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)

(Stock Code: 2880)

2019 THIRD QUARTERLY REPORT

The Board of the Company hereby announces the 2019 Third Quarterly Report of the Company. The financial statements contained in this report for the nine months ended 30 September 2019 have been prepared in accordance with the PRC GAAP and are unaudited.

This announcement is made pursuant to Rule 13.09 and Rule 13.10B of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the "**Board**") of Dalian Port (PDA) Company Limited* (the "**Company**") hereby announces the unaudited quarterly results (the "**2019 Third Quarterly Report**") of the Company for the nine months ended 30 September 2019. The quarterly results have been prepared in accordance with the PRC Accounting Standard. This announcement is made pursuant to Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The 2019 Third Quarterly Report is written in both Chinese and English. In the case of any discrepancies, the Chinese version of the report shall prevail over its English version.

I. IMPORTANT NOTICE

1.1 The Board, the supervisory committee, the directors, supervisors and senior management of the Company warrant that there is no false information, misleading statements or material omissions in this quarterly report, and collectively and individually assume liabilities for the truthfulness, accuracy and completeness of the information contained herein.

1.2 Conditions of directors absent from the meeting of the Board

Name of absent director	Position of absent director	Reason(s) for absence	Name of proxy
Yim Kong	Director	due to business engagement	Xu Song
Li Jianhui	Director	due to business engagement	Xu Song

1.3 Xu Song, the person in charge of the Company, and Wang Ping, the chief accountant of the Company and the person in charge of the Accounting Department of the Company, warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

1.4 The third quarterly report of the Company is unaudited.

II. CORPORATE INFORMATION

2.1 Summary of Accounting Data

Unit: Yuan; Currency: RMB

	As at the end of the reporting period	**As at the end of the preceding year**	**Changes from the end of the preceding year to the end of the reporting period (%)**
Total assets	34,987,490,706.38	35,315,583,172.89	-0.9
Net assets attributable to equity holders of the Company	18,607,659,896.50	18,276,366,263.95	1.8
	From the beginning of the year to the end of reporting period (Jan-Sept)	**The same period of the preceding year (Jan-Sept)**	**Changes over the same period of the preceding year (%)**
Net cash flows from operating activities	925,102,982.63	1,345,038,436.53	-31.2
	From the beginning of the year to the end of reporting period (Jan-Sept)	**The same period of the preceding year (Jan-Sept)**	**Changes over the same period of the preceding year (%)**
Operating income	4,904,137,608.49	5,363,962,198.97	-8.6
Net profit attributable to equity holders of the Company	540,815,886.51	441,913,636.75	22.4
Net profit attributable to equity holders of the Company, net of non-recurring profit and loss	484,722,704.38	428,807,091.52	13.0
Weighted average return on net assets (%)	2.90	2.43	Increase by 0.47 percentage point
Basic earnings per share (RMB/share)	0.04194	0.03427	22.4
Diluted earnings per share (RMB/share)	0.04194	0.03427	22.4

Non-recurring profit or loss items and amount

✓ Applicable ☐ Not applicable

Unit: Yuan; Currency: RMB

Items	For the period (Jul-Sept)	From the beginning of the year to the end of reporting period (Jan-Sept)	Note
Profit and loss on disposal of non-current assets	-44,582.55	-990,888.33	
Tax refund or exemption from unauthorized approval or non-official approval document or contingency			
Government grants included in profit or loss for the period other than those closely related with the normal operation of the Company and continuously conferred on in compliance with national policies and regulations and the standard quota or quantity basis	6,247,403.67	25,772,716.76	
Capital utilization fee received from non-financial enterprises and included in profit or loss for the period			
Gain on investments of subsidiaries, associates and joint ventures in which the investment cost was less than the interest in fair value of identifiable net assets of the investees at the time of acquisition			
Gain or loss on exchange of nonmonetary assets			
Gain or loss on entrusted investment or asset management			
Asset impairment provisions for force majeure such as natural disasters			
Gain or loss on debt restructuring			
Corporate restructuring fees such as staff settlement expenses and consolidation charges			
Gain or loss arising from unfair trading transactions prices over their fair value			
Net gain or loss of subsidiaries from the beginning of the period to the consolidation date arising from the consolidation of enterprises under common control			

Items	For the period (Jul-Sept)	From the beginning of the year to the end of reporting period (Jan-Sept)	Note
Gain or loss on contingency items unrelated to the normal business operations of the Company			
Profit and loss arising from the fair value change of financial assets held for trading, derivative financial assets, financial liabilities held for trading and derivative financial liabilities, and investment income from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments, other than effective hedging business conducted in the course of normal business of the Company	5,449,734.56	33,197,280.98	Mainly due to gains from financial products of the Company during the holding period
Reversal of impairment provisions for receivables and contract assets subject to individual impairment test			
Gain or loss on commissioned loans	724,407.45	1,663,716.92	
Gain or loss on changes in fair value of investment properties adopting fair value method for subsequent measurements			
Effect on profit or loss for the period from one-off adjustment to profit or loss for the period according to the requirements of the tax and accounting laws and regulations			
Custody fee income received from custody operation			
Other non-operating income and expenses other than all above-mentioned items	30,690,025.72	32,956,911.55	Due to insurance compensation received in respect of container terminals
Other gain or loss items conforming with the definition of non-recurring gain or loss			
Effect of minority interests (after tax)	-12,080,678.28	-13,544,632.63	
Effect of income tax	-10,707,248.57	-22,961,923.12	
Total	20,279,062.00	56,093,182.13	

2.2 Total number of shareholders, shareholdings of the top ten shareholders and the top ten shareholders not subject to selling restrictions as at the end of the reporting period

Unit: share

<table>
<tr><td colspan="4">Total number of shareholders (account)</td><td colspan="3">180,885</td></tr>
<tr><td colspan="7">Shareholdings of the top ten shareholders</td></tr>
<tr><td rowspan="2">Name of shareholders (full name)</td><td rowspan="2">Number of shares held as at the end of the reporting period</td><td rowspan="2">Percentage (%)</td><td rowspan="2">Number of shares subject to selling restrictions as at the end of the reporting period</td><td colspan="2">Status of shares (pledged or frozen)</td><td rowspan="2">Nature of shareholders</td></tr>
<tr><td>Status</td><td>Number</td></tr>
<tr><td>Dalian Port Corporation Limited</td><td>5,310,255,162</td><td>41.18%</td><td>0</td><td>None</td><td>0</td><td>State-owned legal person</td></tr>
<tr><td>Hong Kong Securities Clearing Company Limited</td><td>5,148,497,338</td><td>39.93%</td><td>0</td><td>None</td><td>0</td><td>Foreign legal person</td></tr>
<tr><td>The Central Huijin Asset Management Limited Liability Company</td><td>112,988,190</td><td>0.88%</td><td>0</td><td>None</td><td>0</td><td>State-owned legal person</td></tr>
<tr><td>Liaoning Bay Financial Holding Group Co. Ltd. (遼寧港灣金融控股集團有限公司)</td><td>68,309,590</td><td>0.53%</td><td>0</td><td>None</td><td>0</td><td>State-owned legal person</td></tr>
<tr><td>Dalian Rongyuan Investment and Management Company Limited</td><td>39,408,200</td><td>0.31%</td><td>0</td><td>None</td><td>0</td><td>State-owned legal person</td></tr>
<tr><td>Agricultural Bank of China Limited – 中證500交易型開放式指數證券投資基金(CSI 500 Constituent Trading Open-ended Fund)</td><td>33,573,333</td><td>0.26%</td><td>0</td><td>None</td><td>0</td><td>Domestic non-state-owned legal person</td></tr>
<tr><td>Dalian Hi Tech Holding Co. Ltd.</td><td>19,704,100</td><td>0.15%</td><td>0</td><td>None</td><td>0</td><td>State-owned legal person</td></tr>
<tr><td>Dalian Zhengtong Bonded Co. Ltd.</td><td>19,704,100</td><td>0.15%</td><td>0</td><td>None</td><td>0</td><td>State-owned legal person</td></tr>
<tr><td>Dalian De Tex Holding Co. Ltd.</td><td>19,704,100</td><td>0.15%</td><td>0</td><td>None</td><td>0</td><td>State-owned legal person</td></tr>
<tr><td>Zhang Fengtong</td><td>12,236,638</td><td>0.09%</td><td>0</td><td>None</td><td>0</td><td>Domestic natural person</td></tr>
</table>

