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)

(Stock Code: 2880)

ANNOUNCEMENT OF INTERIM RESULTS FOR 2013

The Board （the "**Board**"）of Directors (the "**Directors**") of Dalian Port (PDA) Company Limited (the "**Company**") is pleased to announce the unaudited financial results of the Company and its subsidiaries (the Company and its subsidiaries, collectively, the "**Group**") prepared pursuant to China Accounting Standards for Business Enterprises for the six months ended 30 June 2013.

OPERATING RESULTS

The results for the six months ended 30 June 2013, which have been reviewed by the Group's auditors and the Company's Audit Committee, are as follows:

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2013

(Expressed in Renminbi Yuan)

ASSETS	30 June 2013 (unaudited)	31 December 2012
Current assets		
Cash and bank balances	2,397,999,870.32	2,507,326,672.09
Financial assets held for trading	7,554,712.20	-
Notes receivable	86,403,320.66	63,069,669.70
Dividends receivable	16,476,362.31	4,351,296.43
Interest receivable	4,403,711.24	4,065,075.97
Accounts receivable	584,436,258.18	473,175,991.01
Other receivables	397,928,300.67	295,204,982.42
Prepayments	42,469,142.94	224,396,334.74
Inventories	651,499,501.23	131,119,867.55
Non-current assets due within one year	1,000,000,000.00	1,005,610,000.00

Other current assets	231,789,660.92	4,870,000.00
Total current assets	5,420,960,840.67	4,713,189,889.91
Non-current assets		
Available-for-sale financial assets	17,500,358.66	18,924,264.64
Long-term equity investments	4,016,811,998.64	3,833,024,763.55
Investment properties	690,779,172.03	699,831,842.42
Fixed assets	13,685,239,881.25	12,773,054,294.56
Fixed assets pending for disposal	7,791,530.23	36,058,083.28
Construction in progress	2,519,944,530.39	4,689,753,318.12
Intangible assets	761,594,387.30	867,417,088.66
Goodwill	16,035,288.74	77,735,288.74
Long-term prepaid expenses	20,259,344.28	21,514,511.03
Deferred tax assets	60,802,091.97	60,732,174.17
Other non-current assets	24,737,502.94	37,544,912.58
Total non-current assets	21,821,496,086.43	23,115,590,541.75
TOTAL ASSETS	27,242,456,927.10	27,828,780,431.66

LIABILITIES AND OWNERS' EQUITY	30 June 2013 (unaudited)	31 December 2012
Current liabilities		
Short-term borrowings	533,322,377.17	1,278,033,101.12
Notes payable	62,545,378.72	16,730,000.00
Accounts payable	136,052,784.42	177,028,677.66
Advances from customers	325,702,613.81	92,795,891.74
Employee benefits payable	76,746,963.34	117,292,923.23
Taxes payable	43,877,556.82	73,953,249.60
Interest payable	152,389,689.16	194,319,909.95
Dividends payable	302,552,704.96	83,181,864.80
Other payables	741,245,915.58	853,633,931.38
Non-current liabilities due within one year	2,810,718,626.87	545,000,000.00
Bonds payable	-	160,000,000.00
Total current liabilities	5,185,154,610.85	3,591,969,549.48
Non-current liabilities		
Long-term borrowings	1,671,380,559.72	1,708,360,253.42
Bonds payable	5,357,115,895.79	7,844,512,916.99
Long-term payables	-	130,350.00
Deferred tax liabilities	13,234,330.41	75,717,224.83
Other non-current liabilities	620,349,141.30	633,098,324.44
Total non-current liabilities	7,662,079,927.22	10,261,819,069.68
Total liabilities	12,847,234,538.07	13,853,788,619.16
Owners' equity		
Share capital	4,426,000,000.00	4,426,000,000.00
Capital surplus	6,114,863,790.01	6,116,148,571.50
Surplus reserve	470,205,888.20	470,205,888.20
Retained earnings	2,107,350,290.86	1,940,095,861.84

Special reserve	9,958,003.28	2,653,944.19
Exchange differences on foreign currency translation	8,557,992.25	9,457,655.26
Equity attributable to owners of the parent	13,136,935,964.60	12,964,561,920.99
Non-controlling interests	1,258,286,424.43	1,010,429,891.51
Total owners' equity	14,395,222,389.03	13,974,991,812.50
TOTAL LIABILITIES AND OWNERS' EQUITY	27,242,456,927.10	27,828,780,431.66

CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2013

(Expressed in Renminbi Yuan)

	For the six months ended	
	30 June 2013 (unaudited)	30 June 2012 (unaudited)
Revenue	3,341,276,785.15	2,048,221,533.54
Less: Cost of sales	2,439,535,143.28	1,229,700,556.79
Taxes and surcharges	106,076,391.23	93,503,982.15
Sales expenses	199,960.29	-
General and administrative expenses	239,033,197.64	218,314,012.06
Financial expenses	202,422,195.93	174,871,289.16
Impairment losses	(1,148,013.87)	-
Add: Gains on changes in fair values	54,712.20	531,483.20
Investment income	96,520,109.40	71,964,768.43
Including: Share of profits and losses of associates and jointly-controlled entities	50,619,226.36	18,798,732.71
Operating profit	451,732,732.25	404,327,945.01
Add: Non-operating income	121,533,706.50	57,708,788.33
Less: Non-operating expenses	1,038,907.35	2,285,408.59
Including: Losses on disposal of non-current assets	65,056.52	2,134,958.23
Total profit	572,227,531.40	459,751,324.75
Less: Income tax expenses	127,095,434.35	114,113,783.59
Net profit	445,132,097.05	345,637,541.16
Attributable to:		
Owners of the parent	387,276,213.09	300,151,325.67
Minority interests	57,855,883.96	45,486,215.49
Earnings per share		
Basic earnings per share	0.09	0.07

Diluted earnings per share	Not applicable	Not applicable
Other comprehensive income	(1,916,272.71)	(1,356,074.25)
Total comprehensive income	443,215,824.34	344,281,466.91
Attributable to:		
Owners of the parent	385,359,940.38	298,795,251.42
Minority interests	57,855,883.96	45,486,215.49

NOTES TO FINANCIAL STATEMENTS
30 JUNE 2013
(Expressed in Renminbi Yuan)

1. GENERAL INFORMATION

Dalian Port (PDA) Company Limited (the "Company") was established in Liaoning Province, the People's Republic of China (the "PRC") as a joint stock limited company by Dalian Port Corporation Limited ("PDA"), Dalian Rongda Investment Company Limited, Dalian Haitai Holdings Company Limited, Dalian Detai Holdings Company Limited and Dalian Bonded Zhengtong Company Limited with the approval by Da Zheng [2005] No.153 issued by the People's Government of Dalian City, Liaoning Province. Pursuant to the approval of the Administration for Industry and Commerce of Dalian City, Liaoning Province, the Company was registered with the business licence number of 210200400039287. The H shares and A shares which are ordinary shares and issued by the Company have been listed and traded on the Stock Exchange of Hong Kong Limited and Shanghai Stock Exchange since 28 April 2006 and 6 December 2011, respectively. The Company is located at No.1 Gangwan Street, Zhongshan District, Dalian, Liaoning Province, PRC. The Company and its subsidiaries (collectively, the "Group") are principally engaged in the provision of oil/liquefied chemical terminal and the related logistics services, container terminal and the related logistics services, automobile terminal and the related logistics services, ore terminal and the related logistics services, general cargo terminal and the related logistics services, bulk grain terminal and the related logistics services, passenger and roll-on/roll-off terminal and the related logistics services, and port value-added services and ancillary port operations.

As at 30 June 2013, the Company has issued 4,426,000,000 shares in total.

The principal activities of the Company include the provision of terminal business and logistics services such as international and domestic cargo loading and discharging, transportation, transhipment, storage and etc.; tallying, piloting and tugging services for vessels sailing on international and domestic lines; port logistics and port information technology consultation services; petroleum storage (restricted to those applying for free trade zone qualification and those at port storage facilities); refined oil products storage (restricted to those applying for free trade zone qualification and those at port storage facilities); import and export of goods and technology (excluding articles prohibited by relevant laws and regulations; import and export of articles restricted by laws and regulations may only conduct with the grant of license) (with capital contribution from foreign party of no more than 25%).

The Company's parent and ultimate holding company is PDA, which is established in the PRC.

The financial statements were approved and authorised for issue by the board of directors on 29 August 2013.

2. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

Basis of preparation

The financial statements have been prepared in accordance with Accounting Standards for Business Enterprises - *Basic Standard and 38 specific standards* issued in February 2006, and implementation guidance, interpretations and other relevant provisions issued subsequently by the Ministry of Finance (the “MOF”) (collectively referred to as “Accounting Standards for Business Enterprises”).

The financial statements have been prepared in accordance with Accounting Standard for Business Enterprises No.32 - *Interim Financial Reporting* issued by the MOF and do not include all the information and disclosures of the audited financial statements for the year ended 31 December 2012. Accordingly, these interim financial statements should be read in conjunction with the Group’s financial statements for the year ended 31 December 2012 which were prepared in accordance with Accounting Standards for Business Enterprises.

The financial statements are presented on a going concern basis.

Except for certain financial instruments, the financial statements have been prepared under the historical cost convention. If the assets are impaired, corresponding provisions for impairment shall be provided according to relevant provisions.

3. CONSOLIDATION SCOPE OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.1 Changes in consolidation scope

Except for the newly established subsidiaries，entity newly included and not included in the consolidation scope in the current period, the consolidation scope of the consolidated financial statements remains the same as last year.

