

Notes to condensed consolidated financial statements (continued)

6.29 Other operating income

Item	2003.1-6			2002.1-6		
	Income	Cost	Profit	Income	Cost	Profit
Lease of vessels	52,950,247.46	42,637,632.10	10,312,615.36	72,534,816.82	57,822,580.94	14,712,235.88
Manage for vessels	1,225,440.00	72,387.27	1,153,052.73	4,437,401.71	1,589,742.51	2,847,659.20
Agency commission	5,538,993.68	3,883,695.52	1,655,298.16	13,643,794.99	13,576,667.79	67,127.20
Sales of Coals	16,960,310.59	16,828,854.04	131,456.55	2,262,574.64	2,489,742.06	-227,167.42
Others	6,635,880.37	5,819,854.11	816,026.26	95,000.00	41,457.18	53,542.82
Total	<u>83,310,872.10</u>	<u>69,242,423.04</u>	<u>14,068,449.06</u>	92,973,588.16	75,520,190.48	17,453,397.68

6.30 Finance expense

Item	2003.1-6	2002.1-6
Interest expense	45,869,258.16	76,660,536.43
Less: Interest income	2,895,519.13	3,375,053.75
Exchange gain and loss	14,908,046.06	19,536,443.73
Other	875,089.33	236,118.43
Total	<u>58,756,874.42</u>	<u>93,058,044.84</u>

6.31 Investment income

Item	2003.1-6	2002.1-6
Equity investment income	1,641,412.82	-126,348,343.85
Debt investment income	-	360.00
Stock investment income	-	2,642,956.01
Total	<u>1,641,412.82</u>	<u>-123,705,027.84</u>

The amount of investment income in first half of 2003 jumps rapidly compared with the relevant amount in first half of 2002, which is caused by the great investment loss on China Shipping Container Lines Co., Ltd. - old associated company in 2002.

Notes to condensed consolidated financial statements (continued)

6.32 Non-operating income

Item	2003.1-6	2002.1-6
Sales of vessels	11,419,065.61	-
Sales of other assets	-	552.00
Penalty income	149,016.95	100,000.00
Other	-	-
Total	<u>11,568,082.56</u>	<u>100,552.00</u>

6.33 Non-operating expense

Item	2003.1-6	2002.1-6
Sales of other assets	302,663.94	662,451.04
Penalty expense	88,800.00	122,964.12
Other	80,833.40	38,940.00
Total	<u>472,297.34</u>	<u>824,355.16</u>

7. Notes to Financial Statements of Holding Company

7.1 Long-term investment

Item	2002.12.31	Addition	Decrease	2003.06.30 Ending Balance
Long-term equity investment	157,546,865.98	15,151,335.42	-	172,698,201.40
Long-term debt investment	<u>65,813.64</u>	-	-	<u>65,813.64</u>
Total	<u>157,612,679.62</u>	<u>15,151,335.42</u>	-	<u>172,764,015.04</u>

(1) Long-term equity investment

a. Stock investment

Investee enterprise	Nature of stock	Stock Quantity	% of investee's registered capital	Amount of investment
Shanghai Yuanshui Company	Non-trading	101,200	<5%	364,200.00

Notes to condensed consolidated financial statements (continued)

