period (decrease represented by "-")							
(I) Total comprehensive income	-	-	2,477,750.74	-	-	268,890,066.16	271,367,816.90
(II) Capital contribution and withdrawal by shareholders	-	1,811,192.82	-	-	-	-	1,811,192.82
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-
2. Capital contributed by other equity instrument holders	-	-	-	-	-	-	-
3. Amount of share-based payment included in shareholders' equity	-	-	-	-	-	-	-
4. Others	-	1,811,192.82	-	-	-	-	1,811,192.82
(III) Accrual and usage of special reserve	-	-	-	6,430,222.40	-	-	6,430,222.40
1. Accrual of special reserve	-	-	-	12,776,081.94	-	-	12,776,081.94
2. Usage of special reserve	-	-	-	-6,345,859.54	-	-	-6,345,859.54
(IV) Profit distribution	-	-	-	-	-	-244,996,183.98	-244,996,183.98
1. Appropriation to surplus reserve	-	-	-	-	-	-	-
Including: Statutory reserve	-	-	-	-	-	-	-
Discretionary reserve	-	-	-	-	-	-	-
2. Appropriation to general risk reserve	-	-	-	-	-	-	-
3. Profit distribution to shareholders	-	-	-	-	-	-244,996,183.98	-244,996,183.98
4. Others	-	-	-	-	-	-	-
(V) Internal carry-over of shareholders' equity	-	-	-	-	-	-	-
1. Transfer of capital reserve to capital	-	-	-	-	-	-	-
2. Transfer of surplus reserve to capital	-	-	-	-	-	-	-
3. Surplus reserve to cover losses	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-
IV. Closing balance of the period	12,894,535,999.00	3,046,227,713.48	5,965,546.92	29,694,077.92	779,117,344.42	1,740,778,459.15	18,496,319,140.89

Notes form an integral part of the financial statements



Notes to the Financial Statements

For the period from 1 January to 30 June 2020
In RMB

I. General information on the Company

Dalian Port (PDA) Company Limited (hereinafter referred to as the “Company”) is a joint stock limited liability company incorporated in Liaoning Province, the People’s Republic of China. It was approved by Dazheng [2005] No. 153 of the People’s Government of Dalian City, Liaoning Province, and was jointly established by Dalian Port Corporation Limited (“PDA Group”), Dalian Rongda Investment Co., Ltd., Dalian Haitai Holdings Co., Ltd., Dalian Detai Holdings Co., Ltd. and Dalian Bonded Zhengtong Co., Ltd. on 16 November 2005. The Company has been approved by the Dalian Administration for Industry and Commerce of Liaoning Province, with the enterprise unified social credit code: 91210200782451606Q. The H shares and RMB ordinary shares (A-share) issued by the Company were listed on The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange on 28 April 2006 and 6 December 2010, respectively. The Company is headquartered in Xingang Commercial Building, Dayao Bay, Dalian Free Trade Zone, Liaoning Province.

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; engaged in crude oil storage in port area (operating with the permit); 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 distribution of imported goods and articles prohibited by relevant laws and regulations; import and export of articles restricted by laws and regulations may only conduct with the grant of license) (with capital contribution from foreign party of no more than 25%).

The parent company and ultimate parent company of the Group is Dalian Port Corporation Limited and China Merchants Group Limited respectively, both of which were established in the PRC.

The scope of consolidation of the consolidated financial statements is determined on the basis of control. For changes in the current period, see Note VIII.

II. Basis for the preparation of financial statements

These financial statements have been prepared in accordance with the “Accounting Standards for Business Enterprises – Basic Standards” promulgated by the Ministry of Finance and the specific accounting standards, application guidelines, interpretations and other relevant regulations subsequently announced and revised (collectively “Accounting Standards for Business Enterprises” or “ASBEs”).

These financial statements are presented on a going concern basis.

Except for certain financial instruments, these financial statements have been prepared under the measurement principle of historical cost. If the assets are impaired, corresponding provisions for impairment will be made according to relevant regulations.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

III. Statement of compliance with the Accounting Standard for Business Enterprises

The financial statements are prepared by the Group in compliance with the Accounting Standards for Business Enterprises, and give a true and complete view of the consolidated and parent company's financial positions of the Group as at 30 June 2020 and the consolidated and parent company's operating results and cash flows of the Group for the period from 1 January to 30 June 2020.

IV. Significant accounting policies and accounting estimates of the Company

1. Accounting year

The Group adopts the Gregorian calendar year as its accounting year, i.e. from 1 January to 31 December every year, but the accounting period for these Interim Financial Statements is from 1 January to 30 June.

2. Recording currency

Renminbi ("RMB") is the currency of the main economic environment where the Group and its domestic subsidiaries operate and is therefore their recording currency. The recording currency of the overseas subsidiaries of the Group is determined based on the main economic environment where they operate, and is converted into RMB when preparing the financial statements. The currency adopted by the Group for the preparation of these financial statements is RMB.

3. Book-keeping basis and measurement principle

The Group adopts the accrual basis as the basis of book-keeping in accounting. Except for investments in other equity instruments and certain financial instruments measured at fair value, historical cost is used as the measurement principle in these financial statements. If the assets are impaired, corresponding provisions for impairment will be made according to relevant regulations.

Under historical cost method, assets were measured at the amount of the cash or cash equivalents paid or the fair value of consideration paid at the time of purchase. Liabilities were measured at the amount of money or assets actually received by assuming a present obligation, or the contract amount of the present obligation assumed, or the amount of cash or cash equivalents expected to be paid for repayment of debts in accordance with daily activities.

Fair value refers to the price that can be received when disposing of an asset or that should be paid when transferring a liability in an orderly transaction between the market participants at the measurement date. Whether fair value is observable or estimated on valuation techniques, the fair value measured and/or disclosed in these financial statements were all determined on such basis.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

3. Book-keeping basis and measurement principle (continued)

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

On each balance sheet date, the Group will reassess the assets and liabilities constantly measured at fair value as recognised in the financial statements to check if the level in which fair value measurement is categorised is changed.

4. Business combinations

Business combinations are classified into business combinations involving entities under common control and business combinations not involving entities under common control.

4.1 Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

Assets and liabilities that are obtained in a business combination are measured at their carrying amounts as recorded by the acquiree at the combination date. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination by the acquirer shall be adjusted to share premium under capital reserve. If the share premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Costs that are directly attributable to the business combination are recognised in current profit or loss when incurred.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

4. Business combinations (continued)

4.2 Business combinations not involving entities under common control

A business combination not involving entities under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the combination.

Combination cost refers to the fair value of the assets paid, the liabilities incurred or assumed, and the equity instruments issued by the acquirer to obtain control of the acquiree. The intermediary fees for auditing, legal services, appraisal and consultation, etc. and other related administrative expenses incurred by the acquirer for a business combination are recognised in current profit or loss when incurred.

Acquiree's identifiable assets, liabilities and contingent liabilities, which are qualified for recognition, as obtained by the acquirer in a combination are measured at fair value at the acquisition date.

For the excess of the combination cost over the portion of fair value of acquiree's net identifiable assets obtained in the combination, it is recognised as goodwill as an asset, and initially measured at cost. For those with combination cost lower than the portion of fair value of acquiree's net identifiable assets obtained in the combination, re-verification on the measurement of the fair value of acquiree's all identifiable assets, liabilities and contingent liabilities as well as the combination cost will be first conducted. For those with combination cost still lower than the portion of fair value of acquiree's net identifiable assets obtained in the combination after re-verification, they are recognised in current profit or loss.

5. Goodwill

Goodwill arising from a business combination is presented separately in the consolidated financial statements, and measured at the amount of cost less accumulated impairment provision. Goodwill is tested for impairment at least once at the end of every year.

When an impairment test is conducted for goodwill, the test is conducted combined with its related asset group or portfolio of asset group. That is, the carrying value of goodwill is reasonably allocated to the asset group or portfolio of asset group which could be benefited from the synergy of business combination since the purchase date. If the recoverable amount of asset group or portfolio of asset group containing the allocated goodwill is lower than its carrying value, relative impairment loss is recognised. The amount of impairment loss is first written down and allocated to the carrying amount of the goodwill of that asset group or portfolio of asset group, and is then written down to the carrying value of all other types of assets proportionally according to the weighting of the carrying value of all other types of assets other than goodwill within asset group or portfolio of asset group.

The recoverable amount of an asset is the higher of net value of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset.

An impairment loss on goodwill is recognised in current profit or loss when incurred and shall not be reversed in subsequent accounting periods.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

6. Consolidated financial statements

The consolidation scope of consolidated financial statements is determined on the basis of control. 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. The Group reassesses whether or not it controls an investee if relevant facts and circumstances indicate that there are changes of the above elements of the definition of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

For a subsidiary disposed of by the Group, its operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated income statement and consolidated cash flow statement, as appropriate.

For a subsidiary acquired through a business combination not involving entities under common control, its operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated income statement and consolidated cash flow statement, as appropriate.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving entities under common control are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party, and their operating results and cash flows from the beginning of the earliest reporting period are included in the consolidated income statement and consolidated cash flow statement, as appropriate.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company.

The effects of all intra-group transactions between the Company and its subsidiaries and among subsidiaries on the consolidated financial statements are eliminated on consolidation.

The portion of subsidiaries' equity that is not attributable to the parent company is treated as minority interests and presented as "minority interests" in the consolidated balance sheet within shareholders' equity. The portion of net profits or losses of subsidiaries for the period attributable to minority interests is presented as "gains or losses of minority interests" in the consolidated income statement below the "net profit" line item. The portion of comprehensive income of subsidiaries for the period attributable to minority interests is presented as "total comprehensive income attributable to minority interests" in the consolidated income statement below the total comprehensive income line item.

When the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess amount is still allocated against minority shareholders' interests.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

6. Consolidated financial statements (continued)

Acquisition of minority equity or disposal of certain equity investments in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts of the equity attributable to owners of the parent company and minority shareholders' interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the minority shareholders' interests are adjusted and the fair value of the consideration paid/received is adjusted to capital reserve. If the capital reserve is not sufficient to absorb the difference, the excess is adjusted against retained earnings.

Where equity interests in an acquiree are acquired in stages through multiple transactions ultimately constituting a business combination not involving entities under common control, the acquirer determines if these transactions are considered to be "a bundled transaction". If yes, each of these transactions is accounted for as a single transaction where control is obtained. If no, these transactions are accounted for as multiple transactions where control is obtained at the acquisition date. In this case, the acquirer remeasures its previously-held equity interests in the acquiree at their fair value on the acquisition date and recognises any differences between such fair value and carrying amounts in profit or loss for the period. Where equity interests in an acquiree held before the acquisition date involve changes in other comprehensive income or changes in other owners' equity under equity method, they are transferred to income for the period that the acquisition date belongs to.

When the Group loses control over a subsidiary due to disposal of certain equity interest investment or other reasons, any retained equity interest is re-measured at its fair value at the date when control is lost. The difference between the sum of the consideration received on disposal of equity interest and the fair value of any retained interest and the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of ownership interest is recognised as investment income in the period in which control is lost, and at the same time adjusted against goodwill. Other comprehensive income associated with investment in the former subsidiary is reclassified to investment income in the period in which control is lost.

Where multiple transactions involving disposal of equity investments in a subsidiary until loss of control are considered to be a bundled transaction, each of these multiple transactions is accounted for as a single transaction of disposing of the subsidiary and resulting in loss of control. The difference between the consideration received on each disposal and the corresponding proportion of the subsidiary's net assets calculated on a continuous basis since the acquisition date prior to the loss of control is recognised as other comprehensive income and transferred to profit or loss for the period when the control is eventually lost.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

7. Joint arrangement

Joint arrangement refers to an arrangement jointly controlled by two or more than two participants. The joint arrangement of the Group has the following characteristics: (1) all participants are subject to such arrangement; (2) two or more than two participants has joint control over such arrangement. Any each of the participants is unable to separately control such arrangement, and any participant which has joint control over such arrangement is able to prevent other participants or combination of participants from separately controlling such arrangement.

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.

Joint arrangement is classified as joint operation and joint venture. A joint operation is a joint arrangement whereby the parties concerned have rights to the assets, and obligations for the liabilities relating to the arrangement. A joint venture is a type of joint arrangement whereby the parties concerned have rights to the net assets of the arrangement.

8. Cash and cash equivalents

Cash comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are short-term, highly liquid investments held by the Group, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9. Financial instruments

The Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of a financial instrument.

Where financial assets are purchased or sold in a regular way, assets to be received and liabilities to be borne therefor are recognised on the date of transaction, or sold assets are derecognised on the date of transaction.

Financial assets and financial liabilities were initially recognised at fair value. For financial assets and financial liabilities measured at fair value through current profit or loss, related transaction expenses are directly recognised in current profit or loss; for other types of financial assets and financial liabilities, related transaction expenses are included in the initial recognition amount. For accounts receivable not containing significant financing components or regardless of financing components of contracts less than one year initially recognised based on the Accounting Standards for Business Enterprises No. 14 – Revenue (the “Standard on Revenue”), they are initially measured at transaction price defined based on the Standard on Revenue.

Effective interest method is the method that is used in the calculation of the amortised cost of a financial asset or a financial liability and in the allocation and recognition of the interest income or interest expense over the accounting periods.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

9. Financial instruments (continued)

Effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of a financial asset or a financial liability to the carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Group shall estimate the expected cash flows by considering all contractual terms of the financial assets or financial liabilities (for example, early repayment, extension, call or other similar options) but shall not consider the expected credit losses.

The amortised cost of a financial asset or a financial liability is an accumulatively amortised amount arising from the initially recognised amount of the financial asset or the financial liability deducting repaid principals plus or less amortisation of balances between the initially recognised amount on initial recognition and the amount on maturity date using the effective interest method, and then deducting accumulated provisions for losses (only applicable to financial assets).

9.1 Classification and measurement of financial assets

After initial recognition, the Group shall measure different types of financial assets at amortised cost, fair value through other comprehensive income or fair value through current profit or loss, respectively.

If the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows, the Group shall classify the financial asset into a financial asset measured at amortised cost. Such financial assets mainly include: cash at bank and on hand, notes receivable, accounts receivable, other receivables, etc.

If the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and the financial asset is held within a business model whose objective is to collect contractual cash flows and sell such financial asset, the Group shall classify the financial asset into a financial asset at fair value through other comprehensive income.

Financial assets at fair value through current profit or loss include financial assets classified as at fair value through current profit or loss and those designated as at fair value through current profit or loss which are presented in financial assets held for trading. Those due over one year (or without any fixed term) and expected to be held for over one year since the balance sheet date are presented in other non-current financial assets.

- A financial asset which does not satisfy the criteria for a financial asset classified as being measured at amortised cost or a financial asset at fair value through other comprehensive income shall be classified as a financial asset at fair value through current profit or loss.
- At initial recognition, the Group may irrevocably designate a financial asset as measured at fair value through current profit or loss if doing so eliminates or significantly reduces accounting mismatch.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

9. Financial instruments (continued)

9.1 Classification and measurement of financial assets (continued)

On initial recognition, the Group may, based on an individual financial asset, irrevocably designate a non-trading equity instrument investment which is contingent consideration recognised in business combination not involving entities under common control as financial asset measured at fair value through other comprehensive income. Such financial assets are presented as investments in other equity instruments.

The Group's purpose of holding the financial assets is for trading if one of the following conditions is satisfied:

- The Group's purpose of acquiring the relevant financial assets is primary for recent sale.
- The relevant financial assets are, on initial recognition, a part of the centrally-managed identifiable financial instrument portfolio, and objective evidence indicates that short-term profit model exists in the near future.
- The relevant financial assets are derivative instruments. However, derivatives that meet the definition of financial guarantee contracts and those designated as effective hedging instruments are excluded.

9.1.1 Financial assets at amortised cost

The financial asset at amortised cost is subsequently measured at amortised cost using the effective interest method. Gain or loss arising from impairment or derecognition is recognised in current profit or loss.

The Group recognises interest income on financial assets measured at amortised cost using the effective interest method. The Group calculates and recognises interest income based on the carrying amount of financial assets multiplied by the effective interest rate, except for the following conditions:

- For purchased or originated credit-impaired financial asset, the Group calculates and recognises its interest income based on amortised cost of the financial asset and the effective interest rate through credit adjustment since initial recognition.
- For purchased or originated financial asset without credit impairment incurred but with credit impairment incurred in subsequent periods, the Group calculates and recognises its interest income based on amortised cost of the financial asset and the effective interest rate in subsequent periods. If the financial asset no longer has credit impairment in subsequent periods as a result of an improvement in its credit risk, and this improvement may be linked to an event that occurred after the application of the above regulations, the Group calculates and recognises interest income based on the carrying amount of the financial asset multiplied by the effective interest rate.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

9. Financial instruments (continued)

9.1 Classification and measurement of financial assets (continued)

9.1.2 Financial assets at fair value through other comprehensive income

After designating a non-trading equity instrument investment as a financial asset at fair value through other comprehensive income, the changes in fair value of such financial asset are recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gains or losses previously recognised in other comprehensive income are transferred from other comprehensive income to retained earnings. During the period that the Group holds these non-trading equity instrument investments, the Group has established the right of collecting dividends, whose economic benefit will probably flow into the Group, and if the amount of the dividends can be reliably measured, then the Group will recognise dividend income in current profit or loss.

9.1.3 Financial assets at fair value through profit or loss

Financial assets at at fair value through profit or loss shall be subsequently measured at fair value. Gains or losses from change in fair current value and dividends and interest income related to such financial assets shall be recognised in current profit or loss.

9.2 Impairment of financial instruments

The Group shall conduct an impaired accounting treatment and recognise a loss provision on financial assets at amortised cost and contract assets based on expected credit losses.

The Group makes a loss provision equivalent to the amount of expected credit losses throughout the duration period of the contract assets or the receivables arising from transactions adopting the Standard on Revenue and not containing significant financing components or regardless of financing components of contracts less than one year.

For other financial instruments, except for purchased or originated credit-impaired financial assets, at each balance sheet date, the Group assesses changes in credit risk of relevant financial instruments since initial recognition. If the credit risk of such financial instrument has increased significantly since initial recognition, the Group measures its loss provision equivalent to the amount of expected credit losses throughout the duration period of the financial instrument; if the credit risk of such financial instrument has not increased significantly since initial recognition, the Group measures its loss provision equivalent to the amount of expected credit losses over the next 12 months of the financial instrument. Increase in or reversal of credit loss provision is included in current profit or loss as loss/gain on impairment.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

9. Financial instruments (continued)

9.2 Impairment of financial instruments (continued)

The Group assesses the expected credit losses of financial instruments based on internal credit risk rating. The Group considered the credit risk characteristics of different customers and assessed the expected credit losses of receivables based on the credit risk rating. Basis for each rating and corresponding expected credit loss rate are as follows:

Credit rating	Basis for determination of portfolio	Provision percentage %
A	Based on the past experience, customers are able to make repayment within the credit term, and have a good repayment record with an extremely low risk of default upon maturity in foreseeable future.	0 – 0.1
B	Based on the past experience, customers are able to make repayment despite overdue payment.	0.1 – 0.3
C	There are evidences indicating a risk of default by the customers as the risk of their overdue payment has significantly increased.	0.3 – 50
D	There are evidences indicating that the amounts due from customers have been impaired, and evidences indicating that the amounts are unrecoverable in foreseeable future due to serious financial difficulties of the customers.	50 – 100

For the disclosure of the Group's criteria on the significant increase in credit risk, the definition of credit impaired assets, and the assumption of measurement on expected credit loss, please refer to Note XI.3(2).

Where the Group has made a loss provision equivalent to the amount of expected credit losses throughout the duration period of the financial instrument in the previous accounting period, but at the balance sheet date for the current period, the above financial instrument is no longer a financial instrument whose credit risk has significantly increased since initial recognition, the Group measures the loss provision for the financial instrument equivalent to the amount of expected credit losses over the next 12 months at the balance sheet date for the current period. Relevant reversal of loss provision is included in profit or loss for the current period as gain on impairment.

9.2.1 Write-down of financial assets

When the Group no longer reasonably expects to be able to fully or partially recover the contractual cash flows of financial assets, the Group directly writes down the carrying amount of the financial assets. Such write-down constitutes derecognition of relevant financial assets.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

9. Financial instruments (continued)

9.3 Transfer of financial assets

The Group shall derecognise a financial asset when one of the following conditions is satisfied: (1) the contractual rights to the cash flows from the financial asset expire; (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset are transferred to the transferee; (3) although the financial asset has been transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it retains control of the financial asset, the Group will recognise the financial asset to the extent of its continuing involvement in the transferred financial asset and recognise a relevant liability accordingly. Relevant liabilities are measured by the Group using the following methods:

- If the transferred financial asset is measured at amortised cost, the carrying amount of relevant liabilities is the carrying amount of continuing involvement in the transferred financial asset less the amortised cost of the rights retained by the Group (if the Group retains rights for the transfer of the financial asset) plus the amortised cost of the obligations undertaken by the Group (if the Group undertakes relevant obligations for the transfer of the financial asset), and the relevant liabilities are not designated as financial liabilities at fair value through current profit or loss;
- If the transferred financial asset is measured at fair value, the carrying amount of relevant liabilities is the carrying amount of continuing involvement in the transferred financial asset less the fair value of the rights retained by the Group (if the Group retains rights for the transfer of the financial asset) plus the fair value of the obligations undertaken by the Group (if the Group undertakes relevant obligations for the transfer of the financial asset), and the fair value of the rights and liabilities is measured on a stand-alone basis.

For transfer of a financial asset in its entirety that satisfies the derecognition criteria, as to financial assets classified as at amortised cost, the difference between the carrying amount of the financial asset transferred and the consideration received from the transfer shall be included in profit or loss for the current period. As to non-trading equity instruments designated by the Group as at fair value through other comprehensive income, accumulated gains or losses previously included in other comprehensive income are transferred out from other comprehensive income and included in retained earnings.

For transfer of a part of financial asset that satisfies the derecognition criteria, the carrying amount of the financial asset in its entirety before the transfer is allocated between the part that is derecognised and the part that is continuously recognised, based on the respective fair values of those parts on transfer date. The difference between the sum of the consideration received for the part of the derecognition and the accumulated amount of the fair value changes originally included in other comprehensive income corresponding to the derecognised part and the carrying amount on the date of derecognition for the derecognised part shall be recognised in current profit or loss or retaining earnings.

For transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group will continuously recognise the transferred financial asset in its entirety. Consideration received from transfer of assets should be recognised as a liability upon receipt.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

9. Financial instruments (continued)

9.4 Classification of financial liabilities and equity instruments

Financial instruments or their constituent parts issued by the Group are classified into financial liabilities or equity instruments on initial recognition on the basis of the substance of the contractual terms and the economic nature but not only its legal form, together with the definition of financial liability and equity instruments.

9.4.1 Classification and measurement of financial liabilities

On initial recognition, financial liabilities are classified into other financial liabilities.

9.4.1.1 Other financial liabilities

The Group shall classify all financial liabilities as subsequently measured at amortised cost, except for financial liabilities that arise when transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and gains or losses arising from derecognition or amortisation are recognised in profit or loss for the period.

When the contractual cash flows are changed due to the modification or renegotiation of the contract made between the Group and the counterparty and the renegotiation or modification does not result in the derecognition of the financial liability that is subsequently measured at amortised cost, the Group shall recalculate the carrying amount of the financial liability and shall recognise related gains or losses in current profit or loss. The carrying amount of the financial liability shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial liability's original effective interest rate. Any costs or fees incurred from modification or renegotiation of the contract adjust the carrying amount of the modified financial liability and are amortised over the remaining term of the modified financial liability.

9.4.1.2 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee contracts that are not designated as financial liabilities at fair value through current profit or loss, or arise when transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, are measured at the higher of the amount of loss provision and the amount initially recognised less cumulative amortisation amount determined based on the relevant requirements under the Standard on Revenue upon initial recognition.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

9. Financial instruments (continued)

9.4 Classification of financial liabilities and equity instruments (continued)

9.4.2 Derecognition of financial liabilities

The Group derecognises a financial liability (or part of it) when the underlying present obligation (or part of it) is discharged. An agreement between the Group (the debtor) and the creditor to replace the original financial liability with a new financial liability with substantially different terms is accounted for as a derecognition of the original financial liability and the recognition of a new financial liability.

When the Group derecognises a financial liability or a part of it, it recognises the difference between the carrying amount of the financial liability (or part of the financial liability) derecognised and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in current profit or loss.

9.5 Offsetting financial assets and financial liabilities

Where the Group has a legal right that is currently enforceable to set off the recognised financial assets and financial liabilities, and intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

10. Inventories

Inventories of the Group mainly include raw materials, turnover materials, finished goods, etc. Inventories are initially measured at cost. Cost of inventories comprises costs of purchase and other expenditures incurred in bringing the inventories to their present location and condition.

The actual cost of inventories transferred out is determined by using the weighted average method.

Turnover materials include low value consumables and packing materials, which are amortised by using the separate amortisation method/immediate write-off method.

At the balance sheet date, inventories are measured at the lower of cost and net realisable value. If the net realisable value is lower than the cost of inventories, a provision will be made for decline in value of inventories.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. The estimates of net realisable value are based on the most reliable evidence available, taking into consideration the purpose for holding inventories and the effects of events subsequent to the balance sheet date.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

10. Inventories (continued)

After provision for decline in value of inventories, if factors that previously resulted in the provision for decline in value of inventories no longer exist, the amount of the write-down is reversed. The reversal is limited to the amount originally provided for the provision for the decline in value of inventories, and is recognised in profit or loss for the current period.

The Group adopts a perpetual inventory system.

11. Long-term equity investments

11.1 Basis for determining joint control and significant influence over the investee

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 with other parties over the formulation of those policies. When determining whether an investor is able to exercise control or significant influence over an investee, the effect of potential voting rights of the investee (for example, corporate bonds that are currently convertible and warrants that are currently exercisable) held by the investor and other parties shall be considered.

11.2 Determination of investment cost

For a long-term equity investment acquired through a business combination involving entities under common control, the initial investment cost of the long-term equity investment is the attributable share of the carrying amount of the owners' equity of the acquiree at the date of combination in the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost and the carrying amount of cash paid, non-cash assets transferred and liabilities assumed is adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess is adjusted to retained earnings. For issuing equity securities as consideration for combination, the initial investment cost of the long-term equity investment is the attributable share of the carrying amount of the owners' equity of the acquirer at the date of combination in the consolidated financial statements of the ultimate controlling party. The aggregate face values of the shares issued are accounted for share capital. The difference between the initial investment cost and the aggregate face values of the shares issued is adjusted to capital reserve. If the capital reserve is insufficient to be written down, any excess is adjusted to retained earnings.

For a long-term equity investment acquired through business combinations not involving entities under common control, the merger cost on the acquisition date shall be taken as the initial investment cost of the long-term equity investment.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

11. Long-term equity investments (continued)

11.2 Determination of investment cost (continued)

The intermediary fees for auditing, legal services, appraisal and consultation, etc. and other related administrative expenses incurred by the combining party or the acquirer for business combination shall be recognised in current profit or loss when incurred.

The initial measurement of the long-term equity investment obtained by means other than the long-term equity investment formed by business combination shall be accounted for at cost. Where additional investment results in significant influence or joint control (but not control) over the investee, the cost of long-term equity investment is the sum of the fair value of the original equity investment determined in accordance with the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments plus the additional investment cost.

11.3 Subsequent measurement and recognition method for profit or loss

11.3.1 Long-term equity investments accounted for using the cost method

The Company's financial statements adopt the cost method to account for long-term equity investment in subsidiaries. Subsidiaries refer to investees which can be controlled by the Group.

The long-term equity investments accounted for using the cost method are measured at the initial investment cost. Adding or recovering investment adjusts the cost of long-term equity investments. The current investment income is recognised according to the cash dividend or profit declared to be distributed by the investee.

11.3.2 Long-term equity investments accounted for using the equity method

The Group accounts for investments in associates and joint ventures, except for those wholly or partially classified as held-for-sale assets, by using the equity method. Associates refer to invested entities to which the Group can exert a significant influence, and joint ventures are joint arrangements in which the Group has only the right to the net assets of the arrangements.

When equity method is adopted in accounting, if the initial investment cost of long-term equity investment is greater than the share of fair value of the net identifiable assets of the investee at the time of investment, the initial investment cost of long-term equity investment shall not be adjusted; if the initial investment cost is less than the share of fair value of the net identifiable assets of the investee at the time of investment, the difference shall be recorded in current profit or loss, and the long-term equity investment cost shall be adjusted at the same time.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

11. Long-term equity investments (continued)

11.3 Subsequent measurement and recognition method for profit or loss (continued)

11.3.2 Long-term equity investments accounted for using the equity method (continued)

When equity method is adopted in accounting, the investment income and other comprehensive income shall be recognised respectively according to the share of net profit or loss and other comprehensive income realised by the investee, and the carrying amount of long-term equity investment shall be adjusted at the same time; the carrying amount of long-term equity investment shall be reduced accordingly by calculating the portion to be enjoyed according to the profit or cash dividend declared to be distributed by the investee; the carrying amount of long-term equity investment shall be adjusted and included in capital reserve for other changes in the owners' equity of the investee except net profit or loss, other comprehensive income and profit distribution. When recognising the share of the net profit or loss of the investee, the net profit of the investee shall be adjusted and recognised on the basis of the fair value of the identifiable assets of the investee at the time of acquisition. If the accounting policies and accounting periods adopted by the investee are inconsistent with those of the Group, the financial statements of the investee shall be adjusted in accordance with the accounting policies and accounting period of the Group. The investment income and other comprehensive income shall be recognised accordingly. For transactions between the Group and associates or joint ventures, if the assets invested or sold do not constitute business, the gains and losses of internal transactions are offset by the shareholding attributable to the Group. On this basis, the investment gains or losses are recognised. However, the unrealised internal transaction losses between the Group and the investee shall not be offset if they belong to the impairment losses of the transferred assets.

The Group discontinues recognising its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the invested entity is reduced to zero. In addition, if the Group has incurred obligations to assume additional losses of the investee, estimated liability is recognised according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently made by the investee, the Group resumes recognising its share of those profits only after its share of the profits exceeds its share of losses previously not recognised.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

11. Long-term equity investments (continued)

11.4 Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between the carrying amount and the proceeds actually received is recognised in profit or loss for the current period. For a long-term equity investment accounted for using the equity method, with the remaining equity after disposal accounted for still using the equity method, other comprehensive income recognised for those previously accounted for using the equity method is processed under the same accounting basis applied by the acquiree in direct disposal of relevant assets or liabilities, and is carried forward to current profit or loss on a pro-rata basis. Changes in owners' equity of the investee (other than net profits or losses, other comprehensive income, and profit distribution) should be carried forward to current profit or loss on a pro-rata basis. For a long-term equity investment accounted for using the cost method, with the remaining equity after disposal accounted for still using the cost method, other comprehensive income recognised for those accounted for using the equity method or according to the standard on recognition and measurement of financial instruments before obtaining control over the investee is processed under the same accounting basis applied by the acquiree in direct disposal of relevant assets or liabilities, and is carried forward to current profit or loss on a pro-rata basis. Changes in other owners' equity accounted for and recognised under the equity method in the net assets of the investee (other than net profits or losses, other comprehensive income, and profit distribution) should be carried forward to current profit or loss on a pro-rata basis.

In preparing separate financial statements, if control is lost over the investee upon partial disposal of equity investments by the Group, the remaining equity with joint control or significant influence over the investee after disposal shall be accounted for using the equity method, and shall be adjusted as if it has been accounted for using the equity method since it was acquired. The remaining equity without joint control or significant influence over the investee after disposal shall be accounted for according to the standard on recognition and measurement of financial instruments, and the difference between its fair value and carrying amount as at the date of loss of control shall be included in profit or loss for the current period. In respect of other comprehensive income recognised for those accounted for using the equity method or according to the standard on recognition and measurement of financial instruments prior to the acquisition of control over the investee by the Group, it shall be processed under the same accounting basis applied by the acquiree in direct disposal of relevant assets or liabilities when the control is lost over the investee. Changes in other owners' equity recognised for those accounted for using the equity method in the net assets of the investee (other than net profits or losses, other comprehensive income, and profit distribution) should be carried forward to current profit or loss when the control is lost over the investee. In particular, where the remaining equity after disposal is accounted for using the equity method, other comprehensive income and other owners' equity shall be carried forward on a pro-rata basis. Where the remaining equity after disposal is accounted for in accordance with the standard on recognition and measurement of financial instruments, other comprehensive income and other owners' equity shall be fully carried forward.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

11. Long-term equity investments (continued)

11.4 Disposal of long-term equity investments (continued)

If the joint control or significant influence over the investee is lost upon partial disposal of equity investments by the Group, the remaining equity after disposal shall be accounted for in accordance with the standard on recognition and measurement of financial instruments. The difference between its fair value and carrying amount as at the date of loss of joint control or significant influence shall be included in profit or loss for the current period. For other comprehensive income recognised previously for the equity investment accounted for using the equity method, it shall be processed under the same accounting basis applied by the acquiree in direct disposal of relevant assets or liabilities at the time when the equity method was ceased to be used. Changes in owners' equity of the investee (other than net profits or losses, other comprehensive income, and profit distribution) shall be transferred to profit or loss for the current period at the time when the equity method was ceased to be used.

Where multiple transactions involving staged disposal by the Group of equity investments in a subsidiary until loss of control are considered to be a bundled transaction, these multiple transactions are accounted for as a single transaction of disposing of equity investments in the subsidiary and resulting in loss of control. The difference between the consideration received on each disposal and the carrying amount of the long-term equity investment corresponding to the equity disposed of prior to the loss of control is recognised as other comprehensive income and transferred to profit or loss for the period when the control is eventually lost.

12. Investment properties

Investment properties, defined as property held by the Group for earning rent or capital appreciation, or both of them, include land use rights that have already been leased out and held for transfer after appreciation, buildings that have already been leased out as well as terminal facilities that have already been leased out, etc..

Investment properties 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 its costs can be reliably measured; otherwise, the expenditures are recognised in profit or loss for the period in which they are incurred.

The Group and its other subsidiaries adopt the cost model for subsequent measurement of investment properties, and such assets are depreciated or amortised using the same policies as buildings, land use rights or terminal facilities.

The net amount of proceeds from sale, transfer, retirement or damage of an investment property after its carrying amount and related taxes and surcharges is recognised in profit or loss for the current period.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

13. Fixed assets and depreciation

Fixed assets are tangible assets that are held for the production of goods, rendering of services, for rental to others, or for administrative purposes, and have useful lives more than one accounting year. A fixed asset is recognised only when the economic benefits associated with the asset will probably flow into the Group and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost while taking into account the effect of estimated costs of abandoning the asset.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset if it is probable that the associated economic benefits will flow to the Group and its costs can be reliably measured, and the carrying amount of the component of the fixed asset that is replaced shall be derecognised. Otherwise, such expenditures shall be recognised in the profit or loss for the period in which they are incurred.

A fixed asset is depreciated over its useful life using the straight-line method since the month subsequent to the one in which it is ready for its intended use. The useful life, estimated net residual value and annual depreciation rate of each category of fixed assets are as follows:

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

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognised. When a fixed asset is sold, transferred, retired or damaged, the amount of proceeds on disposal of the asset net of the carrying amount and related taxes is recognised in profit or loss for the current period.

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least at financial year-end, and accounts for any change as a change in an accounting estimate.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

14. Construction in progress

Construction in progress is measured at actual cost, which comprises all construction expenditures incurred during the construction period, borrowing costs that are capitalised before the construction gets ready for its intended use and other relevant expenses, etc. Construction in progress is not depreciated, and is transferred to fixed assets, investment properties, intangible assets and long-term prepaid expenses upon readiness for its intended use.

15. Intangible assets

15.1 Intangible assets

Intangible assets include land use rights, port information platform, customer relationships, container flat vehicle use rights, software, sea area use rights and port facility use rights, etc.

Intangible assets are measured initially at cost. When an intangible asset with a limited useful life is available for use, its original cost less estimated net residual value and any accumulated impairment losses provided is amortised evenly over its estimated useful life using the straight-line method. The intangible assets with an unlimited useful life are not amortised. The useful lives of the intangible assets are as follows:

Category	Useful life
Land use rights	50 years
Port information platform	10 years
Customer relationships	10 years
Container flat vehicle use rights	10 years
Software	2 – 10 years
Sea area use rights	10 – 50 years
Port facility use rights	50 years
Golf membership	10 – 46 years

For an intangible asset with a limited useful life, the Group reviews its useful life and amortisation method at the end of the period and makes adjustment if necessary.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

15. Intangible assets (continued)

15.2 Research and development expenditure

Expenditure in research phase is included in profit or loss for the period when incurred.

Expenditure in development phase that satisfies the following conditions is recognised as an intangible asset, while that does not satisfy the following conditions is included in the profit or loss for the current period:

- (1) it is technically feasible to complete the intangible asset so that it can be used or sold;
- (2) there is an intention to complete and use or sell the intangible asset;
- (3) there is a way for the intangible asset to generate economic benefits, including the evidence of a market for products produced by using the intangible asset or for the intangible asset itself (for intangible assets for internal use, their usefulness shall be proved);
- (4) there is sufficient support of technical, financial and other resources to complete the development of the intangible asset and the ability to use or sell the intangible asset;
- (5) the expenditure attributable to the development phase of the intangible asset can be measured reliably.

If the expenditures incurred in research stage and development stage cannot be distinguished separately, all development expenditures incurred are included in profit or loss for the current period.

16. Long-term prepaid expenses

Long-term prepaid expenses are expenses which have incurred but shall be amortised over the current period and subsequent periods of more than one year. Long-term prepaid expenses are amortised evenly over the estimated benefit period.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

17. Impairment of non-financial assets other than goodwill

The Group assesses at each balance sheet date whether there is any indication that any long-term equity investments, investment properties, fixed assets, construction in progress, right-of-use assets and intangible assets with a limited useful life may be impaired. If there is any indication of the impairment of such asset, its recoverable amount shall be estimated. The intangible assets with an unlimited useful life and those not available for use are tested for impairment yearly, regardless of any indication of impairment.

The recoverable amount should be estimated of the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group shall determine the recoverable amount of the asset group to which the asset belongs. The recoverable amount of an asset or asset group is determined at the higher of its fair value after deducting the disposal expenses and the present value of its estimated future cash flows.

If the recoverable amount of an asset is less than its carrying amount, a provision for impairment loss of the asset will be made for the difference and is recognised in profit or loss for the current period.

Once the above impairment loss of the asset is recognised, it cannot be reversed in the subsequent accounting periods.

18. Provisions

The Group recognises an obligation related to a contingency as a provision when the obligation is a present obligation of the Group, and it is probable that an outflow of economic benefits from the Group will be required to settle the obligation, and the amount of the obligation can be measured reliably.

At the balance sheet date, a provision is measured at the best estimate of the expenditure required to settle the related present obligation by considering the factors surrounding a contingency, such as the risks, uncertainties and the time value of money. If the effect of time value of money is significant, the best estimate is determined as the amount after discounting the expected future cash outflow.

Where all or some of the expenditures required to settle a provision are expected to be reimbursed by a third party, the reimbursement is recognised as a separate asset only when it is virtually certain that the reimbursement will be received, and the amount of reimbursement recognised does not exceed the carrying amount of the provision.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

19. Employee compensation

Employee compensation is all forms of considerations given by the Group in exchange for services rendered by its employees or for the termination of employment. Employee compensation includes short-term employee compensation, post-employment benefits, termination benefits and other long-term employee benefits.

Except compensation paid to employees for termination of employment, the Group recognises the employee compensation payable as liabilities in the accounting period in which services are rendered by the employees.

The Group participates in employee social security systems operated by the government according to the regulations, including basic endowment insurance, medical insurance, housing provident funds and other social security systems, and the relevant expenditure is included, when incurred, in the cost of the relevant assets or profit or loss for the current period.

Short-term employee compensation refers to the employee compensation other than post-employment benefits and termination benefits, which are required to be fully paid by the Group within 12 months after the end of the annual reporting period in which the employees rendered relevant services. In particular, short-term employee compensation includes staff salaries, bonuses, allowances and subsidies, staff welfare payments, social insurance premiums including medical insurance premiums, work-related injury insurance premiums and maternity insurance premiums, housing provident funds, labour union expenses and staff education expenses, short-term paid leaves, non-monetary welfare and other short-term compensation. During the accounting period in which the employees render services, the Group recognises the short-term employee compensation payable as liabilities and includes them into relevant asset costs or expenses according to the object which benefits from the services rendered by employees.

Post-employment benefits refer to all kinds of remunerations and benefits other than short-term employee compensation and termination benefits that are provided by the Group after the retirement of the employees or termination of employment relation with the enterprise in exchange for services rendered by employees. Post-employment benefits include endowment insurance, annuity, unemployment insurance, early retirement benefits and other post-employment benefits.

The Group categorises post-employment benefit plan as defined contribution plan. Post-employment benefit plan refers to the agreement reached between the Group and its employees on the post-employment benefits, or the rules or measures formulated by the Group for providing post-employment benefits to its employees. Defined contribution plan refers to the post-employment benefit plan under which the Group assumed no obligation of making further payment after depositing fixed amount to independent funds.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

19. Employee compensation (continued)

Termination benefits are the compensation to employees when the Group terminates the employment relationship with employees before the expiry of the employment contracts or as an offer to encourage employees to accept voluntary redundancy. If the Group provides termination benefits to the employees, the liabilities arise from termination benefits will be recognised and included in the profit or loss for the period at the earlier of the following dates: (1) when the Group cannot unilaterally withdraw termination benefits for the termination employment plan or the redundancy offer. (2) When the Group recognises the costs or expenses related to the reorganisation involving in payment of termination benefits.

Other long-term employee benefits refer to all employee compensation other than short-term employee compensation, post-employment benefits and termination benefits.

20. Revenue recognition

The Group recognises revenue based on the transaction price allocated to a performance obligation under the contract when such performance obligation is satisfied, that is, when the customer has obtained the control over the relevant good or service. A performance obligation represents the commitment in the contract that a goods and service that is distinct shall be transferred by the Group to the customer. Transaction price refers to the amount of consideration to which the Group expects to be entitled in exchange of transferring goods or services to a customer, excluding the amount received on behalf of third parties and the amount that the Group expects to return to a customer.

If one of the following conditions is met, a performance obligation which is performed under a certain period of time will be recognised as revenue by the Group based on the progress of the performance within a period of time: (I) the customer obtains and consumes economic benefits provided by the Group's performance as the Group performs; (II) the customer is able to control goods in progress during the Group's performance; (III) goods or services generated during the Group's performance have no alternative use, and the Group is entitled to charge for the accumulated part of the contract that has been performed so far during the whole contract period. Otherwise, the Group will recognise revenue at the point in time when the customer obtains control of the relevant goods or services.

The Group determines progress of performance using the investment method, namely, determines the progress of performance according to the Group's investment for fulfilling its performance obligations. When the progress of performance cannot be reasonably determined and the costs incurred are expected to be compensated, the Group recognises revenue based on the amount of costs incurred till the progress of performance can be reasonably determined.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

20. Revenue recognition (continued)

Contract on sales of goods

The contract on sales of goods between the Group and the customer generally contains the obligation of transferring the relevant goods only. The Group generally recognises the revenue when the relevant goods are delivered and confirmed as accepted by the customer, on the basis of taking full consideration of the following factors: the present right to collect the goods payment, the transfer of the key risk and return in the goods ownership, the transfer of the goods legal ownership, the transfer of the physical asset of the goods, and the acceptance of the goods by the customer.

Contract on rendering of services

The contract on rendering of services between the Group and the customer generally contains the obligations of port operation services and transportation services. Because the customer will obtain and consume the economic benefits generated by the performance of the Group when the Group performs its obligations, the Group will recognise revenue according to the performance progress by treating the rendering of services as the obligations within a certain period of time, except that the performance progress cannot be reliably determined. The Group determines the performance progress for rendering of services based on the investment method and in accordance with costs incurred and schedule. When the performance progress cannot be reliably determined, but the cost incurred by the Group is expected to be compensated, the revenue will be recognised according to the amount of the incurred cost, until the performance progress can be reliably determined.

Significant financing component

If the contract contains significant financing component, the Group will determine the transaction price based on the amount payable by the customer in cash when it obtains control over goods or services, and amortise the difference between the transaction price and the consideration amount under the contract determined by using the discount rate for converting the nominal amount of the contract consideration into the cash sale price of the goods or services within the contract period based on the effective interest rate method. The effects of a significant financing component shall not be considered if the Group expects that the period between when the customer obtains control over goods or services and when the customer pays consideration will be one year or less.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

20. Revenue recognition (continued)

Main responsible person/agent

With respect to trading business, if the Group obtains the control over the trading goods from the third party and then transfers the goods to the customer, the Group has the right to determine at its discretion the price of the relevant goods, that is, the Group is able to control the goods before transferring it to the customer. With respect to freight forwarding business, if the Group can direct the transportation services provided by the third party on behalf of the Group to the customer and bears the primary responsibility for providing transportation services for the customer, the Group has the right to determine at its discretion the price of service provision. Therefore, the Group is the main responsible person and recognises the revenue based on the total considerations collected or payable. Otherwise, the Group should be the agent and recognise the revenue based on the amount of the commission or handling fee that it is expected to charge, which shall be the net amount of the total considerations collected or payable after deduction of payments due to other relevant parties, or determined based on the established commission amount or proportion.

Contractual assets present the Group's right to collect consideration from the customer which arises from the transfer of goods or services to the customer, and such right depends on factors other than time lapse. For accounting policies on impairment of contractual assets, see Note IV.9. The Company separately presents as receivables the right that it owns unconditionally (i.e., depending on the time lapse only) to collect consideration from the customer due to the implementation of the new standard on revenue. Contractual liabilities present the Group's obligation to transfer goods or services to the customer for the consideration received or receivable from the customer.

The amounts of contractual assets and contractual liabilities under the same contract are presented on a net basis.

If the contract contains two or more performance obligations, the Group allocates, at the contract inception, the transaction price to each single performance obligation based on the relative proportion of stand-alone selling prices of goods or services promised in single performance obligation. However, if there is conclusive evidence indicating that the contract discount or variable consideration is only relative with one or more (not the whole) performance obligations in the contract, the Group will allocate the contract discount or variable consideration to relative one or more performance obligations. Stand-alone selling price is a price at which the Group would sell goods or services separately to a customer. If the stand-alone selling price cannot be observed directly, the Group estimates the stand-alone selling price through comprehensive consideration of all relevant reasonably acquired information and maximum use of observable inputs.