3.2 Entity newly included and not included in the consolidation scope in the current period

Entity newly included in the consolidation scope during the period is as follows：

	Net assests at the end of the period	Net profit from the acquisition date to 30 June 2013
Dalian Shunda Logistics Co., Ltd.	21,131,800.00	169,482.93

The subsidiaries not included in the consolidation scope in this period are as follows:

	Net assets at the disposal date	Net profit from 1 January 2013 to the disposal date
Fujian Ninglian Port Co., Ltd. (Note)	20,000,000.00	-
Dalian Port Petroleum & Chemical Co., Ltd.	535,100,000.00	-

Note: The Group lost control on Fujian Ninglian Port Co., Ltd. in the current period as a result of unilateral capital contribution from a minority shareholder.

3.3 Companies ceased to be subsidiaries due to disposal of shares resulting in loss of control

On 30 October 2012, the Company entered into an equity transfer agreement with its parent company PDA to sell 100% equity interests in Dalian Port Petrochemical Co., Ltd. ("DPPC") at a consideration of RMB597,614,200.00. The equity transfer has been approved at the Company's 2013 first extraordinary general meeting on 25 January 2013 and approved by the State-owned Assets Supervision and Administration Commission of Dalian on 30 April 2013. The disposal date was 30 April 2013. DPPC has not been included in the Group's consolidation scope since 10 April 2013. The relevant financial information of DPPC is as follows:

	10 April 2013 Carrying amount	31 December 2012 Carrying amount
Current assets	15,279,505.68	25,329,968.13
Non-current assets	1,584,540,051.30	1,557,053,872.83
Current liabilities	(1,003,019,556.98)	(985,583,840.96)
Non-current liabilities	(61,700,000.00)	(61,700,000.00)
Net assets	535,100,000.00	535,100,000.00
Transfer of the goodwill arising from the acquisition of DPPC in prior year	61,700,000.00	
Disposal gain	814,200.00	
Disposal consideration	597,614,200.00	

4. ACCOUNTS RECEIVABLE

The credit terms of accounts receivable are usually 90 days. Accounts receivable are interest-free.

An ageing analysis of accounts receivable is as follows:

	30 June 2013 (unaudited)	31 December 2012
Within 1 year	518,337,783.96	425,351,291.01
1 to 2 years	53,482,258.17	35,721,475.05
2 to 3 years	8,655,151.92	8,414,281.22
Over 3 years	7,443,823.92	7,715,850.68
	587,919,017.97	477,202,897.96
Less: Provision for bad debts	(3,482,759.79)	(4,026,906.95)
	584,436,258.18	473,175,991.01

Movements in the provision for bad debts are as follows:

	For the six months ended 30 June 2013 (unaudited)	For the year ended 31 December 2012
Opening balance	4,026,906.95	2,852,921.74
Accrual	-	1,173,985.21
Reversal	(544,147.16)	-
Closing balance	3,482,759.79	4,026,906.95

5. OTHER RECEIVABLES

An ageing analysis of other receivables is as follows:

	30 June 2013 (unaudited)	31 December 2012
Within 1 year	341,225,746.61	263,230,087.44
1 to 2 years	30,059,761.20	8,972,948.86
2 to 3 years	3,197,249.77	2,054,477.87
Over 3 years	24,512,238.06	22,480,773.22
	398,994,995.64	296,738,287.39
Less: Provision for bad debts	(1,066,694.97)	(1,533,304.97)
	397,928,300.67	295,204,982.42

Movements in the provision for bad debts are as follows:

	For the six months ended 30 June 2013 (unaudited)	For the year ended 31 December 2012
Opening balance	1,533,304.97	1,605,414.57
Accrual	-	5,502.00
Reversal	(466,610.00)	-
Write-off	-	(77,611.60)
Closing balance	1,066,694.97	1,533,304.97

	30 June 2013 (unaudited)				31 December 2012			
	Ending balance		Bad debt provision		Ending balance		Bad debt provision	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Individually significant and subject to separate provision	300,590,115.90	75.34	-	-	219,156,925.90	73.86	-	-
Not individually significant but subject to separate provision	98,404,879.74	24.66	1,066,694.97	1.08	77,581,361.49	26.14	1,533,304.97	1.98
	398,994,995.64	100.00	1,066,694.97		296,738,287.39	100.00	1,533,304.97	

6. PREPAYMENTS

An ageing analysis of prepayments is as follows:

	30 June 2013 (unaudited)		31 December 2012	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	36,038,632.22	84.86	217,969,755.15	97.14
1 to 2 years	22,744.00	0.05	6,426,579.59	2.86
2 to 3 years	6,407,766.72	15.09	-	-
	42,469,142.94	100.00	224,396,334.74	100.00

7. INVENTORIES

	30 June 2013 (unaudited)			31 December 2012		
	Ending balance	Provision	Carrying amount	Ending balance	Provision	Carrying amount
Raw materials	76,035,968.75	2,037,642.99	73,998,325.76	71,024,114.78	2,037,642.99	68,986,471.79
Work in progress	2,266,442.44	-	2,266,442.44	-	-	-
Finished goods	574,318,645.33	-	574,318,645.33	58,048,387.64	-	58,048,387.64
Property development cost	916,087.70	-	916,087.70	4,085,008.12	-	4,085,008.12
	653,537,144.22	2,037,642.99	651,499,501.23	133,157,510.54	2,037,642.99	131,119,867.55

As at 30 June 2013, inventories with a carrying amount of RMB120,356,841.90 (31 December 2012: RMB20,537,425.32) were restricted as to use .
There was no movement for the provision during the period.

8. NOTES PAYABLE

	30 June 2013 (unaudited)	31 December 2012
Bank acceptance notes	62,545,378.72	16,730,000.00

9. ACCOUNTS PAYABLE

Accounts payable are interest-free and the terms are usually 90 days.
An ageing analysis of accounts payable is as follows:

	30 June 2013 (unaudited)	31 December 2012
Within 1 year	124,515,216.33	164,469,205.32
1 to 2 years	8,810,477.57	11,232,104.82
2 to 3 years	2,060,357.00	1,056,977.00
3 years above	666,733.52	270,390.52
	136,052,784.42	177,028,677.66

As at 30 June 2013, there was no account payable due to any shareholder holding 5% or more of the Company’s voting shares (31 December 2012: Nil).

As at 30 June 2013, the Group had no significant accounts payable with ageing above one year (31 December 2012: Nil).

10. REVENUE AND COST OF SALES

Revenue is as follows:

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Revenue from the principal operations	3,129,820,766.42	1,880,748,107.86
Revenue from other operations	211,456,018.73	167,473,425.68
	3,341,276,785.15	2,048,221,533.54

Cost of sales is as follows:

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Cost of the principal operations	2,285,567,332.92	1,093,491,187.74
Cost of other operations	153,967,810.36	136,209,369.05
	2,439,535,143.28	1,229,700,556.79

Revenue by segment is as follows:

	For the six months ended 30 June 2013 (unaudited)		For the six months ended 30 June 2012 (unaudited)	
	Revenue	Cost of sales	Revenue	Cost of sales
Container terminal and logistics services	606,947,970.85	386,896,343.90	541,097,971.37	374,816,455.12
Oil/liquefied chemical terminal and logistics services	543,919,494.43	258,470,785.16	423,307,168.97	215,706,303.01
Automobile terminal and logistics services	241,851,209.78	232,883,075.43	9,640,000.00	4,837,876.00
Passenger and roll-on/roll-off terminal and logistics services	61,631,785.13	43,390,388.70	61,815,953.00	35,676,832.81
Bulk grain terminal and logistics services	1,039,904,097.10	926,438,968.47	188,005,377.90	77,042,562.51
Ore terminal and logistics services	143,044,855.16	87,799,729.97	163,408,554.29	93,688,472.06
General cargo terminal and logistics services	201,955,343.90	194,286,973.69	173,344,086.74	151,941,820.00
Port value-added services and ancillary port operations	421,913,005.20	287,719,149.57	398,033,046.43	254,286,937.70
Unallocated	80,109,023.60	21,649,728.39	89,569,374.84	21,703,297.58
	3,341,276,785.15	2,439,535,143.28	2,048,221,533.54	1,229,700,556.79

Revenue is analysed as follows:

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Loading services	933,391,587.22	895,942,893.50
Logistics services	301,878,747.17	340,481,259.88
Storage services	300,038,188.86	227,838,517.91
Port management services	101,038,325.70	96,434,589.66
Leasing services	196,441,483.34	143,647,794.00
Agency services	39,278,490.24	26,951,765.68
Tallying services	29,982,927.12	30,703,098.52
Utility services	53,564,453.40	48,744,843.12
Project construction and supervision services	53,642,273.96	41,766,393.86
Information services	31,111,554.00	26,859,310.36
Commodity trade	1,114,011,568.19	-
Sales of goods	57,385,611.82	40,061,930.85
Others	129,511,574.13	128,789,136.20
	3,341,276,785.15	2,048,221,533.54

11. TAXES AND SURCHARGES

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Business tax	82,810,478.95	75,501,697.11
City maintenance and construction tax and education surcharge	10,169,548.51	8,307,590.12
Land appreciation tax	13,096,363.77	9,694,694.92
	106,076,391.23	93,503,982.15

12. NON-OPERATING INCOME

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Gain on disposal of non-current assets	3,049,779.80	57,800.95
Including: Gain on disposal of fixed assets	3,049,779.80	57,800.95
Relocation compensation	24,654,742.67	-
Government grants	92,017,163.14	57,581,283.16
Negative goodwill from an acquisition	250,000.00	-
Others	1,562,020.89	69,704.22
	121,533,706.50	57,708,788.33

Government grants credited to the income statement during the period are as follows:

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Recognition of deferred income	17,749,183.14	17,741,183.16
Financial subsidy (Note)	74,267,980.00	38,984,700.00
Refund of turnover tax	-	855,400.00
	92,017,163.14	57,581,283.16

Note: According to "大连市人民政府关于促进大连港口集装箱业务加快发展的意见" (大政发[2011] No. 61) in August 2011 issued by Dalian municipal government and "关于促进大连港口集装箱加快发展补贴资金发放的实施细则的通知" (大港口发[2011] No. 147) jointly issued by Port of Dalian Authority and Dalian Financial Bureau in September 2011, the Group recognised a government subsidy income of RMB74,060,980.00 for the six months period ended 30 June 2013 (ended 30 June 2012: RMB38,291,900.00).