Shareholdings of the top ten shareholders not subject to the selling restrictions			
Name of shareholders	Number of shares not subject to selling restrictions at the end of the reporting period	Class and number of shares	
		Class	Number
Dalian Port Corporation Limited	5,310,255,162	RMB ordinary shares (A shares)	5,310,255,162
Hong Kong Securities Clearing Company Limited	5,148,497,338	H shares	5,148,497,338
The Central Huijin Asset Management Limited Liability Company	112,988,190	RMB ordinary shares (A shares)	112,988,190
Liaoning Bay Financial Holding Group Co. Ltd. (遼寧港灣金融控股集團有限公司)	68,309,590	RMB ordinary shares (A shares)	68,309,590
Dalian Rongyuan Investment and Management Company Limited	39,408,200	RMB ordinary shares (A shares)	39,408,200
Agricultural Bank of China Limited – 中證500交易型開放式指數證券投資基金(CSI 500 Constituent Trading Open-ended Fund)	33,573,333	RMB ordinary shares (A shares)	33,573,333
Dalian Hi Tech Holding Co. Ltd.	19,704,100	RMB ordinary shares (A shares)	19,704,100
Dalian Zhengtong Bonded Co. Ltd.	19,704,100	RMB ordinary shares (A shares)	19,704,100
Dalian De Tex Holding Co. Ltd.	19,704,100	RMB ordinary shares (A shares)	19,704,100
Zhang Fengtong	12,236,638	RMB ordinary shares (A shares)	12,236,638
Description of the shareholders' association or concerted action	Among the above shareholders, Dalian Port Corporation Limited is a controlling shareholder of the Company; Liaoning Bay Financial Holding Group Co. Ltd. is an indirect holding subsidiary of China Merchants Group, the actual controller of the Company. The Company is not aware of any connection between the other shareholders or whether they are parties acting in concert as defined under the rules.		
Description of preference shareholders with voting rights restored and their shareholdings	None		

2.3 Total number of shareholders of preference shares, shareholdings of the top ten shareholders of preference shares, top ten shareholders of preference shares not subject to selling restrictions as at the end of the Reporting Period

☐ Applicable ✓ Not applicable

III. SIGNIFICANT EVENTS

3.1 Details of and reasons for material changes in the major accounting statement items and financial indicators of the Company

✓ Applicable ☐ Not applicable

1. Cash and bank balances

As at 30 September 2019, Cash and bank balances of the Group amounted to RMB2,629,379,678.29, representing a decrease of 54.11% compared with the beginning of the year, which was mainly due to repayment of short-term borrowings with existing funds.

2. Financial assets held for trading

As at 30 September 2019, financial assets held for trading of the Group amounted to RMB1,308,112,087.57, representing a decrease of 30.88% compared with the beginning of the year, which was mainly due to the decrease in balance of financial products.

3. Notes receivable

As at 30 September 2019, notes receivable of the Group amounted to RMB145,056,829.31, representing a decrease of 49.85% compared with the beginning of the year, which was mainly due to the combined effect of due payment of notes receivable and business settlement with notes receivable.

4. Accounts receivable

As at 30 September 2019, accounts receivable of the Group amounted to RMB1,565,770,871.44, representing an increase of 137.89% compared with the beginning of the year, which was mainly due to the fact that revenue from new crude oil storage business during the year was not settled with customers.

5. Prepayments

As at 30 September 2019, prepayments of the Group amounted to RMB53,962,555.29, representing an increase of 54.91% compared with the beginning of the year, which was mainly due to the prepayment of related payments such as property insurance fee for 2019 by the Group.

6. Interest receivable

As at 30 September 2019, interest receivable of the Group amounted to RMB11,189,594.42, representing a decrease of 63.60% compared with the beginning of the year, which was mainly because portion of interest receivable had been recovered.

7. Contract assets

As at 30 September 2019, contract assets of the Group amounted to nil, representing a decrease of 100.00% compared with the beginning of the year, which was mainly because the amount related to such item had been recovered.

8. Other current assets

As at 30 September 2019, other current assets of the Group amounted to RMB66,281,629.69, representing a decrease of 37.31% compared with the beginning of the year, which was mainly due to the decrease in prepaid taxes.

9. Right-of-use assets

As at 30 September 2019, right-of-use assets of the Group amounted to RMB3,113,867,191.05, representing an increase of 100.00% compared with the beginning of the year, which was mainly due to the implementation of New Standards on Leases for recognition of leasing assets.

10. Short-term borrowings

As at 30 September 2019, short-term borrowings of the Group amounted to RMB497,000,000.00, representing a decrease of 85.38% compared with the beginning of the year, which was mainly due to the repayment of short-term borrowings.

11. Advances from customers

As at 30 September 2019, advances from customers of the Group amounted to RMB12,960,988.96, representing an increase of 110.64% compared with the beginning of the year, which was mainly due to the advance of two-year rental for spaces from Jin Gang Shipyard during the year.

12. Employee benefits payable

As at 30 September 2019, employee benefits payable of the Group amounted to RMB172,612,219.41, representing a decrease of 33.83% compared with the beginning of the year, which was mainly due to the payment of bonus for the previous year to employees at the beginning of the year.

13. Taxes payable

As at 30 September 2019, taxes payable of the Group amounted to RMB84,645,994.45, representing an increase of 56.42% compared with the beginning of the year, which was mainly due to the increase in difference between taxes and accounting treatment arising from implementation of New Standards on Leases.

14. Contract liabilities

As at 30 September 2019, contract liabilities of the Group amounted to RMB31,676,701.72, representing a decrease of 30.81% compared with the beginning of the year, which was mainly due to part of items of contract liabilities completed.

15. Interest payable

As at 30 September 2019, interest payable of the Group amounted to RMB90,675,887.57, representing a decrease of 46.74% compared with the beginning of the year, which was mainly due to the decrease in bank loans resulting in decrease in interest payable accordingly.

16. Long-term liabilities due within one year

As at 30 September 2019, long-term liabilities due within one year of the Group amounted to RMB344,959,746.60, representing a decrease of 56.88% compared with the beginning of the year, which was mainly due to the repayment of part of non-current liabilities due within one year.

17. Leasing liabilities

As at 30 September 2019, leasing liabilities of the Group amounted to RMB3,135,536,217.88, representing an increase of 100.00% compared with the beginning of the year, which was mainly due to the implementation of New Standards on Leases.

18. Other comprehensive income

As at 30 September 2019, other comprehensive income of the Group amounted to RMB75,190,170.99, representing an increase of 1,169.25% compared with the beginning of the year, which was mainly due to the combined effect of recovery of investment in delisted shares of Sinotrans Shipping and gains on revaluation of other equity instruments during the year.

19. Special reserve

As at 30 September 2019, special reserve of the Group amounted to RMB44,008,792.70, representing an increase of 36.76% compared with the beginning of the year, which was mainly due to the net increase in special reserve.

20. Sales expenses

In the first three quarters of 2019, sales expenses of the Group amounted to RMB213,538.79, representing a decrease of 64.52% compared with the same period of last year, which was mainly due to the decrease in exhibition fee.

21. Financial expenses

In the first three quarters of 2019, financial expenses of the Group amounted to RMB404,434,123.53, representing an increase of 128.63% compared with the same period of last year, which was mainly due to the combined effect of an increase in interest expenses as a result of the implementation of New Standards on Leases and the changes in accounting methods, as well as the significant decrease in currency exchange gains compared to the corresponding period of last year.

22. Other income

In the first three quarters of 2019, other income of the Group amounted to RMB48,000,667.10, representing an increase of 46.69% compared with the same period of last year, which was mainly due to the entitlement of VAT preferential policies and the increase in government subsidies obtained.

23. Investment income

In the first three quarters of 2019, investment income of the Group amounted to RMB275,729,499.61, representing an increase of 43.85% compared with the same period of last year, which was mainly due to an increase in the business results of associates and joint ventures and an increase in wealth management income.

24. Gains from changes in fair value

In the first three quarters of 2019, gains from changes in fair value of the Group amounted to RMB2,149,565.00, representing a decrease of 57.02% compared with the same period of last year, which was mainly due to the effect of the changes in the fair value of financial assets.

25. Credit impairment losses

In the first three quarters of 2019, credit impairment losses of the Group amounted to RMB3,791,501.37, representing a decrease of 58.15% compared with the same period of last year, which was mainly due to the effect of the recovery of payment for contract assets for the year.

26. Gains on disposal of assets

In the first three quarters of 2019, losses on disposal of assets of the Group amounted to RMB959,651.60, representing an increase of 2,160.39% compared with the same period of last year, which was mainly due to the effect of an increase in losses on disposal of assets for the year.