7. Brief notes to financial statements of holding company (Continued)

b. Other equity investment

Investee	Term of investment	Ownership %	Cost of investment	Beginning balance	Addition of investment	Profit/loss of current period	Accumulated profit/loss	Ending balance
Shanghai Bao'jiang Shipping Co., Ltd.	Long-term	10%	4,000,000.00	4,000,000.00	-	-	-	4,000,000.00
Zhu'hai New Century Shipping Co., Ltd.	Long-term	50%	30,000,000.00	30,492,612.12	-	93,157.83	585,769.95	30,585,769.95
China Shipping Development (Hong Kong) Marine Co., Ltd.	Long-term	100%	4,140,000.00	3,553,038.48	-	9,276,991.83	8,690,030.31	12,830,030.31
Hai'nan Hai'xiang Shipping Industry Co., Ltd.	Long-term	95%	98,018,350.00	104,011,058.75	-	4,551,123.28	10,543,832.03	108,562,182.03
Equity investment difference			-1,149,650.00	-1,034,685.00	57,482.50	-	-	-977,202.50
Shanghai Friendship Shipping Co., Ltd.	Long-term	50%	10,000,000.00	16,160,641.63	-	1,172,579.98	7,333,221.61	17,333,221.61
Total			145,008,700.00	157,182,665.98	57,482.50	15,093,852.92	27,152,853.90	172,334,001.40

On 31 December 2001, the Company purchased 95% equity of Hai'nan Hai'xiang Shipping Industry Co., Ltd. from Shanghai Shipping (Group) Company paying RMB 49,368,700.00. At the end of 31 December 2001, the equity of Hai'nan Hai'xiang Shipping Industry Co., Ltd. was RMB 53,177,210.53; so the short-fall of the equity investment difference was RMB 1,149,650.00 and the amortization period was 10 years.

(2) Long-term debt investment

Bond	Value	Annual rate	Holding amount	Maturity date	Accumulated interest	Ending balance
Housing bond	58,920.00	3.6%	58,920.00	2003.9	6,893.64	65,813.64

8. Segmental Information

Unit: RMB '000

Industry	Revenue		Cost		Taxes		Profit	
	2003.1-6	2002.1-6	2003.1-6	2002.1-6	2003.1-6	2002.1-6	2003.1-6	2002.1-6
Cargo shipment	2,491,779	2,145,988	1,753,173	1,494,341	56,667	54,124	681,939	597,523

Notes to condensed consolidated financial statements (continued)

9. The Difference between Chinese Accounting Standards and HK GAAP

(Unit: RMB '000)

	2003.1-6	2003.1-6
Net profit under Chinese Accounting Standards	458,089	250,242
Adjustments for depreciation, income of vessels sales, deferred staff expense and others	1,952	11,976
Net profit under HK GAAP	460,041	262,218
	2003.06.30	2002.12.31
Owners' equity under Chinese Accounting Standards	6,607,178	6,149,094
Dividend distributed	-	332,600
Adjustments for housing fund	93,677	112,538
Adjustments for revaluation surplus, depreciation, income of vessels sales and others	49,079	28,261
Owners' equity under HK GAAP	6,749,934	6,622,493

10. Related Party Transactions and Outstanding Balances

10.1 The related parties that the Group controls

Name of related party	Registered address	Business Scope	Relationship	Economic type	Corporate
China Shipping (Group) Company	700 Dong'da'ming Road, Shanghai	Cargo shipment along sea, ocean, domestic transportation for goods	Holding company	State owned	delegate Li Keling

10.2 The change in registered capital of the related parties that the Group controls (unit: RMB '000)

Name of related party	Beginning balance	Addition	Decrease	Ending balance
China Shipping (Group) Company	6,611,950	-	-	6,611,950

Notes to condensed consolidated financial statements (continued)

10. Related Party Transactions and Outstanding Balances (Continued)

10.3 The change in ownership of the related parties that the Group controls

(unit: RMB '000)

Name of related party	Beginning balance		Amount		Decrease		Ending balance	
	Amount	%	Amount	%	Amount	%	Amount	%
China Shipping (Group) Company	1,680,000.00	50.51	-	-	-	-	1,680,000.00	50.51