13. NON-OPERATING EXPENSES

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Loss on disposal of non-current assets	65,056.52	2,134,958.23
Including: Loss on disposal of fixed assets	65,056.52	2,134,958.23
Others	973,850.83	150,450.36
	1,038,907.35	2,285,408.59

14. INCOME TAX EXPENSES

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Current income tax expense	127,888,634.57	122,095,368.98
Deferred income tax expense	(793,200.22)	(7,981,585.39)
	127,095,434.35	114,113,783.59

The reconciliation of the total profit to the income tax expenses is as follows:

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Total profit	572,227,531.40	459,751,324.75
Income tax expense at the statutory rate (Note)	143,056,882.85	114,937,831.19
Effect of different tax rates applicable to subsidiaries in Mainland China	(486,896.20)	(786,262.59)
Effect of different tax rates applicable to subsidiaries outside Mainland China	1,790,551.73	1,694,474.61
Adjustments in respect of current income tax of previous years	(1,352,576.64)	260,649.14
Income not subject to tax	(10,527,757.93)	(5,146,203.49)
Investment income	(12,814,394.32)	(4,985,823.52)
Expenses not deductible for tax	2,071,802.61	1,117,277.32
Tax losses not recognised	5,357,822.25	7,021,840.93
Tax charged at the Group's effective income tax rate	127,095,434.35	114,113,783.59

Note: The income tax of the Group is calculated based on the estimated taxable profit from Mainland China and the applicable tax rate 25%. Taxes arising from the taxable income in other regions are calculated at the applicable tax rates according to existing laws, interpretations and practices of the regions in which the Group operates.

The current income tax expenses of the Group were all incurred in Mainland China for the six months ended 30 June 2013.

15. BASIC 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:

	For the six months ended 30 June 2013 (unaudited)	For the six months ended 30 June 2012 (unaudited)
Earnings		
Net profit of the year attributable to ordinary shareholders of the Company	387,276,213.09	300,151,325.67
Shares		
Weighted average number of ordinary shares in issue	4,426,000,000.00	4,426,000,000.00

16. SEGMENT INFORMATION

Operating segments

For management purposes, the Group is organised into business units based on their products and services and has eight reportable segments as follows:

(1)	Oil/Liquefied chemical Terminal and logistics Services	Loading and discharging, storage and of oil products and liquefied chemicals and port management services
(2)	Container terminal and Logistics services	Loading and discharging, storage and transipment of containers, leasing of terminals and related Facilities and various container logistics services And sale of properties
(3)	Passenger and roll-on/roll -off terminal and logistics Services	Passenger transportation and general cargo roll-on and roll-off and provision of related logistics services
(4)	Automobile terminal and Logistics services	Loading and discharging of automobiles and related services
(5)	Ore terminal and logistics Services	Loading and unloading of ore and provision of related logistics services
(6)	Bulk grain terminal and Logistics services	Loading and unloading of grains and provision of related logistics services
(7)	General cargo terminal And logistics services	Loading and unloading of general cargoes and provision of related logistics services
(8)	Port value-added services And ancillary port operations	Tallying, tugging, transportation, power supply, information technology and construction services

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about 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.

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

For the six months ended 30 June 2013 (unaudited)

	Oil/liquefied chemical terminal and logistics services RMB'000	Container terminal and logistics services RMB'000	General cargo terminal and logistics services RMB'000	Ore terminal and logistics services RMB'000	Bulk grain terminal and logistics services RMB'000	Passenger and roll-on/ roll-off terminal and logistics services RMB'000	Port value-added services and ancillary port operations RMB'000	Automobile terminal and logistics services RMB'000	Unallocated RMB'000	Total RMB'000
Revenue	543,920	606,948	201,955	143,045	1,039,904	61,632	421,913	241,851	80,109	3,341,277
Less: Cost of sales and services	258,471	386,896	194,287	87,800	926,439	43,390	287,719	232,883	21,650	2,439,535
Gross profit	285,449	220,052	7,668	55,245	113,465	18,242	134,194	8,968	58,459	901,742
Less: Tax and surcharges	23,793	40,668	6,324	5,218	7,608	2,531	13,948	903	5,084	106,077
Sales expenses	-	-	-	-	158	-	(112)	154	-	200
Administrative expenses	21,438	55,459	15,380	13,211	16,064	10,216	56,974	1,629	48,662	239,033
Financial expenses	12,952	3,813	(184)	(153)	8,795	1,408	(483)	(3,393)	179,667	202,422
Impairment losses	-	(667)	-	-	-	-	(481)	-	-	(1,148)
Add: Gains from fair value changes	-	-	-	-	-	-	55	-	-	55
Investment income	49,852	(2,447)	(7,857)	(268)	-	(6,440)	13,709	3,844	46,127	96,520
Operating profit	277,118	118,332	(21,709)	36,701	80,840	(2,353)	78,112	13,519	(128,827)	451,733
Add: Non-operating income	18,699	77,382	476	-	-	26	23	-	24,928	121,534
Less: Non-operating expenses	1	1,026	7	-	-	5	-	-	-	1,039
Total profit	295,816	194,688	(21,240)	36,701	80,840	(2,332)	78,135	13,519	(103,899)	572,228
Less: Income tax expenses	65,127	41,015	(1,318)	9,651	21,444	2,147	16,144	1,518	(28,632)	127,096
Net profit	230,689	153,673	(19,922)	27,050	59,396	(4,479)	61,991	12,001	(75,267)	445,132
Total assets	6,874,292	6,056,282	2,918,212	2,131,807	1,833,540	1,371,280	1,745,671	1,333,424	2,977,949	27,242,457
Total liabilities	1,524,057	601,743	164,464	83,633	522,407	72,391	94,647	313,207	9,470,686	12,847,235
Supplementary information:										
Investment income from associates and jointly-controlled entities	49,188	(768)	(7,857)	(268)	-	(7,079)	13,559	3,844	-	50,619
Depreciation and amortisation	90,016	76,108	37,102	43,036	33,076	15,170	29,569	4,868	17,710	346,655
Interest income	476	2,334	184	126	1,142	39	628	210	9,476	14,615
Capital expenditure	209,834	55,469	146,362	39,665	8,725	2,072	38,594	34,057	15,240	550,018
Intersegment sales	3,394	134	1,095	-	-	348	68,296	1,883	-	75,150

For the six months ended 30 June 2012 (unaudited)

	Oil/liquefied chemical terminal and logistics services RMB'000	Container terminal and logistics services RMB'000	General cargo terminal and logistics services RMB'000	Ore terminal and logistics services RMB'000	Bulk grain terminal and logistics services RMB'000	Passenger and roll-on/ roll-off terminal and logistics services RMB'000	Port value-added services and ancillary port operations RMB'000	Automobile terminal and logistics services RMB'000	Unallocated RMB'000	Total RMB'000
Revenue	423,308	541,098	173,344	163,409	188,005	61,816	398,033	9,640	89,569	2,048,222
Less: Cost of sales and services	215,707	374,816	151,942	93,688	77,043	35,677	254,287	4,838	21,703	1,229,701
Gross profit	207,601	166,282	21,402	69,721	110,962	26,139	143,746	4,802	67,866	818,521
Less: Tax and surcharges	17,922	33,408	6,428	6,134	7,451	2,412	14,421	540	4,788	93,504
Administrative expenses	18,291	54,320	15,744	12,922	13,140	9,768	53,979	232	39,918	218,314
Financial expenses	14,040	10,762	(34)	(14)	(739)	1,793	(1,905)	(1,190)	152,158	174,871
Impairment losses	-	-	-	-	-	-	-	-	-	-
Add: Gains from fair value changes	-	-	-	-	-	-	531	-	-	531
Investment income	27,322	(2,508)	(11,441)	(522)	-	(4,533)	9,538	5,234	48,875	71,965
Operating profit	184,670	65,284	(12,177)	50,157	91,110	7,633	87,320	10,454	(80,123)	404,328
Add: Non-operating income	17,253	39,067	869	-	5	11	504	-	-	57,709
Less: Non-operating expenses	101	56	-	-	3	2,019	98	-	8	2,285
Total profit	201,822	104,295	(11,308)	50,157	91,112	5,625	87,726	10,454	(80,131)	459,752
Less: Income tax expenses	46,419	32,023	178	12,672	22,785	3,830	18,712	55	(22,560)	114,114
Net profit	155,403	72,272	(11,486)	37,485	68,327	1,795	69,014	10,399	(57,571)	345,638
Total assets	8,108,100	6,335,400	3,276,114	2,171,375	1,456,841	829,581	1,711,518	726,574	2,490,350	27,105,853
Total liabilities	1,659,350	791,202	194,257	87,113	20,217	88,958	98,666	13,534	10,440,315	13,393,612
Supplementary information:										
Investment income from associates and jointly controlled entities	27,371	(2,508)	(11,441)	(522)	-	(5,678)	6,343	5,234	-	18,799
Depreciation and amortisation	87,497	77,103	29,978	42,967	33,505	8,747	29,346	4,856	9,898	323,897
Interest income	448	1,020	34	17	739	64	2,341	138	14,902	19,703
Capital expenditure	97,081	43,891	160,677	30,841	1,477	13,321	77,192	3,022	424	427,926
Intersegment sales	3,049	747	-	-	-	-	70,539	-	-	74,335

Other information

Geographical information

The entire group's operations and all its customers are located in Mainland China. Accordingly, all revenue is generated from the customers in Mainland China and the major non-current assets are located in Mainland China.

MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY

In the first half of 2013, the global economic environment was highly volatile, as marked by a moderate pace of recovery. With the mixture of upward momentum and downward pressure on China's economy, her economic landscape remained stable in general, albeit structural adjustment at a significantly accelerated rate. In the first half of the year, China's GDP grew by 7.6%, whereas total value of import and export trade increased by 8.6%.

In the first half of 2013, the total cargo throughput at the major ports of China amounted to 5.21 billion tonnes, an increase of 9.9% as compared with that of the corresponding period in 2012. Out of this figure, the throughput of domestic trade cargoes amounted to 3.23 billion tonnes, an increase of 10.8%, which is an indication of relatively fast growth. The throughput of foreign trade cargoes amounted to 1.63 billion tonnes, an increase of 7.9% over that of the same period of last year, which is an indication of slower rate of growth. The container throughput grew to 91.466 million TEUs, an increase of 8.3% as compared with that for the corresponding period in 2012.

The principal business of the Group is categorized into eight segments, namely: provision of oil/liquefied chemicals terminal and related logistics services ("**Oil Segment**"), provision of container terminal and related logistics services ("**Container Segment**"), provision of automobile terminal and related logistics services ("**Automobile Terminal Segment**"), provision of ore terminal and related logistics services ("**Ore Segment**"), provision of general cargo terminal and related logistics services ("**General Cargo Segment**"), provision of bulk grain terminal and related logistics services ("**Bulk Grain Segment**"), provision of passenger and roll-on, roll-off terminal and related logistics services ("**Passenger and Ro-Ro Segment**"), and provision of port value-added services and ancillary port operations ("**Value-added Services Segment**").

In the first half of 2013, the macro economy and industries relevant to the Group's principal business were set out as follows:

Oil Segment: In light of a slowdown in China's economic growth, the growth in the demand for domestic crude oil has slowed down. Against the backdrop of an adequate supply of international crude oil, China has imported a lower volume of crude oil. In the first half of 2013, China imported a total of 138 million tonnes of crude oil, a decrease of 1.5% as compared with the corresponding period in 2012.

Container Segment: In the first half of 2013, the continued growth in container cargo transportation for domestic trade fuelled the rapid development of container business segment. Meanwhile, along with the implementation of a number of relevant policies on supporting the accelerated development of container business by governments at provincial and municipal levels, fresh impetus was added to the sustainable development of the Container Segment of the Group.

Automobile Terminal Segment: In the first half of 2013, thanks to multiple favourable factors, China's automobile industry underwent rapid development, as noted from a 12.83% period-on-period growth in automobile production to 10,751,700 vehicles, and a 12.34% period-on-period increase in sales volume to 10,782,300 vehicles.

Ore Segment: In the first half of 2013, due to the relatively low profitability of China's steel industry, there was weak demand for imported iron ore. Due to preferred use of domestic ore instead of imported ore among major steel mills in northeast China in an attempt to reduce their costs, there was a fall in the volume of imported iron ore in northeast China. In the first half of the year, the volume of iron ore imports in northeast China was 16.82 million tonnes, a decrease of 6.5 % period-on-period.

General Cargo Segment: In the first half of 2013, due to the downturn in industrial economy, major ports of China handled a total of 303 million tonnes of coal, which represented a decrease of 0.7% period-on-period. The output of the crude steel in China in the first half of 2013 maintained its growth and reached a total volume of 390 million tonnes, which represented an increase of 7.4% period-on-period.

Bulk Grain Segment: In the first half of 2013, due to a lower demand for domestic corn, there was a decrease in corn transshipped to southern ports of China, contrasted to an increase in throughput of imported soybeans and barley.

Passenger and Ro-Ro Segment: In the first half of 2013, the slowdown in the economic growth in China had a negative impact on the transportation volume of the Passenger and Ro-Ro Segment to some extent, and as such the number of passengers and the volume of cargoes were lower than those of the same period of the previous year.

In the first half of 2013, the Group's major business had sound performance. The Group handled a total of approximately 20.88 million tonnes of oil and liquefied chemicals, representing an increase of 8.4% as compared with the same period of 2012, of which approximately 10.643 million tonnes were imported crude oil, representing an increase of 2.7% as compared with the corresponding period in 2012. In the Container Segment, the Group handled approximately 4.922 million TEUs, representing an increase of 20.2%, of which approximately 4.442 million TEUs were handled by the Group at Dalian port, representing an increase of 23.4%. In the Automobile Terminal Segment, the Group handled 159,827 vehicles, representing an increase of 49.2%. In the Ore Segment, the Group handled approximately 11.264 million tonnes, representing a decrease of 8.5%. In the General Cargo Segment, the Group handled approximately 16.421 million tonnes of cargoes, representing a slight increase of 0.6%. In the Bulk Grain Segment, the Group handled approximately 4.083 million tonnes of bulk grain, representing an increase of 12.5%. In the Passenger and Ro-Ro Segment, the Group transported approximately 1.633 million passengers, representing a decrease of 11.3% and approximately 517,000 vehicles, representing an increase of 15.1% as compared with the corresponding period in 2012.

OVERALL ANALYSIS OF RESULTS

In the first half of 2013, The Group's profit attributable to shareholders amounted to RMB387,276,213.09, representing an increase of RMB87,124,887.42 or 29.0% as compared with RMB300,151,325.67 in the first half of 2012. The increase was due to the growth of gross profit, investment and government subsidies. The growth of gross profit was attributable to increases in the Group's throughput, new customers with high rental rate, oil tanks occupancy rate, and the revenue of the port logistics business generated by the commissioning of new assets.

In the first half of 2013, the Group's basic earnings were RMB8.75 cents per share, representing an increase of 29.0% from RMB6.78 cents in the first half of 2012.

In the first half of 2013, the Group's revenue amounted to RMB 3,341,276,785.15, representing an increase of 63.1% from RMB2,048,221,533.54 in the first half of 2012. The overall revenue increase was attributable to the significant sales brought about by the new port-related trading business, the growth of the Group's throughput, increase in new customers with high rental rate, an increase in oil tanks occupancy rate, and the revenue growth of port logistics business generated by the commissioning of new assets. Excluding the impact of such trading business, the growth of revenue was 8.7%.

In the first half of 2013, the Group's cost of sales and services amounted to RMB2,439,535,143.28 which increased by 98.4% as compared with RMB1,229,700,556.79 in the first half of 2012. Such increase was principally due to the cost of sales incurred by the new port-related trading business, and increases in labor costs, depreciation expenses as the result of the commissioning of new assets and berth-leasing costs on the back of gains in freight rates in the current year. Excluding the impact of such trading business, cost of sales and services increased by 8.6%.

In the first half of 2013, the Group's gross profit was RMB901,741,641.87 which increased by 10.2% from RMB818,520,976.75 in the first half of 2012. The gross margin was 27.0%, compared to 40.0% in 2012. As a new type of business, the gross profit margin of port-related trading business is lower than that of the traditional port operations. Excluding the impact of such trading business, the gross profit margin was 40.1%, which is roughly the same for the same period in last year.

In the first half of 2013, the Group's financial expenses amounted to RMB202,422,195.93, representing an increase of 15.8% from RMB174,871,289.16 in the first half of 2012. The increase was due to short-term funding needs increased and the increased financing costs as certain capex investments were put into operation.

In the first half of 2013, the Group's investment income amounted to RMB96,520,109.40, representing an increase of 34.1% from RMB71,964,768.43 in the first half of 2012. The increase was mainly attributable to the good operating results of the Group's certain investment enterprises in Oil Segment and Value-added Services Segment in the current year.

In the first half of 2013, the Group's non-operating revenue amounted to RMB120,494,799.15, representing an increase of 117.4% from RMB55,423,379.74 in the first half of 2012. The increase was mainly due to the government subsidies for the Group's Container Segment and the relocation compensation of the Heizuizi ("黑嘴子") dock.

In the first half of 2013, the Group's income tax expenses amounted to RMB127,095,434.35, representing an increase of 11.4% from RMB114,113,783.59 in the first half of 2012. The increase was due to an increase in the taxable income caused by an increase of gross profit and non-operating revenue during the current year.

ASSETS AND LIABILITIES

As of 30 June 2013, the Group's total assets and net assets amounted to RMB27,242,456,927.10 and RMB14,395,222,389.03, respectively. The net asset value per share was RMB2.97, representing an increase of 1.3% as compared with that as of 31 December 2012. The increase was mainly due to the accumulation of assets from business operations.

As of 30 June 2013, the Group's total liabilities amounted to RMB12,847,234,538.07, of which total outstanding bank and other borrowings amounted to RMB10,372,537,459.55.

FINANCIAL RESOURCES AND LIQUIDITY

As of 30 June 2013, the Group had a balance of cash and cash equivalents of RMB2,364,231,473.28, which represented a decrease of RMB130,241,087.47 as compared with 31 December 2012.

