

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents gross revenue arising from shipping operations, net of business taxes. Pursuant to various tax rules and regulations in the PRC, revenues derived from sea freighting attributable to voyages departing from ports in the PRC and from vessel chartering services are both subject to business tax at a rate of 3%. Business taxes charged to the income statement for the year amounted to RMB331,353,000 (2007: RMB247,371,000).

An analysis of revenue, other income and gains is as follows:

	Group	
	2008	2007
	RMB'000	RMB'000
Revenue		
Oil shipments	5,994,525	4,924,349
Coal shipments	6,872,280	5,324,189
Other dry bulk shipments	2,487,621	2,146,201
Rental income from vessel chartering	1,859,857	–
	<u>17,214,283</u>	<u>12,394,739</u>
Other income		
Interest income	25,617	34,513
Government subsidy	25,000	–
Rental income from vessel chartering	–	39,125
Others	16,401	5,731
	<u>67,018</u>	<u>79,369</u>
Gains		
Gain on disposal of property, plant and equipment, net	385,334	421,073
Exchange losses, net	(2,121)	(55,895)
Fair value gains on equity investments at fair value		
through profit or loss	–	98,400
Others	10,669	–
	<u>393,882</u>	<u>463,578</u>
Other income and gains	<u>460,900</u>	<u>542,947</u>

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Group	
	2008 RMB'000	2007 RMB'000
Cost of shipping services rendered:		
Bunker oil inventories consumed and port fees	4,704,521	3,588,437
Others	6,406,250	3,740,871
Depreciation	1,038,878	1,000,854
Operating lease rentals:		
Land and buildings	26,236	24,900
Vessels	2,690,387	75,194
	<u>2,716,623</u>	<u>100,094</u>
Auditor's remuneration	2,800	3,512
Staff costs (including directors' remuneration (note 8)):		
Wages, salaries, crew expenses and related expenses	1,299,082	998,833
Pension scheme contributions	100,043	85,951
	<u>1,399,125</u>	<u>1,084,784</u>
Gain on disposal of property, plant and equipment, net	(385,334)	(421,073)
(Reversal of provision)/provision for bad and doubtful debts	(8,161)	9,334
Impairment loss on property, plant and equipment	108,546	–
Amortization of deferred staff expenditure	–	49,668
Loss on disposal of equity investments at fair value profit or loss	169,269	–
Dry-docking and repairs	<u>534,599</u>	<u>456,415</u>

7. FINANCE COSTS

	Group	
	2008 RMB'000	2007 RMB'000
Interest on convertible bonds within five years	19,739	32,155
Interest on bank loans and other borrowings wholly repayable within five years	289,449	230,394
Interest on finance leases	–	649
Total interest	309,188	263,198
Less: Interest capitalised	(225,114)	(90,069)
	<u>84,074</u>	<u>173,129</u>

8. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' and supervisors' remuneration for the year, disclosed pursuant to the Listing Rules and Section 161 of the Companies Ordinance, is as follows:

	Directors		Supervisors	
	2008	2007	2008	2007
	RMB'000	RMB'000	RMB'000	RMB'000
Fees	360	320	–	–
Other emoluments:				
Salaries, allowances and benefits in kind	1,732	1,562	1,053	850
Pension scheme costs	44	38	44	38
Total	<u>2,136</u>	<u>1,920</u>	<u>1,097</u>	<u>888</u>

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2008	2007
	RMB'000	RMB'000
Mr. Zhou Zhanqun	80	80
Mr. Hu Honggao	80	80
Mr. Xie Rong	80	80
Mr. Zhu Yongguang	80	–
Mr. Ma Xun	40	80
	<u>360</u>	<u>320</u>

There were no other emoluments payable to the independent non-executive directors during the year (2007: Nil).