10.4 The nature of the related parties that the Group has no control

Name of related party	Relationship
China Shipping Container Lines Co., Ltd.	be controlled by the same holding company
China Shipping Passenger Liner Co., Ltd.	be controlled by the same holding company
China Shipping Industry Co., Ltd.	be controlled by the same holding company
China Shipping Ship-Service Agency Co., Ltd.	be controlled by the same holding company
China Shipping International Trading Co., Ltd.	be controlled by the same holding company
China Shipping Supplies Co., Ltd.	be controlled by the same holding company
Shanghai Shipping (Group) Company	be controlled by the same holding company
Guangzhou Maritime (Group) Co., Ltd.	be controlled by the same holding company
Da'lian Shipping (Group) Co., Ltd.	be controlled by the same holding company
China Shipping Tele-communication Co., Ltd.	be controlled by the same holding company
China Shipping (Hong Kong) Marine Co., Ltd.	be controlled by the same holding company
JADEQUEEN NAVIGATION INC.	be controlled by the same holding company
SUPERDRAGON LTD.	be controlled by the same holding company
Shanghai Pu'hai Shipping Co., Ltd.	be controlled by the same holding company
Zhu'hai New Century Shipping Co., Ltd.	Associated Company
Shanghai Friendship Shipping Co., Ltd.	Associated Company

Notes to condensed consolidated financial statements

(continued)

10. Related Party Transactions and Outstanding Balances (Continued)

10.5 Related party transactions

The detailed information of related party transaction

(1) Lease of vessels

Name of related party	Pricing basis	2003.1-6	2002.1-6
China Shipping Container Lines Co., Ltd.	Agreement prices	13,487	30,043
Shanghai Pu'hai Shipping Co., Ltd.	Agreement prices	600	600
China Shipping (Hong Kong) Marine Co., Ltd.	Agreement prices	33,114	34,170
Shanghai Friendship Shipping Co., Ltd.	Agreement prices	2,585	2,322

(2) Sales of vessels

Name of related party	Pricing basis	2003.1-6	2002.1-6
China Shipping Industry Co., Ltd.	Agreement prices	13,848	-

(3) Vessel management fees

On 17 November 1999, the Company entered into a supplementary agreement of vessels management with Guangzhou Maritime (Group) Company and Da'lian Shipping (Group) Company for the management of 21 oil tanker of Guangzhou Maritime, 31 goods vessels and 7 vessels of Da'lian Shipping

Name of related party	Pricing basis	2003.1-6	2002.1-6
Guangzhou Maritime (Group) Co., Ltd.	Agreement prices	4,680	4,680
Da'lian Shipping (Group) Co., Ltd.	Agreement prices	1,041	1,041
Shanghai Friendship Shipping Co., Ltd.	Agreement prices	-	714
Zhu'hai New Century Shipping Co., Ltd.	Agreement prices	-	137

Notes to condensed consolidated financial statements

(continued)

10. Related Party Transactions and Outstanding Balances (Continued)

(4) A services Agreement dated 19 March 1998 between the Company and China Shipping became effective subsequent to an approval by the independent shareholder at an extraordinary general meeting held on 26 May 1998. Pursuant to the Services Agreement China Shipping (or its subsidiaries) will provide to the Company the necessary supporting shipping materials and services for the on-going operations of dry-docking and repairs services, lubricating oil, fresh water supplies, raw material, bunker oil, as well as other services. The Services Agreement is effective for a period of ten years.

(a) Supply of lubricating oil, fresh water supplies, raw materials, bunker oil, mechanical and electrical engineering, ship stores and repairs and maintenance services for life boats

Name of related party	Pricing basis	2003.1-6	Proportion of the same business	2002.1-6
Guangzhou Maritime (Group) Co., Ltd.	Market price	938	0.17%	7,429
Shanghai Shipping (Group) Company	Market price	1,716	0.31%	5,558
China Shipping Supplies Co., Ltd.	Market price	360,180	64.08%	252,140
China Shipping Industry Co., Ltd.	Market price	21	0.01%	-

(b) Whitewashing and oily water treatment for vessels:

Company	Pricing basis	2003.1-6	Proportion of the same business	2002.1-6
China Shipping Supplies Co., Ltd.	State-fixed prices or market prices	123	1.85%	3,429
Guangzhou Maritime (Group) Co., Ltd.	State-fixed prices or market prices	779	11.73%	-
Shanghai Shipping (Group) Company	State-fixed prices or market prices	3,416	51.45%	-

