Notes to the Consolidated Financial Statements

1 General information

COSCO SHIPPING Ports Limited (the "Company") and its subsidiaries (collectively the "Group") are principally engaged in the businesses of managing and operating terminals and their related businesses. The Company is a limited liability company incorporated in Bermuda with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The intermediate holding company of the Company is COSCO SHIPPING Holdings Co., Ltd. (formerly known as China COSCO Holdings Company Limited) ("COSCO SHIPPING Holdings"), a company established in the People's Republic of China (the "PRC") with its H-Shares and A-Shares listed on the Main Board of the Stock Exchange and the Shanghai Stock Exchange respectively. The immediate holding company of COSCO SHIPPING Holdings is China Ocean Shipping (Group) Company ("COSCO"), a state-owned enterprise established in the PRC. On 4 May 2016, the State-owned Assets Supervision and Administration Commission of the State Council ("SASAC") transferred its entire equity interests in COSCO to China COSCO Shipping Corporation Limited ("COSCO SHIPPING"), a stated-owned enterprise wholly-owned by SASAC in the PRC. COSCO SHIPPING then became the parent company of COSCO.

On 18 March 2016, the Company completed its acquisition of all the issued shares in China Shipping Ports Development Co., Limited ("CSPD") for an initial consideration of US$1,164,077,000, which has been deducted by an amount equal to US$33,222,000 in relation to the incompletion of sale of Damietta International Port Company S.A.E. The Company acquired 51% and 49% of the shares in CSPD from COSCO SHIPPING Financial Holdings Co., Limited (formerly known as China Shipping (Hong Kong) Holdings Co., Limited) and COSCO SHIPPING Development Company Limited (formerly known as China Shipping Container Lines Company Limited), respectively. CSPD therefore became a wholly owned subsidiary of the Company after the completion of the acquisition.

The Company's acquisition of CSPD is considered to be a business combination under common control as CSPD and the Company are both ultimately controlled by the SASAC. As such, the consolidated financial statements for 2015 and the consolidated balance sheet as at 31 December 2015 were restated as a result of adoption of merger accounting, as if the business combinations had been occurred from the beginning of the earliest financial years presented. The adoption of merger accounting has resulted in changes to the presentation of certain comparative figures which have been restated as if the business had been combined at the previous balance sheet date. Details of relevant statements for the common control combinations on the Group's financial position as at 31 December 2016 and 31 December 2015 and the Group's results for the year ended 31 December 2016 and 31 December 2015 are set out in note 42.

On 24 March 2016, the Company completed the disposal of all the issued shares in Florens Container Holdings Limited (now known as Florens International Limited) ("FCHL") (representing the container leasing, management and sale, and related businesses of the Group to COSCO SHIPPING Development (Hong Kong) Co., Limited (formerly known as China Shipping Container Lines (Hong Kong) Co., Limited ("CSDHK") for an initial consideration of US$1,241,032,000. The FCHL's shareholder's loans in the aggregate sum of US$285,000,000 were transferred on the same day to CSDHK at the consideration of US$285,000,000. Upon completion of the disposal, FCHL ceased to be a subsidiary of the Company (note 38).

These consolidated financial statements have been approved for issue by the Board of Directors on 28 March 2017.

2 Basis of preparation

The consolidated financial statements for the year ended 31 December 2016 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") and the principles of merger accounting as prescribed in Hong Kong Accounting Guideline 5 "Merger Accounting for the Common Control Combinations'' issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA''). These accounting policies have been consistently applied to all the years presented unless otherwise mentioned.

The consolidated financial statements of the Company have been prepared in accordance with all applicable HKFRS issued by the HKICPA. The consolidated financial statements have been prepared under the historical cost convention except that, available-for-sale financial assets and investment properties are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

2 Basis of preparation (Continued)

(a) Adoption of new standards, amendments and improvements to existing standards

In 2016, the Group has adopted the following new standards, amendments and improvements to existing standards issued by the HKICPA which are mandatory for the financial year ended 31 December 2016:

New standards and amendments	
HKAS 1 Amendment	Disclosure Initiative
HKAS 16 and HKAS 38 Amendment	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 16 and HKAS 41 Amendment	Agriculture: Bearer Plants
HKAS 27 Amendment	Equity Method in Separate Financial Statements
HKFRS 10, HKFRS 12 and HKAS 28 Amendment	Investment Entities: Applying the Consolidation Exception
HKFRS 11 Amendment	Accounting for Acquisitions of Interests in Joint Operations
HKFRS 14	Regulatory Deferral Accounts
Annual Improvements 2012-2014 Cycle	
HKAS 19 Amendment	Employee Benefits
HKAS 34 Amendment	Interim Financial Reporting
HKFRS 5 Amendment	Non-current Assets Held for Sales and Discontinued Operations
HKFRS 7 Amendment	Financial Instruments: Disclosures

The Group has assessed the impact of the adoption of these new standards, amendments and improvements to existing standards and considered that there was no significant impact on the Group's results and financial position.

(b) Standards and HKFRS amendments that are not yet effective for the year ended 31 December 2016 and have not been early adopted by the Group

The HKICPA has issued the following new standards and HKFRS amendments which are not yet effective for the year ended 31 December 2016 and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
New standards and amendments		
HKAS 7 Amendment	Statement of Cash Flows	1 January 2017
HKAS 12 Amendment	Income taxes	1 January 2017
HKFRS 2 Amendments	Classification and Measurement of Share-based Payment Transactions	1 January 2018
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKFRS 16	Leases	1 January 2019
HKFRS 10 and HKAS 28 Amendment	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group will apply the above new standards and HKFRS amendments as and when they become effective.

HKFRS 16 will primarily affect the accounting for the Group's operating leases. At 31 December 2016, the Group had operating lease commitments of US$4,601,840,000 (note 36(b)). Upon adoption of HKFRS 16 the majority of operating lease commitments will be recognised in the consolidated balance sheet as lease liabilities and right-of-use assets. The lease liabilities would subsequently be measured at amortised cost and the right-of-use asset will be depreciated on a straight-line basis during the lease term.

The Group has already commenced an assessment of the impact of other new standards and HKFRS amendments, certain of which may be relevant to the Group's operations and may give rise to changes in accounting policies, changes in disclosures and remeasurement of certain items in the consolidated financial statements. The Group is not yet in a position to ascertain their impact on its results of operations and financial position.

3 Summary of significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

3.1 Group accounting

(a) Merger accounting for common control combinations

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet date or when they first came under common control, whichever is shorter.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting is recognised as an expense in the year in which it is incurred.

(b) Acquisition method for non-common control combination

The group applies the acquisition method of accounting to account for business combinations, other than the common control combinations (note 3.1(a)). The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in the consolidated income statement.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the consolidated income statement.

3 Summary of significant accounting policies (Continued)

3.1 Group accounting (Continued)

(c) Subsidiaries

A subsidiary is an entity (including structured entities)` over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(d) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(e) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in consolidated income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as joint ventures, associates or financial assets. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the consolidated income statement.

(f) Joint ventures/associates

The Group has applied HKFRS 11 to all joint arrangements. Under HKFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures, which are accounted for using the equity method.

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investment in a joint venture/an associate is accounted for using the equity method from the date on which it becomes a joint venture/an associate. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

3 Summary of significant accounting policies (Continued)

3.1 Group accounting (Continued)

(f) Joint ventures/associates (Continued)

The Group's investment in joint ventures/associates includes goodwill identified on acquisition. The measurement of goodwill is the same as that of goodwill arising from the acquisition of subsidiaries. Appropriate adjustments to the Group's share of the profits or losses after acquisition are made to the consolidated financial statements based on the fair values of the assets and liabilities acquired at date of acquisition.

The initial accounting on the acquisition of a joint venture and an associate involve identifying and determining the fair values to be assigned to the identifiable assets, liabilities and contingent liabilities of the acquired entities.

When the Group increases its interest in an existing associate and continues to have significant influence without obtaining control, the cost of acquiring the additional interest is added to the carrying value of the associate. Goodwill arising on the purchase of the additional interest is calculated by comparing the cost and the fair value of net assets acquired at the date the additional interest is acquired. There is no step up of the previously held interest to fair value as there is no change in status of the investment.

The cost of an associate acquired in stages is measured as the sum of the consideration paid for each purchase plus a share of the associate's profits and other comprehensive income, and such share of profits and other comprehensive income is recorded through other comprehensive income. Any other comprehensive income recognised in prior periods in relation to the previously held stake in the acquired associate is reversed through other comprehensive income. Goodwill arising on each purchase is calculated by comparing the cost and the fair value of net assets acquired at the date the interest is acquired. Acquisition-related costs are treated as part of the investment in the associate.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in consolidated statement of comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture/associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture/associate and its carrying value and recognises the amount adjacent to 'share of profits less losses of joint ventures/associates' in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its joint ventures/associates are recognised in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the joint ventures/associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures/associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interest in joint ventures/associates are recognised in consolidated income statement.

3 Summary of significant accounting policies (Continued)

3.1 Group accounting (Continued)

(g) Balances with subsidiaries, joint ventures and associates

Balances with subsidiaries, joint ventures and associates are split into its financial assets/liabilities and equity components at initial recognition. The financial asset/liability component is initially stated at fair value and subsequently carried at amortised cost. The equity component is recognised at cost.

3.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources, assessing performance of the operating segments and making strategic decisions, is identified as the executive directors of the Company.

3.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in United States dollar ("US dollar"), which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement, except when deferred in other comprehensive income as qualifying cash flow hedges or qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the securities and other changes in the carrying amount of the securities. Translation differences relating to the changes in amortised cost are recognised in the consolidated income statement, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary items, such as equity instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation difference on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the investment revaluation reserve in other comprehensive income.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting exchange differences are recognised in other comprehensive income.

3 Summary of significant accounting policies (Continued)

3.3 Foreign currency translation (Continued)

(c) Group companies (Continued)

On the disposal of a foreign operation (that is, a disposal of the group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to the consolidated income statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Related exchange differences are recognised in other comprehensive income.

3.4 Property, plant and equipment

Property, plant and equipment are stated at cost or 1994 valuation less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Effective from 30 September 1995, no further revaluations of the Group's land and buildings have been carried out. The Group places reliance on paragraph 80A of HKAS 16 "Property, Plant and Equipment" issued by the HKICPA, which provides exemption from the need to make regular revaluations for such assets.

Leasehold land classified as finance lease commences depreciation from the time when the land interest becomes available for its intended use. Depreciation on leasehold land classified as finance lease and depreciation on other property, plant and equipment is calculated using the straight-line method to allocate cost or revalued amounts to the residual values of respective property, plant and equipment over their estimated useful lives, as follows:

Containers	15 years
Generator sets	12 years
Leasehold land classified as finance lease	Remaining period of the lease
Buildings	25 to 50 years
Leasehold improvements	5 years or the remaining period of the lease, whichever is shorter
Other property, plant and equipment	5 to 35 years

Other property, plant and equipment includes plant and machinery with estimated useful lives ranged from 5 to 35 years, furniture, fixtures and equipment and motor vehicles with estimated useful lives ranged from 5 to 10 years.

No depreciation is provided for construction in progress. Construction in progress is transferred to relevant categories of property, plant and equipment upon the completion of the related construction works and depreciation will then be commenced accordingly.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gain or loss on disposal of property, plant and equipment is the difference between the net sale proceeds and the carrying amount of the relevant asset, and is recognised in the consolidated income statement.

When the containers cease to be rented and are held for sale, these containers are transferred to inventories at their carrying amount.

3 Summary of significant accounting policies (Continued)

3.5 Land use rights

Land use rights classified as operating lease represent prepaid operating lease payments for land less accumulated amortisation and any impairment losses. Amortisation is calculated using the straight-line method to allocate the prepaid operating lease payments for land over the remaining lease term.

3.6 Investment properties

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the companies of the Group, is classified as investment property.

Investment property comprises leasehold land and buildings. Land held under operating leases is classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment properties are measured initially at cost, including related transaction costs. After initial recognition, investment properties are carried at fair value representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Change in fair value is recognised in the consolidated income statement. The fair value of investment properties reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purpose.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in other comprehensive income as properties revaluation reserve under HKAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the consolidated income statement. Properties revaluation reserve, including any previously recognised, shall remain and be transferred to retained profits upon disposal of properties.

3.7 Intangible assets

(a) Goodwill

Goodwill arises on acquisition of subsidiaries, joint ventures and associates represents the excess of the aggregate of the consideration transferred and the fair value of the non-controlling interest over the fair value of the Group's interest in the net identifiable assets, liabilities and contingent liabilities of the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

3 Summary of significant accounting policies (Continued)

3.7 Intangible assets (Continued)

(b) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over the estimated useful lives of 5 years on a straight-line basis.

Costs associated with developing or maintaining computer software programmes which do not generate economic benefits exceeding costs beyond one year are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer systems under development are transferred to computer software upon the completion of the respective development and amortisation will then be commenced accordingly over the estimated useful lives of 5 years on a straight-line basis.

3.8 Impairment of non-financial assets

Non-financial assets that have an indefinite useful life, which are not subject to depreciation or amortisation, are tested at least annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. All other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

3.9 Discontinued operations

Non-current assets (or disposal groups) are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The non-current assets (except for certain assets as explained below), (or disposal groups), are stated at the lower of carrying amount and fair value less costs to sell. Deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries and associates) and investment properties, which are classified as held for sale, would continue to be measured in accordance with the policies set out elsewhere in Note 3.

A discontinued operation is a component of the group's business, the operations and cash flows of which can be clearly distinguished from the rest of the group and which represents a separate major line of business or geographic area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

When an operation is classified as discontinued, a single amount is presented in the statement of profit or loss, which comprises the post-tax profit or loss of the discontinued operation and the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

3 Summary of significant accounting policies (Continued)

3.10 Available-for-sale financial assets

The Group classifies its investments as available-for-sale financial assets. Management determines the classification of its investments at initial recognition.

Available-for-sale financial assets are non-derivatives that are either designed in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months from the balance sheet date.

Available-for-sale financial assets are carried at fair value. Unrealised gains and losses arising from changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the consolidated income statement as gains or losses from investments.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market input and relying as little as possible on entity-specific input.

3.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

3.12 Impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

3 Summary of significant accounting policies (Continued)

3.12 Impairment of financial assets (Continued)

(b) Financial assets classified as available-for-sales

The Group assesses at each balance sheet date whether there is objective evidence that available-for-sale financial assets are impaired. A significant or prolonged decline in the fair value of the equity securities below its cost is considered as an indicator that the securities are impaired. If any such evidence exists the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the consolidated income statement) is removed from equity and recognised in the consolidated income statement. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

3.13 Inventories

Inventories include resaleable containers and consumable parts for terminal operations. Inventories are stated at the lower of cost and net realisable value. Costs are calculated on weighted average basis. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

3.14 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

3.15 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (if any).

3.16 Assets under leases

Leases in which a significant portion of the risks and rewards of ownership of assets remain with the lessors are accounted for as operating leases. Leases that substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as finance leases, including leases which transfer ownership of the asset to the lessee at the end of lease term.

(a) Leases – where the Group is the lessee

Payments made under operating leases (net of any incentives received from the lessor) are expensed in the consolidated income statement on a straight-line basis over the lease periods.

(b) Leases – where the Group is the lessor

When the Group leases out assets under operating leases, the assets are included in the balance sheet according to their nature and where applicable, are depreciated in accordance with the Group's depreciation policies, as set out in note 3.4 above. Revenue arising from assets leased out under operating leases is recognised in accordance with the Group's revenue recognition policies, as set out in notes 3.24(b) and 3.24(e) below.

When assets are leased out under finance leases, the present value of the minimum lease payments is recognised as a receivable. Revenue on assets leased out under finance leases is recognised in accordance with the Group's revenue recognition policies, as set out in note 3.24(b) below.

3 Summary of significant accounting policies (Continued)

3.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3.18 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.19 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurred because a specified debtor failed to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially recognised at their fair value, and subsequently measured at the higher of (i) the amount initially recognised less accumulated amortisation; and (ii) the amount required to be settled by the guarantor in respect of the financial guarantee contracts at the balance sheet date.

3.20 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.21 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

3 Summary of significant accounting policies (Continued)

3.22 Current and deferred income tax

The tax expense for the year comprises current and deferred income tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group, its joint ventures and its associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised (provided) in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint ventures, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate’s undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint ventures only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3 Summary of significant accounting policies (Continued)

3.23 Employee benefits

(a) Retirement benefit costs

The Group contributes to defined contribution retirement schemes. The assets of the schemes are held separately from those of the Group in independently administered funds.

Pursuant to the relevant regulations of the government authorities in different territories where the Group has employees, the Group participates in respective government benefit schemes whereby the Group is required to contribute to the schemes for the retirement benefits of eligible employees. The government authorities of the respective countries are responsible for the entire benefit obligations payable to the retired employees. The only obligation of the Group with respect to the schemes is to pay the ongoing contributions required by the schemes.

Contributions made to the schemes are calculated either based on certain percentages of the applicable payroll costs or fixed sums that are determined with reference to salary scale as stipulated under the requirements of the respective countries.

The Group's contributions to the aforesaid defined contribution retirement schemes are charged to the consolidated income statement as incurred.

(b) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(c) Bonus entitlements

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(d) Share-based compensation

The Company operates an equity-settled, share-based compensation plan and provides equity compensation benefit, in the form of share options, to the directors of the Company and employees of the Group and COSCO. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become vested. At each balance sheet date, the Company revises its estimates of the number of options that are expected to become vested. It recognises the impact of the revision of original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

3 Summary of significant accounting policies (Continued)

3.24 Recognition of revenues and income

The Group recognises revenues and income on the following bases:

(a) Revenues from terminal operations

Revenues from terminal operations are recognised when the services rendered are complete and the vessel leaves the berth.

(b) Revenues from leasing of assets

Rental income from leasing of containers and generator sets under operating leases is recognised on a straight-line basis over the period of each lease.

Revenues on containers and vessels leased out under finance leases are allocated to accounting period to give a constant periodic rate of return on the net investments in the lease in each period.

(c) Revenues from container handling, transportation and storage

Revenues from container handling and transportation are recognised when the services are rendered. Revenues from container storage are recognised on a straight-line basis over the period of storage.

(d) Revenues from container management

Revenues from container management are recognised when the related management and administrative services are rendered.