In the first half of 2013, the Group's net cash inflows generated from operating activities amounted to RMB504,217,136.84. The Group's operating activities have generated stable cash inflows. The Group's net cash flows used in financing activities and investing activities amounted to RMB462,812,323.80 and RMB 172,020,464.90, respectively. With the stable cash inflows from its operating activities and receipts of equity investment, the Group applied these cash inflows to repay its loans and has maintained a sound financial position and a healthy debt profile.

As of 30 June 2013, the Group's bank and other borrowings amounted to RMB10,372,537,459.55 of which RMB7,028,496,455.51 will be due after one year and RMB3,344,041,004.04 will be due within one year. As at 30 June 2013, the Group's net gearing ratio was 55.4% (31 December 2012: 64.6%).

As of 30 June 2013, the Group's unutilized banking facilities amounted to RMB11,876,937,623.00.

As of 30 June 2013, the Group did not have any significant exposure to fluctuations in exchange rates and did not enter into any foreign exchange hedging contracts.

USE OF PROCEEDS (A SHARES)

Net proceeds of the public offering of 762 million A Shares in 2010 ("**A Shares IPO**") obtained by the Company amounted to approximately RMB2,772,091,500.00. As at 30 June 2013, the Company had utilized approximately RMB 2,317,216,700.00 of the net proceeds and the balance of the net proceeds was RMB454,874,800.00.

There has been no material change in the proposed use of proceeds from the A Shares IPO as stated in the Company's prospectus dated 3 December 2010 except for changes announced by the Company on 30 December 2011. As at 30 June 2013, the details of the use of proceeds were as follows:

Projects	**Proceeds from A Shares IPO**	**Use of proceeds as of 30 June 2013**	**Balance as of 30 June 2013**
Construction of oil storage tanks with a total capacity of 1,000,000 m^3 in Xingang	760,000,000.00	462,069,900.00	297,930,100.00
Construction of oil storage tanks with a total capacity of 600,000 m^3 in the Xingang resort area	550,000,000.00	327,299,000.00	222,701,000.00
Construction of phase II of the Shatuozi oil storage tanks project in the Xingang Shatuozi area	29,600,000.00	29,600,000.00	-
LNG project	320,000,000.00	320,000,000.00	-
No.4 stacking yard for ore terminal	520,000,000.00	320,103,200.00	199,896,800.00
Purchase of gantry for ore terminal	37,200,000.00	37,200,000.00	-
Purchase of 300 bulk grain carriages	150,000,000.00	150,000,000.00	-
Ro-ro ships for carrying cars	230,000,000.00	212,000,000.00	18,000,000.00
Construction of railway siding in Muling	41,250,000.00	41,250,000.00	-
Construction of information systems	50,000,000.00	33,653,100.00	16,346,900.00
Increase in the registered capital of Dalian International Container Terminal Co., Ltd.	84,041,500.00	84,041,500.00	-
Total	2,772,091,500.00	2,017,216,700.00	754,874,800.00

Note 1: The balance as at 30 June 2013 shown in the above table was RMB754,874,800.00. With the subtraction of RMB300,000,000.00 (the remaining RMB100,000,000.00 has been put into use in July 2013), the balance of the net proceeds was RMB454,874,800.00 (excluding an interest income of

RMB61,431,700.00 earned on the proceeds), and RMB516,306,500.00 (including the interest income earned on the proceeds), respectively.

Note 2: In order to avoid idling of capital, improve capital utilization effectiveness and to reduce the financial costs, the Board passed a resolution during the third meeting of the third session of the Board approving the temporary use of certain idle cash from the A Shares IPO proceeds to improve the liquidity of the Company's working capital. The Company was authorized to use idle cash of RMB400,000,000.00 out of the A Share IPO proceeds to supplement the Company's working capital needs. Such an authorization is valid for a period of twelve months commencing on the date on which the Board passed the relevant resolution, i.e. 26 April 2013. The Company's independent Directors, supervisors, and sponsors expressed their respective opinions on the board resolution. The Company issued an announcement within two days after the conclusion of the board meeting.

CAPITAL EXPENDITURE

In the first half of 2013, the Group's capital expenditure amounted to RMB550,018,226.84, which was mainly funded by the surplus cash generated from operating activities, the proceeds from the public offering of A Shares and the proceeds from the issuance of corporate bonds.

The performance analysis of each business segment in the first half of 2013 is as follows:

Oil Segment

The following table sets out the oil/liquefied chemicals throughput handled by the Group in the first half of 2013 and its comparative results in the first half of 2012.

	For the six months ended 30 June 2013 ('000 tonnes)	For the six months ended 30 June 2012 ('000 tonnes)	Increase/ (Decrease)
Crude oil	12,976	12,245	6.0%
—Foreign trade imported crude oil	10,643	10,360	2.7%
Refined oil	4,767	5,127	-7.0%
Liquefied Chemicals	592	544	8.8%
LNG	2,545	1,351	88.4%
Total	20,880	19,267	8.4%

In the first half of 2013, in terms of oil/liquefied chemicals throughput, the Group handled a total of approximately 20.88 million tonnes, an increase of 8.4% on a period-over-period basis.

In the first half of 2013, the Group's crude oil throughput increased by 6.0% to approximately 12.976 million tonnes, of which approximately 10.643 million tonnes were imported crude oil, an increase of 2.7% as compared with the corresponding period in 2012. Due to higher index of Afrah-type tanker freight, PetroChina Jinzhou Petrochemical Company and PetroChina Jinxi Petrochemical Company raised the trans-shipment volume of crude oil imports handled at the Group's port. With the gradual elimination of the impact from the "7.16", there was a significant increase in trans-shipment volume of imported crude oil from CNPC International (中油國際)over last year.

In the first half of 2013, the Group's refined oil throughput amounted to approximately 4.767 million tonnes, a decrease of 7.0% as compared with the corresponding period in 2012. Given the downturn in China's economic situation and weak demand for refined oil, major refineries in the hinterland reduced their processing capacity and cut down their production scale, with a view to lowering their losses. Due to the increase in rail transportation prices, there was a bigger gap between the Group and the neighbouring ports in terms of railway-waterway integrated logistics costs. As such, there was a reduction in the refined oil volume from customers handled by the Group via rail-to-sea inter-modal.

In the first half of 2013, the Group's liquefied chemicals throughput was approximately 592,000 tonnes, an increase of 8.8% as compared with the corresponding period in 2012, which was attributable to the Company's efforts in exploring markets and tapping into new customers on the one hand, and the increase in trans-shipment volume demanded from some of the Group's existing customers on the other hand.

In the first half of 2013, the Group's LNG throughput amounted to 2.545 million tonnes, an increase of 88.4% as compared with the corresponding period in 2012. With the increase in the trans-shipment volume to the Group from customers, there was a substantial growth in the throughput of LNG business handled by the Group.

In the first half of 2013, the Group's imported crude oil business accounted for 100% (100% in the first half of 2012) of the total market share in Dalian and 66.8% (68.5% in the first half of 2012) of that in the Three North-eastern Provinces of China. The Group's oil/liquefied chemicals throughput accounted for 70.1% (69.5% in the first half of 2012) of the total market share in Dalian and 42.0% (41.0% in the first half of 2012) of the total market share in the Three North-eastern Provinces of China. The increase in the proportion of total oil handling throughput was mainly due to the Group's efforts in market exploration and the increase in oil trans-shipment volume from customers of the Group along with the gradual elimination of the "7.16 Exploration Accident".

In the first half of 2013, the revenue from oil/liquefied chemicals terminal and logistics services amounted to RMB543,919,494.43, which accounted for 16.3% (20.7% in the first half of 2012) of the Group's total revenue. This represented an increase of RMB120,612,325.46 or 28.5% as compared with that in the first half of 2012. The increase was mainly due to the growth of throughput an increase in new customers with high rental rate, an increase in oil tanks occupancy rate, and an increase in handling and rental income from new oil tanks which were put into use in the current year.

In the first half of 2013, the gross profit from oil/liquefied chemicals terminal and logistics services amounted to RMB285,448,709.27, representing an increase of 77,847,843.31 as compared with that in the first half of 2012. This profit accounted for 31.7% (25.4% in the first half of 2012) of the Group's total gross profit, and represented a gross margin of 52.5% (49.0% in the first half of 2012). Such an increase in gross margin was mainly attributable to the growth of revenue as the result of the increase in throughput.

In the first half of 2013, the Group's major measures taken and the progress of major projects related to the Group's Oil Segment were as follows:

- We completed the bonded application and processing for the crude oil storage tanks with a total capacity of 1.20 million cubic meters at Changxing Island oil terminal. At present, we have received the approval from the customs in respect of the bonded warehouses with a total storage capacity of 1.20 million, thereby providing favourable conditions for the growth of our Oil Segment.

- On the basis of the existing No. 8 storage tanks, an additional capacity of 350,000 cubic meters was successfully added to the public bonded storage tanks, thus paving a solid path for the expansion of our bonded business.

- We launched the Dalian Port - Laizhou Bay crude oil trans-shipment project. We have reached consensus with some of our customers on the "Dalian Port - Laizhou Port" logistics trans-shipment solutions. We expect that we will carry out refining crude oil trans-shipment business extending from Dalian to Shandong in the second half of the year.

