

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(continued)

10.5 Related party transactions

The detailed information of related party transaction (RMB'000)

(1) Lease of vessels

Name of related party	Pricing basis	2004	2003
China Shipping Container Lines Co., Ltd.	Market prices	46,007	48,115
China Shipping (Hong Kong) Marine Co., Ltd.	Market prices	10,256	47,331
Shanghai Friendship Shipping Co., Ltd.	Market prices	5,192	5,170

(2) Sales of vessels

Name of related party	Pricing basis	2004	2003
China Shipping Industry Co., Ltd.	Market prices	39,167	13,848
Shanghai Friendship Shipping Co., Ltd.	Market prices	49,680	—

(3) Vessel management fees

In June 2004, the Company entered into a supplementary agreement of vessels management with Guangzhou Maritime (Group) Company and Da'lian Shipping (Group) Company for the management 31 goods vessels of Guangzhou Maritime and 7 vessels of Da'lian Shipping:

Name of related party	Pricing basis	2004	2003
Guangzhou Maritime (Group) Co., Ltd.	Agreement prices	9,199	4,680
Da'lian Shipping (Group) Co., Ltd.	Agreement prices	2,083	1,041

A services Agreement dated 3rd April 2001 between the Company and China Shipping (Group) Company became effective subsequent to an approval by the independent shareholder at an extraordinary general meeting held on 22nd May 2001. 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	2004	Proportion of the same business	2003
Guangzhou Maritime (Group) Co., Ltd.	Market price	3,019	0.22%	2,628
Shanghai Shipping (Group) Company	Market price	3,735	0.27%	5,568
China Shipping & Sinopec Suppliers Co., LTD.	Market price	904,708	64.48%	749,931
China Shipping Industry Co., Ltd.	Market price	116	0.01%	61
Da'Lian Shipping (Group) Company	Market price	10	0.01%	—

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(b) Whitewashing and oily water treatment for vessels:

Name of related party	Pricing basis	2004	Proportion of the same business	2003
China Shipping & Sinopec Suppliers Co., LTD.	State-fixed prices or market prices	474	3.53%	391
Guangzhou Maritime (Group) Co., Ltd.	State-fixed prices or market prices	2,946	21.95%	3,356
Shanghai Shipping (Group) Company	State-fixed prices or market prices	7,280	54.25%	5,526
China Shipping Industry Co.,LTD	State-fixed prices or market prices	48	0.36%	–

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

Name of related party	Pricing basis	2004	Proportion of the same business	2003
China Shipping Tele-communication Co., Ltd.	State-fixed prices	8,877	16.22%	9,744
Shanghai Shipping (Group) Company	State-fixed prices	2,709	4.95%	2,720
Guangzhou Maritime (Group) Co., Ltd.	State-fixed prices	2,149	3.93%	573
China Shipping Industry Co., Ltd.	State-fixed prices	152	0.28%	36
China Shipping & Sinopec Suppliers Co., Ltd.	State-fixed prices	1,444	2.64%	–

(d) Dry-docking and repairs:

Name of related party	Pricing basis	2004	Proportion of the same business	2003
China Shipping & Sinopec Suppliers Co., Ltd.	State-fixed prices or market prices	32,869	6.78%	28,456
China Shipping Industry Co., Ltd.	State-fixed prices or market prices	242,691	50.04%	138,039
Guangzhou Maritime (Group) Co., Ltd.	State-fixed prices or market prices	25,988	5.36%	15,537
Shanghai Shipping (Group) Company	State-fixed prices or market prices	26,767	5.52%	28,845
China Shipping International Trading Co., Ltd.	State-fixed prices or market prices	1,327	0.27%	1,007
China Shipping Tele-communication Co., Ltd.	State-fixed prices or market prices	12,004	2.48%	11,935
China Shipping Agency Co., Ltd.	State-fixed prices or market prices	238	0.05%	—

(e) Hiring of sea crew

Name of related party	Pricing basis	2004	Proportion of the same business	2003
Guangzhou Maritime (Group) Co., Ltd.	market prices	159,812	97.49%	154,491
Da'lian Shipping (Group) Co., Ltd.	market prices	4,109	2.51%	3,793