If the contract contains significant financing component, the Group will determine the transaction price based on the amount payable by the customer in cash when it obtains control over goods or services, and amortise the difference between the transaction price and the consideration amount under the contract within the contract period based on the effective interest rate method. The effects of a significant financing component shall not be considered if the Group expects, at the contract inception, that the period between when the customer obtains control over goods or services and when the customer pays consideration will be one year or less.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

20. Revenue recognition (continued)

Main responsible person/agent (continued)

The Group judges whether it is the main responsible person or the agent when conducting the transaction on the basis of whether it has the control over goods or services before transfer of such goods or services to the customer. Where the Group is able to control goods or services before transfer of such goods or services to the customer, the Group is the main responsible person and recognises the revenue based on the total considerations collected or payable. Otherwise, the Group should be the agent and recognise the revenue based on the amount of the commission or handling fee that it is expected to charge, which shall be the net amount of the total considerations collected or payable after deduction of payments due to other relevant parties.

If the Group receives advance sales of goods or services from its customer, it first recognises the amount as a liability and then converts it into revenue when it fulfills its relevant performance obligations. When the Group's advances from customers need not be returned and the customer may abandon all or part of its contractual rights, the Group expects to be entitled to the amount related to the contractual rights abandoned by the customer, the amount mentioned above shall be recognised as revenue proportionally in accordance with the mode of exercising the contractual rights by the customer; otherwise, the Group will convert the relevant balance of the above liabilities into revenue only when there is a very low possibility of the customer requesting the performance of the remaining obligations.

Cost of contract acquisition

If the incremental cost incurred by the Group in order to obtain a contract (i.e. costs that would not occur without a contract) is expected to be recoverable, such cost is recognised as an asset. If the amortisation period of the asset does not exceed one year, such asset is recognised in current profit or loss when incurred. Other expenditures incurred by the Group in order to obtain the contract shall be included in the profit or loss for the period when incurred, except those clearly to be borne by the customers.

Cost of performance of contract

If the cost incurred by the Group for the performance of the contract does not fall within the scope of other accounting standards for business enterprises other than the Standard on Revenue and meets the following conditions at the same time, it is recognised as an asset: (1) the cost is directly related to a current or expected contract; (2) the cost increases the resources that the Group will use to perform its obligations in the future; (3) the cost is expected to be recovered. The above asset is amortised on the same basis as that used for the recognition of revenue from the goods or services relating to such asset, and is recognised in current profit or loss.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

20. Revenue recognition (continued)

Cost of performance of contract (continued)

If the carrying amount of the asset related to contractual cost is higher than the difference of the following two items, the Group will make impairment provision for the excess part and recognise it as asset impairment loss: (1) the remaining consideration that the enterprise expects to obtain from the transfer of the goods or services related to the asset; (2) the cost estimated to be incurred for transferring the relevant goods or services.

If there is any change to the factors causing the impairment in the previous periods, and as a result, the difference between (1) minus (2) is higher than the carrying amount of the asset, the asset impairment provision shall be reversed and charged into current profit and loss, provided that the reversed carrying amount of the asset shall not exceed the carrying amount of the asset on the date of reversal under the assumption that the asset impairment provision had not been made.

21. Government grants

Government grants refer to the Group's free access to monetary and non-monetary assets from the government. Government grants are recognised when the grants can be received and the Group can comply with all attached conditions.

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 grant measured at its nominal amount is directly recognised in current profit and loss.

Government grants related to assets shall be recorded as deferred income and recognised in current profit or loss by stages on a reasonable and systematic basis over the useful lives of the assets. Government grants measured at nominal amount are directly recognised in current profit and loss. If the relevant assets are sold, transferred, retired or destroyed before the end of the useful life, the relevant undistributed deferred income balance shall be recognised under current profit or loss as asset disposal.

Government grants related to income that compensate the Group's relevant costs, expenses or losses in future periods are recorded as deferred income and recognised in profit or loss in the period when the relevant costs, expenses or losses are recognised; government grants related to income that compensate the relevant costs, expenses or losses that have been incurred by the Group are recognised in profit or loss directly in current period.

For government grants that include both asset-related and income-related parts, different parts should be distinguished and separately accounted for; for those that are difficult to distinguish, they should be classified as income-related government grants as a whole.

Government grants related to the daily activities of the Group shall be included in other income or set off against relevant costs and expenses in accordance with the essence of economic operations. Government grants unrelated to the daily activities of the Group shall be included in the non-operating income and expenses.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

22. Borrowing costs

For borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, its capitalisation commences when expenditures for the asset have been incurred, borrowing costs have been incurred, and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced; and ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Capitalisation of borrowing costs is suspended during the period in which the acquisition, construction or production of a qualifying asset is interrupted abnormally for a continuous period of more than 3 months until the acquisition, construction or production of the asset is resumed.

The rest borrowing costs are recognised as expenses in the period when incurred.

The actual interest expenses incurred in the current period of specific-purpose borrowings shall be capitalised after deducting the interest income obtained by depositing unused borrowing funds into banks or the investment income obtained from temporary investments; the capitalised amount of general-purpose borrowings is determined based on the weighted average of the excess of the accumulated asset expenses over the asset expenses of specific-purpose borrowings multiplied by the capitalisation rate of the utilised general-purpose borrowings. The capitalisation rate is calculated and determined according to the weighted average interest rate of the general-purpose borrowings. During the capitalisation period, the exchange balance of the foreign currency specific-purpose borrowings shall be fully capitalised; the exchange difference of foreign currency general-purpose borrowings shall be recorded into the current profit or loss.

23. Income tax

Income tax expenses include current income tax and deferred income tax.

23.1 Current income tax

At the balance sheet date, the Group measures the current income tax liability (or asset) generated in the current period and previous periods based on the income tax amount expected to be payable (or refundable) according to the tax law.

23.2 Deferred income tax asset and deferred income tax liability

The Group recognises deferred income tax asset and deferred income tax liability with balance sheet liability approach for the difference between the carrying value of certain item of asset and liability and its tax base, and the temporary difference between the carrying value of the item which is not recognised as asset and liability but its tax base can be determined according to the tax law and its tax base.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

23. Income tax (continued)

23.2 Deferred income tax asset and deferred income tax liability (continued)

Relevant deferred income tax is generally recognised for all temporary differences. However, for deductible temporary differences, the Group recognises the relevant deferred income tax asset to the extent that taxable income is likely to be obtained to offset against the deductible temporary differences. In addition, the relevant deferred income tax asset or liability is not recognised for temporary differences related to the initial recognition of goodwill and those related to the initial recognition of the asset or liability arising from transactions that are neither business merger nor affect accounting profits or taxable income (or deductible losses) at the time of occurrence.

For deductible loss and tax credit which can be carried forward to the subsequent years, the Group recognises the resulting deferred income tax asset to the extent that future taxable income is likely to be obtained to offset against the deductible losses and tax credit.

The Group recognises deferred tax liability arising from taxable temporary differences relating to investments in subsidiaries, affiliates and joint ventures, unless the Group can control the time for the reversal of temporary differences and the temporary differences are likely not to be reversed in the foreseeable future. For deductible temporary differences related to investments in subsidiaries, affiliates and joint ventures, the Group recognises deferred tax asset only when the temporary differences are likely to be reversed in the foreseeable future and the amount of taxable income used to deduct the temporary differences is likely to be obtained in the future.

The Group will measure on the balance sheet date the deferred income tax asset and deferred income tax liability based on the tax rate applicable to the period in which the asset is expected to be recovered or the liability is expected to be settled according to the tax law.

Except the current income tax and deferred income tax related to transactions and events directly included in other comprehensive income or owners' equity are included in other comprehensive income or owners' equity, and the carrying amount of goodwill is adjusted by deferred income tax resulting from business combination, the other current income tax and deferred income tax expenses or gains are included in current profits and losses.

At the balance sheet date, the carrying amount of deferred income tax asset is reviewed. If it is likely that sufficient taxable income will not be obtained in the future to offset the interests of deferred income tax asset, the carrying amount of deferred income tax asset is written down. When it is possible to obtain sufficient taxable income, the amount written down shall be reversed.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

23. Income tax (continued)

23.3 Offset of income tax

The Group's current income tax asset and current income tax liability will be presented in the net amount after offsetting with each other when the Group has the legal right to settle with net amount, and intends to settle with net amount or acquire assets and discharge liabilities simultaneously.

The Group's deferred income tax asset and deferred income tax liability will be presented in the net amount after offsetting with each other when the Group has the legal right to settle the current income tax asset and current income tax liability with net amount, and the deferred income tax asset and deferred income tax liability are related to the income tax imposed by the same tax authority on the same tax payer, or they are related to different tax payers, but in each subsequent period in which the significant reversal of deferred income tax asset or deferred income tax liability is made, the relevant tax payers intend to settle the current income tax asset and current income tax liability with net amount, or they acquire assets and discharge liabilities simultaneously.

24. Foreign currency business and translation of foreign currency financial statements

24.1 Foreign currency business

The spot exchange rate on the date of transaction is used to convert foreign currency transactions when they are initially recognised.

At the balance sheet date, foreign currency monetary items are converted into the recording currency at the spot exchange rate on that day, and the exchange difference between the spot exchange rate on that day and the spot exchange rate at the time of initial recognition or at the previous balance sheet date shall be included in the current profit or loss, except for: (1) the exchange differences of foreign currency specific-purpose borrowings that meet the capitalisation conditions shall be capitalised into the cost of related assets during the capitalisation period; (2) in order to avoid foreign exchange risk, the exchange differences of hedging instruments shall be treated according to the hedging accounting method; (3) the exchange differences, arising from changes in carrying amounts of monetary items (other than amortised costs) classified as at fair value through other comprehensive income, shall be included in other comprehensive income.

Where the preparation of consolidated financial statements involves overseas operations, if there is a foreign currency monetary item substantially constituting net investment in overseas operations, the exchange difference resulting from the change of exchange rate shall be included in the "Translation differences on translation of foreign currency financial statements" item of other comprehensive income; when dealing with overseas operations, it shall be included in the profit or loss for the current period of disposal.

Foreign currency non-monetary items measured at historical cost are still measured at the amount in the recording currency converted at the spot exchange rate on the date of transaction. Foreign currency non-monetary items measured at fair value shall be converted at the spot exchange rate on the date of determination of fair value. The difference between the converted amount in the recording currency and the original amount in the recording currency shall be treated as changes in fair value (including changes in exchange rate), and shall be included in current profits and losses or recognised as other comprehensive income.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

24. Foreign currency business and translation of foreign currency financial statements (continued)

24.2 Translation of foreign currency financial statements

In order to prepare the consolidated financial statements, foreign currency financial statements of overseas operations are converted into RMB statements by the following methods: all items of assets and liabilities in the balance sheet are converted at the spot exchange rate at the balance sheet date; owners' equity items are converted at the spot exchange rate on the date of occurrence; all items in the income statement and items reflecting the amount of profit distribution are converted at the spot exchange rate on the transaction occurrence date; after conversion, the difference between the assets items and the sum of liabilities items and owners' equity items is recognised as other comprehensive income and included in owners' equity.

Foreign currency cash flows and cash flows of overseas subsidiaries are converted at the spot exchange rate on the date of cash flow occurrence, and the effect of exchange rate changes on cash and cash equivalents is taken as a regulation item, which is separately shown in the cash flow statement under the "Effect of foreign exchange rate changes on cash and cash equivalents".

The balance at the beginning of the year and the actual number of the previous year are shown in accordance with the amount converted from the financial statements of the previous year.

25. Leases

A lease refers to a contract assigning a lessor's right to use an asset to a lessee for a certain period of time for consideration.

For a contract entered into or amended after the initial implementation date, the Group evaluates whether the contract is a lease or contains a lease on the contract commencement or amendment date. The Group shall not reassess whether a contract is a lease or contains a lease unless there are changes to the contract terms and conditions.

25.1 As lessee

25.1.1 Separation of lease

For a contract that contains one or more lease components and non-lease components at the same time, the Group separates non-lease components from each lease component, and allocates the consideration of the contract on the basis of the relative stand-alone price of each lease component and the aggregate stand-alone prices of the non-lease components.

As a practical expedient, the Group accounts for leases with similar characteristics as a portfolio, provided that the Group can reasonably expect that its effects on the financial statements would not differ materially from those resulting from accounting for each lease within the portfolio on a separate basis.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

25. Leases (continued)

25.1 As lessee (continued)

25.1.2 Right-of-use assets

Except for short-term leases and low-value asset leases, the Group recognises right-of-use assets for leases on the commencement date of lease term. The commencement date of lease term refers to the date from which a leased asset is provided by the lessor for the Group's use.

Right-of-use assets are initially measured at costs. These costs include:

- The amount at which lease liabilities are initially measured;
- Lease payments made at or before the commencement date of lease term, net of the lease incentive amount already enjoyed when there is a lease incentive;
- The initial direct costs incurred by the Company as a result of implementation of the new standard on lease;
- The costs expected to be incurred by the Company for the purpose of demolition and removal of leased assets, recovery of the premises where the leased assets are located or restoration of the leased assets to the condition agreed upon in the lease terms as a result of implementation of the new standard on lease;

If lease liabilities are remeasured after the commencement date of lease term, the carrying amount of right-of-use assets shall be adjusted accordingly.

If the Group is reasonably certain to obtain ownership of leased assets upon expiry of the lease term, right-of-use assets are depreciated over the remaining useful life of the leased assets. Otherwise, right-of-use assets are depreciated over the shorter of the lease term and the remaining useful life of the leased assets.

The Group determines whether the right-of-use assets are impaired or not and accounts for the impairment under the relevant regulations of the Accounting Standards for Business Enterprises No. 8 – Impairment of Assets.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

25. Leases (continued)

25.1 As lessee (continued)

25.1.3 Lease liabilities

Except for short-term leases and low-value asset leases, the Group initially measures lease liabilities on the commencement date of lease term according to the present value of outstanding lease payments on that date. In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease as the discount rate, or uses the incremental borrowing rate if the interest rate implicit in the lease is not readily determinable.

Lease payments refer to the amount paid by the Group to a lessor which is related to the right to use lease assets during the lease term, including:

- Fixed payments and substantially fixed payments (deduction of related lease incentive amount, if any);
- Variable lease payments which depend on an index or a rate;
- The exercise price of an option which the Company reasonably determines that the purchase option is to be exercised as a result of implementation of the new standard on lease;
- The amount payable upon exercising an option to terminate a lease, provided that the exercising of such option by the Company can be reflected over the lease term as a result of implementation of the new standard on lease;
- Estimated amount due based on the residual value of the guarantee provided by the Company as a result of implementation of the new standard on lease.

After the commencement date of lease term, the Group recognises interest expenses on lease liabilities in each period during the lease term by using the fixed periodic interest rate. If it is to be included in relevant asset cost in accordance with the Accounting Standards for Business Enterprises No. 17 – Borrowing Costs or other relevant standard, such other standard shall prevail.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

25. Leases (continued)

25.1 As lessee (continued)

25.1.3 Lease liabilities (continued)

Upon occurrence of the following cases after the commencement date of lease term, the Group shall remeasure lease liabilities and adjust the right-of-use assets correspondingly:

- In the event of any changes in the lease term or the assessment results of purchase option, the Group shall remeasure lease liabilities according to their present value calculated using the lease payments after the changes and the revised discount rate;
- In the event of any changes in the amounts payable estimated by residual value of the guarantee or the index or ratio used to determine lease payments, the Group shall remeasure lease liabilities according to their present value calculated using the lease payments after the changes and the original discount rate, or the revised discount rate if the change of lease payments is due to a movement in floating interest rate.

25.1.4 Short-term leases and low-value asset leases

For short-term leases of buildings, transportation equipment and others, and low-value asset leases, the Group chooses not to recognise right-of-use assets and lease liabilities. A short-term lease refers to a lease that, at the commencement date, has a lease term of less than 12 months and does not contain a purchase option. A low-value asset lease refers to a lease where a single lease asset has a value of less than RMB50,000 when being a new asset. The Group recognises lease payments on short-term leases and low-value asset leases in current profit or loss or the cost of relevant assets on a straight-line basis or otherwise on a systematic and reasonable basis in each period over the lease term.

25.1.5 Modification of lease

If modification of lease happens and meets the following conditions, the Company will conduct accounting treatment for the modification of lease as a separate lease as a result of implementation of the new standard on lease:

- The modification of lease expands the scope of lease by increasing the rights of use of one or more leased assets;
- The increased consideration and the stand-alone price for the increase in scope of the lease are commensurate with the amount adjusted in accordance with the circumstance of the contract.

If accounting treatment for the modification of lease as a separate lease is not conducted, the Group shall, on the effective date of modification of lease, reallocate the modified consideration of the contract, and redetermine the lease term and remeasure lease liabilities according to their present value calculated using the lease payments after the modification and the revised discount rate.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

25. Leases (continued)

25.2 As lessor

During each period over the lease term, the Group uses the straight-line method to recognise the lease receipts from an operating lease as rental income, unless other systematic and reasonable methods can better reflect the consumption pattern of economic benefits arising from the use of leased assets. The initial direct costs related to an operating lease incurred by the lessor are capitalised, and are apportioned on the same basis as that used for the recognition of the rental income over the lease term. Such costs are charged to profit or loss for the current period by stages.

25.2.1 Separation of lease

For a contract that contains both lease and non-lease components, the Group shall allocate the consideration of the contract according to the Accounting Standards for Business Enterprises No. 14 – Revenue in respect of allocation of transaction price, on the basis of their respective stand-alone prices.

25.2.2 Classification of lease

A lease that transfers substantially all the risks and rewards incidental to the ownership of an asset is a finance lease. All the other leases are operating leases.

25.2.3 Recording operating leasing business as a lessor

The Group recognises lease receipts from an operating lease as rental income on a straight-line basis or otherwise on a systematic and reasonable basis in each period over the lease term. The Group capitalises, when incurred, initial direct costs incurred in relation to an operating lease and apportions such costs on the same basis as that used for the recognition of rental income over the lease term. Such costs will be charged to profit or loss for the current period by stages.

The Group recognises any variable lease receipts relating to an operating lease not included in the lease receipts, in profit or loss for the current period as incurred.

25.2.4 Modification of lease

When an operating lease is modified, the Group accounts for it as a new lease from the effective date of the modification, and accounts for the advanced lease receipts or lease receivables relating to the original lease as receipts of the new lease.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IV. Significant accounting policies and accounting estimates of the Company (continued)

26. Production safety fund

Production safety fund is accrued by the Group in accordance with the Administrative Measures for Accrual and Usage of Production Safety Expenses of the Enterprises (Cai Qi [2012] No. 16) jointly issued by the Ministry of Finance and the State Administration of Work Safety on 14 February 2012, which is charged to the cost of related products or recognised in profit or loss for the current period, and transferred to the specific reserve. As production safety fund accrued is utilised, if it is of expenditure nature, the cost is directly charged against the specific reserve. For the production safety fund used that is formed into a fixed asset, the cost is collected under the “Construction in progress” line item and will be recognised as fixed asset when the safety projects are completed and get ready for their intended use. Meanwhile, the cost of fixed asset is offset against the specific reserve, and accumulated depreciation of the same amount is recognised. For such fixed asset, there will be no further depreciation in the subsequent periods.

27. Profit distribution

The cash dividend of the Company will be recognised as liability when approved by the general meeting.

V. Critical judgments in applying accounting policies and key assumptions and uncertainties in accounting estimates

In the application of the accounting policies as described in Note IV, the Group is required to make judgments, estimates and assumptions about the carrying amounts of items in the statements that cannot be measured accurately, due to the internal uncertainty of the operating activities. These judgments, estimates and assumptions are based on historical experiences of the Group’s management as well as other factors that are considered to be relevant. Actual results may differ from these estimates.

The aforementioned judgments, estimates and assumptions are reviewed by the Group regularly on a going concern basis. The effect of a change in accounting estimate is recognised in the period of the change, if the change affects that period only; or recognised in the period of the change and future periods, if the change affects both.

1. Key assumptions and uncertainties in accounting estimates

The followings are the key assumptions and uncertainties in accounting estimates at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future periods:



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

V. Critical judgments in applying accounting policies and key assumptions and uncertainties in accounting estimates (continued)

1. Key assumptions and uncertainties in accounting estimates (continued)

1.1 Business model

The classification of financial assets upon initial recognition depends on the business model of the Group for managing financial assets. When judging business model, the Group considers corporate evaluation and way of reporting performance of financial asset to key management personnel, the risks affecting performance of financial asset and their management and the way in which relevant business management personnel are paid. When evaluating whether to take contractual cash flow as the goal, the Group is required to analyse and judge the reasons, time, frequency and value of the sale of financial assets before the due date.

1.2 Characteristics of contractual cash flow

The classification of financial assets upon initial recognition depends on the characteristics of the contractual cash flow. Judgment should be made on whether the contractual cash flow is only for the payment of the principal and the interest based on the outstanding principal, including the judgment on whether there is any significant difference when compared with the benchmark cash flow during the evaluation on the revision of the time value of money, and the judgment on whether the fair value of the prepayment characteristics is insignificant for the financial assets with prepayment characteristics.

1.3 Derecognition of financial assets transferred

The Group transfers its financial assets through regular tradings during its normal course of business. The Group is required to make significant judgments and estimates in determining whether the financial assets that have been transferred are qualified for a full derecognition.

The Group is required to analyse the contractual cash flow rights and obligations relating to the financial assets transferred, and then determine whether they are qualified for derecognition based on the following judgments.

- Whether it has transferred the power to receive contractual cash flows; or the transfer qualifies for the “pass through” of those cash flows to independent third parties;
- Assessing the extent to which the risks and rewards incidental to ownership of the financial assets are transferred. Significant accounting estimates and judgments are applied in the Group’s estimation with regard to the cash flows before and after the transfer and other factors that effect the extent to which risks and rewards are transferred.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

V. Critical judgments in applying accounting policies and key assumptions and uncertainties in accounting estimates (continued)

1. Key assumptions and uncertainties in accounting estimates (continued)

1.4 Recognition of expected credit loss

Significant increase in credit risks: In evaluating expected credit loss on financial assets, the Group is required to make a judgment about whether the credit risks of financial assets have increased significantly since acquisition thereof by considering qualitative and quantitative information and combining the forward-looking information.

Establishment of asset portfolio with similar credit risk characteristics: When expected credit losses are measured on a portfolio basis, financial instruments are grouped on the basis of shared risk characteristics. The Group monitors the appropriateness of the credit risk characteristics of these financial instruments on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the financial instruments. This may result in establishment of a new portfolio or assets moving to an existing portfolio of assets that better reflects the similar credit risk characteristics of that group of assets.

1.5 Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgment. 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 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 separately, 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 judgment is made on an individual property basis, in order to determine if the supporting services are so significant that disqualify the property as an investment property.

1.6 Determination of performance progress of port operation contracts

The Group determines the performance progress of port operation contracts according to the investment method. In this regard, the Group determines the performance progress according to the proportion of the accumulative actual port operation costs in the total costs, and recognises the revenue accordingly. The accumulative actual costs include the direct cost and indirect cost incurred by the Group during the provision of port operation services to customers.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

V. Critical judgments in applying accounting policies and key assumptions and uncertainties in accounting estimates (continued)

1. Key assumptions and uncertainties in accounting estimates (continued)

1.7 Impairment of goodwill

As at 30 June 2020, the carrying amount of goodwill was RMB20,433,690.59. The Group conducts an impairment test on goodwill at least annually. When conducting an impairment test on goodwill, the present value of projected future cash flow of the underlying assets or portfolio of assets incorporating such goodwill will be calculated, and projection of the future cash flow of such assets or portfolio of assets will be made, and a pre-tax interest rate shall be determined which can properly reflect the prevailing time value of currency in the market as well as the specific risks concerning such assets, which all involve judgments made by the management.

1.8 Recognition of deferred income tax

When it is probable that enough taxable income will be available against which the deductible temporary differences and deductible losses are applied in the future periods, deferred income tax assets shall be recognised by the Group for all the deductible temporary differences and deductible losses that have not been used. This requires the management of the Group to use a lot of judgments to estimate the time and amount of the taxable income in the future and determine the amount of the deferred income tax assets that should be recognised according to the tax planning strategy.

1.9 Fair value of non-listed equity investment

The valuation of non-listed equity investment is determined by adopting the valuation method. The Group chooses the valuation method based on its judgement and makes assumptions according to the then market circumstances on each balance sheet date. The changes in market circumstance may affect the judgments made by the Group according to the market circumstances on the balance sheet date and the valuation methods adopted, thus resulting in a difference with the actual results of next year.

1.10 Estimated useful life and estimated residual value of fixed assets and intangible assets

The Group estimates the useful life and residue value of fixed assets and intangible assets. This estimate is made based on the historical experience of actual useful life and residue value of fixed assets and intangible assets with shared natures and functions, and is subject to material change as a result of technological innovation and severe industry competition. If the estimated useful life and residue value of fixed assets or intangible assets are lower than the estimates previously made, the Group will increase the depreciation/amortisation, or write-off or write-down of fixed assets or intangible assets with backward technologies.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

V. Critical judgments in applying accounting policies and key assumptions and uncertainties in accounting estimates (continued)

1. Key assumptions and uncertainties in accounting estimates (continued)

1.11 Impairment of non-current assets other than financial assets (except for goodwill)

The Group will judge if non-current assets other than financial assets have any sign of impairment on the balance sheet date, and conduct an impairment test when there is any sign of impairment. In addition, intangible assets with uncertain useful life shall be subject to an annual impairment test. The recoverable amount of an asset or asset group is determined at the higher of the value in use of the asset or asset group and the net amount of its fair value less the disposal expenses. In estimating its value in use, the future cash flow of the asset or asset group will be projected after discounting at a discount rate. The management makes accounting estimates in connection with the use of the asset and estimates future cash flows on a reasonable and well-founded basis, and determines the present value of future cash flows by using a discount rate which reflects the prevailing time value of currency in the market as well as the specific risks concerning such asset.

1.12 Provision for impairment of inventory

The Group measures inventory at the lower of its cost and net realisable value at the balance sheet date. If the cost of inventory is higher than its net realisable value, a provision shall be made for impairment of inventory and recognised in current profit or loss. Judgments and estimates are applied in recognition of net realisable value of inventory. If there is any difference between the outcome of new judgments and estimates and that of the existing judgments and estimates, such difference will affect the carrying value of inventory in the period when judgments and estimates change.

1.13 Lease term of lease contracts that are certain to have an option to renew the lease

A lease term is the period during which the Group has the right to use the leased asset and is irrevocable. Where the Group has an option to renew the lease and reasonably determines to exercise the option, the lease term shall also include the period covered by the option to renew the lease. In assessing whether it is reasonably determined to exercise the option to renew the lease, the Group will consider all relevant facts and circumstances that bring economic benefits to the exercise of the renewal option of the Group, including the expected changes in facts and circumstances from the commencement date of the lease term to the date of exercise of the option. The Group believes that the Group can reasonably determine that it will exercise the option to renew the lease as the leased asset is crucial to its operation and it is hard to obtain appropriate alternative asset. Therefore, the lease term includes the period covered by the option to renew the lease.

1.14 Lessee's incremental borrowing rate

The Group measures the present value of lease payment by using the lessee's incremental borrowing rate as the discount rate if the interest rate of the lease cannot be determined. The Group adopts the observable interest rate as the reference basis for determining the incremental borrowing rate according to the economic environment, and on this basis, makes adjustments to reference rate to derive an appropriate incremental borrowing rate based on its own situation, the underlying asset, the lease term and the amount of lease liability, etc.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

V. Critical judgments in applying accounting policies and key assumptions and uncertainties in accounting estimates (continued)

1. Key assumptions and uncertainties in accounting estimates (continued)

1.15 Consolidation scope – the Group holding 50% or less equity interests of the investees

The Group believes 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., Dalian Hongyang International Logistics Co., Ltd., Dalian Harbour ECL Logistics Co., Ltd. and Dalian Container Terminal Co., Ltd. According to the joint venture contract entered into between the Company and the other shareholders of Dalian Haijia Automobile Terminal Co., Ltd. and Dalian Hongyang International Logistics Co., Ltd., the other shareholders give consent to the decisions made by the Company on significant financial and operational policies. The Company has de-facto control over the two companies. The Company has the majority voting rights in the board of directors of Dalian Portsoft Technology Co., Ltd. and is able to decide on its financial and operational policies and has de-facto control over the entity. Pursuant to the acting-in-concert agreement signed by and between the Group and another shareholder of each of Dalian Container Terminal Co., Ltd., Dalian Golden Bay Grain Logistics Co., Ltd. and Dalian Harbour ECL Logistics Co., Ltd., such shareholders give consent to the decisions made by the Company on significant financial and operational policies. The Company has de-facto control over above the three companies.

VI. Taxes

1. Major categories of taxes and respective tax rates

- | | | |
|---------------------------------------|---|---|
| Value-added tax (VAT) | – | Prior to 1 April 2019, the Group's revenue from port operations, sales of goods, entrusted loans, project construction, property leasing and labour dispatch businesses are subject to output VAT at a tax rate of 6%, 16%, 6%, 11%, 5% and 6%, respectively, which is levied after deducting deductible input VAT for the current period. After 1 April 2019, the abovementioned revenues are subject to output VAT at a tax rate of 6%, 13%, 6%, 10%, 5% and 6%, respectively, which is levied after deducting deductible input VAT for the current period. |
| City maintenance and construction tax | – | It is levied at 7% on the turnover taxes paid. |
| Educational surcharge | – | It is levied at 5% on the turnover taxes paid. |
| Property tax | – | It is calculated at a tax rate of 1.2% based on 70% of costs of properties; or it is calculated at a tax rate of 12% based on rental income. |
| Corporate income tax | – | It is levied at 25% on the taxable profit, except for certain subsidiaries of the Group established in Mainland China which enjoy tax preferences and those subsidiaries incorporated outside Mainland China which are subject to local income tax regulations. |
| Environmental protection tax | – | It is levied on the pollution equivalent or the emissions of taxable pollutants multiplied by applicable tax amount. |



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VI. Taxes (continued)

2. Tax preferences and approval documents

Property tax and land use tax

According to the Tentative Regulations of the People's Republic of China of Urban Land Use Tax and Regulations on Issue of Land Use Tax Exemption of Port Land of Transport Department (Guo Shui Di [1989] No. 123), certain land used for dock is exempted from land use tax. Accordingly, the lands held by the Group used for dock are exempted from land use tax.

According to the Tentative Regulations of the People's Republic of China of Urban Land Use Tax, the land reclaimed from hill excavating and offshore filling and the reclaimed waste land will be exempted from land use tax for 5 to 10 years starting from the month of use. Accordingly, all lands reclaimed from offshore filling held by the Group are exempted from land use tax.

According to the Tentative Regulations of the People's Republic of China of Urban Land Use Tax and the Notice of the Ministry of Finance and the State Administration of Taxation on Continuing the Implementation of the Preferential Urban Land Use Tax Policies regarding the Land Used by Logistics Enterprises for Bulk Commodity Storage Facilities (Cai Shui [2020] No. 16), from 1 January 2020 to 31 December 2022, the urban land use tax on the lands for bulk commodity storage facilities owned by the logistics enterprises (including for self-use and lease purpose) shall be calculated based on 50% of the applicable tax for the relevant grade of the land. Accordingly, the land use tax on the lands for bulk commodity storage facilities held by the Group is calculated at half of the relevant tax rate.

Pursuant to the Policies and Measures of Dalian to Support the Stable Production and Operation of Small and Medium-sized Enterprises in Response to the Novel Coronavirus Infected Pneumonia ((Da Zheng Fa [2020] No. 3), some subsidiaries of the Group, as taxpayers which are engaged in transportation service industry, life service industry (including star class hotels) and logistics auxiliary service industry, are exempted from property tax and urban land use tax in the first quarter of 2020; some subsidiaries of the Group, which lease properties, halve the property tax and urban land use tax in the first quarter of 2020.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VI. Taxes (continued)

2. Tax preferences and approval documents (continued)

VAT

According to the Notice on Policies Related to Deepening Value-Added Tax Reform issued by the Ministry of Finance, State Administration of Taxation and General Administration of Customs (No. 39 Notice of the Ministry of Finance, State Administration of Taxation and General Administration of Customs in 2019), the Group shall, from 1 April 2019 to 31 December 2021, deduct additional 10% of current deductible input tax from VAT payable.

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 the Circular on Certain Policies of Further Encouraging Industry Development of Software and Integrated Circuit (Guo Fa [2011] No. 4, Section 1.1), VAT paid by those VAT ordinary taxpayers who sell their self-developed software which are taxed at the statutory rate of 17% will be refunded for the portion exceeding 3% of the actual tax burden. The tax refund should be restricted to be used for software development and expanding reproduction, which is exempted from corporate income tax. Dalian Port Logistics Technology Co., Ltd. and Dalian Portsoft Technology Co., Ltd., both of which are the subsidiaries of the Group, are entitled to the aforesaid preferential tax policy.

Corporate income tax

Dalian Portsoft Technology Co., Ltd. and Dalian Port Logistics Network Co., Ltd., subsidiaries of the Group, have obtained on 29 November 2017 the Certificate of the High and New Technological Enterprise (No. GR201721200282 and No. GR201721200058 respectively) 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 of both certificates 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. In September 2018, with the approval of Dalian Science and Technology Bureau, Dalian Municipal Bureau of Finance, Dalian Municipal Office of State Administration of Tax, the expiry time of the Certificate of the High and New Technological Enterprise granted to Dalian Port Logistics Technology Co., Ltd. was postponed to 15 November 2021.

Under Article 28 of the Corporate Income Tax Law of the People's Republic of China, for the current year, the income tax rate applicable to the above companies is 15%.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements

1. Cash at bank and on hand

Item	30 June 2020 (unaudited)	31 December 2019
Cash on hand	68,289.33	324,984.10
RMB	68,289.33	324,984.10
Cash at bank	2,887,925,564.91	4,050,848,480.47
RMB	2,845,552,929.74	4,009,695,494.24
USD	41,536,816.74	40,059,814.98
Japanese Yen	89,007.96	76,861.28
HKD	746,810.47	1,016,309.97
Other cash balances	-	239,710.14
RMB	-	239,710.14
Total	2,887,993,854.24	4,051,413,174.71
Of which: Interest receivable from bank deposits	1,031,063.31	5,430,619.42
Total amount restricted usage due to reasons including pledges, charges or lock up (Note VII. 21)	4,280,890.79	3,642,890.79

As at 30 June 2020, the Group held cash at bank and on hand of RMB56,011,404.13 (31 December 2019: RMB55,911,813.54) that were deposited overseas.

Interest income earned on current deposits is calculated by using the current deposit interest rate. The terms of short-term time deposits vary from seven days to six months depending on the cash requirements of the Group, and earn interests at the respective short-term time deposit rates.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

2. Financial assets held for trading

Item	30 June 2020 (unaudited)	31 December 2019
Financial assets at fair value through current profit or loss		
Investments in debt instruments (Note 1)	1,351,643,013.70	303,229,643.83
Investments in equity instruments (Note 2)	1,149,820.00	1,721,550.00
Total	1,352,792,833.70	304,951,193.83

Note 1: The Group purchased structured deposits of RMB150,000,000 from Bank of China during this period, with an expected annual yield rate of 3.4% and a maturity date on 17 July 2020.

The Group purchased structured deposits of RMB300,000,000 from Bank of Communications during this period, with an expected annual yield rate of 3.2% and a maturity date on 21 August 2020.

The Group purchased structured deposits of RMB300,000,000 from SPD Bank during this period, with an expected annual yield rate of 3.15% and a maturity date on 2 September 2020.

The Group purchased structured deposits of RMB200,000,000 from China CITIC Bank during this period, with an expected annual yield rate of 3.15% and a maturity date on 18 September 2020.

The Group purchased structured deposits of RMB200,000,000 from Agricultural Bank of China during this period, with an expected annual yield rate of 3.2% and a maturity date on 25 September 2020.

The Group purchased structured deposits of RMB200,000,000 from Agricultural Bank of China during this period, with an expected annual yield rate of 3.3% and a maturity date on 8 January 2021.

Note 2: Investments in equity instruments represented the stocks of A-share listed companies, whose fair value was determined according to their closing prices as at the last trading day on the Shanghai Stock Exchange and the Shenzhen Stock Exchange.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

3. Notes receivable

- (1) Classification of notes receivable

Type	30 June 2020 (unaudited)	31 December 2019
Bank acceptance notes	239,963,218.44	248,851,749.33
Less: Provision for bad debts on notes receivable (Note)	–	–
Total	239,963,218.44	248,851,749.33

Note: The Group believes that the credit rating of the acceptor of bank acceptance notes it held is relatively high and there is no significant credit risk, and hence no credit loss provision has been made.

- (2) As at 30 June 2020, the Group had no pledged notes receivable (31 December 2019: Nil).
- (3) As at 30 June 2020, notes receivable which have been endorsed or discounted but not mature yet as at the balance sheet date are as follows:

Type	Derecognised amount at the end of the period	Recognised amount at the end of the period
Bank acceptance notes	17,504,711.77	2,300,000.00

- (4) As at 30 June 2020, there were no discounted notes or notes that were recognised as accounts receivable due to the drawer's liability to perform (31 December 2019: Nil).



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

4. Accounts receivable

(1) Overall situation of accounts receivable

Item	30 June 2020 (unaudited)	31 December 2019
Accounts receivable	1,842,668,376.06	1,399,776,328.32
Less: Credit loss provision	82,492,093.16	77,003,761.77
Total	1,760,176,282.90	1,322,772,566.55

(2) The aging of accounts receivable based on the recording date is analysed as follows:

Item	30 June 2020 (unaudited)			31 December 2019		
	Book balance	Proportion (%)	Credit loss provision	Book balance	Proportion (%)	Credit loss provision
Within 1 year (including 1 year)	1,267,870,152.45	68.81	4,240,246.20	1,186,574,172.87	84.76	2,317,325.53
1 to 2 years (including 2 years)	497,391,950.61	26.99	5,065,397.35	137,145,331.46	9.80	3,301,167.18
2 to 3 years (including 3 years)	7,229,723.23	0.39	4,233,314.09	7,392,745.38	0.53	3,458,857.88
Over 3 years	70,176,549.77	3.81	68,953,135.52	68,664,078.61	4.91	67,926,411.18
Total	1,842,668,376.06	100.00	82,492,093.16	1,399,776,328.32	100.00	77,003,761.77

(3) The movements of provision for bad debts of accounts receivable are as follows:

	Balance as at the beginning of the period/year	Provision for the period/year	Reversal during the period/year	Write-off during the period/year	Balance as at the end of the period/year
For the six months ended 30 June 2020 (unaudited)	77,003,761.77	5,488,331.39	-	-	82,492,093.16
2019	60,304,951.81	16,698,809.96	-	-	77,003,761.77



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

4. Accounts receivable (continued)

(4) Accounts receivable with amounts of provision for the bad debts are as follow:

As at 30 June 2020, details of accounts receivable of which provision for bad debts is made according to its credit risk rating portfolio are as follows (unaudited):

Rating	Book balance of estimated default	Expected credit loss rate	Expected credit loss for the entire duration
Portfolio A	486,528,615.70	0.00%-0.10%	54,802.43
Portfolio B	1,260,936,041.26	0.10%-0.30%	2,246,523.14
Portfolio C	13,088,400.37	0.30%-50.00%	2,902,370.99
Portfolio D	82,115,318.73	50.00%-100.00%	77,288,396.60
Total	1,842,668,376.06		82,492,093.16

As at 31 December 2019, details of accounts receivable of which provision for bad debts is made according to its credit risk rating portfolio are as follows:

Rating	Book balance of estimated default	Expected credit loss rate	Expected credit loss for the entire duration
Portfolio A	375,331,160.41	0.00%-0.10%	107,555.09
Portfolio B	929,320,552.16	0.10%-0.30%	1,283,168.15
Portfolio C	22,089,630.21	0.30%-50.00%	4,131,418.57
Portfolio D	73,034,985.54	50.00%-100.00%	71,481,619.96
Total	1,399,776,328.32		77,003,761.77



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

4. Accounts receivable (continued)

(5) The top five entities by the amounts of accounts receivable were summarised as below (unaudited)

Name of entity	Relationship with the Group	Amount	Ageing	Credit loss provision	Proportion to the total accounts receivable (%)
Dalian Enesky International Trade Co., Ltd. (大連恩埃斯凱國際貿易有限公司)	Client	1,115,196,169.00	Within 2 years	2,085,176.76	60.52
Vale International SA	Client	46,165,621.45	Within 1 year	4,616.56	2.51
Shenyang Oriental Steel Co., Ltd.	Client	48,854,764.10	Over 5 years	48,854,764.10	2.65
Maersk (China) Shipping Company Ltd.	Client	28,049,880.36	Within 1 year	23,527.39	1.52
Port of Dalian Authority	Government agency	24,915,591.89	Within 1 year	2,491.56	1.35
Total		1,263,182,026.80		50,970,576.37	68.55

5. Prepayments

(1) An ageing analysis of prepayments is as follows:

Item	30 June 2020 (unaudited)	31 December 2019
Within 1 year (including 1 year)	37,463,044.37	29,676,421.67
1 to 2 years (including 2 years)	3,137,398.74	658,062.72
2 to 3 years (including 3 years)	3,085,357.96	3,530,347.58
Over 3 years	490,085.42	488,646.40
Total	44,175,886.49	34,353,478.37

As at 30 June 2020, the Group has no significant prepayments aged over 1 year.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

5. Prepayments (continued)

(2) Five largest prepayments by debtor at the end of the year (unaudited)

Name of entity	Relationship with the Group	Amount	Ageing	Proportion to the total prepayments(%)	Reasons for unsettlement
Collection and Settlement Center of China Railway Harbin Bureau Group Co., Ltd.	Third party	3,870,274.53	Within 1 year	8.76	The condition for settlement is unsatisfied
Far East Supply Chain Management Co., Ltd. (遠東供應鏈管理有限責任公司)	Third party	3,000,000.00	2 to 3 years	6.79	The condition for settlement is unsatisfied
Heilongjiang Jingu Logistics Co., Ltd. (黑龍江金谷物流有限公司)	Third party	2,755,856.00	Within 1 year	6.24	The condition for settlement is unsatisfied
Dalian Hunter International Trade Co., Ltd. (大連狩獵者國際貿易有限公司)	Third party	2,572,980.00	1 to 2 years	5.82	The condition for settlement is unsatisfied
Harbin Railway Logistics Co., Ltd. (哈爾濱鐵路物流有限公司)	Third party	2,020,000.00	Within 1 year	4.57	The condition for settlement is unsatisfied
Total		14,219,110.53		32.18	

6. Other receivables

Item	30 June 2020	31 December 2019
Interest receivable	4,663,092.86	3,425,024.59
Dividends receivable	144,246,110.67	297,341,498.52
Other receivables	307,223,651.72	456,067,606.28
Total	456,132,855.25	756,834,129.39

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

6. Other receivables (continued)

(1) Interest receivable

Item	30 June 2020 (unaudited)	31 December 2019
Entrusted loans	4,663,092.86	3,425,024.59
Less: Credit loss provision	–	–
Book value	4,663,092.86	3,425,024.59

As at 30 June 2020, the Group has no significant amount of overdue interest.

(2) Dividends receivable

1) Presentation of dividends receivable

Investee	30 June 2020 (unaudited)	31 December 2019
Dalian Port Yidu Cold Chain Co., Ltd.	92,189,824.35	92,189,824.35
Dalian Jilong Logistics Co., Ltd.	22,507,539.23	22,507,539.23
Dalian Singamas International Container Co., Ltd.	8,911,730.60	8,911,730.60
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	8,724,682.64	–
Dalian Automobile Terminal Co., Ltd.	6,400,000.00	6,400,000.00
Taicang Xinggang Tug Co., Ltd.	2,142,855.00	–
Dalian Dagang China Shipping Container Terminal Co., Ltd.	1,382,375.33	1,382,375.33
China United Tally (Dalian) Co., Ltd.	787,103.52	415,597.59
Dalian Wanpeng Port Engineering Testing Co., Ltd.	640,000.00	640,000.00
Dalian New Silk Road International Logistics Co., Ltd.	560,000.00	560,000.00
Dalian Port Group Financial Co., Ltd.	–	153,604,658.42
Jinzhou New Age Container Terminal Co., Ltd.	–	8,149,773.00
Dalian United International Shipping Agency Co., Ltd.	–	2,000,000.00
Dalian Port Design and Research Institute Co., Ltd.	–	580,000.00
Total	144,246,110.67	297,341,498.52
Less: Credit loss provision	–	–
Book value	144,246,110.67	297,341,498.52

The Company's management believed that no provision for impairment of dividends receivable was required at the balance sheet date.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

6. Other receivables (continued)

(2) Dividends receivable (continued)

2) Material dividend receivables aged over 1 year

Investee	30 June 2020 (unaudited)	Reasons for unrecover
Dalian Port Yidu Cold Chain Co., Ltd.	92,189,824.35	Delay of payment
Dalian Jilong Logistics Co., Ltd.	22,507,539.23	Delay of payment
Dalian Singamas International Container Co., Ltd.	6,543,252.14	Delay of payment
Total	121,240,615.72	

(3) Other receivables

1) Other receivables by nature

Amount by nature	30 June 2020 (unaudited)	31 December 2019
Receivables from agency purchase	23,100,939.87	194,460,417.91
Receivables from income of entrusted management services	76,324,199.59	76,324,199.59
Receivables from project payment and guarantee deposit	37,569,345.21	53,245,335.49
Entrusted loans	74,527,187.50	49,530,570.84
Port construction and miscellaneous expenses	29,970,358.44	26,559,385.30
Receivables from freights, deposit and security deposit	28,684,933.90	26,265,259.77
Government subsidies receivable	48,158,521.65	47,293,451.37
Public infrastructure maintenance expenses	15,672,803.87	5,935,683.83
Others	40,890,214.61	34,754,371.84
Subtotal	374,898,504.64	514,368,675.94
Less: Credit loss provision	67,674,852.92	58,301,069.66
Total	307,223,651.72	456,067,606.28

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

6. Other receivables (continued)

(3) Other receivables (continued)

2) Ageing analysis

Item	30 June 2020 (unaudited)			31 December 2019		
	Book balance	Proportion (%)	Credit loss provision	Book balance	Proportion (%)	Credit loss provision
Within 1 year (including 1 year)	189,294,575.86	50.49	3,269,163.35	346,839,983.85	67.42	3,188,636.53
1 to 2 years (including 2 years)	83,253,324.73	22.21	8,137,659.50	123,835,736.93	24.08	24,435,862.27
2 to 3 years (including 3 years)	70,111,349.85	18.70	31,815,334.70	20,770,756.68	4.04	10,488,148.47
Over 3 years	32,239,254.20	8.60	24,452,695.37	22,922,198.48	4.46	20,188,422.39
Total	374,898,504.64	100.00	67,674,852.92	514,368,675.94	100.00	58,301,069.66

3) Details of other receivable of which provision for bad debts is made according to the portfolio of credit risk rating are as follows:

30 June 2020 (unaudited)

Rating	Book balance of estimated default	Expected credit loss rate	Expected credit loss in next 12 months	Expected credit loss for the entire duration
Portfolio A	168,011,680.56	0.00%-0.10%	18,221.41	-
Portfolio B	66,299,746.88	0.10%-0.30%	66,944.73	-
Portfolio C	113,799,371.26	0.30%-50.00%	-	43,174,111.12
Portfolio D	26,787,705.94	50.00%-100.00%	-	24,415,575.66
Total	374,898,504.64		85,166.14	67,589,686.78

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

6. Other receivables (continued)

(3) Other receivables (continued)

- 3) Details of other receivable of which provision for bad debts is made according to the portfolio of credit risk rating are as follows: (continued)

31 December 2019

Rating	Book balance of estimated default	Expected credit loss rate	Expected credit loss in next 12 months	Expected credit loss for the entire duration
Portfolio A	302,248,497.08	0.00%-0.10%	32,702.24	–
Portfolio B	68,013,434.74	0.10%-0.30%	110,449.63	–
Portfolio C	116,260,093.43	0.30%-50.00%	–	32,686,515.09
Portfolio D	27,846,650.69	50.00%-100.00%	–	25,471,402.70
Total	514,368,675.94		143,151.87	58,157,917.79

- 4) Movements in the provision for bad debts of expected credit losses over the next 12 months and the entire duration are as follows:

30 June 2020 (unaudited)

	Stage I Expected credit loss in the next 12 months	Stage II Expected credit loss for the entire duration (no credit impairment occurred)	Stage III Expected credit loss for the entire duration (credit impairment occurred)	Total
Opening balance	143,151.87	32,686,515.09	25,471,402.70	58,301,069.66
Opening balance for the period				
– transfer into stage II	–	–	–	–
– transfer into stage III	-139,583.20	–	139,583.20	–
Provision for the period	81,597.47	10,487,596.03	–	10,569,193.50
Reversal for the period	–	–	1,195,410.24	1,195,410.24
Closing balance	85,166.14	43,174,111.12	24,415,575.66	67,674,852.92

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

6. Other receivables (continued)

(3) Other receivables (continued)

- 4) Movements in the provision for bad debts of expected credit losses over the next 12 months and the entire duration are as follows: (continued)

31 December 2019

	Stage I Expected credit loss in the next 12 months	Stage II Expected credit loss for the entire duration (no credit impairment occurred)	Stage III Expected credit loss for the entire duration (credit impairment occurred)	Total
Opening balance	24,067,877.23	8,856,853.74	13,946,906.82	46,871,637.79
Opening balance for the year				
- transfer into stage II	-10,885,018.58	10,885,018.58	-	-
- transfer into stage III	-669,232.72	-	669,232.72	-
Provision for the year	-	12,944,642.77	10,855,263.16	23,799,905.93
Reversal for the year	12,370,474.06	-	-	12,370,474.06
Closing balance	143,151.87	32,686,515.09	25,471,402.70	58,301,069.66

For the six months ended 30 June 2020, the provision for bad debts was RMB10,569,193.50 (2019: RMB23,799,905.93), and received or reversed provision for bad debts was RMB1,195,410.24 (2019: RMB12,370,474.06).