Container Segment

The following table sets out the container throughput handled by the Group in the first half of 2013 and its comparative results in the first half of 2012:

		For the six months ended 30 June 2013 ('000 TEUs)	For the six months ended 30 June 2012 ('000 TEUs)	Increase/ (Decrease)
Foreign Trade	Dalian	2,373	2,220	6.9%
	Other ports (note 1)	70	68	2.9%
	Sub-total	2,443	2,288	6.8%
Domestic Trade	Dalian	2,069	1,381	49.8%
	Other ports (note 1)	410	426	-3.8%
	Sub-total	2,479	1,807	37.2%

Total	Dalian	4,442	3,601	23.4%
	Other ports (note 1)	480	494	-2.8%
	Total	4,922	4,095	20.2%

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

In the first half of 2013, in terms of container throughput, the Group handled a total of approximately 4.922 million TEUs, representing an increase of 20.2% as compared to the corresponding period in 2012. At Dalian port, the Group handled approximately 4.442 million TEUs, representing a period-over-period increase of 23.4%, of which container throughput for foreign trade increased by 6.9%, and container throughput for domestic trade increased by 49.8% period-over-period. In the first half of 2013, as the Group took effective measures to step up efforts in expanding the markets for its container business, the Group's container business has grown at a relatively swifter pace.

In the first half of 2013, the Group's container terminal business accounted for 99.4% (99.5% in the first half of 2012) of the total market share in Dalian and 59.1% (56.2% in the first half of 2012) of that in the Three North-eastern Provinces of China. The Group's container throughput for foreign trade accounted for 100% (100% in the first half of 2012) of the total market share in Dalian and 96.2% (96.8% in the first half of 2012) of the total market share in the three north-eastern provinces of China.

In the first half of 2013, the revenue from container terminal and logistics services amounted to RMB606,947,970.85, accounted for 18.2% (26.4% in the first half of 2012) of the Group's total revenue, representing an increase of RMB65,849,999.48 or 12.2%, as compared with that in the first half of 2012. This revenue increase was mainly attributable to the growth of throughput the gain from disposal of land use rights, and rental from leasing of assets which were newly put into operation.

In the first half of 2013, the gross profit from container terminal and logistics services amounted to RMB220,051,626.95, representing an increase of RMB53,770,110.70 as compared with that in the first half of 2012. This profit accounted for 24.4% (20.3% in the first half of 2012) of the Group's total gross profit, and represented a gross margin of 36.3% (30.7% in the first half of 2012). Such increase in gross margin was mainly caused by the increased gross margin of handling business that has the highest proportion of income.

In the first half of 2013, the Group's major measures taken and the progress of major projects related to the Group's Container Segment were as follows:

- In relation to the opening of new routes, by implementing the preferential policies promoted by the government at the provincial and municipal levels, enhancing marketing efforts in business development, and leveraging on the stable operation of the existing lines, the Group has newly introduced three near-ocean routes. At the same time, we actively teamed up with the domestic shipping companies to promote the development of new routes. With the new addition of three domestic routes, our maritime network system was further improved.

- The Group accelerated the construction of empty container trans-shipment bases in Dalian. Based on the consolidation and expansion of empty container trans-shipment business with Maersk and Hai Feng (海豐), we commenced empty container trans-shipment business with APL. Zhong Yuan Mei (中遠美) line empty container trans-shipment business started trial operation. Meanwhile, with the promotion of the network construction surrounding the sub-lines of Bohai Rim and Huanghai, the Group ran the lines from Dalian to Weifang (濰坊) and to Jingtang(京唐)in the first half of 2013. Leveraging on its self-owned vessels, the Group intensified the current schedule of Dandong (丹東) and Chaofeidian (曹妃甸), thus further extending the reach of its sub-lines.

- In terms of land logistics, relying on inland ports, the Group has been constantly stepping up the construction of roadway-sea-rail integrated network systems. In the first half of 2013, the Group finished the preparation work for the Manzhouli(滿洲里) cross-broader transit lines, thus establishing a solid foundation for running transit lines in the second half of the year. In terms of road transportation, with our self-owned trailers, we integrated the resources of other vehicles for the development of inland highway transportation.

- The Group focused on the development of logistic system and business system in the whole course. Through establishment of a logistic network service system and a business service platform, the Group accelerated the integration of resources and has enhanced the core competitive edges of the port.

Automobile Segment

The following table sets out the throughput handled by the Group's automobile terminal in the first half of 2013 and its comparative results in the first half of 2012.

		For the six months ended 30 June 2013	For the six months ended 30 June 2012	Increase/ (Decrease)
Vehicles (unites)	Foreign Trade	9,047	12,620	-28.3%
	Domestic Trade	150,780	94,482	59.6%
	Total	159,827	107,102	49.2%
Equipments (tonnes)		1,373	16,892	-91.9%

In the first half of 2013, the Group handled a total of 159,827 vehicles, representing an increase of 49.2% as compared to the corresponding period in 2012.

In the first half of 2013, the Group's vehicle throughput accounted for 100% (99% in the first half of 2012) of the total market share in the three north-eastern provinces of China.

In the first half of 2013, the revenue from automobile terminal and logistics services amounted to RMB241,851,209.78 , accounted for 7.2% (0.5% in the first half of 2012) of the Group's total revenue, representing an increase of RMB232,211,209.78 or 2408.8%, as compared with that in the first half of 2012. Excluding the impact of the new trading business, the revenue represented an increase of RMB4,596,683.19 or 47.7%. Such increase was mainly attributable to the trade business. Such an increase was due to the growth of storage income and rental income of automobile ro-ro ships.

In the first half of 2013, the gross profit from automobile terminal and logistics services amounted to RMB8,968,134.35, representing an increase of RMB 4,166,010.34 as compared with that in the first half of 2012. This profit accounted for 1.0% (0.6% in the first half of 2012) of the Group's total gross profit, and represented a gross margin of 3.7% (49.8% in the first half of 2012). Without the impact of trading business, the gross margin is 59.5%. Such increase in gross margin was mainly attributable to the increase in storage income and rental income of automobile ro-ro ships.

In the first half of 2013, the investment income from the automobile terminal and logistics services amounted to RMB 3,844,475.55, a decrease of RMB 1,389,168.61 or 26.5% as compared with the corresponding period in 2012. The decrease of investment income from this segment is caused by the decrease in the net profit of the automobile terminal with the decline in foreign trade import throughput under the unfavorable international economic and political circumstance.

In the first half of 2013, the Group's major measures taken and the progress of major projects related to the Group's Automobile Segment were as follows:

- The Group has strengthened cooperation with customers and established Dalian Hajia Automobile Terminal Co. Ltd with Shanghai Anji Automobile Logistics Co. Ltd., thus consolidating the position of Dalian as a base port for transportation of automobiles.

- The Group continued to draw on the throughput of domestic trade lines to Dalian, leveraged on the existing car-carrying vessel lines and cooperated with shipping companies to strengthen the market development for vehicles shipment between southern and northern China, and significantly increased the transshipment volume in Dalian by major customers. Meanwhile, the Group added the domestic trade lines between Dalian and Yantai, establishing regular two-way flows of vehicles transportation.

- Taking into consideration the decrease of import due to the relation tension between China and Japan, the Group maintained the throughput of foreign trade and reduced the unfavorable effects of macro elements through moving forward the Huachen export base to Dalian and implementing measures, such as service innovation.

Ore Segment

The following table sets out the throughput handled by the Group's ore terminal in the first half of 2013 and its comparative results in the first half of 2012.

	For the six months ended 30 June 2013 ('000 tonnes)	For the six months ended 30 June 2012 ('000 tonnes)	Increase/ (Decrease)
Ore	10,971	12,289	-10.7%
Others	293	15	1853.3%
Total	11,264	12,304	-8.5%

In the first half of 2013, the Group's ore terminal handled approximately 10.971 million tonnes of ore, a decrease of 10.7% as compared with the corresponding period in 2012.

In the first half of 2013, the Group's ore throughput accounted for 30% (30.4% in the first half of 2012) of the total throughput in the Three North-eastern Provinces of China.

In the first half of 2013, the revenue from ore terminal and logistics services amounted to RMB143,044,855.16, which accounted for 4.3% (8.0% in the first half of 2012) of the Group's total revenue. This represented a decrease of RMB20,363,699.13 or 12.5%, as compared with that in the first half of 2012. Such a decrease was mainly due to the throughput reduction and a decrease in handling revenue.

In the first half of 2013, the gross profit from ore terminal and logistics services amounted to RMB55,245,125.19 representing a decrease of RMB 14,474,957.04 as compared with that in the first half of 2012. This profit accounted for 6.1% (8.5% in the first half of 2012) of the Group's total gross profit, and represented a gross margin of 38.6% (42.7% in the first half of 2012). Such a decrease was due to a reduction in throughput, a decrease in handling revenue, and a weakening of the diluted effect of fixed cost.

In the first half of 2013, the Group's major measures taken and the progress of major projects related to the Group's Ore Segment were as follows:

- The Group implemented product innovation and optimized working progress. Through building service brand of Zero-Loss, the Group enhanced its marketing ability.

- We made substantial progress in the building of an ore distribution center and a trade value-added services center. With a full range of pilot value-added services including iron ore bonded warehousing, ore mixing, crude ore screening/crushing, the Group laid a strong foundation for its ore distribution and trade value-added services centers in the Bohai Rim region.

General Cargo Segment

The following table sets out the throughput handled by the Group's general cargo terminal in the first half of 2013 and its comparative results in the first half of 2012.

	For the six months ended 30 June 2013 ('000 tonnes)	For the six months ended 30 June 2012 ('000 tonnes)	Increase/ (Decrease)
Steel	4,267	3,874	10.1%
Coal	6,458	6,252	3.3%
Timber	21	166	-87.3%
Equipment	1,005	1,414	-28.9%
Packed grain	339	246	37.8%
Others	4,331	4,367	-0.8%
Total	16,421	16,319	0.6%

In the first half of 2013, the Group's general cargo terminal handled approximately 16.421 million tonnes cargo, a slight decrease of 0.6% as compared with the corresponding period in 2012.