(f) Accommodation, lodging and transportation for employees

Name of related party	Pricing basis	2004	Proportion of the same business	2003
Shanghai Shipping (Group) Company	market prices	5,753	72.54%	5,533
Guangzhou Maritime (Group) Co., Ltd.	market prices	2,178	27.46%	699

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(g) Medical services (for existing employees)

Name of related party	Pricing basis	2004	Proportion of the same business	2003
Shanghai Shipping (Group) Company	State-fixed prices	2,405	16.67%	1,058
Guangzhou Maritime (Group) Co., Ltd.	State-fixed prices	188	1.30%	106

(h) Miscellaneous management services

Name of related party	Pricing basis	2004	Proportion of the same business	2003
Guangzhou Maritime (Group) Co., Ltd.	Market price	24,024	9.07%	28,916
China Shipping (Group) Company	Market price	385	0.15%	2,199
Shanghai Shipping (Group) Company	Market price	8,150	3.08%	10,435
Da'lian Shipping (Group) Co., Ltd.	Market price	32	0.01%	53
China Shipping & Sinopec Suppliers Co., LTD.	Market price	1,186	0.45%	286
China Shipping Tele-communication Co., Ltd.	Market price	4,457	1.68%	2,570
China Shipping Industry Co., Ltd.	Market price	-	-	278
China Shipping (Hong Kong) Marine Co., Ltd.	Market price	725	0.27%	288

(i) Agency commissions

Name of related party	Pricing basis	2004	Proportion of the same business	2003
China Shipping Agency Co., Ltd.	market prices	37,929	45.59%	25,924
JADE QUEEN NAVIGATION INC.	market prices	167	0.20%	236
SUPERDRAGONLTD.	market prices	744	0.89%	730
Shanghai Shipping (Group) Company	market prices	12,175	14.64%	1,205
Guangzhou Maritime (Group) Co., Ltd.	market prices	41	0.05%	—
China Shipping International Trading Co., Ltd.	market prices	927	1.11%	—

(4) Vessel chartering charges paid

Name of related party	Pricing basis	2004	Proportion of the same business	2003
Shanghai Shipping (Group) Company	Market prices	35,760	29.23%	33,115
Guangzhou Maritime (Group) Co., Ltd.	Market prices	8,000	6.54%	9,060
Zhu'hai New Century Shipping Co., Ltd.	Market prices	3,660	2.99%	3,650
Da'lian Shipping (Group) Co., Ltd.	Market prices	12,922	10.56%	41,200
China Shipping (Hong Kong) Marine Co., Ltd.	Market prices	41,215	33.69%	41,102

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

Item	Amount		%	
	2004.12.31	2003.12.31	2004.12.31	2003.12.31
Accounts receivables:				
Shanghai Shipping (Group) Company	2,465	2,465	1.55%	1.19%
Other receivables:				
Shanghai Shipping (Group) Company	—	181	—	0.50%
Da'lian Shipping (Group) Company	61	48	0.13%	0.13%
Guangzhou Maritime (Group) Co., Ltd.	918	1,019	1.97%	2.80%
China Shipping (Hong Kong) Holdings Co., Ltd.	11,226	8,313	24.14%	22.81%
China Shipping Container Lines Co., Ltd.	—	804	—	2.21%
Prepayments:				
China Shipping Agency Co., Ltd.	7,192	8,459	3.55%	3.55%
China Shipping & Sinopec Suppliers Co., LTD.	1,250	2,197	0.62%	0.92%
JADE QUEEN NAVIGATION INC.	19,859	64,108	9.79%	26.89%
SUPER DRAGON LTD. China Shipping	133,919	126,358	66.03%	52.99%
International Trading Co., Ltd.	2,587	1,040	1.28%	0.44%
Shanghai Shipping (Group) Company	15,743	14,588	7.76%	2.63%
Guangzhou Maritime (Group) Co., Ltd.	5,045	4,904	2.49%	2.06%
Zhu'hai New Century Shipping Co., Ltd.	—	3,650	—	1.53%
China Shipping Tele-communication Co., Ltd.	500	500	0.25%	0.21%
China Shipping Industry Co., Ltd.	1,430	—	0.71%	—
Da'lian Shipping (Group) Company	1,281	—	0.63%	—

