

Notes to condensed consolidated financial statements

(continued)

4. Subsidiaries and Associated Companies

4.1 Subsidiaries and Associated Companies

Company name	Registered capital	Engaged business	% of registered capital
China Shipping Development (Hong Kong) Marine Co., Ltd. (Note 1)	USD 500,000	Cargo shipment	99
Shanghai Time Shipping Co., Ltd.	RMB 1,200 million	Cargo shipment,	50
Zhu'hai New Century Shipping Co., Ltd.	RMB 290 million	Cargo shipment	50
Shanghai Friendship Shipping Co., Ltd.	RMB 50 million	Shipment, business in free-trade zone	50

Note 1: On 31 December, 2001, the Company entered an agreement with China Shipping (Hong Kong) Holding Co., Ltd. In that agreement, China Shipping (Hong Kong) Holding Co., Ltd. entrusted 1% ownership of China Shipping Development (Hong Kong) Marine Co., Ltd to the Company, so the Company in reality owns 100% ownership of that company.

4.2 The consolidated companies and the alteration of consolidation

China Shipping Development (Hong Kong) Marine Co., Ltd., the subsidiary company, has been consolidated. Wylex Co., Ltd. which is under the control of the same corporater merger has been purchased by China Shipping Development (Hong Kong) Marine Co., Ltd., and has been consolidated.

The financial statements of its joint venture, Shanghai Time Shipping Co., Ltd., Zhu'hai New Century Co., Ltd, and Shanghai Friendship Shipping Co., Ltd. have not been consolidated with proration method this period.

As the consolidated scope has changed, it influences that the beginning balance of the assets and liabilities this period is not the same as the ending balance as at 2006.12.31.

5. Sub-Organizations

The Company has sub-organizations, namely Tanker Company and Cargo Company, Tanker Company Guangzhou Branch. Collected by HQ, the individual reports are constituted to parent company's.

Notes to condensed consolidated financial statements (continued)

6. Notes to financial statements (Expressed in RMB)

6.1 Cash and cash equivalents

Item	2007.06.30	2006.12.31
Cash on hand	1,720,876.56	1,050,054.85
Cash in bank	918,051,461.52	474,126,469.13
Cash equivalents	-	86,582.78
Total	919,772,338.08	475,263,106.76

Including:

CURRENCY	ORIGINAL AMT.	EXCHANGERATE	CNY AMT.
USD	65,187,619.64	7.6155	496,436,317.37
HKD	425,992.86	0.9744	415,087.44
EUR	57,434.94	10.2337	587,771.95
AUD	75.27	0.9533	71.75
JPY	5,191.54	0.061824	320.96

As at June. 30th, 2007 there are no material pledged, frozen, deposited abroad and limited convertibility cash that required to be disclosed in the financial statement.

6.2 Transaction financial assets

Item	2007.06.30	2006.12.31
China Merchants Energy Shipping Co., Ltd	219,400,000.00	159,000,000.00

The company as a strategic investment holdings in the stock vessels, "Enterprise Accounting Standards No. 22-Financial Instruments Recognition and Measurement" will be divided into tradable financial assets to fair value measurement, fair value determined by the end of the market price. Under the "Enterprise Accounting Standards No. 38-the first implementation of the Enterprise Accounting Standards" that the item back to the opening.

6.3 Notes Receivable

Category of notes	2007.06.30	2006.12.31
Bank draft	12,981,354.44	21,448,931.79

No material pledged and impawned notes receivable that required to be disclosed in the financial statement up to the report date.

Notes to condensed consolidated financial statements

(continued)

6.4 Accounts Receivable

Aging	2007.06.30	% Provision for bad debts	2006.12.31	%	Provision for bad debts
< 1 year	492,240,398.99	98.14	377,373,210.59	97.58	11,248,091.16
>3 years	9,339,513.47	1.86	9,339,513.47	2.42	9,339,513.47
Total	<u>501,579,912.46</u>	<u>100.00</u>	<u>386,712,724.06</u>	<u>100.00</u>	<u>20,587,604.63</u>

There are no receivables due from the shareholders who have the ownership over 5%.