(e) Operating lease rental income from investment properties

Operating lease rental income from investment properties is recognised on a straight-line basis over the period of each lease and is recognised in the consolidated income statement within other operating income.

(f) Revenues from sale of resaleable containers included in inventories

Revenues from sale of resaleable containers are recognised on the transfer of risks and rewards on ownership, which generally coincides with the time when the containers are delivered to customers and title has passed.

(g) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

(h) Dividend income

Dividend income is recognised when the right to receive payment is established and is recognised in the consolidated income statement within other operating income.

(i) Income on sale of investments

Income on sale of investments is recognised when the risks and rewards associated with ownership of the related investment have been transferred to the purchaser.

3.25 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset, until such time as the asset is substantially ready for its intended use or sale.

All other borrowing costs are charged to the consolidated income statement in the period in which they are incurred.

3 Summary of significant accounting policies (Continued)

3.26 Government subsidy

Government subsidy relating to property, plant and equipment are included in non-current liabilities as deferred income and are credited to the consolidated income statement on a straight-line basis over the expected lives of the related assets.

3.27 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the Company's shareholders/directors.

3.28 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities other than those acquired from business combination are not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

4 Financial risk management

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out under direction by the Boards of Directors. The directors and management identify, evaluate and hedge financial risks in close co-operation with the Group's operating units. The Group has principles for overall risk management, such as foreign exchange risk, interest rate risk, credit risk and use of derivative financial instruments.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Renminbi. Foreign exchange risk mainly arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The foreign exchange risk faced by the Group primarily arises from non-functional currency bank balances, receivable and payable balances and borrowings (collectively "Non-Functional Currency Items"). Management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

With all other variables held constant, if the currencies of Non-Functional Currency Items had weakened/strengthened by 5% against the US dollar, the Group's profit after income tax for the year would have been increased/decreased by US$3,429,000 (2015: decreased/increased by US$10,923,000) as a result of the translation of those Non-Functional Currency Items.

4 Financial risk management (Continued)

4.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Price risk

The Group is exposed to price risk for its available-for-sale investment. Management monitors the market conditions and securities price fluctuations and response so as to minimise adverse effects on the Group's financial performance.

(iii) Cash flow and fair value interest rate risk

Other than bank balances and loans to joint ventures and associates (collectively "Interest Bearing Assets"), the Group has no significant interest bearing assets. The Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from loan from a joint venture, loans from non-controlling shareholders of subsidiaries, loans from a fellow subsidiary, long term and short term borrowings (collectively "Interest Bearing Liabilities"). Borrowings are primarily issued at variable rates which therefore expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Generally, the Group raises long term and short term borrowings at floating rates as well as fixed rates, based upon the capital market conditions and the Group's internal requirements. Interest rate swaps with financial institutions are used to achieve the optimum ratio between fixed and floating rates and to manage the related interest rate exposure.

With all other variables held constant, if the interest rate had increased/decreased by 50 basis-points, the corresponding increase/decrease in net finance costs (representing interest expenses on Interest Bearing Liabilities net of interest income on the Interest Bearing Assets) would have been approximately increase/decrease US$1,643,000 (2015: US$4,229,000).

(b) Credit risk

The Group's maximum exposure to credit risk in relation to financial assets at the reporting date is the carrying amounts of bank balances and cash, trade and other receivables and loans to joint ventures and associates.

There is no concentration of credit risk with respect to trade receivables from third party customers as the Group has a large number of customers which are internationally dispersed. No individual third party customers accounted for greater than 10% of the Group's revenue. The Group limits its exposure to credit risk through performing credit reviews and monitoring the financial strength of its major customers and generally does not require collateral on trade receivables.

Customer lease out limit is assessed by the credit and risk management department with reference to their financial positions, historical credit references and other factors. This limit will be reviewed and adjusted, if circumstances required, to comply with the Group's credit and risk management policy.

No credit limits were exceeded during the year, and management does not expect any significant losses from non-performance by these relevant parties.

In addition, the Group monitors the exposure to credit risk in respect of the financial assistance provided to subsidiaries, joint ventures and associates through exercising control or influence over their financial and operating policy decisions and reviewing their financial positions on a regular basis.

For bank balances and cash, the Group has limited its credit exposure by restricting their selection of financial institutions on those reputable local banks or state-owned banks with sound credit ratings. As at 31 December 2016, approximately 48% (31 December 2015: 76%) of the Group's bank balances were placed with state-owned and listed banks. Management considers theses balances are subject to low credit risk.

No other financial assets carry a significant exposure to credit risk.

4 Financial risk management (Continued)

4.1 Financial risk factors (Continued)

(c) Liquidity risk

The Group's cash management policy is to regularly monitor its current and expected liquidity positions to ensure adequate funds are available for its short term and long term requirements.

The table below analyses the Group's financial liabilities which will be settled into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year US$'000	Between 1 and 2 years US$'000	Between 2 and 5 years US$'000	Over 5 years US$'000
At 31 December 2016				
Bank and other borrowings	**470,848**	**68,758**	**527,451**	**617,152**
Loans from non-controlling shareholders of subsidiaries	**169,932**	**–**	**–**	**–**
Loans from a fellow subsidiary	**9,719**	**7,340**	**17,150**	**5,755**
Trade and other payables	**228,513**	**–**	**–**	**–**
Financial guarantee contracts	**2,306**	**–**	**–**	**6,804**
At 31 December 2015 (restated)				
Bank and other borrowings	349,679	359,124	1,025,533	621,236
Loans from non-controlling shareholders of subsidiaries	109,136	50,000	–	–
Trade and other payables	261,274	–	–	–
Financial guarantee contracts	2,464	–	–	–

4.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the net debt (total bank borrowings less cash and cash equivalents and restricted bank deposits) to total equity ratio. The Group aims to maintain a manageable net debt to total equity ratio. As at 31 December 2016, the net debt-to-total equity ratio is 14.0% (2015: 18.6%).

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to equity holders, return capital to equity holders, issue new shares or capital or sell assets to reduce debt.

4 Financial risk management (Continued)

4.3 Fair value estimation

The Group's financial instrument that is measured at fair value is disclosed by levels of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial instrument that is measured at fair value at 31 December 2016 and 2015:

As at 31 December 2016

	Level 1 US$'000	**Level 3 US$'000**	**Total US$'000**
Available-for-sale financial assets	**55,846**	**101,093**	**156,939**

As at 31 December 2015 (Restated)

	Level 1 US$'000	Level 3 US$'000	Total US$'000
Available-for-sale financial assets	63,791	107,996	171,787

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regular occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily listed equity investments classified as available-for-sale financial assets.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

As at 31 December 2016 and 2015 (as restated), the fair value of unlisted available-for-sale financial assets is determined by the valuation performed by management using valuation techniques (including price/book multiple method and direct market quote). A discount rate of 20% is applied to compute the fair value on top of market price/book multiples. These available-for-sale financial asset are included in level 3 (note 13).

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers during the year.

4 Financial risk management (Continued)

4.3 Fair value estimation (Continued)

Quantitative information about fair value measurements using significant unobservable inputs (Level 3)

Description Equity security:	Fair value at 31 December 2016 US$'000	Valuation techniques	Unobservable input	Range (weighted average)
Port industry	101,093	Market comparable companies	price/book multiples (a) discount for lack of marketability (b)	1.21-1.56 (1.34) 20%

Description Equity security:	Fair value at 31 December 2015 US$'000 (Restated)	Valuation techniques	Unobservable input	Range (weighted average)
Port industry	107,996	Market comparable companies	price/book multiples (a) discount for lack of marketability (b)	1.21-1.29 (1.24) 20%

(a) Represents amounts used when the entity has determined that market participants would use such multiples when pricing the investment.

(b) Represents amounts used when the entity has determined that market participants would take into account the discount when pricing the investment.

The carrying amounts of receivables and payables are assumed to approximate their fair values. The fair values of financial liabilities for disclosure purposes are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial instruments.

5 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of terminal assets, investments in joint ventures and associates

Management determines whether terminal assets, investments in joint ventures and associates have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, according to their recoverable amounts determined by the cash-generating units based on value-in-use calculations. The determination of impairment indication requires significant judgement, and the calculations require the use of estimates which are subject to change of economic environment in future.

(b) Impairment of trade receivables

The impairment of trade receivables is primarily assessed based on prior experience by taking into account the past due status, the financial position of debtors and the guarantees obtained for the outstanding debts. Should there be any change in the assumptions and estimates, revisions to the provision for impairment of trade receivables would be required.

5 Critical accounting estimates and judgements (Continued)

(c) Fair value of available-of-sale financial assets

If information on current or recent prices of available-for sale financial assets is not available, the fair values of available-for-sale financial assets are determined using valuation techniques (including price/book multiple model). The Group uses assumptions that are mainly based on market conditions existing at each balance sheet date.

(d) Acquisition of a joint venture and an associate

The initial accounting on the acquisition of a joint venture and an associate involves identifying and determining the fair values to be assigned to the identifiable assets, liabilities and contingent liabilities of the acquired entities. The fair values of identifiable net assets are determined by using financial models or by reference to the valuation performed by independent professional valuer. Any changes in the assumptions used and estimates made in determining the fair values will impact the carrying amount of these assets and liabilities.

(e) Income taxes

Deferred income tax liabilities have not been established for the withholding taxation that would be payable on the undistributed profits of certain subsidiaries which were under certain jurisdictions as the directors consider that the timing of the reversal of related temporary differences can be controlled (note 15).

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises or writes back liabilities for anticipated tax issues based on estimates of whether additional taxes will be due or reversal to be made. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

6 Revenues and segment information

Revenues recognised during the year are as follows:

	2016 **US$'000**	2015 US$'000 (Restated)
Continuing operations:		
Terminal operations income	**553,918**	547,315
Container handling, transportation and storage income	**2,459**	2,902
Turnover	**556,377**	550,217
Discontinued operation:		
Container leasing, management, sale and related businesses	**73,073**	315,675

6 Revenues and segment information (Continued)

(a) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. The operating segments were determined based on the reports reviewed by management. Terminals and related businesses including terminal operations, container handling, transportation and storage were identified as the operating segments in accordance with the Group's continuing operations.

The performance of the operating segments was assessed based on their segment profit/loss attributable to equity holders of the Company and segment assets, which is measured in a manner consistent with that in the consolidated financial statements.

The segment of "Others" primarily includes corporate level activities. Assets under the segment of "Others" comprise property, plant and equipment, investment properties, intangible assets, inter-segment loans, other receivables and prepayments and cash and cash equivalents.

Additions to non-current assets comprise additions to property, plant and equipment, land use rights and intangible assets.

Segment assets

	Terminals and related businesses US$'000	Container leasing, management, sale and related businesses (note) US$'000	Segment total US$'000	Others US$'000	Elimination US$'000	Total US$'000
At 31 December 2016						
Segment assets	**5,971,235**	**–**	**5,971,235**	**1,384,015**	**(568,794)**	**6,786,456**
Segment assets include:						
Joint ventures	**1,409,044**	**–**	**1,409,044**	**–**	**–**	**1,409,044**
Associates	**1,405,835**	**–**	**1,405,835**	**–**	**–**	**1,405,835**
Available-for-sale financial assets	**156,939**	**–**	**156,939**	**–**	**–**	**156,939**
At 31 December 2015 (Restated)						
Segment assets	5,985,873	2,147,247	8,133,120	1,717,095	(989,570)	8,860,645
Segment assets include:						
Joint ventures	1,413,204	–	1,413,204	–	–	1,413,204
Associates	1,375,475	–	1,375,475	–	–	1,375,475
Available-for-sale financial assets	171,787	–	171,787	–	–	171,787

Note:

The container leasing, management, sale and related businesses segment was classified as discontinued operation in 2016 (note 38).

6 Revenues and segment information (Continued)

(a) Operating segments (Continued)

Segment revenues, results and other information

	Continuing operations				Discontinued operation
	Terminals and related businesses US$'000	Others US$'000	Elimination US$'000	Total US$'000	Container leasing, management, sale and related businesses US$'000
Year ended 31 December 2016					
Revenues – total sales	556,377	–	–	556,377	73,073
Segment profit/(loss) attributable to equity holders of the Company	242,898	(61,961)	–	180,937	66,094
Segment profit/(loss) attributable to equity holders of the Company includes:					
Finance income	974	33,039	(19,146)	14,867	76
Finance costs	(46,245)	(25,075)	19,178	(52,142)	(4,820)
Share of profits less losses of					
– joint ventures	112,081	–	–	112,081	–
– associates	88,161	–	–	88,161	–
Gain on disposal of a subsidiary	–	–	–	–	59,021
Income tax expenses	(25,846)	(22,324)	–	(48,170)	(375)
Depreciation and amortisation	(97,530)	(943)	–	(98,473)	(34,810)
Provision for impairment loss of an available-for-sales financial asset	(19,800)	–	–	(19,800)	–
Other non-cash expenses	(706)	(112)	–	(818)	(141)
Additions to non-current assets	(167,064)	(266)	–	(167,330)	(319,992)

6 Revenues and segment information (Continued)

(a) Operating segments (Continued)

Segment revenues, results and other information (Continued)

	Continuing operations (Restated)				Discontinued operations		
	Terminals and related businesses US$'000	Others US$'000	Elimination US$'000	Total US$'000	Container leasing, management, sale and related businesses US$'000	Container manufacturing and related businesses (note) US$'000	Total US$'000
Year ended 31 December 2015							
Revenues – total sales	550,217	–	–	550,217	315,675	–	315,675
Segment profit/(loss) attributable to equity holders of the Company	286,584	(19,272)	–	267,312	82,849	79,152	162,001
Segment profit/(loss) attributable to equity holders of the Company includes:							
Finance income	3,007	46,747	(27,543)	22,211	761	–	761
Finance costs	(62,953)	(19,043)	27,330	(54,666)	(20,452)	–	(20,452)
Share of profits less losses of							
– joint ventures	118,133	–	–	118,133	–	–	–
– associates	103,006	–	–	103,006	–	–	–
Gain on disposal of a joint venture	482	–	–	482	–	–	–
Gain on disposal of an available-for-sale financial asset	3,326	–	–	3,326	–	–	–
Write back of provision	–	–	–	–	–	79,152	79,152
Income tax expenses	(22,252)	(20,187)	–	(42,439)	(2,771)	–	(2,771)
Depreciation and amortisation	(96,274)	(1,749)	–	(98,023)	(124,803)	–	(124,803)
Provision for inventories	(88)	–	–	(88)	(1,116)	–	(1,116)
Other non-cash expenses	(200)	–	–	(200)	(1,229)	–	(1,229)
Additions to non-current assets	(101,589)	(191)	–	(101,780)	(204,783)	–	(204,783)

Note: Container manufacturing and related businesses represents the disposal of 21.8% equity interest in a then associate of the Group, China International Marine Containers (Group) Co., Ltd ("CIMC"), in 2013.

6 Revenues and segment information (Continued)

(b) Geographical information

(i) Revenues

In respect of terminals and related businesses, revenues are based on the geographical areas in which the business operations are located.

In respect of the discontinued operation from container leasing, management, sale and related businesses, the movements of containers and generator sets of the Group are known through report from the lessees but the Group is not able to control the movements of containers and generator sets except to the degree that the movements are restricted by the terms of the leases or where safety of the containers and generator sets is concerned. It is therefore impracticable to present financial information by geographical areas and thus the revenues of which are presented as unallocated revenues.

	2016 **US$'000**	2015 US$'000 (Restated)
Continuing operations:		
Terminals and related businesses		
– Mainland China (excluding Hong Kong)	**377,692**	391,189
– Europe	**176,226**	156,126
– Others	**2,459**	2,902
	556,377	550,217
Discontinued operation:		
Container leasing, management, sale and related businesses		
– unallocated	**73,073**	315,675

(ii) Non-current assets

The Group's non-current assets, other than financial instruments and deferred income tax assets ("Geographical Non-Current Assets"), consist of property, plant and equipment, investment properties, land use rights, intangible assets, joint ventures, associates and other non-current assets.

The containers and generator sets (included in property, plant and equipment) are primarily utilised across geographical markets for shipment of cargoes throughout the world. Accordingly, it is impractical to present the locations of the containers and generator sets by geographical areas and thus the containers and generator sets are presented as unallocated non-current assets.

In respect of the terminals' non-current assets and the remaining Geographical Non-Current Assets, they are presented based on the geographical areas in which the business operations/assets are located.

Other than container leasing, management, sale and related businesses, the activities of terminals and related businesses of the Group, its joint ventures and associates are predominantly carried out in Hong Kong, Mainland China, Singapore, Belgium, Egypt, Greece, the Netherlands, Taiwan and Turkey.