(c) Installation, repairs and maintenance of telecommunication and navigational services:

Name of related party	Pricing basis	2003.1-6	Proportion of the same business	2002.1-6
China Shipping Tele-communication Co., Ltd.	State-fixed prices	4,875	21.45%	6,616
Shanghai Shipping (Group) Company	State-fixed prices	850	3.74%	-
Guangzhou Maritime (Group) Co., Ltd.	State-fixed prices	243	1.07%	-

(d) Dry-docking and repairs:

Name of related party	Pricing basis	2003.1-6	Proportion of the same business	2002.1-6
China Shipping Supplies Co., Ltd.	State-fixed prices	12,769	10.80%	12,565
China Shipping Industry Co., Ltd.	State-fixed prices	56,865	48.11%	49,434
Guangzhou Maritime (Group) Co., Ltd.	Market price	4,720	3.99%	5,540
Shanghai Shipping (Group) Company	Market price	11,340	9.59%	8,275
China Shipping International Trading Co., Ltd.	Market price	80	0.07%	9,094
China Shipping Tele-communication Co., Ltd.	Market price	3,382	2.86%	372

(e) Hiring of sea crew

Name of related party	Pricing basis	2003.1-6	Proportion of the same business	2002.1-6
Guangzhou Maritime (Group) Co., Ltd.	Market price	74,704	97.28%	64,186
Da Lian Shipping (Group) Co., Ltd.	Market price	2,093	2.72%	1,414

Notes to condensed consolidated financial statements

(continued)

10. Related Party Transactions and Outstanding Balances (Continued)

(f) Accommodation, lodging and transportation for employees

Name of related party	Pricing basis	2003.1-6	Proportion of the same business	2002.1-6
Shanghai Shipping (Group) Company	Market price	2,759	91.57%	2,720
Guangzhou Maritime (Group) Co., Ltd.	Market price	254	8.43%	-

(g) Medical services (for existing employees)

Name of related party	Pricing basis	2003.1-6	Proportion of the same business	2002.1-6
Shanghai Shipping (Group) Company	State-fixed price	1,075	16.76%	-
Guangzhou Maritime (Group) Co., Ltd.	State-fixed price	106	1.65%	-

(h) Miscellaneous management services

Name of related party	Pricing basis	2003.1-6	Proportion of the same business	2002.1-6
Guangzhou Maritime (Group) Co., Ltd.	Agreement price	16,445	28.20%	12,414
China Shipping (Group) Company	Agreement price	-	-	6,000
Shanghai Shipping (Group) Company	Market price	2,921	5.01%	3,215
Da'lian Shipping (Group) Co., Ltd.	Market price	169	0.29%	-
China Shipping Supplies Co., Ltd.	Market price	141	0.24%	273
China Shipping Tele-communication Co., Ltd.	Market price	1,215	2.08%	-
China Shipping Industry Co., Ltd.	Market price	93	0.16%	-

(i) Agency commissions

Name of related party	Pricing basis	2003.1-6	Proportion of the same business	2002.1-6
China Shipping Agency Co., Ltd.	Market prices	10,802	32.87%	15,854
JADE QUEEN NAVIGATION INC.	Market prices	115	0.35%	-
SUPER DRAGON LTD.	Market prices	358	1.09%	-
Shanghai Shipping (Group) Company	Market prices	666	2.03%	5,085
Guangzhou Maritime (Group) Co., Ltd.	Market prices	114	0.35%	664
China Shipping Supplies Co., Ltd.	Market prices	-	-	180

(5) Interest Paid

Name of related party	Pricing basis	2003.1-6	Proportion of the same business	2002.1-6
China Shipping (Group) Company	Market prices	-	-	18,627