27. Non-operating income

In the first three quarters of 2019, non-operating income of the Group amounted to RMB33,479,347.64, representing an increase of 233.02% compared with the same period of last year, which was mainly due to the effect of the receipt of claims by container terminal companies.

28. Non-operating expenses

In the first three quarters of 2019, non-operating expenses of the Group amounted to RMB553,672.82, representing a decrease of 81.61% compared with the same period of last year, which was mainly due to the effect of the payment of employee gratuity and other compensations for the same period of last year.

29. Net cash flows from operating activities

In the first three quarters of 2019, net cash inflows from operating activities of the Group amounted to RMB925,102,982.63, representing a decrease of 31.22% compared with the same period of last year, which was mainly due to the effect of the fact that the receivables have not been settled and recovered as a result of an increase in crude oil storage business.

30. Net cash flows from investing activities

In the first three quarters of 2019, net cash inflows from investing activities of the Group amounted to RMB563,235,148.65, representing an increase of 417.81% compared with the same period of last year, which was mainly due to the combined effect of an increase in the net recovery of wealth management funds, an increase in cash dividends obtained and a decrease in cash paid for acquisition of assets.

31. Net cash flows from financing activities

In the first three quarters of 2019, net cash outflows from financing activities of the Group amounted to RMB4,605,288,900.25, representing an increase of 146.92% compared with the same period of last year, which was mainly due to the repayment of considerable short-term borrowings after the change of the use of idle funds for the year.

32. Effect of foreign exchange rate changes on cash and cash equivalents

In the first three quarters of 2019, net cash inflows from the effect of foreign exchange rate changes on cash and cash equivalents of the Group amounted to RMB27,630,976.91, representing a decrease of 85.56% compared with the same period of last year, which was mainly due to the effect of a year-on-year decrease in foreign exchange gains arising from foreign currency assets.

3.2 Progress of significant events and analysis on their effects and solutions

☐ Applicable ✓ Not applicable

3.3 Matters relating to undertakings which have passed the performance deadline and not yet performed or completed during the reporting period

☐ Applicable ✓ Not applicable

3.4 Warnings and explanations on estimated loss or significant change (as compared to the same period of last year) in net accumulated profit from the beginning of the year to the end of the next reporting period

☐ Applicable ✓ Not applicable

3.5 Throughput of terminal businesses

The following table sets out the throughput handled at the terminals and logistics business of the Group for the third quarter of 2019. These throughput data is an aggregate of all operating entities in which the Group had equity interests, irrespective of the percentage of equity interests held by the members of the Group.

Terminal Category		The third quarter			The first three quarters		
		July to September 2019	July to September 2018	Change (%)	January to September 2019	January to September 2018	Change (%)
Oil/Liquefied Chemicals terminals (‘0,000 tonnes)		1,335.3	1,405.3	-5.0%	4,286.1	4,118.6	4.1%
Container Terminals (’0,000 TEUs)	Dalian	233.5	279.0	-16.3%	663.5	755.7	-12.2%
	Other Ports Note 3	36.9	37.8	-2.4%	113.5	111.5	1.8%
	Sub-total	270.4	316.8	-14.7%	777.0	867.2	-10.4%
Automobile Terminals (vehicles: unit)		228,223.0	223,118.0	2.3%	616,510.0	581,523.0	6.0%
Bulk Grain Terminals (’0,000 tonnes)		109.2	150.6	-27.5%	317.3	446.2	-28.9%
General Cargo Terminals (ore containing; ’0,000 tonnes)		1,855.8	1,958.0	-5.2%	4,871.4	4,965.2	-1.9%
Passenger and Ro-Ro Terminals	Passengers: ’0,000 persons	138.4	144.1	-4.0%	332.3	317.5	4.7%
	Vehicles: ’0,000 Units	23.9	17.7	35.0%	63.8	82.7	-22.9%

Note 3: 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 秦皇島新港灣集裝箱碼頭有限公司(Qinhuangdao New Harbour Container Terminal Co., Ltd.), in which 15% equity interest is owned by the Group.

The oil business decreased because of the commissioning of the new storage and transportation facilities in the Bohai Rim area and the increase in oil imported from Russia due to the operation of phase II of the Sino-Russian crude oil pipelines and other factors. Affected by the macro situation, the container operations were lack of the supply of goods from the hinterland. In addition, following the idea of improving quality and efficiency, we adjusted our business strategy by focusing on the advantages of foreign trade in the port and laying emphasis on competition for sources of goods in foreign trade, and withdrew and merged some domestic trade routes, leading to a slight year-on-year decrease in container throughput. The commodity vehicles operations continued to deepen its cooperation with main engine plants and railway enterprises in the hinterland and strengthen the competitive advantages of the sea-to-rail intermodal transportation for commodity vehicles, thus domestic trade export throughput maintained steady growth, promoting a sustained and rapid business growth. For the ore business, due to a decrease in external ore supply caused by dam break in Brazil and a continuous rise in iron ore prices and other factors, the use of ores in steel mills increased, resulting in a year-on-year decline in the Group's ore imports. For the steel operations, given that the demand for steel in the domestic market remained stable, and greater efforts were made in environmental regulation, the production of steel decreased. Moreover, the surrounding ports diverted some of the supply through low-cost competition, which caused a year-on-year decrease in the Group's steel transportation volume. For the coal operations, the coal throughput decreased year-on-year with stricter environmental protection and safety requirements in production areas as the third quarter was near the National Day along with a slight increase in the coal price. For the grain operations, affected by the African swine fever, the procurement of southern feed enterprises continued to be sluggish, and the overall volume of transshipment in the northern ports was low. Furthermore, due to market conditions, the price of corn in the north and south was upside down and the volume of transshipment reduced, leading to a decline in the bulk grain business. Affected by holiday arrangement, the passenger transportation business had less tourists and visiting relatives in the third quarter compared with the same period of last year. However, due to the considerable increase in preliminary ro-ro and passenger throughput, a slight increase was recorded on a cumulative basis during the same period. The ro-ro vehicle traffic volume dropped due to the decrease in demand from northeast and inland and transportation capacity and other factors.

Company name	Dalian Port (PDA) Company Limited
Legal representative	Xu Song
Date	29 October 2019

IV. APPENDIX

4.1 Financial statements

The Consolidated Balance Sheets
30 September 2019

Prepared by: Dalian Port (PDA) Company Limited

Unit: Yuan; Currency: RMB; Type of audit: Unaudited

Items	30 September 2019	31 December 2018
Current assets:		
Cash and bank balances	2,629,379,678.29	5,729,285,870.35
Settlement reserves for balance		
Loans to banks and other financial institutions		
Financial assets held for trading	1,308,112,087.57	1,892,520,046.14
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	145,056,829.31	289,238,760.63
Accounts receivable	1,565,770,871.44	658,194,719.05
Receivable financing		
Advances to suppliers	53,962,555.29	34,835,097.24
Premium receivables		
Reinsurance receivables		
Reinsurance contract reserves receivable		
Other receivables	588,766,328.73	663,019,375.41
Including: Interest receivable	11,189,594.42	30,743,735.52
Dividends receivable	127,595,262.10	146,000,226.01

Items	30 September 2019	31 December 2018
Financial assets purchased with agreement to re-sale		
Inventories	117,579,828.91	149,488,331.40
Contract assets	–	37,162,200.00
Assets held for sale		
Non-current assets due within one year		
Other current assets	66,281,629.69	105,735,304.45
Total current assets	6,474,909,809.23	9,559,479,704.67
Non-current assets:		
Loans and advances to customers		
Debt investments		
Available-for-sale financial assets		
Other debt investments		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	4,382,810,567.84	4,196,535,238.90
Other investments in equity instruments	195,021,913.86	179,146,371.30
Other non-current financial assets		
Investment property	195,566,028.04	202,719,406.14
Fixed assets	16,595,096,100.57	17,208,306,962.50
Construction in progress	2,170,800,785.09	2,030,344,333.55
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	3,113,867,191.05	–
Intangible assets	1,677,018,518.84	1,724,973,793.88

