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中遠海運控股股份有限公司
COSCO SHIPPING Holdings Co., Ltd.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1919)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The “Review Report of COSCO SHIPPING Holdings Co., Ltd.” as published in Chinese on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 12 October 2018 is enclosed hereto as overseas regulatory announcement in English and Chinese. In the event of conflicts or inconsistent meaning between the versions, the Chinese version shall prevail.

By Order of the Board
COSCO SHIPPING Holdings Co., Ltd.
Guo Huawei
Company Secretary

Shanghai, the People's Republic of China
12 October 2018

As at the date of this announcement, the directors of the Company are Mr. XU Lirong¹ (Chairman), Mr. HUANG Xiaowen¹ (Vice Chairman), Mr. WANG Haimin¹, Mr. ZHANG Wei (張為)¹, Mr. FENG Boming², Mr. ZHANG Wei (張煒)², Mr. CHEN Dong², Mr. YANG, Liang Yee Philip³, Mr. WU Dawei³, Mr. ZHOU Zhonghui³ and Mr. TEO Siong Seng³.

¹ *Executive Director*

² *Non-executive Director*

³ *Independent non-executive Director*

** For identification purpose only*

COSCO SHIPPING Holdings Co., Ltd.
Report on Review of
Pro Forma Financial Statements
RHYZ [2018] No.02180003

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Report on Review of Pro Forma Financial Statements

RHYZ [2018] No.02180003

To the shareholders of COSCO SHIPPING Holdings Co., Ltd.

We have reviewed the attached Pro Forma Consolidated Financial Statements of COSCO SHIPPING Holdings Co., Ltd. (the "COSCO SHIPPING Holdings"), which comprise pro forma consolidated balance sheet as of June 30, 2017 and as of December 31, 2016, pro forma consolidated income statement from January to June 2017 and for the year 2016 then ended, and the limited notes to pro forma consolidated financial statements (the "Pro Forma Consolidated Financial Statements").

Management of COSCO SHIPPING Holdings is responsible for the preparation of Pro Forma Consolidated Financial Statements according to preparation basis and method stated in Note II to Pro Forma Consolidated Financial Statements; and our responsibility is to issue a report on review of Pro Forma Consolidated Financial Statements based on our review.

We conducted our review in accordance with China Standards on Review No.2101-Review of Financial Statements issued by the Chinese Institute of Certified Public Accountants. Those standards require that we plan and perform the review to obtain limited assurance whether the Pro Forma Consolidated Financial Statements are free from material misstatement. Review is primarily limited to enquiring relevant personnel of the Company and the procedure of analyzing financial data, a review is substantially less than an audit. We did not perform audit, accordingly we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the Pro Forma Consolidated Financial Statements of COSCO SHIPPING Holdings were not prepared according to the preparation basis and method stated in Note II to Pro Forma Consolidated Financial Statements.

We remind users of the financial statements to pay attention to explanations on

preparation basis and method stated in Note II of the Pro Forma Consolidated Financial Statements. As stated in Note II to the attached Pro Forma Consolidated Financial Statements, pro forma consolidated financial statements are only used for the purpose of proposed major assets restructuring by COSCO SHIPPING Holdings, rather than any other purposes. Accordingly, the report is only used for purpose of proposed major assets restructuring by COSCO SHIPPING Holdings, rather than any other purposes. The contents stated in this paragraph shall not affect the existing review conclusions.

Ruihua Certified Public Accountants

Chinese Certified Public Accountant: Wang Youjuan

Beijing, China

Chinese Certified Public Accountant: Zhang Min

October 12 , 2018

Pro Forma Consolidated Balance Sheet

Prepared by: COSCO SHIPPING Holdings Co., Ltd.