8. DIRECTORS' AND SUPERVISORS' REMUNERATION (.../Cont'd)

(b) Executive directors and a non-executive director and supervisors

2008	Fees	Salaries, allowance and benefits in kind	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors:				
Mr. Li Shaode	-	-	-	-
Mr. Ma Zehua	-	-	-	-
Mr. Lin Jianqing	-	-	-	-
Mr. Wang Daxiong	-	-	-	-
Mr. Zhang Guofa	-	-	-	-
Mr. Mao Shijia	-	928	22	950
Mr. Wang Kunhe	-	804	22	826
	-	1,732	44	1,776
Supervisors:				
Mr. Kou Laiqi	-	-	-	-
Mr. Yan Zhichong	-	-	-	-
Mr. Xu Hui	-	-	-	-
Mr. Yu Shicheng	-	80	-	80
Mr. Luo Yuming	-	527	22	549
Ms. Chen Xiuling	-	446	22	468
	-	1,053	44	1,097

There was no arrangement under which a director or supervisor waived or agreed to waive any remuneration during the year.

No directors of the Company waived or agreed to waive any emoluments during the year.

8. DIRECTORS' AND SUPERVISORS' REMUNERATION (.../Cont'd)

(b) Executive directors and a non-executive director and supervisors (.../Cont'd)

2007	Fees RMB'000	Salaries, allowance and benefits in kind RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Executive directors:				
Mr. Li Shaode	-	-	-	-
Mr. Ma Zehua	-	-	-	-
Mr. Lin Jianqing	-	-	-	-
Mr. Wang Daxiong	-	-	-	-
Mr. Zhang Guofa	-	-	-	-
Mr. Mao Shijia	-	814	19	833
Mr. Wang Kunhe	-	748	19	767
	<u>-</u>	<u>1,562</u>	<u>38</u>	<u>1,600</u>
Non-executive director:				
Mr. Yao Zuozhi	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Supervisors:				
Mr. Kou Laiqi	-	-	-	-
Mr. Yan Zhichong	-	-	-	-
Mr. Xu Hui	-	-	-	-
Mr. Luo Yuming	-	458	19	477
Ms. Chen Xiuling	-	392	19	411
	<u>-</u>	<u>850</u>	<u>38</u>	<u>888</u>

During the year, no emoluments were paid by the Group to any of the directors as an inducement to join an upon joining the Group or as compensation for loss of office.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year include two (2007: two) directors or supervisors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining three (2007: three) non-director, non-supervisor, highest paid employee for the year are as follows:

9. FIVE HIGHEST PAID EMPLOYEES (.../Cont'd)

	Group	
	2008 RMB'000	2007 RMB'000
Salaries, allowances and benefits in kind	2,540	2,282
Pension scheme contributions	<u>66</u>	<u>57</u>
	<u>2,606</u>	<u>2,339</u>

The number of non-director, non-supervisor, highest paid employees whose remuneration fell within the following band is as follows:

	Number of employees	
	2008	2007
Nil to RMB1,000,000	<u>3</u>	<u>3</u>

10. TAX

Pursuant to the directive 2008 (113) jointly issued by the Shanghai State Tax Bureau and the Shanghai Bureaus of Finance on 5 August 2008, the Company is entitled to a preferential income tax rate of 18% – 24% effective from 1 January 2008. Accordingly, PRC income tax of the Company has been provided at the rate of 18% (2007: 15%) on the estimated assessable profits for the year.

No Hong Kong profits tax has been provided as no assessable profits were earned in or derived from Hong Kong during the year (2007: Nil). Taxes on profits assessable elsewhere, if applicable, have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

10. TAX (.../Cont'd)

	Group	
	2008 RMB'000	2007 RMB'000
Group :		
Current – Hong Kong	–	–
Current – PRC		
Charge for the year	935,635	636,722
Under/(Over) provision in prior years	27,969	(20,090)
Deferred tax (note 28)	93,086	165,020
Total tax charge for the year	<u>1,056,690</u>	<u>781,652</u>

	Company	
	2008 RMB'000	2007 RMB'000
Company :		
Tax	962,183	596,418
Deferred Tax	(45,800)	48,902
Total tax charge for the year	<u>916,383</u>	<u>645,320</u>

Income tax for the year of jointly-controlled entities attributable to the Group amounted to RMB117,177,000 (2007: RMB34,772,000).