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

6. Other receivables (continued)

(3) Other receivables (continued)

5) Other receivables of the top five debtors by closing balances (unaudited)

Name of entity	Relationship with the Group	Amount	Ageing	Proportion to total other receivables (%)	Credit loss provision	Nature or content
Dalian Changxing Island Port Investment and Development Co., Ltd.	Related party	77,919,450.03	Within 3 years	20.79	26,474,695.23	Receivables from income of entrusted management services
Dalian Changxing Island Port Co., Ltd.	Related party	40,982,088.55	Over 5 years	10.93	11,527,994.82	Entrusted loans and receivables from income of entrusted management services
People's Government of Horqin District, Tongliao	Government agency	28,344,810.56	Within 1 year	7.56	2,834.48	Government grants
Dalian Automobile Terminal Co., Ltd.	Related party	25,723,448.05	Within 1 year	6.86	2,572.35	Entrusted loans
Dalian Vanguard International Logistics Co., Ltd.	Related party	23,000,000.00	Within 2 years	6.13	46,000.00	Entrusted loans
Total		195,969,797.19		52.27	38,054,096.88	

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

6. Other receivables (continued)

(3) Other receivables (continued)

6) The receivables from government grants

As at 30 June 2020, the receivables from government grants were as follows (unaudited):

	Government grants	Amount	Ageing	Basis
Inner Mongolia Lugang Bonded Logistics Park Co., Ltd.	Subsidy for container freight	28,344,810.56	Within 1 year	Reply of Keerqin District People's Government on Subsidy to China-Europe Railway Lines
Heilongjiang Suimu Dalian Port Logistics Co., Ltd.	Subsidy for warehouse construction and operation	13,359,192.00	1-2 years, 2-3 years and 3-4 years	Cooperation Agreement on Xiachengzi Logistics Centre of Muling Economic Development Zone and meeting minutes on Solving Major Difficulties of Suimu Dalian Port Logistics
Dalian Jifa Bohai Rim Container Lines Co., Ltd.	Subsidy for container freight	6,454,519.09	Within 1 year and 1-2 years	Request for Instructions Concerning Supporting the Development of Container Freight in Dongying Port Zone
Total		48,158,521.65		

As at 31 December 2019, the receivables from government grants were as follows:

	Government grants	Amount	Ageing	Basis
Inner Mongolia Lugang Bonded Logistics Park Co., Ltd.	Subsidy for container freight	26,487,859.37	Within 1 year	Reply of Keerqin District People's Government on Subsidy to China-Europe Railway Lines
Heilongjiang Suimu Dalian Port Logistics Co., Ltd.	Subsidy for warehouse construction and operation	13,359,192.00	1-2 years and 3-4 years	Cooperation Agreement on Xiachengzi Logistics Centre of Muling Economic Development Zone and meeting minutes on Solving Major Difficulties of Suimu Dalian Port Logistics
Dalian Jifa Bohai Rim Container Lines Co., Ltd.	Subsidy for container freight	7,446,400.00	1-2 years	Request for Instructions Concerning Supporting the Development of Container Freight in Dongying Port Zone
Total		47,293,451.37		

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

7. Inventories

(1) Classification of inventories

Item	30 June 2020 (unaudited)			31 December 2019		
	Book balance	Provision for impairment of inventories	Carrying amount	Book balance	Provision for impairment of inventories	Carrying amount
Raw materials	55,228,103.77	7,803,794.80	47,424,308.97	59,928,735.27	7,803,794.80	52,124,940.47
Finished goods	27,318,011.24	-	27,318,011.24	36,753,425.79	-	36,753,425.79
Turnover materials	9,580,168.47	-	9,580,168.47	8,470,223.04	-	8,470,223.04
Others	6,542,980.07	-	6,542,980.07	7,716,997.64	-	7,716,997.64
Total	98,669,263.55	7,803,794.80	90,865,468.75	112,869,381.74	7,803,794.80	105,065,586.94

(2) Provision for decline in the value of inventories

Item	31 December 2019	Increase in the period		Decrease in the period		30 June 2020
		Provision	Others	Reversal or write-off	Others	(unaudited)
Raw materials	7,803,794.80	-	-	-	-	7,803,794.80

8. Other current assets

Item	30 June 2020 (unaudited)	31 December 2019
Input VAT to be deducted	45,339,666.38	66,735,996.21
Prepaid income tax	-	7,701.89
Sub-total	45,339,666.38	66,743,698.10
Less: Provision for impairment	-	-
Total	45,339,666.38	66,743,698.10

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

9. Long-term receivables

Item	30 June 2020 (unaudited)			31 December 2019		
	Book value	Credit loss provision	Carrying amount	Book balance	Credit loss provision	Carrying amount
Entrusted loans due from associates	54,779,390.98	54,779.39	54,724,611.59	-	-	-

Movements in the provision for bad debts of expected credit losses over the next 12 months and the entire duration are as follows:

30 June 2020 (unaudited)

	Stage I Expected credit loss in the next 12 months	Stage II Expected credit loss for the entire duration (no credit impairment occurred)	Stage III Expected credit loss for the entire duration (credit impairment occurred)	Total
Opening balance	-	-	-	-
Provision for the period	54,779.39	-	-	54,779.39
Reversal for the period	-	-	-	-
Closing balance	54,779.39	-	-	54,779.39

31 December 2019

	Stage I Expected credit loss in the next 12 months	Stage II Expected credit loss for the entire duration (no credit impairment occurred)	Stage III Expected credit loss for the entire duration (credit impairment occurred)	Total
Opening balance	-	-	-	-
Provision for the year	-	-	-	-
Reversal for the year	-	-	-	-
Closing balance	-	-	-	-

For the six months ended 30 June 2020, the credit loss provision was RMB54,779.39 (2019: Nil), and no provision for bad debts received or reversed (2019: Nil).

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

10. Long-term equity investments

Breakdown of long-term equity investments

For the six months ended 30 June 2020 (unaudited)

Investee	Investment costs	Opening balance	Impact of change in scope of combination	Movements for the period							Balance of provision for impairment at the end of the period
				Increase in investment	Decrease in investment	Share of profit/(loss) under equity method	Adjustment of other comprehensive income	Other changes in equity	Declare cash dividends and profits	Provision for impairment	
Joint Ventures											
Dalian Port Tongli Shipping Agency Co., Ltd.	1,311,300.00	1,213,114.02	-	-	120,472.23	-	-	-	-	-	1,333,586.25
Dalian Harbour ECL Logistics Co., Ltd.	30,111,142.43	31,943,746.61	-31,931,668.61	-	-	-	-	-12,074.80	-	-	-
Odjfell Terminals (Dalian) Co., Ltd.	66,678,165.37	165,965,277.50	-	-	13,301,319.27	-	-	388,310.61	-	-	179,664,907.56
Dalian Port PetroChina International Terminal Co., Ltd.	125,000,000.00	286,553,790.29	-	-	15,222,013.79	-	-	-	-29,000,000.00	-	222,775,804.08
Dalian United International Shipping Agency Co., Ltd.	2,175,192.65	10,712,923.02	-	-	2,807,366.13	-	-	-	-	-	13,520,279.15
Dalian Vanguard International Logistics Co., Ltd.	37,000,000.00	30,277,277.26	-	-	131,215.57	-	-	70,460.42	-	-	30,476,953.25
Dalian Port You Codi Chain Co., Ltd.	260,500,000.00	264,445,508.17	-	-	14,690,562.77	-	-	316,315.73	-	-	299,452,386.67
China United Tally (Dalian) Co., Ltd.	5,103,200.33	3,150,676.54	-	-	666,198.12	-	-	-6,109.00	-	-371,505.93	3,459,469.73
China Oil Dock Management (Dalian) Co., Ltd.	16,301,068.34	19,643,325.61	-	-	-660,640.75	-	-	-	-	-8,467,465.19	10,665,219.67
Leorning Electronic Port Co., Ltd.	6,000,000.00	3,922,630.20	-	-	-1,342,519.50	-	-	-	-	-	2,560,110.70
Dalian Dagang China Shipping Container Terminal Co., Ltd.	5,798,464.21	7,306,041.68	-	-	321,386.33	-	-	2,006.80	-	-	7,629,434.61
Dalian Jilong Logistics Co., Ltd.	21,000,000.00	22,721,462.99	-	-	-3,694,370.53	-	-	-	-	-	19,027,112.46
China United International Rail Containers (Dalian) Co., Ltd.	214,000,000.00	174,011,208.99	-	-	-3,494,670.11	-	-	-	-	-	170,516,538.88
Dalian Chengxing Island Port Co., Ltd.	246,000,000.00	138,942,616.08	-	-	232,822.31	-	-	255,002.66	-	-	139,430,641.05
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	4,000,000.00	14,628,463.72	-	-	5,192,303.45	-	-	-5,630.31	-	-8,724,662.66	11,290,474.20
Odjfell Dalian Port Consulting Co., Ltd.	3,000,000.00	921,128.79	-	-	471,843.24	-	-	-	-	-	1,392,972.03
Dalian Chengxing Island Port Investment and Development Co., Ltd.	463,147,800.00	388,103,360.87	-	-	-16,500,245.09	-	-	547,659.96	-	-	372,150,765.74
Dalian Shunde Jia Supply Chain Management Co., Ltd.	10,000,000.00	8,424,554.03	-	-	1,203,336.63	-	-	-	-	-	9,627,890.66
Ha'ou International Logistics Co., Ltd.	23,000,000.00	22,233,627.75	-	-	142,440.42	-	-	-	-	-	22,376,068.17

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

10. Long-term equity investments (continued)

Breakdown of long-term equity investments (continued)

For the six months ended 30 June 2020 (unaudited) (continued)

Investee	Movements for the period										Balance of provision for impairment at the end of the period
	Investment costs	Opening balance	Impact of change in scope of combination	Increase in investment	Decrease in investment	Share of profit/(loss) under equity method	Adjustment of other comprehensive income	Other changes in equity	Declare cash dividends and profits	Provision for impairment	
Joint Ventures (continued)											
Offshore Terminals (Dalian) Co., Ltd.	14,627,723.47	8,081,200.67	-	-	-	-49,949.58	-	-	-	-	8,031,251.09
Wefang Senda Container Service Co., Ltd.	1,500,000.00	2,385,862.98	-	-	-	-231,900.90	-	-	-	-	2,153,962.08
Dalian Port Xiangyu Gain Logistics Co., Ltd.	49,980,000.00	37,317,843.08	-	-	-	-1,998,965.77	-	-	-	-	35,320,877.31
China Shipping Gang Lian Co., Ltd.	90,000,000.00	96,861,318.99	-	-	-	-4,909,166.46	-	-	-	-	91,952,152.53
Dalian New Silk Road International Logistics Co., Ltd.	2,000,000.00	2,103,278.32	-	-	-	-157,405.15	-	-	-	-	1,945,873.17
Sub-total	1,720,434,077.00	1,712,270,696.36	-31,931,666.81	-	-	21,465,416.42	-	1,565,942.27	-46,363,653.78	-	1,666,806,732.46
Associates											
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	20,288,520.00	44,305,541.15	-	-	-	6,655,309.80	-	25,383.98	-20,000,000.00	-	31,186,634.93
Dalian Wapeng Port Engineering Testing Co., Ltd.	2,000,000.00	3,839,781.24	-	-	-	308,541.69	-	-	-	-	4,148,322.93
Dalian Fuj Storage Facility Co., Ltd.	239,636,434.98	104,583,030.77	-	-	-	-4,596,035.63	-	-	-	-	99,986,994.94
Taocang Xinggang Tug Co., Ltd.	6,233,613.00	10,144,666.43	-	-	-	1,199,333.96	-	-	-2,142,855.00	-	9,201,165.39
PetroChina Dalian LNG Co., Ltd.	520,000,000.00	702,722,063.30	-	-	-	58,674,615.81	-	583,805.03	-	-	761,980,504.14
Dalian North Oil Petroleum Logistics Co., Ltd.	60,000,000.00	73,291,607.84	-	-	-	2,906,681.43	-	147,110.59	-	-	76,347,399.86
Sino Rai Bohai Tian Ferry Co., Ltd.	274,500,236.56	242,861,827.81	-	-	-	-6,185,994.18	-	308,636.34	-	-	236,984,469.97
ODC International Logistics Co., Ltd.	90,000,000.00	138,072,756.88	-	-	-	-18,495,631.34	-	-	-	-	119,577,125.54
Dalian Port Group Financial Co., Ltd.	800,000,000.00	892,291,768.16	-	-	-	31,618,983.23	-	-	-	-	923,910,751.39
Dalian Shenyang Railway Bureau	-	-	-	-	-	-	-	-	-	-	-
Yuangang Logistics Co., Ltd.	5,600,000.00	5,940,920.69	-	-	-	58,000.00	-	-	-	-	5,998,920.69
Dalian Automobile Terminal Co., Ltd.	152,503,640.00	172,700,578.83	-	-	-	4,109,300.47	-	-11,851.26	-	-	176,798,028.04
Dalian Sryngamas International Container Co., Ltd.	42,859,398.30	43,219,407.10	-	-	-	1,963,323.75	-	42,731.90	-	-	45,225,462.75
Sub-total	2,213,621,892.84	2,494,183,990.20	-	-	-	78,218,448.79	-	1,096,416.58	-22,142,855.00	-	2,491,355,000.57
Total	3,934,053,969.84	4,146,454,686.56	-31,931,666.81	-	-	99,703,865.21	-	2,662,368.85	-68,726,508.78	-	4,148,162,733.03



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

10. Long-term equity investments (continued)

Breakdown of long-term equity investments (continued)

2019

Investee	Investment costs	Opening balance	Impact of change in scope of combination	Movements for the year						Balance of provision for impairment at the end of the year	
				Increase in investment	Decrease in investment	Share of profit/(loss) under equity method	Adjustment of other comprehensive income	Other changes in equity	Declare cash dividends and profits		Provision for impairment
Joint ventures											
Dalian Port Tongji Shipping Agency Co., Ltd.	1,311,300.00	1,157,737.63	-	-	-	355,376.39	-	-	-300,000.00	-	1,213,114.02
Dalian Harbour ECL Logistics Co., Ltd.	30,111,142.43	31,867,289.81	-	-	-	1,135,818.05	-	9,128.23	-1,068,492.48	-	31,943,743.61
Odjfel Terminals Dalian Co., Ltd.	86,878,185.37	164,438,956.96	-	-	-	25,935,449.92	-	590,860.62	-25,000,000.00	-	165,965,277.50
Dalian Port PetroChina International Terminal Co., Ltd.	125,000,000.00	232,770,584.40	-	-	-	28,973,479.39	-	409,726.50	-25,000,000.00	-	236,553,790.29
Dalian United International Shipping Agency Co., Ltd.	2,175,192.85	9,610,790.56	-	-	-	5,102,132.46	-	-	-4,000,000.00	-	10,712,923.02
Dalian Yangtze International Logistics Co., Ltd.	37,000,000.00	31,781,755.23	-	-	-	-1,597,076.43	-	92,588.46	-	-	30,277,277.26
Dalian Port You Cold Chain Co., Ltd.	260,500,000.00	272,782,335.70	-	-	-	11,649,916.67	-	34,255.80	-	-	284,445,508.17
China United Tally Dalian Co., Ltd.	5,103,200.33	3,274,054.99	-	-	-	371,535.93	-	-79,086.79	-415,597.59	-	3,150,876.54
China Oil Dock Management (Dalian) Co., Ltd.	16,301,068.34	5,013,298.47	-	-	-	14,830,027.34	-	-	-	-	19,843,325.81
Liaoning Electronic Port Co., Ltd.	6,000,000.00	3,275,746.88	-	-	-	646,883.32	-	-	-	-	3,922,630.20
Dalian Dagang China Shipping Container Terminal Co., Ltd.	5,798,464.21	9,038,963.01	-	-	-	1,382,672.68	-	24,288.12	-3,139,882.13	-	7,306,041.68
Dalian Jilong Logistics Co., Ltd.	21,000,000.00	21,653,975.12	-	-	-	1,067,507.87	-	-	-	-	22,721,482.99
China United International Pail Containers (Dalian) Co., Ltd.	214,000,000.00	177,849,777.29	-	-	-	-3,833,567.30	-	-	-	-	174,011,209.99
Dalian Changxing Island Port Co., Ltd.	246,000,000.00	127,195,958.05	-	-	-	11,519,725.64	-	227,131.39	-	-	138,942,816.08
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	4,000,000.00	16,828,152.50	-	-	-	8,724,682.64	-	63,117.02	-10,787,468.44	-	14,628,463.72
Odjfel Dalian Port Consulting Co., Ltd.	3,000,000.00	1,133,761.95	-	-	-	-212,633.16	-	-	-	-	921,128.79
Dalian Changxing Island Port Investment and Development Co., Ltd.	463,147,800.00	431,816,017.85	-	-	-	-44,211,926.33	-	499,289.35	-	-	388,103,380.87
Dalian Shunde Jia Supply Chain Management Co., Ltd.	10,000,000.00	7,609,240.55	-	-	-	815,313.48	-	-	-	-	8,424,554.03
Haou International Logistics Co., Ltd.	23,000,000.00	13,559,115.40	-	-	-	8,674,512.35	-	-	-	-	22,233,627.75
Odjfel Changxing Terminals (Dalian) Co., Ltd.	14,627,723.47	9,023,496.96	-	-	-	-942,296.29	-	-	-	-	8,081,200.67
Weifang Senda Container Service Co., Ltd.	1,500,000.00	2,321,236.78	-	-	-	803,739.30	-	-	-739,113.10	-	2,385,862.98

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

10. Long-term equity investments (continued)

Breakdown of long-term equity investments (continued)

2019 (continued)

Investee	Movements for the year										Balance of provision for impairment at the end of the year	
	Investment costs	Opening balance	Impact of change in scope of combination	Increase in investment	Decrease in investment	Share of profit/(loss) under equity method	Adjustment of other comprehensive income	Other changes in equity	Declare cash dividends and profits	Provision for impairment		Closing balance
Joint ventures (continued)												
Dalian Port Xiangyu Grain Logistics Co., Ltd.	49,980,000.00	37,361,417.68	-	-	-	-613,574.60	-	-	-	-	-	37,317,843.08
China Shipping Cang Lan Co., Ltd.	90,000,000.00	91,663,316.99	-	-	-	5,808,000.00	-	-	-	-	-	96,861,318.99
Dalian New Silk Road International Logistics Co., Ltd.	2,000,000.00	2,655,028.43	-	-	-	8249.89	-	-	-560,000.00	-	-	2,103,278.32
Subtotal	1720,494,077.00	1,705,022,022.19	-	-	-	76,387,919.21	-	1,871,308.70	-71,010,553.74	-	-	1,712,270,686.36
Associates												
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	20,288,320.00	35,729,600.86	-	-	-	10,895,241.48	-	20,688.81	-2,140,000.00	-	-	44,505,541.15
Dalian Wanpeng Port Engineering Testing Co., Ltd.	2,000,000.00	3,408,100.79	-	-	-	671,680.45	-	-	-240,000.00	-	-	3,839,781.24
Dalian Fujii Storage Facility Co., Ltd.	239,636,454.98	113,137,548.87	-	-	-	-8,544,518.10	-	-	-	-	-	104,593,030.77
Taicang Xinggang Tug Co., Ltd.	6,233,613.00	7,970,321.02	-	-	-	3,718,196.92	-	-	-1,543,851.51	-	-	10,144,666.43
PetroChina Dalian LNG Co., Ltd.	520,000,000.00	679,743,611.61	-	-	-	141,342,000.00	-	1,160,857.67	-119,524,385.98	-	-	702,722,083.30
Dalian North Oil Petroleum Logistics Co., Ltd.	60,000,000.00	72,828,582.52	-	-	-	4,463,025.32	-	-	-4,000,000.00	-	-	73,291,607.84
Shiro Pail Bohai Tian Ferry Co., Ltd.	274,500,286.56	245,045,841.35	-	-	-	-2,496,687.46	-	312,673.92	-	-	-	242,861,827.81
ODC International Logistics Co., Ltd.	90,000,000.00	139,320,757.64	-	-	-	-1,246,000.76	-	-	-	-	-	138,072,756.88
Dalian Port Group Financial Co., Ltd.	800,000,000.00	975,887,542.10	-	-	-	69,993,904.48	-	-	-163,604,658.42	-	-	882,291,788.16
Dalian Gangsheng Tendering & Bidding Agency Co., Ltd.	829,605.00	882,931.86	-	-	-	9,982.31	-	-	-33,308.17	-	-	-
Dalian Shenyang Railway Bureau Yungang Logistics Co., Ltd.	5,600,000.00	5,791,532.32	-	-	-	149,388.37	-	-	-	-	-	5,940,920.69
Dalian Automobile Terminal Co., Ltd.	162,503,640.00	168,617,411.76	-	-	-	11,919,446.49	-	163,720.58	-8,000,000.00	-	-	172,709,578.83
Dalian Sngames International Container Co., Ltd.	42,859,388.30	43,169,424.01	-	-	-	2,393,675.03	-	24,776.52	-2,399,478.46	-	-	43,219,407.10
Subtotal	2,214,451,497.84	2,491,513,216.71	-	-	-829,605.00	233,272,334.53	-	1,692,727.50	-291,454,683.54	-	-	2,434,183,990.20
Total	3,934,885,574.84	4,196,535,238.90	-	-	-829,605.00	309,660,263.74	-	3,554,036.20	-362,465,237.28	-	-	4,146,454,686.56



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

11. Investments in other equity instruments

Item	Changes in fair value accumulated in other comprehensive income	30 June 2020 (unaudited)	31 December 2019	Dividend income
Jinzhou New Times Container Terminal Co., Ltd.	47,514,161.02	100,357,795.02	93,372,210.73	–
Qinhuangdao Port Xingangwan Container Terminal Co., Ltd.	-14,012,493.98	45,987,506.02	48,859,117.98	–
Dalian Port Design and Research Institute Co., Ltd.	7,382,146.03	8,016,746.03	7,356,565.70	–
Da-In Ferry Co., Ltd.	5,121,307.60	7,021,365.10	9,442,976.30	–
Fujian Ninglian Port Co., Ltd.	-1,070,293.26	10,929,706.74	13,149,050.10	–
Dalian New Beiliang Co., Ltd.	-4,909,623.53	11,274,776.47	17,602,644.14	–
Total	40,025,203.88	183,587,895.38	189,782,564.95	–

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

12. Investment properties

Investment properties measured at cost

For the six months ended 30 June 2020 (unaudited)

Item	Buildings	Land use rights	Terminal facilities	Total
I. Cost				
Opening	151,239,241.57	32,680,161.25	100,514,624.92	284,434,027.74
Transfer from fixed assets	23,187,106.44	-	-	23,187,106.44
Closing	174,426,348.01	32,680,161.25	100,514,624.92	307,621,134.18
II. Accumulated depreciation and accumulated amortization				
Opening	36,729,130.59	7,653,839.91	46,231,261.30	90,614,231.80
Provision for the year	2,020,324.60	351,904.68	1,526,659.36	3,898,888.64
Transfer from fixed assets	14,283,440.26	-	-	14,283,440.26
Closing	53,032,895.45	8,005,744.59	47,757,920.66	108,796,560.70
III. Provision for impairment				
Opening	-	-	-	-
Closing	-	-	-	-
IV. Net amount				
Opening	114,510,110.98	25,026,321.34	54,283,363.62	193,819,795.94
Closing	121,393,452.56	24,674,416.66	52,756,704.26	198,824,573.48

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

12. Investment properties (continued)

Investment properties measured at cost (continued)

2019

Item	Buildings	Land use rights	Terminal facilities	Total
I. Cost				
Opening	151,479,241.57	36,071,687.60	99,645,981.17	287,196,910.34
Transfer from construction in progress	–	–	868,643.75	868,643.75
Transfer to fixed assets	240,000.00	–	–	240,000.00
Transfer to intangible assets	–	3,391,526.35	–	3,391,526.35
Closing	151,239,241.57	32,680,161.25	100,514,624.92	284,434,027.74
II. Accumulated depreciation and accumulated amortization				
Opening	33,039,443.79	7,629,681.63	43,808,378.78	84,477,504.20
Provision for the year	3,840,698.48	881,095.12	2,422,882.52	7,144,676.12
Transfer to fixed assets	151,011.68	–	–	151,011.68
Transfer to intangible assets	–	856,936.84	–	856,936.84
Closing	36,729,130.59	7,653,839.91	46,231,261.30	90,614,231.80
III. Provision for impairment				
Opening	–	–	–	–
Closing	–	–	–	–
IV. Net amount				
Opening	118,439,797.78	28,442,005.97	55,837,602.39	202,719,406.14
Closing	114,510,110.98	25,026,321.34	54,283,363.62	193,819,795.94

13. Fixed assets

Item	30 June 2020 (unaudited)	31 December 2019
Fixed assets	16,218,840,511.44	16,611,742,844.36
Disposal of fixed assets	21,499,342.50	21,382,358.03
Total	16,240,339,853.94	16,633,125,202.39

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

13. Fixed assets (continued)

(1) Fixed assets

1) Breakdown of fixed assets

For the six months ended 30 June 2020 (unaudited)

Item	Buildings	Terminal facilities	Oil tanks and pipelines	Loading equipment	Transportation equipment	Vessels	Storage facilities	Machinery and equipment	Other equipment	Total
I. Cost										
Opening balance	2,130,852,051.94	7,738,168,160.75	2,905,766,205.46	3,951,332,137.18	726,939,215.78	1,880,453,022.21	4,494,373,147.65	1,348,394,713.85	852,420,121.64	26,031,889,176.46
Impact of change in scope of combination	22,306,290.76	-	-	-	1,468,940.57	-	-	11,995.38	64,816.68	23,851,863.39
Additions	-	1,688,398.07	-	2,242,431.93	5,037,166.21	-	-	464,545.15	480,831.51	9,983,372.87
Transfer from construction in progress	17,538,600.02	8,193,002.68	-2,338,176.85	1,557,489.18	-	-	-	9,976,863.35	2,882,093.31	37,807,851.69
Disposal or obsolescence	97,750.00	-	-	1,878,085.65	363,650.90	-	-	448,245.45	2,521,888.71	5,309,620.71
Transfer to investment properties	23,187,106.44	-	-	-	-	-	-	-	-	23,187,106.44
Closing balance	2,147,410,086.28	7,746,049,561.50	2,903,428,028.61	3,953,253,552.64	735,130,371.66	1,880,453,022.21	4,494,373,147.65	1,358,389,813.28	853,326,176.43	26,074,825,060.26
II. Accumulated depreciation										
Opening balance	571,223,200.13	1,694,398,176.20	1,280,752,225.39	2,410,717,265.18	376,206,099.55	701,980,976.05	1,066,023,725.12	650,634,046.26	468,020,097.22	9,419,956,332.10
Provision	30,546,464.90	85,442,181.68	52,353,088.17	107,428,705.19	14,197,667.75	33,773,796.56	55,626,891.16	36,930,225.01	25,320,994.91	441,619,815.33
Disposal or obsolescence	92,882.90	-	-	1,802,382.22	347,308.36	-	-	328,194.46	2,501,926.70	5,073,856.24
Transfer to investment properties	14,283,440.26	-	-	-	-	-	-	-	-	14,283,440.26
Closing balance	587,383,382.27	1,779,840,357.88	1,333,105,313.56	2,516,343,028.15	390,055,638.94	735,754,772.61	1,121,650,417.28	887,236,076.81	490,839,163.43	9,842,218,850.93
III. Provision for impairment										
Opening balance	-	-	-	-	-	-	-	-	-	-
Provision (Note)	-	-	-	-	-	-	-	13,765,897.89	-	13,765,897.89
Closing balance	-	-	-	-	-	-	-	13,765,897.89	-	13,765,897.89
IV. Carrying amount										
Opening	1,559,628,851.81	6,043,769,984.55	1,625,013,980.07	1,540,614,872.00	352,733,116.23	1,178,472,046.16	3,428,349,422.53	498,760,667.59	384,400,024.42	16,611,742,844.36
Closing	1,560,016,724.01	5,968,209,203.62	1,570,322,715.05	1,438,910,524.49	345,075,112.72	1,144,698,249.60	3,372,722,730.37	458,388,088.58	362,487,013.00	16,218,840,511.44
Pledged net assets at the end of the period	-	-	-	-	-	-	-	-	-	-

Note: As at 30 June 2020, the major physical assets of Dalian Port Senlida Timber Trading Centre Co., Ltd., a subsidiary of the Group, were applied for seizure by creditors, which led to the termination of the microwave log processing project and application for bankruptcy liquidation. Therefore, an impairment provision of RMB13,765,697.89 (31 December 2019: Nil) was made for fixed assets based on the realizable value of the assets. As of the date of approval of the financial statement, the relevant bankruptcy liquidation has not yet been completed.



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

13. Fixed assets (continued)

(1) Fixed assets (continued)

1) Breakdown of fixed assets (continued)

2019

Item	Buildings	Terminal facilities	Oil tanks and pipelines	Loading equipment	Transportation equipment	Vessels	Storage facilities	Machinery and equipment	Other equipment	Total
I. Cost										
Opening balance	2,105,051,416.23	7,643,406,685.82	2,873,707,918.58	3,954,573,901.79	728,236,392.33	1,880,453,022.21	4,459,248,893.35	1,295,438,560.82	828,815,816.02	25,767,932,654.15
Additions	3,501,126.59	851,709.22	-	18,635,672.76	2,465,078.02	-	3,619,959.59	5,685,521.79	7,120,576.14	42,059,644.11
Transfer from construction in progress	22,118,418.02	94,186,465.71	32,058,586.88	8,770,246.48	1,706,282.20	-	32,594,249.71	48,282,291.50	20,923,883.03	280,550,524.53
Transfer from investment properties	240,000.00	-	-	-	-	-	-	-	-	240,000.00
Disposal or obsolescence	58,988.90	276,700.00	-	30,647,883.85	3,488,582.77	-	-	191,880.26	4,440,110.55	39,083,646.33
Closing balance	2,130,852,051.94	7,738,168,160.75	2,905,766,505.46	3,951,332,137.18	729,939,315.78	1,880,453,022.21	4,494,373,147.65	1,349,394,713.85	852,420,121.64	26,031,699,176.46
II. Accumulated depreciation										
Opening balance	508,068,103.12	1,532,174,096.79	1,177,868,839.39	2,228,672,570.28	949,459,421.60	634,433,382.69	955,418,882.66	774,877,730.14	418,536,415.81	8,579,507,242.48
Provision	63,060,048.77	162,469,711.41	102,886,886.00	211,302,089.95	29,950,232.84	67,547,893.36	110,695,043.46	75,923,033.70	53,675,882.01	877,439,321.50
Transfer from investment properties	151,011.68	-	-	-	-	-	-	-	-	151,011.68
Disposal or obsolescence	55,983.44	265,632.00	-	29,257,355.05	3,208,574.89	-	-	166,717.58	4,192,000.60	37,141,243.56
Closing balance	571,223,200.13	1,694,938,176.20	1,280,752,725.39	2,410,717,265.18	376,206,093.55	701,980,976.05	1,066,023,726.12	850,634,046.26	468,020,897.22	9,419,956,832.10
III. Provision for impairment										
Opening balance	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-
IV. Carrying amount										
Opening	1,596,983,313.11	6,111,232,589.03	1,695,841,079.19	1,725,901,331.51	376,776,970.73	1,246,019,639.52	3,502,830,255.69	520,560,830.68	410,279,402.21	17,188,425,411.67
Closing	1,559,629,851.81	6,043,769,984.55	1,625,013,780.07	1,540,614,882.00	352,733,216.23	1,178,472,046.16	3,426,349,421.53	498,760,667.59	384,400,024.42	16,611,742,844.36
Pledged net assets at the end of the year	-	-	-	-	-	-	-	-	-	-

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

13. Fixed assets (continued)

(1) Fixed assets (continued)

2) As at 30 June 2020, there were no temporarily idle fixed assets.

3) Fixed assets leased out under operating leases

Item	Carrying amount as at 30 June 2020 (unaudited)	Carrying amount as at 31 December 2019
Buildings	19,728,188.30	25,741,891.92
Terminal facilities	258,687,839.75	262,183,743.59
Oil tanks and pipelines	40,732,281.02	44,625,706.85
Loading equipment	41,410,025.79	44,728,782.43
Transportation equipment	294,500,184.75	304,692,648.59
Vessels	345,126,202.98	355,586,887.92
Storage facilities	49,152,894.23	51,545,905.17
Machinery and equipment	1,683,784.80	1,785,839.60
Other equipment	514,450.36	584,067.10
Total	1,051,535,851.98	1,091,475,473.17

4) Fixed assets pending certificates of ownership

Item	Carrying amount as at 30 June 2020 (unaudited)	Carrying amount as at 31 December 2019
Buildings	634,850,028.55	649,793,879.93

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

13. Fixed assets (continued)

(1) Fixed assets (continued)

5) Others

Item	Amount (unaudited)
1. Original value of fixed assets fully depreciated in the period but still in use	1,603,389,670.51
2. Original value of temporarily idle fixed assets in the period	-
3. Disposal and retirement of fixed assets in the period	
(1) Original value of fixed assets disposed and retired in the period	5,309,620.71
(2) Net value of fixed assets disposed and retired in the period	235,764.47
(3) Gains and losses from disposal and retirement of fixed assets in the period	-79,654.75

(2) Disposal of fixed assets

Item	30 June 2020 (unaudited)	31 December 2019
Buildings	1,376,339.56	1,376,339.56
Terminal facilities	10,678,907.45	10,678,907.45
Loading equipment	3,239,164.62	3,239,164.62
Transportation equipment	236,458.86	224,866.55
Storage facilities	1,276,572.44	1,276,572.44
Machinery and equipment	142,595.05	130,731.61
Other equipment	4,549,304.52	4,455,775.80
Total	21,499,342.50	21,382,358.03

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

14. Construction in progress

(1) Construction in progress

Item	30 June 2020 (unaudited)			31 December 2019		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Dayao Bay No. 13-16 Berth in Phase II	721,798,253.63	-	721,798,253.63	721,798,253.63	-	721,798,253.63
No.19-21 Berth	520,158,654.93	-	520,158,654.93	520,158,654.93	-	520,158,654.93
New Port No. 18-21 Berth	351,516,342.18	-	351,516,342.18	351,587,042.76	-	351,587,042.76
Dayao Bay North Shore Automotive Logistics Centre	148,898,592.13	-	148,898,592.13	148,898,592.13	-	148,898,592.13
Microwave log handling system (Note)	31,329,529.96	24,256,173.96	7,073,356.00	31,329,529.96	-	31,329,529.96
Others	169,082,550.07	-	169,082,550.07	196,008,715.26	-	196,008,715.26
Total	1,942,783,922.90	24,256,173.96	1,918,527,748.94	1,969,780,788.67	-	1,969,780,788.67

Note: As at 30 June 2020, the major physical assets of Dalian Port Senlida Timber Trading Centre Co., Ltd., a subsidiary of the Group, were applied for seizure by creditors, which led to the termination of the microwave log processing project and application for bankruptcy liquidation. Therefore, an impairment provision of RMB24,256,173.96 (31 December 2019: Nil) was made for construction in progress based on the estimated realizable value of the assets. As of the date of approval of the financial statement, the relevant bankruptcy liquidation has not yet been completed.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

14. Construction in progress (continued)

(2) Book balance and changes of construction in progress at the end of the period

For the six months ended 30 June 2020 (unaudited)

Item	Budget	Opening balance	Additions	Transferred to fixed assets, intangible assets and long-term pre-paid expenses	Other decreases	Closing balance	% of budget	Progress of construction (%)	Accumulative amount capitalized of interests	Including: interests capitalized in current period	Capitalisation Rate (%)	Source of funds
Da yao Bay No. 13-16 Berth in Phase II	3,783,000,000.00	721,798,253.63	-	-	-	721,798,253.63	93	93	237,311,095.64	-	-	Self-owned, loans from financial institutions and other sources
No.19-21 Berth	2,515,823,200.00	520,158,654.93	-	-	-	520,158,654.93	21	21	70,396,661.32	-	-	Self-owned and loans from financial institutions
New Port No.18- 21 Berth	413,770,000.00	351,587,042.76	-	-	70,700.58	351,516,342.18	86	86	83,522,029.54	-	-	Loans from financial institutions and other sources
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	-	-	Self-owned funds and loans from financial institutions
Others	683,078,513.42	227,338,245.22	23,321,887.65	50,248,052.84	-	200,412,080.03			6,090,158.98	1,313,900.96	5.27	
Total	7,845,671,713.42	1,969,780,788.67	23,321,887.65	50,248,052.84	70,700.58	1,942,783,922.90			405,374,385.76	1,313,900.96		

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

14. Construction in progress (continued)

(2) Book balance and changes of construction in progress at the end of the period (continued)

2019

Item	Budget	Opening balance	Additions	Transferred to fixed assets, intangible assets and investment property	Other decreases	Closing balance	% of budget	Progress of construction (%)	Accumulative amount capitalized of interests	Including: interests capitalized in current year	Capitalisation Rate (%)	Source of funds
Dayao Bay No. 13-16 Berth in Phase II	3,783,000,000.00	722,159,172.16	-	-	360,918.53	721,798,253.63	93	93	237,311,095.64	-	-	Self-owned, loans from financial institutions and other sources
No.19-21 Berth	2,515,823,200.00	512,046,432.65	8,112,222.28	-	-	520,158,654.93	21	21	70,396,661.32	5,095,449.25	4.54	Self-owned and loans from financial institutions
New Port No. 18-21 Berth	413,770,000.00	348,864,770.39	2,722,272.37	-	-	351,587,042.76	86	86	83,522,029.54	-	-	Loans from financial institutions and other sources
Dalian Automotive Terminal No.4 Berth	461,050,000.00	114,906,114.55	36,854,861.63	151,760,976.18	-	-	100	100	-	-	-	Self-owned 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
Others	935,568,110.84	183,469,251.67	209,840,266.91	165,971,273.36	-	227,338,245.22			6,529,146.40	1,905,255.38	5.31	
Total	8,559,211,310.84	2,030,344,333.55	257,529,623.19	317,732,249.54	360,918.53	1,969,780,788.67			405,813,373.18	7,000,704.63		

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

15. Right-of-use assets

For the six months ended 30 June 2020 (unaudited)

Item	Right-of-use assets	Storage facilities	Buildings	Transportation equipment	Terminal facilities	Others	Total
I. Cost							
Opening balance	1,250,152,572.09	10,206,324.99	179,301,078.24	4,630,678.87	1,714,103,598.13	97,139,546.96	3,255,533,799.28
Increase in the period	-	-	739,518.84	288,927.46	-	-	1,028,446.30
Decrease in the period	-	-	455,301.08	309,552.98	-	-	764,854.06
Closing balance	1,250,152,572.09	10,206,324.99	179,585,296.00	4,610,053.35	1,714,103,598.13	97,139,546.96	3,255,797,391.52
II. Accumulated depreciation							
Opening balance	45,817,047.51	972,030.93	16,758,428.55	1,154,593.10	43,951,374.36	19,952,405.88	128,605,880.33
Provision for the period	18,924,870.48	972,030.96	11,835,059.10	317,467.15	21,975,687.16	5,314,227.24	59,339,342.09
Decrease in the period	-	-	38,718.56	196,777.40	-	-	235,495.96
Closing balance	64,741,917.99	1,944,061.89	28,554,769.09	1,275,282.85	65,927,061.52	25,266,633.12	187,709,726.46
III. Provision for impairment							
Opening balance	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-
IV. Net amount							
Opening balance	1,204,335,524.58	9,234,294.06	162,542,649.69	3,476,085.77	1,670,152,223.77	77,187,141.08	3,126,927,918.95
Closing balance	1,185,410,654.10	8,262,263.10	151,030,526.91	3,334,770.50	1,648,176,536.61	71,872,913.84	3,068,087,665.06

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

15. Right-of-use assets (continued)

2019

Item	Right-of-use assets	Storage facilities	Buildings	Transportation equipment	Terminal facilities	Others	Total
I. Cost							
Opening balance	1,265,559,528.04	64,878,651.41	247,331,745.12	4,630,678.87	1,736,558,762.52	97,139,546.96	3,416,098,912.92
Increase in the year	-	10,206,324.99	72,503,924.53	-	-	-	82,710,249.52
Decrease in the year	15,406,955.95	64,878,651.41	140,534,591.41	-	22,455,164.39	-	243,275,363.16
Closing balance	1,250,152,572.09	10,206,324.99	179,301,078.24	4,630,678.87	1,714,103,598.13	97,139,546.96	3,255,533,799.28
II. Accumulated depreciation							
Opening balance	9,237,295.27	32,439,325.70	15,496,722.58	-	-	8,805,362.65	65,978,706.20
Provision for the year	36,635,118.34	7,459,896.07	22,763,444.28	1,154,593.10	44,611,820.37	11,147,043.23	123,771,915.39
Decrease in the year	55,366.10	38,927,190.84	21,501,738.31	-	660,446.01	-	61,144,741.26
Closing balance	45,817,047.51	972,030.93	16,758,428.55	1,154,593.10	43,951,374.36	19,952,405.88	128,605,880.33
III. Provision for impairment							
Opening balance	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-
IV. Net amount							
Opening balance	1,256,322,232.77	32,439,325.71	231,835,022.54	4,630,678.87	1,736,558,762.52	88,334,184.31	3,350,120,206.72
Closing balance	1,204,335,524.58	9,234,294.06	162,542,649.69	3,476,085.77	1,670,152,223.77	77,187,141.08	3,126,927,918.95

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

16. Intangible assets

For the six months ended 30 June 2020 (unaudited)

Item	Land use rights	Container flat vehicle use rights	Software	Sea area use rights	Port facility use rights	Customer relationships	Port information platform	Total
I. Cost								
1. Opening balance	1,590,329,636.86	46,660,098.18	248,984,543.65	3,455,982.72	407,216,152.62	15,970,000.00	64,310,000.00	2,376,926,414.03
2. Increase in the period								
(1) Additions	-	-	204,712.17	-	-	-	-	204,712.17
(2) Impact of change in scope of combination	11,564,303.86	-	-	-	-	-	-	11,564,303.86
(3) Transfer from construction in progress	-	-	79,512.87	-	-	-	-	79,512.87
3. Decrease in the period	-	-	-	-	-	-	-	-
4. Closing balance	1,601,893,940.72	46,660,098.18	249,268,768.69	3,455,982.72	407,216,152.62	15,970,000.00	64,310,000.00	2,388,774,942.93
II. Accumulated amortisation								
1. Opening balance	263,522,443.70	39,642,571.14	148,888,401.83	3,455,982.72	123,617,539.33	15,970,000.00	64,310,000.00	659,406,938.72
2. Increase in the period								
(1) Provision	17,143,503.74	1,458,128.04	10,504,819.94	-	4,660,184.58	-	-	33,766,636.30
3. Decrease in the period	-	-	-	-	-	-	-	-
4. Closing balance	280,665,947.44	41,100,699.18	159,393,221.77	3,455,982.72	128,277,723.91	15,970,000.00	64,310,000.00	693,173,575.02
III. Provision for impairment								
1. Opening balance	-	-	-	-	-	-	-	-
2. Increase in the period	-	-	-	-	-	-	-	-
3. Decrease in the period	-	-	-	-	-	-	-	-
4. Closing balance	-	-	-	-	-	-	-	-
IV. Carrying amount								
1. Closing balance	1,321,227,993.28	5,559,399.00	89,875,546.92	-	278,938,428.71	-	-	1,695,601,367.91
2. Opening balance	1,326,807,193.16	7,017,527.04	100,096,141.82	-	283,598,613.29	-	-	1,717,519,475.31

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

16. Intangible assets (continued)

2019

Item	Land use rights	Container flat vehicle use rights	Software	Golf membership	Sea area use rights	Port facility use rights	Customer relationships	Port information platform	Total
I. Cost									
1. Opening balance	1,557,185,514.89	46,660,098.18	217,088,636.73	1,977,376.00	3,455,982.72	407,216,152.62	15,970,000.00	64,310,000.00	2,313,863,761.14
2. Increase in the year									
(1) Additions	-	-	5,348,241.79	-	-	-	-	-	5,348,241.79
(2) Transfer from construction in progress	29,752,595.62	-	26,560,485.64	-	-	-	-	-	56,313,081.26
(3) Transfer from investment properties	3,391,526.35	-	-	-	-	-	-	-	3,391,526.35
3. Decrease in the year									
(1) Disposal	-	-	12,820.51	1,977,376.00	-	-	-	-	1,990,196.51
4. Closing balance	1,590,329,636.86	46,660,098.18	248,984,543.65	-	3,455,982.72	407,216,152.62	15,970,000.00	64,310,000.00	2,376,926,414.03
II. Accumulated amortisation									
1. Opening balance	229,425,898.64	36,635,277.30	124,017,375.92	1,002,955.09	3,231,290.26	114,297,170.05	15,970,000.00	64,310,000.00	588,889,967.26
2. Increase in the year									
(1) Provision	33,239,608.22	3,007,293.84	24,874,658.47	5,731.80	224,692.46	9,320,369.28	-	-	70,672,354.07
(2) Transfer from investment properties	856,936.84	-	-	-	-	-	-	-	856,936.84
3. Decrease in the year									
(1) Disposal	-	-	3,632.56	1,008,686.89	-	-	-	-	1,012,319.45
4. Closing balance	263,522,443.70	39,642,571.14	148,888,401.83	-	3,455,982.72	123,617,539.33	15,970,000.00	64,310,000.00	659,406,938.72
III. Provision for impairment									
1. Opening balance	-	-	-	-	-	-	-	-	-
2. Increase in the year	-	-	-	-	-	-	-	-	-
3. Decrease in the year	-	-	-	-	-	-	-	-	-
4. Closing balance	-	-	-	-	-	-	-	-	-
IV. Carrying amount									
1. Closing balance	1,326,807,193.16	7,017,527.04	100,096,141.82	-	-	283,598,613.29	-	-	1,717,519,475.31
2. Opening balance	1,327,759,616.25	10,024,820.88	93,071,260.81	974,420.91	224,692.46	292,918,982.57	-	-	1,724,973,793.88

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

16. Intangible assets (continued)

As at 30 June 2020 and 31 December 2019, the Group was not subject to any restrictions on its ownership of land use rights.