(6) Vessel chartering charges paid

Name of related party	Pricing basis	2003.1-6	Proportion of the same business	2002.1-6
Shanghai Shipping (Group) Company	Agreement price	15,340	20.78%	-
Guangzhou Maritime (Group) Co., Ltd.	Agreement price	15,676	21.24%	13,338
Zhu'hai New Century Shipping Co., Ltd.	Agreement price	1,810	2.45%	1,810
Da'lian Shipping (Group) Co., Ltd.	Agreement price	20,600	27.91%	-
China Shipping (Hong Kong) Marine Co., Ltd.	Agreement price	20,382	27.62%	-

Notes to condensed consolidated financial statements

(continued)

10. Related Party Transactions and Outstanding Balances (Continued)

10.6 The outstanding balances of related party (RMB '000)

Item	Amount		%	
	2003.06.30	2002.12.31	2003.06.30	2002.12.31
Notes receivables:				
China Shipping Container Lines Co., Ltd.	-	11,500	-	25.79%
China Shipping Logistics Co., Ltd.	-	500	-	1.12%
Accounts receivables:				
Shanghai Shipping (Group) Company	2,465	2,465	0.97%	1.13%
JADEQUEEN NAVIGATION INC.	3,393	-	1.33%	-
China Shipping Agency Co., Ltd.	-	851	-	0.39%
Other receivables:				
Shanghai Shipping (Group) Company	9,244	29,984	9.50%	18.69%
Da'lian Shipping (Group) Company	1,107	4,236	1.14%	2.64%
Guangzhou Maritime (Group) Co., Ltd.	13,008	5,202	13.37%	3.24%
China Shipping (Hong Kong) Marine Co., Ltd.	17,431	13,759	17.92%	8.58%
China Shipping Container Lines Co., Ltd.	2,574	8,603	2.65%	5.36%
China Shipping Agency Co., Ltd.	3,050	3,000	3.14%	1.87%
China Shipping Tele-communication Co., Ltd.	500	500	0.51%	0.31%
China Shipping Supplies Co., Ltd.	1,000	1,000	1.03%	0.62%
Zhu'hai New Century Shipping Co., Ltd.	19,700	19,700	20.25%	12.28%
Shanghai Pu'hai Marine Co., Ltd.	200	500	0.20%	0.31%
Shanghai Friendship Shipping Co., Ltd.	63	-	0.06%	-
Prepayments:				
China Shipping Agency Co., Ltd.	6,396	7,287	1.92%	3.76%
China Shipping Supplies Co., Ltd.	1,004	143	0.30%	0.07%
JADEQUEEN NAVIGATION INC.	23,979	60,059	70.01%	30.99%
SUPERDRAGON LTD.	262,713	93,830	7.21%	48.41%
China Shipping International Trading Co., Ltd.	262	-	0.08%	-
Shanghai Shipping (Group) Company	22,641	-	6.81%	-
Accounts Payable:				
China Shipping Industry Co., Ltd.	6,604	10,267	3.38%	5.58%
China Shipping Supplies Co., Ltd.	31,453	24,176	16.12%	13.13%
Guangzhou Maritime (Group) Co., Ltd.	107	-	0.05%	-
Da'lian Shipping (Group) Company	400	1,901	0.20%	1.03%
China Shipping International Trading Co., Ltd.	-	350	-	0.20%
China Shipping Agency Co., Ltd.	437	-	0.22%	-
Other Payable:				
Guangzhou Maritime (Group) Co., Ltd.	5,802	8,455	6.20%	5.63%
Da'lian Shipping (Group) Company	1,664	1,909	1.78%	1.27%
China Shipping Industry Co., Ltd.	-	3,643	-	2.42%
Zhu'hai New Century Shipping Co., Ltd.	5,460	3,650	5.83%	2.43%
China Shipping Haisheng Co. Ltd	225	1,680	0.24%	1.11%

Notes to condensed consolidated financial statements

(continued)

11. Guaranty

- 11.1 Approved by the Board of Directors held in Oct 2001, the Company offered guaranty to Zhu'hai New Century Shipping Co., Ltd. with amount of RMB 42 million, a subsidiary company in which the Company holds 50% ownership. By the end of 30th Jun 2003, the Company guaranteed the loan amount of 42 million, 50% of loan from CITIC Bank.
- 11.2 Approved by the Board of Directors held in Oct 2001, the Company guaranty to Shanghai Bao'jiang Shipping Company with amount RMB 8 million, a related company in which the Company holds 10% ownership. By the end of 30th Jun 2003, the Company guaranteed the loan amount of RMB 3.4 million.