	2016 **US$'000**	2015 US$'000 (Restated)
Mainland China (excluding Hong Kong)	**4,004,652**	4,239,334
Europe	**546,603**	407,263
Others	**907,560**	914,844
Unallocated	**–**	1,778,172
	5,458,815	7,339,613

7 Property, plant and equipment

	Containers US$'000	Generator sets US$'000	Leasehold land and buildings in Hong Kong US$'000	Buildings outside Hong Kong US$'000	Leasehold improvements US$'000	Other property, plant and equipment US$'000	Construction in progress US$'000	Total US$'000
Cost or valuation								
At 1 January 2016	2,371,530	8,499	23,056	1,506,153	6,058	960,421	439,756	5,315,473
Exchange differences	107	–	–	(99,446)	(335)	(60,209)	(23,770)	(183,653)
Additions	319,972	–	–	2,845	387	83,529	79,367	486,100
Disposals	(15,710)	(75)	–	(45)	(76)	(5,315)	–	(21,221)
Disposal of a subsidiary	(2,675,839)	(8,424)	(19,973)	(123)	(514)	(1,915)	–	(2,706,788)
Transfer (to) and from investment properties (note 8)	–	–	(3,083)	20,176	–	–	–	17,093
Transfers	–	–	–	134,434	48	22,399	(156,881)	–
At 31 December 2016	60	–	–	1,563,994	5,568	998,910	338,472	2,907,004
Accumulated depreciation and impairment losses								
At 1 January 2016	596,312	5,537	5,848	200,389	3,439	284,686	–	1,096,211
Exchange differences	28	–	–	(14,267)	(172)	(18,942)	–	(33,353)
Depreciation charge for the year	34,342	157	35	44,344	370	46,098	–	125,346
Disposals	(4,723)	(47)	–	(31)	(5)	(4,354)	–	(9,160)
Disposal of a subsidiary	(625,902)	(5,647)	(5,676)	(94)	(501)	(1,615)	–	(639,435)
Transfer to investment properties (note 8)	–	–	(207)	–	–	–	–	(207)
At 31 December 2016	57	–	–	230,341	3,131	305,873	–	539,402
Net book value								
At 31 December 2016	3	–	–	1,333,653	2,437	693,037	338,472	2,367,602

	Containers US$'000 (Restated)	Generator sets US$'000	Leasehold land and buildings in Hong Kong US$'000 (Restated)	Buildings outside Hong Kong US$'000 (Restated)	Leasehold improvements US$'000 (Restated)	Other property, plant and equipment US$'000 (Restated)	Construction in progress US$'000 (Restated)	Total US$'000 (Restated)
Cost or valuation								
At 1 January 2015	2,188,828	9,344	23,056	1,573,136	6,594	980,390	448,490	5,229,838
Exchange differences	(1,032)	–	–	(97,984)	(318)	(64,954)	(29,929)	(194,217)
Additions	204,020	722	–	650	15	23,108	75,981	304,496
Disposals	(4,584)	(1,567)	–	(46)	(233)	(2,512)	–	(8,942)
Transfer to inventories	(15,702)	–	–	–	–	–	–	(15,702)
Transfers	–	–	–	30,397	–	24,389	(54,786)	–
At 31 December 2015	2,371,530	8,499	23,056	1,506,153	6,058	960,421	439,756	5,315,473
Accumulated depreciation and impairment losses								
At 1 January 2015	486,136	5,908	5,651	171,624	3,219	254,004	–	926,542
Exchange differences	(331)	–	–	(11,942)	(148)	(16,986)	–	(29,407)
Depreciation charge for the year	122,729	680	197	40,743	576	48,906	–	213,831
Disposals	(2,631)	(1,051)	–	(36)	(208)	(1,238)	–	(5,164)
Transfer to inventories	(9,591)	–	–	–	–	–	–	(9,591)
At 31 December 2015	596,312	5,537	5,848	200,389	3,439	284,686	–	1,096,211
Net book value								
At 31 December 2015	1,775,218	2,962	17,208	1,305,764	2,619	675,735	439,756	4,219,262

7 Property, plant and equipment (Continued)

Notes:

(a) As at 31 December 2015, certain land and buildings in Hong Kong of the Group with carrying amount of US$14,348,000 were revalued in 1994 on an open market value basis by C.Y. Leung & Company Limited (now known as DTZ Cushman & Wakefield Limited), an independent professional property valuer.

As at 31 December 2015, the carrying amount of these land and buildings would have been US$12,961,000 had the buildings been carried at cost less accumulated depreciation and impairment losses in the consolidated financial statements.

As at 31 December 2016, there is no revalued land and building in Hong Kong of the Group.

(b) The aggregate cost and accumulated depreciation as at 31 December 2015 of the leased assets of the Group (where the Group is a lessor) which comprised containers, generator sets and certain other property, plant and equipment and were leased to fellow subsidiaries and third parties under operating leases amounted to US$2,236,766,000 and US$601,852,000 respectively. There is no leased asset of the Group as at 31 December 2016.

(c) The accumulated impairment losses of property, plant and equipment of the Group as at 31 December 2015 amounted to US$2,627,000. There are no accumulated impairment losses as at 31 December 2016.

(d) During 2015, the Group transferred containers with an aggregate net book value of US$6,111,000 to inventories. There is no transfer to inventories during 2016.

(e) During 2016, the Group transferred buildings within Hong Kong with an aggregate net book value of US$2,876,000 to investment properties at the time of commencement of leases. On the other hand, the Group transferred buildings outside Hong Kong with an aggregate net book value of US$20,176,000 from investment properties at the time of termination of leases. There was no transfer to/from investment properties during 2015.

(f) As at 31 December 2016, certain other property, plant and equipment with an aggregate net book value of US$103,928,000 (2015: US$115,071,000) were pledged as security for banking facilities granted to the Group (note 22(g)).

(g) During the year, interest expenses of US$6,038,000 (2015: US$5,993,000) was capitalised in construction in progress (note 28).

(h) Terminal buildings and equipment under finance leases with costs of approximately US$80,428,000 (2015: US$119,687,000) as at 31 December 2016 are accounted for as property, plant and equipment. As at 31 December 2016, the balance of approximately US$38,061,000 (2015: Nil) in respect of such finance lease arrangements was included in loans from a fellow subsidiary (note 23 (b)).

8 Investment properties

	2016 US$'000	2015 US$'000
At 1 January	**28,860**	29,194
Exchange differences	**(525)**	(1,553)
Disposal of a subsidiary	**(3,693)**	–
Transfer (to) and from property, plant and equipment, net (note 7)	**(17,300)**	–
Revaluation surplus (note a)	**793**	1,219
At 31 December	**8,135**	28,860

Notes:

(a) The investment properties as at 31 December 2016 and 2015 were revalued on an open market value basis by DTZ Cushman & Wakefield Limited, China Tong Cheng Assets Appraisals Company Limited and Roma Appraisals Limited, independent professional property valuers who hold recognised relevant professional qualifications and have recent experiences in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

(b) The Group's interests in investment properties are office units situated in PRC on leases of 50 years and a residential property in Hong Kong on leases of over 50 years respectively. Office units in Hong Kong as at 31 December 2015 are disposed with the disposal of FCHL.

(c) The valuations are derived using direct comparison method, discounted cash flow method and income capitalisation method respectively.

For properties in PRC, valuations are derived by direct comparison method or discounted cash flow method. Discounted cash flow method is based on net present value of estimated income stream by adopting an appropriate discount rate which reflects the risk profile and net operating income growth rate. The higher the discount rate, the lower the fair value. The higher the net operating income growth rate, the higher the fair value. Prevailing market rents are estimated based on recent lettings within the subject properties and other comparable properties. The lower the rents, the lower the fair value.

Direct comparison method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

For properties in Hong Kong, valuations are derived by direct comparison method or income capitalisation method. Income capitalisation method is based on the capitalisation of the net rental income derived from the existing leases and/or achievable in existing market with reversionary income potential by adopting appropriate capitalisation rates. Capitalisation is estimated by valuer based on the risk profile of the properties being valued. The higher the rates, the lower the fair value. Prevailing market rents are estimated based on recent lettings within the subject properties and other comparable properties. The lower the rents, the lower the fair value.

(d) There were no changes to the valuation techniques during the year.

9 Land use rights

The Group's interests in land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

	2016 US$'000	2015 US$'000 (Restated)
At 1 January	**220,819**	239,831
Exchange differences	**(13,894)**	(13,612)
Amortisation	**(5,021)**	(5,400)
Disposal of a subsidiary	**(100)**	–
At 31 December	**201,804**	220,819

10 Intangible assets

	Computer software		Computer systems under development		Goodwill		Total	
	2016 US$'000	2015 US$'000 (Restated)	2016 US$'000	2015 US$'000 (Restated)	2016 US$'000	2015 US$'000	2016 US$'000	2015 US$'000 (Restated)
Cost								
At 1 January	**25,833**	25,559	**1,019**	–	**322**	342	**27,174**	25,901
Exchange differences	**(459)**	(662)	**(26)**	(22)	**(21)**	(20)	**(506)**	(704)
Additions	**986**	306	**236**	1,761	**–**	–	**1,222**	2,067
Write-off	**(13)**	(90)	**–**	–	**–**	–	**(13)**	(90)
Disposal of a subsidiary	**(16,400)**	–	**–**	–	**–**	–	**(16,400)**	–
Transfer	**362**	720	**(362)**	(720)	**–**	–	**–**	–
At 31 December	**10,309**	25,833	**867**	1,019	**301**	322	**11,477**	27,174
Accumulated amortisation								
At 1 January	**19,929**	18,281	**–**	–	**–**	–	**19,929**	18,281
Exchange differences	**(281)**	(289)	**–**	–	**–**	–	**(281)**	(289)
Amortisation for the year	**1,343**	2,008	**–**	–	**–**	–	**1,343**	2,008
Write-off	**(11)**	(71)	**–**	–	**–**	–	**(11)**	(71)
Disposal of a subsidiary	**(14,938)**	–	**–**	–	**–**	–	**(14,938)**	–
At 31 December	**6,042**	19,929	**–**	–	**–**	–	**6,042**	19,929
Net book value								
At 31 December	**4,267**	5,904	**867**	1,019	**301**	322	**5,435**	7,245

11 Joint ventures

	2016 US$'000	2015 US$'000 (Restated)
Investment in joint ventures (including goodwill on acquisitions) (note b)	**1,266,169**	1,270,237
Equity loan to a joint venture (note d)	**142,875**	142,967
	1,409,044	1,413,204
Loans to joint ventures (note e)	**60,239**	61,107

Notes:

(a) Qingdao Qianwan Container Terminal Co., Ltd. ("QQCT") is a joint venture (note 44) that is material to the Group. QQCT is a container terminal operator and developer of the port facilities in the Qingdao Qianwan Container Terminal. The information below reflects the amounts presented in the financial statements of the joint venture (not the Group's share of these amounts), adjusted for differences in accounting policies between the group and the joint venture.

QQCT is a private company and there is no quoted market price available for its shares.

Set out below are the summarised consolidated financial information for QQCT which is accounted for using the equity method:

Summarised consolidated balance sheet

	QQCT	
	2016 US$'000	2015 US$'000
Non-current		
Assets	**1,237,646**	1,215,095
Financial liabilities	**(285,829)**	(385,580)
Current		
Cash and cash equivalents	**210,147**	120,857
Other current assets	**145,671**	101,231
Total current assets	**355,818**	222,088
Financial liabilities (excluding trade and other payables)	**(287,636)**	(79,687)
Other current liabilities	**(68,195)**	(68,359)
Total current liabilities	**(355,831)**	(148,046)
Net assets	**951,804**	903,557

Summarised consolidated statement of comprehensive income

	QQCT	
	2016 US$'000	2015 US$'000
Revenues	**482,910**	463,476
Depreciation and amortisation	**(46,439)**	(50,616)
Interest income	**4,091**	14,117
Interest expense	**(18,993)**	(30,860)
Profit before income tax	**320,909**	283,989
Income tax expense	**(79,333)**	(71,010)
Profit for the year	**241,576**	212,979
Other comprehensive income	**–**	–
Total comprehensive income	**241,576**	212,979
Dividends received from the joint venture	**29,528**	40,584
Group's share of profits of the joint venture	**48,089**	42,898

11 Joint ventures (Continued)

(a) **Reconciliation of summarised consolidated financial information**

Reconciliation of summarised consolidated financial information presented to the carrying amount of the Group's interest in the joint venture.

Summarised consolidated financial information

	QQCT 2016 US$'000	2015 US$'000
Attributable to equity holders		
Opening net assets	**885,798**	924,568
Profit for the year	**240,443**	213,336
Dividends	**(143,651)**	(199,304)
Other appropriations	**(144)**	(200)
Exchange difference	**(60,748)**	(52,602)
Closing net assets	**921,698**	885,798
Interest in joint venture at 20%	**184,340**	177,160
Goodwill	**5,361**	5,361
Carrying amount	**189,701**	182,521

(b) The carrying amount of goodwill on acquisitions of joint ventures amounted to US$71,851,000 (2015: US$71,874,000), mainly represented the goodwill on acquisitions of equity interests in Shanghai Pudong International Container Terminals Limited, Asia Container Terminals Holdings Limited and QQCT of US$31,435,000 (2015: US$31,435,000), US$34,942,000 (2015: US$34,964,000) and US$5,361,000 (2015: US$5,361,000).

(c) In December 2015, the Group acquired 26% effective interest of Kumport Liman Hizmetleri ve Lojistik Sanayi ve Ticaret A.S. ("Kumport Terminal") at a consideration of approximately US$386,114,000 through the establishment of a joint venture, Euro-Asia Oceangate S. à. r.l., with a 40% equity interest.

(d) The balance is equity in nature, unsecured, interest free and has no fixed terms of repayment.

(e) Balances of US$ 2,212,000 (2015: US$3,043,000) is secured, which bears interest at 5% per annum above the 3 months Euro Interbank Offered Rate ("EURIBOR") and wholly repayable on or before December 2020. The remaining balance is unsecured and interest bearing at the rate of 5% above Hong Kong Interbank Offered Rate ("HIBOR") per annum quoted in respect of a one month's period, and wholly repayable on or before March 2018.

(f) The financial information below, after making necessary adjustments to conform to the Group's significant accounting policies, represents the Group's interests in respective joint ventures other than QQCT disclosed above:

	Net assets US$'000	Profits less losses for the year US$'000	Other comprehensive income US$'000	Total comprehensive income US$'000
2016	**1,219,343**	**63,992**	**283**	**64,275**
2015 (Restated)	1,230,683	75,235	218	75,453

(g) There are no contingent liabilities relating to the Group's interest in joint ventures.

(h) Details of the Group's joint ventures as at 31 December 2016 are set out in note 44 to the consolidated financial statements.

12 Associates

	2016 US$'000	2015 US$'000 (Restated)
Investment in associates (including goodwill on acquisitions) (note b)	**1,360,835**	1,330,475
Equity loan to an associate (note e)	**45,000**	45,000
	1,405,835	1,375,475
Loans to associates (note d)	**114,944**	27,409

Notes:

(a) Sigma Enterprises Limited ("Sigma") and Wattrus Limited ("Wattrus") and their subsidiary companies (collectively "Sigma and Wattrus Group") are associates (note 45) that are material to the Group. Sigma and Wattrus Group are engaged in the operation, management and development of container terminals and investment holding. Set out below are the summarised financial information, after fair value adjustments upon acquisition, for these associates which are accounted for using the equity method:

Summarized balance sheet

	Sigma and Wattrus Group	
	2016 US$'000	2015 US$'000
Non-current assets	**4,018,343**	3,972,833
Current assets	**796,494**	717,880
Non-current liabilities	**(528,014)**	(369,363)
Current liabilities	**(629,541)**	(754,637)

Summarised statement of comprehensive income

	Sigma and Wattrus Group	
	2016 US$'000	2015 US$'000
Revenues	**907,385**	961,344
Profit attributable to equity holders for the year	**248,915**	261,153
Group's share of profits of associates	**51,152**	53,667

12 Associates (Continued)

(a) **Reconciliation of summarised financial information**

Reconciliation of summarised financial information presented to the carrying amount of the Group's interest in these associates.

Summarised financial information

	Sigma and Wattrus Group	
	2016 US$'000	2015 US$'000
Capital and reserves attributable to equity holders	**2,822,141**	2,734,594
Group's effective interest	**20.55%**	20.55%
Group's share of capital and reserves attributable to equity holders	**579,950**	561,959
Adjustment to cost of investment	**46,860**	46,860
Carrying amount	**626,810**	608,819

(b) The carrying amount of goodwill on acquisitions of associates amounted to US$70,217,000 (2015: US$55,386,000), mainly represented the goodwill on acquisition of equity interests in Sigma, Suez Canal Container Terminal S.A.E., Euromax Terminal Rotterdam B.V. ("Euromax Terminal"), Wattrus and Nanjing Port Longtan Containers Co., Ltd. of US$20,669,000 (2015: US$20,669,000), US$16,624,000 (2015: US$16,624,000), US$14,898,000 (2015: US$Nil), US$7,523,000 (2015: US$7,523,000) and US$4,533,000 (2015: US$4,533,000) respectively.

(c) On 30 September 2016, the Group acquired 35% equity interests in Euromax Terminal in Rotterdam at a consideration of Euro125,430,000 (equivalent to approximately US$139,853,000).

(d) Balance of US$88,478,000 (2015: US$Nil) is unsecured, which bears interest at the aggregate of 2.3% per annum and EURIBOR with reference to Reuters or other rate mutually agreed. The remaining balance is unsecured, bears interest at 2.5% per annum above 10-year EURIBOR ICE swap rate (2015: 2% per annum above the 10-year Belgium prime rate) and has no fixed terms of repayment.

(e) The balance is equity in nature, unsecured, interest free and has no fixed terms of repayment.

(f) The financial information below, after making necessary adjustments to conform to the Group's significant accounting policies, represents the Group's interests in respective associates other than Sigma and Wattrus Group disclosed above:

	Net assets US$'000	Profits less losses for the year US$'000	Other comprehensive income/(loss) US$'000	Total comprehensive income US$'000
2016	**779,025**	**37,009**	**1,529**	**38,538**
2015 (Restated)	766,656	49,339	(2,793)	46,546

(g) There are no significant contingent liabilities relating to the Group's interest in associates.

(h) Details of the Group's associates as at 31 December 2016 are set out in note 45 to the consolidated financial statements.

13 Available-for-sale financial assets

Available-for-sale financial assets represent the following:

	2016 US$'000	2015 US$'000 (Restated)
Listed shares in Hong Kong (note a)	**55,846**	63,791
Unlisted investments (note b)	**101,093**	107,996
	156,939	171,787

Notes:

(a) Listed investments represent equity interests in entities which are principally engaged in provision of port and port related services.

(b) Unlisted investments mainly comprise equity interests in terminal operating companies, and port information system engineering companies.

(c) Available-for-sale financial assets are denominated in the following currencies:

	2016 US$'000	2015 US$'000 (Restated)
Hong Kong dollar	**55,846**	63,791
Renminbi	**101,093**	107,996
	156,939	171,787

(d) Movement of the available-for-sale financial assets during the year is as follows:

	2016 US$'000	2015 US$'000 (Restated)
At 1 January	**171,787**	179,402
Disposal	**–**	(1,163)
Fair value (loss)/gain recognised in equity	**(4,920)**	2,753
Translation difference	**(9,928)**	(9,205)
At 31 December	**156,939**	171,787

(e) As at 31 December 2016, an available-for-sale financial asset of carrying amount of US$10,167,000 (2015: Nil) had impaired with an impairment loss of US$19,800,000 (2015: Nil) and the debit reserves recycled to profit or loss had US$19,800,000 (2015: Nil).