The Group's management believes that no provision for impairment of intangible assets is required at the balance sheet date.

As at 30 June 2020, the intangible assets for which the certificate of title had not been obtained are as follows (unaudited):

Item	Carrying amount	Reason for not obtaining a certificate of title
Land use rights	149,201,033.66	Under process

17. Goodwill

The breakdown of goodwill is as follows:

For the six months ended 30 June 2020 (unaudited)

Investee	Source	Opening balance	Increase in the period	Decrease in the period	Closing balance
Liaoning Con-Rail International Logistics Co., Ltd.	Business combination	4,398,401.85	-	-	4,398,401.85
Dalian Jiye Logistics Co., Ltd.	Business combination	2,397,589.82	-	-	2,397,589.82
DCT Logistics Co., Ltd.	Business combination	6,218,460.29	-	-	6,218,460.29
Dalian Port Logistic Network Co., Ltd.	Business combination	7,419,238.63	-	-	7,419,238.63
Total		20,433,690.59	-	-	20,433,690.59
Provision for impairment of goodwill		-	-	-	-
Total net goodwill		20,433,690.59	-	-	20,433,690.59

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

17. Goodwill (continued)

2019

Investee	Source	Opening balance	Increase in the year	Decrease in the year	Closing balance
Liaoning Con-Rail International Logistics Co., Ltd.	Business combination	4,398,401.85	-	-	4,398,401.85
Dalian Jiyi Logistics Co., Ltd.	Business combination	2,397,589.82	-	-	2,397,589.82
DCT Logistics Co., Ltd.	Business combination	6,218,460.29	-	-	6,218,460.29
Dalian Port Logistic Network Co., Ltd.	Business combination	7,419,238.63	-	-	7,419,238.63
Total		20,433,690.59	-	-	20,433,690.59
Provision for impairment of goodwill		-	-	-	-
Total net goodwill		20,433,690.59	-	-	20,433,690.59

The measurement basis for the recoverable amount of the above asset group is as follows:

The recoverable amount of the asset group (Liaoning Con-Rail International Logistics Co., Ltd., Dalian Jiyi Logistics Co., Ltd., DCT Logistics Co., Ltd. and Dalian Port Logistic Network Co., Ltd.) was determined according to the present value of expected future cash flows of the asset group. The expected future cash flows were based on financial budgets covering a five-year period approved by management. Cash flows beyond the five-year period are estimated on the basis of fixed growth rate (as described in the table below), and calculated using cash flows expectation method. The main assumptions for the recoverable amount for such asset groups are as follows:

	Liaoning Con-Rail International Logistics Co., Ltd.	Dalian Jiyi Logistics Co., Ltd.	DCT Logistics Co., Ltd.	Dalian Port Logistic Network Co., Ltd.
Discount rate	14%	14%	13%	19%
Growth rate	3%	3%	3%	3%

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

17. Goodwill (continued)

The discount rates adopted above are before-tax discount rates which reflect the specific risk related to the relevant asset group. The growth rates are determined with reference to the expected growth rate of the industry and do not exceed the average growth rate of the industry for a long term. The key assumptions made in determining cash flow projections also include budgetary gross margins, which are determined based on past experience and forecast on market developments by the management.

After testing, the management of the Group believes that any reasonable change in the above assumptions will not result in the book value of each asset group that generates goodwill to be higher than its recoverable amount, so there is no need to make provision for impairment of goodwill.

18. Long-term prepaid expenses

The long-term prepaid expenses are listed as follows by item:

For the six months ended 30 June 2020 (unaudited)

Item	Opening balance	Increase	Amortisation	Closing balance
Public facilities in a bonded port	6,840,537.16	–	427,533.72	6,413,003.44
Decoration	2,674,763.31	301,807.70	658,895.69	2,317,675.32
Site development expenses	9,586,805.15	–	810,152.52	8,776,652.63
Environmental reconstruction expenses	19,487,754.26	–	598,916.70	18,888,837.56
Reconstruction of No.6 bridge	15,172,971.82	–	2,882,704.26	12,290,267.56
Berth dredging costs	–	12,300,051.28	40,001.70	12,260,049.58
Others	12,546,096.58	145,921.00	2,000,127.10	10,691,890.48
Total	66,308,928.28	12,747,779.98	7,418,331.69	71,638,376.57

2019

Item	Opening balance	Increase	Amortisation	Closing balance
Public facilities in a bonded port	7,695,604.60	–	855,067.44	6,840,537.16
Decoration	3,216,888.94	1,542,057.79	2,084,183.42	2,674,763.31
Site development expenses	11,207,110.19	–	1,620,305.04	9,586,805.15
Environmental reconstruction expenses	20,685,587.66	–	1,197,833.40	19,487,754.26
Reconstruction of No.6 bridge	21,046,380.34	–	5,873,408.52	15,172,971.82
Others	12,343,773.60	4,212,853.15	4,010,530.17	12,546,096.58
Total	76,195,345.33	5,754,910.94	15,641,327.99	66,308,928.28

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

19. Deferred tax

(1) Deferred tax assets before offsetting

Item	30 June 2020 (unaudited)		31 December 2019	
	Deferred tax assets	Deductible temporary differences and deductible losses	Deferred tax assets	Deductible temporary differences and deductible losses
Unrealised profit of intra-group transaction	44,839,380.77	179,357,523.08	47,442,031.48	189,768,125.92
Depreciation of fixed assets	32,821,046.21	131,284,184.84	31,576,252.53	126,305,010.12
Provision for asset impairments	33,420,792.31	133,683,169.24	29,840,954.45	119,363,817.80
Accrued expenses	4,398,513.18	17,594,052.72	4,398,513.18	17,594,052.72
Changes in fair value of financial assets held for trading	459,545.00	1,838,180.02	1,261,612.50	5,046,450.02
Changes in fair value of other equity instrument investments	1,227,405.87	4,909,623.51	–	–
Right-of-use assets/Lease liabilities	24,764,545.80	99,058,183.21	18,460,021.07	73,840,084.28
Others	141,830.52	567,322.03	698,914.91	2,795,659.62
Total	142,073,059.66	568,292,238.65	133,678,300.12	534,713,200.48

- 1) Deductible temporary differences and deductible losses that are not recognised as deferred tax assets

Item	30 June 2020 (unaudited)	31 December 2019
Deductible losses	555,864,753.58	478,513,168.76
Deductible temporary differences	24,342,351.03	24,392,068.86
Total	580,207,104.61	502,905,237.62

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

19. Deferred tax (continued)

(1) Deferred tax assets before offsetting (continued)

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

Year	30 June 2020 (unaudited)	31 December 2019
2020	25,912,517.96	37,507,805.52
2021	48,824,770.86	48,824,770.86
2022	122,795,990.21	122,795,990.21
2023	152,320,016.58	152,320,016.58
2024	117,064,585.59	117,064,585.59
2025	88,946,872.38	–
Total	555,864,753.58	478,513,168.76

(2) Deferred tax liabilities before offsetting

Item	30 June 2020 (unaudited)		31 December 2019	
	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences
Depreciation of fixed assets	84,679,719.88	338,718,879.52	86,541,456.03	346,165,824.12
Changes in fair value of other investments in equity instruments	11,233,706.85	44,934,827.39	11,554,968.37	46,219,873.45
Realisation of business combination in stages	37,891,003.77	151,564,015.08	37,891,003.77	151,564,015.08
Others	10,078,916.44	40,315,665.76	10,366,645.12	41,466,580.51
Total	143,883,346.94	575,533,387.75	146,354,073.29	585,416,293.16

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

19. Deferred tax (continued)

(3) *Deferred tax assets or liabilities presented at net amount after offsetting*

Item	Offset amount of deferred tax assets and liabilities at the end of the period (unaudited)	Remaining deferred tax assets or liabilities after offset at the end of the period (unaudited)	Offset amount of deferred tax assets and liabilities at the beginning of the period	Remaining deferred tax assets or liabilities after offset at the beginning of the period
Deferred tax assets	-34,631,893.35	107,441,166.31	-32,968,424.91	100,709,875.21
Deferred tax liabilities	-34,631,893.35	109,251,453.59	-32,968,424.91	113,385,648.38

20. Other non-current assets

Item	30 June 2020 (unaudited)	31 December 2019
Guarantee payment for land bidding	1,860,000.00	1,860,000.00
VAT input to be deducted	42,850,421.52	40,566,036.58
Total	44,710,421.52	42,426,036.58

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

21. Assets with restricted ownership or use right

Item	30 June 2020 (unaudited)	31 December 2019
Cash at bank and on hand (Note 1)	4,280,890.79	3,642,890.79
Fixed assets (Note 2 & 3)	200,910.84	86,870,647.87
Construction in progress (Note 2)	7,073,356.00	–
Intangible assets (Note 2)	170,094.73	–
Inventory (Note 2)	1,771,296.69	–
Total	13,496,549.05	90,513,538.66

Note 1: As at 30 June 2020, a bank deposit of RMB22,890.79 (31 December 2019: RMB22,890.79) was pledged as collateral for the Group's project payment guarantee of RMB227,594.00 (31 December 2019: RMB227,594.00).

As at 30 June 2020, a bank deposit of RMB2,258,000.00 (31 December 2019: RMB1,620,000.00) were pledged as the Group's project performance guarantee.

As at 30 June 2020, a bank deposit of RMB2,000,000.00 (31 December 2019: RMB2,000,000.00) were pledged as the guarantee for purchase of electricity.

Note 2: As at 30 June 2020, Dalian Port Senlida Timber Trading Centre Co., Ltd., a subsidiary of the Group, was sealed up major assets by the creditors due to its failure to repay the due debts, including fixed assets with a carrying amount of RMB200,910.84, construction in progress with a carrying amount of RMB7,073,356.00, intangible assets with a carrying amount of RMB170,094.73 and inventory with a carrying amount of RMB1,771,296.69.

Note 3: As at 31 December 2019, fixed assets with total carrying amount of RMB86,870,647.87 were pledged as collateral for long-term borrowings of RMB44,000,000.00 which was repaid in March 2020. As of 30 June 2020, the relevant release procedures for the collateral on the fixed assets above have been completed.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

22. Provision for asset impairments and provision for credit loss

For the six months ended 30 June 2020 (unaudited)

Item	Opening balance	Provision	Reversal	Write-off	Closing balance
Provision for bad debts	135,304,831.43	16,112,304.28	1,195,410.24	-	150,221,725.47
Provision for decline in value of inventories	7,803,794.80	-	-	-	7,803,794.80
Provision for impairment of fixed assets	-	13,765,697.89	-	-	13,765,697.89
Provision for impairment of construction in progress	-	24,256,173.96	-	-	24,256,173.96
Total	143,108,626.23	54,134,176.13	1,195,410.24	-	196,047,392.12

2019

Item	Opening balance	Provision	Reversal	Write-off	Closing balance
Provision for bad debts	107,176,589.60	40,498,715.89	12,370,474.06	-	135,304,831.43
Provision for decline in value of inventories	7,803,794.80	-	-	-	7,803,794.80
Provision for impairment of contract assets	12,387,400.00	-	12,387,400.00	-	-
Total	127,367,784.40	40,498,715.89	24,757,874.06	-	143,108,626.23

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

23. Short-term borrowings

(1) Classification of short-term borrowings

Classification	30 June 2020 (unaudited)	31 December 2019
Credit borrowings	150,000,000.00	497,000,000.00
Interest of short-term borrowings	129,166.67	660,595.83
Total	150,129,166.67	497,660,595.83

(2) As at 30 June 2020, the annual interest rate for the borrowings above was 3.1% – 4.35% (31 December 2019: 4.35% – 5.70%).

As of 30 June 2020, the Group had no overdue but unpaid short-term borrowings.

24. Accounts payable

(1) The aging of accounts payable based on the recording date is analysed as follows:

Ageing	30 June 2020 (unaudited)		31 December 2019	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (including 1 year)	161,682,358.56	83.61	168,579,375.94	88.81
1 to 2 years (including 2 year)	20,291,157.23	10.49	11,362,810.29	5.98
2 to 3 years (including 3 year)	3,226,544.46	1.67	3,145,657.50	1.66
Over 3 years	8,177,983.59	4.23	6,729,671.90	3.55
Total	193,378,043.84	100.00	189,817,515.63	100.00

(2) Significant accounts payable aged over 1 year (unaudited)

Name of entity	Amount owed	Ageing	Reason for unsettlement
Dalian Enesky International Trade Co., Ltd.* (大連恩埃斯凱國際貿易有限公司)	8,000,000.00	1-2 years	Not yet settled

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

25. Advances from customers

(1) Breakdown of ageing of advances from customers

Ageing	30 June 2020 (unaudited)		31 December 2019	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (including 1 year)	4,844,498.40	100.00	7,070,884.59	100.00

As of 30 June 2020, the Group had no significant advances from customers aged over one year.

26. Contract liabilities

(1) Contract liabilities

Item	30 June 2020 (unaudited)	31 December 2019
Miscellaneous expenses	39,193,451.65	11,114,219.32
All-in charges for cargo handling due within one year	6,266,500.00	8,850,000.00
Freight	8,305,471.07	6,631,684.70
Others	8,134,308.73	7,701,846.01
Total	61,899,731.45	34,297,750.03

(2) Revenue recognized and included in the opening carrying amount of contract liabilities

Revenue recognized and included in the opening carrying amount of contract liabilities amounted to RMB29,548,626.91, including contract liabilities of RMB8,483,233.85 incurred from miscellaneous expenses, contract liabilities of RMB8,218,348.00 generated from all-in charges for cargo handling due within one year, contract liabilities of RMB5,232,973.83 from freight and contract liabilities of RMB7,614,071.23 generated from other contracts.

(3) Qualitative and quantitative analysis on relevant contract liabilities

Contract liabilities mainly represent payments received by the Group for providing port operations services to customers. The payment shall be collected in accordance with the payment time agreed in the contract. The Group recognizes contract revenue based on the progress of contract performance, and contract liabilities will be recognized as revenue after the Group has fulfilled its performance obligations.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

27. Employee benefits payable

(1) Classification of employee benefits payable

Item	Opening balance	Increase in the period (unaudited)	Decrease in the period (unaudited)	Closing balance (unaudited)
I. Short-term employee benefits	234,468,765.83	678,617,279.72	762,744,346.54	150,341,699.01
II. Post-employment benefits				
-defined contribution plan	5,749,756.39	60,578,706.98	59,692,106.64	6,636,356.73
III. Termination benefits	–	506,416.26	371,699.40	134,716.86
Total	240,218,522.22	739,702,402.96	822,808,152.58	157,112,772.60

(2) Short-term employee benefits

Item	Opening balance	Increase in the period (unaudited)	Decrease in the period (unaudited)	Closing balance (unaudited)
I. Wages and salaries, bonus, allowances and subsidies	199,664,070.32	421,923,886.97	494,245,361.05	127,342,596.24
II. Staff welfare	–	24,776,733.02	24,776,733.02	–
III. Social insurance contributions	159,928.34	27,406,185.74	27,455,037.40	111,076.68
Including: Medical insurance	150,509.86	20,461,587.33	20,511,153.73	100,943.46
Work injury insurance	7,134.44	1,644,015.84	1,643,956.66	7,193.62
Maternity insurance	2,284.04	4,402,082.64	4,401,427.08	2,939.60
Others	–	898,499.93	898,499.93	–
IV. Housing funds	2,777.03	57,598,064.58	56,396,499.77	1,204,341.84
V. Labour union funds and employee education funds	1,279,900.43	9,215,656.45	9,360,555.40	1,135,001.48
VI. Labour costs	17,809,159.14	136,182,002.72	144,375,350.35	9,615,811.51
VII. Other short-term employee benefits	15,552,930.57	1,514,750.24	6,134,809.55	10,932,871.26
Total	234,468,765.83	678,617,279.72	762,744,346.54	150,341,699.01

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

27. Employee benefits payable (continued)

(3) Defined contribution plans

Item	Opening balance	Increase in the period (unaudited)	Decrease in the period (unaudited)	Closing balance (unaudited)
I. Basic pensions	265,801.92	30,863,487.24	30,862,030.44	267,258.72
II. Unemployment insurance	21,927.91	945,325.14	945,279.61	21,973.44
III. Payment of annuity (Note)	5,462,026.56	28,769,894.60	27,884,796.59	6,347,124.57
Total	5,749,756.39	60,578,706.98	59,692,106.64	6,636,356.73

Note: The Group entrusts an independent third party to operate a defined contribution pension plan that requires payment of fees to an independently managed fund. According to the pension plan, the maximum amount of corporate contributions shall be subject to the national regulations, which is 8% of the total salary of the Group in the previous year. The total contributions of enterprises and individual employees do not exceed 12% of the total salary of the Group in the previous year. The amount of corporate contributions of the Group this year is calculated based on 5% of the total salary of the previous year.

28. Taxes payable

Item	Opening balance	Provision in the period (unaudited)	Tax paid in the period (unaudited)	Closing balance (unaudited)
VAT	6,136,344.01	77,666,028.87	69,092,526.56	14,709,846.32
Corporate income tax	76,904,889.39	159,953,265.08	144,963,381.25	91,894,773.22
City maintenance and construction tax	377,449.41	4,546,817.89	4,708,781.75	215,485.55
Individual income tax	2,540,774.56	16,407,372.28	17,553,638.90	1,394,507.94
Educational surcharge	270,033.47	3,253,176.75	3,369,188.75	154,021.47
Environmental tax payable	965,353.53	2,154,356.18	2,051,375.50	1,068,334.21
Others	9,796,226.83	16,252,669.33	16,880,236.94	9,168,659.22
Total	96,991,071.20	280,233,686.38	258,619,129.65	118,605,627.93

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

29. Other payables

Item	30 June 2020 (unaudited)	31 December 2019
Interest payable	2,269,138.86	1,003,902.03
Dividends payable	394,066,995.79	241,653,084.84
Other payables	458,122,750.63	667,924,909.63
Total	854,458,885.28	910,581,896.50

(1) Interest payable

Item	30 June 2020 (unaudited)	31 December 2019
Interest of long-term borrowings with instalment payments and principal due for maturity	2,139,763.22	1,003,902.03
Interest payable of short-term borrowings	129,375.64	–
Total	2,269,138.86	1,003,902.03

As of 30 June 2020, the Group had no significant interest payable.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

29. Other payables (continued)

(2) Dividends payable

Item	Name of entity	30 June 2020 (unaudited)	31 December 2019
Dividends of ordinary shares	Singapore Dalian Port Investment Pte. Ltd.	58,408,460.62	134,380,881.40
	China Shipping Terminal Development Co., Ltd.	24,688,807.01	24,688,807.01
	NYK	15,388,382.89	35,404,193.75
	COSCO SHIPPING Ports (Dalian) Limited (Note)	9,772,184.76	22,482,955.16
	COSCO SHIPPING Ports Development Co., Limited (Note)	8,222,114.07	18,916,693.30
	Dalian Bonded Zhengtong Company Limited	6,193,340.32	5,779,554.22
	Shenzhen Merchants Ro-Ro Transportation Co., Ltd.*(深圳招商滾裝運輸有限公司)	511,118.12	—
	Dalian Port Corporation Limited	126,680,844.40	—
	Liaoning Bay Financial Holding Group Co., Ltd. (遼寧港灣金融控股集團有限公司)	1,413,501.39	—
	Dalian Rongyuan Investment and Management Company Limited	827,572.20	—
	Dalian Detai Holdings Co., Ltd.	413,786.10	—
	Dalian Haitai Holdings Co., Ltd.	413,786.10	—
	Team Able International Limited	57,009,456.00	—
	Broadford Global Limited	17,983,280.60	—
	Other holders of A shares	47,454,429.71	—
	Other holders of H shares	18,174,813.38	—
	Others	511,118.12	—
Total		394,066,995.79	241,653,084.84

Note: The Market Supervision Administration of Dalian Free Trade Zone approved the change of the Company's investor name on 19 January 2020, COSCO Terminal (Dalian) Company Limited changed its name to COSCO SHIPPING Ports (Dalian) Limited, and China Shipping Ports Development Co., Ltd. changed its name to COSCO SHIPPING Ports Development Co., Limited.

As at 30 June 2020, the balance of dividends payable aged over 1 year amounted to RMB5,779,554.22, which are dividends payable to be paid.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

29. Other payables (continued)

(3) Other payables

1) Other payables presented by nature

Item	30 June 2020 (unaudited)	31 December 2019
Insurance claims	2,283,547.25	2,074,165.31
Port Construction and security fee	25,487,769.08	34,539,492.24
Project payment and quality guarantee	250,204,743.46	305,199,654.88
Land compensation	35,070,000.00	35,070,000.00
Borrowings from related parties	—	163,679,156.00
Deposit and security deposit	34,673,193.65	22,335,161.23
Freight	27,809,143.42	29,565,710.74
Others	82,594,353.77	75,461,569.23
Total	458,122,750.63	667,924,909.63

2) Ageing analysis of other payables

Ageing	30 June 2020 (unaudited)		31 December 2019	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (including 1 year)	273,522,630.28	59.70	489,689,232.02	73.32
1 to 2 years (including 2 year)	90,389,393.79	19.73	76,083,762.56	11.39
2 to 3 years (including 3 year)	44,569,854.56	9.73	32,417,321.76	4.85
Over 3 years	49,640,872.00	10.84	69,734,593.29	10.44
Total	458,122,750.63	100.00	667,924,909.63	100.00

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

29. Other payables (continued)

(3) Other payables (continued)

3) Important other payables aged over one year (unaudited)

Name of entity	Amount owed	ageing	Reasons for non-repayment
Ocean Harvest Container Co., Ltd.	49,662,386.75	1-2 years	The condition for payment is unsatisfied
Muling Economic Development District Infrastructure Construction and Investment Co., Ltd.* (穆稜經濟開發區基礎設施建設投資有限公司)	14,006,954.00	Over 3 years	The condition for payment is unsatisfied
Port of Dalian Authority	17,594,052.70	2-3 years and over 3 years	The condition for payment is unsatisfied
Dalian Beiliang Enterprise Group Co., Ltd.	7,500,000.00	Over 3 years	The condition for payment is unsatisfied
Total	88,763,393.45		

30. Current portion of non-current liabilities

Item	30 June 2020 (unaudited)	31 December 2019
Current portion of long-term borrowings	96,605,946.25	169,639,042.19
Including : Credit borrowings	96,605,946.25	159,575,181.08
Pledged borrowings	–	10,063,861.11
Current portion of long-term payables	17,500,000.00	7,500,000.00
Current portion of lease liabilities	54,248,168.57	61,418,218.86
Current portion of bonds payable	2,482,209,407.34	162,221,889.64
Total	2,650,563,522.16	400,779,150.69



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

31. Long-term borrowings

Type of borrowings	30 June 2020 (unaudited)	31 December 2019
Credit borrowings	1,449,377,166.25	1,634,273,995.48
Pledged borrowings	—	44,063,861.11
Total	1,449,377,166.25	1,678,337,856.59
Less: Current portion of long-term borrowings	96,605,946.25	169,639,042.19
Including: Credit borrowings	96,605,946.25	159,575,181.08
Pledged borrowings	—	10,063,861.11
Long-term borrowings due after 1 year	1,352,771,220.00	1,508,698,814.40

On 30 June 2020, the annual interest rate of the above borrowings was 3%-4.9% (31 December 2019: 4.35%-4.9%).

The maturity date long-term borrowings are analyzed as follows:

Item	30 June 2020 (unaudited)	31 December 2019
Expired within 1 year (including 1 year)	96,605,946.25	169,639,042.19
Expired within 2 years (including 2 years)	120,000,000.00	15,000,000.00
Expired within 3 to 5 years (including 3 years and 5 years)	120,000,000.00	275,581,134.26
More than 5 years	1,112,771,220.00	1,218,117,680.14
Total	1,449,377,166.25	1,678,337,856.59

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

32. Bonds payable

Item	30 June 2020 (unaudited)	31 December 2019
Corporate bonds	3,542,889,235.03	5,884,379,767.90

(1) Change in bonds payable (unaudited)

Name of bonds	Par value	Date of issuance	Duration	Issue size	Opening balance	Issuance in the period	Accrued interests at par value	Amortisation of premium/discount	Repayment in the period	Closing balance
Corporate bond (Note 1)	100.00	23 May 2011	10 years	2,350,000,000.00	2,422,340,879.45	-	62,104,383.56	1,494,938.92	124,550,000.00	2,361,390,201.93
Corporate bond (Note 2)	100.00	26 April 2017	5 years	1,070,000,000.00	1,101,904,375.50	-	25,609,643.82	643,814.73	51,360,000.00	1,076,797,834.05
Medium-term note (Note 3)	100.00	3 August 2018	5 years	2,500,000,000.00	2,522,356,402.59	-	60,957,534.25	3,596,669.55	-	2,586,910,606.39
Total				5,920,000,000.00	6,046,601,657.54	-	148,671,561.63	5,735,423.20	175,910,000.00	6,025,098,642.37
Less: current portion of bonds payable					162,221,889.64					2,482,209,407.34
Bonds payable due after 1 year					5,884,379,767.90					3,542,889,235.03

Note 1: Under Regulatory Permission [2011] No. 699 approved by China Securities Regulatory Commission, the Company issued corporate bonds on 23 May 2011. The interest of such bonds is calculated by adopting the simple interest method on an annual basis at a fixed annual interest rate of 5.30%, which is payable every year. The related issuance expense amounts to RMB25,156,495.00. As at 30 June 2020, bonds payable with a par value of RMB2,350,000,000.00 (31 December 2019: RMB2,350,000,000.00) were secured with an unconditional and irrevocable guarantee provided by PDA Group, the parent company of the Company.

Note 2: Under Regulatory Permission [2016] No. 3075 approved by China Securities Regulatory Commission, 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. The related issuance expense amounts to RMB6,360,413.25.

Note 3: According to the Notice of Acceptance of Registration (ZhongShiXieZhu [2018] MTN360) issued by National Association of Financial Market Institutional Investors on 25 June 2018, the Company issued medium-term notes on 3 August 2018. The bond pays interest once a year at a fixed annual rate of 4.89%, and the relevant issuance fee is RMB38,056,000.00.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

33. Lease liabilities

Item	30 June 2020 (unaudited)	31 December 2019
Lease liabilities	3,165,635,375.34	3,193,860,715.68
Less: Current portion of lease liabilities (Note VII. 30)	54,248,168.57	61,418,218.86
Lease liabilities due after 1 year	3,111,387,206.77	3,132,442,496.82

34. Long-term payables

Item	30 June 2020 (unaudited)	31 December 2019
Bond underwriting fee	22,500,000.00	22,500,000.00
Equity repurchase (Note 1)	17,500,000.00	17,500,000.00
Borrowings from related parties (Note 2)	44,052,555.56	–
Total	84,052,555.56	40,000,000.00
Less: Current portion of long-term payables	17,500,000.00	7,500,000.00
Long-term payables due after 1 year	66,552,555.56	32,500,000.00

Note 1: China Development Fund Co., Ltd. (hereinafter referred to as “China Development Fund”) increased the capital of RMB35,000,000.00 of Dalian Port Yidu Cold Chain Co., Ltd., a joint venture of Dalian Port Jifa Logistics Co., Ltd. (hereinafter referred to as “Jifa Logistics”), a subsidiary of the Group. After the capital increase, the shareholding ratio of Jifa Logistics decreased from 50% to 46.6%. According to the investment contract, Jifa Logistics has the obligation to unconditionally repurchase the shares held by the China Development Fund before the capital increase since 10 December 2030. The Group confirms the long-term payable according to the repurchase obligation.

Note 2: In the period, Dalian Jifa Shipping Management Co., Ltd., a subsidiary of the Group, obtained borrowings of RMB44,000,000.00 from Dalian Port Corporation Limited. The borrowings carried interest rate of 4.3% per annual with a term commencing from 17 March 2020 and ending on 8 September 2022 without collateral. According to the contract, Dalian Jifa Shipping Management Co., Ltd. will repay the principal in the amount of RMB10,000,000.00, RMB15,000,000.00 and RMB19,000,000.00 on 17 March 2021, 8 September 2021 and 8 September 2022, respectively.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

34. Long-term payables (continued)

The maturity date of long-term payable is analyzed as follows:

Item	30 June 2020 (unaudited)	31 December 2019
Expired within 1 year (including 1 year)	17,500,000.00	7,500,000.00
Expired within 2 years (including 2 years)	22,500,000.00	7,500,000.00
Expired within 3 to 5 years (including 3 years and 5 years)	26,552,555.56	7,500,000.00
More than 5 years	17,500,000.00	17,500,000.00
Total	84,052,555.56	40,000,000.00

35. Deferred income

Item	Opening balance	Increase in the period (unaudited)	Decrease in the period (unaudited)	Closing balance (unaudited)
Government grants	549,490,699.73	–	26,834,138.75	522,656,560.98

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

35. Deferred income (continued)

Items involved in government grants are as follows (unaudited):

Item	Opening balance	Increase in the period	Included in other income in the period	Included in non-operating income in the period	Decrease in others	Closing balance	Related to assets/income
Relocation compensation	363,233,718.59	-	13,515,987.84	-	-	349,717,730.75	Related to assets
Production safety	27,084,117.91	-	635,989.28	-	-	26,448,128.63	Related to assets
Sea-railway transportation subsidies	12,297,938.19	-	1,095,515.46	-	-	11,202,422.73	Related to assets
Transport junction passenger station project	106,018,300.32	-	1,706,442.72	-	-	104,311,857.60	Related to assets
Operation subsidies	8,500,000.00	-	-	-	-	8,500,000.00	Related to assets
Log process project	8,300,000.00	-	-	-	8,300,000.00	-	Related to assets
Energy conservation and emission reduction special fund	9,121,712.87	-	431,004.85	111,206.24	-	8,579,501.78	Related to assets
Vessel acquisition subsidies	517,478.20	-	-	-	-	517,478.20	Related to assets
Equipment reconstruction subsidies	9,449,891.15	-	252,644.44	-	-	9,197,246.71	Related to assets
Others	4,967,542.50	-	785,347.92	-	-	4,182,194.58	Related to assets
Total	549,490,699.73	-	18,422,932.51	111,206.24	8,300,000.00	522,656,560.98	

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

36. Other non-current liabilities

Item	30 June 2020 (unaudited)	31 December 2019
All-in charges for cargo handling	96,922,459.58	104,394,136.00
Less: Current portion of other non-current liabilities	6,266,500.00	8,850,000.00
Other non-current liabilities due after 1 year	90,655,959.58	95,544,136.00

In 18 January 2013, the Company entered into a cooperation agreement with Chinatex Grains and Oils (Heilongjiang) Co., Ltd. Chinatex Grains and Oils (Heilongjiang) Co., Ltd. paid in advance the all-in charges for full-service logistics including distribution services and port operations to the Company with an amount of RMB112 million. The first seven years were the deduction period for prepaid the all-in charges for full-service logistics of the contract, and the last three years represent the preferential period. On 1 June 2016, the Company signed a supplementary agreement with Chinatex Grains and Oils (Heilongjiang) Co., Ltd., and the cooperation period was extended for three years, that is, the first year to the seventh year is the interest-bearing deduction period for prepaid the all-in charges for full-service logistics. The eighth to tenth years are non-interest-bearing deduction periods, and the eleventh to thirteenth years are preferential periods.

37. Share capital

Item	Opening balance		Increase in the period	Decrease in the period	Closing balance (unaudited)	
	Investment amount	Proportion (%)			Investment amount	Proportion (%)
RMB-denominated ordinary shares	7,735,820,000.00	60	–	–	7,735,820,000.00	60
Foreign shares listed overseas	5,158,715,999.00	40	–	–	5,158,715,999.00	40
Total	12,894,535,999.00	100	–	–	12,894,535,999.00	100

As at 30 June 2020, 722,166,000 shares of foreign shares listed overseas were held by Dalian Port Corporation Limited through HKSCC Nominees Limited (31 December 2019: 722,166,000 shares).

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

38. Capital surplus

Item	Opening balance	Increase	Decrease	Closing balance
For the six months ended 30 June 2020 (unaudited)				
Capital premium	2,910,765,975.69	-	-	2,910,765,975.69
Including: Ordinary shares invested by shareholders	2,910,765,975.69	-	-	2,910,765,975.69
Other capital surplus	27,981,566.83	2,662,358.85	-	30,643,925.68
Including: Other changes in owners' equity after deducting net profit or loss, profit distribution, change in other comprehensive income of investees under equity method (Note)	18,018,282.86	2,662,358.85	-	20,680,641.71
Others	9,963,283.97	-	-	9,963,283.97
Total	2,938,747,542.52	2,662,358.85	-	2,941,409,901.37
2019				
Capital premium	2,910,765,975.69	-	-	2,910,765,975.69
Including: Ordinary shares invested by shareholders	2,910,765,975.69	-	-	2,910,765,975.69
Other capital surplus	24,427,530.63	3,554,036.20	-	27,981,566.83
Including: Other changes in owners' equity after deducting net profit or loss, profit distribution, change in other comprehensive income of investees under equity method (Note)	14,464,246.66	3,554,036.20	-	18,018,282.86
Others	9,963,283.97	-	-	9,963,283.97
Total	2,935,193,506.32	3,554,036.20	-	2,938,747,542.52

Note: The joint ventures and affiliates invested by the Group made appropriation to special reserves this period, resulting in an increase in the Group's capital reserve of RMB2,662,358.85 (2019: RMB3,554,036.20).

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

39. Other comprehensive income

Cumulative balance of other comprehensive income attributable to the parent company in the consolidated balance sheet is as follows:

30 June 2020 (unaudited)

	Opening balance	Increase or decrease	Closing balance
Changes in fair value of other equity instruments investment	33,066,665.70	-4,769,785.99	28,296,879.71
Differences on translation of foreign currency financial statements	37,876,693.23	-1,898,439.04	35,978,254.19
Total	70,943,358.93	-6,668,225.03	64,275,133.90

31 December 2019

	Opening balance	Increase or decrease	Closing balance
Changes in fair value of other equity instruments investment (Note)	-32,850,282.56	65,916,948.26	33,066,665.70
Differences on translation of foreign currency financial statements	38,774,283.33	-897,590.10	37,876,693.23
Total	5,924,000.77	65,019,358.16	70,943,358.93

Note: The shares of SINOTRANS SHIP was repurchased and delisted in January 2019, accordingly, the Group disposed such other equity instruments investment, and transferred other comprehensive income with an aggregate amount of RMB-41,215,576.63 to retained earnings.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

39. Other comprehensive income (continued)

The current amount of other comprehensive income in the consolidated income statement:

For the six months ended 30 June 2020 (unaudited)

	Amount incurred before tax	Less: Previously included in other comprehensive income, transferred to current profit and loss	Less: Previously included in other comprehensive income, transferred to current profit and loss	Less: Income tax	Attributable to shareholders of the parent company	Attributable to minority shareholders
Changes in fair value of other equity instruments investment	-6,194,669.57	-	-	-1,548,667.39	-4,769,785.99	123,783.81
Differences on translation of foreign currency financial statements	-1,898,439.04	-	-	-	-1,898,439.04	-
Total	-8,093,108.61	-	-	-1,548,667.39	-6,668,225.03	123,783.81

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

39. Other comprehensive income (continued)

2019

	Amount incurred before tax	Less: Previously included in other comprehensive income, transferred to current profit and loss	Less: Previously included in other comprehensive income, transferred to current retained profit and loss	Less: Income tax	Attributable to shareholders of the parent company	Attributable to minority shareholders
Changes in fair value of other equity instruments investment	33,109,978.88	-	-	8,277,494.72	24,701,371.63	131,112.53
Differences on translation of foreign currency financial statements	-897,590.10	-	-	-	-897,590.10	-
Total	32,212,388.78	-	-	8,277,494.72	23,803,781.53	131,112.53

40. Special reserves

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
For the six months ended 30 June 2020 (unaudited)				
Safety production fee	38,503,545.54	19,746,256.81	7,788,485.24	50,461,317.11
2019				
Safety production fee	32,179,588.47	38,414,599.61	32,090,642.54	38,503,545.54

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

41. Surplus reserve

Item	Opening balance	Increase	Decrease	Closing balance
For the six months ended				
30 June 2020 (unaudited)				
Statutory surplus reserve	895,555,636.91	-	-	895,555,636.91
Reserve fund	353,065.88	-	-	353,065.88
Discretionary surplus reserve	620,468.49	-	-	620,468.49
Total	896,529,171.28	-	-	896,529,171.28
2019				
Statutory surplus reserve	823,024,072.80	72,531,564.11	-	895,555,636.91
Reserve fund	353,065.88	-	-	353,065.88
Discretionary surplus reserve	620,468.49	-	-	620,468.49
Total	823,997,607.17	72,531,564.11	-	896,529,171.28

In accordance with the Company Law of the PRC and the Company's Articles of Association, the Company should appropriate 10% of net profit for the year to the statutory surplus reserve, and the Company can cease appropriation when the statutory surplus reserve accumulated to more than 50% of the registered capital.

After the Company makes appropriation to the statutory surplus reserve, it can make appropriation to the discretionary surplus reserve. The discretionary surplus reserve can be used to make up for the loss or increase the paid-in capital after approval.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

42. Undistributed profits

Item	30 June 2020 (unaudited)	31 December 2019
Closing balance at the end of previous year	1,930,530,105.98	1,584,535,562.22
Add: Undistributed profit at the beginning of the period/year after adjustment	-	-7,703,297.95
Among which: Changes in accounting policies	-	-7,703,297.95
Opening balance	1,930,530,105.98	1,576,832,264.27
Increase in the period/year	418,437,195.78	718,230,462.31
Among which: Net profit attributable to the parent company in the period/year	418,437,195.78	718,230,462.31
Decrease in the period/year	270,785,255.98	364,532,620.60
Among which: Appropriation to statutory surplus reserve in the period/year	-	72,531,564.11
Distribution of profits (note)	270,785,255.98	244,996,183.98
Appropriation to employees' bonus and welfare fund in subsidiaries	-	5,789,295.88
Other comprehensive income transferred to retained earnings	-	41,215,576.63
Closing balance	2,078,182,045.78	1,930,530,105.98

Note: According to the resolution of the board of directors held on 26 March 2020 of the Company, the profit distribution for 2019 is calculated based on the number of ordinary shares outstanding 12,894,535,999 shares, and a cash dividend of RMB0.21 (including tax) is distributed to all shareholders for every 10 shares. Cash dividends of RMB270,785,255.98 were distributed. The above dividend distribution plan has been approved by the Company's shareholders meeting held on 29 June 2020.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

43. Revenue and cost of sales

Item	For the six months ended 30 June 2020 (unaudited)		For the six months ended 30 June 2019 (unaudited)	
	Revenue	Cost of sales	Revenue	Cost of sales
Principal operations	3,068,335,466.02	2,007,280,932.85	3,097,014,669.66	2,220,910,687.11
Other operations	119,681,551.25	106,455,092.82	124,950,358.49	119,541,386.81
Total	3,188,017,017.27	2,113,736,025.67	3,221,965,028.15	2,340,452,073.92

Revenue is as follows:

Item	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
Revenue arising from the transactions with the customers	3,128,455,637.10	3,158,363,308.04
Leasing income	59,561,380.17	63,601,720.11
Total	3,188,017,017.27	3,221,965,028.15

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

43. Revenue and cost of sales (continued)

The composition of the revenue is as follows:

For the six months ended 30 June 2020 (unaudited)

Major operating regions	Commodity	Labour services or services	Others	Total
Dalian	54,844,020.54	2,934,444,900.87	137,939,892.23	3,127,228,813.64
Others	26,044.99	60,615,973.08	146,185.56	60,788,203.63
Total	54,870,065.53	2,995,060,873.95	138,086,077.79	3,188,017,017.27

Principal business segment	Commodity	Labour services or services	Others	Total
Container terminal and logistics and trade services	7,087,805.40	1,181,635,396.60	52,544,747.68	1,241,267,949.68
Oil/liquefied chemicals terminal and logistics and trade services	16,738,239.35	733,043,730.82	14,743,821.06	764,525,791.23
Bulk and general cargo terminal and logistics services	313,746.95	523,933,918.15	6,652,685.28	530,900,350.38
Bulk grain terminal and logistics and trade services	–	84,724,636.93	4,328,179.53	89,052,816.46
Passenger and roll-on/roll-off terminal and logistics services	130,896.39	50,827,842.11	3,692,103.31	54,650,841.81
Port value-added services and ancillary port operations	24,282,563.21	380,921,242.47	45,829,742.72	451,033,548.40
Automobile terminal and related logistics services and trading business	6,316,814.23	17,688,657.25	882,858.48	24,888,329.96
Others	–	22,285,449.62	9,411,939.73	31,697,389.35
Total	54,870,065.53	2,995,060,873.95	138,086,077.79	3,188,017,017.27

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

43. Revenue and cost of sales (continued)

The composition of the revenue is as follows: (continued)

For the six months ended 30 June 2020 (unaudited) (continued)

Reporting segment	Commodity	Labour services or services	Others	Total
Time of revenue recognition				
Recognised at a certain point of time				
Revenue from sales of goods	17,021,666.60	-	-	17,021,666.60
Revenue from electric supply services	24,919,867.51	-	-	24,919,867.51
Revenue from commodity trading	12,928,531.42	-	-	12,928,531.42
Recognised over a certain period				
Revenue from agency services	-	337,874,167.77	-	337,874,167.77
Revenue from project construction and inspection services	-	26,457,996.75	-	26,457,996.75
Revenue from logistics services	-	494,470,439.64	-	494,470,439.64
Revenue from port handling services	-	1,991,193,732.43	-	1,991,193,732.43
Revenue from port management services	-	99,257,494.61	-	99,257,494.61
Revenue from tallying services	-	29,172,355.28	-	29,172,355.28
Revenue from information services	-	16,634,687.47	-	16,634,687.47
Others	-	-	78,524,697.62	78,524,697.62
Others				
Revenue from leasing services	-	-	59,561,380.17	59,561,380.17
Total	54,870,065.53	2,995,060,873.95	138,086,077.79	3,188,017,017.27

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

43. Revenue and cost of sales (continued)

The composition of the revenue is as follows: (continued)

For the six months ended 30 June 2019 (unaudited)

Major operating regions	Commodity	Labour services or services	Others	Total
Dalian	221,856,609.82	2,799,260,837.84	146,726,972.73	3,167,844,420.39
Others	–	53,827,237.42	293,370.34	54,120,607.76
Total	221,856,609.82	2,853,088,075.26	147,020,343.07	3,221,965,028.15

Principal business segment	Commodity	Labour services or services	Others	Total
Container terminal and logistics and trade services	69,216,214.06	1,201,399,869.00	59,815,406.42	1,330,431,489.48
Oil/liquefied chemicals terminal and logistics and trade services	111,068,437.53	742,093,407.00	15,828,454.54	868,990,299.07
Bulk and general cargo terminal and logistics services	947,007.20	414,667,381.08	9,900,064.82	425,514,453.10
Bulk grain terminal and logistics and trade services	13,286,000.00	48,449,074.88	7,226,981.17	68,962,056.05
Passenger and roll-on/roll-off terminal and logistics services	231,925.10	79,306,785.29	3,919,710.23	83,458,420.62
Port value-added services and ancillary port operations	25,296,681.09	348,126,566.26	28,831,389.68	402,254,637.03
Automobile terminal and related logistics services and trading business	1,810,344.84	3,585,347.92	685,529.39	6,081,222.15
Others	–	15,459,643.83	20,812,806.82	36,272,450.65
Total	221,856,609.82	2,853,088,075.26	147,020,343.07	3,221,965,028.15

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

43. Revenue and cost of sales (continued)

The composition of the revenue is as follows: (continued)

For the six months ended 30 June 2019 (unaudited) (continued)

Reporting segment	Commodity	Labour services or services	Others	Total
Time of revenue recognition				
Recognised at a certain point of time				
Revenue from sales of goods	14,976,617.72	–	–	14,976,617.72
Revenue from electric supply services	25,976,768.96	–	–	25,976,768.96
Revenue from commodity trading	180,903,223.14	–	–	180,903,223.14
Recognised over a certain period				
Revenue from agency services	–	354,722,288.74	–	354,722,288.74
Revenue from project construction and inspection services	–	29,614,508.93	–	29,614,508.93
Revenue from logistics services	–	398,090,509.76	–	398,090,509.76
Revenue from port handling services	–	1,973,881,323.39	–	1,973,881,323.39
Revenue from port management services	–	50,524,917.76	–	50,524,917.76
Revenue from tallying services	–	28,935,553.46	–	28,935,553.46
Revenue from information services	–	17,318,973.22	–	17,318,973.22
Others	–	–	83,418,622.96	83,418,622.96
Others				
Revenue from leasing services	–	–	63,601,720.11	63,601,720.11
Total	221,856,609.82	2,853,088,075.26	147,020,343.07	3,221,965,028.15

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

43. Revenue and cost of sales (continued)

The revenue recognized in the current period for performance obligations that have been performed (or partially performed) in the previous period are as follows:

Item	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
Within one year	23,174,941.71	15,317,351.89

The information on performance obligations of the Group is as follows:

Sales of goods

Performance obligations are satisfied when delivering goods to customers. For old customers, the contract price is usually due and payable within 30 to 90 days after the goods are delivered; for new customers, prepayment is usually required.