12. Commitment

- 12.1 The Company signed the contact with Shanghai Shipyard Factory on 16th Dec 2002, and plans to start the constructions of 2 cargo vessels (57300T). Pursuant to the contract, each vessel is USD 17.28 million, and the estimated total costs will be USD 34.56 million, which will be paid by 4 installments. As of 30th Jun 2003, the company has paid USD 3.456 million. The remaining will be paid by installments of beginning production, building on slipway, entering the water and completion. The constructions plan to complete in 2004.
- 12.2 The Company signed the contact with Guangzhou Shipyard International Co., Ltd. on 6th Dec 2000, and plans to start the constructions of 4 oil vessels (42000T). Pursuant to the contract, each vessel is USD 26.28 million, and the estimated total costs will be USD 105.12 million, which will be paid by 5 installments. As of 30th Jun 2003, the company has paid USD 88.94 million. The remaining will be paid by installments of beginning production, building on slipway, entering the water and completion. The constructions plan to complete in 2003
- 12.3 The Company signed the contact with Bo'hai Shipyard Factory on 16th Dec 2002, and plans to start the constructions of 2 cargo vessels (57300T). Pursuant to the contract, each vessel is USD 17.98 million, and the estimated total costs will be USD 35.96 million, which will be paid by 4 installments. As of 30th Jun 2003, the company has paid USD 3.596 million. The remaining will be paid by installments of beginning production, building on slipway, entering the water and completion. The constructions plan to complete in 2004.
- 12.4 The Company signed the contact with Da'lian New Shipyard Heavy Industry Co., Ltd. on 27th June and 9th Oct 2002, and plans to start the constructions of 3 oil vessels (110000T). Pursuant to the contract, each vessel is USD 34.89 million, and the estimated total costs will be USD 104.67 million, which will be paid by 5 installments. As of 30th Jun 2003, the company has paid USD 13.956 million. The remaining will be paid by installments of beginning production, building on slipway, entering the water and completion. The constructions plan to complete in 2005.
- 12.5 The Company signed the contact with Guangzhou Shipyard International Co., Ltd. on 9th Aug 2002, and plans to start the constructions of 2 oil vessels (42000T). Pursuant to the contract, each vessel is USD 23.48 million, and the estimated total costs will be USD 46.96 million, which will be paid by 5 installments. As of 30th Jun 2003, the company has paid USD 7.044 million. The remaining will be paid by installments of beginning production, building on slipway, entering the water and completion. The constructions plan to complete in 2004.

Notes to condensed consolidated financial statements

(continued)

- 12.6 The Company signed the contract with Da'lian New Shipyard Heavy Industry Co., Ltd. on 16th May 2003, and plans to start the constructions of 1 oil vessel (298000T). Pursuant to the contract, each vessel is USD 65.58 million, and the estimated total costs will be USD 65.58 million, which will be paid by 5 installments. As of 30th Jun 2003, the company has paid USD 9.837 million. The remaining will be paid by installments of beginning production, building on slipway, entering the water and completion. The constructions plan to complete in 2005.
- 12.7 The Company signed the contract with Shanghai Shipyard on 4th Apr 2003, and plans to start the constructions of 2 cargo vessels (57300T). Pursuant to the contract, each vessel is USD 17.28 million, and the estimated total costs will be USD 34.56 million, which will be paid by 5 installments. As of 30th Jun 2003, the company has paid USD 3.456 million. The remaining will be paid by installments of beginning production, building on slipway, entering the water and completion. The constructions plan to complete in 2005.
- 12.8 The Company signed the contract with Bo'hai Shipyard Heavy Industry Co., Ltd. on 11th Apr 2003, and plans to start the constructions of 2 oil vessels (57300T). Pursuant to the contract, each vessel is USD 17.98 million, and the estimated total costs will be USD 35.96 million, which will be paid by 4 installments. As of 30th Jun 2003, the company has paid USD 3.596 million. The remaining will be paid by installments of beginning production, building on slipway, entering the water and completion. The constructions plan to complete in 2005.