14 Finance lease receivables

	2016 Gross receivables US$'000	2016 Unearned finance income US$'000	2016 Present value of minimum lease payment receivables US$'000	2015 Gross receivables US$'000	2015 Unearned finance income US$'000	2015 Present value of minimum lease payment receivables US$'000
Amounts receivable under finance leases:						
Current portion (note 18)	–	–	–	9,261	(2,067)	7,194
Non-current portion						
– later than one year and not later than five years	–	–	–	37,467	(4,504)	32,963
– later than five years	–	–	–	497	(10)	487
	–	–	–	37,964	(4,514)	33,450
	–	–	–	47,225	(6,581)	40,644

As at 31 December 2015, the Group entered into 16 finance lease contracts for leasing of certain containers and a vessel. The average term of the finance lease contracts is 4.9 years.

The cost of assets acquired for the purpose of letting under finance leases amounted to US$54,783,000 as at 31 December 2015.

Unguaranteed residual values of assets leased under finance lease contracts are estimated at approximately US$41,000 as at 31 December 2015.

15 Deferred income tax

Deferred income tax is calculated in full on temporary differences under the liability method using tax rates substantively enacted by the balance sheet date.

The movements on the net deferred income tax liabilities during the year are as follows:

	2016 US$'000	2015 US$'000 (Restated)
At 1 January	**44,786**	43,869
Exchange differences	**12**	24
Charged to consolidated income statement	**9,890**	893
Disposal of a subsidiary	**618**	–
Reversal of deferred tax upon transfer from investment properties to property, plant and equipment	**(2,403)**	–
At 31 December	**52,903**	44,786

Deferred income tax assets are recognised for tax losses carry forwards to the extent that realisation of the related tax benefit through the future taxable profits is probable. As at 31 December 2016, the Group has unrecognised tax losses of US$85,239,000 (31 December 2015: US$105,756,000) to carry forward. Except for the tax losses of US$58,331,000 (31 December 2015: US$51,509,000) of the Group which will be expired between 2017 and 2020 (31 December 2015: between 2016 and 2035), all other tax losses have no expiry dates.

15 Deferred income tax (Continued)

As at 31 December 2015, deferred income tax liabilities of US$9,129,000 have not been established for the withholding taxation that would be payable on the undistributed profits of certain subsidiaries in certain tax jurisdictions totaling US$57,664,000 as the directors considered that the timing of the reversal of the related temporary differences can be controlled and accordingly the temporary differences will not be reversed in the foreseeable future.

The movements in deferred income tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year, are as follows:

Deferred income tax liabilities

	Accelerated tax depreciation		Undistributed profits		Fair value gains		Total	
	2016 US$'000	2015 US$'000 (Restated)	**2016 US$'000**	2015 US$'000 (Restated)	**2016 US$'000**	2015 US$'000 (Restated)	**2016 US$'000**	2015 US$'000 (Restated)
At 1 January	**2,866**	10,069	**44,186**	37,870	**2,546**	2,403	**49,598**	50,342
Exchange differences	**(57)**	(192)	**14**	(15)	**17**	(159)	**(26)**	(366)
(Credited)/charged to consolidated income statement	**(132)**	(7,011)	**8,566**	6,331	**(150)**	302	**8,284**	(378)
Disposal of a subsidiary	**(1,134)**	–	**–**	–	**–**	–	**(1,134)**	–
Reversal of deferred tax upon transfer from investment properties to property, plant and equipment	**–**	–	**–**	–	**(2,403)**	–	**(2,403)**	–
At 31 December	**1,543**	2,866	**52,766**	44,186	**10**	2,546	**54,319**	49,598

Deferred income tax assets

	Tax losses		Others		Total	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000	**2016 US$'000**	2015 US$'000
At 1 January	**294**	309	**4,518**	6,164	**4,812**	6,473
Exchange differences	**(4)**	(1)	**(34)**	(389)	**(38)**	(390)
Charged to consolidated income statement	**(284)**	(14)	**(1,322)**	(1,257)	**(1,606)**	(1,271)
Disposal of a subsidiary	**–**	–	**(1,752)**	–	**(1,752)**	–
At 31 December	**6**	294	**1,410**	4,518	**1,416**	4,812

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet:

	2016 US$'000	2015 US$'000 (Restated)
Deferred income tax assets	**11**	1,947
Deferred income tax liabilities	**52,914**	46,733

15 Deferred income tax (Continued)

The amounts shown in the consolidated balance sheet include the following:

	2016 US$'000	2015 US$'000
Deferred income tax assets to be recovered after more than 12 months	**1,465**	3,454
Deferred income tax liabilities to be settled after more than 12 months	**1,617**	5,367

16 Other non-current assets

Other non-current assets of the Group mainly represent prepaid operating lease payments, which included the unamortised upfront concession fee incurred in respect of the concession agreement with Piraeus Port Authority S.A. for the concession of Piers 2 and 3 of the Piraeus Port in Greece for a term of 35 years (the "Concession"). The Concession commenced on 1 October 2009. Apart from the aforesaid upfront concession fee, the Group had operating lease commitment in relations to the Concession (note 36(b)).

17 Inventories

Inventories of the Group mainly include containers held for sale transferred from property, plant and equipment and consumable parts for terminal operations at their carrying amount.

18 Trade and other receivables

	2016 US$'000	2015 US$'000 (Restated)
Trade receivables (note a)		
– third parties	**36,646**	62,994
– fellow subsidiaries (notes b)	**12,396**	35,119
– joint ventures (note b)	**3**	79
– non-controlling shareholders of subsidiaries (note b)	**4,486**	5,794
– related companies (note b)	**1,029**	590
	54,560	104,576
Bills receivables (note a)	**10,958**	15,507
	65,518	120,083
Less: provision for impairment	**(449)**	(4,090)
	65,069	115,993
Deposits and prepayments	**13,443**	66,100
Other receivables	**18,888**	37,291
Current portion of finance lease receivables (note 14)	**–**	7,194
Loans to joint ventures (note c)	**19,180**	19,225
Amounts due from		
– fellow subsidiaries (note b)	**20,446**	23,239
– joint ventures (note d)	**243**	6,435
– associates (note d)	**9,923**	3,532
– non-controlling shareholders of subsidiaries (note b)	**823**	993
	148,015	280,002

18 Trade and other receivables (Continued)

Notes:

(a) The Group grants credit periods of 30 to 90 days to its customers. The ageing analysis of the trade receivables and bills receivables (net of provision) based on invoice date and issuance date respectively is as follows:

	2016 US$'000	2015 US$'000 (Restated)
Within 30 days	**41,584**	58,489
31-60 days	**11,014**	33,825
61-90 days	**3,968**	11,669
Over 90 days	**8,503**	12,010
	65,069	115,993

As at 31 December 2016, trade receivables and bills receivables of US$57,146,000 (2015: US$100,665,000) were fully performing.

As at 31 December 2016, trade receivables of US$7,923,000 (2015: US$15,328,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables which were past due but not impaired is as follows:

	2016 US$'000	2015 US$'000 (Restated)
Within 30 days	**3,111**	11,000
31-60 days	**1,016**	3,190
61-90 days	**1,380**	578
Over 90 days	**2,416**	560
	7,923	15,328

As at 31 December 2016, trade receivables of US$449,000 (2015: US$4,090,000) were impaired. The ageing of these receivables is as follows:

	2016 US$'000	2015 US$'000 (Restated)
Within 30 days	**102**	732
31-60 days	**37**	684
61-90 days	**7**	664
Over 90 days	**303**	2,010
	449	4,090

Movements on the provision for impairment of trade receivables are as follows:

	2016 US$'000	2015 US$'000 (Restated)
At 1 January	**(4,090)**	(4,364)
Exchange differences	**21**	72
Provision for impairment of trade receivables	**(413)**	(1,084)
Write back of provision for impairment of trade receivables	**1,247**	895
Receivables written off during the year as uncollectible	**73**	391
Disposal of a subsidiary	**2,713**	–
At 31 December	**(449)**	(4,090)

18 Trade and other receivables (Continued)

(b) The balances are unsecured and interest free. Trading balances have credit periods ranging from 30 to 90 days while other balances have no fixed terms of repayment.

(c) As at 31 December 2016, balance of US$18,443,000 (2015: US$18,790,000) is unsecured, interest free, and wholly repayable within twelve months. Balance of US$737,000 (2015: US$435,000) is secured, bears interest at 5.5% per annum above 3 months EURIBOR and repayable within twelve months.

(d) The amounts receivable mainly represented dividends and interest receivable from joint ventures and associates.

(e) The carrying amounts of trade and other receivables are denominated in the following currencies:

	2016 US$'000	2015 US$'000 (Restated)
US dollar	**20,015**	100,611
Renminbi	**80,210**	84,232
Hong Kong dollar	**3,115**	25,976
Euro	**26,229**	49,736
Other currencies	**18,446**	19,447
	148,015	280,002

(f) The carrying amounts of trade and other receivables approximate their fair values.

19 Financial instruments by category

	2016 US$'000	2015 US$'000 (Restated)
Assets as per balance sheet		
Available-for-sale financial assets	**156,939**	171,787
Loans and receivables		
Loans to joint ventures	**79,419**	80,332
Loans to associates	**114,944**	27,409
Finance lease receivables	**–**	40,644
Trade and other receivables excluding prepayments	**115,392**	187,483
Cash and cash equivalents	**834,232**	923,171
Restricted bank deposits	**2,868**	1,020
Total	**1,303,794**	1,431,846

19 Financial instruments by category (Continued)

	2016 US$'000	2015 US$'000 (Restated)
Liabilities as per balance sheet		
Financial liabilities at amortised cost		
Borrowings	**1,502,991**	2,087,004
Loans from non-controlling shareholders of subsidiaries	**167,772**	154,275
Loans from a fellow subsidiary	**38,061**	–
Loan from a joint venture	**40,147**	30,030
Trade and other payables excluding receipt in advance	**174,600**	223,446
Total	**1,923,571**	2,494,755

20 Share capital

	2016 US$'000	2015 US$'000
Issued and fully paid:		
3,016,018,628 (2015: 2,966,559,439) ordinary shares of HK$0.10 each	**38,728**	38,090

The movements of the issued share capital of the Company are summarised as follows:

	Number of ordinary shares	Nominal value US$'000
At 1 January 2016	**2,966,559,439**	**38,090**
Issue of scrip dividend for 2015 final (note a)	**3,015,196**	**39**
Issue of scrip dividend for 2016 interim (note b)	**46,443,993**	**599**
At 31 December 2016	**3,016,018,628**	**38,728**
At 1 January 2015	2,940,437,862	37,753
Issue of scrip dividend for 2014 final (note a)	745,519	10
Issue of scrip dividend for 2015 interim (note b)	25,376,058	327
At 31 December 2015	2,966,559,439	38,090

Notes:

(a) During the year ended 31 December 2016, 3,015,196 (2015: 745,519) new shares were issued by the Company at HK$7.824 (2015: HK$11.580) per share for the settlement of 2015 final (2015: 2014 final) scrip dividends.

(b) During the year ended 31 December 2016, 46,443,993 (2015: 25,376,058) new shares were issued by the Company at HK$8.140 (2015: HK$9.988) per share for the settlement of 2016 interim (2015: 2015 interim) scrip dividends.

21 Share-based payment

On 23 May 2003, the shareholders of the Company approved the adoption of an option scheme (the "2003 Share Option Scheme") and the termination of the share option scheme adopted by the shareholders of the Company on 30 November 1994.

On 5 December 2005, amendments to certain terms of the 2003 Share Option Scheme were approved by the shareholders of the Company (the "Amended 2003 Share Option Scheme"). Under the Amended 2003 Share Option Scheme, the directors of the Company may, at their discretion, invite any participants, as defined under the Amended 2003 Share Option Scheme, to take up share options for subscribing the Company's shares, subject to the terms and conditions stipulated therein.

The consideration on acceptance of an offer of the grant of options is HK$1.00.

The 2003 Share Option Scheme was expired on 22 May 2013. No further options shall thereafter be granted under the 2003 Share Option Scheme but in all other respects the provision of the 2003 Share Option Scheme shall remain in full force and effect.

Movements of the share options are set out below:

			For the year ended 31 December 2016 Number of share options				
Category	Note	Exercise price HK$	Outstanding at 1 January 2016	Exercised during the year	Transfer (to)/ from other categories during the year	Lapsed during the year	Outstanding at 31 December 2016
Directors	(i) (ii)	**19.30**	**500,000**	**–**	**–**	**–**	**500,000**
Continuous contract employees	(i) (ii)	**19.30**	**11,050,000**	**–**	**–**	**(2,740,000)**	**8,310,000**
Others	(i) (ii)	**19.30**	**1,430,000**	**–**	**–**	**(300,000)**	**1,130,000**
			12,980,000	**–**	**–**	**(3,040,000)**	**9,940,000**

21 Share-based payment (Continued)

Category	Note	Exercise price HK$	Outstanding at 1 January 2015	Exercised during the year	Transfer (to)/ from other categories during the year	Lapsed during the year	Outstanding at 31 December 2015
			For the year ended 31 December 2015 Number of share options				
Directors	(i) (ii) (iii)	19.30	500,000	–	–	–	500,000
Continuous contract employees	(i) (ii)	19.30	11,880,000	–	(570,000)	(260,000)	11,050,000
Others	(i) (ii)	19.30	860,000	–	570,000	–	1,430,000
			13,240,000	–	–	(260,000)	12,980,000

Notes:

(i) All the outstanding options were vested and exercisable as at 31 December 2016 and 2015. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

(ii) The share options were granted during the period from 17 April 2007 to 19 April 2007 under the 2003 Share Option Scheme at an exercise price of HK$19.30. The options are exercisable at any time within ten years from the date on which an offer is accepted or deemed to be accepted by the grantee under the 2003 Share Option Scheme from 17 April 2007 to 19 April 2007.

(iii) These options represent personal interest held by the relevant director as beneficial owner.

(vi) No share options were granted, exercised or cancelled under the 2003 share option scheme during the year ended 31 December 2016.

(v) Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Expiry date	**Exercise price HK$**	**Number of share options 2016**	2015
17 April 2017 to 19 April 2017	19.30	**9,940,000**	12,980,000

(vi) Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2016 Average exercise price per share HK$	**Number of share options**	2015 Average exercise price per share HK	Number of share options
At 1 January	**19.30**	**12,980,000**	19.30	13,240,000
Lapsed	**19.30**	**(3,040,000)**	19.30	(260,000)
At 31 December	**19.30**	**9,940,000**	19.30	12,980,000

22 Borrowings

	2016 US$'000	2015 US$'000 (Restated)
Long term borrowings		
Secured		
– bank loans	**336,321**	274,021
– loans from China Shipping Finance Co., Ltd. ("CS Finance")	**14,185**	16,170
	350,506	290,191
Unsecured		
– bank loans	**655,556**	1,254,379
– loans from COSCO Finance Co., Ltd. ("COSCO Finance")	**24,074**	26,026
– notes	**297,879**	297,392
	977,509	1,577,797
	1,328,015	1,867,988
Amounts due within one year included under current liabilities	**(256,609)**	(68,723)
	1,071,406	1,799,265
Short term borrowings – unsecured		
– bank loans	**64,870**	104,911
– loans from COSCO Finance	**110,106**	114,105
	174,976	219,016

Notes:

(a) The maturity of long term borrowings is as follows:

	2016 US$'000	2015 US$'000 (Restated)
Bank loans		
Within one year	**231,295**	67,707
Between one and two years	**36,089**	280,220
Between two and five years	**448,005**	914,660
Over five years	**276,488**	265,813
	991,877	1,528,400
Loans from COSCO Finance		
Within one year	**24,074**	–
Between one and two years	**–**	26,026
	24,074	26,026
Loans from CS Finance		
Within one year	**1,240**	1,016
Between one and two years	**1,476**	1,324
Between two and five years	**5,011**	5,082
Over five years	**6,458**	8,748
	14,185	16,170
Notes (note b)		
Over five years	**297,879**	297,392
	1,328,015	1,867,988

22 Borrowings (Continued)

(b) Details of the notes as at 31 December 2016 are as follows:

	2016 US$'000	2015 US$'000
Principal amount	**300,000**	300,000
Discount on issue	**(2,040)**	(2,040)
Notes issuance cost	**(2,250)**	(2,250)
Net proceeds received	**295,710**	295,710
Accumulated amortised amounts of		
– discount on issue	**1,032**	800
– notes issuance cost	**1,137**	882
	297,879	297,392

10-year notes with principal amount of US$300,000,000 were issued by a subsidiary of the Company to investors on 31 January 2013. The notes carried a fixed interest yield of 4.46% per annum and were issued at a price of 99.320 per cent of their principal amount with a fixed coupon rate of 4.375% per annum, resulting in a discount on issue of US$2,040,000. The notes bear interest from 31 January 2013, payable semi-annually in arrear on 31 January and 31 July of each year, commencing on 31 July 2013. The notes are guaranteed unconditionally and irrevocably by the Company and listed on the Stock Exchange. Unless previously redeemed or repurchased by the Company, the notes will mature on 31 January 2023 at their principal amount. The notes are subject to redemption in whole, at their principal amount, together with accrued interest, at the option of the Company at any time in the event of certain changes affecting the taxes of certain jurisdictions.

(c) The exposure of long term borrowings to interest rate changes and the contractual repricing dates are as follows:

	Less than one year US$'000	One to five years US$'000	Over five years US$'000	Total US$'000
At 31 December 2016				
Total borrowings	**256,609**	**490,581**	**580,825**	**1,328,015**
At 31 December 2015 (Restated)				
Total borrowings	68,723	1,227,312	571,953	1,867,988

(d) The carrying amounts of the long term borrowings and short term borrowings are denominated in the following currencies:

	2016 US$'000	2015 US$'000 (Restated)
US dollar	**633,479**	1,388,455
Renminbi	**422,359**	448,783
Euro	**447,153**	249,766
	1,502,991	2,087,004

The effective interest rates per annum at the balance sheet date were as follows:

	2016			2015 (Restated)		
	US$	RMB	Euro	US$	RMB	Euro
Bank loans, loans from CS Finance and COSCO Finance	**2.8%**	**4.1%**	**1.3%**	2.4%	4.2%	1.4%
Notes	**4.4%**	**N/A**	**N/A**	4.4%	N/A	N/A

22 Borrowings (Continued)

(e) The carrying amounts and fair values of the non-current borrowings are as follows:

	Carrying amounts		Fair values	
	2016	2015	**2016**	2015
	US$'000	US$'000	**US$'000**	US$'000
		(Restated)		(Restated)
Bank loans, loans from CS Finance and COSCO Finance	**773,527**	1,501,873	**768,589**	1,501,362
Notes	**297,879**	297,392	**297,426**	296,997
	1,071,406	1,799,265	**1,066,015**	1,798,359

The fair values of the Group's non-current borrowings are determined based on cash flows discounted using a weighted average borrowing rate of 1.9% (2015: 2.8%) per annum.