Port operations services

Performance obligations are satisfied within the time frame of service provision. For old customers, the customer usually pays the contract price after the operation is completed and upon confirmed by the customer; for new customers, prepayment is usually required.

Logistics and agency services

Performance obligations are satisfied within the time frame of service provision. For old customers, the customer usually pays the contract price after the logistics service is completed and upon confirmed by the customer; for new customers, prepayment is usually required.

Engineering construction and supervision services

Performance obligations are satisfied within the time frame when the service is provided, and the contract price is usually paid within 30 days after the settlement of each project node. Under general circumstance, the customer retains a certain percentage of guarantee deposit, which is usually paid after the expiration of the warranty period.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

43. Revenue and cost of sales (continued)

Engineering construction and supervision services (continued)

The estimated time for the recognition of the total transaction prices allocated to the closing amount of the unfulfilled performance obligations is as follows:

The transaction price allocated to the unfulfilled (or partially unfulfilled) performance obligations at the end of the period and the estimated time for recognition as revenue are:

Item	30 June 2020 (unaudited)	30 June 2019 (unaudited)
Within one year	27,766,682.15	27,768,147.17

44. Taxes and surcharges

Item	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
Land use tax	7,602,816.69	10,101,144.50
Property tax	7,205,403.29	8,092,550.21
City maintenance and construction tax	4,546,817.89	3,633,885.65
Educational surcharge	3,253,176.75	2,595,185.55
Stamp duty	1,155,238.94	1,493,797.29
Vehicle and vessel use tax	166,288.80	156,532.48
Environmental protection tax	2,186,123.29	1,546,758.61
Total	26,115,865.65	27,619,854.29

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

45. Administrative expenses

Item	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
Payroll	199,416,693.60	241,772,431.77
Labour cost	9,300,698.64	9,557,502.71
Commuting cost	3,675,554.83	3,597,427.44
Depreciation and amortisation	21,025,380.93	24,931,504.27
Business entertainment expenses	3,652,000.96	4,964,740.48
Office charges	1,241,464.63	2,126,182.90
Rentals not included in lease liabilities	1,335,116.10	3,859,568.14
Property insurance expenses	4,008,968.71	4,032,218.02
Water, power and other energy consumption cost	3,120,517.60	4,042,901.36
Others	26,499,302.17	25,862,717.40
Total	273,275,698.17	324,747,194.49

46. Research and development expenses

Item	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
Payroll	5,359,213.21	6,368,868.91
Depreciation and amortisation	467,334.71	698,012.05
Others	63,943.25	-
Total	5,890,491.17	7,066,880.96

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

47. Financial expenses

Item	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
Interest costs	202,564,535.34	281,115,074.16
Less: Capitalised interest expenses	1,313,900.96	23,716,376.89
Less: Interest income	19,093,387.13	43,549,350.83
Net foreign exchange losses (“-” for net gain)	-2,364,451.43	-13,682,837.99
Interest expenses of lease liabilities	83,352,043.38	87,273,120.19
Others	186,110.53	608,563.38
Total	263,330,949.73	288,048,192.02

The amount of capitalised borrowing costs has been included in construction in progress.

48. Other income

Item	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
Government subsidies related to daily activities	38,203,534.06	27,087,302.97
Refund of commission for paying individual income tax	1,487,768.45	3,823,275.68
Additional deduction of VAT	6,770,623.59	3,395,742.84
Total	46,461,926.10	34,306,321.49

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

48. Other income (continued)

Government subsidies related to daily activities are as follows:

Item	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)	Related to assets/income
Relocation compensation	13,515,987.84	14,781,008.40	Related to assets
Production safety fund	635,989.28	635,989.28	Related to assets
Vessel acquisition subsidies	–	388,108.80	Related to assets
Energy conservation and emission reduction special fund	431,004.85	562,046.39	Related to assets
Equipment reconstruction subsidies	252,644.44	272,355.58	Related to assets
Sea-railway transportation subsidies	1,095,515.46	1,095,515.46	Related to assets
Transport junction passenger station project	1,706,442.72	1,706,442.72	Related to assets
Others related to assets	785,347.92	980,807.64	Related to assets
Operation subsidies	14,034,944.00	3,368,475.28	Related to income
Stable position subsidies	5,676,461.08	–	Related to income
Others related to income	69,196.47	3,296,553.42	Related to income
Total	38,203,534.06	27,087,302.97	

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

49. Investment income

Item	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
Income from long-term equity investments under equity method	99,703,865.21	158,233,958.30
Income from disposal of long-term equity investments	–	295.00
Dividend income from other investments on hand in equity instruments	–	290,000.00
Investment income from disposal of financial assets held for trading	9,171,391.43	25,826,548.42
Others	3,120,899.49	95,158.00
Total	111,996,156.13	184,445,959.72

There were no major restrictions on the repatriation of investment income.

50. Gains on changes in fair value

Item	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
Financial assets at fair value through current profit or loss	-571,730.00	1,825,840.00
Including: Investments in equity instruments held for trading	-571,730.00	1,825,840.00

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

51. Credit impairment losses

Item	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
Impairment losses on accounts receivable	-5,488,331.39	-10,790,107.76
Impairment losses on other receivables	-9,373,783.26	-2,383,381.86
Impairment losses on contract assets	-	12,387,400.00
Impairment losses on long-term receivables	-54,779.39	-
Total	-14,916,894.04	-786,089.62

52. Impairment losses on assets

Item	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
Impairment losses on fixed assets	-13,765,697.89	-
Impairment losses on construction in progress	-24,256,173.96	-
Total	-38,021,871.85	-

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

53. Gain on disposal of assets

Item	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)	Amount recognised as non-recurring profit or loss
Gain on disposal of non-current assets	4,347.78	-946,305.78	4,347.78
Including: Gain on disposal of fixed assets	-6,226.44	-	-6,226.44
Gain on disposal of intangible assets	-	-946,305.78	-
Gain on disposal of right-of-use assets	10,574.22	-	10,574.22
Total	4,347.78	-946,305.78	4,347.78

54. Non-operating income

Item	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)	Amount recognised as non-recurring profit or loss
Government grants	3,111,206.24	-	3,111,206.24
Gain on disposal of fixed assets	13,552.43	-	13,552.43
Late fee and penalties income	1,300,752.33	23,180.00	1,300,752.33
Income from refund of port construction handling fees	1,277,467.63	1,532,509.04	1,277,467.63
Others	2,766,227.66	1,015,876.08	2,766,227.66
Total	8,469,206.29	2,571,565.12	8,469,206.29

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

54. Non-operating income (continued)

Details of government grants not related to daily activities are as follows:

Item	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
Energy conservation and emission reduction special fund	111,206.24	–
Supporting incentives for foreign investment in key industries	3,000,000.00	–
Total	3,111,206.24	–

55. Non-operating expenses

Item	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)	Amount recognised as non-recurring profit or loss (unaudited)
Losses on obsolescence of fixed assets	86,980.74	31,236.73	86,980.74
Others	435,226.20	273,442.56	435,226.20
Total	522,206.94	304,679.29	522,206.94

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

56. Income tax expenses

(1) Income tax expenses

Item	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
Current income tax expenses	159,953,265.08	112,385,603.12
Deferred income tax expenses	-9,316,818.50	-11,161,383.85
Total	150,636,446.58	101,224,219.27

(2) The reconciliation of the accounting profit to the income tax expenses

Item	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
Accounting profit	618,566,920.35	454,982,863.87
Income tax expense at the rate of 25% (For the six months ended 30 June 2019: 25%)	154,641,730.09	113,745,715.97
Tax impact of expenses not deductible for tax purposes	2,077,559.83	1,877,015.94
Tax impact of income not subject to tax	-28,304,963.26	-39,558,563.33
Tax impact of unrecognised deductible temporary differences and deductible losses in the period	26,655,841.46	24,360,282.53
Tax impact of utilisation of unrecognized deductible losses and deductible temporary differences in previous years	-2,898,821.89	-70,025.64
Effect of different tax rates applicable to subsidiaries	-214,301.51	542,385.58
Effect of adjusting income tax in previous years	-1,320,598.14	327,408.22
Income tax expenses	150,636,446.58	101,224,219.27

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

57. Classification of expenses by nature

Item	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
Cost of goods sold	45,493,793.55	210,562,154.47
Payroll	739,702,402.96	832,642,800.34
Depreciation and amortisation	546,043,014.05	547,806,659.29
Agency costs	297,445,043.29	298,299,033.22
Rentals not included in leasing liabilities	40,975,020.99	71,850,565.24
Fuel expenses	81,947,240.39	84,987,154.72
Out-sourced operation expenses	180,112,473.15	175,523,458.56
Electricity expenses	36,311,269.13	47,904,673.84
Repair charges	49,469,568.13	52,505,175.57
Materials expenses	34,666,865.15	31,038,779.46
Insurance expenses	13,010,935.93	15,059,745.03
Business entertainment expenses	3,652,000.96	4,964,740.48
Agency engagement expenses	5,190,521.82	2,145,095.56
Production safety fund	19,789,128.10	19,193,181.24
Water expenses	4,612,224.64	4,449,191.65
Office expenses	6,987,917.25	3,207,401.89
Property management expenses	4,515,951.41	3,584,074.35
Travel expenses	1,921,374.05	3,730,741.54
Commuting cost	16,276,531.78	15,629,585.32
Other expenses	264,778,938.28	247,342,517.84
Total	2,392,902,215.01	2,672,426,729.61

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

58. Lease

(1) Lessor of operating leases

Item	Amount (unaudited)
I. Income	
Leasing income	59,561,380.17
II. Undiscounted lease receipts that will be received each year five consecutive fiscal years after the balance sheet date	
The first year	53,936,601.06
The second year	51,095,486.50
The third year	34,835,239.09
The fourth year	22,616,561.23
The fifth year	14,333,425.15
III. Undiscounted lease payments to be received in the remaining years	
Within 1 year (including 1 year)	53,936,601.06
1 to 2 years (including 2 years)	51,095,486.50
2 to 3 years (including 3 years)	34,835,239.09
Over 3 years	37,348,979.58

- 1) The Group leases part of buildings for a lease term of 0.5-30 years, forming an operating lease. According to the lease contract, the rental is required to be adjusted every year according to the market rental situation. The Group also leases part of vessels, storage facilities, machinery and equipment, land use rights, etc., for a lease term of 1-30 years, forming an operating lease.
- 2) The Group is of the view that there was no improper use of lease assets, and the unguaranteed balance of such asset will not expose significant risks to the Group.
- 3) Income relating to operating leases amounted to RMB59,561,380.17 (previous period: RMB63,601,720.11); there was no income related to variable lease payments that were not included in the lease receipts.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

58. Lease (continued)

(2) Lessee of leases

Item	Amount (unaudited)
Interest expenses of lease liabilities	83,352,043.38
Short-term lease expenses included in current profit or loss	40,960,862.57
Low-value assets expenses	14,158.42
Total cash outflows related to lease	150,016,732.40

Fixed assets under operating lease include buildings and land use rights, warehouse, vehicles, port and terminal facilities and other equipment leased from related parties and third parties by the Group. The Group has the option to renew or terminate the lease. The lease term includes the period covered by an option to renew the lease.

Please refer to Note VII. 15 for details of right-of-use assets; refer to Note IV. 25 for details of short-term lease expenses and low-value assets expenses using simplified treatment; and refer to Note VII. 33 for details of lease liabilities.

59. Earnings per share ("EPS")

The basic EPS is calculated by dividing the net profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue.

The calculation of the basic EPS is as follows:

Item	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
Earnings		
Net profit for the year attributable to ordinary shareholders of the Company Continuing operation	418,437,195.78	288,235,814.81
Shares		
Weighted average number of ordinary shares in issue	12,894,535,999.00	12,894,535,999.00
Basic earnings per share	0.03	0.02

For the six months ended 30 June 2020 and the six months ended 30 June 2019, there were no dilutive potential ordinary shares in issue.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

60. Notes to the statement of cash flows

Item	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
Cash received relating to other operating activities		
Bank interest income received	23,847,282.09	52,947,997.49
Government grants received	18,804,325.03	3,368,475.28
Others	2,999,654.64	18,288,334.58
Total	45,651,261.76	74,604,807.35
Other cash paid relating to operating activities		
Leasing expenses	42,295,978.67	38,771,524.43
Insurance expenses	4,008,968.71	4,032,218.02
Agency costs	1,777,417.08	2,117,123.86
Business entertainment expenses	3,652,000.96	4,964,740.48
Travel expenses	456,898.31	1,754,670.11
Office expenses	1,241,464.63	2,126,182.90
Repair charges	443,779.22	552,327.36
Commuting expenses	16,276,531.78	15,629,585.32
Utility fees	3,120,517.60	4,042,901.36
Communication expenses	361,075.20	292,843.72
Property management fee	4,515,951.41	3,584,074.35
Others	11,190,904.30	1,508,215.58
Total	89,341,487.87	79,376,407.49

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

60. Notes to the statement of cash flows (continued)

Item	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
Other cash received relating to investing activities		
Receipt of fixed bank deposits of over six months	-	145,000,000.00
Cash received from restricted cash with financial institutions	-	2,084,866.62
Net cash from subsidiaries received	1,662,174.84	-
Others	74,222.50	-
Total	1,736,397.34	147,084,866.62
Other cash paid relating to investing activities		
Fixed bank deposits of over six months	-	160,000,000.00
Restricted cash with financial institutions	638,000.00	2,123,000.00
Borrowings from related parties	54,700,000.00	-
Total	55,338,000.00	162,123,000.00
Other cash paid relating to financing activities		
Lease payment paid	-	73,013,712.80
Total	-	73,013,712.80

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

61. Items of the consolidated statement of cash flows

Supplementary information to the statement of cash flows

Item	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	467,930,473.77	353,758,644.60
Add: Provision for credit impairments	14,916,894.04	786,089.62
Provision for assets impairments	38,021,871.85	-
Depreciation of fixed assets and depreciation of investment properties	445,518,703.97	442,650,558.04
Amortisation of intangible assets	33,766,636.30	34,971,731.76
Provision for depreciation of right-of-use assets	59,339,342.09	62,203,372.51
Amortisation of long-term prepaid expenses	7,418,331.69	7,980,996.98
Amortisation of deferred income	-18,534,138.75	-19,786,284.99
Losses from disposal of fixed assets, intangible assets and other long-term assets ("-" for gain)	-4,347.78	946,305.78
Losses on obsolescence of fixed assets, intangible assets and other long-term assets ("-" for gain)	73,428.31	31,236.73
Financial expenses ("-" for gain)	282,238,226.33	329,257,324.24
Losses on investment ("-" for gain)	-111,996,156.13	-184,445,959.72
Losses or gains on changes in fair value ("-" for gain)	571,730.00	-1,825,840.00
Decrease in deferred tax assets ("-" for increase)	-5,503,885.22	-1,448,095.75
Increase in deferred tax liabilities ("-" for decrease)	-3,812,933.28	-2,650,448.02
Decrease in inventories ("-" for increase)	14,385,617.62	29,924,402.41
Increase in special reserve ("-" for decrease)	15,006,971.90	13,376,159.96
Decrease in operating receivables ("-" for increase)	-254,761,350.49	-477,416,613.83
Increase in operating payments ("-" for decrease)	-35,604,495.72	-90,070,623.60
Net cash flows from operating activities	948,970,920.50	498,242,956.72
2. Net changes in cash and cash equivalents:		
Cash at the end of the period	2,882,681,900.14	3,552,339,363.75
Less: Cash at the beginning of the period	4,042,339,664.50	5,554,545,244.33
Net decrease in cash and cash equivalents	-1,159,657,764.36	-2,002,205,880.58

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

62. Cash and cash equivalents

Item	30 June 2020 (unaudited)	30 June 2019 (unaudited)
Cash and cash equivalents	2,882,681,900.14	3,552,339,363.75
Including: Cash on hand	68,289.33	60,476.64
Bank deposits that can be readily drawn on demand	2,882,613,610.81	3,552,130,607.69
Other cash balances that can be readily drawn on demand	-	148,279.42

63. Monetary items denominated in foreign currencies

Item	Balance of foreign currency at the end of the period (unaudited)	Exchange rate (unaudited)	Equivalent RMB balance at the end of the period (unaudited)
Cash at bank and on hand			
Including : USD	5,887,154.24	7.0555	41,536,816.74
JPY	1,342,503.17	0.0663	89,007.96
Accounts receivable			
Including : USD	2,284,808.57	7.0555	16,120,466.87
JPY	133,236,530.00	0.0663	8,833,581.94
KRW	34,330,000.00	0.0058	199,114.00
Other receivables			
Including : USD	11,000.00	7.0555	77,610.50
Prepayments			
Including : USD	71,302.00	7.0555	503,071.26
Accounts payable			
Including : USD	1,275,909.87	7.0555	9,002,182.09
JPY	12,000.00	0.0663	795.60
Others payables			
Including : USD	7,539,064.47	7.0555	53,191,869.37
JPY	1,554,375.00	0.0663	103,055.06
Contractual liabilities			
Including : USD	279,091.57	7.0555	1,969,130.57
JPY	9,999.40	0.0663	662.96

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

64. Segment information

Operating segments

For management purposes, the Group is organised into business units based on its products and services and has seven reportable segments as follows:

- | | |
|---|---|
| (1) Oil/liquefied chemicals terminal and related logistics and trade services | loading and discharging, storage and transshipment of oil products and liquefied chemicals, port management services and oil trade business |
| (2) Container terminal and related logistics and trade services | loading and discharging, storage and transshipment of containers, leasing of terminals and various container logistics services, trading business and sales of properties |
| (3) Bulk and general cargo terminal and related logistics services | loading and discharging of ore, general cargo and provision of related logistics services and steel trading |
| (4) Bulk grains terminal and related logistics and trade services | loading and discharging of grains and provision of related logistics services and unprocessed grains trading operation |
| (5) Passenger and roll-on, roll-off terminal and related logistics services | passenger transportation, general cargo roll-on and roll-off and provision of related logistics services |
| (6) Port value-added and ancillary services | tallying, tugging, transportation, power supply, information technology and construction services |
| (7) Automobile terminal and related logistics and trade services | loading and discharging of automobile and provision of related logistics and trade services |

Management monitors the results of the Group's operating segments separately for the purpose of decision-making on resource 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 purchases are conducted in accordance with the terms mutually agreed between the parties.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

64. Segment information (continued)

Reportable segment information

For the six months ended 30 June 2020 (unaudited)

Item	Oil/liquefied chemicals terminal and related logistic and trade services RMB'000	Container terminal and related logistic and trade services RMB'000	Bulk and general cargo terminal and related logistics services RMB'000	Bulk grains terminal and related logistics and trade services RMB'000	Passenger and roll on, roll-off terminal and related logistics services RMB'000	Port value-added and ancillary services RMB'000	Automobile terminal and related logistics and trade services RMB'000	Others RMB'000	Elimination RMB'000	Total RMB'000
Revenue from external customers	764,526	1,241,268	530,900	89,053	54,651	451,034	24,888	31,697	-	3,188,017
Inter-segment revenue	594	158	633	1,010	-	86,513	-	4,094	-93,002	-
Cost of sales	433,614	878,143	347,056	73,596	67,871	272,651	27,370	13,435	-	2,113,736
Investment income from associates and joint ventures	80,144	9,143	5,425	-1,997	-11,095	32,471	-14,387	-	-	99,704
Credit impairment losses	1,038	3,620	1,469	-1,898	-176	-489	5	11,348	-	14,917
Depreciation and amortisation expenses	135,418	193,115	97,856	30,881	21,738	34,421	5,890	26,724	-	546,043
Total profit	355,004	215,447	135,077	-108	-37,310	145,598	-25,266	-169,876	-	618,566
Income tax expenses	69,721	68,740	32,146	834	-4,733	18,689	254	-35,015	-	150,636
Net profit	286,444	148,499	102,930	-931	-32,577	126,911	-25,052	-138,294	-	467,930
Total assets	8,634,801	10,179,787	4,128,111	1,444,579	1,544,161	2,837,213	910,819	6,944,178	-1,994,129	34,629,520
Total liabilities	2,236,818	4,299,248	729,146	192,578	43,231	501,160	24,270	6,954,834	-1,994,129	12,987,156
Long-term equity investments in associates and joint ventures	1,665,558	727,950	150,721	35,321	328,937	943,300	296,376	-	-	4,148,163
Increase in non-current assets (i)	1,630	11,315	-	4,959	2,698	2,383	35,730	23,967	-	82,682

- (i) Non-current assets exclude financial assets, long-term equity investment, deferred tax assets, other equity instrument investment and other non-current assets.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VII. Notes to items of the consolidated financial statements (continued)

64. Segment information (continued)

Reportable segment information (continued)

For the six months ended 30 June 2019 (unaudited)

Item	Oil/liquefied chemicals terminal and related logistic and trade services RMB' 000	Container terminal and related logistic and trade services RMB' 000	Bulk and general cargo terminal and related logistics services RMB' 000	Bulk grains terminal and related logistics and trade services RMB' 000	Passenger and roll-on, roll-off terminal and related logistics services RMB' 000	Port value-added and ancillary services RMB' 000	Automobile terminal and related logistics and trade services RMB' 000	Others RMB' 000	Elimination RMB' 000	Total RMB' 000
Revenue from external customers	868,990	1,330,432	425,515	68,962	83,458	402,255	6,081	36,272	-	3,221,965
Inter-segment revenue	582	184	538	-	-	76,018	-	43,745	-121,067	-
Cost of sales	547,635	986,725	355,558	83,004	64,176	283,619	6,146	13,589	-	2,340,452
Investment income from associates and joint ventures	107,511	3,363	3,143	827	-709	40,792	3,307	-	-	158,234
Credit impairment losses	2,668	2,370	6,242	-12,342	-20	690	17	1,161	-	786
Depreciation and amortisation expenses	133,695	196,487	98,256	14,776	4,246	36,674	1,003	62,670	-	547,807
Total profit	363,149	181,680	28,987	-15,192	2,835	92,278	-3,365	-195,389	-	454,983
Income tax expenses	60,423	56,340	4,596	-3,628	906	16,027	73	-33,513	-	101,224
Net profit	302,726	125,340	24,391	-11,564	1,929	76,251	-3,438	-161,876	-	353,759
Total assets	8,607,457	10,286,028	4,295,928	1,261,840	1,486,847	3,097,006	929,956	8,234,635	-1,906,819	36,292,878
Total liabilities	2,409,972	4,953,848	665,932	126,367	67,325	405,187	42,290	8,526,636	-1,906,819	15,290,738
Long-term equity investments in associates and joint ventures	1,704,401	714,587	136,528	38,758	335,617	1,034,360	340,554	-	-	4,304,805
Increase in non-current assets (i)	12,858	19,455	132	2,947	863	1,576	23,556	64,089	-	125,476

- (i) Non-current assets exclude financial assets, long-term equity investment, deferred tax assets, other equity instrument investment and other non-current assets.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VIII. Change in the scope of consolidation

1. Business combinations not involving entities under common control

(1) Business combinations not involving entities under common control during the period

Company name	Business scope	Combination date	Shareholding percentage	Book value of net assets	Fair value of the identifiable net assets		Consideration	Acquiree's revenue from acquisition date to the end of the period	Acquiree's net profit from acquisition date to the end of the period
					Amount	Determination method			
Dalian Harbour ECL Logistics Co., Ltd. (Note)	Warehousing, port loading and discharging	1 January 2020	50%	63,863,337.63	63,863,337.63	Income method	-	7,337,117.26	274,416.24

Note: The Company signed a parties acting in concert agreement with Shenzhen Merchants Ro-Ro Transportation Co., Ltd. (深圳招商滾裝運輸有限公司) (hereinafter referred to as "Merchants Ro-Ro"), which owns 25% of Dalian Harbour ECL Logistics Co., Ltd. (hereinafter referred to as "Harbour ECL") during this period. Since 1 January 2020, the decisions of Merchants Ro-Ro have been consistent with those of the Company on the resolutions of the board of directors and the general meeting involving the major operation and management decisions of Harbour ECL. Since 1 January 2020, the Company essentially owns 75% of the voting rights of Harbour ECL and thus can exercise control over it. Therefore, the combination date is determined as 1 January 2020, and Harbour ECL will be included in the consolidation scope of the Group from that date.

(2) Combination costs and goodwill

Item	Amount (unaudited)
Fair value of the equity interests held prior to the acquisition date on the acquisition date	31,931,668.81
Total combination costs	31,931,668.81
Less: fair value share of the obtained net identifiable assets	31,931,668.81
Goodwill	-

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VIII. Change in the scope of consolidation (continued)

1. Business combinations not involving entities under common control (continued)

(3) Identifiable assets and liabilities of the acquiree on the acquisition date

Item	Fair value on the acquisition date (unaudited)	Book value on the acquisition date (unaudited)
Assets:		
Current assets	29,700,040.33	29,700,040.33
Fixed assets	23,851,386.39	23,851,386.39
Intangible assets	11,564,303.86	11,564,303.86
Liabilities:		
Current liabilities	1,252,392.95	1,252,392.95
Net assets	63,863,337.63	63,863,337.63
Net assets obtained	31,931,668.81	31,931,668.81

(4) Operating results and cash flow of the acquiree from the acquisition date to the end of the period of combination

Item	From the acquisition date to the end of the period of combination (unaudited)
Revenue	7,337,117.26
Cost of sales and expenses	6,985,328.19
Total profit	351,789.07
Net profit	274,416.24
Net cash flows from operating activities	170,169.54
Net cash flows from investing activities	478,687.50
Net cash flows from financing activities	–
Net increase in cash and cash equivalents	648,857.04

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

VIII. Change in the scope of consolidation (continued)

1. Business combinations not involving entities under common control (continued)

(5) Profit and loss generated from re-measuring the equity interests held prior to the acquisition date at fair value

Name of the acquiree	Book value of the original equity interests held prior to the acquisition date on the acquisition date	Fair value of the original equity interests held prior to the acquisition date on the acquisition date	Profit and loss generated from re-measuring the original equity interests held prior to the acquisition date at fair value	Determination method and key assumptions for the fair value of the original equity interests held prior to the acquisition date on the acquisition date	Amount of other comprehensive income related to the original equity interests held prior to the acquisition date transferred to investment income
Dalian Harbour ECL Logistics Co., Ltd.	31,931,668.81	31,931,668.81	-	Income method	-

2. Disposal of subsidiaries

Company name	Place of registration	Nature of business	Total shareholding percentage of the Group (%)	Total voting right percentage of the Group (%)	Reason for not being subsidiary
Dalian Port Oulu International Logistics Co., Ltd.	Dalian	Freight services	60	60	Note

Note: Dalian Port Oulu International Logistics Co., Ltd., a subsidiary of the Company, was cancelled in February 2020. Because this company has ceased operations since 1 January 2020, its cancellation had no significant impact on the consolidated and the Company's financial position as of 30 June 2020 and the consolidated and the Company's operating results and cash flows for the six months ended 30 June 2020.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IX. Interests in other entities

1. Interests in subsidiaries

(1) *Subsidiaries of the Company are as follows:*

Investee	Place of registration	Nature of business	Registered capital (RMB'0,000)	Shareholding percentage (%)		Voting right percentage (%)	Note
				Direct	Indirect		
Subsidiaries invested by PDA Group by equity injection on the date of incorporation							
Dalian Port Container Development Co., Ltd.	Dalian	Container services	296,411	100	-	100	
Dalian Port Jifa Logistics Co., Ltd.	Dalian	Logistics services	117,940	-	100	100	
Dalian Port Logistics Technology Co., Ltd.	Dalian	Software development	1,000	-	100	100	
Dalian Jifa Shipping Agency Co., Ltd.	Dalian	Vessel agency	550	-	100	100	
Dalian International Logistics Park Development Co., Ltd.	Dalian	Property development	15,000	-	100	100	
Dalian Jifa Bohai Rim Container Lines Co., Ltd.	Dalian	Transportation	4,923	-	97.36	97.36	
Dalian International Container Services Co., Ltd.	Dalian	Logistics services	USD1,440,000	-	55	60	Note 2
Dalian Jifa International Freight Co., Ltd.	Dalian	Logistics services	500	-	100	100	
Dalian Jifa Port Engineering Co., Ltd.	Dalian	Technology services	1,200	-	100	100	
Dalian Jifa Shipping Management Co., Ltd.	Dalian	Management services	41,500	100	-	100	
Dalian ETDZ Jin Xin Petro-chemistry Co., Ltd.	Dalian	Wholesale & agency	1,000	60	-	60	
Subsidiaries acquired through establishment or investment							
Dalian Dilangsirui Caravan Co., Ltd.	Dalian	Manufacturing sector	10,000	51	-	51	
Dalian Ganghong International Trade Co., Ltd.	Dalian	Trading sector	2,000	-	51	60	Note 2
Asia Pacific Ports Company Limited	Hong Kong	Logistics services	HKD 75,000,000	100	-	100	
Harbour Full Group Limited	British Virgin Islands	Logistics services	USD50,000	-	100	100	
Asia Pacific Ports Investment Co., Ltd.	Hong Kong	Logistics services	HKD1	-	100	100	
Asia Pacific Ports (Dalian) Co., Ltd.	Dalian	Logistics services	USD 31,580,000	-	100	100	
Asia Pacific Ports Development Co., Ltd.	British Virgin Islands	Logistics services	USD1	-	100	100	
Dalian Container Terminal Co., Ltd.	Dalian	Terminal services	348,000	-	48.15	55.56	Note 4

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IX. Interests in other entities (continued)

1. Interests in subsidiaries (continued)

(1) Subsidiaries of the Company are as follows (continued)

Investee	Place of registration	Nature of business	Registered capital (RMB' 0,000)	Shareholding percentage (%)		Voting right percentage (%)	Note
				Direct	Indirect		
Subsidiaries acquired through establishment or investment (continued)							
Heilongjiang Suimu Logistics Co., Ltd.	Muling	Logistics services	4,500	-	91.67	91.67	
Qinhuangdao Jigang Shipping Agency Co., Ltd.	Qinhuangdao	Logistics services	500	-	100	100	
Dalian Port Grain and Oil Trading Co., Ltd.	Dalian	Trading sector	2,500	100	-	100	
Dalian Steel Logistics Park Co., Ltd.	Dalian	Trading sector	800	100	-	100	
Dalian Haijia Automobile Terminal Co., Ltd.	Dalian	Construction and operation	40,000	50	-	100	Note 1
Caofeidian Port Container Logistics Co., Ltd.	Tangshan	Vessel agency	50	-	51	51	
Dalian Port Oulu International Logistics Co., Ltd.	Dalian	Freight services	500	-	60	60	Note 6
Dalian Zhuanghe Gangxing Investment Co., Ltd.	Dalian	Property development	8,000	100	-	100	
Dalian Port Senlida Timber Trading Centre Co., Ltd.	Dalian	Service industry	2,500	-	51	51	
Inner Mongolia Lugang Bonded Logistics Park Co., Ltd.	Tongliao	Freight services	1,000	-	51	51	
Dalian Hongyang International Logistics Co., Ltd.	Dalian	Freight services	2,000	50	-	100	Note 1
Dalian Gangrun Gas Co., Ltd.	Dalian	Sale of fuel gas	1,000	51	-	51	
Dalian Port Lianheng Supply Chain Management Co., Ltd.	Dalian	Supply chain management services	2,000	-	51	51	
Dalian Jifa South Coast International Logistics Co., Ltd.	Dalian	Terminal services	1,500	-	100	100	
Dalian Dilangsirui Tourism Development Co., Ltd.	Dalian	Tourist project development	3,000	-	100	100	

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IX. Interests in other entities (continued)

1. Interests in subsidiaries (continued)

(1) Subsidiaries of the Company are as follows: (continued)

Investee	Place of registration	Nature of business	Registered capital (RMB'0,000)	Shareholding percentage (%)		Voting right percentage (%)	Note
				Direct	Indirect		
Subsidiaries acquired through business combinations involving enterprises under common control							
Dalian Ocean Shipping Tally Co., Ltd.	Dalian	Tallying	630.14	84	-	84	
Dalian Portsoft Technology Co., Ltd.	Dalian	Computer system service	1,000	49	-	60	Notes 2 and 3
Dalian Portsoft Network Co., Ltd.	Dalian	Computer system service	1,000	-	100	100	
Dalian Port Construction Supervision & Consultation Co., Ltd.	Dalian	Supervision service	1,000	75	-	75	
Dalian Port Telecommunications Engineering Co., Ltd.	Dalian	Telecommunication services	1,000	45	20	65	
Dalian Golden Bay Grain Logistics Co., Ltd.	Dalian	Logistics services	9,733	37.5	-	75	Note 5
Dalian Port Group Zhuanghe Terminal Co., Ltd.	Dalian	Terminal services	10,000	60	-	60	
Dalian Port Power Supply Co., Ltd.	Dalian	Engineering service	11,000	100	-	100	
Dalian Changxing Island Economic Zone Wapeng Port Construction Supervision & Consultation Co., Ltd.	Dalian	Supervision service	10	-	100	100	
Dalian Port Haiheng Ship Management Co., Ltd.	Dalian	Service industry	500	100	-	100	
Subsidiaries acquired through business combination not under common control							
Dalian Container Port Logistics Co., Ltd.	Dalian	Logistics services	15,538.70	-	100	100	
Dalian Harbour Logistics Network Co., Ltd.	Dalian	Information services	3,200	-	79.03	79.03	
Dalian Jiyi Logistics Co., Ltd.	Dalian	Freight services	10,000	-	100	100	
Dalian Port LvshunHarbour Service Co., Ltd.	Lvshun	Terminal services	35,000	60	-	60	
Liaoning Con-Rail International Logistics Co., Ltd.	Shenyang	Logistics services	1,600	-	100	100	
Dalian Harbour ECL Logistics Co., Ltd.	Dalian	Terminal services	USD9,000,000	50	-	75	Note 5

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IX. Interests in other entities (continued)

1. Interests in subsidiaries (continued)

(1) *Subsidiaries of the Company are as follows: (continued)*

Note 1: Shareholding percentage in subsidiaries is different from voting right percentage. Based on the joint venture contract with other shareholders, other shareholders will align with the decision made by the Company in respect of significant operating matters. The Company, in fact, has effective control over the subsidiary.

Note 2: Shareholding percentage in subsidiaries is different from voting right percentage. Shareholding percentage is determined based on the share of contribution as stated in the investment agreement, while voting right percentage is determined based on the voting manner of the highest decision-making organization in accordance with the articles of associations of the investee. As a result, there is inconsistency.

Note 3: The Company has the effective control over the subsidiary, as it has the majority voting rights in the board of directors.

Note 4: Based on the concerted action agreement signed with another shareholder, the decision made by such shareholder aligns with that of the subsidiary Dalian Port Container Development Co., Ltd. The Company, in fact, has the effective control over the subsidiary.

Note 5: Based on the concerted action agreement signed with some of the other shareholders, the decision made by such shareholders aligns with that of the Company. The Company, in fact, has the effective control over the subsidiary.

Note 6: In February 2020, Dalian Port Oulu International Logistics Co., Ltd., a subsidiary of the Company, has completed the de-registration procedures with the administration for industry and commerce.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IX. Interests in other entities (continued)

1. Interests in subsidiaries (continued)

(2) Significant minority interests

30 June 2020 (unaudited)

No.	Company name	Shareholding of minority shareholders (%)	Profit or loss attributable to minority shareholders in the current period	Dividends paid to minority shareholders in the current period	Accumulative minority interests at the end of the period
1	Dalian Container Terminal Co., Ltd.	51.85	84,080,786.10	111,252,844.18	2,080,580,546.21
2	Dalian Haijia Automobile Terminal Co., Ltd.	50.00	-3,556,679.57	-	212,229,378.67
3	Dalian Port LvshunHarbour Service Co., Ltd.	40.00	-2,936,865.48	-	136,872,939.83
4	Dalian Golden Bay Grain Logistics Co., Ltd.	62.50	-1,091,731.52	-	117,754,408.19

31 December 2019

No.	Company name	Shareholding of minority shareholders (%)	Profit or loss attributable to minority shareholders in the current year	Dividends paid to minority shareholders in the current year	Accumulative minority interests at the end of the year
1	Dalian Container Terminal Co., Ltd.	51.85	178,181,978.89	116,728,078.27	1,992,944,904.89
2	Dalian Haijia Automobile Terminal Co., Ltd.	50.00	-5,814,540.96	-	214,445,813.98
3	Dalian Port LvshunHarbour Service Co., Ltd.	40.00	2,960,467.32	-	139,465,887.81
4	Dalian Golden Bay Grain Logistics Co., Ltd.	62.50	-2,877,934.74	-	118,854,028.35

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IX. Interests in other entities (continued)

1. Interests in subsidiaries (continued)

(2) Significant minority interests (continued)

Item	Dalian Container Terminal Co., Ltd.	Dalian Haijia Automobile Terminal Co., Ltd.	Dalian Port Lvshun Harbour Service Co., Ltd.	Dalian Golden Bay Grain Logistics Co., Ltd.
30 June 2020 (unaudited)				
Current assets	672,134,955.51	52,572,686.24	31,397,307.03	148,980,362.14
Non-current assets	7,617,195,532.65	392,572,846.66	323,189,135.25	42,323,875.19
Total assets	8,289,330,488.16	445,145,532.90	354,586,442.28	191,304,237.33
Current liabilities	628,988,260.69	13,381,213.47	7,751,432.47	1,686,013.41
Non-current liabilities	3,647,650,720.80	7,305,562.09	4,652,660.24	1,211,170.81
Total liabilities	4,276,638,981.49	20,686,775.56	12,404,092.71	2,897,184.22
For the six months ended 30 June 2020 (unaudited)				
Revenue	668,600,702.55	8,574,257.93	22,791,877.00	481,634.93
Net profit	162,161,593.25	-7,113,359.14	-7,342,163.69	-1,746,770.43
Total comprehensive income	162,161,593.25	-7,113,359.14	-7,342,163.69	-1,746,770.43
Net cash flows from operating activities	400,407,076.26	2,920,999.99	-3,763,213.15	2,331,094.92

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IX. Interests in other entities (continued)

1. Interests in subsidiaries (continued)

(2) Significant minority interests (continued)

Item	Dalian Container Terminal Co., Ltd.	Dalian Haijia Automobile Terminal Co., Ltd.	Dalian Port Lvshun Harbour Service Co., Ltd.	Dalian Golden Bay Grain Logistics Co., Ltd.
31 December 2019				
Current assets	526,841,617.44	63,547,465.65	36,046,532.83	148,211,019.32
Non-current assets	7,695,099,246.58	398,012,469.44	330,353,694.14	44,451,407.06
Total assets	8,221,940,864.02	461,559,935.09	366,400,226.97	192,662,426.38
Current liabilities	662,147,193.71	25,456,206.05	12,923,493.15	1,098,347.73
Non-current liabilities	3,716,119,793.95	7,212,101.09	4,812,014.29	1,397,633.29
Total liabilities	4,378,266,987.66	32,668,307.14	17,735,507.44	2,495,981.02
For the six months ended 30 June 2019 (unaudited)				
Revenue	674,862,498.47	2,766,182.01	31,910,607.76	1,199,063.22
Net profit	147,307,232.32	-5,402,455.45	2,534,665.37	-1,467,841.18
Total comprehensive income	147,307,232.32	-5,402,455.45	2,534,665.37	-1,467,841.18
Net cash flows from operating activities	307,647,395.45	-1,656,772.46	-11,254,499.80	1,031,476.97

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IX. Interests in other entities (continued)

2. Interests in joint ventures and associates

(1) Investments in joint ventures

Name of investee	Place of registration	Nature of business	Registered capital (RMB' 0,000)	Shareholding percentage (%)		Voting right percentage (%)	Accounting treatment
				Direct	Indirect		
Dalian Port Tongli Shipping Agency Co., Ltd.	Dalian	Domestic freight and shipping agency	60	50	-	50	Equity method
Dalian Harbour ECL Logistics Co., Ltd. (Note 1)	Dalian	Warehousing, port loading and discharging	USD 9,000,000	50	-	50	Equity method
Odfjell Terminals (Dalian) Co., Ltd.	Dalian	Construction and operation of storage tank harbor	USD 28,000,000	50	-	50	Equity method
Dalian Port PetroChina International Terminal Co., Ltd.	Dalian	Oil product harbor, loading and discharging, advisory services	25,000	50	-	50	Equity method
Dalian United International Shipping Agency Co., Ltd.	Dalian	Shipping agency, shipment technical advisory services	500	-	50	50	Equity method
Dalian Vanguard International Logistics Co., Ltd.	Dalian	Storage of international containers	7,400	-	50	50	Equity method
Dalian Port Yidu Cold Chain Co., Ltd. (Note 2)	Dalian	Agency of trade warehousing and freight	52,100	-	46.60	50	Equity method
China United Tally (Dalian) Co., Ltd.	Dalian	Ship tally	280	50	-	50	Equity method
China Oil Dock Management (Dalian) Co., Ltd.	Dalian	Oil product dock services	1,000	49	-	49	Equity method
Liaoning Electronic Port Co., Ltd.	Dalian	Computer system services and data processing services	1,200	-	50	50	Equity method
Dalian Dagang China Shipping Container Terminal Co., Ltd. (Note 3)	Dalian	Container dock services	1,000	-	57	57	Equity method
Dalian Jilong Logistics Co., Ltd.	Dalian	Logistics storage	7,000	-	30	30	Equity method
China United International Rail Containers (Dalian) Co., Ltd.	Dalian	International container services	53,500	-	40	40	Equity method
Odfjell Changxing Terminals (Dalian) Co., Ltd.	Dalian	Development and construction of dock and harbor warehousing facilities	5,000	40	-	40	Equity method
Dalian Changxing Island Port Co., Ltd.	Dalian	Port services	62,000	40	-	40	Equity method

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IX. Interests in other entities (continued)

2. Interests in joint ventures and associates (continued)

(1) Investments in joint ventures (continued)

Name of investee	Place of registration	Nature of business	Registered capital (RMB'0,000)	Shareholding percentage (%)		Voting right percentage (%)	Accounting treatment
				Direct	Indirect		
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	Dalian	Bulk cargo logistics	1,000	40	-	40	Equity method
Odfjell Dalian Port Consulting Co., Ltd.	Dalian	Technical training	600	50	-	50	Equity method
Dalian Changxing Island Port Investment and Development Co., Ltd.	Dalian	Development and construction of dock Facilities	95,000	46.58	-	46.58	Equity method
China Shipping Gang Lian Co., Ltd.	Dalian	Shipping services for Hong Kong	30,000	30	-	30	Equity method
Dalian New Silk Road International Logistics Co., Ltd.	Dalian	Domestic and international freight forwarding service	1,000	-	40	40	Equity method
Dalian Shunde Jifa Supply Chain Management Co., Ltd.	Dalian	Import and export of goods & technology	5,000	-	20	20	Equity method
Ha'ou International Logistics Co., Ltd.	Harbin	International freight agency	10,000	-	23	23	Equity method
Dalian Port Xiangyu Grain Logistics Co., Ltd. (Note 3)	Dalian	Freight agency	9,800	51	-	51	Equity method
Weifang Senda Container Service Co., Ltd.	Weifang	Discharging and storage	500	-	50	50	Equity method

Note 1: The Company entered into the concerted action agreement with other shareholders, the decision made by such shareholders aligns with that of the Company. The Company, in fact, has effective control over the subsidiary, has included it in the scope of the Group's consolidated financial statements on 1 January 2020.

Note 2: Under the investment contract, the shareholder, China Development Fund Co., Ltd., obtains fixed income each year and does not participate in the Company's decision-making, and thus Jifa Logistics recognises the investment income at 50% of the net profit of Dalian Port Yidu Cold Chain Co., Ltd., net of the income of China Development Fund Co., Ltd.