13. Post balance sheet events

According to the resolution of Board of Directors on 12th Aug 2003:

- 13.1 The company will construct one VLCC oil vessel (298000T) again, and its price will be USD 65.58 million. The necessary fund to purchase the vessel will rely on self-financing and pledged bank loan.
- 13.2 The company plans to invest RMB 15 million further on Zhu'hai New Century Shipping Co., Ltd. After the investment addition, the contribution rate to Zhu'hai New Century Shipping Co., Ltd. will remain 50%.
- 13.3 The company plans to constitute an associated company, through the operation with Guangzhou Development Industry (Holdings) Co., Ltd. ("Guangzhou Holdings"). The registered capital of the new company will be RMB 50 million, The term of the joint venture will be 20 years, which can be prolonged by the agreement of the two investees, and the company and Guangzhou Holdings will share 50% capital of the new company.

14. Contingent liability

No material contingent liability that required to be disclosed in the financial statement up to the report dates.

15. Non-monetary transaction

No material non-monetary transaction that required to be disclosed in the financial statement up to the report dates.

16. Debt restructuring

No material debt restructuring that required to be disclosed in the financial statement up to the report dates.

Notes to condensed consolidated financial statements

(continued)

Supplementary information

(1) ROE and EPS

	Rate of returns per share		Earning per share	
	Fully diluted	Average	Fully diluted	Average
Gross profit	10.32%	10.69%	0.205	0.205
Operating profit	7.95%	8.24%	0.158	0.158
Net profit	6.93%	7.18%	0.138	0.138
Net profit after deducting abnormal items	6.78%	7.03%	0.135	0.135

(2) Provision and impairment of assets

Item	Beginning balance		Addition		Write-off		Ending balance	
	Holding company	Consolidation	Holding company	Consolidation	Holding company	Consolidation	Holding company	Consolidation
1. Bad debts provision	30,612,027.09	30,906,189.38	6,521,991.42	6,760,254.86	-	-	37,134,018.51	37,666,444.24
Including: Accounts receivables	28,989,795.88	29,285,880.46	7,167,324.42	7,398,068.57	-	-	36,157,120.30	36,683,949.03
Other receivables	1,622,231.21	1,620,308.92	-645,333.00	-637,813.71	-	-	976,898.21	982,495.21
2. Impairment of short-term investment	-	-	-	-	-	-	-	-
Including: Stock investment	-	-	-	-	-	-	-	-
Debt investment	-	-	-	-	-	-	-	-
3. Provision of inventory	-	-	-	-	-	-	-	-
Including: Finished goods	-	-	-	-	-	-	-	-
Raw materials	-	-	-	-	-	-	-	-
4. Impairment of long-term investment	-	-	-	-	-	-	-	-
Including: Long-term stock investment	-	-	-	-	-	-	-	-
Long-term debt investment	-	-	-	-	-	-	-	-
5. Impairment of fixed assets	-	-	-	-	-	-	-	-
Including: Buildings	-	-	-	-	-	-	-	-
Machinery	-	-	-	-	-	-	-	-
6. Impairment of intangible assets	-	-	-	-	-	-	-	-
Including: Patent	-	-	-	-	-	-	-	-
Trade-mark	-	-	-	-	-	-	-	-
7. Impairment of CIP	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-