A reconciliation of the tax expense applicable to profit before tax using the statutory rate for the country in which the Company, its subsidiaries and jointly-controlled entities are domiciled to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, is as follows:

	2008		2007	
	RMB'000	%	RMB'000	%
Profit before tax	6,432,685		5,328,035	
Tax at the statutory tax rate	1,157,883	18.0	799,203	15.0
(Lower)/Higher tax rate for specific provinces	(12,231)	(0.2)	11,896	0.2
Adjustments in respect of				
current tax of previous periods	27,969	0.4	(20,090)	(0.3)
Expenses not deductible for tax	6,084	0.1	13,267	0.2
Income not subject to tax	(123,015)	(1.9)	(22,624)	(0.4)
Tax charge at the Group's effective rate	<u>1,056,690</u>	<u>16.4</u>	<u>781,652</u>	<u>14.7</u>

10. TAX (.../Cont'd)

Tax payable in the balance sheet represented by:

	2008 RMB'000	2007 RMB'000
Income tax payable at the beginning of the year	50,514	52,450
Provision for Corporate income tax during the year	935,635	636,722
Increase/(Reversal) of provision tax of previous year	27,969	(20,090)
Income tax paid	<u>(951,079)</u>	<u>(618,568)</u>
Income tax payable at the end of the year	<u>63,039</u>	<u>50,514</u>

11. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The consolidated profit attributable to equity holders of the parent for the year ended 31 December 2008 includes a profit of RMB4,228,863,000 (2007: RMB3,531,035,000) which has been dealt within the financial statements of the Company (note 33).

12. DIVIDEND

	2008 RMB'000	2007 RMB'000
Proposed final: RMB 0.30 (2007: RMB 0.50) per ordinary share	<u>1,021,366</u>	<u>1,702,510</u>

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2008	2007
Profit attributable to equity holders of the Company (RMB'000)	5,373,010	4,546,383
Weighted average number of ordinary shares in issue (thousands)	3,386,989	3,326,000
Basic earnings per share (RMB cents per share)	158.64	136.69

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (.../Cont'd)

(b) Diluted

Diluted earnings per share is calculated for adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary share: convertible bonds. The convertible bonds are assumed to have been converted into ordinary shares and the net profit is adjusted to exclude the interest expense on convertible bonds.

	2008	2007
Profit attributable to equity holders of the Company (RMB'000)	5,373,010	4,546,383
Interest expense on convertible bonds (RMB'000)	<u>—</u>	<u>—</u>
Profit used to calculate diluted earnings per share (RMB'000)	<u>5,373,010</u>	<u>4,546,383</u>
Weighted average number of ordinary shares in issue (thousands)	3,386,989	3,326,000
Adjustment for:		
– assumed conversion of convertible bonds (thousands)	<u>—</u>	<u>39,510</u>
Weighted average number of ordinary shares for diluted earnings per share (thousands)	<u>3,386,989</u>	<u>3,365,510</u>
Diluted earnings per share (RMB cents per share)	<u>158.64</u>	<u>135.09</u>

14. PROPERTY, PLANT AND EQUIPMENT

	Group						
	Leasehold improvements	Vessels	Machinery and equipment	Motor vehicles	Buildings	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost or valuation							
At 1 January 2008	55,911	22,183,554	46,477	15,544	16,419	5,744,416	28,062,321
Transfers	–	1,712,078	–	–	–	(1,712,078)	–
Additions	21,019	2,741	14,037	670	–	7,677,560	7,716,027
Disposals	(42,827)	(2,880,663)	(1,005)	(1,781)	–	(17,692)	(2,943,968)
Exchange realignment	–	(145,906)	3,653	–	(8,015)	(255,834)	(406,102)
At 31 December 2008	34,103	20,871,804	63,162	14,433	8,404	11,436,372	32,428,278
Accumulated depreciation							
At 1 January 2008	28,974	7,971,415	41,638	7,399	9,817	–	8,059,243
Charge for the year	5,200	1,024,726	7,505	1,085	362	–	1,038,878
Disposals	(27,248)	(1,821,913)	(1,412)	(249)	–	–	(1,850,822)
Exchange realignment	–	(23,072)	2,529	–	(6,894)	–	(27,437)
At 31 December 2008	6,926	7,151,156	50,260	8,235	3,285	–	7,219,862
Impairment losses							
At 31 December 2008	–	108,546	–	–	–	–	108,546
At 31 December 2007	–	–	–	936	–	–	936
Accumulated depreciation and Impairment losses							
At 31 December 2008	6,926	7,259,702	50,260	8,235	3,285	–	7,328,408
At 31 December 2007	28,974	7,971,415	41,638	8,335	9,817	–	8,060,179
Net carrying amount							
At 31 December 2008	27,177	13,612,102	12,902	6,198	5,119	11,436,372	25,099,870
At 31 December 2007	26,937	14,212,139	4,839	7,209	6,602	5,744,416	20,002,142