Items	30 September 2019	31 December 2018
Research and development expenses		
Goodwill	20,433,690.59	20,433,690.59
Long-term prepayments	65,839,567.27	76,195,345.33
Deferred tax assets	59,959,839.19	81,148,594.18
Other non-current assets	36,166,694.81	36,299,731.85
Total non-current assets	28,512,580,897.15	25,756,103,468.22
TOTAL ASSETS	34,987,490,706.38	35,315,583,172.89
Current liabilities:		
Short-term borrowings	497,000,000.00	3,399,536,753.89
Borrowings from central bank		
Loans from other banks		
Financial liabilities held for trading		
Financial liabilities at fair value through profit and loss		
Derivative financial liabilities		
Notes payable		
Accounts payable	232,180,065.43	224,442,511.34
Advances from customers	12,960,988.96	6,153,114.57
Funds from selling out and repurchasing financial assets		
Receipts of deposits and deposits from other banks		
Brokerage for trading securities		
Brokerage for consigning securities		
Employee benefits payable	172,612,219.41	260,854,026.38
Tax payable	84,645,994.45	54,113,243.93
Other payables	988,647,114.91	911,030,967.62

Items	30 September 2019	31 December 2018
Including: Interest payable	90,675,887.57	170,266,834.18
Dividends payable	159,491,535.55	220,370,685.87
Fee and commission payable		
Reinsurance accounts payables		
Contract liabilities	31,676,701.72	45,783,239.08
Liabilities held for sale		
Non-current liabilities due within one year	344,959,746.60	800,076,181.57
Other current liabilities		
Total current liabilities	2,364,682,831.48	5,701,990,038.38
Non-current liabilities:		
Reserves for insurance contracts		
Long-term borrowings	1,533,698,814.40	2,052,026,017.12
Bond payable	5,881,494,806.86	5,873,223,359.39
Including: Preference shares		
Perpetual bond		
Lease liabilities	3,135,536,217.88	–
Long-term payables	32,500,000.00	40,000,000.00
Long-term employee benefits payable		
Provisions		
Deferred income	559,501,103.94	587,760,573.96
Deferred tax liabilities	84,433,784.62	111,725,442.87
Other non-current liabilities	92,061,987.61	88,541,797.00
Total non-current liabilities	11,319,226,715.31	8,753,277,190.34
TOTAL LIABILITIES	13,683,909,546.79	14,455,267,228.72

Items	30 September 2019	31 December 2018
Equity attributable to equity holders (or shareholders)		
Paid up capital (or issued capital)	12,894,535,999.00	12,894,535,999.00
Other equity instruments		
Including: Preference shares		
Perpetual bond		
Capital reserve	2,938,577,580.04	2,935,193,506.32
Less: Treasury shares		
Other comprehensive income	75,190,170.99	5,924,000.77
Special reserve	44,008,792.70	32,179,588.47
Surplus reserve	823,997,607.17	823,997,607.17
General risk reserves		
Unappropriated profit	1,831,349,746.60	1,584,535,562.22
Total equity attributable to equity holders (or shareholders) of the Company	18,607,659,896.50	18,276,366,263.95
Minority interests	2,695,921,263.09	2,583,949,680.22
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS (OR SHAREHOLDERS)	21,303,581,159.59	20,860,315,944.17
TOTAL LIABILITIES AND EQUITY ATTRIBUTABLE TO EQUITY HOLDERS (OR SHAREHOLDERS)	34,987,490,706.38	35,315,583,172.89

The legal representative of the Company: Xu Song

The chief accountant of the Company: Wang Ping

The person in charge of the accounting department of the Company: Wang Ping

The Company Balance Sheets
30 September 2019

Prepared by: Dalian Port (PDA) Company Limited

Unit: Yuan; Currency: RMB; Type of audit: Unaudited

Items	30 September 2019	31 December 2018
Current assets:		
Cash and bank balances	1,247,920,525.44	3,802,241,768.50
Financial assets held for trading	1,308,112,087.57	1,892,520,046.14
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	140,071,158.11	255,450,984.64
Accounts receivable	1,058,488,098.73	327,104,715.96
Receivable financing		
Advances to suppliers	12,336,708.92	5,272,763.37
Other receivables	1,330,909,229.48	1,634,086,098.47
Including: Interest receivable	17,019,656.89	25,118,505.66
Dividends receivable	1,212,260,554.21	1,220,792,292.25
Inventories	44,454,902.42	45,926,997.25
Contract assets	–	37,162,200.00
Assets held for sale		
Non-current assets due within one year		
Other current assets	2,841,937.50	28,078,751.88
Total current assets	5,145,134,648.17	8,027,844,326.21

Items	30 September 2019	31 December 2018
Non-current assets:		
Debt investments		
Available-for-sale financial assets		
Other debt investments		
Held-to-maturity investments		
Long-term receivables	310,000,000.00	310,000,000.00
Long-term equity investments	8,231,873,541.34	8,044,257,892.34
Other investments in equity instruments	22,621,120.06	19,317,452.40
Other non-current financial assets		
Investment properties		
Fixed assets	10,154,860,734.07	10,527,133,194.06
Construction in progress	1,468,527,924.44	1,373,780,735.02
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	2,865,792,324.69	–
Intangible assets	535,989,754.95	549,672,036.07
Research and development expenses		
Goodwill		
Long-term prepayments	20,146,588.22	22,884,711.91
Deferred tax assets	38,741,458.69	27,809,850.08
Other non-current assets	1,860,000.00	3,901,000.00
Total non-current assets	23,650,413,446.46	20,878,756,871.88
TOTAL ASSETS	28,795,548,094.63	28,906,601,198.09

Items	30 September 2019	31 December 2018
Current liabilities:		
Short-term borrowings	–	3,160,000,000.00
Financial liabilities held for trading		
Financial liabilities at fair value through profit and loss		
Derivative financial liabilities		
Notes payable		
Accounts payable	36,576,069.02	52,373,570.78
Advances from customers	4,655,392.86	3,353,050.80
Contract liabilities	25,372,333.98	28,435,826.37
Employee benefits payable	98,531,826.89	142,766,940.38
Tax payable	24,745,348.20	4,626,007.40
Other payables	396,159,817.32	497,399,692.64
Including: Interest payable	87,069,232.10	166,421,995.90
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	38,887,837.04	7,500,000.00
Other current liabilities		
Total current liabilities	624,928,625.31	3,896,455,088.37
Non-current liabilities:		
Long-term borrowings		
Bond payable	5,881,494,806.86	5,873,223,359.39
Including: Preference shares		
Perpetual bond		

Items	30 September 2019	31 December 2018
Lease liabilities	2,929,086,914.76	–
Long-term payables	15,000,000.00	22,500,000.00
Long-term employee salary payable		
Provisions		
Deferred income	535,134,903.76	563,012,261.85
Deferred tax liabilities	1,988,515.64	1,162,598.73
Other non-current liabilities	92,061,987.61	88,541,797.00
Total non-current liabilities	9,454,767,128.63	6,548,440,016.97
TOTAL LIABILITIES	10,079,695,753.94	10,444,895,105.34
Equity attributable to equity holders (or shareholders)		
Paid up capital (or issued capital)	12,894,535,999.00	12,894,535,999.00
Other equity instruments		
Including: Preference shares		
Perpetual bond		
Capital reserve	3,047,483,486.32	3,044,416,520.66
Less: Treasury shares		
Other comprehensive income	5,965,546.92	3,487,796.18
Special reserve	30,738,239.36	23,263,855.52
Surplus reserve	779,117,344.42	779,117,344.42
Unappropriated profit	1,958,011,724.67	1,716,884,576.97
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS (OR SHAREHOLDERS)	18,715,852,340.69	18,461,706,092.75
TOTAL LIABILITIES AND EQUITY ATTRIBUTABLE TO EQUITY HOLDERS (OR SHAREHOLDERS)	28,795,548,094.63	28,906,601,198.09

The legal representative of the Company: Xu Song	The chief accountant of the Company: Wang Ping	The person in charge of the accounting department of the Company: Wang Ping

