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II. Major Financial Data

(1) Major financial data under the PRC accounting standards (the "PRC Accounting Standards"):

	Unit: RMB'000				
	As at 30 June As at 31 De		31 December	Increase/	
	Unit	2004		2003	(Decrease) (%)
Current assets		1,714,037		1,759,778	-2.60
Current liabilities		943,248		761,591	23.85
Total assets		10,389,992		9,584,546	8.40
Shareholders' equity before minority interest	S	7,527,902		7,131,158	5.56
Net asset value per share	RMB	2.26		2.14	5.56
Net asset value per share after adjustment	RMB	2.25		2.13	5.69
		For the giv n	oonthe (ended 30 June	T (
		2004	nontins (2003	Increase/ (Decrease) (%)
Net profit		895,728		458,089	95.54
Net profit after extraordinary profit and loss		910,735		447,816	103.37
Earnings per share	RMB	0.269		0.138	95.54
Rate of returns on net assets		11.90		6.93	71.72
Net cash flow from operating activities		1,277,449		776,931	64.42

	January-June 2004
Extraordinary Profit and Loss Item	Amount Unit: RMB'000
Gain / (loss) on disposal of fixed assets	(18,391)
Government subsidy	712
Other gain / (loss)	23
Income tax paid	2,649
Total	(15,007)

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(2) Condensed consolidated income statement prepared under the accounting principles generally accepted in Hong Kong ("HKGAAP"):

		January-June 2004	January-June 2003
Items	Notes	RMB'000	RMB'000
Turnover	2	2,955,163	2,353,494
Operating costs		(1,804,555)	(1,678,139)
Gross profit		1,150,608	675,355
Other revenue and gains	3	47,753	83,570
Administrative expenses		(106,939)	(113,570)
Other operating expenses		(33,355)	(65,380)
Profit from operating activities		1,058,067	579,975
Finance costs		(46,918)	(45,946)
Share of profits of jointly-controlled entities		28,099	7,046
Profit before tax		1,039,248	541,075
Tax	4	(152,826)	(80,830)
Profit before minority interest		886,422	460,245
Minority interest		(571)	(204)
Profit attributable to shareholders		885,851	460,041
Earnings per share	5	RMB0.2663	RMB0.1383
Dividends	6	-	-

Notes:

1. Basis of presentation

This condensed consolidated income statement has been prepared in accordance with Hong Kong Statement of Standard Accounting Practice No. 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants.

2. Turnover

Turnover represents gross revenue arising from shipping operations, net of business taxes and surcharges. Business taxes and surcharges, which were deducted from the turnover, amounted to RMB67,502,000 (six months ended 30 June 2003: RMB 53,882,000).

3. Other revenue and gains

Other revenue and gains mainly represent rental income from leased vessels and management of vessels during the Reporting Period.

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4. Tax

Tax includes the tax of the Group and that of its jointly controlled entities.

Effective from 1 January 1998, assessable profits earned by the Company in the PRC have been calculated in accordance with the PRC tax regulations and subject to an income tax rate of 15%.

No Hong Kong profits tax has been provided as no assessable profits were earned in or derived from Hong Kong during the Reporting Period (No provision for Hong Kong profits tax was made in the accounts as the Company had no assessable profits earned in or derived from Hong Kong for the six months ended 30 June 2003). Assessable profits earned by the Group in countries other than the PRC are subject to the relevant tax rate of the countries where its business has been operating.

5. Earnings per share

The calculation of basic earnings per share is based on net profit attributable to shareholders for the Reporting Period of RMB885,851,000 (net profit attributable to shareholders for the corresponding period in 2003: RMB460,041,000) and the 3,326,000,000 shares in issue during the Reporting Period (six months ended 30 June 2003: 3,326,000,000 shares in issue).

6. Interim dividend

The Board does not recommend the distribution of any interim dividend for the Reporting Period (six months ended 30 June 2003: Nil).

(3) Differences in financial statements prepared under the PRC Accounting Standards and HKGAAP:

January-June 2004		January-June 2003
	RMB'000	RMB'000
Net profit attributable to shareholders prepared under		
the PRC Accounting Standards	895,728	458,089
Adjustments for depreciation, gain on disposal of vessels		
and deferred staff expenditure, etc.	(9,877)	1,952
Net profit attributable to shareholders prepared under		
the HKGAAP	885,851	460,041
	30 June 2004	31 December 2003
Shareholders' equity prepared under the PRC Accounting		
Standards	7,527,902	7,131,158
Adjustments for revaluation surplus, depreciation, gain on		
disposal of vessels and deferred staff expenditure, etc.	172,460	182,437
Shareholders' equity prepared under HKGAAP	7,700,362	7,313,595