The top five customers of accounts receivable

Customer name	Amount	Description	Aging
Hainan Tongli Shipping Co., Ltd.	23,626,000.00	Freight	<1 year
Baoshan Iron & Steel Co., Ltd	23,302,263.00	Freight	<1 year
Yangpu CNPC China Win Shipping Ltd.	16,542,000.00	Freight	<1 year
Ningbo China Offshore Oil Shipping Co., Ltd.	15,649,000.00	Freight	<1 year
Guangzhou Zhujiang Power Fuel Co., Ltd.	14,347,120.00	Freight	<1 year

The total amount of top five is RMB 93.47 million, presented 20% of the balance as at 2007.6.30.

6.5 Advance to suppliers

Aging	2007.06.30	%	2006.12.31	%
< 1 year	162,852,574.01	99.88	825,133,534.09	99.98
1-2 years	196,401.29	0.12	176,641.82	0.02
Total	<u>163,048,975.30</u>	<u>100.00</u>	<u>825,310,175.91</u>	<u>100.00</u>

There are no receivables due from the shareholders who have the ownership over 5%.

The top five customers of prepayments:

Customer name	Amounts	Description	Aging
China Shipping (Hong Kong) Marine Co., Ltd.	42,627,203.46	Deposit	<1 year
China Shipping International Trading Co., Ltd.	16,440,417.70	Ship rental	< 1 year
China Shipping Agency Co., Ltd.	14,539,926.99	Deposit	< 1 year
China Shipping (West Asia) Holdings Ltd.	13,317,024.74	Deposit	< 1 year
SUPERDRAGONLTD.	11,778,920.98	Deposit	< 1 year

The total amount of top five items is 98.70 million, 60.54% of the balance of the other receivables as at 2007.6.30.

Notes to condensed consolidated financial statements (continued)

6.6 Other Receivables

Aging	2007.06.30	%	Provision for bad debts	2006.12.31	%	Provision for bad debts
< 1 year	82,157,505.29	89.74	1,197,427.75	331,270,690.01	99.48	3,294,776.85
1-2 years	9,395,094.14	10.26	93,950.94	1,729,797.30	0.52	17,297.97
Total	<u>91,552,599.43</u>	<u>100.00</u>	<u>1,291,378.69</u>	<u>333,000,487.31</u>	<u>100.00</u>	<u>3,312,074.82</u>

There are no receivables due from the shareholders who have the ownership over 5%.

The amount aging over 3 years are long-term petty cash.

The top five items of other receivables:

Customer name	Amount	Description	Aging
PICC	48,143,421.66	Accident compensation	< 1 year
CPIC	7,768,388.49	Accident compensation	< 1 year
Sailor revolving fund	7,015,760.00	Deposit	< 1 year
Sailor Board Wages	3,620,952.14	Deposit	< 1 year
Petty cash of foreign currency	3,533,451.70	Deposit	<1 year

The total amount of top five items is 70.08million, 76.55% of the balance of other receivables as at 2007.6.30.

6.7 Inventories

Item	2007.06.30	2006.12.31
Bunker oil	<u>249,705,760.96</u>	<u>192,572,579.70</u>

6.8 Available-for-sale financial assets

Item	2007.06.30	2006.12.31
Yuan'shui Stock(Note 1)	-	577,852.00
Currency swaps(Note 2)	-	1,043,927.61
Total	<u>-</u>	<u>1,621,779.61</u>

(Note 1). Yuan'shui Stocks which were restricted for sale before the beginning of year 2007 were sold by the Company. According to the "Enterprise Accounting Standards No. 22-Financial Instruments Recognition and Measurement", the stock was treated as financial assets available for sale in a fair value. According to the "Enterprise Accounting Standards No. 38-the first implementation of the Enterprise Accounting Standards", the influences will be retroactive.