The Consolidated Income Statements
January to September 2019

Prepared by: Dalian Port (PDA) Company Limited*

Unit: Yuan; Currency: RMB; Type of audit: Unaudited

	Items	The third quarter of 2019 (Jul-Sept)	The third quarter of 2018 (Jul-Sept)	The first three quarters of 2019 (Jan-Sept)	The first three quarters of 2018 (Jan-Sept)
I.	Total operating income	1,682,172,580.34	1,712,773,512.16	4,904,137,608.49	5,363,962,198.97
	Including: Operating income	1,682,172,580.34	1,712,773,512.16	4,904,137,608.49	5,363,962,198.97
	Interest income				
	Premium earned				
	Fees and commission income				
II.	Total operating costs	1,404,299,755.37	1,436,508,091.11	4,392,394,531.29	4,860,128,117.13
	Including: Operating costs	1,140,898,714.31	1,273,602,765.89	3,481,350,788.23	4,157,164,931.61
	Interest expenses				
	Fees and commission expense				
	Surrender payment				
	Net expenditure for compensation payments				
	Net provision for insurance deposits				
	Policyholder dividend expenses				
	Reinsurance costs				
	Business taxes and levies	13,466,717.06	13,542,933.55	41,086,571.35	38,441,015.42
	Sales expenses	52,958.55	111,274.39	213,538.79	601,854.19
	Administrative expenses	129,623,647.09	146,481,237.53	454,370,841.58	478,329,188.14
	R&D expenses	3,871,786.85	3,264,660.83	10,938,667.81	8,695,458.70
	Financial expenses	116,385,931.51	-494,781.08	404,434,123.53	176,895,669.07
	Including: Interest expenses	139,455,804.54	158,715,742.90	484,127,622.00	453,515,601.17
	Interest income	11,404,138.42	31,991,111.85	54,953,489.25	98,895,890.05

Items	The third quarter of 2019 (Jul-Sept)	The third quarter of 2018 (Jul-Sept)	The first three quarters of 2019 (Jan-Sept)	The first three quarters of 2018 (Jan-Sept)
Add: Other income	13,694,345.61	13,585,114.58	48,000,667.10	32,722,637.15
Investment income (Loss listed with "-")	91,283,539.89	100,675,570.79	275,729,499.61	191,680,566.27
Including: jointly-controlled entities and associates investment income	86,157,530.33	95,650,334.04	244,391,488.63	181,775,923.48
Investment income from derecognition of financial assets at amortised cost				
Exchange gain (Loss listed with "-")				
Net gains from hedging exposure (Loss listed with "-")				
Gains from changes in fair value (Loss listed with "-")	323,725.00	-769,727.50	2,149,565.00	5,001,260.50
Credit impairment losses (Loss listed with "-")	-3,005,411.75	3,162,442.58	-3,791,501.37	-9,060,343.86
Assets impairment losses (Loss listed with "-")				
Gain on disposal of assets (Loss listed with "-")	-13,345.82	39,850.28	-959,651.60	-42,455.21
III. Operating profit (Loss listed with "-")	380,155,677.90	392,958,671.78	832,871,655.94	724,135,746.69
Add: Non-operating income	30,907,782.52	1,179,946.79	33,479,347.64	10,053,201.87
Less: Non-operating expenses	248,993.53	615,039.91	553,672.82	3,011,159.66
IV. Total profit (Gross loss listed with "-")	410,814,466.89	393,523,578.66	865,797,330.76	731,177,788.90
Less: Income tax expenses	111,314,277.38	82,253,468.97	212,538,496.65	171,484,111.13
V. Net profit (Net loss listed with "-")	299,500,189.51	311,270,109.69	653,258,834.11	559,693,677.77
(I) According to operating continuity				
1. Net profit from continuing operations (Net loss listed with "-")	299,500,189.51	311,270,109.69	653,258,834.11	559,693,677.77
2. Net profit from discontinued operations (Net loss listed with "-")				

Items	The third quarter of 2019 (Jul-Sept)	The third quarter of 2018 (Jul-Sept)	The first three quarters of 2019 (Jan-Sept)	The first three quarters of 2018 (Jan-Sept)
(II) According to ownership				
1. Net profit attributable to shareholders of Company (Net loss listed with "-")	252,580,071.70	265,732,789.15	540,815,886.51	441,913,636.75
2. Minority interests (Net loss listed with "-")	46,920,117.81	45,537,320.54	112,442,947.60	117,780,041.02
VI. Other comprehensive income, net of tax	-998,421.26	13,733,529.19	27,572,802.47	11,706,210.84
Other comprehensive income attributable to equity holders of the Company, net of tax	-998,421.26	13,733,529.19	28,050,593.59	11,116,682.37
(I) Other comprehensive income that cannot be reclassified to profit or loss	–	4,240,719.80	29,239,786.96	1,244,916.13
1. Changes arising from the remeasurement of defined benefit plans				
2. Other comprehensive income that may not be reclassified to profit and loss under equity method				
3. Changes in fair value of other equity instrument investments	–	4,240,719.80	29,239,786.96	1,244,916.13
4. Changes in fair value of enterprise's credit risks				
(II) Other comprehensive income to be reclassified to profit or loss	-998,421.26	9,492,809.39	-1,189,193.37	9,871,766.24
1. Other comprehensive income that may be reclassified to profit or loss under equity method				
2. Changes in fair value of other debt investments				
3. Gains or losses on fair value change in available-for-sale financial assets				
4. Other comprehensive income arising from reclassification of financial assets				
5. Gains or losses on reclassification of held to maturity investments to available-for-sale financial assets				

Items	The third quarter of 2019 (Jul-Sept)	The third quarter of 2018 (Jul-Sept)	The first three quarters of 2019 (Jan-Sept)	The first three quarters of 2018 (Jan-Sept)
6. Provision of credit impairment arising from other debt investments				
7. Hedging reserve arising from cash flows (effective portion of cash flow from hedging gains and losses)				
8. Exchange differences on foreign currency translations	-998,421.26	9,492,809.39	-1,189,193.37	9,871,766.24
9. Others				
Net other comprehensive income after tax attributable to minority interests	–	–	-477,791.12	589,528.47
VII. Total consolidated income	298,501,768.25	325,003,638.88	680,831,636.58	571,399,888.61
Total consolidated income attributable to equity holders of the Company	251,581,650.44	279,466,318.34	568,866,480.10	453,030,319.12
Total consolidated income attributable to minority shareholders	46,920,117.81	45,537,320.54	111,965,156.48	118,369,569.49
VIII. Earnings per share:				
(I) Basic earnings per share (RMB/share)	0.02	0.02	0.04	0.03
(II) Diluted earnings per share (RMB/share)	0.02	0.02	0.04	0.03

In the current period under the same control enterprise merger, the new merger party achieved a net profit of 0 (RMB) before the merger; the new merger party achieved a net profit of 0 (RMB) during last period.

The legal representative of the Company: Xu Song	The chief accountant of the Company: Wang Ping	The person in charge of the accounting department of the Company: Wang Ping

The Company Income Statements

January to September 2019

Prepared by: Dalian Port (PDA) Company Limited*

Unit: Yuan; Currency: RMB; Type of audit: Unaudited

Items	The third quarter of 2019 (Jul-Sept)	The third quarter of 2018 (Jul-Sept)	The first three quarters of 2019 (Jan-Sept)	The first three quarters of 2018 (Jan-Sept)
I. Operating income	887,921,035.19	754,470,758.84	2,567,158,939.09	2,199,522,111.49
Less: Operating costs	553,203,038.27	530,722,233.04	1,706,350,019.85	1,566,898,627.33
Business taxes and levies	7,736,497.12	7,722,997.86	24,113,681.23	20,768,259.55
Sales expenses				
Administrative expenses	75,811,996.05	83,081,809.62	273,606,956.19	271,600,562.39
Research and development expenses	–	26,425.24	21,915.00	26,425.24
Financial expenses	98,443,862.44	-30,532,439.74	324,692,458.08	77,769,212.92
Including: Interest expenses	115,118,783.81	127,330,211.40	388,492,920.63	337,859,451.88
Interest income	5,851,251.41	26,915,386.94	40,469,838.29	80,951,328.41
Add: Other gains	11,045,942.79	8,731,139.32	40,080,707.83	24,204,512.95
Investment income (Loss listed with "-")	93,028,536.06	103,127,376.51	278,680,218.60	195,939,154.26
Including: Jointly-controlled entities and associates investment income	86,224,476.52	91,336,643.13	243,188,495.80	170,374,973.36
Investment income from derecognition of financial assets at amortised cost				
Net gains from hedging exposure (Loss listed with "-")				
Gains from fair value change (Loss listed with "-")	323,725.00	-769,727.50	2,149,565.00	164,132.50
Credit impairment losses (Loss listed with "-")	5,616,988.80	4,843,838.39	6,827,781.16	637,288.59
Assets impairment losses (Loss listed with "-")				
Gains on disposal of assets (Loss listed with "-")	–	51,217.88	–	-17,442.61