In the first half of 2013, the volume of steel handled by the Group was approximately 4.267 million tonnes, an increase of 10.1% for the same period of 2012. Despite the steel market demand downturn, the Group maintained the growth of steel throughput by promoting Longzu transport efficiency and exploiting the advantage of liner lines.

In the first half of 2013, the volume of coal handled by the Group was approximately 6.458 million tonnes, which represented an increase of 3.3% for the same period of 2012. The major reason for the growth is that the Group maintained the stable transport volume of major customers and procured the transport volume of international transport coal sources through market development.

In the first half of 2013, the volume of equipment handled by the Group was approximately 1.005 million tonnes, which represented a decrease of 28.9% as compared with the corresponding period in 2012. Influenced by the unfavorable international economy, some projects of major customers were postponed. This resulted in the decrease of transport volume of large equipments.

In the first half of 2013, the steel throughput handled by the Group's general cargo terminal accounted for 18.2% (17.7% in the first half of 2012) and the coal throughput accounted for 17.2% (14.8% in the first half of 2012) of the total market share in the Three North-eastern Provinces of China.

In the first half of 2013, the revenue from general cargo terminal and logistics services amounted to RMB201,955,343.90, which accounted for 6.0% (8.5% in the first half of 2012) of the Group’s total revenue, representing an increase of RMB28,611,257.16 or 16.5%, as compared with that in the first half of 2012. Such increase was mainly attributable to the new steel-trading business. Excluding the impact of such trading business, the revenue represented an decrease of RMB2,254,067.77 or 1.3%. Such a decrease was mainly due to the log throughput reduction and a decrease in storage revenue.

In the first half of 2013, the gross profit from general cargo terminal and logistics services amounted to RMB7,668,370.21, representing a decrease of RMB 13,733,896.53 as compared with that in the first half of 2012. This profit accounted for 0.9% (2.6% in the first half of 2012) of the Group’s total gross profit, and represented a gross margin of 3.8% (12.3% in the first half of 2012). Without the impact of trading business, the gross margin is 5.6%，such a decrease was mainly due to labor costs increase owing to salaries and wages adjustment .

In the first half of 2013, the Group’s major measures taken and the progress of major projects related to the Group’s General Cargo Segment were as follows:

- Through reinforcing the market development and improving service quality and efficiency, the Group procured the product sources of major customers, increasing the throughput of major products.

- The Group focused on the steel management of Longzu transport, enabling the operation stability and service efficiency of Longzu transport. Meanwhile, through steel liner lines, the Group constructed the steel logistics service system and promoted the significant increase of steel throughput.

- Against the coal market downturn, the Group, with the breakthrough of international transport coal, enhanced the procurement of product sources and realized the counter-increase of coal throughput.

- The Group enhanced the near-port industry construction of Changxing Island and created the industry centers of coal and wood.

Bulk Grain Segment

The following table sets out the throughput handled by the Group's bulk grain terminal in the first half of 2013 and its comparative results in the first half of 2012.

	For the six months ended 30 June 2013 ('000 tonnes)	For the six months ended 30 June 2012 ('000 tonnes)	Increase/ (Decrease)
Corn	2,000	2,047	-2.3%
Soy bean	1,089	742	46.8%
Barley	100	135	-25.9%
Wheat	6	20	-70.0%
Others	888	684	29.8%
Total	4,083	3,628	12.5%

In the first half of 2013, the throughput handled by the Group's bulk grain terminal was approximately 4.083 million tonnes, an increase of 12.5% as compared with the corresponding period in 2012.

In the first half of 2013, the Group's corn throughput was approximately two million tonnes, a decrease of 2.3% as compared with the same period of last year. The slight decrease in corn throughput was due to the fact that (i) corn products from North China enjoyed competitive edges in terms of quality, quantity and price over those from Northeast China, and the sales of corn products from Northeast China substantially reduced; and (ii) the domestic demand for corn feed decreased due to the outbreak of H7N9 in early April 2013, resulting in excess inventories at ports in north and south regions.

In the first half of 2013, the Group's soy bean throughput was approximately 1.089 million tonnes, which represented an increase of 46.8% as compared with the same period of last year. Since the turn of year, the Group actively adjusted the resource procurement strategy and concentrated on the import of goods from foreign traders. A higher year-on-year increase in the throughput of imported soybean from foreign traders was forged by enhancing operation efficiency and service quality.

In the first half of 2013, the throughput handled by the Group's bulk grain terminal accounted for 19% (17.5% in the first half of 2012) of the total throughput in the three north-eastern provinces of China.

In the first half of 2013, the revenue from bulk grain terminal and logistics services amounted to RMB1,039,904,097.10, which accounted for 31.1% (9.2% in the first half of 2012) of the Group's total revenue, representing an increase of RMB851,898,719.20 or 453.1%, as compared with that in the first half of 2012. Such increase was mainly attributable to the new grain-trading business. Without the impact of this new business, the revenue decreased by RMB3,632,997.47, or 1.9%. Such a decrease was attributable to rental revenue of railway carriage reduction, a decrease in storage revenue of overdue goods, and was partly offset by the increase in throughput and handling charges.

In the first half of 2013, the gross profit from bulk grain terminal and logistics services amounted to RMB113,465,128.63, representing an increase of RMB2,502,313.24 as compared with that in the first half of 2012. This profit accounted for 12.6% (13.6% in the first half of 2012) of the Group's total gross profit, and represented a gross margin of 10.9% (59.0% in the first half of 2012). Without the impact of the grain-trading business, the gross margin is 56.3%, which represented a decrease of 2.7percentage points over that in the first half of 2012. Such a decrease was attributable to the increases in labour costs.

In the first half of 2013, the Group's major measures taken and the progress of major projects related to the Group's Bulk Grain Segment were as follows:

- The Group stepped up its marketing effort through visiting, cooperation and communication with customers at the origins of grain production, large-scale traders, adjacent ports and relevant functional units. We were keen on seeking cooperation opportunities and coordinating and reinforcing the gathering and distribution of resources in ports in order to create new channels for trades and sales.

- Securing new customers and resources was another key task taken by the Group while adjusting the resource procurement strategy in response to the market conditions. With our solid long-term customer base of foreign traders as a cornerstone, we explored new customer bases and engineered a significant increase in throughput of exported soybeans.

- In order to make the most out of our advantageous resources and strengthen long-term cooperation, the Group entered into annual lease agreement for grain carriers with our customers to establish long-term cooperation and subsequently set up a target for domestic corn transportation. On the other hand, the efficiency of advantageous resources, such as granaries and grain carriers, was enhanced in order to provide customers with long-term and efficient services.

- The Group actively developed the grain trading business for the interactive development between port logistics and grain trading.

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 2013 and its comparative results in the first half of 2012.

	For the six months ended 30 June 2013	For the six months ended 30 June 2012	Increase/ (Decrease)
Passengers('000 persons)	1,633	1,841	-11.3%
Vehicles ('000 units)	517	449	15.1%

In the first half of 2013, throughput of passenger was 1.633 million persons, representing a period-on-period decrease of 11.3%. Throughput of vehicle amounted to 517,000 units, representing a period-on-period increase of 15.1%.

In the first half of 2013, the pace of the domestic economic growth was apparently slower. As such, the volume of total inbound and outbound passengers recorded a period-on-period decrease.

In the first half of 2013, the revenue from passenger and roll-on roll-off and logistics services amounted to RMB61,631,785.13, which accounted for 1.8% (3.0% in the first half of 2012) of the Group's total revenue. This also represented a decrease of RMB184,167.87 or 0.3% as compared to the same period in the last year.

In the first half of 2013, the gross profit from passenger and roll-on roll-off and logistics services amounted to RMB18,241,396.43, representing an decrease of RMB 7,897,723.76 as compared with that in the first half of 2012. This profit accounted for 2.0% (3.2% in the first half of 2012) of the Group's total gross profit, and represented a gross margin of 29.6% (42.3% in the first half of 2012). Such a decrease was due to increase in depreciation expense after Dalian bay passenger terminal was put into operation.

In the first half of 2013, the major measures taken and the progress of key projects related to the Group's Passenger and Ro-Ro Segment were as follow:

- We facilitated the development of Drop and Pull（甩挂） transportation business with the support of neibouring-port Logistics Park Project in Dalian Bay.

- We speeded up the establishment of the electronic ticket sales system project for both passengers and vehicles.

- We negotiated with China Shipping on the cooperation between ports and shipping companies in relation to the provision of high-end customer services, including an express passage for both landing and boarding, an extension of VIP customer services for shipment and the establishment of a high-end customer service brand.

Value-added Services Segment

Tugging

In the first half of 2013, the Group secured an increase in income by voyage charter and reasonable resource allocation. At the same time, we laid down plans to establish tugboat base in an attempt to reduce regional operation cost and maintain a healthy development trend for our tugging business.

In the market outside Dalian, the Group adjusted our strategy in a timely manner and optimised resource allocation in response to the increasingly volatile market conditions, so as to maintain a stable long-term customer base and expand our market share. In the first half of the year, the Group produced four tugboats with 7,200 horsepower, of which two have been deployed in operation. By the end of June 2013, the Group had a total of 41 tugboats and four pilot boats. Among these vessels, 16 tugboats were leased out under long-term leases to other ports outside Dalian. The Group retained a leading tugging services position amongst all port operators in China.

Tallying

In the first half of 2013, the total tallying throughput handled by the Group was approximately 20.739 million tonnes, an increase of 0.7% over the same period of last year.

Railway

In terms of the operation of railway transportation, the Group handled a total of 297,000 carriages, a decrease of 3.6% as compared with the corresponding period in 2012.