14. PROPERTY, PLANT AND EQUIPMENT (.../Cont'd)

	Group						
	Leasehold improvements	Vessels	Machinery and equipment	Motor vehicles	Buildings	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost or valuation							
At 1 January 2007 (Restated)	50,264	19,329,752	48,466	14,704	16,419	2,286,915	21,746,520
Transfers	–	2,457,558	–	–	–	(2,457,558)	–
Additions	5,647	1,744,152	1,956	1,586	–	5,915,059	7,668,400
Disposals	–	(1,347,908)	(3,945)	(746)	–	–	(1,352,599)
At 31 December 2007	55,911	22,183,554	46,477	15,544	16,419	5,744,416	28,062,321
Accumulated depreciation							
At 1 January 2007 (Restated)	19,648	7,948,366	40,908	7,168	4,348	–	8,020,438
Charge for the year	9,326	981,590	3,520	949	5,469	–	1,000,854
Disposals	–	(958,541)	(2,790)	(718)	–	–	(962,049)
At 31 December 2007	28,974	7,971,415	41,638	7,399	9,817	–	8,059,243
Impairment losses							
At 31 December 2007	–	–	–	936	–	–	936
At 31 December 2006 (Restated)	–	–	–	936	–	–	936
Accumulated depreciation and Impairment losses							
At 31 December 2007	28,974	7,971,415	41,638	8,335	9,817	–	8,060,179
At 31 December 2006 (Restated)	19,648	7,948,366	40,908	8,104	4,348	–	8,021,374
Net carrying amount							
At 31 December 2007	26,937	14,212,139	4,839	7,209	6,602	5,744,416	20,002,142
At 31 December 2006 (Restated)	30,616	11,381,386	7,558	6,600	12,071	2,286,915	13,725,146

14. PROPERTY, PLANT AND EQUIPMENT (.../Cont'd)

	Company							Total
	Leasehold	Vessels	Machinery	Motor	Buildings	Construction	in	
	improvements		and	vehicles		progress		
RMB'000	RMB'000	equipment	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Cost or valuation								
At 1 January 2008	–	18,288,405	49,549	15,477	6,395	2,378,817	20,738,643	
Transfers	–	1,379,748	–	–	–	(1,379,748)	–	
Additions	21,019	2,359	14,037	670	–	4,225,416	4,263,501	
Disposals	–	(1,939,133)	(734)	(1,714)	–	(17,692)	(1,959,273)	
Exchange realignment	–	–	53	–	2,009	–	2,062	
At 31 December 2008	21,019	17,731,379	62,905	14,433	8,404	5,206,793	23,044,933	
Accumulated depreciation								
At 1 January 2008	–	6,677,129	43,055	8,527	1,358	–	6,730,069	
Charge for the year	3,741	888,439	7,505	1,085	362	–	901,132	
Disposals	–	(1,615,531)	(568)	(249)	–	–	(1,616,348)	
Exchange realignment	–	–	87	(1,128)	1,565	–	524	
At 31 December 2008	3,741	5,950,037	50,079	8,235	3,285	–	6,015,377	
Impairment losses								
At 31 December 2008	–	108,546	–	–	–	–	108,546	
At 31 December 2007	–	–	–	936	–	–	936	
Accumulated depreciation and Impairment losses								
At 31 December 2008	3,741	6,058,583	50,079	8,235	3,285	–	6,123,923	
At 31 December 2007	–	6,677,129	43,055	9,463	1,358	–	6,731,005	
Net carrying amount								
At 31 December 2008	17,278	11,672,796	12,826	6,198	5,119	5,206,793	16,921,010	
At 31 December 2007	–	11,611,276	6,494	6,014	5,037	2,378,817	14,007,638	