Items	The third quarter of 2019 (Jul-Sept)	The third quarter of 2018 (Jul-Sept)	The first three quarters of 2019 (Jan-Sept)	The first three quarters of 2018 (Jan-Sept)
II. Operating profit (Loss listed with "-")	262,740,833.96	279,433,577.42	566,112,181.33	483,386,669.75
Add: Non-operating income	10,800.00	299,479.27	101,836.80	6,981,332.92
Less: Non-operating expenses	101,594.06	608,398.96	108,741.48	2,795,193.94
III. Total profit (Gross loss listed with "-")	262,650,039.90	279,124,657.73	566,105,276.65	487,572,808.73
Less: Income tax expenses	45,416,774.38	45,051,672.08	79,981,944.97	69,059,262.41
IV. Net profit (Net loss listed with "-")	217,233,265.52	234,072,985.65	486,123,331.68	418,513,546.32
(I) Net profit from continuing operations (Net loss listed with "-")	217,233,265.52	234,072,985.65	486,123,331.68	418,513,546.32
(II) Net profit from discontinued operations (Net loss listed with "-")				
V. Other comprehensive income, net of tax	–	1,205,736.98	2,477,750.74	-729,618.11
(I) Other comprehensive income that cannot be reclassified to profit or loss	–	1,205,736.98	2,477,750.74	-729,618.11
1. Changes arising from the remeasurement of defined benefit plans				
2. Other comprehensive income that may not be reclassified to profit and loss under equity method				
3. Changes in fair value arising from other equity instruments investments	–	1,205,736.98	2,477,750.74	-729,618.11
4. Changes in fair value arising from the enterprise's credit risk				
(II) Other comprehensive income to be reclassified to profit or loss				
1. Other comprehensive income that will be reclassified to profit or loss under equity method				
2. Changes in fair value of other debt investments				
3. Gains or losses on fair value change in available-for-sale financial assets				

Items	The third quarter of 2019 (Jul-Sept)	The third quarter of 2018 (Jul-Sept)	The first three quarters of 2019 (Jan-Sept)	The first three quarters of 2018 (Jan-Sept)
4. Other comprehensive income arising from reclassification of financial assets				
5. Gains or losses on reclassification of held to maturity investments to available-for-sale financial assets				
6. Credit impairment provision arising from other debt investments				
7. Hedging reserve arising from cash flows (effective portion of cash flow from hedging gains and losses)				
8. Exchange differences on foreign currency translations				
9. Others				
VI. Total consolidated income	217,233,265.52	235,278,722.63	488,601,082.42	417,783,928.21
VII. Earnings per share:				
(I) Basic earnings per share (RMB/share)				
(II) Diluted earnings per share (RMB/share)				

The legal representative of the Company: Xu Song

The chief accountant of the Company: Wang Ping

The person in charge of the accounting department of the Company: Wang Ping

The Consolidated Cash Flow Statement
January to September 2019

Prepared by: Dalian Port (PDA) Company Limited*

Unit: Yuan; Currency: RMB; Type of audit: Unaudited

Items	The first three quarters of 2019 (Jan-Sept)	The first three quarters of 2018 (Jan-Sept)
I. Cash Flows from Operating Activities:		
Cash received from sales of goods or rendering of services	4,642,313,243.30	5,567,673,631.31
Net increase in deposits from customers and peer companies		
Net increase in borrowings from central bank		
Net increase in placements from other financial institutions		
Cash received from premiums under original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits from policyholders and investment funds		
Cash received from interest, handling charges and commission		
Net increase in placements		
Net increase in capital from repurchase business		
Net cash received from brokerage for trading securities		
Refund of taxes and surcharges		
Cash received relating to other operating activities	118,368,846.60	229,288,263.02
Sub-total of cash inflows from operating activities	4,760,682,089.90	5,796,961,894.33
Cash paid for goods and services	2,333,015,023.52	2,857,849,138.86
Net increase in loans and advances to customers		
Net increase in deposits with central bank and peer companies		
Cash paid for compensation payments under original insurance contracts		
Net increase in loans to banks and other financial institutions		

Items	The first three quarters of 2019 (Jan-Sept)	The first three quarters of 2018 (Jan-Sept)
Cash paid for interest, handling charges and commissions		
Cash paid for policyholder dividends		
Cash paid to and on behalf of employees	1,092,633,230.60	1,209,923,998.09
Payments of taxes and surcharges	312,185,339.75	277,764,908.42
Cash paid relating to other operating activities	97,745,513.40	106,385,412.43
Sub-total of cash outflows from operating activities	3,835,579,107.27	4,451,923,457.80
Net cash flows from operating activities	925,102,982.63	1,345,038,436.53
II. Cash Flows from Investing Activities:		
Cash received from disposal of investments	4,758,709,012.30	1,280,175,245.57
Cash received from returns on investments	119,890,439.24	115,033,867.95
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	177,750.00	99,990.62
Net cash received from disposal of subsidiaries and other business units	–	-42,203,857.88
Cash received relating to other investing activities	173,586,400.00	624,361,595.69
Sub-total of cash inflows from investing activities	5,052,363,601.54	1,977,466,841.95
Cash paid to acquire fixed assets, intangible assets and other long-term assets	158,836,642.89	279,689,426.16
Cash paid to acquire investments	4,168,291,810.00	1,535,846,804.72
Net increase in pledged loans		
Net cash paid for acquiring subsidiaries and other business units		
Cash paid relating to other investing activities	162,000,000.00	339,152,150.66
Sub-total of cash outflows from investing activities	4,489,128,452.89	2,154,688,381.54
Net cash flows from investing activities	563,235,148.65	-177,221,539.59

Items	The first three quarters of 2019 (Jan-Sept)	The first three quarters of 2018 (Jan-Sept)
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Including: Cash received from capital contributions by minority shareholders of subsidiaries		
Cash received from borrowings	1,435,000,000.00	8,548,882,252.87
Cash received relating to other financing activities		
Sub-total of cash inflows from financing activities	1,435,000,000.00	8,548,882,252.87
Cash repayments of borrowings	5,134,686,555.01	9,604,482,997.62
Cash payments for distribution of dividends or profits or interest expenses	792,964,642.92	805,616,240.25
Including: Dividends and profits paid to minority shareholders by subsidiaries	64,803,454.68	170,179,702.52
Cash paid relating to other financing activities	112,637,702.32	3,887,064.33
Sub-total of cash outflows from financing activities	6,040,288,900.25	10,413,986,302.20
Net cash flows from financing activities	-4,605,288,900.25	-1,865,104,049.33
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	27,630,976.91	191,337,140.06
V. Net Increase in Cash and Cash Equivalents	-3,089,319,792.06	-505,950,012.33
Add: Cash and cash equivalents at the beginning of the period	5,554,545,244.33	6,925,797,974.59
VI. Cash and Cash Equivalents at the End of the Period	2,465,225,452.27	6,419,847,962.26

The legal representative of the Company: Xu Song

The chief accountant of the Company: Wang Ping

The person in charge of the accounting department of the Company: Wang Ping

The Company Cash Flow Statement
January to September 2019

Prepared by: Dalian Port (PDA) Company Limited*

Unit: Yuan; Currency: RMB; Type of audit: Unaudited

Items	The first three quarters of 2019 (Jan-Sept)	The first three quarters of 2018 (Jan-Sept)
I. Cash Flows from Operating Activities:		
Cash received from sales of goods or rendering of services	1,952,268,256.89	1,915,288,369.66
Refund of taxes and surcharges		
Cash received relating to other operating activities	104,570,074.5	238,555,782.37
Sub-total of cash inflows from operating activities	2,056,838,331.39	2,153,844,152.03
Cash paid for goods and services	730,236,578.51	682,861,691.74
Cash paid to and on behalf of employees	656,813,841.87	638,005,665.76
Payments of taxes and surcharges	163,831,118.37	100,217,336.38
Cash paid relating to other operating activities	112,187,671.14	37,272,937.12
Sub-total of cash outflows from operating activities	1,663,069,209.89	1,458,357,631.00
Net cash flows from operating activities	393,769,121.50	695,486,521.03
II. Cash Flows from Investing Activities:		
Cash received from disposal of investments	4,975,750,806.02	1,430,000,000.00
Cash received from returns on investments	118,618,157.48	117,684,203.70
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	49,544,143.98	1,344.00
Net cash received from disposal of subsidiaries and other business units	–	5,600,000.00
Cash received relating to other investing activities	–	44,000.00
Sub-total of cash inflows from investing activities	5,143,913,107.48	1,553,329,547.70