	Amount		%	
	2004.12.31	2003.12.31	2004.12.31	2003.12.31
Accounts Payable:				
China Shipping Industry Co., Ltd.		8,777		5.77%
China shipping & sinopec Suppliers Co., LTD.	5,476	18,825	3.38%	12.37%
Guangzhou Maritime (Group) Co., Ltd.	67	305	0.04%	0.20%
Da'lian Shipping (Group) Company	-	1,239	-	0.81%
China Shipping Agency Co., Ltd.	286	1,652	0.18%	1.09%
China shipping telecom Co.,Ltd	79	-	0.05%	-
Shanghai Shipping (Group) Company	129	-	0.08%	-
Other Payable:				
Guangzhou Maritime (Group) Co., Ltd.	-	1,978	-	0.67%
China Shipping Haisheng Co., Ltd.	-	1,023	-	0.35%
Shanghai Shipping (Group) Company	413	386	0.15%	0.13%

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11. Guaranty

No guaranty that required to be disclosed in the financial statement up to the report dates.

12. Commitment

- 12.1 The Company signed the contract with Shanghai Shipyard Factory in 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 Dec 31 2004, the company has paid USD 10.368 million. The remaining will be paid when they transferred. The constructions were planed to complete in 2005.
- 12.2 The Company signed the contract with Dalian New Shipyard Heavy Industry Co., Ltd. in September 2003, and plans to start the constructions of one oil vessels (298000T). Pursuant to the contract, the vessel valued USD 65.58 million, which will be paid by 5 installments. As of Dec 31 2004, the company had paid USD 29.511 million. The remaining will be paid by installments of entering the water and completion. The constructions plan to complete in 2005.
- 12.3 The Company signed the contract with Shanghai Shipyard Factory in Apr. 2003, and planed to start the constructions of 2 cargo vessels (57300T). Pursuant to the contract, each vessel valued USD 17.28 million, and the estimated total costs would be USD 34.56 million, which will be paid by 4 installments. As of Dec 31 2004, the company has paid USD 5.184 million. The remaining will be paid by installments of building on slipway, entering the water and completion. The constructions were planed to complete in 2005.

- 12.4 The Company signed the contract with Bo'hai Shipyard Factory in April 2003, and planed 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 Dec 31 2004, the company has paid USD 5.394 million. The remaining will be paid by installments of building on slipway, entering the water and completion. The constructions were planed to complete in 2005.
- 12.5 The Company signed the contract with Guangzhou Shipyard International Co., Ltd. in Sep 2003, and planed to start the constructions of 2 oil vessels (40000T). Pursuant to the contract, each vessel valued USD 25.38 million, and the estimated total costs will be USD 50.76 million, which will be paid by 5 installments. As of Dec 31 2004, the company had paid USD 15.228 million. The remaining will be paid by installments of building on slipway, entering the water and completion. The constructions plan to complete in 2005.
- 12.6 The Company signed the contract with Dalian New Shipyard Heavy Industry Co., Ltd. in Sep. 2003 and Dec. 2003, and planed to start the constructions of 4 oil vessels (70000T). Pursuant to the contract, each vessel valued USD 28.38 million, and the estimated total costs will be USD 113.52 million, which will be paid by 5 installments. As of Dec 31 2004, the company had paid USD 42.57 million. The remaining will be paid by installments of beginning production, building on slipway, entering the water and completion. The constructions planed to complete in 2006.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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- 12.7 The Company signed the contract with Dalian New Shipyard Heavy Industry Co., Ltd. in May 2004, and planned to start the constructions of one oil vessel (298000T). Pursuant to the contract, the vessel valued USD 98.80 million, which will be paid by 5 installments. As of Dec 31 2004, the company had not paid any for this vessel. The remaining will be paid by installments of beginning production, building on slipway, entering the water and completion. The constructions planned to complete in 2007.
- 12.8 The China Shipping Development(Hong Kong) Marine Co., Ltd., the subsidiary company, signed the contract with Guangzhou Shipyard International Co., Ltd. in May 2004, and planned to start the constructions of 2 oil vessels (40000T). Pursuant to the contract, each vessel valued USD 27.8 million, and the estimated total costs would be USD 55.6 million, which will be paid by 5 installments. As of Dec 31 2004, the company had paid USD 5.56 million. The remaining will be paid by installments of beginning production, building on slipway, entering the water and completion. The constructions planned to complete in 2006.
- 12.9 The Company signed the contract with Guangzhou Shipyard International Co., Ltd. in Dec 2004, and planned to start the constructions of 4 oil vessels (52500T). Pursuant to the contract, each vessel valued USD 35.80 million, and the estimated total costs would be USD 143.20 million, which will be paid by 5 installments. As of Dec 31 2004, the company has not paid any for these vessels. The remaining will be paid by installments of beginning production, building on slipway, entering the water and completion. The constructions plan to complete in 2008.