(Note 2). The currency swap contract held by a subsidiary of the company was treated as financial assets available for sale in fair value according to the "Enterprise Accounting Standards No. 22-Financial Instruments Recognition and Measurement". The fair value is based on the projected future cash flows of the present value calculation. According to the "Enterprise Accounting Standards No. 38-the first implementation of the Enterprise Accounting Standards", the influences will be retroactive in the financial statement.

Notes to condensed consolidated financial statements (continued)

6.9 Long-term investments

	2006.12.31	Addition of investment	Profit/loss of current period	Dividends distribution	2007.6.30
Cost accounting of the long-term equity investment	4,000,000.00	300,000.00	-	-	4,300,000.00
Equity method of accounting for long-term equity investment	912,482,923.43	-	106,629,665.77	-7,000,000.00	1,012,112,589.20
Total	916,482,923.43	300,000.00	106,629,665.77	-7,000,000.00	1,016,412,589.20

6.9.1 Cost accounting of the long-term equity investment

Investee	Cost of investment	Investment %	2006.12.31	Addition of investment	Dividends distribution	2007.6.30
Shanghai Bao'jiang Shipping Co., Ltd.	4,000,000.00	10%	4,000,000.00	-	-	4,000,000.00
Qinhuangdao seaborne coal trade market Ltd.	300,000.00	15%	-	300,000.00	-	300,000.00
Total	4,300,000.00		4,000,000.00	300,000.00	-	4,300,000.00

Notes: The Company invested RMB 300,000 to Qinhuangdao seaborne coal trade market Ltd on April 12, 2007 representing 15% of whole registered capital.

6.9.2 Equity method of accounting for long-term equity investment

Investee	Cost of investment	Investment %	2006.12.31	Addition of investment	Profit/loss of current period	Dividends distribution	2007.6.30
Shanghai Time Shipping Co., Ltd.	692,132,287.39	50%	692,132,287.39	-	71,654,385.49	-	763,786,672.88
Zhu'hai New Century Shipping Co., Ltd.	145,000,000.00	50%	179,557,864.59	-	30,335,386.28	-7,000,000.00	202,893,250.87
Shanghai Friendship Shipping Co., Ltd.	25,000,000.00	50%	40,792,771.45	-	4,639,894.00	-	45,432,665.45
Total	862,132,287.39		912,482,923.43	-	106,629,665.77	-7,000,000.00	1,012,112,589.20

6.10 Fixed Assets and Accumulated depreciation

Initial costs	2006.12.31	Additions	Influence on the exchange rate	Disposals	2007.6.30
Buildings	2,156,021.80	-	-	-	2,156,021.80
Vessels	19,291,787,696.99	2,178,805,759.60	-105,164,233.51	746,022,456.53	20,619,406,766.55
Vehicles	14,704,460.53	1,586,135.68	-	722,359.00	15,568,237.21
Others	48,477,346.48	1,167,536.33	-3,267.01	1,375,470.00	48,266,145.80
Total	19,357,125,525.80	2,181,559,431.61	-105,167,500.52	748,120,285.53	20,685,397,171.36

Notes to condensed consolidated financial statements (continued)

6.10 Fixed Assets and Accumulated depreciation (Continued)

Accumulated depreciation	2006.12.31	Additions	Influence on the exchangerate	Disposals	2007.6.30
Buildings	503,922.00	-	-	-	503,922.00
Vessels	7,982,512,168.81	456,927,775.89	-25,418,109.40	508,288,279.42	7,905,733,555.88
Vehicles	7,167,759.84	545,049.00	-	696,453.05	7,016,355.79
Others	40,918,631.34	1,816,171.04	-28.66	928,454.56	41,806,319.16
Total	<u>8,031,102,481.99</u>	<u>459,288,995.93</u>	<u>-25,418,138.06</u>	<u>509,913,187.03</u>	<u>7,955,060,152.83</u>
Impairment of fixed assets	936,268.00				936,268.00
Net value	<u>11,325,086,775.81</u>				<u>12,729,400,750.53</u>

There were 7 vessels which the net value of these vessels was RMB 2,065.40million mortgaged to get the bank loan RMB 1,640.63 million.