Items	The first three quarters of 2019 (Jan-Sept)	The first three quarters of 2018 (Jan-Sept)
Cash paid to acquire fixed assets, intangible assets and other long-term assets	115,712,940.17	199,516,708.37
Cash paid to acquire investments	4,145,290,000.00	1,747,027,200.00
Net cash paid for acquiring subsidiaries and other business units		
Cash paid relating to other investing activities	–	28,770.00
Sub-total of cash outflows from investing activities	4,261,002,940.17	1,946,572,678.37
Net cash flows from investing activities	882,910,167.31	-393,243,130.67
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Cash received from borrowings	111,000,000.00	7,591,500,000.00
Cash received relating to other financing activities		28,150,000.00
Sub-total of cash inflows from financing activities	111,000,000.00	7,619,650,000.00
Cash repayments of borrowings	3,271,000,000.00	7,249,606,032.50
Cash payments for distribution of dividends or profits or interest expenses	612,570,006.86	560,054,933.49
Cash paid relating to other financing activities	83,947,572.00	662,211.50
Sub-total of cash outflows from financing activities	3,967,517,578.86	7,810,323,177.49
Net cash flows from financing activities	-3,856,517,578.86	-190,673,177.49
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	25,517,046.99	179,294,331.56
V. Net Increase in Cash and Cash Equivalents	-2,554,321,243.06	290,864,544.43
Add: Cash and cash equivalents at the beginning of the period	3,802,220,542.48	4,904,728,295.61
VI. Cash and Cash Equivalents at the End of the Period	1,247,899,299.42	5,195,592,840.04

The legal representative of the Company: Xu Song

The chief accountant of the Company: Wang Ping

The person in charge of the accounting department of the Company: Wang Ping

4.2 Adjustment to opening balance of related items in the financial statements for the year of initial adoption due to initial adoption of the new financial instrument standards, new revenue standards and new lease standards

✓ Applicable ☐ Not applicable

The Consolidated Balance Sheets

Unit: Yuan; Currency: RMB

Items	31 December 2018	1 January 2019	Adjustment
Current assets:			
Cash and bank balances	5,729,285,870.35	5,729,285,870.35	
Settlement reserves for balance			
Loans to banks and other financial institutions			
Financial assets held for trading	1,892,520,046.14	1,892,520,046.14	
Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable	289,238,760.63	289,238,760.63	
Accounts receivable	658,194,719.05	658,194,719.05	
Receivable financing			
Advances to suppliers	34,835,097.24	34,835,097.24	
Premium receivables			
Reinsurance receivables			
Reinsurance contract reserves receivable			
Other receivables	663,019,375.41	663,019,375.41	
Including: Interest receivable	30,743,735.52	30,743,735.52	
Dividends receivable	146,000,226.01	146,000,226.01	
Financial assets purchased with agreement to re-sale			

Items	31 December 2018	1 January 2019	Adjustment
Inventories	149,488,331.40	149,488,331.40	
Contract assets	37,162,200.00	37,162,200.00	
Assets held for sale			
Non-current assets due within one year			
Other current assets	105,735,304.45	105,735,304.45	
Total current assets	9,559,479,704.67	9,559,479,704.67	
Non-current assets:			
Loans and advances to customers			
Debt investments			
Available-for-sale financial assets			
Other debt investments			
Held-to-maturity investments			
Long-term receivables			
Long-term equity investments	4,196,535,238.90	4,196,535,238.90	
Other investments in equity instruments	179,146,371.30	179,146,371.30	
Other non-current financial assets			
Investment property	202,719,406.14	202,719,406.14	
Fixed assets	17,208,306,962.50	17,208,306,962.50	
Construction in progress	2,030,344,333.55	2,030,344,333.55	
Bearer biological assets			
Oil and gas assets			
Right-of-use assets	–	3,350,120,206.72	3,350,120,206.72
Intangible assets	1,724,973,793.88	1,724,973,793.88	
Research and development expenses			

Items	31 December 2018	1 January 2019	Adjustment
Goodwill	20,433,690.59	20,433,690.59	
Long-term prepayments	76,195,345.33	76,195,345.33	
Deferred tax assets	81,148,594.18	82,816,656.43	1,668,062.25
Other non-current assets	36,299,731.85	36,299,731.85	
Total non-current assets	25,756,103,468.22	29,107,891,737.19	3,351,788,268.97
TOTAL ASSETS	35,315,583,172.89	38,667,371,441.86	3,351,788,268.97
Current liabilities:			
Short-term borrowings	3,399,536,753.89	3,399,536,753.89	
Borrowings from central bank			
Loans from other banks			
Financial liabilities held for trading			
Financial liabilities at fair value through profit and loss			
Derivative financial liabilities			
Notes payable			
Accounts payable	224,442,511.34	224,442,511.34	
Advances from customers	6,153,114.57	6,153,114.57	
Funds from selling out and repurchasing financial assets			
Receipts of deposits and deposits from other banks			
Brokerage for trading securities			
Brokerage for consigning securities			
Employee benefits payable	260,854,026.38	260,854,026.38	
Tax payable	54,113,243.93	54,113,243.93	
Other payables	911,030,967.62	911,030,967.62	

Items	31 December 2018	1 January 2019	Adjustment
Including: Interest payable	170,266,834.18	170,266,834.18	
Dividends payable	220,370,685.87	220,370,685.87	
Fee and commission payable			
Reinsurance accounts payables			
Contract liabilities	45,783,239.08	45,783,239.08	
Liabilities held for sale			
Non-current liabilities due within one year	800,076,181.57	867,714,831.57	67,638,650.00
Other current liabilities			
Total current liabilities	5,701,990,038.38	5,769,628,688.38	67,638,650.00
Non-current liabilities:			
Reserves for insurance contracts			
Long-term borrowings	2,052,026,017.12	2,052,026,017.12	
Bond payable	5,873,223,359.39	5,873,223,359.39	
Including: Preference shares			
Perpetual bond			
Lease liabilities	–	3,291,852,916.92	3,291,852,916.92
Long-term payables	40,000,000.00	40,000,000.00	
Long-term employee benefits payable			
Provisions			
Deferred income	587,760,573.96	587,760,573.96	
Deferred tax liabilities	111,725,442.87	111,725,442.87	
Other non-current liabilities	88,541,797.00	88,541,797.00	
Total non-current liabilities	8,753,277,190.34	12,045,130,107.26	3,291,852,916.92
TOTAL LIABILITIES	14,455,267,228.72	17,814,758,795.64	3,359,491,566.92

Items	31 December 2018	1 January 2019	Adjustment
Equity attributable to equity holders (or shareholders):			
Paid up capital (or issued capital)	12,894,535,999.00	12,894,535,999.00	
Other equity instruments			
Including: Preference shares			
Perpetual bond			
Capital reserve	2,935,193,506.32	2,935,193,506.32	
Less: Treasury shares			
Other comprehensive income	5,924,000.77	5,924,000.77	
Special reserve	32,179,588.47	32,179,588.47	
Surplus reserve	823,997,607.17	823,997,607.17	
General risk reserves			
Unappropriated profit	1,584,535,562.22	1,576,832,264.27	-7,703,297.95
Total equity attributable to equity holders (or shareholders) of the Company	18,276,366,263.95	18,268,662,966.00	-7,703,297.95
Minority interests	2,583,949,680.22	2,583,949,680.22	
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS (OR SHAREHOLDERS)	20,860,315,944.17	20,852,612,646.22	-7,703,297.95
TOTAL LIABILITIES AND EQUITY ATTRIBUTABLE TO EQUITY HOLDERS (OR SHAREHOLDERS)	35,315,583,172.89	38,667,371,441.86	3,351,788,268.97

Explanations on the adjustment to each item:

✓ Applicable ☐ Not applicable

For details, please refer to 4.3 Explanations on retrospective adjustments of previously comparative figures due to initial adoption of new financial instrument standards and new lease standards.