Note 3: In accordance with the Company's Articles of Association, all significant events are jointly decided by investors, and thus it is a joint venture under common control of the Group and other investors.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IX. Interests in other entities (continued)

2. Interests in joint ventures and associates (continued)

(2) Key financial information of important joint ventures

30 June 2020 (unaudited)

Item	Dalian Changxing Island Port Investment and Development Co., Ltd.	China United International Rail Containers (Dalian) Co., Ltd.	Dalian Port Yidu Cold Chain Co., Ltd.	Dalian Port PetroChina International Terminal Co., Ltd.	Odfjell Terminals (Dalian) Co., Ltd.	Dalian Changxing Island Port Co., Ltd.
Current assets	594,019,359.74	76,336,512.59	485,928,350.31	6,736,175.24	101,660,581.27	92,113,399.94
Including: Cash and cash equivalents	277,756,155.07	34,725,562.48	19,042,731.36	6,655,926.23	82,864,554.16	6,707,384.09
Non-current assets	4,584,926,691.67	372,354,149.58	638,078,625.57	445,534,430.73	385,922,610.23	1,985,536,445.32
Total assets	5,178,946,051.41	448,690,662.17	1,124,006,975.88	452,270,605.97	487,583,191.50	2,077,649,845.26
Current liabilities	183,834,174.95	22,399,312.47	417,792,862.07	6,718,997.82	57,065,585.31	544,534,823.22
Non-current liabilities	4,184,312,062.93	-	107,309,340.47	-	71,187,791.03	1,184,538,419.42
Total liabilities	4,368,146,237.88	22,399,312.47	525,102,202.54	6,718,997.82	128,253,376.34	1,729,073,242.64
Net assets	810,799,813.53	426,291,349.70	598,904,773.34	445,551,608.15	359,329,815.16	348,576,602.62
Share of net assets based on shareholding	377,670,553.14	170,516,539.88	299,452,386.67	222,775,804.08	179,664,907.58	139,430,641.05
Adjustments	-5,519,757.40	-	-	-	-	-
Carrying amount of investment in joint ventures	372,150,795.74	170,516,539.88	299,452,386.67	222,775,804.08	179,664,907.58	139,430,641.05

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IX. Interests in other entities (continued)

2. Interests in joint ventures and associates (continued)

(2) Key financial information of important joint ventures (continued)

31 December 2019

Item	Dalian Changxing Island Port Investment and Development Co., Ltd.	China United International Rail Containers (Dalian) Co., Ltd.	Dalian Port Yidu Cold Chain Co., Ltd.	Dalian Port PetroChina International Terminal Co., Ltd.	Odfjell Terminals (Dalian) Co., Ltd.	Dalian Changxing Island Port Co., Ltd.
Current assets	333,234,312.84	56,116,478.22	454,101,392.15	24,924,694.02	76,593,016.95	77,466,463.54
Including: Cash and cash equivalents	76,097,131.07	26,176,106.54	2,138,087.59	24,662,205.00	57,067,299.36	6,541,949.05
Non-current assets	4,637,197,868.77	388,998,615.67	622,948,544.98	454,329,150.15	387,733,740.17	2,012,165,843.47
Total assets	4,970,432,181.61	445,115,093.89	1,077,049,937.13	479,253,844.17	464,326,757.12	2,089,632,307.01
Current liabilities	201,882,790.91	10,087,068.91	394,328,130.37	6,146,263.60	59,301,487.81	934,090,795.41
Non-current liabilities	3,922,655,430.50	-	113,830,790.42	-	73,094,714.31	808,184,471.40
Total liabilities	4,124,538,221.41	10,087,068.91	508,158,920.79	6,146,263.60	132,396,202.12	1,742,275,266.81
Net assets	845,893,960.20	435,028,024.98	568,891,016.34	473,107,580.57	331,930,555.00	347,357,040.20
Share of net assets based on shareholding	394,017,406.66	174,011,209.99	284,445,508.17	236,553,790.29	165,965,277.50	138,942,816.08
Adjustments	-5,914,025.79	-	-	-	-	-
Carrying amount of investment in joint ventures	388,103,380.87	174,011,209.99	284,445,508.17	236,553,790.29	165,965,277.50	138,942,816.08

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IX. Interests in other entities (continued)

2. Interests in joint ventures and associates (continued)

(2) Key financial information of important joint ventures (continued)

For the six months ended 30 June 2020 (unaudited)

Item	Dalian Changxing Island Port Investment and Development Co., Ltd.	China United International Rail Containers (Dalian) Co., Ltd.	Dalian Port Yidu Cold Chain Co., Ltd.	Dalian Port PetroChina International Terminal Co., Ltd.	Odfjell Terminals (Dalian) Co., Ltd.	Dalian Changxing Island Port Co., Ltd.
Revenue	196,255,782.79	38,498,482.04	164,070,186.57	52,000,000.01	61,087,785.35	98,457,315.77
Financial expenses	118,922,776.99	-213,163.34	6,863,594.39	-256,008.93	-119,785.88	50,966,185.31
Income tax expenses	-	-	9,793,708.49	10,208,755.86	8,403,831.67	-
Net profit	-35,423,454.46	-8,736,675.28	29,381,125.53	30,444,027.57	26,602,638.53	582,055.78
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-35,423,454.46	-8,736,675.28	29,381,125.53	30,444,027.57	26,602,638.53	582,055.78
Dividends received from joint ventures in the current period	-	-	-	29,000,000.00	-	-

For the six months ended 30 June 2019 (unaudited)

Item	Dalian Changxing Island Port Investment and Development Co., Ltd.	China United International Rail Containers (Dalian) Co., Ltd.	Dalian Port Yidu Cold Chain Co., Ltd.	Dalian Port PetroChina International Terminal Co., Ltd.	Odfjell Terminals (Dalian) Co., Ltd.	Dalian Changxing Island Port Co., Ltd.
Revenue	230,331,005.59	23,850,066.63	93,851,979.55	51,714,285.72	64,059,481.27	100,010,217.57
Financial expenses	101,809,900.59	-244,021.61	2,690,425.56	-18,944.31	-402,407.44	49,552,461.36
Income tax expenses	-	-	3,214,736.48	9,867,333.30	9,181,191.92	-
Net profit	11,999,844.46	-5,277,315.23	10,370,117.68	29,606,155.72	30,013,659.18	1,463,137.18
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	11,999,844.46	-5,277,315.23	10,370,117.68	29,606,155.72	30,013,659.18	1,463,137.18
Dividends received from joint ventures in the current period	-	-	-	25,000,000.00	12,500,000.00	-

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IX. Interests in other entities (continued)

2. Interests in joint ventures and associates (continued)

(3) Interests in associates

Name of investee	Place of registration	Nature of business	Registered capital (RMB'0,000)	Shareholding percentage (%)		Voting right percentage (%)	Accounting treatment
				Direct	Indirect		
Dalian Puji Storage Facility Co., Ltd.	Dalian	Other storage services	USD80,000,000	-	40	40	Equity method
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	Dalian	Crude oil tank leasing services	10,000	20	-	20	Equity method
Taicang Xinggang Tug Co., Ltd.	Suzhou	Vessel tugging services	1,349.50	42.8571	-	42.8571	Equity method
PetroChina Dalian LNG Co., Ltd.	Dalian	LNG related services	260,000	20	-	20	Equity method
Dalian North Oil Petroleum Logistics Co., Ltd.	Dalian	Development and construction of storage tank of petroleum and petroleum products	30,000	20	-	20	Equity method
Dalian Wanpeng Port Engineering Testing Co., Ltd.	Dalian	Engineering testing	500	-	40	40	Equity method
Dalian Port Group Financial Co., Ltd.	Dalian	Financial services	200,000	40	-	40	Equity method
Sino Rail Bohai Train Ferry Co., Ltd.	Yantai	Ferry transportation	120,000	17.5	-	17.5	Equity method
CDC International Logistics Co., Ltd.	Wuhu	International freight agency	30,000	30	-	30	Equity method
Dalian Shenyang Railway Bureau Yuangang Logistics Co., Ltd.	Dalian	Domestic and international freight agency	2,800	-	20	20	Equity method
Dalian Automobile Terminal Co., Ltd.	Dalian	Domestic and international import and export, discharging and storage services	40,000	32	-	32	Equity method
Dalian Singamas International Container Co., Ltd.	Dalian	Container services	USD 13,250,000	-	43.63	43.63	Equity method

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IX. Interests in other entities (continued)

2. Interests in joint ventures and associates (continued)

(4) Key financial information of important associates

30 June 2020 (unaudited)

Item	PetroChina Dalian LNG Co., Ltd.	Dalian Port Group Financial Co., Ltd.	Sino Rail Bohai Train Ferry Co., Ltd.	Dalian Puji Storage Facility Co., Ltd.	Dalian Automobile Terminal Co., Ltd.
Current assets	8,311,809.98	2,710,973,093.10	132,481,403.74	14,540,386.27	102,496,440.24
Non-current assets	3,889,155,837.79	5,249,239.29	1,684,426,164.13	520,260,617.35	511,796,221.85
Total assets	3,897,467,647.77	2,716,222,332.39	1,816,907,567.87	534,801,003.62	614,292,662.09
Current liabilities	82,482,116.95	406,445,403.92	238,661,835.09	38,211,506.43	69,466,381.49
Non-current liabilities	5,083,010.12	-	200,177,236.29	186,750,000.00	-
Total liabilities	87,565,127.07	406,445,403.92	438,839,071.38	224,961,506.43	69,466,381.49
Minority interests Equity attributable shareholders of the parent company	-	-	23,871,525.25	-	-
Share of net assets based on shareholding	3,809,902,520.70	2,309,776,928.47	1,354,196,971.24	309,839,497.19	544,826,280.60
Adjustments	-	-	-	-23,938,803.94	2,453,618.25
Carrying amount of investment in associates	761,980,504.14	923,910,771.39	236,984,469.97	99,996,994.94	176,798,028.04

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IX. Interests in other entities (continued)

2. Interests in joint ventures and associates (continued)

(4) Key financial information of important associates (continued)

31 December 2019

Item	PetroChina Dalian LNG Co., Ltd.	Dalian Port Group Financial Co., Ltd.	Sino Rail Bohai Train Ferry Co., Ltd.	Dalian Puji Storage Facility Co., Ltd.	Dalian Automobile Terminal Co., Ltd.
Current assets	32,934,830.40	8,348,389,784.28	183,252,259.46	9,674,285.46	85,472,581.69
Non-current assets	3,632,078,515.79	843,443,225.93	1,717,089,206.01	536,237,265.44	518,762,042.45
Total assets	3,665,013,346.19	9,191,833,010.21	1,900,341,465.47	545,911,550.90	604,234,624.14
Current liabilities	151,402,929.69	6,961,103,539.82	288,944,812.72	28,955,063.44	72,212,872.33
Non-current liabilities	-	-	200,177,236.29	194,700,000.00	-
Total liabilities	151,402,929.69	6,961,103,539.82	489,122,049.01	223,655,063.44	72,212,872.33
Minority interests Equity attributable shareholders of the parent company	-	-	23,437,543.26	-	-
Share of net assets based on shareholding	3,513,610,416.50	2,230,729,470.39	1,387,781,873.20	322,256,487.46	532,021,751.81
Adjustments	702,722,083.30	892,291,788.16	242,861,827.81	128,902,594.98	170,246,960.58
Carrying amount of investment in associates	-	-	-	-24,309,564.21	2,453,618.25
	702,722,083.30	892,291,788.16	242,861,827.81	104,593,030.77	172,700,578.83

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IX. Interests in other entities (continued)

2. Interests in joint ventures and associates (continued)

(4) Key financial information of important associates (continued)

Item	For the six months ended 30 June 2020 (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.	Dalian Automobile Terminal Co., Ltd.
Revenue	563,336,297.24	74,561,594.87	173,323,089.82	18,966,567.85	51,764,641.24
Income tax expenses	100,930,222.99	26,885,797.95	183,333.79	-	4,501,439.39
Net profit	293,373,079.03	79,047,458.07	-35,348,538.18	-11,490,089.57	12,841,563.96
Other comprehensive income	-	-	-	-	-
Total comprehensive income	293,373,079.03	79,047,458.07	-35,348,538.18	-11,490,089.57	12,841,563.96
Dividends received from associates in the current period	-	153,604,658.42	-	-	-

Item	For the six months ended 30 June 2019 (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.	Dalian Automobile Terminal Co., Ltd.
Revenue	647,258,109.84	160,963,697.26	208,186,871.51	21,561,081.88	63,173,832.97
Income tax expenses	112,488,177.59	33,521,534.81	615,367.29	-	6,386,944.68
Net profit	332,546,591.21	102,297,104.36	-3,660,776.36	-9,814,815.10	18,325,260.47
Other comprehensive income	-	-	-	-	-
Total comprehensive income	332,546,591.21	102,297,104.36	-3,660,776.36	-9,814,815.10	18,325,260.47
Dividends received from associates in the current period	-	-	-	-	-

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

IX. Interests in other entities (continued)

2. Interests in joint ventures and associates (continued)

(5) Summary information of other unimportant joint ventures and associates

Item	30 June 2020 (unaudited)	31 December 2019
Joint ventures:		
Aggregate carrying amount of investments	272,815,657.46	324,248,713.46
Aggregate amount of the following items calculated in the Group's equity proportion		
Net profit	-1,966,386.52	46,360,841.22
Other comprehensive income	-	-
Total comprehensive income	-1,966,386.52	46,360,841.22
Associates:		
Aggregate carrying amount of investments	291,685,232.09	319,014,681.33
Aggregate amount of the following items calculated in the Group's equity proportion		
Net profit	-5,402,420.71	21,053,189.12
Other comprehensive income	-	-
Total comprehensive income	-5,402,420.71	21,053,189.12

X. Relationships and transactions with related parties

1. Related parties with controlling relationship

Name of related parties	Relationships with related parties
China Merchants Group Limited	Ultimate controlling party
Liaoning Port Group Limited	Indirect controlling shareholder
Dalian Port Corporation Limited	Parent company

2. For related information of subsidiaries, please refer to Note IX. 1.

3. For related information of joint ventures and associates, please refer to Note IX. 2.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

4. Main related parties that transacted with the Group but without control relationship:

Name of related parties	Relationship with the Group
Dalian Port Wantong Logistics Co., Ltd.	Subsidiary of the parent
Dalian International Cruise City Development Co., Ltd.	Subsidiary of the parent
Dalian Taiping Bay Investment & Development Co., Ltd.	Subsidiary of the parent
Dalian Port Petroleum & Chemical Co., Ltd.	Subsidiary of the parent
Dalian Port North Shore Automobile Terminal Co., Ltd.	Subsidiary of the parent
Dalian Port North Shore Investment and Development Co., Ltd.	Subsidiary of the parent
Dalian Taiping Bay Sunshine Real Estate Co., Ltd.	Subsidiary of the parent
Dalian Wanfeng Properties Co., Ltd.	Subsidiary of the parent
Dalian Harbour City Construction Development Co., Ltd.	Subsidiary of the parent
Jinzhou Liaoxi PDA Properties Co., Ltd.	Subsidiary of the parent
Dalian Hongyu Building Co., Ltd.	Subsidiary of the parent
Dalian Gangtai Insurance Brokers Co., Ltd.	Subsidiary of the parent
Dalian Port Security Services Co., Ltd.	Subsidiary of the parent
Dalian FTZ Yongdixin Real Estate Development Co., Ltd.	Subsidiary of the parent
Ocean Harvest Container Co., Ltd.	Subsidiary of the parent
Dalian Wantong Ronghai Shipping Co., Ltd.	Subsidiary of the parent
Dalian Harbour Building Co., Ltd.	Subsidiary of the parent
Dalian United King Port Auto Trade Co., Ltd.	Subsidiary of the parent
Dalian Port Real Estate Co., Ltd.	Subsidiary of the parent
Dalian Port North Shore Container Terminal Co., Ltd.	Subsidiary of the parent
Dalian Port Investment and Financing Holding Group Co., Ltd.	Subsidiary of the parent
Dalian Northeast Asia International Shipping Center of Shipping Exchange Market Co., Ltd.	Subsidiary of the parent
Dalian Dagang Hongyu Housekeeping Services Co., Ltd.	Subsidiary of the parent
Dalian Port Real Estate Group Co., Ltd.	Subsidiary of the parent
Xinghai International Commercial Factoring (Tianjin) Co., Ltd.	Subsidiary of the parent
Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	Joint venture of the parent
Dalian Creative Industry Project Development Co., Ltd.	Joint venture of the parent
Dalian Port Machinery Co., Ltd.	Joint venture of the parent
Ganghe (Shanghai) Economic and Trade Co., Ltd.	Associate of the parent
Dalian Equipment Finance Lease Co., Ltd.	Associate of the parent

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

4. Main related parties that transacted with the Group but without control relationship: (continued)

Name of related parties	Relationship with the Group
Dalian Port Industrial Co., Ltd.	Associate of the parent
Dalian Harbour Engineering Co., Ltd.	Associate of the parent
Dalian Port Landscape Engineering Co., Ltd.	Associate of the parent
Dalian Port Rixing Boiler Installation Co., Ltd.	Associate of the parent
Dalian Port Xingang Construction Engineering Co., Ltd.	Associate of the parent
Dalian PetroChina Marine Fuel Transportation & Sales Co., Ltd.	Associate of the parent
Dalian Port Property Management Co., Ltd.	Associate of the parent
Dalian Port Design & Research Institute Co., Ltd.	Associate of the parent
Dalian Port Machinery and Electric Co., Ltd.	Associate of the parent
Dalian CITIC Harbour Investment Co., Ltd.	Associate of the parent
Dalian Gangxin Construction Engineering Co., Ltd.	Associate of the parent
Dalian Wanpeng Foundation Engineering Co., Ltd.	Associate of the parent
Dalian Life Raft Inspection Co., Ltd.	Associate of the parent
Datong Securities Co., Ltd.	Associate of the parent
Dalian Port Tongda Media Co., Ltd. (Dalian Port Tongda Media Co., Ltd. (大連港通達傳媒有限公司))	Associate of the parent
Dalian Port Industrial Co., Ltd. (Xingang Gas Station)	Associate of the parent
Yingkou Port Group Co., Ltd.	Company controlled by the same ultimate party
Yingkou Gangxin Technology Co., Ltd. (營口港信科技有限公司)	Company controlled by the same ultimate party
Yingkou Port Liability Co., Ltd.	Company controlled by the same ultimate party
Yingkou New Century Terminal Co., Ltd.	Company controlled by the same ultimate party
Shenyang Yinggang Lugang Service Co., Ltd. (瀋陽營港陸港服務有限公司)	Company controlled by the same ultimate party
Liaoning Harbour Engineering Technology Co., Ltd. (遼寧港灣船務工程技術有限公司)	Company controlled by the same ultimate party
Beijing Yinggang Yaou International Supply Chain Management Co., Ltd. (北京營港亞歐國際供應鏈管理有限公司)	Company controlled by the same ultimate party

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

4. Main related parties that transacted with the Group but without control relationship: (continued)

Name of related parties	Relationship with the Group
China Marine Shipping Agency Liaoning Co., Ltd.	Company controlled by the same ultimate party
Sinotrans Logistics Co., Ltd.	Company controlled by the same ultimate party
Sinotrans Container Lines Co., Ltd.	Company controlled by the same ultimate party
Shenyang Sinotrans Logistics Co., Ltd. (瀋陽中外運物流有限公司)	Company controlled by the same ultimate party
Sinotrans Air Transportation Development Co., Ltd.	Company controlled by the same ultimate party
Sinotrans Northeastern Co., Ltd.	Company controlled by the same ultimate party
Shenzhen Merchants Ro-Ro Transportation Co., Ltd. (深圳招商滾裝運輸有限公司)	Company controlled by the same ultimate party
Dalian Sinotrans Logistics Co., Ltd.	Company controlled by the same ultimate party
Sinotrans North China Co., Ltd.	Company controlled by the same ultimate party
Sinotrans Integrated Logistics Co., Ltd.	Company controlled by the same ultimate party
China Communications Import & Export Co., Ltd	Company controlled by the same ultimate party
Sinotrans Central China Co., Ltd	Company controlled by the same ultimate party
Shenzhen China Merchants Daojiahui Technology Co., Ltd. (深圳招商到家匯科技有限公司)	Company controlled by the same ultimate party
Shenzhen China Merchants Property Management Co., Ltd.	Company controlled by the same ultimate party

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

4. Main related parties that transacted with the Group but without control relationship: (continued)

Name of related parties	Relationship with the Group
China Merchants Logistics Group (Tianjin) Co., Ltd.* (招商局物流集團(天津)有限公司)	Company controlled by the same ultimate party
Sinotrans Sunny Express Co., Ltd.	Company controlled by the same ultimate party
Shenyang Sinotrans & CSC Logistics Development Co., Ltd. (瀋陽中外運長航物流發展有限公司)	Company controlled by the same ultimate party
Hoi Tung (Shanghai) Company Limited (海通(上海)貿易有限公司)	Company controlled by the same ultimate party
China Merchants Nanjing Oil Transportation Co., Ltd.	Company controlled by the same ultimate party
Sinotrans Liaoning Container Co., Ltd. (中外運遼寧集裝箱有限公司)	Company controlled by the same ultimate party
China Merchants Group Finance Co., Ltd.	Company controlled by the same ultimate party
Liaoning Sinotrans Company	Company controlled by the same ultimate party
Yingkou Ocean Shipping Agency Co., Ltd. (營口外輪代理有限公司)	Joint venture of the company controlled by the same ultimate party
Jilin Inland Port Logistics Co., Ltd. (吉林省陸港物流有限公司)	Joint venture of the company controlled by the same ultimate party
Yingkou Port Gaizhou Logistics Co., Ltd. (營口港蓋州物流有限公司)	Joint venture of the company controlled by the same ultimate party

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows:

(1) Revenue and Expenses

Name of related parties	Relation	Types of related party transactions	Content of connected transactions	Pricing method and decision-making procedure of connected transactions	Cumulative amount in the current period (unaudited)	Cumulative amount in the previous period (unaudited)
Dalian Port Corporation Limited	Parent company	Revenue	Comprehensive services	Agreement	3,074,499.92	10,418,495.48
Liaoning Port Group Limited	Indirect controlling shareholder	Revenue	Comprehensive services	Agreement	1,031,209.29	-
China Oil Dock Management (Dalian) Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	37,236,506.58	33,319,678.27
Dalian Port Yidu Cold Chain Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	18,907,675.10	8,200,203.15
Dalian United International Shipping Agency Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	6,529,032.08	469,811.34
Dalian Shunde Jifa Supply Chain Management Co., Ltd.	Joint venture	Revenue	Transportation services	Agreement	5,671,376.15	-
Odfjell Terminals (Dalian) Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	2,710,883.97	1,343,375.14
Dalian Changxing Island Port Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	2,107,411.75	2,363,645.93
Dalian Changxing Island Port Investment and Development Co., Ltd.	Joint venture	Revenue	Telecommunication services	Agreement	971,033.59	1,688,814.01
Dalian Vanguard International Logistics Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	855,691.25	869,347.42
China United International Rail Containers (Dalian) Co., Ltd.	Joint venture	Revenue	Telecommunication services	Agreement	768,180.96	675,892.20
Dalian Jilong Logistics Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	693,433.04	1,108,409.36
Dalian Dagang China Shipping Container Terminal Co., Ltd.	Joint venture	Revenue	Telecommunication services	Agreement	731,453.62	537,697.20
China United Tally (Dalian) Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	480,825.71	355,394.80
Weifang Senda Container Service Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	353,773.58	-

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(1) Revenue and Expenses (continued)

Name of related parties	Relation	Types of related party transactions	Content of connected transactions	Pricing method and decision-making procedure of connected transactions	Cumulative amount in the current period (unaudited)	Cumulative amount in the previous period (unaudited)
Dalian Port Tongli Shipping Agency Co., Ltd.	Joint venture	Revenue	Telecommunication services	Agreement	71,101.49	369.77
Dalian Port PetroChina International Terminal Co., Ltd.	Joint venture	Revenue	Telecommunication services	Agreement	52,390.10	57,035.86
Dalian Port Xiangyu Grain Logistics Co., Ltd.	Joint venture	Revenue	Telecommunication services	Agreement	44,786.46	-
Ha'ou International Logistics Co., Ltd.	Joint venture	Revenue	Agency services	Agreement	33,027.52	106,575.48
Dalian New Silk Road International Logistics Co., Ltd.	Joint venture	Revenue	Comprehensive services	Agreement	28,301.89	-
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	Joint venture	Revenue	Telecommunication services	Agreement	3,643.12	-
Dalian Automobile Terminal Co., Ltd.	Associate	Revenue	Loading and discharging services	Agreement	8,544,617.33	712,350.57
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	Associate	Revenue	Comprehensive services	Agreement	7,128,790.57	7,505,335.07
Taicang Xinggang Tug Co., Ltd.	Associate	Revenue	Port management services	Agreement	6,774,339.60	6,480,000.00
Dalian Puji Storage Facility Co., Ltd.	Associate	Revenue	Electrical service	Agreement	967,987.35	1,092,418.06
Dalian North Oil Petroleum Logistics Co., Ltd.	Associate	Revenue	Telecommunication services	Agreement	774,080.10	849,127.16
Dalian Singamas International Container Co., Ltd.	Associate	Revenue	Comprehensive services	Agreement	611,397.54	346,256.14
PetroChina Dalian LNG Co., Ltd.	Associate	Revenue	Comprehensive services	Agreement	357,261.77	-
Dalian Shenyang Railway Bureau Yuangang Logistics Co., Ltd.	Associate	Revenue	Comprehensive services	Agreement	415,330.64	1,105,407.43
Dalian Port Group Financial Co., Ltd.	Associate	Revenue	Telecommunication services	Agreement	41,062.78	328,596.88
Dalian Wanpeng Port Engineering Testing Co., Ltd.	Associate	Revenue	Comprehensive services	Agreement	19,269.15	730.86

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(1) Revenue and Expenses (continued)

Name of related parties	Relation	Types of related party transactions	Content of connected transactions	Pricing method and decision-making procedure of connected transactions	Cumulative amount in the current period (unaudited)	Cumulative amount in the previous period (unaudited)
Sino Rail Bohai Train Ferry Co., Ltd.	Associate	Revenue	Port management services	Agreement	5,433.96	-
Dalian Port Wantong Logistics Co., Ltd.	Subsidiary of the parent	Revenue	Loading and discharging services	Agreement	35,672,834.03	26,775,508.10
Dalian Hongyu Building Co., Ltd.	Subsidiary of the parent	Revenue	Telecommunication services	Agreement	970,022.48	971,502.45
Dalian Wanfeng Properties Co., Ltd.	Subsidiary of the parent	Revenue	Telecommunication services	Agreement	764,970.94	3,184,553.31
Dalian Harbour Building Co., Ltd.	Subsidiary of the parent	Revenue	Electrical service	Agreement	364,477.80	390,935.59
Dalian International Cruise City Development Co., Ltd.	Subsidiary of the parent	Revenue	Electrical service	Agreement	362,244.79	66,226.42
Dalian Port Petroleum & Chemical Co., Ltd.	Subsidiary of the parent	Revenue	Telecommunication services	Agreement	249,651.66	447,149.25
Dalian Port North Shore Automobile Terminal Co., Ltd.	Subsidiary of the parent	Revenue	Telecommunication services	Agreement	241,594.11	965,229.54
Dalian Taiping Bay Investment & Development Co., Ltd.	Subsidiary of the parent	Revenue	Comprehensive services	Agreement	111,690.13	-
Dalian Port North Shore Investment and Development Co., Ltd.	Subsidiary of the parent	Revenue	Telecommunication services	Agreement	55,452.18	190,233.01
Dalian United King Port Auto Trade Co., Ltd.	Subsidiary of the parent	Revenue	Telecommunication services	Agreement	29,102.96	29,702.04
Dalian Taiping Bay Sunshine Real Estate Co., Ltd.	Subsidiary of the parent	Revenue	Comprehensive services	Agreement	23,942.00	-
Dalian Port Real Estate Co., Ltd.	Subsidiary of the parent	Revenue	Telecommunication services	Agreement	20,009.79	19,673.55
Dalian Port North Shore Container Terminal Co., Ltd.	Subsidiary of the parent	Revenue	Telecommunication services	Agreement	11,377.38	11,377.38
Dalian Port Investment and Financing Holding Group Co., Ltd.	Subsidiary of the parent	Revenue	Telecommunication services	Agreement	10,683.48	44,137.74

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(1) Revenue and Expenses (continued)

Name of related parties	Relation	Types of related party transactions	Content of connected transactions	Pricing method and decision-making procedure of connected transactions	Cumulative amount in the current period (unaudited)	Cumulative amount in the previous period (unaudited)
Dalian Northeast Asia International Shipping Center of Shipping Exchange Market Co., Ltd.	Subsidiary of the parent	Revenue	Telecommunication services	Agreement	10,320.80	10,311.39
Dalian Harbour City Construction Development Co., Ltd.	Subsidiary of the parent	Revenue	Telecommunication services	Agreement	6,657.80	7,634.57
Dalian Wantong Ronghai Shipping Co., Ltd.	Subsidiary of the parent	Revenue	Telecommunication services	Agreement	6,264.68	3,792.58
Dalian Dagang Hongyu Housekeeping Services Co., Ltd.	Subsidiary of the parent	Revenue	Telecommunication services	Agreement	386.24	603.07
Dalian FTZ Yongdixin Real Estate Development Co., Ltd.	Subsidiary of the parent	Revenue	Telecommunication services	Agreement	297.25	1,094.72
Dalian Gangtai Insurance Brokers Co., Ltd.	Subsidiary of the parent	Revenue	Comprehensive services	Agreement	–	48,260.95
Dalian Port Real Estate Group Co., Ltd.	Subsidiary of the parent	Revenue	Telecommunication services	Agreement	–	6,879.74
Dalian Port Machinery Co., Ltd.	Joint venture of the parent	Revenue	Comprehensive services (Note 2)	Agreement	387,516.85	384,698.14
Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	Joint venture of the parent	Revenue	Electrical service	Agreement	92,163.43	50,627.81
Dalian Creative Industry Project Development Co., Ltd.	Joint venture of the parent	Revenue	Telecommunication services	Agreement	25,262.10	27,231.06
Dalian Port Design & Research Institute Co., Ltd.	Associate of the parent	Revenue	Comprehensive services	Agreement	4,564,591.01	33,672.43
Dalian Port Industrial Co., Ltd.	Associate of the parent	Revenue	Electrical service	Agreement	1,115,142.85	1,046,187.06
Dalian Harbour Engineering Co., Ltd.	Associate of the parent	Revenue	Comprehensive services	Agreement	372,065.83	52,011.51
Datong Securities Co., Ltd.	Associate of the parent	Revenue	Telecommunication services	Agreement	243,893.80	–
Dalian PetroChina Marine Fuel Transportation & Sales Co., Ltd.	Associate of the parent	Revenue	Port management services	Agreement	187,754.27	781,534.63
Dalian Port Property Management Co., Ltd.	Associate of the parent	Revenue	Electrical service	Agreement	88,134.74	3,413.25

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(1) Revenue and Expenses (continued)

Name of related parties	Relation	Types of related party transactions	Content of connected transactions	Pricing method and decision-making procedure of connected transactions	Cumulative amount in the current period (unaudited)	Cumulative amount in the previous period (unaudited)
Dalian CITIC Harbour Investment Co., Ltd.	Associate of the parent	Revenue	Telecommunication services	Agreement	24,339.61	861,459.20
Dalian Port Landscape Engineering Co., Ltd.	Associate of the parent	Revenue	Comprehensive services	Agreement	24,307.47	5,152.87
Dalian Port Rixing Boiler Installation Co., Ltd.	Associate of the parent	Revenue	Comprehensive services	Agreement	21,556.83	2,967.11
Dalian Port Xingang Construction Engineering Co., Ltd.	Associate of the parent	Revenue	Telecommunication services	Agreement	6,273.61	1,269.37
Dalian Port Machinery and Electric Co., Ltd.	Associate of the parent	Revenue	Comprehensive services	Agreement	1,726.41	307,191.68
Dalian Wanpeng Foundation Engineering Co., Ltd.	Associate of the parent	Revenue	Telecommunication services	Agreement	800.92	-
Dalian Port Tongda Media Co., Ltd. (大連港通達傳媒有限公司)	Associate of the parent	Revenue	Telecommunication services	Agreement	450.45	-
Dalian Port Industrial Co., Ltd. (Xingang Gas Station)	Associate of the parent	Revenue	Telecommunication services	Agreement	425.68	-
China Marine Shipping Agency Liaoning Co., Ltd.	Company controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	24,762,002.95	-
Sinotrans Container Lines Co., Ltd.	Company controlled by the same ultimate party	Revenue	Loading and discharging services	Agreement	13,013,147.85	-
Sinotrans North China Co., Ltd.	Company controlled by the same ultimate party	Revenue	Agency services	Agreement	1,589,242.38	-
China Merchants Logistics Group (Tianjin) Co., Ltd.* (招商局物流集團(天津)有限公司)	Company controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	1,352,938.53	-
Shenzhen Merchants Ro-Ro Transportation Co., Ltd. (深圳招商滾裝運輸有限公司)	Company controlled by the same ultimate party	Revenue	Loading and discharging services	Agreement	646,599.95	-

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(1) Revenue and Expenses (continued)

Name of related parties	Relation	Types of related party transactions	Content of connected transactions	Pricing method and decision-making procedure of connected transactions	Cumulative amount in the current period (unaudited)	Cumulative amount in the previous period (unaudited)
Beijing Yinggang Yaou International Supply Chain Management Co., Ltd. (北京營港亞歐國際供應鏈管理有限公司)	Company controlled by the same ultimate party	Revenue	Comprehensive services	Agreement	177,625.35	-
Sinotrans Northeastern Co., Ltd.	Company controlled by the same ultimate party	Revenue	Telecommunication services	Agreement	156,520.45	-
China Merchants Nanjing Oil Transportation Co., Ltd.	Company controlled by the same ultimate party	Revenue	Port management services	Agreement	101,886.79	-
China Communications Import & Export Co., Ltd	Company controlled by the same ultimate party	Revenue	Telecommunication services	Agreement	89,174.33	-
Dalian Sinotrans Logistics Co., Ltd.	Company controlled by the same ultimate party	Revenue	Telecommunication services	Agreement	49,840.99	-
Sinotrans Liaoning Container Co., Ltd. (中外運遼寧集裝箱有限公司)	Company controlled by the same ultimate party	Revenue	Loading and discharging services	Agreement	6,868.87	-
Shenyang Sinotrans Logistics Co., Ltd. (瀋陽中外運物流有限公司)	Company controlled by the same ultimate party	Revenue	Telecommunication services	Agreement	353.77	-
Yingkou Ocean Shipping Agency Co., Ltd.(營口外輪代理有限公司)	Joint venture of the company controlled by the same ultimate party	Revenue	Agency services	Agreement	1,007,936.34	-
Dalian Harbour ECL Logistics Co., Ltd. (Note 1)	Joint venture	Revenue	Comprehensive services	Agreement	-	143,746.96
Total					197,018,332.87	116,810,936.06

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(1) Revenue and Expenses (continued)

Name of related parties	Relation	Types of related party transactions	Content of connected transactions	Pricing method and decision-making procedure of connected transactions	Cumulative amount in the current period (unaudited)	Cumulative amount in the previous period (unaudited)
Dalian Port Corporation Limited	Parent company	Expenses	Comprehensive services	Agreement	7,506,527.59	6,605,982.54
Dalian Changxing Island Port Investment and Development Co., Ltd.	Joint venture	Expenses	Comprehensive services	Agreement	95,292,453.20	98,774,354.15
China Oil Dock Management (Dalian) Co., Ltd.	Joint venture	Expenses	Agency services	Agreement	8,160,726.89	5,997,837.09
China United International Rail Containers (Dalian) Co., Ltd.	Joint venture	Expenses	Transportation services	Agreement	5,650,923.24	1,906,583.96
Dalian United International Shipping Agency Co., Ltd.	Joint venture	Expenses	Agency services	Agreement	509,113.09	-
Dalian Port Tongli Shipping Agency Co., Ltd.	Joint venture	Expenses	Agency services	Agreement	432,728.93	606,417.49
Dalian Port Yidu Cold Chain Co., Ltd.	Joint venture	Expenses	Port management services	Agreement	118,367.06	-
Dalian Vanguard International Logistics Co., Ltd.	Joint venture	Expenses	Comprehensive services	Agreement	110,879.00	-
Dalian Jilong Logistics Co., Ltd.	Joint venture	Expenses	Comprehensive services	Agreement	56,769.48	-
Ha'ou International Logistics Co., Ltd.	Joint venture	Expenses	Transportation services	Agreement	-	1,516,759.70
China United Tally (Dalian) Co., Ltd.	Joint venture	Expenses	Comprehensive services	Agreement	-	116,403.77
Odfjell Dalian Port Consulting Co., Ltd.	Joint venture	Expenses	Training service	Agreement	-	3,728.16
Dalian Wanpeng Port Engineering Testing Co., Ltd.	Associate	Expenses	Supervision services	Agreement	341,299.41	-
Dalian Port Group Financial Co., Ltd.	Associate	Expenses	Comprehensive services	Agreement	659.43	-
Dalian North Oil Petroleum Logistics Co., Ltd.	Associate	Expenses	Comprehensive services	Agreement	-	5,277,169.80

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(1) Revenue and Expenses (continued)

Name of related parties	Relation	Types of related party transactions	Content of connected transactions	Pricing method and decision-making procedure of connected transactions	Cumulative amount in the current period (unaudited)	Cumulative amount in the previous period (unaudited)
Dalian Port Security Services Co., Ltd.	Subsidiary of the parent	Expenses	Security services	Agreement	3,729,702.76	1,943,599.43
Dalian Hongyu Building Co., Ltd.	Subsidiary of the parent	Expenses	Property service	Agreement	2,527,313.44	1,694,743.04
Dalian Harbour Building Co., Ltd.	Subsidiary of the parent	Expenses	Property service	Agreement	999,065.25	173,717.43
Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	Joint venture of the parent	Expenses	Purchase of fuel	Agreement	25,416,699.29	26,551,170.12
Dalian Port Machinery Co., Ltd.	Joint venture of the parent	Expenses	Maintenance service	Agreement	2,328,041.77	5,037,172.96
Dalian PetroChina Marine Fuel Transportation & Sales Co., Ltd.	Associate of the parent	Expenses	Purchase of fuel	Agreement	16,452,158.28	12,468,457.22
Dalian Port Industrial Co., Ltd.	Associate of the parent	Expenses	Comprehensive services	Agreement	13,020,631.15	15,197,797.39
Dalian Port Landscape Engineering Co., Ltd.	Associate of the parent	Expenses	Comprehensive services	Agreement	837,144.84	660,368.88
Dalian Harbour Engineering Co., Ltd.	Associate of the parent	Expenses	Comprehensive services	Agreement	643,695.73	463,788.24
Dalian Port Xingang Construction Engineering Co., Ltd.	Associate of the parent	Expenses	Maintenance service	Agreement	394,714.04	93,636.36
Dalian Life Raft Inspection Co., Ltd.	Associate of the parent	Expenses	Comprehensive services	Agreement	62,140.22	70,309.12
Dalian Port Rixing Boiler Installation Co., Ltd.	Associate of the parent	Expenses	Maintenance service	Agreement	57,544.04	-
Dalian Port Machinery and Electric Co., Ltd.	Associate of the parent	Expenses	Maintenance service	Agreement	20,906.19	-
Dalian Port Property Management Co., Ltd.	Associate of the parent	Expenses	Property service	Agreement	69,805.45	460,359.23
Sinotrans North China Co., Ltd.	Company controlled by the same ultimate party	Expenses	Agency services	Agreement	1,120,415.88	-

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(1) Revenue and Expenses (continued)

Name of related parties	Relation	Types of related party transactions	Content of connected transactions	Pricing method and decision-making procedure of connected transactions	Cumulative amount in the current period (unaudited)	Cumulative amount in the previous period (unaudited)
Shenzhen China Merchants Property Management Co., Ltd.	Company controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	525,957.80	-
Hoi Tung (Shanghai) Company Limited (海通(上海)貿易有限公司)	Company controlled by the same ultimate party	Expenses	Maintenance service	Agreement	485,159.28	-
Shenzhen China Merchants Daojiahui Technology Co., Ltd. (深圳招商到家匯科技有限公司)	Company controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	257,368.92	-
Dalian Sinotrans Logistics Co., Ltd.	Company controlled by the same ultimate party	Expenses	Transportation services	Agreement	162,231.89	-
Liaoning Harbour Engineering Technology Co., Ltd. (遼寧港灣船務工程技術有限公司)	Company controlled by the same ultimate party	Expenses	Maintenance service	Agreement	137,961.95	-
Sinotrans Northeastern Co., Ltd.	Company controlled by the same ultimate party	Expenses	Agency services	Agreement	110,324.97	-
China Marine Shipping Agency Liaoning Co., Ltd.	Company controlled by the same ultimate party	Expenses	Agency services	Agreement	65,577.36	-
Yingkou New Century Terminal Co., Ltd.	Company controlled by the same ultimate party	Expenses	Port management services	Agreement	5,393.59	-
China Communications Import & Export Co., Ltd	Company controlled by the same ultimate party	Expenses	Comprehensive services	Agreement	346.03	-

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(1) Revenue and Expenses (continued)

Name of related parties	Relation	Types of related party transactions	Content of connected transactions	Pricing method and decision-making procedure of connected transactions	Cumulative amount in the current period (unaudited)	Cumulative amount in the previous period (unaudited)
Yingkou Ocean Shipping Agency Co., Ltd.(營口外輪代理有限公司)	Joint venture of the company controlled by the same ultimate party	Expenses	Agency services	Agreement	2,915.00	-
Jilin Inland Port Logistics Co., Ltd. (吉林省陸港物流有限公司)	Joint venture of the company controlled by the same ultimate party	Expenses	Agency services	Agreement	795,074.00	-
Yingkou Port Gaizhou Logistics Co., Ltd. (營口港蓋州物流有限公司)	Joint venture of the company controlled by the same ultimate party	Expenses	Agency services	Agreement	654,407.44	-
Total					189,063,143.88	185,620,356.08

Note 1: The Group has taken control of Dalian Harbour ECL Logistics Co., Ltd. on 1 January 2020, and which will be included in the consolidation scope of the Group from that date. For details, please refer to Note VIII. 1.