6.11 Construction in progress

Name of construction	Budget RMB Million	2006.12.31	Additions	Transferred to fixed ssets	Transferred to Cost	2007.06.30	Completion Percentage	Fund
Vessels purchase	11,909,575,830.00	2,250,083,806.80	1,658,278,921.89	-47,259,273.43	291,848,281.41	3,569,255,173.85	7.47%	Self-financing /loans
Including: Capitalization of borrowing cost			23,752,000.00			23,752,000.00		
Improvement of vessels	136,559,233.38		103,730,081.50		103,662,145.93	67,935.57	99.93%	Self-financing
Others	649,158.48	301,900.00	349,648.08		6,565.00	644,983.08	1.01%	Self-financing
Total	<u>12,046,784,221.86</u>	<u>2,250,385,706.80</u>	<u>1,762,358,651.47</u>	<u>-47,259,273.43</u>	<u>395,516,992.34</u>	<u>3,569,968,092.50</u>		

6.12 Intangible Assets

Item	Costs	2006.12.31	Additions	Amortization this year	Accumulated Amortization	2007.06.30	Period left
Housing use right	2,102,464.00	735,862.66	-	105,123.18	1,471,724.52	630,739.48	3 years
Land use right	4,145,716.00	3,454,763.09	-	41,457.18	732,410.09	3,413,305.91	41.17 years
Software	3,599,625.00	1,864,851.70	-	371,527.02	2,106,300.32	1,493,324.68	2.11 years
Total	<u>9,847,805.00</u>	<u>6,055,477.45</u>	<u>-</u>	<u>518,107.38</u>	<u>4,310,434.93</u>	<u>5,537,370.07</u>	

Notes to condensed consolidated financial statements (continued)

6.13 Long-term deferred expenses

Item	Cost	2006.12.31	Additions	Amortization this year	Accumulated amortization	2007.6.30	Period left
Wireless network expense	72,100.00	28,462.50	10,000.00	16,983.00	50,620.50	21,479.50	5 months
Leasehold improvements	50,263,864.61	30,615,355.50	-	4,310,028.00	23,958,537.11	26,305,327.50	
Total	50,335,964.61	30,643,818.00	10,000.00	4,327,011.00	24,009,157.61	26,326,807.00	

Including: Leasehold improvements

Item	Cost of Fixed Assets	2006.12.31	Additions	Disposals	2007.6.30
Special painting of "daqin 88"	13,669,240.00	5,291,273.39	-	2,645,682.00	2,645,591.39
Special painting of "yanghe" welhouse	9,933,024.61	9,104,942.11	-	331,266.00	8,773,676.11
Special painting of "songlinwan"	26,661,600.00	16,219,140.00	-	1,333,080.00	14,886,060.00
Total	50,263,864.61	30,615,355.50	-	4,310,028.00	26,305,327.50

6.14 Deferred tax assets

Item	2007.06.30	2006.12.31
Bad debts	3,288,182.69	3,731,625.72
Depreciation of fixed assets	822,132.04	822,132.04
Contingencies liabilities	4,500,000.00	4,500,000.00
For sale of financial assets	965,166.53	-
Total	9,575,481.26	9,053,757.76

Notes to condensed consolidated financial statements (continued)

6.15 Short-term Loans

Bank/Finance Company	2007.6.30 (RMB)	2006.12.31 (RMB)	Maturity	Rate
Credit Loan	-	300,000,000.00	2007-1-19	5.022%
Credit Loan	-	200,000,000.00	2007-1-19	5.022%
Total	<u>-</u>	<u>500,000,000.00</u>		

6.16 Account Payable

Aging	2007.06.30	2006.12.31
< 1 year	385,372,639.52	216,010,723.36
1-2 years	14,413.98	180,819.29
2-3 years	125,201.40	-
Total	<u>385,512,254.90</u>	<u>216,191,542.65</u>

There are no payables due to the shareholders who have the ownership over 5%.