13. Post balance sheet events

According to the resolution of Board of Directors on 1st March 2004, the Company will distribute 10% of holding company's net profit RMB 1,896.38 million to statutory surplus reserve and statutory welfare reserve amounted 189.64 million respectively. And the distributed dividend of year 2004 will be RMB 0.15 per share (Before tax).

There is no other post balance sheet events should be disclosed up to the report dates.

14. Contingent liability

- 14.1 On August 5th ,2003 the company's oil vessel named "Changyang" was collided by "Zhechangxing #0375" and the oil had leaked out. The company had paid RMB 2.3 million as guarantee of penalty and clearing. At the same time Shanghai Maritime Bureau required the company deposited RMB 10 million as subsequent clearing cost, the company took objection to doing so. The company had accrued losses RMB 12 million based on the estimate of PICC.

On March 10th,2004 according to the court's judgement, "Zhechangxing#0375" should be responsible for the accident. The company considered the social and public benefit and agreed to pay RMB 6 million. Up to March 1st,2005, the company had not reached agreement with Shanghai Maritime Bureau.

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14.2 The company, as the lessor, signed two ship lease contracts with the Korea Huron Company. According to the agreement, Huron Company leased "Dinghe" ship and "Daqing74" Ship to carry the two ship oil to Korea Qunshan harbor. The two ship oil belonged to four picking lists, and the letters of credit were issued by Korea Exchange Bank ("KEB"), Kookmin Bank("Kookmin"), Woori Bank("Woori"), National Federation of Fishery Cooperatives(NFFC). The oil totalled 67,800 tons, which valued USD 12.7 million.

After "Dinghe" ship and "Daqing74" arrived at the Korea Qunshan harbor, the company delivered the oil by the assurance order of Huron Company, and all the freight fee had been paid, but Huron Company didn't return the four picking lists to the company based on the promises of the assurance order. Huron Company applied for the reorganization to the court of Korea in January, 2004 and went into insolvency and liquidation in May,2004, which results in the full claim for compensation to the company by the three banks NFFC, Woori and Kookmin according to the picking lists. The claim amounted Won 11,974,643,009 and the interest. The China bank provide guarantee based on the application of the company to the above three banks.

The company succeeded in the application to the Korea court that the disposal of the related oil was banned in September, 2004. (According to the market value of the oil shipped in the case, USD191 per ton, the banned oil valued USD12.2431million).

Up to March 1st 2005, the litigation is still in the process.

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.

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Supplementary information

(1) ROE and EPS

	Rate of returns per share		Earning per share	
	Fully diluted Weight Average		Fully diluted Weight Average	
Gross profit	28.58%	31.12%	0.7324	0.7324
Operating profit	25.05%	27.28%	0.6420	0.6420
Net profit	22.20%	24.17%	0.5689	0.5689
Net profit after deducting abnormal items	21.76%	23.69%	0.5576	0.5576

