

NOTES TO FINANCIAL STATEMENTS

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31 December 2000

Particulars of the Group's subsidiaries as at 31 December 2000 (all of which are corporates directly held by the Company) are as follows:

Name	Place of incorporation/ registration and operations	Total issued/ registered capital	Class of shares in issue	Percentage of equity attributable to Group and Company	Principal activities
Herman International S.A Herman International S.A	Republic of Panama	US\$1,000	Ordinary	100%	Shipping services
Marisburg S.A Marisburg S.A	Republic of Panama	US\$1,000	Ordinary	100%	Shipping services
Meison Holdings Corp. Meison Holdings Corp.	Republic of Panama	US\$1,000	Ordinary	100%	Shipping services
Shanghai Hai Xing Shipping (Hong Kong) Co., Ltd.	Hong Kong	HK\$500,000	Ordinary	100%	Dormant

The above subsidiaries are not audited by Ernst & Young Hong Kong or other Ernst & Young International member firms.

Shanghai HNT Lines Co., Ltd., a subsidiary which the Company owned 51%, was liquidated during the year.

14. INTEREST IN AN ASSOCIATE

	Group		Company	
	2000	1999	2000	1999
	Rmb'000	Rmb'000	Rmb'000	Rmb'000
Unlisted shares, at cost	-	-	442,981	442,981
Share of the net assets other than goodwill	380,887	378,127	-	-
	380,887	378,127	442,981	442,981

Particulars of the associate are as follows:

Name	Business Structure	Place of incorporation and operations	Percentage of equity attributable to the Group	Principal activity
China Shipping Container Lines Co., Ltd. ("CSC")	Corporate	The People's Republic of China	25%	Container shipping services

The directors consider that the Company has significant influence in CSC. The other investors of CSC are the Company's holding company (40%) and two fellow subsidiaries (35%).

The financial statements of the above associate are coterminous with those of the Group. The consolidated financial statements have been adjusted for material transactions between the associate and Group companies.

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15. LONG TERM INVESTMENT

	Group		Company	
	2000	1999	2000	1999
	Rmb'000	Rmb'000	Rmb'000	Rmb'000
Unlisted equity investment	2,500	-	2,500	-

16. DEFERRED STAFF EXPENDITURE

	Group and Company
	Rmb'000
Cost	
Transfer from fixed assets and balance as at 31 December 2000	127,845
Accumulated amortisation	
Provided during the year and balance as at 31 December 2000	(5,804)
Net book value	
At 31 December 2000	122,041
At 31 December 1999	-

17. TRADE AND BILLS RECEIVABLES

	Notes	Group		Company	
		2000	1999	2000	1999
		Rmb'000	Rmb'000	Rmb'000	Rmb'000
Trade and bills receivables		329,109	377,484	327,912	377,484
Due from fellow subsidiaries	23	-	1,200	-	-
Due from related companies	23	8,065	4,665	8,065	4,665
Provision for doubtful debts		(108,545)	(156,205)	(108,545)	(156,205)
Trade and bills receivables, net		228,629	227,144	227,432	225,944

The ageing analysis of trade and bills receivables is as follows:

	Group			
	2000		1999	
	Balance Rmb'000	Percentage	Balance Rmb'000	Percentage
Within one year	228,679	68	198,100	52
One to two years	-	-	9,281	2
Beyond two years	108,495	32	175,968	46
	337,174	100	383,349	100
Provision for doubtful debts	(108,545)		(156,205)	
Trade and bills receivables, net	228,629		227,144	

	Company			
	2000		1999	
	Balance Rmb'000	Percentage	Balance Rmb'000	Percentage
Within one year	227,482	68	196,900	52
One to two years	-	-	9,281	2
Beyond two years	108,495	32	175,968	46
	335,977	100	382,149	100
Provision for doubtful debts	(108,545)		(156,205)	
Trade and bills receivables, net	227,432		225,944	

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18. OTHER RECEIVABLES

	Notes	Group		Company	
		2000	1999	2000	1999
		Rmb'000	Rmb'000	Rmb'000	Rmb'000
Prepayments		97,619	121,029	97,619	121,029
Deposits and other debtors		81,891	135,491	81,883	117,193
Due from holding company	23	-	3,657	-	3,657
Due from fellow subsidiaries	23	169,097	41,417	169,097	41,417
Due from related companies	23	162,495	81,117	162,495	81,117
Due from an associate	23	13,199	16,251	13,199	16,251
		524,301	398,962	524,293	380,664

19. TRADE PAYABLES

	Notes	Group		Company	
		2000	1999	2000	1999
		Rmb'000	Rmb'000	Rmb'000	Rmb'000
Trade payables		151,076	179,411	150,821	179,411
Due to fellow subsidiaries	23	25,436	17,869	25,436	17,710
		176,512	197,280	176,257	197,121

The ageing analysis of trade payables is as follows:

	Group			
	2000		1999	
	Balance Rmb'000	Percentage	Balance Rmb'000	Percentage
Within one year	139,788	79	143,380	73
One to two years	11,515	7	38,533	20
Beyond two years	25,209	14	15,367	7
	176,512	100	197,280	100

	Company			
	2000		1999	
	Balance Rmb'000	Percentage	Balance Rmb'000	Percentage
Within one year	139,533	79	143,221	73
One to two years	11,515	7	38,533	20
Beyond two years	25,209	14	15,367	7
	176,257	100	197,121	100

20. OTHER PAYABLES AND ACCRUALS

	Notes	Group		Company	
		2000	1999	2000	1999
		Rmb'000	Rmb'000	Rmb'000	Rmb'000
Accruals		125,114	99,391	125,114	98,912
Other liabilities		141,367	140,282	141,367	139,473
Proposed final dividends	10	148,800	-	148,800	-
Due to fellow subsidiaries	23	37,220	21,165	37,220	21,165
Deferred income - current portion	25	11,508	11,508	34,643	34,643
		464,009	272,346	487,144	294,193