6.17 Advance from customers

Aging	2007.06.30	2006.12.31
< 1 year	<u>99,220,735.23</u>	<u>69,746,628.46</u>

There are no payables due to the shareholders who have the ownership over 5%.

6.18 Employee compensation payable

Item	2007.06.30	2006.12.31
Wages, bonuses, allowances and subsidies	34,220,952.97	44,144,106.45
Staffs' welfares	122,201,782.50	143,920,931.90
Social insurance	842,328.09	348,118.55
Housing Provident Fund	353,370.40	353,370.40
Union funds and staff education funding	9,381,087.67	6,794,421.46
Total	<u>166,999,521.63</u>	<u>195,560,948.76</u>

Notes to condensed consolidated financial statements

(continued)

6.19 Taxes payable

Item	2007.06.30	2006.12.31
Income Tax	56,889,995.45	52,450,474.10
Sales Tax	35,778,902.28	22,901,313.59
Value Added Tax	566,371.15	-
Tax of city construction	470,411.35	434,407.11
Individual Income Tax	1,247,684.20	3,199,632.85
Vehicle & Vessel Tax	2,160,728.70	-
Stamp tax	434,007.55	1,639,366.61
Education affixation	201,604.80	186,174.41
Maintenance for river way	67,201.63	62,058.17
Prevent flood maintenance fee	373,291.82	180,730.75
Total	98,190,198.93	81,054,157.59

6.20 Other payables

Aging	2007.06.30	2006.12.31
< 1 year	988,241,895.33	519,040,456.64
1-2 years	40,935.99	264,445.87
2-3 years	-	-
> 3 years	247,344.80	280,644.80
Total	988,530,176.12	519,585,547.31

The main items of ending balance is listed as following:

Description	2007.06.30	2006.12.31
The payables for purchase cargo	929,031,243.42	498,520,936.90
Shipping fee of commission	-	15,897,705.07
Sailor management expenses	5,668,926.13	-
Pretty cash of foreign currency	3,979,182.65	4,156,656.19

The amount of the main items mentioned above is 938.68 million, 95% of the balance of other payable as at 2007.6.30.

The closing balance of this year is 1.90 times to the year of 2006 mainly because the company purchased 42 vessels cargo from Guangzhou Maritime (Group) Co., Ltd.

Notes to condensed consolidated financial statements (continued)

6.21 Long-term liabilities due within 1 year

Loan sort	2007.06.30	2006.12.31	Aging	Interest Rate	Notes
Bank loans	311,963,764.73	945,639,279.84	< 1 year	5.67%-6.84%	Vessels pledge/ cautioner
Non-bank institution loans	9,916,375.27	29,844,537.79	< 1 year	3.25%	
Total	321,880,140.00	975,483,817.63			

Including the mortgaged loan RMB 136 million, USD 13.89 million.

6.22 Long-term loans

Bank	2007.06.30 (Equivalent RMB)	2006.12.31 (Equivalent RMB)	Maturity	Interest rate	Currency	Notes
ICBC	335,520,000.00	369,660,000.00	2012.7/2014.6	5.508%-6.84%	RMB	Vessels pledge /cautioner
Bank of China Communications Bank of China	366,525,000.00 720,000,000.00	390,960,000.00 -	2015.12 2010.3.7	6.156% 5.67%	RMB	Vessels pledge Credit
China Merchants Bank	160,000,000.00		2010.5.13	5.913%	RMB	Credit
Citibank	314,786,937.01	343,584,090.64	2016.1.22	Libor+0.45%	USD	Vessels pledge
Norway Bank	827,994,235.40	601,584,508.35	2016.9.18 /2017.5.14	Libor+0.42%	USD	Vessels pledge /Credit
China MINSHENG Banking CORP., Ltd.	160,000,000.00	-	2010.5.13	5.913%	RMB	Credit
Agricultural bank of China	160,000,000.00	-	2010.5.13	5.913%	RMB	Credit
Total	3,044,826,172.41	1,705,788,598.99				

Including the mortgaged loan RMB 529.93 million, USD 114.10 million.