14. PROPERTY, PLANT AND EQUIPMENT (.../Cont'd)

	Company						
	Leasehold improvements	Vessels	Machinery and equipment	Motor vehicles	Buildings	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost or valuation							
At 1 January 2007 (Restated)	50,264	15,496,416	52,072	14,715	6,395	1,956,588	17,576,450
Transfers	–	2,418,695	–	–	–	(2,418,695)	–
Additions	–	1,654,766	1,699	1,586	–	2,851,332	4,509,383
Disposals	(50,264)	(1,199,080)	(3,945)	(746)	–	–	(1,254,035)
Exchange realignment	–	(82,392)	(277)	(78)	–	(10,408)	(93,155)
At 31 December 2007	–	18,288,405	49,549	15,477	6,395	2,378,817	20,738,643
Accumulated depreciation							
At 1 January 2007 (Restated)	19,649	6,789,683	42,483	7,360	1,289	–	6,860,464
Charge for the year	8,397	808,302	3,362	1,885	69	–	822,015
Disposals	(28,046)	(920,856)	(2,790)	(718)	–	–	(952,410)
At 31 December 2007	–	6,677,129	43,055	8,527	1,358	–	6,730,069
Impairment losses							
At 31 December 2007	–	–	–	936	–	–	936
At 31 December 2006 (Restated)	–	–	–	936	–	–	936
Accumulated depreciation and Impairment losses							
At 31 December 2007	–	6,677,129	43,055	9,463	1,358	–	6,731,005
At 31 December 2006 (Restated)	19,649	6,789,683	42,483	8,296	1,289	–	6,861,400
Net carrying amount							
At 31 December 2007	–	11,611,276	6,494	6,014	5,037	2,378,817	14,007,638
At 31 December 2006 (Restated)	30,615	8,706,733	9,589	6,419	5,106	1,956,588	10,715,050

14. PROPERTY, PLANT AND EQUIPMENT (.../Cont'd)

Certain of the Group's and the Company's property, plant and equipment are leased to other parties under operating leases. Further details of the assets under operating lease arrangements are as follows:

	Group		Company	
	2008 RMB'000	2007 RMB'000	2008 RMB'000	2007 RMB'000
Vessels				
Cost at 31 December	1,070,645	1,141,184	756,744	932,322
Accumulated depreciation at 31 December	<u>319,712</u>	<u>504,795</u>	<u>245,316</u>	<u>486,068</u>

Further details of the operating leases are included in note 38(a) to the financial statements.

Certain of the Group's vessels existing as at 31 August 1994 were revalued at that date by Colliers Jardine Appraisals Limited, independent professionally qualified valuers, on an open market existing use basis. Since then, no further revaluation of the Group's vessels has been carried out, as the Group has relied upon the exemption granted under the transitional provisions in paragraph 80A of HKAS 16 from the requirement to carry out revaluations on a regular basis of its vessels which were stated at valuation at that time. Had these vessels been carried at historical cost less accumulated depreciation and impairment losses, their carrying amounts would have been approximately RMB655,915,000 (2007: RMB737,264,000).

At 31 December 2008, certain of the Groups' vessels and vessels under construction with a net carrying amount of approximately RMB3,948,717,000 (2007: RMB1,473,601,000) were pledged to secure general banking facilities granted to the Group (note 27).