(f) The carrying amounts of short term bank loans approximate their fair values.

(g) As at 31 December 2016, bank loans of US$336,321,000 (2015: US$274,021,000) and a loan from CS Finance of US$14,185,000 (2015: US$16,170,000) granted to subsidiaries of the Company were secured by certain other property, plant and equipment of the Group (note 7(f)) and the Company's interests in the subsidiaries. Under the circumstances that the terms and conditions as included in the loan agreements were not met, bank balances of US$23,348,000 (2015: US$14,692,000) would be pledged as security (note 37(b)(iii)).

(h) As at 31 December 2016, the committed and undrawn borrowing facilities of the Group amounted to US$266,874,000 (2015: US$927,288,000).

23 Loan from a non-controlling shareholder of a subsidiary and loans from a fellow subsidiary

(a) Loan from a non-controlling shareholder of a subsidiary

As at 31 December 2015, balance of US$50,000,000 was unsecured, interest free and not repayable within next twelve months. The balance was released in 2016 due to disposal of subsidiary. The carrying value of the loan is not materially different from its fair value.

(b) Loans from a fellow subsidiary

As at 31 December 2016, balance of US$38,061,000 (2015: Nil) represented finance lease contracts the Group entered for leasing of terminal equipment with a fellow subsidiary. The average term of the finance lease contracts is 8 years (2015: 6 years), and bear interest ranging from 2% above to 11% below the RMB five-year benchmark lending rate, or 5.98%. The cost of assets acquired under the finance leases amounted to US$80,428,000 (2015: US$119,687,000) as at 31 December 2016 (note 7(h)). The carrying value of the loan is not materially different from its fair value.

24 Other long term liabilities

	2016 US$'000	2015 US$'000
Deferred income	**30,675**	28,768
Others	**909**	1,686
	31,584	30,454
Less: current portion (note 25)	**–**	(219)
	31,584	30,235

25 Trade and other payables

	2016 US$'000	2015 US$'000 (Restated)
Trade payables (note a)		
– third parties	**23,602**	25,955
– fellow subsidiaries (note b)	**5,142**	175
– non-controlling shareholders of subsidiaries (note b)	**3,563**	3,124
– related companies (note b)	**568**	146
	32,875	29,400
Bills payables	**–**	4,001
	32,875	33,401
Accruals	**32,929**	36,220
Other payables	**97,139**	128,469
Current portion of other long term liabilities (note 24)	**–**	219
Dividend payable	**9**	7
Loans from a fellow subsidiary (note 23(b))	**9,256**	–
Loan from a joint venture (note c)	**40,147**	30,030
Loans from non-controlling shareholders of subsidiaries (note d)	**167,772**	104,275
Amounts due to (note b)		
– fellow subsidiaries	**3,104**	6,401
– non-controlling shareholders of subsidiaries	**12,413**	15,955
– joint ventures	**240**	10,256
– related companies	**71**	316
	395,955	365,549

25 Trade and other payables (Continued)

Notes:

(a) The ageing analysis of the trade payables and bills payables based on invoice date and issuance date respectively is as follows:

	2016 US$'000	2015 US$'000 (Restated)
Within 30 days	**14,603**	14,653
31-60 days	**1,619**	4,140
61-90 days	**9,248**	4,040
Over 90 days	**7,405**	10,568
	32,875	33,401

(b) The balances as at 31 December 2015 included an amount due to a fellow subsidiary of US$6,160,000, which was unsecured, interest bearing at the prevailing bank borrowing interest rate and was repayable according to the contracts signed between related parties. The whole amount was repaid during 2016. The remaining balances as at 31 December 2016 and 2015 are unsecured and interest free. Trading balances have similar credit periods granted as those of other third party suppliers while the other balances have no fixed terms of repayment.

(c) Loan from a joint venture of US$40,147,000 (2015: US$30,030,000) are unsecured, bear interest at 2.3% (2015: 3.5%) per annum and repayable within twelve months.

(d) Loans from non-controlling shareholders of subsidiaries are unsecured and repayable within twelve months. Balance of US$8,534,000 (2015: US$8,395,000) bears interest at 0.6% above 1-year US dollar London Interbank Offered Rate ("LIBOR") per annum. Balance of US$49,681,000 (2015: US$49,681,000) is interest free. Balances of US$57,661,000 and US$51,896,000 (31 December 2015: US$15,400,000 and US$30,799,000) bear interest at 3.9% and 3.5% respectively (31 December 2015: 6.0% and 4.1% respectively) per annum.

(e) The carrying amounts of trade and other payables are denominated in the following currencies:

	2016 US$'000	2015 US$'000 (Restated)
US dollar	**89,835**	122,686
Renminbi	**263,855**	187,411
Euro	**32,982**	41,632
Hong Kong dollar	**9,262**	12,664
Other currencies	**21**	1,156
	395,955	365,549

(f) The carrying amounts of trade and other payables approximate their fair values.

26 Other operating income

	2016 US$'000	2015 US$'000 (Restated)
Management fee and other service income	**4,479**	5,189
Dividends income from listed and unlisted available-for-sale financial assets	**4,245**	7,071
Write back of provision for impairment of trade receivables	**–**	3
Revaluation surplus of investment properties	**–**	1,208
Rental income from		
– investment properties	**600**	1,026
– buildings, leasehold land and land use rights	**645**	736
Gain on disposal of property, plant and equipment	**125**	301
Gain on disposal of a joint venture	**–**	482
Gain on disposal of an available-for-sale financial asset	**–**	3,326
Government subsidies	**5,237**	5,900
Others	**1,373**	3,691
	16,704	28,933

27 Operating profit

Operating profit is stated after charging the following:

	2016 US$'000	2015 US$'000 (Restated)
Charging:		
Amortisation of		
– land use rights	**5,020**	5,395
– intangible assets (note a)	**1,097**	967
– other non-current assets (note 16)	**1,573**	1,587
Depreciation of other owned property, plant and equipment	**90,783**	90,074
Exchange loss, net	**9,097**	13,179
Loss on disposal of property, plant and equipment and intangible assets	**452**	100
Auditors' remuneration		
– current year	**800**	660
– underprovision in prior year	**30**	–
Provision for impairment of trade receivables	**304**	110
Provision for impairment loss of an available-for-sale financial asset	**19,800**	–
Provision for inventories	**–**	88
Rental expense under operating leases of		
– land and buildings leased from third parties	**2,244**	2,286
– buildings leased from a fellow subsidiary	**1,724**	1,726
– buildings leased from a joint venture	**34**	33
– land use rights leased from non-controlling shareholders of subsidiaries	**2,673**	2,054
– plant and machinery leased from third parties	**53**	138
– Concession (note 16)	**38,840**	40,411
Total staff costs (including directors' emoluments and retirement benefit costs) (note b)	**190,117**	182,621

Notes:

(a) Amortisation of intangible assets is included in administrative expenses in the consolidated income statement.

(b) Total staff costs do not include the amounts of benefits in kind provided to the Company's directors and the Group's employees in respect of the Company's share options granted prior to 2005 and staff quarters. Details of the Company's share options are set out in note 21 to the consolidated financial statements.

28 Finance income and costs

	2016 US$'000	2015 US$'000 (Restated)
Finance income		
Interest income on		
– bank balances and deposits	**9,494**	14,946
– deposits with COSCO Finance	**540**	620
– deposits with CS Finance	**4**	30
– loans to joint ventures and associates	**4,829**	6,615
	14,867	22,211
Finance costs		
Interest expenses on		
– bank loans	**(29,702)**	(28,637)
– notes not wholly repayable within five years	**(13,128)**	(13,128)
– loans from COSCO Finance	**(4,456)**	(1,637)
– loans from CS Finance	**(646)**	(856)
– loans from and amount due to fellow subsidiaries (note 23(b), 25(b))	**(3,040)**	(6,381)
– loans from non-controlling shareholders of subsidiaries (note 25(d))	**(2,792)**	(5,447)
– loan from a joint venture (note 25(c))	**(872)**	(1,045)
Amortised amount of		
– discount on issue of notes	**(231)**	(253)
– transaction costs on bank loans and notes	**(313)**	(279)
	(55,180)	(57,663)
Less: amount capitalised in construction in progress (note 7(g))	**6,038**	5,993
	(49,142)	(51,670)
Other incidental borrowing costs and charges	**(3,000)**	(2,996)
	(52,142)	(54,666)
Net finance costs	**(37,275)**	(32,455)

29 Income tax expenses

	2016 US$'000	2015 US$'000 (Restated)
Current income tax		
– Hong Kong profits tax	**(903)**	(1,224)
– Mainland China taxation	**(22,877)**	(21,378)
– Overseas taxation	**(11,879)**	(12,963)
– (Under)/over provision in prior years	**(2,567)**	663
	(38,226)	(34,902)
Deferred income tax charge (note 15)	**(9,944)**	(7,537)
	(48,170)	(42,439)

The Group's share of income tax expenses of joint ventures and associates of US$34,209,000 (2015: US$32,622,000) and US$24,644,000 (2015: US$21,299,000) are included in the Group's shares of profits less losses of joint ventures and associates respectively. The deferred income tax charge mainly represents the withholding income tax in respect of the undistributed profits for the year of the Group's subsidiaries, joint ventures and associates.

Hong Kong profits tax was provided at a rate of 16.5% (2015: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

Below is a numerical reconciliation between income tax expenses in the consolidated income statement and aggregate tax expense at the domestic rates applicable to profits in respective territories concerned:

	2016 US$'000	2015 US$'000 (Restated)
Profit before income tax from continuing operations	**257,607**	333,126
Less: Share of profits less losses of joint ventures and associates from continuing operations	**(200,242)**	(221,139)
	57,365	111,987
Aggregate tax at domestic rates applicable to profits in respective territories concerned	**27,466**	24,194
Income not subject to income tax	**(8,903)**	(6,066)
Expenses not deductible for income tax purposes	**4,984**	2,059
Under/(over) provision in prior years	**2,567**	(663)
Utilisation of previously unrecognised tax losses	**(778)**	(84)
Tax losses not recognised	**3,342**	3,385
Withholding income tax upon distribution of profits and payment of interest	**19,549**	19,362
Tax effect of change in tax rate	**–**	(196)
Others	**(57)**	448
Income tax expenses	**48,170**	42,439

Except for the income tax US$2,403,000 relating to the reversal of deferred tax upon transfer from investment properties to property, plant and equipment, there was no income tax relating to components of other comprehensive income for the year ended 31 December 2016 and 2015.

30 Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2016	2015 (Restated)
Profit from continuing operations attributable to equity holders of the Company	**US$180,937,000**	US$267,312,000
Profit from discontinued operations attributable to equity holders of the Company	**US$66,094,000**	US$162,001,000
	US$247,031,000	US$429,313,000
Weighted average number of ordinary shares in issue	**2,976,420,791**	2,945,443,161
Basic earnings per share		
– from continuing operations	**US6.08 cents**	US9.08 cents
– from discontinued operations	**US2.22 cents**	US5.50 cents
	US8.30 cents	US14.58 cents

(b) Diluted

The outstanding share options granted by the Company did not have any dilutive effect on the earnings per share for the year ended 31 December 2016 and 2015 (as restated) respectively, and the diluted earnings per share for the year ended 31 December 2016 and 2015 (as restated) is equal to the basic earnings per share for the year ended 31 December 2016 and 2015 (as restated) respectively.

31 Distribution, dividends and special cash dividend

(a) Distribution

	2016 US$'000	2015 US$'000
Consideration in connection with the purchase of CSPD from fellow subsidiaries	**1,164,077**	–

31 Distribution, dividends and special cash dividend (Continued)

(b) Dividends and special cash dividend

	2016 US$'000	2015 US$'000
Conditional special cash dividend paid of US10.317 cents (2015: Nil) per ordinary share	**306,059**	–
Interim dividend paid of US2.320 cents (2015: US2.236 cents) per ordinary share	**68,894**	65,748
Final dividend proposed of US1.000 cents (2015: US2.948 cents) per ordinary share	**30,160**	87,454
Additional dividends paid on shares issued due to issue of scrip dividends and exercise of share options before the closure of register of members:		
– 2015 interim	**–**	17
	405,113	153,219

Note:

At a meeting held on 28 March 2017, the directors recommended the payment of a final dividend of HK7.8 cents (equivalent to US1.000 cents) per ordinary share. The proposed dividend will be payable in cash and with a scrip dividend alternative. This proposed final dividend is not reflected as dividend payable in these consolidated financial statements until it has been approved at the annual general meeting, but will be reflected as an appropriation of retained profits for the year ending 31 December 2017.

32 Retirement benefit costs

The retirement benefit costs charged to the consolidated income statement represent contributions payable by the Group to the retirement benefit schemes and amounted to US$10,668,000 (2015: US$10,140,000). Contributions totaling US$1,809,000 (2015: US$1,573,000) were payable to the retirement benefit schemes as at 31 December 2016 and were included in trade and other payables. No forfeited contributions were available as at 31 December 2016 and 31 December 2015 to reduce future contributions.

33 Directors' and management's emoluments

(a) Directors' emoluments

The aggregate amounts of emoluments paid to directors of the Company during the year are set out as follows:

	2016 US$'000	2015 US$'000
Fees	**295**	282
Salaries, housing and other allowances	**1,610**	1,403
Benefits in kind	**–**	4
Bonuses	**193**	308
Contributions to retirement benefit schemes	**2**	2
	2,100	1,999

Directors' fees disclosed above include US$224,000 (2015: US$216,000) paid to independent non-executive directors. The Company did not grant any share options during the year ended 31 December 2016 and 2015.

33 Directors' and management's emoluments (Continued)

(a) Directors' emoluments (Continued)

As at 31 December 2016, one (2015: one) director of the Company had 500,000 (2015: 500,000) share options which are exercisable at HK$19.30 per share granted by the Company under the 2003 Share Option Scheme.

For the year ended 31 December 2016, no (2015: Nil) share option was exercised.

Details and movements of share options granted and exercised during the year are set out in note 21 to the consolidated financial statements.

The directors' emoluments are analysed as follows:

		Year ended 31 December 2016								
Name of directors	Note	Fees US$'000	Salary US$'000	Discretionary bonuses US$'000	Housing and other allowances US$'000	Estimated money value of other benefits US$'000	Contributions to retirement benefit schemes US$'000	Remunerations paid or receivable in respect of accepting office as director US$'000	As management (note e) US$'000	Total US$'000
Mr. HUANG Xiaowen	(i)	–	–	–	–	–	–	–	–	–
Mr. ZHANG Wei (張為)	(ii)	5	503	–	15	–	–	–	–	523
Mr. FANG Meng	(iii)	–	171	–	15	–	–	–	–	186
Mr. DENG Huangjun	(iv)	–	252	18	18	–	–	–	–	288
Mr. FENG Boming	(v)	4	–	–	–	–	–	–	–	4
Mr. ZHANG Wei (張煒)	(v)	4	–	–	–	–	–	–	–	4
Mr. CHEN Dong	(v)	4	–	–	–	–	–	–	–	4
Mr. XU Zunwu	(v)	4	–	–	–	–	–	–	–	4
Mr. WANG Haimin	(vi)	15	–	–	–	–	–	–	–	15
Dr. WONG Tin Yau, Kelvin		–	356	91	18	–	2	–	–	467
Dr. FAN HSU Lai Tai, Rita		50	–	–	–	–	–	–	–	50
Mr. Adrian David LI Man Kiu		57	–	–	–	–	–	–	–	57
Mr. FAN Ergang		34	–	–	–	–	–	–	–	34
Mr. LAM Yiu Kin	(vii)	40	–	–	–	–	–	–	–	40
Prof. CHAN Ka Lok	(v)	9	–	–	–	–	–	–	–	9
Mr. WAN Min	(viii)	–	–	–	–	–	–	–	–	–
Mr. QIU Jinguang	(ix)	–	239	84	23	–	–	–	–	346
Mr. TANG Runjiang	(x)	9	–	–	–	–	–	–	–	9
Mr. FENG Bo	(xi)	13	–	–	–	–	–	–	–	13
Mr. WANG Wei	(xi)	13	–	–	–	–	–	–	–	13
Mr. IP Sing Chi	(xi)	34	–	–	–	–	–	–	–	34
		295	1,521	193	89	–	2	–	–	2,100

33 Directors' and management's emoluments (Continued)

(a) Directors' emoluments (Continued)

The directors' emoluments are analysed as follows:

		Year ended 31 December 2015								
Name of directors	Note	Fees US$'000	Salary US$'000	Discretionary bonuses US$'000	Housing and other allowances US$'000	Estimated money value of other benefits US$'000	Contributions to retirement benefit schemes US$'000	Remunerations paid or receivable in respect of accepting office as director US$'000	As management (note e) US$'000	Total US$'000
Mr. ZHANG Wei (張為)	(ii)	6	–	–	–	–	–	–	–	6
Mr. DENG Huangjun	(iv)	–	53	–	10	–	–	–	–	63
Mr. WANG Haimin	(vi)	15	21	77	2	4	–	–	–	119
Dr. WONG Tin Yau, Kelvin		–	356	77	18	–	2	–	–	453
Dr. FAN HSU Lai Tai, Rita		50	–	–	–	–	–	–	–	50
Mr. Adrian David LI Man Kiu		57	–	–	–	–	–	–	–	57
Mr. FAN Ergang		34	–	–	–	–	–	–	–	34
Mr. LAM Yiu Kin	(vii)	17	–	–	–	–	–	–	–	17
Mr. LI Yunpeng	(xii)	–	–	–	–	–	–	–	–	–
Mr. WAN Min	(viii)	–	–	–	–	–	–	–	–	–
Mr. QIU Jinguang	(ix)	–	716	77	18	–	–	–	–	811
Mr. FENG Jinhua	(xiii)	–	200	77	9	–	–	–	–	286
Mr. TANG Runjiang	(x)	15	–	–	–	–	–	–	–	15
Mr. FENG Bo	(xi)	15	–	–	–	–	–	–	–	15
Mr. WANG Wei	(xi)	15	–	–	–	–	–	–	–	15
Mr. IP Sing Chi	(xi)	41	–	–	–	–	–	–	–	41
Mr. Timothy George FRESHWATER	(xiv)	17	–	–	–	–	–	–	–	17
		282	1,346	308	57	4	2	–	–	1,999

Notes:

(i) appointed as Chairman of the Board and a non-executive director on 29 March 2016

(ii) appointed as a non-executive director on 14 August 2015, re-designated from a non-executive director to an executive director and appointed as Vice Chairman of the Board and Managing Director on 27 April 2016

(iii) appointed on 27 April 2016

(iv) appointed on 16 October 2015

(v) appointed on 24 October 2016

(vi) re-designated from an executive director to a non-executive director and resigned as a Deputy Managing Director on 21 January 2015

(vii) appointed on 14 August 2015

(viii) resigned on 29 March 2016

(ix) resigned on 27 April 2016

33 Directors' and management's emoluments (Continued)

(a) Directors' emoluments (Continued)

(x) resigned on 7 July 2016

(xi) resigned on 24 October 2016

(xii) resigned on 21 January 2015

(xiii) resigned on 16 October 2015

(xiv) retired on 14 May 2015

The above analysis includes two (2015: two) directors whose emoluments were among the five highest in the Group.