The aging of long-term loans:

Aging	RMB loans
1-2 years	311,963,764.73
2-3 years	311,963,764.73
3-5 years	1,736,527,529.45
> 5 years	684,371,113.50
Total	3,044,826,172.41

Notes to condensed consolidated financial statements (continued)

6.23 Deferred income tax liabilities

Item	2007.6.30	2006.12.31
Depreciation of fixed assets	13,839,982.34	-
Financial assets available for sale	-	188,636.94
Transactions financial assets	21,780,000.00	12,720,000.00
From outside	113,632,830.08	65,632,658.48
Total	149,252,812.41	78,541,295.42

6.24 Other financial liabilities

Item	2007.6.30	2006.12.31
Currency swaps	5,849,494.14	-

The subsidiary companys contact of currency swap, see note 6.8.

6.25 Share capital

Item	Quantity:10 thousand Par Value: 1 RMB			Ending Balance
	Beginning Balance	Increase	Decrease	
1, Non-trading shares				
Including : State-shares	157,850	-	-	157,850
2. Tradable shares				
H shares	129,600	-	-	129,600
A shares	45,150	-	-	45,150
3. Total	332,600	-	-	332,600

6.26 Capital surplus

Item	2007.06.30	Financial assets available		2006.12.31
		Retroactive adjustment	for sale at fair value movement	
Share premium	2,023,877,878.95	-	-	2,023,877,878.95
Other	29,842,814.60	1,068,942.67	-5,953,270.28	24,958,486.99
Total	2,053,720,693.55	1,068,942.67	-5,953,270.28	2,048,836,365.94

Notes: Under the "Enterprise Accounting Standards No. 22-Financial Instruments Recognition and Measurement", The variances of the financial assets available for sale (see Note 6.8) were transferred to the capital surplus except for impairment losses and exchange difference. According to the "Enterprise Accounting Standards No. 38-the first implementation of the Enterprise Accounting Standards", the influences will be retroactive in the financial statement.

Notes to condensed consolidated financial statements (continued)

6.27 General reserves

Item	2006.12.31	Adjustment for consolidation scope	Increase	2007.06.30
Statutory surplus reserve fund	1,657,646,638.92	-27,852,949.99	-	1,629,793,688.93
Discretionary reserve	3,155,728.78	-	-	3,155,728.78
Total	1,660,802,367.70	-27,852,949.99	-	1,632,949,417.71

Notes: Due to the current changes in the scope of consolidation, reduction of the beginning of surplus reserve of was amount to RMB 27,852,949.99.

6.28 Retained earnings

	Amount
Retain earnings as at 2006.12.31	5,436,552,786.62
Opening balance adjustment (Note 1)	75,918,137.04
Opening balance after adjustment	5,512,470,923.66
Add: Net profit in 2007.6.30	2,225,961,869.34
Distributable profit	7,738,432,793.00
Less: Transfer to Statutory surplus reserve	-
Distribute Dividends of 2006 (Note 2)	997,800,000.00
Profit Distribution (Note 3)	10,143,400.00
Retain earnings as at 2006.12.31	6,730,489,393.00

Note 1 : Under the "Enterprise Accounting Standards No. 38-the first implementation of the Enterprise Accounting Standards", the beginning of the undistributed profits retroactive adjustment.