Note 2: Comprehensive service includes handling, storage, agency, tallying, information, containers ancillary services, equipment and technology maintenance, water and electricity supply and other services.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(2) Balances of major claims and debts

Items	Name of related parties	30 June 2020 (unaudited)	31 December 2019
Interest receivable	Dalian Changxing Island Port Co., Ltd.	4,654,755.36	3,425,024.59
Interest receivable	Dalian Vanguard International Logistics Co., Ltd.	8,337.50	–
Total		4,663,092.86	3,425,024.59
Contract liabilities	Dalian Singamas International Container Co., Ltd.	250.00	250.00
Contract liabilities	Ganghe (Shanghai) Economic and Trade Co., Ltd.	365,000.00	–
Contract liabilities	China United International Rail Containers (Dalian) Co., Ltd.	503,790.00	17,360.00
Contract liabilities	China Marine Shipping Agency Liaoning Co., Ltd.	35,399.28	39,958.06
Contract liabilities	Sinotrans Logistics Co., Ltd.	23,648.00	–
Contract liabilities	Dalian Equipment Finance Lease Co., Ltd.	19,200.00	–
Contract liabilities	Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	4,259.00	6,420.47
Contract liabilities	Sinotrans Container Lines Co., Ltd.	4,000.00	–
Contract liabilities	Odfjell Terminals (Dalian) Co., Ltd.	1,000.00	2,809.91
Contract liabilities	Shenyang Sinotrans Logistics Co., Ltd. (瀋陽中外運物流有限公司)	752.00	984.00
Contract liabilities	Dalian Port Yidu Cold Chain Co., Ltd.	107.66	107.66
Contract liabilities	Sinotrans Air Transportation Development Co., Ltd.	17.00	17.00
Contract liabilities	Dalian Port Corporation Limited	–	18,012.23
Contract liabilities	Dalian Wanpeng Port Engineering Testing Co., Ltd.	–	18,530.62
Contract liabilities	Dalian Sinotrans Logistics Co., Ltd.	–	128,697.40
Contract liabilities	Sinotrans Northeastern Co., Ltd.	–	31,600.00
Contract liabilities	Dalian Jilong Logistics Co., Ltd.	–	222,475.57
Contract liabilities	PetroChina Dalian LNG Co., Ltd.	–	331,978.77
Contract liabilities	Dalian Port Industrial Co., Ltd.	–	181,312.82
Contract liabilities	Dalian Harbour Engineering Co., Ltd.	–	32,115.81
Contract liabilities	Dalian Port Landscape Engineering Co., Ltd.	–	19,453.21
Contract liabilities	Dalian Port Rixing Boiler Installation Co., Ltd.	–	16,553.24
Contract liabilities	Dalian Port Xingang Construction Engineering Co., Ltd.	–	4,322.94
Contract liabilities	Dalian PetroChina Marine Fuel Transportation & Sales Co., Ltd.	–	4,061.76
Contract liabilities	Dalian Port Property Management Co., Ltd.	–	21,020.28
Total		957,422.94	1,098,041.75

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(2) Balances of major claims and debts (continued)

Items	Name of related parties	30 June 2020 (unaudited)	31 December 2019
Prepayments	Dalian Port Machinery Co., Ltd.	216,669.00	36,669.00
Prepayments	Dalian Port Machinery and Electric Co., Ltd.	126,300.00	–
Prepayments	Dalian Gangtai Insurance Brokers Co., Ltd.	2,393,840.92	–
Prepayments	Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	2,009,107.83	1,712,200.00
Prepayments	China United International Rail Containers (Dalian) Co., Ltd.	1,415,001.55	361,003.95
Prepayments	Yingkou New Century Terminal Co., Ltd.	5,685.17	–
Prepayments	Liaoning Electronic Port Co., Ltd.	21,619.50	21,619.50
Total		6,188,223.97	2,131,492.45
Accounts receivable	Dalian Port Bulk Cargo Logistics Center Co., Ltd.	19,416,957.00	19,398,568.00
Accounts receivable	Dalian Port Yidu Cold Chain Co., Ltd.	19,065,338.47	3,592,596.70
Accounts receivable	China Oil Dock Management (Dalian) Co., Ltd.	9,561,701.00	1,655,826.00
Accounts receivable	Dalian Port Design & Research Institute Co., Ltd.	7,819,751.00	2,972,782.85
Accounts receivable	Dalian Port Wantong Logistics Co., Ltd.	6,650,843.33	724,437.57
Accounts receivable	Dalian Creative Industry Project Development Co., Ltd.	5,336,904.90	5,336,904.90
Accounts receivable	China Marine Shipping Agency Liaoning Co., Ltd.	4,220,501.81	12,549,719.51
Accounts receivable	Liaoning Electronic Port Co., Ltd.	3,937,810.00	3,937,810.00
Accounts receivable	Dalian Changxing Island Port Co., Ltd.	3,544,275.94	1,782,145.94
Accounts receivable	Sinotrans Container Lines Co., Ltd.	2,245,098.36	2,445,565.00
Accounts receivable	Dalian Automobile Terminal Co., Ltd.	2,231,926.00	–
Accounts receivable	Yingkou Port Group Co., Ltd.	1,215,000.00	1,215,000.00
Accounts receivable	Liaoning Port Group Limited	1,036,200.00	3,416,200.00
Accounts receivable	Dalian United International Shipping Agency Co., Ltd.	928,719.94	1,573,257.23
Accounts receivable	Sinotrans Northeastern Co., Ltd.	605,660.27	214,033.60
Accounts receivable	Dalian Changxing Island Port Investment and Development Co., Ltd.	450,000.00	450,000.00
Accounts receivable	Yingkou Gangxin Technology Co., Ltd. (營口港信科技有限公司)	450,000.00	450,000.00
Accounts receivable	Dalian International Cruise City Development Co., Ltd.	415,679.28	–
Accounts receivable	Dalian Port Machinery and Electric Co., Ltd.	396,920.34	396,920.34
Accounts receivable	Weifang Senda Container Service Co., Ltd.	375,000.00	–
Accounts receivable	Dalian Taiping Bay Investment & Development Co., Ltd.	316,029.50	250,429.50
Accounts receivable	Shenzhen Merchants Ro-Ro Transportation Co., Ltd. (深圳招商滾裝運輸有限公司)	310,855.00	58,300.00

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(2) Balances of major claims and debts (continued)

Items	Name of related parties	30 June 2020 (unaudited)	31 December 2019
Accounts receivable	China United International Rail Containers (Dalian) Co., Ltd.	305,858.41	1,967.00
Accounts receivable	Dalian Vanguard International Logistics Co., Ltd.	285,223.50	5,223.50
Accounts receivable	Dalian Port Petroleum & Chemical Co., Ltd.	180,530.00	212,792.00
Accounts receivable	Yingkou Ocean Shipping Agency Co., Ltd.(營口外輪代理有限公司)	176,020.00	-
Accounts receivable	China United Tally (Dalian) Co., Ltd.	135,000.00	-
Accounts receivable	Dalian Sinotrans Logistics Co., Ltd.	103,828.55	123,299.60
Accounts receivable	Dalian Dagang China Shipping Container Terminal Co., Ltd.	88,333.00	-
Accounts receivable	Dalian Shenyang Railway Bureau Yuangang Logistics Co., Ltd.	78,390.00	151,043.00
Accounts receivable	Odfjell Terminals (Dalian) Co., Ltd.	57,005.50	365,178.00
Accounts receivable	Dalian Harbour Engineering Co., Ltd.	50,405.57	190,578.07
Accounts receivable	Dalian CITIC Harbour Investment Co., Ltd.	47,506.35	47,506.35
Accounts receivable	Sinotrans North China Co., Ltd.	46,125.60	169,850.96
Accounts receivable	Dalian Gangxin Construction Engineering Co., Ltd.	44,971.23	44,971.23
Accounts receivable	Dalian Port Xiangyu Grain Logistics Co., Ltd.	40,000.00	-
Accounts receivable	Dalian PetroChina Marine Fuel Transportation & Sales Co., Ltd.	26,051.20	76,462.00
Accounts receivable	Sinotrans Integrated Logistics Co., Ltd.	21,485.40	-
Accounts receivable	Dalian Port Corporation Limited	352,797.24	18,786.53
Accounts receivable	Dalian Port North Shore Automobile Terminal Co., Ltd.	14,928.45	131,700.00
Accounts receivable	Dalian Jilong Logistics Co., Ltd.	6,363.00	7,500.00
Accounts receivable	China Merchants Logistics Group (Tianjin) Co., Ltd.* (招商局物流集團(天津)有限公司)	616,100.00	-
Accounts receivable	Yingkou Port Liability Co., Ltd.	-	182,016.00
Accounts receivable	Dalian Port North Shore Investment and Development Co., Ltd.	-	151,982.39
Accounts receivable	Dalian Taiping Bay Sunshine Real Estate Co., Ltd.	-	22,775.00
Accounts receivable	Dalian Port Property Management Co., Ltd.	-	584.15
Total		93,208,095.14	64,324,712.92

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(2) Balances of major claims and debts (continued)

Items	Name of related parties	30 June 2020 (unaudited)	31 December 2019
Other receivables	Dalian Changxing Island Port Investment and Development Co., Ltd.	77,919,450.03	80,041,594.96
Other receivables	Dalian Changxing Island Port Co., Ltd.	40,982,088.55	40,921,576.55
Other receivables	Dalian Automobile Terminal Co., Ltd.	25,723,448.05	36,712.90
Other receivables	Dalian Vanguard International Logistics Co., Ltd.	23,000,000.00	23,030,570.84
Other receivables	China Marine Shipping Agency Liaoning Co., Ltd.	12,113,706.00	11,685,785.00
Other receivables	Dalian Port Corporation Limited	7,708,923.07	9,300,335.89
Other receivables	Dalian Port Yidu Cold Chain Co., Ltd.	7,440,354.75	3,033,114.15
Other receivables	China United International Rail Containers (Dalian) Co., Ltd.	2,500,000.00	–
Other receivables	Dalian Port Machinery and Electric Co., Ltd.	2,330,177.63	2,330,177.63
Other receivables	Dalian Wanfeng Properties Co., Ltd.	1,958,935.22	1,218,255.47
Other receivables	Dalian Port Machinery Co., Ltd.	1,677,105.00	1,417,985.00
Other receivables	Dalian Port Industrial Co., Ltd.	643,435.08	–
Other receivables	Dalian Port Design & Research Institute Co., Ltd.	593,560.65	473,070.07
Other receivables	Dalian United International Shipping Agency Co., Ltd.	525,998.34	1,099,240.50
Other receivables	Dalian Harbour Engineering Co., Ltd.	515,406.66	474,776.16
Other receivables	Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	490,000.00	90,000.00
Other receivables	China United Tally (Dalian) Co., Ltd.	487,879.50	–
Other receivables	Dalian Taiping Bay Sunshine Real Estate Co., Ltd.	472,676.50	1,394,013.00
Other receivables	Jinzhou Liaoxi PDA Properties Co., Ltd.	360,500.00	360,500.00
Other receivables	Dalian Harbour City Construction Development Co., Ltd.	275,900.58	–
Other receivables	Liaoning Port Group Limited	249,600.00	67,600.00
Other receivables	Dalian Port Petroleum & Chemical Co., Ltd.	198,351.30	419,680.86
Other receivables	Dalian Port Bulk Cargo Logistics Center Co., Ltd.	193,110.22	–
Other receivables	Dalian Puji Storage Facility Co., Ltd.	160,917.12	160,917.12
Other receivables	Dalian Sinotrans Logistics Co., Ltd.	160,451.82	80,000.00
Other receivables	Odfjell Terminals (Dalian) Co., Ltd.	101,054.00	68,730.00
Other receivables	Dalian Port Wantong Logistics Co., Ltd.	100,000.00	1,999,139.77
Other receivables	China Communications Import & Export Co., Ltd	100,000.00	–
Other receivables	Sinotrans Container Lines Co., Ltd.	80,192.77	94,370.00
Other receivables	Dalian Port Tongli Shipping Agency Co., Ltd.	75,000.00	–
Other receivables	Dalian Hongyu Building Co., Ltd.	56,224.00	56,224.00

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(2) Balances of major claims and debts (continued)

Items	Name of related parties	30 June 2020 (unaudited)	31 December 2019
Other receivables	Dalian Port North Shore Investment and Development Co., Ltd.	43,446.00	182,270.00
Other receivables	Dalian Port PetroChina International Terminal Co., Ltd.	36,628.41	45,165.41
Other receivables	Dalian North Oil Petroleum Logistics Co., Ltd.	28,800.00	28,800.00
Other receivables	Dalian Port North Shore Automobile Terminal Co., Ltd.	26,241.00	874,666.00
Other receivables	Dalian Jilong Logistics Co., Ltd.	21,000.00	21,000.00
Other receivables	Dalian Gangtai Insurance Brokers Co., Ltd.	20,000.00	20,000.00
Other receivables	Dalian Port Xingang Construction Engineering Co., Ltd.	12,000.00	360,288.00
Other receivables	Dalian Gangxin Construction Engineering Co., Ltd.	10,821.80	10,821.80
Other receivables	Dalian Port Security Services Co., Ltd.	1,200.00	2,800.00
Other receivables	Liaoning Sinotrans Company	-	50,000.00
Other receivables	Dalian Shunde Jifa Supply Chain Management Co., Ltd.	-	366,305.19
Other receivables	Dalian Taiping Bay Investment & Development Co., Ltd.	-	43,020.50
Other receivables	Dalian International Cruise City Development Co., Ltd.	-	9,000.00
Total		209,394,584.05	181,868,506.77
Long-term receivables	Dalian Puji Storage Facility Co., Ltd.	54,779,390.98	-
Total		54,779,390.98	-
Advances from customers	Dalian CITIC Harbour Investment Co., Ltd.	17,241.29	43,103.39
Advances from customers	Dalian Port Yidu Cold Chain Co., Ltd.	43,850.85	-
Advances from customers	Dalian Sinotrans Logistics Co., Ltd.	150,793.63	-
Advances from customers	Dalian Dagang China Shipping Container Terminal Co., Ltd.	19,417.47	-
Total		231,303.24	43,103.39

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(2) Balances of major claims and debts (continued)

Items	Name of related parties	30 June 2020 (unaudited)	31 December 2019
Interest payable	Dalian Port Corporation Limited	2,139,763.22	1,003,902.03
Total		2,139,763.22	1,003,902.03
Accounts payable	Dalian Changxing Island Port Investment and Development Co., Ltd.	16,650,000.00	17,205,000.00
Accounts payable	China United International Rail Containers (Dalian) Co., Ltd.	3,514,015.65	1,326,346.15
Accounts payable	Dalian Automobile Terminal Co., Ltd.	2,351,117.55	931,680.00
Accounts payable	Dalian Port Wantong Logistics Co., Ltd.	1,845,800.00	822,000.00
Accounts payable	Dalian Harbour Engineering Co., Ltd.	1,154,966.79	1,001,432.40
Accounts payable	Dalian Singamas International Container Co., Ltd.	1,147,726.02	625,515.96
Accounts payable	Jilin Inland Port Logistics Co., Ltd. (吉林省陸港物流有限公司)	1,093,565.10	51,624.10
Accounts payable	China United Tally (Dalian) Co., Ltd.	1,033,808.28	–
Accounts payable	Yingkou Port Gaizhou Logistics Co., Ltd. (營口港蓋州物流有限公司)	731,841.83	848,990.43
Accounts payable	Dalian Port Machinery Co., Ltd.	465,957.35	266,152.35
Accounts payable	Shenyang Yinggang Lugang Service Co., Ltd. (瀋陽營港陸港服務有限公司)	392,452.83	392,452.83
Accounts payable	Dalian United International Shipping Agency Co., Ltd.	305,791.03	68,702.61
Accounts payable	Dalian Shunde Jifa Supply Chain Management Co., Ltd.	302,200.00	802,200.00
Accounts payable	Dalian Port Landscape Engineering Co., Ltd.	300,000.00	–
Accounts payable	Dalian Port Industrial Co., Ltd.	280,156.00	–
Accounts payable	Dalian Hongyu Building Co., Ltd.	251,938.32	–
Accounts payable	Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	245,520.77	74,395.16
Accounts payable	Dalian FTZ Yongdexin Real Estate Development Co., Ltd.	207,399.60	–
Accounts payable	Dalian Jilong Logistics Co., Ltd.	122,420.47	265,980.47
Accounts payable	Dalian Port Corporation Limited	117,133.79	69,000.00
Accounts payable	Sinotrans Central China Co., Ltd.	109,649.49	–
Accounts payable	China Oil Dock Management (Dalian) Co., Ltd.	108,962.26	–
Accounts payable	Shenzhen China Merchants Daojiahui Technology Co., Ltd. (深圳招商到家匯科技有限公司)	50,513.79	–

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(2) Balances of major claims and debts (continued)

Items	Name of related parties	30 June 2020 (unaudited)	31 December 2019
Accounts payable	Dalian Vanguard International Logistics Co., Ltd.	38,235.00	12,082.00
Accounts payable	Yingkou Ocean Shipping Agency Co., Ltd. (營口外輪代理有限公司)	727,253.91	-
Accounts payable	Shenzhen China Merchants Property Management Co., Ltd.	28,640.62	52,602.78
Accounts payable	Sinotrans North China Co., Ltd.	16,950.00	16,950.00
Accounts payable	Dalian Port Machinery and Electric Co., Ltd.	11,940.00	-
Accounts payable	Sinotrans Sunny Express Co., Ltd.	6,500.00	6,500.00
Accounts payable	Dalian New Silk Road International Logistics Co., Ltd.	5,246.20	-
Accounts payable	Sinotrans Northeastern Co., Ltd.	3,950.00	3,950.01
Accounts payable	China Marine Shipping Agency Liaoning Co., Ltd.	314.00	17,975.22
Accounts payable	Dalian Shenyang Railway Bureau Yuangang Logistics Co., Ltd.	23.20	23.20
Accounts payable	Liaoning Harbour Engineering Technology Co., Ltd. (遼寧港灣船務工程技術有限公司)	-	160,000.00
Accounts payable	Dalian Sinotrans Logistics Co., Ltd.	-	249,022.94
Accounts payable	Shenyang Sinotrans & CSC Logistics Development Co., Ltd. (瀋陽中外運長航物流發展有限公司)	-	431,451.94
Total		33,621,989.85	25,702,030.55
Other payables	Ocean Harvest Container Co., Ltd.	49,662,386.75	49,104,208.41
Other payables	Dalian Port Machinery and Electric Co., Ltd.	32,531,646.61	35,734,352.05
Other payables	Dalian Harbour Engineering Co., Ltd.	18,023,973.45	33,991,427.17
Other payables	Dalian Port Corporation Limited	12,777,418.96	5,529,862.46
Other payables	Dalian United International Shipping Agency Co., Ltd.	4,119,725.55	600,500.00
Other payables	Dalian Port Rixing Boiler Installation Co., Ltd.	3,182,695.62	15,440,633.36
Other payables	Dalian Port Machinery Co., Ltd.	2,061,372.07	3,409,616.00
Other payables	Dalian Hongyu Building Co., Ltd.	1,896,764.04	-
Other payables	Dalian Port Xingang Construction Engineering Co., Ltd.	1,397,288.28	4,985,225.31
Other payables	Sinopec Harbour Oil Sales (Dalian) Co., Ltd.	1,035,873.25	1,025,873.25
Other payables	Dalian Port Design & Research Institute Co., Ltd.	828,018.98	48,634.00
Other payables	China Marine Shipping Agency Liaoning Co., Ltd.	737,774.50	742,774.50
Other payables	Dalian Port Landscape Engineering Co., Ltd.	539,208.00	517,512.00

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(2) Balances of major claims and debts (continued)

Items	Name of related parties	30 June 2020 (unaudited)	31 December 2019
Other payables	Dalian Port Yidu Cold Chain Co., Ltd.	441,540.00	164,070,696.00
Other payables	Dalian CITIC Harbour Investment Co., Ltd.	300,000.00	300,000.00
Other payables	Sinotrans Container Lines Co., Ltd.	250,000.00	250,000.00
Other payables	Dalian Sinotrans Logistics Co., Ltd.	191,995.58	–
Other payables	China United Tally (Dalian) Co., Ltd.	182,984.91	167,043.40
Other payables	Dalian Port Industrial Co., Ltd.	70,160.00	70,160.00
Other payables	Dalian Changxing Island Port Investment and Development Co., Ltd.	63,600.00	63,600.00
Other payables	Dalian Wanpeng Foundation Engineering Co., Ltd.	50,000.43	50,000.43
Other payables	Dalian FTZ Yongdexin Real Estate Development Co., Ltd.	46,542.60	–
Other payables	Dalian Wanpeng Port Engineering Testing Co., Ltd.	40,000.00	40,000.00
Other payables	Dalian Jilong Logistics Co., Ltd.	35,080.00	10,000.00
Other payables	Dalian Wantong Ronghai Shipping Co., Ltd.	30,000.00	30,000.00
Other payables	Dalian Singamas International Container Co., Ltd.	20,700.00	700.00
Other payables	Dalian Dagang China Shipping Container Terminal Co., Ltd.	20,000.00	–
Other payables	Shenzhen China Merchants Daojiahui Technology Co., Ltd. (深圳招商到家匯科技有限公司)	5,389.25	–
Other payables	Dalian PetroChina Marine Fuel Transportation & Sales Co., Ltd.	5,000.00	5,000.00
Other payables	Shenzhen China Merchants Property Management Co., Ltd.	3,935.22	96,700.66
Other payables	Dalian Creative Industry Project Development Co., Ltd.	5,000.00	5,000.00
Total		130,556,074.05	316,289,519.00
Long-term borrowings	Dalian Port Group Financial Co., Ltd.	–	34,000,000.00
Long-term borrowings	Dalian United International Shipping Agency Co., Ltd.	–	15,000,000.00
Total		–	49,000,000.00

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(2) Balances of major claims and debts (continued)

Items	Name of related parties	30 June 2020 (unaudited)	31 December 2019
Long-term payables	Dalian Port Corporation Limited	34,052,555.56	–
Total		34,052,555.56	–
Lease liabilities	Dalian Port PetroChina International Terminal Co., Ltd.	1,677,431,423.43	1,685,112,952.77
Lease liabilities	Dalian Port Corporation Limited	1,222,776,513.02	1,231,904,823.59
Lease liabilities	Dalian FTZ Yongdixin Real Estate Development Co., Ltd.	48,487,486.32	47,536,254.52
Lease liabilities	Dalian Harbour Building Co., Ltd.	23,307,125.28	23,616,291.80
Lease liabilities	Dalian Automobile Terminal Co., Ltd.	719,136.79	–
Lease liabilities	Dalian Changxing Island Port Co., Ltd.	66,053.92	131,998.63
Total		2,972,787,738.76	2,988,302,321.31
Long-term borrowings due within one year	Dalian Port Corporation Limited	30,000,000.00	–
Long-term borrowings due within one year	Dalian Port Group Financial Co., Ltd.	–	40,063,861.11
Long-term borrowings due within one year	Dalian United International Shipping Agency Co., Ltd.	–	21,770.90
Total		30,000,000.00	40,085,632.01
Long-term payables due within one year	Dalian Port Corporation Limited	10,000,000.00	–
Total		10,000,000.00	–

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(2) Balances of major claims and debts (continued)

Items	Name of related parties	30 June 2020 (unaudited)	31 December 2019
Lease liabilities due within one year	Dalian Port PetroChina International Terminal Co., Ltd.	15,257,776.63	14,866,780.32
Lease liabilities due within one year	Shenyang Sinotrans & CSC Logistics Development Co., Ltd. (瀋陽中外運長航物流發展有限公司)	1,656,890.26	3,278,558.50
Lease liabilities due within one year	Dalian FTZ Yongdixin Real Estate Development Co., Ltd.	1,325,325.14	1,304,445.87
Lease liabilities due within one year	Dalian Harbour Building Co., Ltd.	954,072.70	957,521.97
Lease liabilities due within one year	Dalian Equipment Finance Lease Co., Ltd.	506,337.55	1,168,874.35
Lease liabilities due within one year	Dalian Port Corporation Limited	18,238,186.02	18,062,586.11
Lease liabilities due within one year	Dalian Changxing Island Port Co., Ltd.	40,000.00	51,428.57
Lease liabilities due within one year	Dalian Automobile Terminal Co., Ltd.	13,796.57	–
Total		37,992,384.87	39,690,195.69

Except for short-term borrowings, long-term borrowings, lease liabilities, non-current liabilities due within one year and related party borrowings in long-term payables, other amounts due to related parties were interest free, unsecured and with no fixed maturity date.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(3) Leasing with related parties

The Group as the lessor

Name of Lessee	Type of the leased assets	Pricing method and decision-making procedure of connected transactions	Leasing income recognised in the current period (unaudited)	Leasing income recognised in the previous period (unaudited)
China Oil Dock Management (Dalian) Co., Ltd.	Berth and stock yard	Agreement	7,080,000.00	7,080,000.00
China United International Rail Containers (Dalian) Co., Ltd.	Handling equipment	Agreement	2,393,239.96	2,451,492.38
Dalian Port Yidu Cold Chain Co., Ltd.	Handling equipment/ stock yard	Agreement	1,902,518.08	1,852,740.95
Dalian Jilong Logistics Co., Ltd.	Stock yard	Agreement	1,217,626.47	2,435,252.94
Dalian North Oil Petroleum Logistics Co., Ltd.	Oil pipe and tank	Agreement	211,904.76	211,904.76
China United Tally (Dalian) Co., Ltd.	Communication equipment/Buildings	Agreement	51,999.39	53,106.24
Dalian Port Industrial Co., Ltd.	Automobile/Buildings	Agreement	717,688.55	809,442.75
Dalian Sinotrans Logistics Co., Ltd.	Stock yard/Buildings	Agreement	301,587.32	–
Dalian Harbour City Construction Development Co., Ltd.	Buildings	Agreement	262,762.50	262,762.50
Dalian Wantong Ronghai Shipping Co., Ltd.	Buildings	Agreement	65,714.29	147,619.05
Dalian CITIC Harbour Investment Co., Ltd.	Buildings	Agreement	25,862.10	25,862.10
Total			14,230,903.42	15,330,183.67

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(3) Leasing with related parties (continued)

The Group as the lessee

Name of lessor	Type of the leased assets	Pricing method and decision-making procedure of connected transactions	Leasing expenses paid in the current period (unaudited)	Leasing expenses paid in the previous period (unaudited)
Dalian Port Corporation Limited	Land use rights/ Buildings	Agreement	46,926,645.36	46,638,688.06
Dalian Port PetroChina International Terminal Co., Ltd.	Terminal facilities	Agreement	52,000,000.01	51,714,285.72
Dalian Automobile Terminal Co., Ltd.	Buildings	Agreement	45,852.84	–
Dalian Changxing Island Port Co., Ltd.	Buildings	Agreement	19,999.98	–
Dalian Port Wantong Logistics Co., Ltd.	Vessels	Agreement	5,080,183.49	4,526,021.67
Dalian Port Industrial Co., Ltd.	Automobile/Handling equipment	Agreement	2,334,418.02	2,524.27
Dalian FTZ Yongdixin Real Estate Development Co., Ltd.	Buildings	Agreement	1,982,402.34	2,744,812.44
Shenyang Sinotrans & CSC Logistics Development Co., Ltd. (瀋陽中外運長航物流發展有限公司)	Buildings	Agreement	1,410,000.00	–
Dalian Harbour Building Co., Ltd.	Buildings	Agreement	1,018,613.44	2,141,027.46
Dalian Hongyu Building Co., Ltd.	Buildings	Agreement	351,294.36	648,904.68
Dalian Equipment Finance Lease Co., Ltd.	Office equipment	Agreement	694,601.76	–
Total			111,864,011.60	108,416,264.30

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(4) Guarantees from related parties

Guarantees from related parties

Guarantor	Guaranteed amount	Commencement date	Termination date	Fully performed or not
For the six months ended 30 June 2020 (unaudited) Dalian Port Corporation Limited	2,350,000,000.00	23/5/2011	22/11/2021	No
For the six months ended 30 June 2019 (unaudited) Dalian Port Corporation Limited	2,350,000,000.00	23/5/2011	22/11/2021	No

The above related parties provided the Group with guarantees for bonds payable without any charge, please refer to Note VII.32.

(5) Borrowings with lending from/to related parties

Borrowings from related parties

For the six months ended 30 June 2020 (unaudited)

Related parties	Borrowing amount	Commencement date	Maturity date
Dalian Port Corporation Limited	44,000,000.00	17/3/2020	8/9/2022

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(5) Borrowings with related parties (continued)

Borrowings from related parties (continued)

For the six months ended 30 June 2019 (unaudited)

Related parties	Borrowing amount	Commencement date	Maturity date
Xinghai International Commercial Factoring (Tianjin) Co., Ltd.	8,000,000.00	21/1/2019	2/9/2019
Xinghai International Commercial Factoring (Tianjin) Co., Ltd.	8,000,000.00	1/2/2019	2/9/2019
Xinghai International Commercial Factoring (Tianjin) Co., Ltd.	8,000,000.00	8/3/2019	2/9/2019
Dalian Port Yidu Cold Chain Co., Ltd.	30,000,000.00	4/4/2019	30/9/2020

Repayment

Related parties	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
Dalian Port Yidu Cold Chain Co., Ltd.	163,350,000.00	30,000,000.00
Dalian Port Group Financial Co., Ltd.	44,000,000.00	630,000,000.00
Dalian United International Shipping Agency Co., Ltd.	15,000,000.00	–
Xinghai International Commercial Factoring (Tianjin) Co., Ltd.	–	23,774,163.75
Total	222,350,000.00	683,774,163.75

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(5) Borrowings with related parties (continued)

Interest expenses on borrowings from related parties

Related parties	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
Dalian Port Group Financial Co., Ltd.	421,724.32	12,795,609.99
Dalian United International Shipping Agency Co., Ltd.	320,625.00	358,229.18
Dalian Port Corporation Limited	1,661,416.75	–
Dalian Port Yidu Cold Chain Co., Ltd.	2,288,350.51	5,393,510.39
Xinghai International Commercial Factoring (Tianjin) Co., Ltd.	–	1,020,101.37
Total	4,692,116.58	19,567,450.93

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

Borrowings to related parties

For the six months ended 30 June 2020 (unaudited)

Related parties	Borrowing amount	Commencement date	Maturity date
Dalian Puji Storage Facility Co., Ltd.	54,700,000.00	6/1/2020	6/1/2023

For the six months ended 30 June 2019 (unaudited)

Related parties	Borrowing amount	Commencement date	Maturity date
Dalian Vanguard International Logistics Co., Ltd.	23,000,000.00	28/6/2019	28/6/2020

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(5) Borrowings with related parties (continued)

Interest income on borrowings to related parties

Related parties	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
Dalian Changxing Island Port Co., Ltd.	1,160,123.34	777,858.87
Dalian Vanguard International Logistics Co., Ltd.	477,177.68	161,450.60
Dalian Automobile Terminal Co., Ltd.	466,804.23	–
Dalian Puji Storage Facility Co., Ltd.	1,325,679.45	–
Total	3,429,784.70	939,309.47

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

(6) Transfer of assets of related parties

Acquisition of assets

Related parties	Content of transactions	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
Dalian Port Machinery Co., Ltd.	Engineering construction	2,628,318.59	–
Dalian Harbour Engineering Co., Ltd.	Engineering construction	2,417,645.80	6,876,180.75
Dalian Port Machinery and Electric Co., Ltd.	Engineering construction	726,400.00	13,937,264.65
Dalian Port Design & Research Institute Co., Ltd.	Engineering construction	329,625.47	–
Dalian Port Xingang Construction Engineering Co., Ltd.	Engineering construction	–	2,899,190.00
Dalian Port Rixing Boiler Installation Co., Ltd.	Engineering construction	–	994,611.65
Total		6,101,989.86	24,707,247.05

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(7) Remuneration of key management

Item	For the six months ended 30 June 2020 (unaudited)	For the six months ended 30 June 2019 (unaudited)
Remuneration of key management	1,910,899.92	1,287,209.93

(8) Commitment between the Group and related parties

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

Leases

Related parties	30 June 2020 (unaudited)	31 December 2019
As lessee		
Dalian Port Corporation Limited	5,138,523.82	10,277,047.63
As lessor		
Dalian Port Yidu Cold Chain Co., Ltd.	9,724,548.66	11,502,883.70
Dalian Sinotrans Logistics Co., Ltd.	1,507,936.52	–
Dalian Port Corporation Limited	30,000.01	–
Dalian Dagang China Shipping Container Terminal Co., Ltd.	116,504.83	–
Dalian Port Industrial Co., Ltd.	643,435.08	–
Dalian Jilong Logistics Co., Ltd.	639,253.89	1,278,507.78
Total	12,661,678.99	12,781,391.48

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

X. Relationships and transactions with related parties (continued)

5. Significant connected transactions between the Group and the above related parties during the year are as follows: (continued)

(8) Commitment between the Group and related parties (continued)

Capital commitments

Related parties	30 June 2020 (unaudited)	31 December 2019
Acquisition of assets		
Dalian Harbour Engineering Co., Ltd.	6,876,844.30	–

(9) Cash on hand and at bank placed in related parties

Related parties	30 June 2020 (unaudited)	31 December 2019
China Merchants Group Finance Co., Ltd.	1,106,872,264.33	–
Dalian Port Group Financial Co., Ltd. (Note)	–	3,164,692,091.29

Note: According to the integration requirements of China Merchants Group Limited, the de facto controller of the Company, and the relevant requirements of the China Banking and Insurance Regulatory Commission, it is proposed to liquidate Dalian Port Group Financial Co., Ltd., an associate of the Company, and there is no balance of deposits placed in Dalian Port Group Financial Co., Ltd. at the end of the period.

The annual interest rate for the above deposits for the six months ended 30 June 2020 was 0.525% – 4.125% (2019: 0.525% – 4.125%). The Group obtained deposit interest income of RMB8,296,834.29 (2019: RMB23,818,329.58) from the related parties.

As at 30 June 2020, the cash on hand and at bank deposited with the related parties included accrued interest of RMB55,636.28 (31 December 2019: RMB4,769,583.81).

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XI. Financial instruments and risk management

The major financial instruments of the Group primarily include cash at bank and on hand, financial assets held for trading, notes receivable, accounts receivable, other receivables, long-term receivables, investment in other equity instruments, short-term borrowings, accounts payable, other payables, non-current liabilities due within one year, bond payable, long-term borrowings, lease liabilities, long-term payables etc. For detailed descriptions of various financial instruments, please refer to the notes to the abovementioned items. The risks associated with these financial instruments and the risk management policies adopted by the Group to mitigate these risks are summarized as follows. The management of the Group manages and monitors these risk exposures to ensure that the above risks are controlled within a limited scope.

1. Classification of financial instruments

Financial assets

	Financial assets at fair value through current profit or loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Total
30 June 2020 (Unaudited)				
Cash at bank and on hand	–	2,887,993,854.24	–	2,887,993,854.24
Financial assets held for trading	1,352,792,833.70	–	–	1,352,792,833.70
Notes receivable	–	239,963,218.44	–	239,963,218.44
Accounts receivable	–	1,760,176,282.90	–	1,760,176,282.90
Other receivables	–	456,132,855.25	–	456,132,855.25
Investments in other equity instruments	–	–	183,587,895.38	183,587,895.38
Long-term receivables	–	54,724,611.59	–	54,724,611.59
Total	1,352,792,833.70	5,398,990,822.42	183,587,895.38	6,935,371,551.50
31 December 2019				
Cash at bank and on hand	–	4,051,413,174.71	–	4,051,413,174.71
Financial assets held for trading	304,951,193.83	–	–	304,951,193.83
Notes receivable	–	248,851,749.33	–	248,851,749.33
Accounts receivable	–	1,322,772,566.55	–	1,322,772,566.55
Other receivables	–	756,834,129.39	–	756,834,129.39
Investments in other equity instruments	–	–	189,782,564.95	189,782,564.95
Total	304,951,193.83	6,379,871,619.98	189,782,564.95	6,874,605,378.76

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XI. Financial instruments and risk management (continued)

1. Classification of financial instruments (continued)

Financial liabilities

	30 June 2020 (Unaudited)	31 December 2019
	Financial liabilities at amortised cost	Financial liabilities at amortised cost
Short-term borrowings	150,129,166.67	497,660,595.83
Accounts payable	193,378,043.84	189,817,515.63
Other payables	854,458,885.28	910,581,896.50
Non-current liabilities due within one year	2,650,563,522.16	400,779,150.69
Long-term borrowings	1,352,771,220.00	1,508,698,814.40
Bonds payable	3,542,889,235.03	5,884,379,767.90
Lease liabilities	3,111,387,206.77	3,132,442,496.82
Long-term payables	66,552,555.56	32,500,000.00
Total	11,922,129,835.31	12,556,860,237.77

2. Transfer of financial assets

Financial assets transferred but not fully derecognized

On 30 June 2020, the Group endorsed suppliers a bank acceptance for settlement of other payables with carrying amount of RMB2,300,000.00 (31 December 2019: RMB7,568,413.36). The Group is of the opinion that the Group retains nearly all the risks and rewards, including default risk related to it. Therefore, such other payables and other related payables settled will continuously be recognized in full. Subsequent to the endorsement, the Group will no longer retain use right, including the rights for selling, transferring or pledging such assets to other third parties. As at 30 June 2020, carrying amount of other payables settled by the Group totals at RMB2,300,000.00 (31 December 2019: RMB7,568,413.36).

Financial assets transferred and derecognized fully but with continuous involvement

On 30 June 2020, carrying value of the bank acceptance endorsed to suppliers for settlement of accounts payable amounts to RMB17,504,711.77 (31 December 2019: RMB26,504,560.53). On 30 June 2020, the bank acceptance is due within 1 to 12 months. If acceptance banks dishonored the notes, endorses shall have the right to turn to the Group for recourse ("Continuous Involvement") according to the Law of Bill. The Group considered that substantially all the risks and rewards of the notes have been transferred. Therefore, the Group has derecognised carrying amounts of the notes and the related accounts payable that have been settled. The maximum loss and the undiscounted cash flow of Continuous Involvement and repurchase are equal to the carrying amounts of the notes. The Group believes that the fair value of Continuous Involvement is insignificant.

For the six months ended 30 June 2020, the Group did not recognise gains or losses on the date of its transfer. The Group had no current or accumulated income or expense related to Continuous Involvement of financial assets which had been derecognised. Endorsement is recorded evenly during the period.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XI. Financial instruments and risk management (continued)

3. Objectives and policies of risk management

The Group is exposed to risks from various financial instruments in day-to-day operation, mainly including market risk (including foreign exchange risk, interest rate risk and price risk of investment in equity instruments), credit risk and liquidity risk. The major financial instruments of the Group primarily include cash at bank and on hand, equity investments, debt investments, borrowings, notes receivable and accounts receivable, and accounts payable. Risks in connection with such financial instruments, and the risk management strategies adopted by the Group to mitigate such risks are summarized as follows.

The Board of Directors is responsible for planning and establishing the risk management structure for the Group, and developing risk management policies and the related guidelines across the Group, and supervising the performance of risk management measures. The Group has developed risk management policies to identify and analyze risks affecting the Group. These risk management policies have clear regulations over specific risks, covering various aspects of market risk, credit risk and liquidity risk. The Group will evaluate the market environment and changes of the Group's operating activities on a regular basis to decide whether it is needed to update the risk management policies and systems. Risk management of the Group is carried out by the Risk Management Committee based on the policies as approved by the Board of Directors. Risk Management Committee identifies, evaluates and mitigates related risks by working closely with other business divisions of the Group. Internal Audit Department of the Group will review the risk management control and process regularly, and submit the review results to Audit Committee of the Group.

The Group diversifies risks of financial instruments through appropriate diversified investment and business portfolio, and mitigate concentration risk in any single sector, specific region or certain counterparties by formulating corresponding risk management policies.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XI. Financial instruments and risk management (continued)

3. Objectives and policies of risk management (continued)

(1) Market risk

1) Foreign exchange risk

The Group is exposed to trading exchange risk. Such risk arises from operating units carrying out sales or purchases with currency other than their functional currency. Approximately 3% of sales of the Group (2019: 4%) are denominated in currency other than the functional currency of operating units, while around 5% (2019: 6%) of cost is denominated in currency other than the functional currency of operating units.

The table below is a sensitivity analysis of exchange rate risk. It reflects the impact on net profit or loss and other comprehensive income net of tax when a reasonably possible change in exchange rate of foreign currency occurs, with all other variables held constant.

Item	Change in exchange rate	30 June 2020 (Unaudited)		31 December 2019	
		Impact on profit	Impact on shareholders' equity	Impact on profit	Impact on shareholders' equity interests
RMB	Strengthens by 1% against USD	44,439.24	44,439.24	148,772.61	148,772.48
RMB	Weakens by 1% against USD	-44,439.24	-44,439.24	-148,772.61	-148,772.48
RMB	Strengthens by 1% against JPY	-66,135.57	-66,135.57	-57,962.42	-57,962.42
RMB	Weakens by 1% against JPY	66,135.57	66,135.57	57,962.42	57,962.42
RMB	strengthens by 1% against KRW	-1,493.36	-1,493.36	-1,304.42	-1,304.42
RMB	Weakens by 1% against KRW	1,493.36	1,493.36	1,304.42	1,304.42

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XI. Financial instruments and risk management (continued)

3. Objectives and policies of risk management (continued)

(1) Market risk (continued)

2) Risk of change in exchange rate

Risk of changes in market interest rate exposed to the Group is primarily related to liabilities at variable interest rate.

In terms of management of interest rate exposures, the Group's policy is to manage its interest cost using a mix of fixed and variable rate debts to avoid interest rate risks.

The table below is a sensitivity analysis of interest rate risk. It reflects the impact on net profit or loss (through the impact on floating rate borrowings) and shareholders' equity when a reasonably possible change in interest rates occurs, with all other variables held constant.

Item	Increase of basis points	For the six months ended 30 June 2020 (Unaudited)		For the six months ended 30 June 2019 (Unaudited)	
		Increase of net profit or loss	Increase of shareholders' equity	Increase of net profit or loss	Increase of shareholders' equity
RMB	50	-5,241,642.08	-5,241,642.08	-5,920,441.67	-5,920,441.67
RMB	-50	5,241,642.08	5,241,642.08	5,920,441.67	5,920,441.67

3) Price risk of investment in equity instruments

Price risk of investment in equity instruments is the risk that fair value of equity securities is reduced due to change of stock index and value of individual stock. On 30 June 2020, the Group is exposed to price risk of investment in equity instruments arising from individual equity instrument investment classified as equity instrument investment at fair value through current profit or loss and equity instrument investment at fair value through other comprehensive income. Investments in equity instruments held by the Group are listed in stock exchanges in Shanghai and Shenzhen, and measured at market quotation on balance sheet date.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XI. Financial instruments and risk management (continued)

3. Objectives and policies of risk management (continued)

(1) Market risk (continued)

3) Price risk of investment in equity instruments (continued)

The following table demonstrates the sensitivity of net profit or loss and net of other comprehensive income after tax to every 1% increase in the fair values (based on the carrying amount on the balance sheet date) of the equity instrument investments of the Group, with all other variables held constant.

	Carrying amount of equity instrument investments	Increase in net profit or loss	comprehensive income after tax	Total increase in shareholders' equity
30 June 2020 (Unaudited)				
Equity instrument investments				
Of which: Shanghai-equity instrument investment at fair value through current profit or loss	322,740.00	2,420.55	-	2,420.55
Shenzhen-equity instrument investment at fair value through current profit or loss	827,080.00	6,203.10	-	6,203.10
Unlisted equity instrument investments at fair value – equity instrument investment at fair value through other comprehensive income	183,587,895.38	-	1,376,909.22	1,376,909.22
31 December 2019				
Equity instrument investments				
Of which: Shanghai-equity instrument investment at fair value through current profit or loss	576,630.00	4,324.73	-	4,324.73
Shenzhen-equity instrument investment at fair value through current profit or loss	1,144,920.00	8,586.90	-	8,586.90
Unlisted equity instrument investments at fair value – equity instrument investment at fair value through other comprehensive income	189,782,564.95	-	1,423,369.24	1,423,369.24

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XI. Financial instruments and risk management (continued)

3. Objectives and policies of risk management (continued)

(1) Market risk (continued)

4) Capital management

The Group's capital management mainly aims to ensure the Group's ability of operating as going concern, and maintain healthy capital ratio to support business development and maximise shareholders' value.

The Group changes and adjusts the capital management structure based on changes of economic situation and risk characteristics of related assets. To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, refund capital to shareholders or issue new shares. The Group is not subject to external mandatory capital requirements. For the six months ended 30 June 2020 and the year of 2019, the objective, policies or process of capital management are not changed.

The Group manages its capital using the leverage ratio, which is calculated by dividing net liabilities by the sum of adjusted capital and net liabilities. The Group's leverage ratio on the balance sheet date is as follows:

Item	30 June 2020 (Unaudited)	31 December 2019
Short-term borrowings	150,129,166.67	497,660,595.83
Non-current liabilities due within one year	2,650,563,522.16	400,779,150.69
Long-term borrowings	1,352,771,220.00	1,508,698,814.40
Bonds payable	3,542,889,235.03	5,884,379,767.90
Long-term payables	66,552,555.56	32,500,000.00
Lease liabilities	3,111,387,206.77	3,132,442,496.82
Other non-current liabilities	90,655,959.58	95,544,136.00
Less: Cash at bank and on hand	2,887,993,854.24	4,051,413,174.71
Financial assets held for trading	1,352,792,833.70	304,951,193.83
Other receivables – entrusted loans	–	49,530,570.84
Net liabilities	6,724,162,177.83	7,146,110,022.26
Shareholders' equity	21,642,363,730.63	21,404,415,590.73
Capital and net liabilities	28,366,525,908.46	28,550,525,612.99
Leverage ratio	24%	25%

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XI. Financial instruments and risk management (continued)

3. Objectives and policies of risk management (continued)

(2) Credit risk

The Group only has trade with recognized third party with good credit standing. Based on the Group's policies, customers who conduct credit transaction will be subject to credit review. In addition, the Group will continuously monitor balance of accounts receivable to ensure that the Group will not be exposed to significant risk of bad debts. In respect of the transactions not settled in the functional currency of related business division, the Group will not offer credit transaction conditions unless otherwise approved by the credit control department of the Group.

Since counterparties of cash at bank and on hand and bank acceptance notes receivables are banks with good reputation and high credit ratings, credit risk arising from these financial instruments is insignificant.

Other financial assets of the Group comprise of accounts receivable, other receivables and long-term receivables. Credit risk from such financial assets is from default of counterparties, and its maximum risk exposure is equivalent to the carrying amount of such instruments.

The Group's maximum credit risk exposure at each balance sheet date is the total amount charged to customers less the amount of impairment allowances.

Since the Group only trades with recognized third parties with good credit standing, no guarantee is required. Credit risk concentration is managed based on customers. As of 30 June 2020, the Group is exposed to certain credit risk concentration, as 61% (31 December 2019: 57%) and 69% (31 December 2019: 66%) of accounts receivables are respectively from the customer with the largest balance of account receivable and top five customers. The Group does not hold any security or other credit increment over balance of accounts receivable.

Further quantitative data in respect of the Group's exposure to credit risk arising from accounts receivable and other receivables are disclosed in Notes VII. 4 and 6.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XI. Financial instruments and risk management (continued)

3. Objectives and policies of risk management (continued)

(2) Credit risk (continued)

Criteria for determining significant increase in credit risk

The Group will evaluate whether credit risk in connection with financial instruments is increased significantly from initial recognition on each balance sheet date. When determining whether credit risk is increased significantly after initial recognition, the Group will consider obtaining reasonable information with supporting basis without paying extra cost or efforts, including qualitative and quantities analysis over the historical data of the Group, external credit risk ratings and forward-looking information. Based on a single financial instrument or group of financial instruments with similar credit risk characteristics, the Group will determine estimated changes in default risks of financial instruments during the period of existence, by comparing the default risk of financial instruments on the balance sheet date and that upon initial recognition.

When one or more of the following quantities and qualitative standards is triggered, credit risk in connection with financial instrument is increased significantly:

- (1) For quantities standards, the probability of default in the remaining existence period after the reporting date is increased to a certain proportion as compared with that upon initial recognition;
- (2) For qualitative standard, there are significant adverse changes in operation or financial position of debtors and early-warning customer list.

Definition of assets with credit impairment

To determine whether there is credit impairment, the defining standards adopted by the Group are consistent with the objective of internal credit risk management for related financial instruments, by reference to the quantitative and qualitative indicators. When debtors are evaluated for credit impairment, the following factors will be taken account of:

- (1) significant financial difficulty of issuers or debtors;
- (2) breach of contract by debtors, such as default or overdue payment in interest or principal repayment;
- (3) a concession granted by the creditor to the debtor due to economic or contractual considerations related to the debtor's financial difficulty, which will not be granted under any other circumstances;

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XI. Financial instruments and risk management (continued)

3. Objectives and policies of risk management (continued)

(2) Credit risk (continued)

Definition of assets with credit impairment (continued)

- (4) possible bankruptcy or other financial reorganization of the creditors;
- (5) disappearance of an active market for the financial asset due to financial difficulty of the issuer or the debtor;
- (6) purchase or creation of a financial asset at significant discount reflecting the fact of credit loss.

Credit impairment of financial assets may be a joint result of multiple events, rather than a single identifiable event.

Parameters for measurement of expected credit losses

Impairment loss provision for different assets is measured based on 12 months or the whole existence period depending on whether there is a significant increase in credit risk and whether credit impairment is provisioned. Key parameters for measurement of expected credit losses include loss rate, counterparty rating and risk exposure. The Group will take account of historical statistical data and forward-looking information to build loss rate and risk exposure model.

Related definitions are as follows:

- Counterparty rating is to regularly study the counterparty's expected credit risk and assessing its credit rating by giving consideration to relevant information of the counterparty's industry influence, the nature of company, operating indicators and deduction points indicators, which are divided into Grade A (high-quality enterprise), Grade B (common enterprise), Grade C (enterprise with bad credit) and Grade D (enterprise with significant risk) in order from good to bad;
- Default probability is the possibility that the debtor will be unable to fulfill its payment obligations in the next 12 months or the remaining existence period. The Default probability of the Group is adjusted based on the results of counterparty rating with reference to forward-looking information to reflect the debtor's default probability in the current macroeconomic environment;
- Default loss rate is the expectation made for the degree of estimated loss suffered by the Group. Loss rate of the Group is adjusted based on the migration rate of historical aging model with reference to forward-looking information. Loss rate is the percentage of estimated loss of risk exposure, and calculated based on a period of next 12 months or the whole period of existence.
- Default risk exposure is the amount that the Group should be compensated in the next 12 months or the remaining existence period upon default.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XI. Financial instruments and risk management (continued)

3. Objectives and policies of risk management (continued)

(2) Credit risk (continued)

Parameters for measurement of expected credit losses (continued)

Forward-looking information will be involved in both the evaluation of significantly increased credit risk and the calculation of expected credit losses. By analysis of historical data, the Group identified the key economic indicators affecting the credit risk and the expected credit loss of each business type.

The impact of these economic indicators on default probability and default loss rate varies with different business types.

As of 30 June 2020, the Group's exposure to credit risk of accounts receivable and other receivables categorized at internal ratings is shown in Note VII.4 and 6.

(3) Liquidity risk

When managing the liquidity risks, the management of the Group believes that sufficient cash and cash equivalents should be maintained and monitored to meet the operating needs of the Group and reduce the impact of cash flow fluctuations. The management of the Group monitors the use of bank loans and ensures compliance with loan agreements.