(b) Management's emoluments

Details of the aggregate emoluments paid to three (2015: three) individuals whose emoluments were the highest in the Group and have not been included in the directors' emoluments above are set out below:

	2016 US$'000	2015 US$'000
Salaries and other allowances	**884**	884
Bonuses	**280**	239
Contributions to retirement benefit schemes	**6**	6
	1,170	1,129

The emoluments of the highest paid individuals fell within the following bands:

	Number of individuals	
	2016	2015
Emolument bands		
US$322,158-US$386,589 (HK$2,500,001-HK$3,000,000)	**1**	2
US$386,590-US$451,021 (HK$3,000,001-HK$3,500,000)	**2**	1
	3	3

(c) During the year, no emolument had been paid by the Group to the directors or the five highest paid individuals as compensation for loss of office. No directors waived or agreed to waive any emoluments during the year.

(d) No significant transactions, arrangements and contracts in relation to the group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

(e) The amounts represented emoluments paid or receivable in respect of a person's other services in connection with the management of the affairs of the Company or its subsidiary undertakings and included salaries, discretionary bonuses, employer's contributions to retirement benefit schemes and housing allowance.

34 Financial guarantee contracts

The financial guarantees issued by the Group as at 31 December 2016 are analysed as below:

	2016 US$'000	2015 US$'000 (Restated)
Bank guarantees to a joint venture	**9,110**	2,464

The directors of the Company consider that it is not probable for a claim to be made against the Group under any of these guarantees as at the balance sheet date.

The fair value of the guarantee contracts is not material and has not been recognised.

35 Capital commitments

The Group has the following significant capital commitments as at 31 December 2016:

	2016 US$'000	2015 US$'000 (Restated)
Contracted but not provided for		
– Investments (note)	**671,956**	556,675
– Other property, plant and equipment	**591,399**	314,729
	1,263,355	871,404

The Group's share of capital commitments of the joint ventures themselves not included in the above are as follows:

	2016 US$'000	2015 US$'000 (Restated)
Contracted but not provided for	**60,121**	5,636

Note:

The capital commitments in respect of investments of the Group as at 31 December 2016 are as follows:

	2016 US$'000	2015 US$'000 (Restated)
Contracted but not provided for		
Investments in:		
– QQCT	**64,997**	64,997
– Antwerp Gateway NV	**44,548**	39,726
– Dalian Port Container Terminal Co., Ltd.	**42,093**	44,967
– Tianjin Port Euroasia International Container Terminal Co., Ltd.	**101,196**	108,106
– Qingdao Port Dongjiakou Ore Terminal Co, Ltd.	**86,493**	92,399
– APMT Vado Holding B.V.	**55,880**	–
– Others	**214,453**	139,931
	609,660	490,126
Terminal projects in:		
– Shanghai Yangshan Port Phase II	**57,662**	61,599
– Others	**4,634**	4,950
	62,296	66,549
	671,956	556,675

36 Operating lease arrangements/commitments

(a) Operating lease arrangements – where the Group is the lessor

As at 31 December 2016, the Group had future minimum lease receipts under non-cancellable operating leases as follows:

	2016 US$'000	2015 US$'000
Containers		
– not later than one year	**–**	203,549
– later than one year and not later than five years	**–**	494,068
– later than five years	**–**	165,745
	–	863,362
Generator sets		
– not later than one year	**–**	366
– later than one year and not later than five years	**–**	546
– later than five years	**–**	21
	–	933
Plant and machinery		
– not later than one year	**–**	452
– later than one year and not later than five years	**–**	52
	–	504
Buildings, leasehold land and land use rights		
– not later than one year	**417**	3,040
– later than one year and not later than five years	**623**	1,396
– later than five years	**234**	350
	1,274	4,786
Investment properties		
– not later than one year	**21**	155
– later than one year and not later than five years	**26**	77
	47	232
	1,321	869,817

The future lease receipts above do not include those lease contracts with the amount of future lease receipts depends on the timing of pick up and drop off of containers by lessees during the lease period of the contracts. After the disposal of FCHL in 2016, there are no further receipts related to containers.

36 Operating lease arrangements/commitments (Continued)

(b) Operating lease commitments – where the Group is the lessee

As at 31 December 2016, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	2016 **US$'000**	2015 US$'000 (Restated)
Buildings, leasehold land and land use rights		
– not later than one year	**4,471**	7,476
– later than one year and not later than five years	**1,345**	6,754
– later than five years	**–**	2
	5,816	14,232
Plant and machinery		
– not later than one year	**9**	42
– later than one year and not later than five years	**9**	13
	18	55
Containers (note)		
– not later than one year	**–**	34,036
– later than one year and not later than five years	**–**	49,510
	–	83,546
Concession (note 16)		
– not later than one year	**53,680**	46,878
– later than one year and not later than five years	**332,176**	275,389
– later than five years	**4,210,150**	2,311,156
	4,596,006	2,633,423
	4,601,840	2,731,256

Note:

The Group had entered into operating lease agreements from 2008 to 2014 for the disposal of certain containers and agreed to lease back these containers from the purchasers with lease terms of five to six years each. The lessors calculated the rent payable by the Group, which was determined on the terms agreed among the parties.

Pursuant to the operating lease agreement entered into in 2008, the lessor has granted a lease extension option to the Group, which must be exercised by the Group at least six months but not more than eight months from the expiry date of the original term. If exercised, the lease term of all containers under the operating lease agreement will be extended for a further term of five years from the original expiry date. During 2012, the Group has exercised the lease extension option with same terms. The new expiry date of this operating lease agreement is in July 2018.

After the disposal of FCHL in 2016, there are no further operating lease commitments related to containers.

37 Notes to the consolidated cash flow statement

(a) Reconciliation of profit before income tax to cash generated from operations

	2016 US$'000	2015 US$'000 (Restated)
Profit before income tax including discontinued operations	**324,529**	499,922
Write back of provision	**–**	(79,152)
Depreciation and amortisation	**133,283**	222,826
Interest expenses	**51,972**	64,340
Amortised amount of		
– discount on issue of notes	**231**	253
– transaction costs on bank loans and notes	**914**	3,158
Other incidental borrowing costs and charges	**3,000**	2,996
Provision for impairment of trade receivables	**413**	1,084
Provision for inventories	**–**	1,204
Write off of inventories	**–**	10
Loss/(gain) on disposal of property, plant and equipment, net	**160**	(1,281)
Dividends income from unlisted available-for-sale financial assets	**(1,225)**	(1,371)
Dividends income from listed available-for-sale financial assets	**(3,020)**	(5,700)
Gain on disposal of a subsidiary	**(59,021)**	–
Gain on disposal of a joint venture	**–**	(482)
Gain on disposal of an available-for-sale financial asset	**–**	(3,326)
Provision for impairment loss of an available-for-sale financial asset	**19,800**	–
Revaluation surplus of investment properties	**–**	(1,219)
Write back of provision for impairment of trade receivables	**(1,247)**	(895)
Interest income	**(14,943)**	(22,972)
Share of profits less losses of		
– joint ventures	**(112,081)**	(118,133)
– associates	**(88,161)**	(103,006)
Operating profit before working capital changes	**254,604**	458,256
Decrease/(increase) in finance lease receivables	**6,665**	(9,833)
Increase in prepaid agency fee for finance lease	**–**	(16)
Decrease in rent receivable collected on behalf of owners of managed containers	**–**	5,983
Decrease in inventories	**9,649**	15,161
Decrease/(increase) in trade and other receivables	**32,106**	(28,812)
Decrease in amounts due from fellow subsidiaries	**18,161**	35,601
Decrease/(increase) in amount due from an associate	**2,238**	(179)
Increase in amounts due from joint ventures	**(100)**	–
Decrease in amounts due from non-controlling shareholders of subsidiaries	**170**	1,303
Decrease in trade and other payables	**(3,960)**	(10,135)
Decrease in payables to owners of managed containers	**(2,048)**	(7,607)
Increase in amounts due to fellow subsidiaries	**717**	374
Increase/(decrease) in amounts due to joint ventures	**98**	(147)
(Decrease)/increase in amounts due to related companies	**(235)**	304
(Decrease)/increase in amounts due to non-controlling shareholders of subsidiaries	**(6,436)**	697
Increase in other long term liabilities	**1,913**	2,164
Cash generated from operations	**313,542**	463,114

37 Notes to the consolidated cash flow statement (Continued)

(b) Analysis of the balances of cash and cash equivalents

	2016 US$'000	2015 US$'000 (Restated)
Total time deposits, bank balances and cash (note i)	**837,100**	924,191
Restricted bank deposits included in current assets	**(2,868)**	(1,020)
	834,232	923,171
Representing:		
Time deposits	**658,396**	701,527
Bank balances and cash	**83,474**	147,277
Balance placed with COSCO Finance (note iv)	**92,358**	69,806
Balance placed with CS Finance (note v)	**4**	4,561
	834,232	923,171

Notes:

(i) As at 31 December 2016, cash and cash equivalents of US$37,053,000 (2015: US$103,691,000) of the Group denominated in Renminbi and US dollar were held by certain subsidiaries with bank accounts operating in the PRC where exchange controls apply.

(ii) The carrying amounts of time deposits, bank balances and cash are denominated in the following currencies:

	2016 US$'000	2015 US$'000 (Restated)
US dollar	**605,764**	437,212
Renminbi	**161,768**	424,628
Euro	**24,012**	15,922
Hong Kong dollar	**42,668**	43,770
Other currencies	**20**	1,639
	834,232	923,171

(iii) Under the circumstances that the terms and conditions as included in the loan agreement were not met, bank balances of US$23,348,000 (2015: US$14,692,000) would be pledged as security for a banking facility granted to the Group (note 22(g)). As at 31 December 2016, there was no violation of the terms and conditions of this loan and thus such bank balances were not pledged.

(iv) Balances placed with COSCO Finance, a fellow subsidiary of the Group, bear interest at prevailing market rates.

(v) Balances placed with CS Finance, a fellow subsidiary of the Group, bear interest at prevailaing market rates.

38 Discontinued operation

On 24 March 2016 ("Completion Date"), the Company completed the disposal of all the issued shares in FCHL (representing the container leasing, management and sales, and related businesses of the Group) to CSDHK for a total consideration of US$1,241,032,000. The FCHL's shareholder's loans in the aggregate sum of US$285,000,000 were transferred on the same day to CSDHK at the consideration of US$285,000,000. Upon completion of the disposal, FCHL ceased to be a subsidiary of the Company. Given that FCHL represented a separate major line of business with separately identifiable operations and cash flows before the disposal, it is classified as discontinued operation in the consolidated financial statements.

The details of the net assets of discontinued operation as at the Completion Date are as follows:

	US$'000
Property, plant and equipment	2,067,353
Investment properties	3,693
Land use rights	100
Intangible assets	1,462
Finance lease receivables	87,004
Deferred income tax assets	618
Other non-current assets	4,811
Inventories	4,616
Trade and other receivables	74,929
Cash and cash equivalents	102,128
Trade and other payables	(24,112)
Current income tax liabilities	(7,846)
Current portion of long term liabilities	(32,104)
Loans from immediate holding company	(285,000)
Other long term liabilities	(758,956)
Loan from a non-controlling shareholder	(50,000)
Net assets	1,188,696
Less: non-controlling interests	(5,702)
Net assets disposed of	1,182,994
Release of reserves upon disposal	(983)
	1,182,011
Sales proceeds – cash received	1,223,725
– price adjustment	17,307
	1,241,032
Gain on disposal of a subsidiary	59,021
Satisfied by:	
Cash consideration received	1,223,725
Assignment of shareholder's loans	285,000
Total consideration received	1,508,725
Less: cash and cash equivalents of a subsidiary disposed of	(102,128)
Net cash inflow on disposal of a subsidiary	1,406,597

38 Discontinued operation (Continued)

The results and cash flows of discontinued operation are as follows:

	For the period from 1 January 2016 to Completion Date US$'000	Year ended 31 December 2015 US$'000
Revenues	**73,073**	315,675
Expenses	**(65,172)**	(228,031)
Profit before income tax	**7,901**	87,644
Income tax expenses	**(375)**	(2,771)
Profit for the year	**7,526**	84,873
Gain on disposal of a subsidiary	**59,021**	–
	66,547	84,873
Profit attributable to:		
– Equity holders of the Company	**66,094**	82,849
– Non-controlling interests	**453**	2,024
	66,547	84,873
Net cash generated from operating activities	**52,903**	215,185
Net cash used in investing activities	**(274,252)**	(260,195)
Net cash generated from/(used in) financing activities	**193,524**	(77,087)
Net decrease in cash and cash equivalents	**(27,825)**	(122,097)
Cash and cash equivalents at beginning of year	**129,835**	253,181
Exchange difference	**118**	(1,249)
Cash and cash equivalents at end of year	**102,128**	129,835

39 Related party transaction

The Group is controlled by COSCO SHIPPING Holdings which owns 46.72% of the Company's shares as at 31 December 2016. The parent company of COSCO SHIPPING Holdings is COSCO, and the parent company of COSCO is COSCO SHIPPING.

COSCO SHIPPING is controlled by the PRC government, which also owns a significant portion of the productive assets in the PRC. Government related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government, are also defined as related parties of the Group. On that basis, related parties include COSCO SHIPPING and its subsidiaries, other government related entities and their subsidiaries, other entities and corporations in which the Company is able to control or exercise significant influence and key management personnel of the Company and COSCO SHIPPING as well as their close family members.

For the purpose of the related party transaction disclosures, the Directors believe that it is meaningful to disclose the related party transactions with COSCO SHIPPING group companies for the interests of financial statements' users, although certain of those transactions which are individually or collectively not significant, and are exempted from disclosure upon adoption of HKAS 24 (Revised). The Directors believe that the information of related party transactions has been adequately disclosed in the consolidated financial statements.

In addition to those disclosed elsewhere in the consolidated financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties during the year.

39 Related party transaction (Continued)

(a) Continuing operations

Sales/purchases of goods, services and investments

	2016 US$'000	2015 US$'000 (Restated)
Handling, storage and transportation income from fellow subsidiaries (note i, xv)	**949**	1,672
Management fee and service fee income from (note ii, xv)		
– joint ventures	**3,867**	4,373
– associates	**597**	616
– an investee company	**90**	100
Terminal handling and storage income received from (note iii, xv)		
– fellow subsidiaries	**87,893**	89,608
– non-controlling shareholders of subsidiaries	**48,331**	43,572
Container handling and logistics service fees to non-controlling shareholders of subsidiaries (note iv, xv)	**(14,602)**	(17,139)
Electricity and fuel expenses paid to (note v, xv)		
– fellow subsidiaries	**(1,209)**	(1,072)
– non-controlling shareholders of subsidiaries	**(8,169)**	(6,279)
Finance lease charges paid to a fellow subsidiary (note vi)	**(2,099)**	–
Handling, storage and maintenance expenses paid to fellow subsidiaries (note vii, xv)	**(2,186)**	(2,619)
High-frequency communication fee to a non-controlling shareholder of a subsidiary (note viii, xv)	**(80)**	(128)
Rental expenses paid to (note ix, xv)		
– fellow subsidiaries	**(1,748)**	(2,344)
– non-controlling shareholders of subsidiaries	**(4,423)**	(5,176)

(b) Discountinued operation

Sales/purchases of goods, services and investments

	2016 US$'000	2015 US$'000 (Restated)
Continer rental income from fellow subsidiaries (note x, xv)		
– long term leases	**38,005**	170,325
– short term lease	**353**	1,226
Compensation for loss of containers from a fellow subsidiary (note xi, xv)	**2,370**	383
Handling, storage and maintenance expenses to fellow subsidiaries (note vii, xv)	**(233)**	(579)
Container freight charges to (note xii, xv)		
– fellow subsidiaries	**–**	(53)
– subsidiaries of CIMC	**(52)**	(878)
Approved continual examination program fees to a fellow subsidiary (note xiii)	**–**	(1,300)
Purchase of containers from (note xiv)		
– fellow subsidiaries	**–**	(14,804)
– subsidiaries of CIMC	**–**	(163,883)

39 Related party transaction (Continued)

Notes:

(i) The handling, storage and transportation income received from fellow subsidiaries of the Group were at terms as set out in the agreements entered into between the Group and these fellow subsidiaries.

(ii) The Group provided advisory and management services to COSCO-HIT Terminals (Hong Kong) Limited, a joint venture of the Group, during the year. Management fee was charged and agreed at HK$20,000,000 (equivalent to US$2,577,000) (2015: HK$20,000,000 (equivalent to US$2,580,000)) per annum.

Other management fee and service fee income charged to joint ventures, associates and an investee company were agreed between the Group and the respective parties in concern.

(iii) The terminal handling and storage income received from fellow subsidiaries and non-controlling shareholders of subsidiaries in relation to the cargoes shipped from/to Zhangjiagang, Yangzhou, Quanzhou, Jinjiang, Xiamen, Nansha, Lianyungang and Jinzhou were charged at rates by reference to rates as set out by the Ministry of Communications of the PRC.

The container terminal handling and storage income received from fellow subsidiaries in relation to the cargoes shipped from/to Piraeus Ports were charged at rates as mutually agreed.

(iv) The container handling and logistics service fees paid to non-controlling shareholders of subsidiaries were charged at rates as mutually agreed.