In the first half of 2013, the revenue from port value-add services amounted to RMB421,913,005.20 , which accounted for 12.6% (19.4% in the first half of 2012) of the Group's total revenue, representing an increase of RMB23,879,958.77 or 6.0% as compared with that in the first half of 2012. The increase was attributable to the increase in rental revenue of tugboat, engineering construction income, construction supervision income and IT service income. All these businesses were from the business development outside Dalian.

In the first half of 2013, the gross profit from port value-add services amounted to RMB134,193,855.63, representing a decrease of RMB 9,552,253.10 as compared with that in the first half of 2012. This profit accounted for 14.9% (17.6% in the first half of 2012) of the Group's total gross profit, and represented a gross margin of 31.8% (36.1% in the first half of 2012). Such a decrease was mainly due to the increases in labour costs and a lower gross margin in IT services.

PROSPECTS FOR THE SECOND HALF OF 2013

In the second half of 2013, the world economy will continue to grow at a slow rate. However, with decreased dependence on stimulus packages, we are starting to see tentative signs of broad-based recovery, and envisage a favorable turnaround in the trend of slowdown of major emerging economies. The global financial situation will pick up, but will still be subject to possible volatility. International commodity prices will remain high and volatile, but it is unlikely for them to rise sharply. Major developed countries will continue to adhere to tight fiscal policies. Easing monetary policies are expected to remain in place.

RISK EXPOSURES AND ADVERSE FACTORS

There is a remote chance for the slow recovery of the world economy to pick up in the short term. China's export growth will still be hampered by the sluggishness in external demand. A wide range of trade protectionist measures exercised by China will adversely affect the export of the relevant products. In view of the continued implementation of quantitative easing monetary policies by developed countries, China will be faced with an increased pressure of import-induced inflation. In light of abundant liquidity around the globe, the solid rebound in China's economy is likely to attract huge inflows of short-term capital. Due to heightened uncertainties in the world economic recovery and changes in cross-border capital flows, China will be exposed to greater pressure in the aspect of cross-border capital management.

MAJOR MEASURES TAKEN IN RESPONSE TO THE PREVAILING ENVIRONMENT

Faced with the prevailing changes in the world economic situation and the impact of domestic industrial restructuring, with port-cored business as a base, and transition development as a focus, we will embrace a business development philosophy that is based on the integration of ports, cities and districts, with a view to putting in place an comprehensive logistics system and an integrated industrial, commercial and trading platform and accelerating the construction of port industries, thereby realizing our goal of transformation and upgrading of our port.

In the second half of 2013, the Group's major measures to be taken for market development are as follows:

Oil Segment

- To take advantage of the crude oil berths with a capacity of 300,000 tonnes, large capacity of storage tanks and the advantages of bonded warehouses resources, we will continue to maintain service efficiency. On the basis of a stable customer base, we will be well-positioned to make every effort to solicit transportation volume of imported crude oil and refined oil.

- We will accelerate the expansion of the capacity of our public bonded warehouses, so as to boost the volume of bonded crude oil trading business and to achieve incremental income.

- We will vigorously implement the planning relating to petrochemical industries at Dalian port. To take advantage of the Northeast Asian Spot Goods Stock Exchange, we will extend great efforts in building up a petrochemical trading platform, in order to strive for the transition and upgrade of petrochemical companies from "trans-shipment storage ports" to "logistics & trade ports".

- We will reinforce the partnerships with relevant customers in the spectrum of crude oil trans-shipment business. Through solicitation of the imports of crude oil and the trans-shipments of crude oil around the Bohai Rim region, we will expand the imported crude oil markets and the crude oil transshipment markets, thereby extending into wider reach of radiation and distribution.

Container Segment

- In relation to route development, we will continue to maintain the existing route network in a stable and smooth manner. We will also actively introduce high-sea shipping routes for foreign trade containers and north-south direct shipment routes for domestic trade containers, in order to further improve and optimize our maritime service network system.

- In respect of trans-shipment operations, we will continue to increase the shipping capacity of internal branch routes. We will also step up the construction of branch network within the two inner seas (Bohai and Huang hai) rims. Taking advantage of the prevailing policies, we will actively carry out vessel change operations and empty container allocation operations. With an innovative trans-shipment service model, we will continue to make best efforts for the Dandong domestic trade trans-shipment project.

- In connection with the construction of inland systems, we will continue to improve sea-to-rail transportation networks and will step up the projects for the construction of container cross-broader trains transit. We will also accelerate the construction of road transport network systems. By expanding the scale of cooperation with other transportation service providers, vehicle operational efficiency will be improved and road logistics service systems will be enhanced.

- In the aspect of integrated logistics systems, taking advantage of the policies of the bonded ports, we will accelerate the construction of cold chain logistics projects. We will also step up the system design and development of highway cloud services platforms and projects.

Automobile Terminal Segment

- Building on the existing stable sources of automobile volume, the Group will continue to expand the vehicle volume transported by automobiles in northern China and southern China.

- The Group will continue to enhance its co-operation with automobile manufacturers in the hinterland, so as to maintain the stable operation of shipments between northern and southern China.

- The Group will solicit vehicle transportation for foreign trade exports in the hinterland, in order to bolster up its profitability.

- The Group will step into the automobile trading service business at an accelerated pace, so as to fuel a growth in the automobile business volume.

Ore Segment

- While stabilizing cargo sources in the northeast market, the Group will continue to enhance its access to exported ores and water-transported ores, in an effort to build up an ore distribution centre in the Bohai Rim region.

- We will work intensively with customers to promote our "Zero-Loss" service brand. We will also offer customers access to a wide range of logistic solutions on a tailor-made basis, so as to cater for various needs for logistic and value-added services from customers.

- Corporate competitiveness will be reinforced by soliciting coal transportation volume and operating a well-diversified variety of cargoes.

General Cargo Segment

- We will take full advantage of multi-port services. With main efforts in soliciting steel, coal, bulky equipment transportation volume, and through the offering of diversified and differentiated logistics services to customers, we will achieve a high concentration of cargo transportation at our port, thus enhancing the Group's competitive edges in its general cargo segment.

- We will step up the construction of bulk cargo trans-shipment bases at Dalian Bay Port.

- We will accelerate the building of port trade platforms and also cement cooperation with Northeast Asia Spot Commodity Exchanges, in order to attract more investments from customers at our port.

- We will promote the development of harbour industries in Changxing Island area.

Bulk Grain Segment

- We will take active steps to stay ahead of the ever-changing supply and demand in the market. By strategically promoting cargo transportation for internal and external trade in reaction to market trends, and by taking reasonable advantage of our logistics resources, we will be well-poised to optimize the allocation of our resources, thus driving a solid growth in our bulk grain source and transshipment business from major customers.

- The Group will continue to integrate the operations of land transportation and shipment. Our focus is to improve the service quality of corn transportation for major customers without sacrificing the current operation efficiency.

- We will coordinate with relevant departments to facilitate the purchase of 200 grain carriers and deploy them in our business as soon as possible. This will enhance the Group’s coverage and transportation competitiveness in the grain logistic network in northeast China.

- A breakthrough in food trading will be achieved by making three-fold efforts: firstly, we will capture market opportunities that arise in different stages and improve our corn trading business by capitalizing on our advantages in capital, logistic setup and logistic costs; secondly, we will diversify our operation models, maintain strategic cooperation and seek cooperation opportunities in soybean and wheat products; thirdly, we will further enhance our risk control and management mechanism.

Passenger and RO-RO Segment

- The Group will continue to improve its business cooperation with relevant authorities and corporations. We will also build bridges to customers of drop and pull transportation, so as to foster the rapid development of drop and pull transportation business and forge new growth points for our business.

- We will integrate the ticket sales information system and put in place an electronic ticket sales model that is suitable for passengers and the Ro-Ro industry.

- We will adjust our marketing strategy in a timely manner in line with the characteristics of the passenger transportation market during peak traveling seasons, in order to reinforce our capacity in securing cargo transportation volume and increase our revenues.

Value-added Service Segment

- With the acceleration of regional management and integration of port resources, the Group will seek new profit growth through the optimization of resources allocation and the adjustment of tugboat structure.

- Another two tugboats with 7200 horsepower in total are expected to be put into operation in the second half of the year. We will make ourselves ready for pre-operation works in a timely manner and adjust the layout of tugboat resources in due course.

INTERIM DIVIDEND

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2013.

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

During the six months ended 30 June 2013, the Company has not redeemed any of its listed shares. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed shares during the aforesaid period.

COMPLICANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the six months ended 30 June 2013, and so far as known to the Directors of the Company, there has been no material deviation from the code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct governing director's and supervisor's dealings in the Company's securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"). Upon specific enquiries, all Directors and supervisors have confirmed that they had complied with the provisions of the Model Code and the code of conduct governing their dealing in the Company's securities transactions during the six months ended 30 June 2013.

AUDIT COMMITTEE

The Audit Committee consists of two independent non-executive Directors, namely Mr. Liu Yongze and Mr. Wan Kam To, Peter, and one non-executive Director, namely Mr. Zhang Zuogang. The chairman of the Audit Committee is Mr. Liu Yongze. The Audit Committee has reviewed the interim results for the six months ended 30 June 2013.

By Order of the Board of Directors
GUI Yuchan LEE, Kin Yu Arthur
Joint Company Secretaries

Dalian City, Liaoning Province, the PRC
29 August 2013

Executive Directors: HUI Kai, XU Song, ZHU Shiliang and SU Chunhua

Non-executive Directors: XU Jian and ZHANG Zuogang
Independent non-executive Directors: LIU Yongze, GUI Liyi ,WAN Kam To, Peter and YU Long

** The Company is registered as a non-Hong Kong company under Part XI of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) under the English name "Dalian Port (PDA) Company Limited".*