The following table summarises the maturity analysis of financial liabilities at undiscounted contractual cash flows (unaudited):

Item	Carrying amount	Within 1 year	1-5 years	Over 5 years	Total
Non-derivative Financial Assets and Liabilities					
Short-term borrowings	150,129,166.67	154,272,534.25	-	-	154,272,534.25
Accounts payable	193,378,043.84	193,378,043.84	-	-	193,378,043.84
Other payables	854,458,885.28	854,458,885.28	-	-	854,458,885.28
Non-current liabilities due within one year	2,650,563,522.16	2,851,897,586.74	-	-	2,851,897,586.74
Long-term borrowings	1,352,771,220.00	59,870,436.09	1,001,460,796.51	467,775,943.90	1,529,107,176.50
Lease liabilities	3,111,387,206.77	-	2,416,616,918.32	7,116,164,521.38	9,532,781,439.70
Bonds payable	3,542,889,235.03	33,932,702.25	3,989,255,506.85	-	4,023,188,209.10
Long-term payables	66,552,555.56	-	50,892,000.00	17,500,000.00	68,392,000.00
Total	11,922,129,835.31	4,147,810,188.45	7,458,225,221.68	7,601,440,465.28	19,207,475,875.41

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XI. Financial instruments and risk management (continued)

4. Fair value

(1) Assets and liabilities measured at fair value

30 June 2020 (unaudited)

Item	Input used in fair value measurement			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Continuous fair value measurement				
Financial assets held for trading				
Debt instrument investments	-	-	1,351,643,013.70	1,351,643,013.70
Equity instrument investments	1,149,820.00	-	-	1,149,820.00
Investments in other equity instruments	-	-	183,587,895.38	183,587,895.38
Total	1,149,820.00	-	1,535,230,909.08	1,536,380,729.08

31 December 2019

Item	Input used in fair value measurement			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Continuous fair value measurement				
Financial assets held for trading				
Debt instrument investments	-	-	303,229,643.83	303,229,643.83
Equity instrument investments	1,721,550.00	-	-	1,721,550.00
Investments in other equity instruments	-	-	189,782,564.95	189,782,564.95
Total	1,721,550.00	-	493,012,208.78	494,733,758.78

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XI. Financial instruments and risk management (continued)

4. Fair value (continued)

(2) Assets and liabilities disclosed at fair value

30 June 2020 (unaudited)

Item	Input used in fair value measurement			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial liabilities				
Long-term borrowings	-	-	1,344,818,173.85	1,344,818,173.85
Bonds payable	-	-	3,569,812,867.92	3,569,812,867.92
Total	-	-	4,914,631,041.77	4,914,631,041.77

31 December 2019

Item	Input used in fair value measurement			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial liabilities				
Long-term borrowings	-	-	1,506,961,979.50	1,506,961,979.50
Bonds payable	-	-	5,933,757,380.47	5,933,757,380.47
Total	-	-	7,440,719,359.97	7,440,719,359.97

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XI. Financial instruments and risk management (continued)

4. Fair value (continued)

(3) Fair value of financial instruments

The followings are the carrying amount and fair value of financial instruments except for the lease liability and financial instruments that the difference between the carrying amount and fair value is immaterial:

Item	Carrying amount		Fair value	
	30 June 2020 (Unaudited)	31 December 2019	30 June 2020 (Unaudited)	31 December 2019
Financial liabilities				
Long-term borrowings	1,352,771,220.00	1,508,698,814.40	1,344,818,173.85	1,506,961,979.50
Bonds payable	3,542,889,235.03	5,884,379,767.90	3,569,812,867.92	5,933,757,380.47

Management has assessed the cash at bank and on hand, notes receivable, accounts receivable, other receivables, short-term borrowings, accounts payable, together with non-current liabilities due within one year, etc. Their fair values approximate to their carrying amounts as the residual maturities of these instruments are not long.

The financial department of the Group is led by the financial manager and is responsible for formulating policies and procedures for the fair value measurement of financial instruments. The finance team reports directly to the chief financial director and the audit committee. At each balance sheet date, the financial department analyses the movements in the fair value of the financial instrument and determines the major input applicable to the valuation. The valuation must be reviewed and approved by the financial manager. For the purposes of preparing interim and annual financial statements, the financial department discusses the valuation process and results with the audit committee twice a year.

The fair value of financial assets and financial liabilities is determined based on the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction, other than in a forced or liquidation sale. The following methods and assumptions were used in the estimate of fair value.

The fair value of long-term and short-term borrowings, is calculated by discounting the future cash flows using the market yield currently available for other financial instruments with similar contract terms, credit risk and residual term as the discount rate. As at 30 June 2020 and 31 December 2019, the Group's exposure to non-performance risk associated with the long-term and short-term borrowings is assessed as insignificant.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XI. Financial instruments and risk management (continued)

4. Fair value (continued)

(3) Fair value of financial instruments (continued)

The fair value of unlisted equity instrument investments is estimated using the valuation model. The assumptions used are not supported by the observable market price. The Group needs to make estimate for related assumptions and parameters. The Group believes that the fair value estimated using valuation techniques and its change are reasonable, and is the most applicable value on the balance sheet date.

For the fair value of the unlisted equity instrument investment, the Group estimated and quantified the potential impact of adopting other reasonable and possible assumptions as input in the valuation model: with the use of less favorable assumptions, the fair value decreased by approximately RMB18,358,789.54; with the use of more favorable assumptions, the fair value increased by approximately RMB18,358,789.54.

The following table summarises significant unobservable inputs for level 3 fair value measurement:

Item	Fair value at the end of the period/year	Valuation techniques	Unobservable inputs	Range (weighted average mean)
Debt instrument investments	30 June 2020: (unaudited) 1,351,643,013.70	Cash flows discount method	Prepayment rate	30 June 2020 : 0%
		Cash flows discount method	Default probability	30 June 2020 : 0%
		Cash flows discount method	Default loss rate	30 June 2020 : 0%
	31 December 2019: 303,229,643.83	Cash flows discount method	Prepayment rate	31 December 2019 : 0%
		Cash flows discount method	Default probability	31 December 2019 : 0%
		Cash flows discount method	Default loss rate	31 December 2019 : 0%
Equity instrument investments	30 June 2020: (unaudited) 183,587,895.38	Listed company comparison method	Liquidity discount	30 June 2020 : 25-36%
			Liquidity discount	31 December 2019 : 20-30%
	31 December 2019: 189,782,564.95	Listed company comparison method	Liquidity discount	31 December 2019 : 20-30%

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XI. Financial instruments and risk management (continued)

4. Fair value (continued)

(3) Fair value of financial instruments (continued)

The reconciliation of continuous fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

	Balance at the beginning of the period/year	Transfer into Level 3	Transfer out of Level 3	Total gain or loss for the period/year	Included in other comprehensive income	Purchase	Issue	Sale	Settlement	Balance at the end of the period/year	Assets held at the end of period/year	Change in unrealised gain or loss at the end of the period/year included in profit or loss
For the six months ended 30 June 2020 (unaudited)												
Equity instrument investments	189,782,564.95	-	-	-	-6,194,669.57	-	-	-	-	183,587,895.38		-
Debt instrument investments	303,229,643.83	-	-	9,228,811.41	-	2,200,000,000.00	-	1,160,815,441.54	-	1,351,643,013.70		-
2019												
Equity instrument investments	156,672,586.07	-	-	-	33,109,978.88	-	-	-	-	189,782,564.95		-
Debt instrument investments	1,887,883,698.64	-	-	43,452,014.85	-	4,445,290,000.00	-	6,073,396,069.66	-	303,229,643.83		-

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XII. Contingencies

Guarantee

The Company's associate, Dalian North Oil Petroleum Logistics Co., Ltd. ("DNPL"), financed RMB116 million by means of finance 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 approved 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 lessor for DNPL. The counter guarantee was unconditional, non-cancellable and with joint liability 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. fulfills 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 of 30 June 2020, DNPL had made a repayment of RMB96 million.

XIII. Capital commitments

Item	30 June 2020 (Unaudited)	31 December 2019
Capital commitments contracted but not yet recognized in the financial statements		
– Acquisition of assets	25,826,928.13	38,296,876.57
– Intangible assets	1,350,409.08	1,850,409.08
– Investments in associates, joint ventures and other investees	–	27,900,000.00
Total	27,177,337.21	68,047,285.65

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XIV. Non-adjustment events after the balance sheet date

The Company plans to merge with Yingkou Port by absorption through share swap

On 7 July 2020, the Company held the second extraordinary meeting of the sixth session of the Board in 2020, to review and approve the Resolution in respect of the Proposal on Merger by Absorption through Share Swap between Dalian Port (PDA) Company Limited and Yingkou Port Liability Co., Ltd. and Connected Transaction and Fundraising (hereinafter referred to as “Merger by Absorption Resolution”). The Company will exchange 1.5030 A shares of the Company for each A share of Yingkou Port based on the share swap price of A shares of the Company at RMB1.69 per share and the share swap price of A shares of Yingkou Port at RMB2.54 per share, to exchange all existing issued shares of Yingkou Port and merge with Yingkou Port. The said share swap prices and share swap ratio have been adjusted according to the 2019 profit distribution plans of the Company and Yingkou Port, and except for this circumstance, if there are ex-rights and ex-dividends actions such as distribution of cash dividends, share dividends, capital surplus transfers to share capital, rights issue, etc. in respect of the shares of the Company or Yingkou Port from the pricing benchmark date to the share swap day (both days inclusive), the said share swap prices and share swap ratio will be adjusted accordingly. Meanwhile, the Company plans to raise funds of not exceeding RMB2.1 billion through non-public issuance of A shares to no more than 35 particular investors by way of inquiry.

The aforesaid Merger by Absorption Resolution is still subject to the approval or verification by the general meetings of the Company and Yingkou Port, shareholders’ class meeting of the Company and relevant regulatory authorities.

XV. Emoluments of directors, supervisors and senior management

Item	For the	For the
	six months ended	six months ended
	30 June 2020	30 June 2019
	(Unaudited)	(Unaudited)
Director’s fee	325,000.00	325,000.00
Other emoluments:		
Salaries and allowances	2,325,081.20	1,675,855.12
Pension plan contribution	96,788.16	120,247.32
Total	2,746,869.36	2,121,102.44

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XV. Emoluments of directors, supervisors and senior management (continued)

1. Independent non-executive directors

The fees paid to independent non-executive directors are as follows:

	For the six months ended 30 June 2020 (Unaudited)	For the six months ended 30 June 2019 (Unaudited)
Wang Zhifeng*	100,000.00	100,000.00
Sun Xiyun*	100,000.00	100,000.00
Luo Wenda	125,000.00	125,000.00
Li Zhiwei **	-	-
Liu Chunyan **	-	-
Total	325,000.00	325,000.00

* Sun Xiyun retired as an independent non-executive director of the Company at the expiration of his term in June 2020, Wang Zhifeng retired as an independent non-executive director of the Company at the expiration of his term in June 2020, and has been serving as an independent supervisor of the Company since the same month.

** Li Zhiwei and Liu Chunyan have been serving as independent non-executive directors of the Company since June 2020.

There are no other arrangements of remunerations payable to independent non-executive directors for the current period (For the six months ended 30 June 2019: Nil).

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XV. Emoluments of directors, supervisors and senior management (continued)

2. Executive directors, non-executive directors and supervisors

	For the six months ended 30 June 2020 (Unaudited)	For the six months ended 30 June 2019 (Unaudited)
Salaries and allowances		
Executive directors:		
Wei Minghui	259,202.22	161,485.50
Sun Dequan**	243,062.22	-
Zhang Yiming*	-	-
Non-executive directors:		
Cao Dong	-	-
Yuan Yi	-	-
Li Jianhui*	-	-
Qi Yue**	-	-
Na Danhong**	-	-
Xu Song*	-	-
Yim Kong*	-	-
Bai Jingtao*	-	-
Zheng Shaoping*	-	-
Yin Shihui*	-	-
Supervisors		
Jia Wenjun	-	72,636.75
Qi Yue**	-	-
Jia Ming**	-	-
Kong Xianjing*	50,000.00	50,000.00
Wang Zhifeng	100,000.00	-
Jiao Yingguang*	-	173,335.50
Zhang Hong**	88,785.09	-
Lu Yongkui*	-	160,102.50
Liu Xianfeng**	88,785.09	-
Total	829,834.62	617,560.25

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XV. Emoluments of directors, supervisors and senior management (continued)

2. Executive directors, non-executive directors and supervisors (continued)

	For the six months ended 30 June 2020 (Unaudited)	For the six months ended 30 June 2019 (Unaudited)
Pension plan contribution:		
Executive directors:		
Wei Minghui	10,370.16	21,290.88
Sun Dequan**	10,370.16	—
Zhang Yiming*	—	—
Non-executive directors:		
Cao Dong	—	—
Yuan Yi	—	—
Li Jianhui*	—	—
Qi Yue**	—	—
Na Danhong**	—	—
Xu Song*	—	—
Yim Kong*	—	—
Bai Jingtao*	—	—
Zheng Shaoping*	—	—
Yin Shihui*	—	—
Supervisors		
Jia Wenjun	—	10,236.00
Qi Yue**	—	—
Jia Ming**	—	—
Kong Xianjing*	—	—
Wang Zhifeng	—	—
Jiao Yingguang*	—	21,290.88
Zhang Hong**	6,913.44	—
Lu Yongkui*	—	21,290.88
Liu Xianfeng**	6,913.44	—
Total	34,567.20	74,108.64

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XV. Emoluments of directors, supervisors and senior management (continued)

2. Executive directors, non-executive directors and supervisors (continued)

- * Zhang Yiming and Bai Jingtao resigned from respective positions in the Company in March 2019, Zheng Shaoping and Yin Shihui resigned as non-executive directors of the Company in March 2019, and Xu Song and Yim Kong resigned from respective positions in the Company in December 2019, Jiao Yingguang and Lu Yongkui resigned as employee representative supervisors of the Company in March 2020, Li Jianhui retired as a non-executive directors of the Company at the expiration of his term in June 2020, and Kong Xianjing retired as an independent supervisor of the Company at the expiration of his term in June 2020.
- ** Zhang Hong and Liu Xianfeng have been the employee representative supervisors of the Company since March 2020, Sun Dequan has been an executive director of the Company since April 2020, Jia Ming has been a supervisor of the Company since June 2020, and Na Danhong has been a non-executive director of the Company since June 2020; Qi Yue retired as a supervisor of the Company at the expiration of his term in June 2020, and has been serving as the vice chairman and non-executive director of the Company since the same month.

3. Senior management

	For the six months ended 30 June 2020 (Unaudited)	For the six months ended 30 June 2019 (Unaudited)
Salaries and allowances:		
Sun Dequan	243,062.22	–
Tai Jingang	164,042.05	–
Yin Kaiyang	157,856.22	–
Luo Dongxi	162,638.22	–
Wang Ping	136,560.22	149,737.50
Zhang Tie	165,038.22	–
Wang Huiying	141,398.05	54,001.22
Lee Kin Yu	667,713.60	658,227.30
Wei Minghui*	–	161,485.50
Xing Jianfei**	–	54,401.22
Wang Jilu**	–	60,201.22
Zhao Qiang**	–	81,726.41
Total	1,838,308.80	1,219,780.37

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XV. Emoluments of directors, supervisors and senior management (continued)

3. Senior management (continued)

	For the six months ended 30 June 2020 (Unaudited)	For the six months ended 30 June 2019 (Unaudited)
Pension plan contribution:		
Sun Dequan	10,370.16	–
Tai Jingang	10,370.16	–
Yin Kaiyang	10,370.16	–
Luo Dongxi	10,370.16	–
Wang Ping	10,370.16	21,290.88
Zhang Tie	10,370.16	–
Wang Huiying	10,370.16	6,551.04
Lee Kin Yu	–	–
Wei Minghui*	–	21,290.88
Xing Jianfei**	–	6,551.04
Wang Jilu**	–	7,369.92
Zhao Qiang**	–	4,375.80
Total	72,591.12	67,429.56

* Wei Minghui resigned as the general manager of the Company in December 2019 and remained as an executive director of the Company. He has been the chairman of the Company since December 2019.

** Wang Jilu resigned from relevant position in the Company in February 2019, Zhao Qiang and Xing Jianfei resigned from respective positions in the Company in April and December 2019, respectively.

During the period, there was no agreement for a director, supervisor or senior management to waive or agree to waive the emoluments for the year (For the six months ended 30 June 2019: Nil).

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XV. Emoluments of directors, supervisors and senior management (continued)

4. The top five highest paid individuals

The top five highest paid individuals of the Group for the six months ended 30 June 2020 include one director (the top five highest paid individuals of the Group for the six months ended 30 June 2019 did not include any director). The aggregate emoluments are as follows:

	For the six months ended 30 June 2020 (Unaudited)	For the six months ended 30 June 2019 (Unaudited)
Salaries and allowances	2,247,567.60	2,549,537.34
Social security	132,209.52	197,268.12
Total	2,379,777.12	2,746,805.46

Emolument bands

	For the six months ended 30 June 2020 (Unaudited)	For the six months ended 30 June 2019 (Unaudited)
RMB0 – RMB1,000,000	5 persons	5 persons
RMB1,000,000 – RMB1,500,000	–	–

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XVI. Notes to key items in the parent company's financial statements

1. Accounts receivable

(1) General information on accounts receivable

Item	30 June 2020 (Unaudited)	31 December 2019
Accounts receivable	1,427,037,772.84	1,046,780,966.07
Less: Provision for credit loss	60,488,313.67	57,883,280.43
Total	1,366,549,459.17	988,897,685.64

(2) Overall aging of accounts receivable

Item	Amount as at the end of the period (Unaudited)			Amount as at the beginning of the period		
	Book balance	Percentage (%)	Provision for credit loss	Book balance	Percentage (%)	Provision for credit loss
Within 1 year (including 1 year)	879,131,435.16	61.60	1,508,852.54	860,092,218.71	82.16	2,378,286.33
1 to 2 years (including 2 years)	492,400,067.20	34.51	4,437,623.38	132,716,514.20	12.68	2,603,596.77
2 to 3 years (including 3 years)	4,070,850.66	0.29	3,106,417.93	2,806,813.34	0.27	1,934,588.51
Over 3 years	51,435,419.82	3.60	51,435,419.82	51,165,419.82	4.89	50,966,808.82
Total	1,427,037,772.84	100.00	60,488,313.67	1,046,780,966.07	100.00	57,883,280.43

(3) The movements in provision for bad debts of accounts receivable are as follows:

	Balance as at the beginning of the period/year	Provision for the period/year	Reversal during the period/year	Write-off during the period/year	Balance as at the end of period/year
For the six months ended 30 June 2020 (unaudited)	57,883,280.43	2,605,033.24	-	-	60,488,313.67
2019	36,601,556.85	21,281,723.58	-	-	57,883,280.43

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XVI. Notes to key items in the parent company's financial statements (continued)

1. Accounts receivable (continued)

(4) Details of accounts receivable of which provision for bad debts is made are as follows:

As at 30 June 2020, details of the Company's accounts receivable of which provision for bad debts is made according to its credit risk rating portfolio are as follows:

Rating	Book balance of estimated default	Expected credit loss	Expected credit loss for the entire duration
Portfolio A	244,324,177.52	0.00%-0.10%	29,623.91
Portfolio B	1,118,430,918.00	0.10%-0.30%	2,088,750.50
Portfolio C	4,441,494.00	0.30%-50.00%	549,881.89
Portfolio D	59,841,183.32	50.00%-100.00%	57,820,057.37
Total	1,427,037,772.84		60,488,313.67

As at 31 December 2019, details of the Company's accounts receivable of which provision for bad debts is made according to its credit risk rating portfolio are as follows:

Rating	Book balance of estimated default	Expected credit loss	Expected credit loss for the entire duration
Portfolio A	173,082,288.75	0.00%-0.10%	17,419.42
Portfolio B	813,388,382.60	0.10%-0.30%	1,066,894.26
Portfolio C	3,935,192.00	0.30%-50.00%	1,055,941.60
Portfolio D	56,375,102.72	50.00%-100.00%	55,743,025.15
Total	1,046,780,966.07		57,883,280.43

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XVI. Notes to key items in the parent company's financial statements (continued)

1. Accounts receivable (continued)

(5) Information on the top five entities by the amounts of accounts receivable (unaudited)

Name of entity	Relationship with the Group	Amount	Aging	Provision for credit loss	Percentage of total accounts receivable (%)
Dalian Enaisikai International Trading Co., Ltd. (大連恩埃斯凱國際貿易有限公司)	Customer	1,115,196,169.00	Within 2 years	2,085,176.76	78.15
Vale International SA	Customer	46,165,621.45	Within 1 year	4,616.56	3.24
Shenyang Oriental Steel Co., Ltd.	Customer	48,854,764.10	Above 5 years	48,854,764.10	3.42
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	Related party	19,416,957.00	Within 1 year	1,941.70	1.36
Angang Steel Company Limited	Customer	19,065,090.19	Within 1 year	1,906.51	1.34
Total		1,248,698,601.74		50,948,405.63	87.51

2. Other receivables

Item	30 June 2020 (Unaudited)	31 December 2019
Dividends receivable	1,266,569,208.85	1,407,912,587.46
Other receivables	83,478,616.83	80,851,933.67
Total	1,350,047,825.68	1,488,764,521.13

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XVI. Notes to key items in the parent company's financial statements (continued)

2. Other receivables (continued)

(1) Dividends receivable

1) Presentation of dividends receivable

Investee	30 June 2020 (Unaudited)	31 December 2019
China United Tally (Dalian) Co., Ltd.	787,103.52	415,597.59
Dalian Automobile Terminal Co., Ltd.	6,400,000.00	6,400,000.00
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	8,724,682.64	–
Taicang Xinggang Tug Co., Ltd.	2,142,855.00	–
Dalian Port Group Financial Co., Ltd.	–	153,604,658.42
Dalian Harbour ECL Logistics Co., Ltd.	1,022,236.24	–
Dalian Port Container Development Co., Ltd.	1,247,492,331.45	1,247,492,331.45
Total	1,266,569,208.85	1,407,912,587.46
Less: Provision for credit loss	–	–
Carrying amount	1,266,569,208.85	1,407,912,587.46

The Company's management believed that provision for impairment of dividends receivable as at balance sheet date was not necessary.

2) Significant dividends receivable aged more than 1 year

Investee	Amount as at the beginning of the period	Amount as at the end of the period (Unaudited)	Reason for failure of recovery
Dalian Port Container Development Co., Ltd.	1,091,933,945.12	1,091,933,945.12	Deferred payment

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XVI. Notes to key items in the parent company's financial statements (continued)

2. Other receivables (continued)

(2) Other receivables

1) Analysis by nature

Nature of amount	30 June 2020 (Unaudited)	31 December 2019
Receivables from income of entrusted management services	90,074,201.59	87,244,199.59
Others	33,706,134.34	24,078,120.43
Subtotal	123,780,335.93	111,322,320.02
Less: Provision for credit loss	40,301,719.10	30,470,386.35
Total	83,478,616.83	80,851,933.67

2) Analysis by aging

Item	30 June 2020 (Unaudited)			31 December 2019		
	Book balance	Percentage (%)	Provision for credit loss	Book balance	Percentage (%)	Provision for credit loss
Within 1 year (including 1 year)	45,531,473.60	36.78	1,152,803.73	32,246,700.71	28.97	1,212,873.62
1 to 2 years (including 2 years)	4,951,958.13	4.00	1,888,836.30	65,737,024.53	59.05	17,786,277.71
2 to 3 years (including 3 years)	62,874,254.42	50.80	28,398,576.94	2,839,910.00	2.55	1,983,465.40
Over 3 years	10,422,649.78	8.42	8,861,502.13	10,498,684.78	9.43	9,487,769.62
Total	123,780,335.93	100.00	40,301,719.10	111,322,320.02	100.00	30,470,386.35

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XVI. Notes to key items in the parent company's financial statements (continued)

2. Other receivables (continued)

(2) Other receivables (continued)

3) Details of the Company's other receivables of which provision for bad debts is made according to its credit risk rating portfolio are as follows:

30 June 2020 (unaudited)

Rating	Book balance of estimated default	Expected credit loss	Expected credit loss in the next 12 months	Expected credit loss for the entire duration
Portfolio A	42,812,699.12	0.00%-0.10%	4,687.71	-
Portfolio B	104,200.00	0.10%-0.30%	104.20	-
Portfolio C	68,873,582.34	0.30%-50.00%	-	29,448,711.72
Portfolio D	11,989,854.47	50.00%-100.00%	-	10,848,215.47
Total	123,780,335.93		4,791.91	40,296,927.19

31 December 2019

Rating	Book balance of estimated default	Expected credit loss	Expected credit loss in the next 12 months	Expected credit loss for the entire duration
Portfolio A	28,546,473.63	0.00%-0.10%	2,866.92	-
Portfolio B	215,878.32	0.10%-0.30%	427.56	-
Portfolio C	69,385,113.60	0.30%-50.00%	-	18,438,204.40
Portfolio D	13,174,854.47	50.00%-100.00%	-	12,028,887.47
Total	111,322,320.02		3,294.48	30,467,091.87

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XVI. Notes to key items in the parent company's financial statements (continued)

2. Other receivables (continued)

(2) Other receivables (continued)

- 4) *Movements in provision for bad debts of expected credit loss in relation to other receivables over the next 12 months and the entire duration are as follows:*

30 June 2020 (unaudited)

	Stage I Expected credit loss in the next 12 months	Stage II Expected credit loss for the entire duration (no credit impairment occurred)	Stage III Expected credit loss for the entire duration (credit impairment occurred)	Total
Opening balance	3,294.48	18,438,204.40	12,028,887.47	30,470,386.35
Provision in the current period	1,497.43	11,010,507.32	-	11,012,004.75
Reversal in the current period	-	-	1,180,672.00	1,180,672.00
Closing balance	4,791.91	29,448,711.72	10,848,215.47	40,301,719.10

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XVI. Notes to key items in the parent company's financial statements (continued)

2. Other receivables (continued)

(2) Other receivables (continued)

- 4) *Movements in provision for bad debts of expected credit loss in relation to other receivables over the next 12 months and the entire duration are as follows:*

31 December 2019

	Stage I Expected credit loss in the next 12 months	Stage II Expected credit loss for the entire duration (no credit impairment occurred)	Stage III Expected credit loss for the entire duration (credit impairment occurred)	Total
Opening balance	23,110,408.74	636,817.25	6,711,718.99	30,458,944.98
Opening balance				
– transfer to Stage II in the year	-10,553,090.00	10,553,090.00	–	–
– transfer to Stage III in the year	-384.50	–	384.50	–
Provision in the year	–	7,248,297.15	5,316,783.98	12,565,081.13
Reversal in the year	12,553,639.76	–	–	12,553,639.76
Closing balance	3,294.48	18,438,204.40	12,028,887.47	30,470,386.35

For the six months ended 30 June 2020, the provision for bad debts amounted to RMB11,012,004.75 (2019: RMB12,565,081.13), and the bad debt provision recovered or reversed amounted to RMB1,180,672.00 (2019: RMB12,553,639.76).

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XVI. Notes to key items in the parent company's financial statements (continued)

2. Other receivables (continued)

(2) Other receivables (continued)

5) Other receivables of the top five debtors by closing balances (unaudited)

Name of entity	Relationship with the Company	Amount	Aging	Percentage of total other receivables (%)	Provision for credit loss	Nature or description
Dalian Changxing Island Port Investment and Development Co., Ltd.	Related party	76,649,199.59	Within 3 years	61.92	26,474,504.72	Income receivable for entrusted management service
Dalian Port Pilotage Station	Related party	15,672,803.87	Within 1 year	12.66	1,567.28	Maintenance fee for public facilities
Dalian Changxing Island Port Co., Ltd.	Related party	11,700,000.00	Above 5 years	9.45	10,561,200.00	Income receivable for entrusted management service
Dalian Steel Logistics Park Co., Ltd.	Subsidiary	7,034,717.34	Within 5 years	5.68	2,392,025.87	Service fee
Dalian Port Corporation Limited	Related party	3,870,260.39	Within 1 year	3.13	387.03	Others
Total		114,926,981.19		92.84	39,429,684.90	

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XVI. Notes to key items in the parent company's financial statements (continued)

3. Long-term equity investments

Breakdown of long-term equity investments

For the six months ended 30 June 2020 (unaudited)

Investee	Changes in the period										
	Opening balance	Impact of change in consolidation scope	Increase in investment	Decrease in investment	Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Change in other equity	Declaration of distribution of cash dividend and profit	Provision for impairment	Closing balance	Closing balance of impairment provision
Subsidiaries											
Dalian Port Container Development Co., Ltd.	3,201,948,622.38	-	-	-	-	-	-	-	-	3,201,948,622.38	-
Asia Pacific Ports Company Limited	76,155,000.00	-	-	-	-	-	-	-	-	76,155,000.00	-
Dalian ETDZ Jin Xin Petro-chemistry Co., Ltd.	6,629,301.65	-	-	-	-	-	-	-	-	6,629,301.65	-
Dalian Jifa Shipping Management Co., Ltd.	419,011,554.73	-	-	-	-	-	-	-	-	419,011,554.73	-
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	-
Dalian Golden Bay Grain Logistics Co., Ltd.	53,156,426.75	-	-	-	-	-	-	-	-	53,156,426.75	-
Dalian Port Lvshun Harbour Service Co., Ltd.	217,580,000.00	-	-	-	-	-	-	-	-	217,580,000.00	-
Dalian Harbour ECL Logistics Co., Ltd.	-	31,931,668.81	-	-	-	-	-	-1,022,236.24	-	31,931,668.81	-

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XVI. Notes to key items in the parent company's financial statements (continued)

3. Long-term equity investments (continued)

Breakdown of long-term equity investments (continued)

For the six months ended 30 June 2020 (unaudited) (continued)

Investee	Changes in the period										
	Opening balance	Impact of change in consolidation scope	Increase in investment	Decrease in investment	Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Change in other equity	Declaration of distribution of cash dividend and profit	Provision for impairment	Closing balance	Closing balance of impairment provision
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 Dilangsirui Caravan Co., Ltd.	51,000,000.00	-	-	-	-	-	-	-	-	51,000,000.00	-
Dalian Port Group Zhuanghe Terminal Co., Ltd.	42,000,000.00	-	-	-	-	-	-	-	-	42,000,000.00	-
Dalian Zhuanghe Gangxing Investment Co., Ltd.	80,000,000.00	-	-	-	-	-	-	-	-	80,000,000.00	-
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	-
Dalian Port Power Supply Co., Ltd.	121,205,097.79	-	-	-	-	-	-	-	-	121,205,097.79	-
Subtotal	4,560,286,140.45	31,931,668.81	-	-	-	-	-	-1,022,236.24	-	4,592,217,809.26	-



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XVI. Notes to key items in the parent company's financial statements (continued)

3. Long-term equity investments (continued)

Breakdown of long-term equity investments (continued)

For the six months ended 30 June 2020 (unaudited) (continued)

Investee	Changes in the period										Closing balance of impairment provision
	Opening balance	Impact of change in consolidation scope	Increase in investment	Decrease in investment	Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Change in other equity	Declaration of distribution of cash dividend and profit	Provision for impairment	Closing balance	
Joint ventures											
Dalian Port Tongji Shipping Agency Co., Ltd.	1,213,114.02	-	-	-	120,472.23	-	-	-	-	1,333,586.25	-
Dalian Harbour ECL Logistics Co., Ltd.	31,943,743.61	-31,931,668.81	-	-	-	-	-12,074.80	-	-	-	-
Odjell Terminals (Dalian) Co., Ltd.	165,965,277.50	-	-	-	13,301,319.27	-	398,310.81	-	-	179,664,907.58	-
Dalian Port PetroChina International Terminal Co., Ltd.	236,553,790.29	-	-	-	15,222,013.79	-	-29,000,000.00	-	-	222,775,804.08	-
China United Tally (Dalian) Co., Ltd.	3,150,876.54	-	-	-	686,198.12	-	-6,109.00	-371,505.93	-	3,459,459.73	-
China Oil Dock Management (Dalian) Co., Ltd.	19,843,325.81	-	-	-	-660,640.75	-	-	-8,487,465.19	-	10,695,219.87	-
Dalian Changxing Island Port Co., Ltd.	138,942,816.08	-	-	-	232,822.31	-	255,002.66	-	-	139,430,641.05	-
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	14,828,483.72	-	-	-	5,192,303.45	-	-5,630.31	-8,724,682.66	-	11,290,474.20	-
Odjell Dalian Port Consulting Co., Ltd.	921,128.78	-	-	-	471,843.23	-	-	-	-	1,392,972.01	-
Dalian Changxing Island Port Investment and Development Co., Ltd.	394,017,406.66	-	-	-	-16,500,245.09	-	547,659.96	-	-	378,064,821.53	-

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XVI. Notes to key items in the parent company's financial statements (continued)

3. Long-term equity investments (continued)

Breakdown of long-term equity investments (continued)

For the six months ended 30 June 2020 (unaudited) (continued)

Investee	Changes in the period							Closing balance of impairment provision		
	Opening balance	Impact of change in consolidation scope	Increase in investment	Decrease in investment	Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Change in other equity		Declaration of distribution of cash dividend and profit	Provision for impairment
Odfield Changxing Terminals (Dalian) Co., Ltd.	8,081,200.67	-	-	-	-49,949.58	-	-	-	-	8,031,251.09
Dalian Port Xiangyu Grain Logistics Co., Ltd.	37,317,843.08	-	-	-	-1,966,965.77	-	-	-	-	35,320,877.31
China Shipping Gang Lian Co., Ltd.	96,861,319.00	-	-	-	-4,909,186.45	-	-	-	-	91,952,132.55
Subtotal	1,149,640,325.76	-31,931,668.81	-	-	11,109,984.76	-	1,177,159.32	-46,583,653.78	-	1,083,412,147.25



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XVI. Notes to key items in the parent company's financial statements (continued)

3. Long-term equity investments (continued)

Breakdown of long-term equity investments (continued)

For the six months ended 30 June 2020 (unaudited) (continued)

Investee	Changes in the period										
	Opening balance	Impact of change in consolidation scope	Increase in investment	Decrease in investment	Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Change in other equity	Declaration of distribution of cash dividend and profit	Provision for impairment	Closing balance	Closing balance of impairment provision
Associates											
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	44,505,541.15	-	-	-	6,655,309.80	-	25,983.98	-20,000,000.00	-	31,186,834.93	-
Taicang Xinggang Tug Co., Ltd.	10,144,666.43	-	-	-	1,199,353.96	-	-	-2,142,855.00	-	9,201,165.39	-
PetroChina Dalian LNG Co., Ltd.	702,722,083.30	-	-	-	58,674,615.81	-	583,905.03	-	-	761,980,504.14	-
Dalian North Oil Petroleum Logistics Co., Ltd.	73,291,607.84	-	-	-	2,908,681.43	-	147,110.59	-	-	76,347,399.86	-
Sino Rail Bohai Train Ferry Co., Ltd.	242,861,827.81	-	-	-	-6,185,994.18	-	308,636.34	-	-	236,984,469.97	-
CDC International Logistics Co., Ltd.	138,072,756.88	-	-	-	-18,495,631.34	-	-	-	-	119,577,125.54	-
Dalian Port Group Financial Co., Ltd.	892,291,788.16	-	-	-	31,618,983.23	-	-	-	-	923,910,771.39	-
Dalian Automobile Terminal Co., Ltd.	172,700,578.83	-	-	-	4,109,300.47	-	-11,851.26	-	-	176,798,028.04	-
Subtotal	2,276,590,850.40	-	-	-	80,484,619.18	-	1,053,684.68	-22,142,855.00	-	2,335,986,299.26	-
Total	7,986,517,316.61	-	-	-	91,594,603.94	-	2,230,844.00	-69,748,745.02	-	8,011,616,255.77	-

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XVI. Notes to key items in the parent company's financial statements (continued)

3. Long-term equity investments (continued)

Breakdown of long-term equity investments (continued)

2019

Investee	Opening balance	Impact of change in consolidation scope	Changes in the year						Closing balance			
			Increase in investment	Decrease in investment	Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Change in other equity	Declaration of distribution of cash dividend and profit		Provision for impairment		
Subsidiaries												
Dalian Port Container Development Co., Ltd.	3,201,948,622.38	-	-	-	-	-	-	-	-	-	-	3,201,948,622.38
Asia Pacific Ports Company Limited	76,155,000.00	-	-	-	-	-	-	-	-	-	-	76,155,000.00
Dalian ETIZ Jin Xin Petro-chemistry Co., Ltd.	6,629,301.65	-	-	-	-	-	-	-	-	-	-	6,629,301.65
Dalian Jifa Shipping Management Co., Ltd.	419,011,554.73	-	-	-	-	-	-	-	-	-	-	419,011,554.73
Dalian Ocean Shipping Taly 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
Dalian Golden Bay Grain Logistics Co., Ltd.	53,156,426.75	-	-	-	-	-	-	-	-	-	-	53,156,426.75
Dalian Port Lushun Harbour Service Co., Ltd.	217,580,000.00	-	-	-	-	-	-	-	-	-	-	217,580,000.00
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 Gangun 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



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XVI. Notes to key items in the parent company's financial statements (continued)

3. Long-term equity investments (continued)

Breakdown of long-term equity investments (continued)

2019 (continued)

Investee	Opening balance	Impact of change in consolidation scope	Changes in the year						Closing balance	Closing balance of impairment provision	
			Increase in investment	Decrease in investment	Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Change in other equity	Declaration of distribution of cash dividend and profit			Provision for impairment
Dalian Diansirui Caravan Co., Ltd.	51,000,000.00	-	-	-	-	-	-	-	-	51,000,000.00	-
Dalian Port Group Zhuanghe Terminal Co., Ltd.	42,000,000.00	-	-	-	-	-	-	-	-	42,000,000.00	-
Dalian Zhuanghe Gangqing Investment Co., Ltd.	80,000,000.00	-	-	-	-	-	-	-	-	80,000,000.00	-
Dalian Port Haiheng Ship Management Co., Ltd.	4,825,626.54	-	-	-	-	-	-	-	-553,732.17	4,825,626.54	-
Dalian Hongyang International Logistics Co., Ltd.	10,000,000.00	-	-	-	-	-	-	-	-	10,000,000.00	-
Dalian Port Power Supply Co., Ltd.	121,205,097.79	-	-	-	-	-	-	-	-4,970,950.40	121,205,097.79	-
Subtotal	4,560,286,140.45	-	-	-	-	-	-	-	-171,850,086.76	4,560,286,140.45	-

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XVI. Notes to key items in the parent company's financial statements (continued)

3. Long-term equity investments (continued)

Breakdown of long-term equity investments (continued)

2019 (continued)

Investee	Opening balance	Impact of change in consolidation scope	Changes in the year						Closing balance		
			Increase in investment	Decrease in investment	Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Change in other equity	Declaration of cash dividend and profit		Provision for impairment	Closing balance of impairment provision
Joint ventures											
Dalian Port Tongji Shipping Agency Co., Ltd.	1,157,737.63	-	-	-	355,376.39	-	-300,000.00	-	-	1,213,114.02	-
Dalian Harbour ECL Logistics Co., Ltd.	31,867,289.81	-	-	-	1,135,818.05	-	-1,068,492.48	9,128.23	-	31,943,743.61	-
Odfjell Terminals (Dalian) Co., Ltd.	164,438,966.96	-	-	-	25,935,449.92	-	-25,000,000.00	590,860.62	-	165,965,277.50	-
Dalian Port PetroChina International Terminal Co., Ltd.	232,170,584.40	-	-	-	28,973,479.39	-	-25,000,000.00	409,726.50	-	236,553,790.29	-
China United Tally (Dalian) Co., Ltd.	3,274,054.99	-	-	-	371,505.93	-	-415,597.59	-79,086.79	-	3,150,876.54	-
China Oil Dock Management (Dalian) Co., Ltd.	5,013,298.47	-	-	-	14,830,027.34	-	-	-	-	19,843,325.81	-
Dalian Changying Island Port Co., Ltd.	127,195,939.05	-	-	-	11,519,725.64	-	-	227,131.39	-	138,942,816.08	-
Dalian Port Bulk Cargo Logistics Center Co., Ltd.	16,828,152.50	-	-	-	8,724,682.64	-	-10,787,468.44	63,117.02	-	14,828,483.72	-
Odfjell Dalian Port Consulting Co., Ltd.	1,133,761.95	-	-	-	-212,633.17	-	-	-	-	921,128.78	-
Dalian Changying Island Port Investment and Development Co., Ltd.	437,730,043.64	-	-	-	-44,211,926.33	-	-	489,289.35	-	394,017,406.66	-
Odfjell Changying Terminals (Dalian) Co., Ltd.	9,023,496.96	-	-	-	-942,236.29	-	-	-	-	8,081,260.67	-
Dalian Port Xiangyu Grain Logistics Co., Ltd.	37,891,417.68	-	-	-	-613,574.60	-	-	-	-	37,317,843.08	-
China Shipping Gang Lian Co., Ltd.	91,053,318.99	-	-	-	5,808,000.01	-	-	-	-	96,861,319.00	-
Subtotal	1,156,816,083.03	-	-	-	51,673,634.92	-	-62,571,556.51	1,720,166.32	-	1,149,640,325.76	-



Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XVI. Notes to key items in the parent company's financial statements (continued)

3. Long-term equity investments (continued)

Breakdown of long-term equity investments (continued)

2019 (continued)

Investee	Opening balance	Impact of change in consolidation scope	Increase in investment	Decrease in investment	Investment gains or losses recognized under the equity method	Changes in the year					Closing balance	Closing balance of impairment provision
						Adjustment to other comprehensive income	Change in other equity	Declaration of distribution of cash dividend and profit	Provision for impairment	Closing balance		
Associates												
Dalian PetroChina International Warehousing and Transportation Co., Ltd.	35,729,600.86	-	-	-	10,895,241.48	-	20,698.81	-2,140,000.00	-	-	44,505,541.15	-
Taicang Xinggang Tug Co., Ltd.	7,970,321.02	-	-	-	3,718,196.92	-	-	-1,543,851.51	-	-	10,144,666.43	-
PetroChina Dalian LNG Co., Ltd.	679,743,611.61	-	-	-	141,342,000.00	-	1,160,857.67	-119,524,365.98	-	-	702,722,083.30	-
Dalian North Oil Petroleum Logistics Co., Ltd.	72,828,582.52	-	-	-	4,463,025.32	-	-	-4,000,000.00	-	-	73,291,607.84	-
Sino Rail Bohai Train Ferry Co., Ltd.	245,045,841.35	-	-	-	-2,496,687.46	-	312,673.92	-	-	-	242,861,827.81	-
ODC International Logistics Co., Ltd.	139,320,757.64	-	-	-	-1,248,000.76	-	-	-	-	-	138,072,756.88	-
Dalian Port Group Financial Co., Ltd.	975,897,542.10	-	-	-	69,999,904.48	-	-	-163,604,668.42	-	-	882,291,786.16	-
Dalian Automobile Terminal Co., Ltd.	168,617,411.76	-	-	-	11,919,446.49	-	163,720.58	-8,000,000.00	-	-	172,700,578.83	-
Subtotal	2,325,153,668.86	-	-	-	238,592,126.47	-	1,657,950.98	-288,612,895.91	-	-	2,276,590,860.40	-
Total	8,044,257,892.34	-	-	-	290,265,761.39	-	3,378,117.30	-523,234,541.18	-	-	7,986,517,316.61	-

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XVI. Notes to key items in the parent company's financial statements (continued)

4. Revenue

Item	For the six months ended 30 June 2020 (Unaudited)		For the six months ended 30 June 2019 (Unaudited)	
	Revenue	Cost	Revenue	Cost
Principal operations	1,692,488,350.74	1,070,998,733.59	1,517,787,340.36	1,066,496,285.33
Other operations	141,969,056.76	85,496,948.89	161,450,563.54	86,650,696.25
Total	1,834,457,407.50	1,156,495,682.48	1,679,237,903.90	1,153,146,981.58

5. Investment income

Item	For the six months ended 30 June 2020 (Unaudited)	For the six months ended 30 June 2019 (Unaudited)
Investment income from long-term equity investments under the cost method	1,022,236.24	2,765,956.84
Investment income from long-term equity investments under the equity method	91,594,603.94	156,964,019.28
Investment income from disposal of held-for-trading financial assets	9,171,391.43	25,826,548.42
Interest income of entrusted loans	10,185,783.72	–
Others	57,420.00	95,158.00
Total	112,031,435.33	185,651,682.54

There are no material restrictions on the repatriation of investment income of the Company.

Notes to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

XVI. Notes to key items in the parent company's financial statements (continued)

6. Supplementary information to the statement of cash flows of parent company

Item	For the six months ended 30 June 2020 (Unaudited)	For the six months ended 30 June 2019 (Unaudited)
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	333,425,571.29	268,890,066.16
Add: Credit impairment losses	12,436,365.99	-1,210,792.36
Depreciation of fixed assets and investment properties	269,417,168.61	270,721,781.29
Depreciation of right-of-use assets	43,023,901.72	39,026,753.93
Amortisation of intangible assets	11,125,364.30	10,504,052.86
Amortisation of long-term prepaid expenses	1,641,312.58	1,883,027.64
Losses on damage and obsolescence of non-current assets ("-" for gain)	83,709.44	-
Financial expenses ("-" for gain)	229,640,480.38	260,867,182.52
Losses on investment ("-" for gain)	-112,031,435.33	-198,757,626.87
Losses on changes in fair value ("-" for gain)	571,730.00	-1,825,840.00
Decrease in deferred tax assets ("-" for increase)	-8,362,807.73	-2,442,239.38
Amortisation of deferred income	-17,596,277.59	-18,864,572.91
Decrease in inventories ("-" for increase)	3,303,795.27	2,473,182.14
Increase in special reserve ("-" for decrease)	8,243,425.42	6,430,222.40
Decrease in operating receivables ("-" for increase)	-428,122,399.30	-450,628,562.85
Increase in operating payables ("-" for decrease)	37,518,551.86	-55,776,618.50
Net cash flows from operating activities	384,318,456.91	131,290,016.07
2. Net changes in cash and cash equivalents:		
Cash at the end of the period	1,490,992,866.56	2,097,078,510.79
Less: Cash at the beginning of the period	2,666,892,626.45	3,802,220,542.48
Net increase in cash and cash equivalents	-1,175,899,759.89	-1,705,142,031.69

XVII. Approval of financial statements

These financial statements were approved by the Board of Directors of the Company on 27 August 2020.

Supplementary Information to the Financial Statements

For the period from 1 January to 30 June 2020
In RMB

I. Statement of non-recurring profit or loss

In accordance with “Explanatory Announcement No.1 on Information Disclosure for Companies Offering Securities to the Public – Non-recurring Profit/Loss (2008)” issued by China Securities Regulatory Commission, the non-recurring profit or loss for the six months ended 30 June 2020 of the Group are set out as follows:

Item	For the six months ended 30 June 2020 (Unaudited)	For the six months ended 30 June 2019 (Unaudited)	Remarks
Profit or loss on disposal of non-current assets	-69,009.73	-946,305.78	
Government grants charged to profit or loss for the current period	27,690,357.41	19,525,313.09	
Except for the effective hedging activities related to the Group’s ordinary operation, profit or loss arising from changes in fair value of financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, and investment income from disposal of financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss	8,657,081.43	27,747,546.42	
Profit or loss from outward entrusted loans	3,429,784.68	939,309.47	
Non-operating income and expenses other than aforesaid items	4,909,150.62	2,266,885.83	
Other profit or loss item under the definition of non-recurring profit or loss	-38,021,871.85		– Provision for loss arising from asset impairment for the purpose of disposal of assets
Subtotal	6,595,492.56	49,532,749.03	
Effect of income tax	10,135,857.76	12,254,674.55	
Effect of minority interests (after tax)	-14,562,681.01	1,463,954.35	
Total	11,022,315.81	35,814,120.13	

Supplementary Information to the Financial Statements (continued)

For the period from 1 January to 30 June 2020
In RMB

II. Return on net assets and earnings per share

For the six months ended 30 June 2020 (Unaudited)

	Weighted average return on net assets	Basic earnings per share
Net profit attributable to ordinary shareholders of the Company	2.20%	0.03
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	2.15%	0.03

For the six months ended 30 June 2019 (Unaudited)

	Weighted average return on net assets	Basic earnings per share
Net profit attributable to ordinary shareholders of the Company	1.56%	0.02
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	1.37%	0.02

No dilutive potential ordinary shares have been issued by the Company.



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)

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