(v) Electricity and fuel expenses paid to fellow subsidiaries and non-controlling shareholders of subsidiaries were charged at rates as mutually agreed.

(vi) Finance lease charges paid to a fellow subsidiary were charged at rates as matually agreed.

(vii) Handling, storage and maintenance expenses paid to fellow subsidiaries were charged at rates as mutually agreed.

(viii) High-frequency communication fee paid to a non-controlling shareholder of a subsidiary were charged at rates as mutually agreed.

(ix) Rental expenses paid to fellow subsidiaries and non-controlling shareholders of subsidiaries were charged at rates as mutually agreed.

(x) The Group conducts long term container leasing business with COSCO SHIPPING Lines Co., Ltd. (formerly known as COSCO Container Lines Company Limited) ("COSCO SHIPPING Lines"). During the two years ended 31 December 2015 and 2016, the Group entered into new long term container leasing contracts/arrangements with COSCO SHIPPING Lines. The Group's long term container leasing transactions with COSCO SHIPPING Lines during the year were conducted by reference to, if applicable, the average of the available leasing rates quoted from five (2015: five) independent container leasing companies and in the ordinary and normal course of the business of the Group.

The other container leasing businesses with COSCO SHIPPING Lines and other subsidiaries of COSCO were conducted at terms as agreed between the Group and respective parties in concern.

(xi) During the year the Group had compensation received and receivable of US$2,370,000 (2015: US$383,000) from COSCO SHIPPING Lines for the loss of containers under operating leases, resulting in a profit of US$6,000 (2015: a profit of US$48,000).

(xii) The container freight charges paid to fellow subsidiaries and subsidiaries of CIMC for container repositioning services rendered to the Group were charged at rates as mutually agreed.

(xiii) Approved continuous examination program fees of US$1,300,000 to COSCO SHIPPING Lines in connection with the containers leased to COSCO SHIPPING Lines on a long term basis were agreed between the Group and COSCO SHIPPING Lines for the year ended 31 December 2015.

(xiv) The purchases of containers from fellow subsidiaries and subsidiaries of CIMC were conducted at terms as set out in the agreements entered into between the Group and the respective parties in concern.

(xv) The transactions represent continuing connected transactions which has complied with the disclosure requirements in accordance with Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange ("the Listing Rules").

39 Related party transaction (Continued)

(c) Key management compensation

	2016 US$'000	2015 US$'000 (Restated)
Fees	**5**	15
Salaries, bonuses and other allowances	**3,546**	3,688
Contributions to retirement benefit schemes	**60**	111
	3,611	3,814

Key management includes directors of the Company and six (2015: nine) senior management members of the Group.

The emoluments of the senior management members fell within the following bands:

	Number of individuals 2016	 2015 (Restated)
Emolument bands		
US$64,432-US$128,862 (HK$500,000-HK$1,000,000)	**–**	2
US$128,863-US$257,725 (HK$1,000,001-HK$2,000,000)	**2**	3
US$257,726-US$322,157 (HK$2,000,001-HK$2,500,000)	**1**	1
US$322,158-US$386,589 (HK$2,500,001-HK$3,000,000)	**1**	2
US$386,590-US$451,021 (HK$3,000,001-HK$3,500,000)	**2**	1
	6	9

40 Event after balance sheet date

On 20 January 2017, Shanghai China Shipping Terminal Development Co., Ltd ("SCSTD", a wholly owned subsidiary of the Company) and Qingdao Port International Co., Ltd ("QPI") entered into an agreement, pursuant to which SCSTD has conditionally agreed to subscribe for 1,015,520,000 non-circulating domestic shares in QPI at a total consideration of RMB5,798,619,200 (equivalent to approximately US$835,897,000, being RMB5.71 per share), of which RMB3,198,650,840 (equivalent to approximately US$461,100,000) will be settled by the transfer of a 20% equity interest in QQCT to QPI and the remaining RMB2,599,968,360 (equivalent to approximately US$374,797,000) will be settled in cash. As at the reporting date, the subscription and disposal were not completed.

41 Balance sheet and reserve movement of the Company

	Note	2016 US$'000	2015 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**149**	186
Subsidiaries		**5,252,031**	2,898,539
Amounts due from subsidiaries		**208,782**	91,710
		5,460,962	2,990,435
Current assets			
Other receivables		**628**	2,417
Amounts due from subsidiaries		**2,197,718**	1,823,706
Amount due from a fellow subsidiary		**17,307**	–
Cash and cash equivalents		**632,977**	389,310
		2,848,630	2,215,433
Total assets		**8,309,592**	5,205,868
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital		**38,728**	38,090
Reserves	(a)	**4,166,186**	3,282,478
Total equity		**4,204,914**	3,320,568
LIABILITIES			
Non-current liabilities			
Long term borrowings		**467,709**	395,600
Current liabilities			
Other payables		**14,566**	9,214
Current income tax liabilities		**91**	–
Loan from a subsidiary		**296,610**	296,610
Amounts due to subsidiaries		**3,323,588**	1,183,876
Amounts due to fellow subsidiaries		**2,114**	–
		3,636,969	1,489,700
Total liabilities		**4,104,678**	1,885,300
Total equity and liabilities		**8,309,592**	5,205,868

41 Balance sheet and reserve movement of the Company (Continued)

Note (a) Reserve movement of the Company

	Share Premium US$'000	Contributed surplus (note) US$'000	Share option reserve US$'000	Retained profits US$'000	Total US$'000
At 1 January 2016	**1,643,261**	**414,214**	**8,254**	**1,216,749**	**3,282,478**
Profit for the year	**–**	**–**	**–**	**1,294,970**	**1,294,970**
Issue of shares on settlement of scrip dividends	**51,145**	**–**	**–**	**–**	**51,145**
Transfer of reserve upon lapse of share options	**–**	**–**	**(1,933)**	**1,933**	**–**
Dividends					
– Conditional special cash dividends	**–**	**–**	**–**	**(306,059)**	**(306,059)**
– 2015 final	**–**	**–**	**–**	**(87,454)**	**(87,454)**
– 2016 interim	**–**	**–**	**–**	**(68,894)**	**(68,894)**
At 31 December 2016	**1,694,406**	**414,214**	**6,321**	**2,051,245**	**4,166,186**
Representing:					
Reserves	**1,694,406**	**414,214**	**6,321**	**2,021,085**	**4,136,026**
2016 final dividend proposed	**–**	**–**	**–**	**30,160**	**30,160**
At 31 December 2016	**1,694,406**	**414,214**	**6,321**	**2,051,245**	**4,166,186**
At 1 January 2015	1,609,779	414,214	8,419	1,165,676	3,198,088
Profit for the year	–	–	–	175,129	175,129
Issue of shares on settlement of scrip dividends	33,482	–	–	–	33,482
Transfer of reserve upon lapse of share options	–	–	(165)	165	–
Dividends					
– 2014 final	–	–	–	(58,456)	(58,456)
– 2015 interim	–	–	–	(65,765)	(65,765)
At 31 December 2015	1,643,261	414,214	8,254	1,216,749	3,282,478
Representing:					
Reserves	1,643,261	414,214	8,254	1,129,295	3,195,024
2015 final dividend proposed	–	–	–	87,454	87,454
At 31 December 2015	1,643,261	414,214	8,254	1,216,749	3,282,478

Note:

The contributed surplus of the Company represents the difference between the nominal value of the Company's shares issued in exchange for the issued share capital and the net asset value of the subsidiaries acquired. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to shareholders.

42 Business combination under common control

The Group adopts merger accounting for common control combination in respect of the acquisition of subsidiaries as mentioned in note 1. Statements of adjustments for business combinations under common control on the Group's financial position as at 31 December 2016 and 31 December 2015 and the results for the year ended 31 December 2016 and 31 December 2015 are summarised as follows:

	The Group before the acquired subsidiary US$'000	Acquired subsidiary US$'000	Note	Adjustments US$'000	Total US$'000
Year ended 31 December 2016					
Continuing operations					
Revenues	494,846	61,531		–	556,377
Profit before income tax	229,869	26,823	(i)	915	257,607
Income tax	(41,960)	(5,563)	(i)	(647)	(48,170)
Profit for the year	187,909	21,260		268	209,437
As at 31 December 2016					
ASSETS					
Non-current assets	5,879,000	1,023,804	(ii), (iv)	(1,111,856)	5,790,948
Current assets	940,806	67,678	(ii), (iii)	(12,976)	995,508
Total assets	6,819,806	1,091,482		(1,124,832)	6,786,456
EQUITY					
Capital and reserves					
Share capital	38,728	1,112,304	(iv)	(1,112,304)	38,728
Reserves	4,517,028	(155,028)	(ii), (iv)	(45,867)	4,316,133
	4,555,756	957,276		(1,158,171)	4,354,861
Non-controlling interests	301,103	68,622	(ii)	41,218	410,943
Total equity	4,856,859	1,025,898		(1,116,953)	4,765,804
LIABILITIES					
Non-current liabilities	1,149,989	33,909	(ii)	811	1,184,709
Current liabilities	812,958	31,675	(ii), (iii)	(8,690)	835,943
Total liabilities	1,962,947	65,584		(7,879)	2,020,652
Total equity and liabilities	6,819,806	1,091,482		(1,124,832)	6,786,456

42 Business combination under common control (Continued)

	As previously reported US$'000	Acquired subsidiary US$'000	Note	Adjustments US$'000	Total US$'000
Year ended 31 December 2015					
Continuing operations					
Revenues	486,747	63,470		–	550,217
Profit before income tax	277,070	54,838	(i)	1,218	333,126
Income tax	(38,382)	(3,529)	(i)	(528)	(42,439)
Profit for the year	238,688	51,309		690	290,687
As at 31 December 2015					
ASSETS					
Non-current assets	6,510,725	1,078,921	(ii)	45,667	7,635,313
Current assets	1,160,849	62,338	(ii), (iii)	2,145	1,225,332
Total assets	7,671,574	1,141,259		47,812	8,860,645
EQUITY					
Capital and reserves					
Share capital	38,090	1,112,304	(iv)	(1,112,304)	38,090
Reserves	4,824,774	(134,168)	(ii), (iv)	1,120,385	5,810,991
	4,862,864	978,136		8,081	5,849,081
Non-controlling interests	309,996	68,023	(ii)	39,976	417,995
Total equity	5,172,860	1,046,159		48,057	6,267,076
LIABILITIES					
Non-current liabilities	1,886,201	39,436	(ii)	596	1,926,233
Current liabilities	612,513	55,664	(ii), (iii)	(841)	667,336
Total liabilities	2,498,714	95,100		(245)	2,593,569
Total equity and liabilities	7,671,574	1,141,259		47,812	8,860,645

Notes:

(i) Adjustments to adjust the profit and tax in relation to reclassification of certain investments after acquisition of the Acquired Subsidiary.

(ii) Adjustments for reclassification of certain investments after acquisition of the Acquired Subsidiary.

(iii) Adjustments to eliminate the inter-group balances as at 31 December 2016 and 31 December 2015.

(iv) Adjustments to eliminate the investment cost, share capital of the Acquired Subsidiary against reserves.

No other significant adjustment were made to the net assets and net profit of any entities or business as a result of the common control combination to achieve consistency of accounting policies.

43 Details of subsidiaries

Details of the subsidiaries as at 31 December 2016 are as follows:

	Name	Place of incorporation/ establishment	Place of operation	Principal activities	Issued share capital/ paid-up capital	Group equity interest 2016	2015
2, 6	Allgood International Limited	British Virgin Islands	Hong Kong	Inactive	1 ordinary share of US$1	–	100.00%
2	Cheer Dragon Investment Limited	Hong Kong	Hong Kong	Investment holding	HK$3 divided into 3 ordinary shares	**66.67%**	66.67%
	Cheer Hero Development Limited	Hong Kong	Hong Kong	Container handling, storage and stevedoring	HK$100,000 divided into 10,000 ordinary shares	**77.00%**	77.00%
1	China Shipping Ports Development Co., Limited	Hong Kong	Hong Kong	Investment holding	HK$8,620,135,795 divided into 5,679,542,724 ordinary shares	**100.00%**	100.00%
2,3	China Shipping Terminal Development Co., Limited	PRC	PRC	Investment holding	RMB4,286,531,586	**100.00%**	100.00%
	COSCO Container Services Limited	Hong Kong	Hong Kong	Investment holding, depot handling, storage and container repairing	HK$2 divided into 2 ordinary shares	**100.00%**	100.00%
1, 2, 3	COSCO Pacific (China) Investments Co., Ltd.	PRC	PRC	Investment holding	US$147,000,000	**100.00%**	100.00%
1,6	COSCO Pacific Finance (2003) Company Limited	British Virgin Islands	Hong Kong	Financing	1 ordinary share of US$1	–	100.00%
1	COSCO Pacific Finance (2013) Company Limited	British Virgin Islands	Hong Kong	Financing	1 ordinary share of US$1	**100.00%**	100.00%
1	COSCO Pacific Limited (formerly known as COSCO Ports (Zhenjiang Terminal) Limited)	Hong Kong	Hong Kong	Inactive	HK$1 divided into 1 ordinary share	**100.00%**	100.00%
1, 2,6	COSCO Pacific Logistics Company Limited	British Virgin Islands	Hong Kong	Inactive	1 ordinary share of US$1	–	100.00%
1, 2	COSCO Pacific Nominees Limited	British Virgin Islands	Hong Kong	Provision of nominee services	1 ordinary share of US$1	**100.00%**	100.00%
6	COSCO Pacific Properties Limited	British Virgin Islands	Hong Kong	Property holding	1 ordinary share of US$1	–	100.00%
1	COSCO Ports (ACT) Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%

43 Details of subsidiaries (Continued)

Name	Place of incorporation/ establishment	Place of operation	Principal activities	Issued share capital/ paid-up capital	Group equity interest 2016	2015
2 COSCO Ports (Antwerp) NV	Belgium	Belgium	Investment holding	Euro61,500 divided into 2 shares with no face value	**100.00%**	100.00%
1 COSCO Ports (Belgium) Limited	Hong Kong	Hong Kong	Investment holding	HK$1 divided into 1 ordinary share	**100.00%**	100.00%
1, 2 COSCO Ports (Dalian) Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%
1, 2 COSCO Ports (Dalian RoRo) Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%
2, 6 COSCO Ports (Europe) Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US$1	**–**	100.00%
2, 6 COSCO Ports (Fuzhou) Limited	British Virgin Islands	Hong Kong	Inactive	1 ordinary share of US$1	**–**	100.00%
1, 2 COSCO Ports (Greece) S.à r.l.	Luxembourg	Luxembourg	Investment holding	Euro512,500	**100.00%**	100.00%
2 COSCO Ports (Guangzhou) Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%
2, 6 COSCO Ports (Haikou) Limited	British Virgin Islands	Hong Kong	Inactive	1 ordinary share of US$1	**–**	100.00%
1 COSCO Ports (Holdings) Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%
2, 6 COSCO Ports (Hong Kong) Limited	British Virgin Islands	Hong Kong	Inactive	1 ordinary share of US$1	**–**	100.00%
1 COSCO Ports (Istanbul) Limited	Hong Kong	Hong Kong	Investment holding	HK$1 divided into 1 ordinary share	**100.00%**	100.00%
2, 6 COSCO Ports (Lian Yun Gang) Limited	British Virgin Islands	Hong Kong	Inactive	1 ordinary share of US$1	**–**	100.00%
1, 2 COSCO Ports (Nanjing) Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%
1 COSCO Ports (Nansha) Limited	British Virgin Islands	Hong Kong	Investment holding	US$10,000	**66.10%**	66.10%
2, 6 COSCO Ports (Netherlands) Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US$1	**–**	100.00%
1, 2 COSCO Ports (Ningbo Beilun) Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%
1, 2 COSCO Ports (Panama) Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%

43 Details of subsidiaries (Continued)

Name	Place of incorporation/ establishment	Place of operation	Principal activities	Issued share capital/ paid-up capital	Group equity interest 2016	2015
1, 2 COSCO Ports (Port Said) Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%
1, 2 COSCO Ports (Pudong) Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%
1, 2 COSCO Ports (Qianwan) Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%
2, 6 COSCO Ports (Qingdao) Limited	British Virgin Islands	Hong Kong	Inactive	1 ordinary share of US$1	**–**	100.00%
1, 2 COSCO Ports (Quanzhou) Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%
1, 2 COSCO Ports (Quanzhou Jinjiang) Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%
2, 4, 6 COSCO Ports (Rotterdam) Coöperatief U.A.	Netherlands	Netherlands	Inactive	–	**–**	100.00%
1, 2 COSCO Ports (Rotterdam) Limited	Hong Kong	Hong Kong	Investment holding	HK$1 divided into 1 ordinary share	**100.00%**	–
2, 6 COSCO Ports (Services) Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US$1	**–**	100.00%
1, 2 COSCO Ports (Singapore) Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%
1 COSCO Ports (Taiwan Kaohsiung) Limited	Hong Kong	Hong Kong	Investment holding	HK$1 divided into 1 ordinary share	**100.00%**	100.00%
1, 2 COSCO Ports (Tianjin) Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%
1, 2 COSCO Ports (Tianjin North Basin) Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%
1, 2 COSCO Ports (Xiamen Haicang) Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%
1, 2 COSCO Ports (Yangzhou) Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%
1, 2 COSCO Ports (Yingkou) Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%
2, 6 COSCO Ports (Zhenjiang) Limited	British Virgin Islands	Hong Kong	Inactive	1 ordinary share of US$1	**–**	100.00%
1, 2 COSCO SHIPPING Ports (Abu Dhabi) Limited	British Virgin Islands	British Virgin Islands	Investment holding	1 ordinary share of US$1	**100.00%**	–