15. INTERESTS IN SUBSIDIARIES

	Company	
	2008 RMB'000	2007 RMB'000
Unlisted shares, at cost	<u>133,959</u>	<u>26,764</u>

15. INTERESTS IN SUBSIDIARIES (.../Cont'd)

Name	Place of incorporation / registration and operations	Nominal value of issued / registered capital	Class of shares in issue	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
China Shipping Development (Hong Kong) Marine Co., Limited	Hong Kong	US\$500,000	Ordinary	100%	–	Investment holding
Shanghai Yinhua Shipping Company Limited	Shanghai	RMB200,000,000	Ordinary	51%	–	Provision of shipping services
Hong Kong Hai Bao Shipping Company Limited	Hong Kong	US\$8,000,000	Ordinary	51%	–	Investment holding

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

16. INVESTMENT IN JOINTLY-CONTROLLED ENTITIES

	Group	
	2008	2007
	RMB'000	RMB'000
Equity method	<u>1,628,682</u>	<u>1,162,971</u>

	Company	
	2008	2007
	RMB'000	RMB'000
Unlisted shares, at cost	<u>1,127,839</u>	<u>1,043,839</u>

16. INVESTMENT IN JOINTLY-CONTROLLED ENTITIES (.../Cont'd)

As at 31 December 2008, particulars of the jointly-controlled entities are as follows:

Name	Nominal value of issued / registered capital	Place of incorporation/ registration and operations	Percentage of ownership interest, voting power and profit sharing attributable to the Group Directly held by the Company :	Principal activities
Shanghai Friendship Marine Co., Ltd.	Registered Capital of RMB 1 each (RMB50,000,000)	PRC	50%	Provision of shipping services
Zhuhai New Century Marine Co., Ltd.	Registered Capital of RMB 1 each (RMB682,000,000)	PRC	50%	Provision of shipping services
Shanghai Times Shipping Co., Ltd.	Registered Capital of RMB 1 each (RMB1,200,000,000)	PRC	50%	Provision of shipping services

The financial statements of the above jointly-controlled entities are coterminous with those of the Group. Material transactions between the jointly-controlled entities and the Group companies have been eliminated to the extent of the Group's equity interest.

17. AVAILABLE-FOR-SALE INVESTMENTS

As at 31 December 2008, the Group has not provide impairments on available-for-sale financial assets (2007: Nil).

	Group and Company	
	2008	2007
	RMB'000	RMB'000
Listed equity investments, at fair value:		
Shanghai	–	300
Unlisted equity investments, at cost	4,300	4,000
	<u>4,300</u>	<u>4,300</u>

During the year, the gain on the equity investment of the Group's available-for-sale investments, net of tax, recognized in equity amounted to Nil (2007: RMB837,000).

The above investments consist of investments in equity securities which were designated as available-for-sale financial assets and have no fixed maturity date or coupon rate.

The fair values of listed equity investments are based on quoted market prices. As at 31 December 2008, unlisted equity investments with a carrying amount of RMB4,300,000 (2007: RMB4,000,000) were stated at cost because the directors are of the opinion that their fair value cannot be measured reliably.

Available-for-sale financial assets are denominated in the following currencies:

	Group and Company	
	2008	2007
	RMB'000	RMB'000
Renminbi (RMB)	<u>4,300</u>	<u>4,300</u>

18. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Company	
	2008	2007
	RMB'000	RMB'000
Listed equity investments, at fair value:		
Shanghai	–	257,400

The above equity investments at 31 December 2007 classified as held for trading were, upon initial recognition, designated by the Group as financial assets at fair value through profit or loss.

During the year, the Company disposed all equity investments at fair value through profit or loss.

19. OTHER LOAN

	Group	
	2008	2007
	RMB'000	RMB'000
Baosteel Resources Co., Ltd.	442,067	-

According to the contract signed between Hong Kong Hai Bao Shipping Co., Ltd. and its minority shareholder, Baosteel Resources Co., Ltd. Usd64,680,000 was granted to Hong Kong Hai Bao Shipping Co., Ltd. by their shareholding percentage. The loan is mainly used to finance the vessels in construction designated on a ten-year period since the date of actual repayment.

The loan is unsecured and non-interest-bearing before the date of transferring the vessels.

20. TRADE AND BILLS RECEIVABLES

	Group		Company	
	2008	2007	2008	2007
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables	784,542	568,932	674,426	513,346
Provision for doubtful debts	-	(9,495)	-	(7,556)
Trade and bills receivables, net	784,542	559,437	674,426	505,790

The carrying amounts of trade and bills receivables approximate their fair values.