(2) Provision and impairment of assets

Item	Beginning balance		Addition		Write-off		Total		Ending balance	
					因資產價值回升轉回數	其他原因轉回數				
	Consolidation	Holding Consolidation	Holding Consolidation	Holding Consolidation	Consolidation	Holding Consolidation	Holding Consolidation	Holding Consolidation	Consolidation	Holding Consolidation
		company		company		company		company		company
1.Baddebtsprovision	1 34,622,868.76	34,202,495.76	1,103,703.43	1,185,809.31	-	- 3,866,474.07	3,866,474.07	3,866,474.07	31,860,098.12	31,521,831.00
IncludingAccountsreceivables	2 34,254,813.27	33,846,949.70	1,002,029.96	1,135,057.34	-	- 3,866,474.07	3,866,474.07	3,866,474.07	31,990,369.16	31,115,532.97
Other receivables	3 368,055.49	355,546.06	101,673.47	50,751.97	-	-	-	-	469,728.96	406,298.03
2.Impairmentofshort-terminvestment	4 -	-	-	-	-	-	-	-	-	-
IncludingStockinvestment	5 -	-	-	-	-	-	-	-	-	-
Debt investment	6 -	-	-	-	-	-	-	-	-	-
3.Provisionofinventory	7 -	-	-	-	-	-	-	-	-	-
IncludingFinishedgoods	8 -	-	-	-	-	-	-	-	-	-
Raw materials	9 -	-	-	-	-	-	-	-	-	-
4.Impairmentoflong-terminvestment	10 -	-	-	-	-	-	-	-	-	-
IncludingLong-termstockinvestment	11 -	-	-	-	-	-	-	-	-	-
Long-term debt investment	12 -	-	-	-	-	-	-	-	-	-
5.Impairmentoffixedassets	13 936,268.00	936,268.00	-	-	-	-	-	-	936,268.00	936,268.00
IncludingBuildings	14 -	-	-	-	-	-	-	-	-	-
Machinery	15 -	-	-	-	-	-	-	-	-	-
6.Impairmentofintangibleassets	16 -	-	-	-	-	-	-	-	-	-
IncludingPatent	17 -	-	-	-	-	-	-	-	-	-
Land-use right	18 -	-	-	-	-	-	-	-	-	-
7.ImpairmentofCP	19 -	-	-	-	-	-	-	-	-	-
8.Provisionofintuition	20 -	-	-	-	-	-	-	-	-	-

- (3) Analysis for the subjects changed over 30% of the consolidated financial statements ,or accounted more than 5% of total assets as at 2004.12.31 or 10% of total profit for 2004.1-12:

Subjects in the balance sheet:

	2004.12.31.	2003.12.31.	Variation		Amount% of total assets
			Amount	%	
cash	1,287,820,466.58	1,138,449,556.86	149,370,909.72	13.12%	11.18%
Notesreceivable	9,340,000.00	23,298,242.05	-13,958,242.05	-59.91%	0.08%
Long-termequityinvestment	100,743,669.07	68,920,157.87	31,823,511.20	46.17%	0.87%
Fixedassets	15,297,234,142.60	13,344,845,320.25	1,952,388,822.35	14.63%	132.76%
Depreciation	7,044,039,639.96	6,391,881,715.35	652,157,924.60	10.20%	61.13%
Constructioninprogress	1,293,051,471.63	774,149,750.69	518,901,720.94	67.03%	11.22%
Short-termLoan	30,000,000.00	3,000,000.00	27,000,000.00	900.00%	0.26%
Advancefromcustomers	56,243,046.22	21,134,782.38	35,108,263.84	166.12%	0.49%
taxpayable	59,759,619.23	32,586,615.73	27,173,003.50	83.39%	0.52%
otherpayable	270,013,321.72	143,459,559.66	126,553,762.06	88.22%	2.34%
Long-termloans	1,827,867,300.00	1,571,902,300.00	255,965,000.00	16.28%	15.86%
Long-termaccountspayable	76,394,624.13	110,195,553.56	33,800,929.43	30.67%	0.66%
Deferedevenue	-	3,562,067.53	-3,562,067.53	-100.00%	-

Subjects in income statements:

	2004	2003	Variation	%	% of profit
Turnover	6,486,955,470.43	5,176,639,213.06	1,310,316,257.37	25.31%	294.72%
Cost	3,906,965,766.03	3,603,867,298.87	303,098,467.15	8.41%	177.51%
InvestmentIncome	21,631,289.88	5,329,981.48	16,301,308.40	305.84%	0.98%
Non-operatingincome	58,837,288.19	11,999,178.28	46,838,109.91	390.34%	2.67%
Non-operatingexpense	18,513,259.05	1,539,434.34	16,973,824.71	1102.60%	0.84%
Incometax	307,955,672.93	171,543,523.55	136,412,149.38	79.52%	13.99%
Minorityequity	1,090,086.51	662,652.48	427,434.03	64.50%	0.05%

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- (1) The closing balance of cash increased 13.12% compared with the relevant amount in 2003, which was caused by the sharply jump of the operating income which was 25.31%, in the meantime, the company improved the control of accounts receivable, thus the turn over ratio of the accounts receivable rose.
- (2) The closing balance of notes receivable decreased 59.91% compared with the relevant amount in 2003, which is caused by the improving of the control of notes receivable and the decrease of the notes transaction.
- (3) The balance of long-term equity investment as at 2004.12.31 increased 31.82 million compared with the related amount in 2003.12.31 mainly caused by the addition of investment 15 million to Shanghai Friendship shipping co., Ltd., the 50% holding subsidiary company and the investment profit amounted to RMB 16.3 million from Zhuhai New Century Maritime Co., Ltd, the 50% holding subsidiary company.
- (4) The accomplishment of two oil vessels and five cargo vessels caused the increase of RMB 1952.39 million to the value of fixed assets.
- (5) The accumulated depreciation increased 652.16 million RMB because of the depreciation of ship.
- (6) The balance increased RMB 518.9 million, for the 16 vessels were in construction progress, the payment based on the rate of progress.
- (7) The increase of short-term loan, RMB 27 million, is due to the newly-added short-term loan for vessel-purchasing by Shanghai Time Shipping Co., Ltd, the subsidiary company.

- (8) The increase of advance from customers RMB 35.11 million ,compared with the balance as at 2003.12.31, was due to the increase of many new customer because of the good development of maritime market in 2004. In order to decrease the risk of recover liability, the company would require the customer to pay part of freight fee first, which resulted in the sharply increase of the advance from customer.
- (9) The closing balance of tax payable increased RMB 27.17 million compared with the relevant amount on 31st Dec. 2003, due to the increase of the profit and sales in the current year.
- (10) The other payable increase 126.55 million because of the last payment of the newly built ship.
- (11) The long-term loan increased 255.97 million compared with the last year which is because the increased loan for the newly ship construction.
- (12) Because of the coming end of the repayment , the long-term accounts payable decreased 33.8 million compared with last year.
- (13) The deferred income was the gain from the lease after sale with Zhuhai New Century Maritime Co., Ltd in 2001. The original value was 10.67 million. The company began amortizatising from 2002 according to the ratio of the payment of the rent. The deferred income had been amortised up to Dec 31st 2004.
- (14) The amount of operating income increased 25.31% compared with last year was because the sharply jump of the freight rate of cargo shipping and oil shipping. The shipping volume also increase due to the increase in shipping capacity.

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- (15) The cost increased 8.41% compared with last year which was because the improvement of the structure of the freight, the operating efficiency of the ship, the reduction of the time of the tying up of the ship, the consumption ratio of the burned oil, and thus the decrease of the unit cost of freight. At the end the increase of the total cost was controlled.
- (16) The investment income increased 16.3 million compared with last year. It was due to the incremental investment profit of Zhuhai New Century Shipping Company and Shanghai Friendship Shipping Company, which were the 50% holding subsidiary companies.
- (17) The amount of Non-operating income in 2004 is RMB 46.84 million more than the relevant amount of the same period in 2003, which is caused by the disposal of the three tankers "Daqing 45" "Daqing 246" and "Zhenfeng 8".
- (18) The amount of Non-operating expense is RMB 16.97 million more than the relevant amount of the same period in 2003, which is caused by the loss of disposal of the fixed assets resulting from the sale of "Youyi 22" .
- (19) The sharply jumping of profit during the current period by 90.69% caused the income tax increasing accordingly by RMB 136.41 million.
- (20) The minority interest increased 64.5% compared with the related period last year, which was caused by the increase of the net profit of Hai'nan Haixiang Investment Co., Ltd., the subsidiary company.