43 Details of subsidiaries (Continued)

Name	Place of incorporation/ establishment	Place of operation	Principal activities	Issued share capital/ paid-up capital	Group equity interest 2016	2015
1 COSCO SHIPPING Ports Management Company Limited (formerly known as COSCO Pacific Management Company Limited)	Hong Kong	Hong Kong	Investment holding and provision of management services	HK$2 divided into 2 ordinary shares	**100.00%**	100.00%
1 COSCO SHIPPING Ports Treasury Limited (formerly known as CPL Treasury Limited)	British Virgin Islands	Hong Kong	Provision of treasury services	1 ordinary share of US$1	**100.00%**	100.00%
1, 2 COSCO SHIPPING Ports (Vado) Limited	Hong Kong	Hong Kong	Investment holding	HK$1,000 divided into 1,000 ordinary shares	**100.00%**	–
1, 2 COSCO SHIPPING Ports (Yangshan) Limited (formerly known as COSCO Ports (Yangshan) Limited)	British Virgin Islands	Hong Kong	Inactive	1 ordinary share of US$1	**100.00%**	100.00%
1 Crestway International Limited	British Virgin Islands	Hong Kong	Investment holding	50,000 ordinary shares of US$1 each	**100.00%**	100.00%
1, 2, 6 Elegance Investment Limited	British Virgin Islands	Hong Kong	Inactive	1 ordinary share of US$1	**–**	100.00%
7 Fairbreeze Shipping Company Limited	Hong Kong	Hong Kong	Property investment	HK$500,000 divided into 5,000 ordinary shares	**–**	100.00%
2, 7 Famous International Limited	British Virgin Islands	Worldwide	Investment holding	1 ordinary share of US$1	**–**	100.00%
2, 3, 7 Florens (China) Company Limited	PRC	PRC	Container leasing and resale of old containers	US$12,800,000	**–**	100.00%
2, 3, 5, 7 Florens (Tianjin) Finance Leasing Co., Ltd.	PRC	PRC	Financing leasing	US$50,000,000	**–**	50.00%
5, 7 Florens Capital Management Company Limited	Hong Kong	Hong Kong	Investment holding	HK$2,000 divided into 2,000 ordinary shares	**–**	50.00%
7 Florens Container (Macao Commercial Offshore) Limited	Macau	Worldwide	Sale of containers and administration of marine shipping container activities	1 quota of MOP100,000	**–**	100.00%
7 Florens Container Corporation S.A.	Panama	Worldwide	Container leasing	100 ordinary shares of US$100 each	**–**	100.00%

43 Details of subsidiaries (Continued)

Name	Place of incorporation/ establishment	Place of operation	Principal activities	Issued share capital/ paid-up capital	Group equity interest 2016	2015
1, 7 Florens Container Holdings Limited	British Virgin Islands	Hong Kong	Investment holding	22,014 ordinary shares of US$1 each	–	100.00%
7 Florens Container Inc.	United States of America	United States of America	Investment holding and container leasing	1 ordinary share of US$1	–	100.00%
7 Florens Container, Inc. (1998)	United States of America	United States of America	Leasing of generator sets	100 ordinary shares of US$1 each	–	100.00%
7 Florens Container, Inc. (2002)	United States of America	United States of America	Sale of old containers	1 ordinary share of US$1	–	100.00%
7 Florens Container, Inc. (2003)	United States of America	United States of America	Sale of old containers	1 ordinary share of US$1	–	100.00%
7 Florens Container Services Company Limited	Hong Kong	Worldwide	Provision of container management services	HK$100 divided into 100 ordinary shares	–	100.00%
2, 7 Florens Container Services (Australia) Pty Limited	Australia	Australia	Provision of container management services	100 ordinary shares of AUD1 each	–	100.00%
2, 7 Florens Container Services (Deutschland) GmbH.	Germany	Germany	Provision of container management services	2 shares of Euro12,782.30 each	–	100.00%
2, 7 Florens Container Services (Italy) S.R.L.	Italy	Italy	Provision of container management services	20,000 quotas of Euro 0.52 each	–	100.00%
2, 3, 7 Florens Container Services (Shenzhen) Co., Ltd.	PRC	PRC	Container leasing, sale, management and auxiliary services	US$500,000	–	100.00%
7 Florens Container Services (Singapore) Pte., Ltd.	Singapore	Singapore	Provision of container management services	1,000 ordinary shares of SGD 1 each	–	100.00%
2, 7 Florens Container Services (UK) Limited	United Kingdom	United Kingdom	Provision of container management services	183,610 ordinary shares of GBP1 each	–	100.00%
7 Florens Container Services (USA), Ltd.	United States of America	United States of America	Container manager and provision of container management services	1,000 ordinary shares of US$0.001 each	–	100.00%
1, 2, 6 Florens Industrial Holdings Limited	Bermuda	Hong Kong	Inactive	12,000 ordinary shares of US$1 each	–	100.00%
7 Florens Management Services (Macao Commercial Offshore) Limited	Macau	Macau	Provision of container management services	1 quota of MOP100,000	–	100.00%

43 Details of subsidiaries (Continued)

Name	Place of incorporation/ establishment	Place of operation	Principal activities	Issued share capital/ paid-up capital	Group equity interest 2016	2015
7 Florens Maritime Limited	Bermuda	Worldwide	Container leasing	12,000 ordinary shares of US$1 each	–	100.00%
7 Florens Shipping Corporation Limited	Bermuda	Worldwide	Container leasing	12,000 ordinary shares of US$1 each	–	100.00%
2, 6 Fota Limited	British Virgin Islands	Hong Kong	Inactive	1 ordinary share of US$1	–	100.00%
1, 2 Frosti International Limited	British Virgin Islands	Hong Kong	Investment holding	2 ordinary shares of US$1 each	**100.00%**	100.00%
Greating Services Limited	Hong Kong	Hong Kong	Transportation of containers	HK$250,000 divided into 250,000 ordinary shares	**100.00%**	100.00%
2, 3 Guangzhou South China Oceangate Container Terminal Company Limited	PRC	PRC	Operation of container terminals	RMB1,928,293,400	**39.00%**	39.00%
1, 2, 6 Hang Shing Investment Limited	British Virgin Islands	Hong Kong	Inactive	1 ordinary share of US$1	–	100.00%
2 Hong Kong Haima Development Co., Ltd	Hong Kong	Hong Kong	Inactive	US$8,553.58 divided into 2,001 ordinary shares	**100.00%**	100.00%
2, 3 Jinjiang Pacific Ports Development Co., Ltd.	PRC	PRC	Operation of terminals	US$49,900,000	**80.00%**	80.00%
2, 3 Jinzhou New Age Container Terminal Co., Ltd.	PRC	PRC	Operation of terminals	RMB320,843,634	**51.00%**	51.00%
2, 3 Lianyungang New Oriental International Terminals Co., Ltd.	PRC	PRC	Operation of terminals	RMB470,000,000	**55.00%**	55.00%
2, 3 Lianyungang Xiansanly Container Service Co., Ltd.	PRC	PRC	Container inspection and auxiliary services	RMB1,000,000	**22.00%**	22.00%
2, 6 Loson Investment Limited	British Virgin Islands	Hong Kong	Inactive	1 ordinary share of US$1	–	100.00%
1 Piraeus Container Terminal S.A.	Greece	Greece	Operation of container terminals	Euro77,299,800	**100.00%**	100.00%
1, 2 Plangreat Limited	British Virgin Islands	Hong Kong	Investment holding	100 ordinary shares of US$1 each	**100.00%**	100.00%
2, 3 Quan Zhou Pacific Container Terminal Co., Ltd.	PRC	PRC	Operation of terminals	US$80,770,000	**82.35%**	82.35%

43 Details of subsidiaries (Continued)

Name	Place of incorporation/ establishment	Place of operation	Principal activities	Issued share capital/ paid-up capital	Group equity interest 2016	Group equity interest 2015
2,3 Shanghai China Shipping Terminal Development Co., Ltd.	PRC	PRC	Investment holding	RMB622,000,000	**100.00%**	100.00%
1, 2, 6 Topview Investment Limited	British Virgin Islands	Hong Kong	Inactive	1 ordinary share of US$1	**–**	100.00%
1 Win Hanverky Investments Limited	Hong Kong	Hong Kong	Investment holding	HK$100,000 divided into 10,000 ordinary shares	**100.00%**	100.00%
2, 3 Xiamen Haitou Tongda Terminal Co., Ltd.	PRC	PRC	Operation of container terminals	RMB170,000,000	**70.00%**	70.00%
2, 3 Xiamen Ocean Gate Container Terminal Co., Ltd.	PRC	PRC	Operation of container terminals	RMB1,813,680,000	**70.00%**	70.00%
2, 3 Yangzhou Yuanyang International Ports Co., Ltd.	PRC	PRC	Operation of terminals	US$69,600,000	**55.59%**	55.59%
2, 3 Zhangjiagang Win Hanverky Container Terminal Co., Ltd.	PRC	PRC	Operation of container terminals	US$36,800,000	**51.00%**	51.00%
2, 3, 6 上海牲遠實業有限公司	PRC	PRC	Investment holding	RMB200,000	**–**	100.00%

1 Shares held directly by the Company.

2 Subsidiaries not audited by PricewaterhouseCoopers.

3 China Shipping Terminal Development Co., Limited, COSCO Pacific (China) Investments Co., Ltd., Florens (China) Company Limited, Florens (Tianjin) Finance Leasing Co., Ltd., Florens Container Services (Shenzhen) Co., Ltd. and Shanghai China Shipping Terminal Development Co., Ltd., are wholly foreign-owned enterprises. Guangzhou South China Oceangate Container Terminal Company Limited, Jinjiang Pacific Ports Development Co., Ltd., Jinzhou New Age Container Terminal Co., Ltd., Lianyungang New Oriental International Terminals Co., Ltd., Lianyungang Xinsanly Contianer Service Co., Ltd., Quan Zhou Pacific Container Terminal Co., Ltd., Xiamen Haitou Tongda Terminal Co., Ltd., Xiamen Ocean Gate Container Terminal Co., Ltd., Yangzhou Yuanyang International Ports Co., Ltd., Zhangjiagang Win Hanverky Container Terminal Co., Ltd. and 上海牲遠實業有限公司 are sino-foreign equity joint ventures established in the PRC.

4 As at 31 December 2016, there is no issued share capital and paid up capital for this subsidiary.

5 The directors of the Company considered that the Group remains to have control through its representatives on the board of directors of Florens Capital Management Company Limited ("FCMCL") and Florens (Tianjin) Finance Leasing Co., Ltd. ("FFLTJ") and therefore classified FCMCL and FFLTJ as subsidiaries as at 31 December 2015.

6 These subsidiaries were dissolved during the year.

7 These subsidiaries were disposed during the year.

44 Details of joint ventures

Details of the joint ventures as at 31 December 2016, which principally affect the results and/or net assets of the Group, are as follows:

Name	Place of incorporation/ establishment	Principal activities	Paid-up capital	Percentage of interest in ownership/ voting power/ profit sharing 2016	2015
Asia Container Terminals Holdings Limited	Cayman Islands	Investment holding	HK$ 1 divided into 1,000 ordinary shares	**20.00%**	20.00%
COSCO-HIT Terminals (Hong Kong) Limited	Hong Kong	Operation of container terminals	HK$20 divided into 2 "A" ordinary shares HK$20 divided into 2 "B" ordinary shares HK$40 divided into 4 non-voting 5% deferred shares	**50.00%**	50.00%
COSCO-HPHT ACT Limited (notes i)	British Virgin Islands	Investment holding	1,000 ordinary shares of US$1 each	**50.00%**	50.00%
COSCO-PSA Terminal Private Limited	Singapore	Operation of container terminals	SGD65,900,000	**49.00%/ 50.00%/ 49.00%**	49.00%/ 50.00%/ 49.00%
Dalian Dagang China Shipping Container Co., Ltd.	PRC	Operation of container terminals	RMB7,500,000	**35.00%**	35.00%
Dalian International Container Terminal Co., Ltd.	PRC	Operation of container terminals	RMB1,400,000,000	**40.00%**	40.00%
Euro-Asia Oceangate S.à.r.l. (note ii)	Luxembourg	Investment holding	US$30,000	**40.00%**	40.00%
Lianyungang Port Railway International Container Multimodal Transport Co., Ltd.	PRC	Logistics	RMB3,400,000	**30.00%**	30.00%
Nansha Stevedoring Corporation Limited of Port of Guangzhou	PRC	Operation of container terminals	RMB1,260,000,000	**40.00%**	40.00%
Ningbo Yuan Dong Terminals Limited	PRC	Operation of container terminals	RMB2,500,000,000	**20.00%**	20.00%
Panama International Terminals, S.A.	Panama	Inactive	300 ordinary shares with no face value	**50.00%**	50.00%
Piraeus Consolidation and Distribution Centre S.A.	Greece	Storage, consolidation and distribution	Euro1,000,000	**50.00%/ 60.00%/ 50.00%**	50.00%/ 60.00%/ 50.00%

44 Details of joint ventures (Continued)

Name	Place of incorporation/ establishment	Principal activities	Paid-up capital	Percentage of interest in ownership/ voting power/ profit sharing 2016	2015
Qingdao Port Dongjiakou Ore Terminal Co., Ltd.	PRC	Operation of iron ore terminal	RMB1,400,000,000	**25.00%/ 22.22%/ 25.00%**	25.00%/ 22.22%/ 25.00%
Qingdao Qianwan Container Terminal Co., Ltd. (note iii)	PRC	Operation of container terminals	US$308,000,000	**20.00%/ 18.18%/ 20.00%**	20.00%/ 18.18%/ 20.00%
Qingdao Qianwan Intelligent Container Terminal Co., Ltd. (note iii)	PRC	Operation of container terminals	RMB642,000,000	**20.00%**	20.00%
Qinzhou International Container Terminal Co., Ltd.	PRC	Operation of container terminals	RMB500,000,000	**40.00%**	40.00%
Shanghai Pudong International Container Terminals Limited	PRC	Operation of container terminals	RMB1,900,000,000	**30.00%**	30.00%
Tianjin Port Euroasia International Container Terminal Co., Ltd.	PRC	Operation of container terminals	RMB1,260,000,000	**30.00%/ 28.60%/ 30.00%**	30.00%/ 28.60%/ 30.00%
Xiamen Haicang Free Trade Port Zone Container Inspection Co., Ltd.	PRC	Container stevedoring, storage, inspection and auxiliary services	RMB10,000,000	**22.40%/ 33.33%/ 22.40%**	22.40%/ 33.33%/ 22.40%
Yingkou Container Terminals Company Limited	PRC	Operation of container terminals	RMB8,000,000	**50.00%/ 57.14%/ 50.00%**	50.00%/ 57.14%/ 50.00%
Yingkou New Century Container Terminal Co., Ltd.	PRC	Operation of container terminals	RMB40,000,000	**40.00%**	40.00%

Notes:

(i) COSCO-HPHT ACT effectively holds 80% equity interest in ACT, which engages in the operation, management and development of container terminals in Hong Kong, and is considered as a subsidiary of COSCO-HPHT ACT.

(ii) Euro-Asia Oceangate S.à.r.l. effectively holds 65% equity interest in Kumport Liman Hizmetleri ve Lojistik Sanayi ve Ticaret Anonim Sirketi, which engages in container terminal operations in Turkey, and is considered as a subsidiary of Euro-Asia Oceangate S.à.r.l.

(iii) QQCT effectively holds 48% equity interest in Qingdao Qianwan Intelligent Container Terminal Co., Ltd., and considered as a subsidiary of QQCT.

45 Details of associates

Details of the associates as at 31 December 2016, which principally affect the results and/or net assets of the Group, are as follows:

Name	Place of establishment operation	Principal activities	Issued share capital/ registered capital	Group equity interest 2016	2015
Antwerp Gateway NV	Belgium	Operation of container terminals	Euro17,900,000	**20.00%**	20.00%
APM Terminals Zeebrugge NV	Belgium	Operation of container terminals	3,500,001 ordinary shares of Euro10 each	**24.00%**	24.00%
COSCO Shipping Terminal (USA) LLC (formerly known as China Shipping Terminals (USA) LLC)	USA	Investment holding	US$200,000	**40.00%**	40.00%
Dalian Automobile Terminal Co., Ltd.	PRC	Construction and operation of automobile terminals	RMB320,000,000	**24.00%**	30.00%
Dalian Port Container Terminal Co., Ltd.	PRC	Operation of container terminals	RMB730,000,000	**20.00%**	20.00%
Damietta International Port Company S.A.E	Egypt	Operation of container terminals	20,000,000 ordinary shares of US$10 each	**20.00%**	20.00%
Dawning Company Limited	British Virgin Islands	Investment holding	200 "A" shares of US$1 each and 800 "B" shares of US$1 each	**20.00%**	20.00%
Euromax Terminal Rotterdam B.V.	Netherlands	Operation of container terminals	65,000 "A" shares of Euro1 each and 35,000"B" shares of Euro1 each	**35.00%**	35.00%
Jiangsu Yantze Petrochemical Co., Ltd.	PRC	Operation of bulk liquid storage	RMB219,635,926	**30.40%**	30.40%
Kao Ming Container Terminal Corp.	Taiwan	Operation of container terminals	TWD6,800,000,000	**20.00%**	20.00%
Nanjing Port Longtan Container Co., Ltd.	PRC	Operation of container terminals	RMB1,544,961,839	**16.14%**	16.14%
Ningbo Meishan Bonded Port New Habour Terminal Operating Co., Ltd.	PRC	Operation of container terminals	RMB200,000,000	**20.00%**	20.00%
Qinhuangdao Port New Habour Container Terminal Co., Ltd.	PRC	Operation of container terminals	RMB400,000,000	**30.00%**	30.00%

45 Details of associates (Continued)

Name	Place of establishment operation	Principal activities	Issued share capital/ registered capital	Group equity interest 2016	Group equity interest 2015
Shanghai Mingdong Container Terminals Limited	PRC	Operation of container terminals	RMB4,000,000,000	**20.00%**	20.00%
Sigma Enterprises Limited (note)	British Virgin Islands	Investment holding	2,005 "A" shares of US$1 each and 8,424 "B" shares of US$1 each	**16.49%**	16.49%
Suez Canal Container Terminal S.A.E.	Egypt	Operation of container terminals	1,856,250 ordinary shares of US$100 each	**20.00%**	20.00%
Taicang International Container Terminal Co., Ltd.	PRC	Operation of container terminals	RMB450,800,000	**39.04%**	39.04%
Tianjin Five Continents International Container Terminal Co., Ltd.	PRC	Operation of container terminals	RMB1,145,000,000	**28.00%**	28.00%
Wattrus Limited (note)	British Virgin Islands	Investment holding	32 "A" shares of US$1 each and 593 "B" shares of US$1 each	**5.12%**	5.12%

Note:

The directors of the Company considered that the Group has significant influence over Sigma and Wattrus through its representatives on the boards of directors of Sigma and Wattrus with 20% voting rights respectively and therefore classified Sigma and Wattrus as associates as at 31 December 2016 and 2015.