The Company Balance Sheets

Unit: Yuan; Currency: RMB

Items	31 December 2018	1 January 2019	Adjustment
Current assets:			
Cash and bank balances	3,802,241,768.50	3,802,241,768.50	
Financial assets held for trading	1,892,520,046.14	1,892,520,046.14	
Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable	255,450,984.64	255,450,984.64	
Accounts receivable	327,104,715.96	327,104,715.96	
Receivable financing			
Advances to suppliers	5,272,763.37	5,272,763.37	
Other receivables	1,634,086,098.47	1,634,086,098.47	
Including: Interest receivable	25,118,505.66	25,118,505.66	
Dividends receivable	1,220,792,292.25	1,220,792,292.25	
Inventories	45,926,997.25	45,926,997.25	
Contract assets	37,162,200.00	37,162,200.00	
Assets held for sale			
Non-current assets due within one year			
Other current assets	28,078,751.88	28,078,751.88	
Total current assets	8,027,844,326.21	8,027,844,326.21	

Items	31 December 2018	1 January 2019	Adjustment
Non-current assets:			
Debt investments			
Available-for-sale financial assets			
Other debt investments			
Held-to-maturity investments			
Long-term receivables	310,000,000.00	310,000,000.00	
Long-term equity investments	8,044,257,892.34	8,044,257,892.34	
Other investments in equity instruments	19,317,452.40	19,317,452.40	
Other non-current financial assets			
Investment properties			
Fixed assets	10,527,133,194.06	10,527,133,194.06	
Construction in progress	1,373,780,735.02	1,373,780,735.02	
Bearer biological assets			
Oil and gas assets			
Right-of-use assets	–	2,873,576,138.76	2,873,576,138.76
Intangible assets	549,672,036.07	549,672,036.07	
Research and development expenses			
Goodwill			
Long-term prepayments	22,884,711.91	22,884,711.91	
Deferred tax assets	27,809,850.08	27,809,850.08	
Other non-current assets	3,901,000.00	3,901,000.00	
Total non-current assets	20,878,756,871.88	23,752,333,010.64	2,873,576,138.76
TOTAL ASSETS	28,906,601,198.09	31,780,177,336.85	2,873,576,138.76

Items	31 December 2018	1 January 2019	Adjustment
Current liabilities:			
Short-term borrowings	3,160,000,000.00	3,160,000,000.00	
Financial liabilities held for trading			
Financial liabilities at fair value through profit and loss			
Derivative financial liabilities			
Notes payable			
Accounts payable	52,373,570.78	52,373,570.78	
Advances from customers	3,353,050.80	3,353,050.80	
Contract liabilities	28,435,826.37	28,435,826.37	
Employee benefits payable	142,766,940.38	142,766,940.38	
Tax payable	4,626,007.40	4,626,007.40	
Other payables	497,399,692.64	497,399,692.64	
Including: Interest payable	166,421,995.90	166,421,995.90	
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year	7,500,000.00	34,561,039.20	27,061,039.20
Other current liabilities			
Total current liabilities	3,896,455,088.37	3,923,516,127.57	27,061,039.20
Non-current liabilities:			
Long-term borrowings			
Bond payable	5,873,223,359.39	5,873,223,359.39	
Including: Preference shares			
Perpetual bond			
Lease liabilities	–	2,846,515,099.56	2,846,515,099.56
Long-term payables	22,500,000.00	22,500,000.00	

Items	31 December 2018	1 January 2019	Adjustment
Long-term employee salary payable			
Provisions			
Deferred income	563,012,261.85	563,012,261.85	
Deferred tax liabilities	1,162,598.73	1,162,598.73	
Other non-current liabilities	88,541,797.00	88,541,797.00	
Total non-current liabilities	6,548,440,016.97	9,394,955,116.53	2,846,515,099.56
TOTAL LIABILITIES	10,444,895,105.34	13,318,471,244.10	2,873,576,138.76
Equity attributable to equity holders (or shareholders):			
Paid up capital (or issued capital)	12,894,535,999.00	12,894,535,999.00	
Other equity instruments			
Including: Preference shares			
Perpetual bond			
Capital reserve	3,044,416,520.66	3,044,416,520.66	
Less: Treasury shares			
Other comprehensive income	3,487,796.18	3,487,796.18	
Special reserve	23,263,855.52	23,263,855.52	
Surplus reserve	779,117,344.42	779,117,344.42	
Unappropriated profit	1,716,884,576.97	1,716,884,576.97	
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS (OR SHAREHOLDERS)	18,461,706,092.75	18,461,706,092.75	
TOTAL LIABILITIES AND EQUITY ATTRIBUTABLE TO EQUITY HOLDERS (OR SHAREHOLDERS)	28,906,601,198.09	31,780,177,336.85	2,873,576,138.76

Explanations on the adjustment to each item:

✓ Applicable ☐ Not applicable

For details, please refer to 4.3 Explanations on retrospective adjustments of previously comparative figures due to initial adoption of new financial instrument standards and new lease standards.

4.3 Explanations on retrospective adjustments of previously comparative figures due to initial adoption of new financial instrument standards and new lease standards

✓ Applicable ☐ Not applicable

Adoption of new lease standards

(1) The Group measures the right-of-use assets and lease liability respectively for the finance leases before the date of initial adoption in accordance with the original book value of the assets held under finance leases and the payables for finance leases.

(2) For operating leases before the date of initial adoption, the Group measures the lease liabilities at the present value discounted by incremental borrowing rate on the date of initial adoption according to the remaining lease payments, and adopts new lease standards from the lease term according to each lease assumption. As the lessee, the Group measures the right-of-use assets at carrying value with incremental borrowing rate as discount rate on the date of initial adoption.

(3) For operating leases under which the leased assets fall as low-value assets prior to the date of initial adoption or operating leases to be completed within 12 months, the Group adopts simplified treatment and does not recognise right-of-use assets and lease liabilities. Further, as for operating leases existed before the date of initial adoption, the Group adopted the following simplified treatments:

   (1) when measuring lease liabilities, a single discount rate is applied to a portfolio of leases with similar characteristics; the measurement of right-of-use assets may exclude initial direct costs;

   (2) when the contract contains options to extend/terminate the lease, the Group determines the lease term according to the actual exercise of options and other current conditions prior to the date of initial application;

   (3) as for lease changes before the date of initial application, the Group performs accounting treatment according to the final arrangement of the lease changes.

For the significant operating leases disclosed in the 2018 financial statements whose minimum lease payments have not been paid, the Group adjusts the difference between the present value discounted at the incremental borrowing rate of the Group as the lessee on 1 January 2019 and the lease liabilities included in the balance sheet as at 1 January 2019, as follows:

Minimum lease payments for significant operating leases as at 31 December 2018	405,793,117.77
Less: Minimum lease payments with simplified processing	40,713,911.54
Including: Short-term leases	4,412,981.81
Leases with remaining lease term of less than 12 months	36,300,929.73
Add: Incremental of minimum lease payment caused by the reasonable excise of renewal rights	2,994,412,360.69
Weighted average of incremental borrowing rate as at 1 January 2019	5.19%
Lease liabilities at as 1 January 2019	3,359,491,566.92

The impacts arising from adoption of New Lease Standard on the balance sheet as at 1 January 2019 are as follows (unit: RMB):

Consolidated balance sheet	Balance sheet value	Presumed value under original standard	Impact on value
Right-of-use assets	3,350,120,206.72	–	3,350,120,206.72
Lease liabilities	3,291,852,916.92	–	3,291,852,916.92
Non-current liabilities due within one year	867,714,831.57	800,076,181.57	67,638,650.00
Deferred income tax assets	82,816,656.43	81,148,594.18	1,668,062.25
Undistributed profits	1,576,832,264.27	1,584,535,562.22	-7,703,297.95
Total	9,169,336,875.91	2,465,760,337.97	6,703,576,537.94

Company balance sheet	Balance sheet value	Presumed value under original standard	Impact on value
Right-of-use assets	2,873,576,138.76	–	2,873,576,138.76
Lease liabilities	2,846,515,099.56	–	2,846,515,099.56
Non-current liabilities due within one year	34,561,039.20	7,500,000.00	27,061,039.20
Total	5,754,652,277.52	7,500,000.00	5,747,152,277.52

In addition, since the date of initial adoption, the Group would classify the repayment of the principle and interest of lease liabilities as cash outflows of financing activities in the cash flow statement. The repayment of short-term leases and leases of low value assets, which adopted simplified approach, and variable lease payment which is not accounted as lease liabilities will still be classified as cash outflows of operating activities.

4.4 Audit Report

☐ Applicable ✓ Not applicable

By Order of the Board
Dalian Port (PDA) Company Limited*
WANG, Huiying and LEE, Kin Yu Arthur
Joint Company Secretaries

Dalian City, Liaoning Province, the PRC
29 October 2019

As at the date of this announcement, the Board comprises:

Executive Director: WEI Minghui

Non-executive Directors: XU Song, YIM Kong, CAO Dong, LI Jianhui and YUAN Yi

Independent non-executive Directors: WANG Zhifeng, SUN Xiyun and LAW Man Tat

* *The Company is registered as Non-Hong Kong Company under Part XI of the previous Companies Ordinance (equivalent to Part 16 of the Companies Ordinance with effect from 3 March 2014) under the English name "Dalian Port (PDA) Company Limited".*

* *For identification purposes only*