Note 2 : According to the year of 2006's annual meeting of shareholders, the company used the base of the total capital of 3.326 billion ,distributed to all shareholders cash dividends per share RMB 0.30 (include tax), for a total of RMB 997,800,000.00.

Note 3 : China Shipping Development (Hong Kong) Marine Co., Ltd., the subsidiary company, has purchased Wylex Co., Ltd., Before being purchased, Wylex Co., Ltd. distributed profit to previous shareholders of RMB 10,143,400.00. Because the Company and the former shareholder of the Wylex are controlled by the same parent company, Wylex Co., Ltd. is regarded as a part of in the consolidated financial statement from the very beginning of year 2007 according to the Chinese GAAP.

Notes to condensed consolidated financial statements (continued)

6.29 Revenue and cost

Item	2007.1-6		2006.1-6	
	Revenue	Cost	Revenue	Cost
Coal shipment	2,527,256,329.84	1,203,093,082.85	1,370,370,950.84	880,128,355.10
Oil shipment	2,390,842,902.84	1,544,018,503.84	2,620,129,547.19	1,662,318,010.09
Other shipment	852,929,303.25	440,620,262.09	443,824,213.97	250,978,240.37
Lease of vessels	35,276,509.71	15,395,524.25	37,435,234.65	21,536,228.67
Manage for vessels	2,947,880.00	-	6,447,996.00	14,880.00
Others	3,444,079.19	2,687,385.26	908,989.95	716,870.68
Total	<u>5,812,697,004.83</u>	<u>3,205,814,758.29</u>	<u>4,479,116,932.60</u>	<u>2,815,692,584.91</u>

The revenue from top five main clients is 790.43 million, 14% of total income during this period.

6.30 Sales tax and surtax

Item	2007.1-6	2006.1-6
Sales tax	113,404,686.32	81,854,790.74
Tax of city construction	2,551,798.28	5,729,835.36
Education affixation	1,093,627.84	2,455,643.72
Maintenance for river way	364,542.62	818,547.93
Total	<u>117,414,655.06</u>	<u>90,858,817.75</u>

6.31 Finance expense

Item	2007.1-6	2006.1-6
Interest expense	96,957,668.24	50,787,199.05
Less: Interest income	13,960,157.61	12,659,993.66
Exchange gain and loss	55,478,977.90	11,158,597.59
Other	181,369.64	590,380.10
Total	<u>138,657,858.17</u>	<u>49,876,183.08</u>

6.32 Loss of assets impairment

Item	2007.1-6	2006.1-6
Loss of bad debts	<u>1,539,076.69</u>	<u>4,377,819.05</u>

Notes to condensed consolidated financial statements

(continued)

6.33 Investment income

Item	2007.1-6	2006.1-6
Equity investment difference amortization	106,629,665.77	34,614,252.37
Profit and loss for investment disposal	-8,551,317.20	-
Dividends income	1,720,866.42	-
Profit of stock investment	1,148,135.83	1,451,053.72
Total	<u>100,947,350.82</u>	<u>36,065,306.09</u>

6.34 Non-operating income

Item	2007.1-6	2006.1-6
Disposal of vessels	198,042,382.74	52,817,849.46
Disposal of other assets	-	1,747.00
Other	262,780.00	330,644.80
Total	<u>198,305,162.74</u>	<u>53,150,241.26</u>

6.35 Non-operating expense

Item	2007.1-6	2006.1-6
Disposal of vessels	2,170,947.10	
Disposal of other assets	380,431.74	126,591.12
Penalty expense	22,600.00	67,700.00
Other	307,271.20	65,278.31
Total	<u>2,881,250.04</u>	<u>259,569.43</u>

6.36 Income tax

Item	2007.1-6	2006.1-6
Current Income Tax	301,915,137.12	208,865,564.48
Deferred Income Tax	71,343,596.97	7,201,775.95
Total	<u>373,258,734.09</u>	<u>216,067,340.43</u>