Monetary Unit: RMB yuan

Items	Note	June 30, 2017	January 1, 2017
Current assets:			
Cash and Bank Balances	VI.1	33,618,089,172.98	40,412,218,046.61
Financial Assets at Fair Value through Profit or Loss	VI.2	2,071,918,422.54	2,240,141,325.22
Derivative Financial Assets	VI.3	1,643,988.63	14,550,133.92
Notes Receivable	VI.4	352,096,000.28	262,492,708.21
Accounts Receivable	VI.5	9,072,978,605.62	7,946,733,080.09
Prepayments	VI.6	3,142,115,257.76	3,365,930,506.66
Interests Receivable	VI.7	89,583,397.05	105,193,486.57
Dividends Receivable	VI.8	393,904,342.62	94,526,155.84
Other Receivables	VI.9	2,046,749,348.24	2,344,444,099.82
Inventories	VI.10	3,068,320,452.27	2,150,669,387.53
Held-for-sale assets			
Non-Current Assets Due within One Year	VI.11	130,974,277.13	127,935,550.93
Other Current Assets	VI.12	787,099,472.38	718,093,012.05
Total Current Assets		54,775,472,737.50	59,782,927,493.44
Non-Current Assets:			
Available-for-sale financial assets	VI.13	3,347,843,551.63	2,308,836,545.92
Held-to-Maturity Investments	VI.14	1,679,568,504.15	1,643,497,925.14
Long-Term Receivables	VI.15	1,444,424,210.40	1,215,380,198.21
Long-Term Equity Investments	VI.16	26,640,863,846.55	21,454,123,848.89
Investment Properties	VI.17	446,482,977.69	453,621,612.27
Fixed Assets	VI.18	81,786,747,707.88	80,596,111,221.09
Construction in Progress	VI.19	12,437,443,616.23	9,893,014,582.08
Materials held for construction			
Disposal of Fixed Assets	VI.20	37,259.20	
Biological assets held for production			
Oil-and-Gas Assets			
Intangible Assets	VI.21	2,418,550,195.42	2,463,361,153.55
Development Expenditure	VI.22	119,762,956.05	110,682,827.22
Goodwill	VI.23	9,094,199,582.50	9,096,289,895.58
Long-term deferred expenses	VI.24	73,917,243.31	90,636,011.87
Deferred Income Tax Assets	VI.25	101,213,597.43	115,309,630.20
Other Non-current Assets	VI.26	159,091,496.28	301,237,702.05
Total Non-current Assets		139,750,146,744.72	129,742,103,154.08
Total Assets		194,525,619,482.22	189,525,030,647.53

Pro Forma Consolidated Balance Sheet (Continued)

Prepared by: COSCO SHIPPING Holdings Co., Ltd.

Monetary Unit: RMB yuan

Items	Note	June 30, 2017	January 1, 2017
Current Liabilities			
Short-term borrowings	VI.27	35,227,874,797.65	31,861,201,197.65
Financial Liabilities at Fair Value through Profit or Loss			
Derivative Financial Liabilities			
Notes Payable	VI.28	52,000,000.00	26,000,000.00
Accounts payable	VI.29	21,143,376,462.40	20,742,961,472.23
Advance receipt	VI.30	339,491,870.60	330,816,375.46
Employees Payable	VI.31	1,049,184,732.72	1,372,034,536.41
Taxes payable	VI.32	811,242,241.05	1,042,080,746.41
Interests Payable	VI.33	505,169,338.89	254,688,264.79
Dividends Payable	VI.34	197,286,430.29	73,874,430.21
Other Payables	VI.35	5,244,034,681.15	4,829,040,495.31
Held-for-Sale Liabilities			
Non-Current Liabilities Due within One Year	VI.36	14,059,450,341.53	10,897,704,483.36
Other Current Liabilities			
Total Current Liabilities		78,629,110,896.28	71,430,402,001.82
Non-Current Liabilities:			
Long-Term borrowings	VI.37	35,846,304,020.73	42,669,537,348.12
Bonds Payable	VI.38	17,663,476,143.28	17,852,399,313.18
Including: Preferred Stocks			
Perpetual Bonds			
Long-Term Payables	VI.39	11,759,502,061.70	11,152,064,517.68
Long-Term Employee Payable	VI.40	320,943,966.35	383,257,026.06
Special Payables			
Estimated Liabilities	VI.41	86,353,326.57	83,096,693.03
Deferred Incomes	VI.43	219,706,686.69	221,676,489.16
Deferred Income Tax Liabilities	VI.25	1,091,260,212.24	537,174,674.97
Other Non-Current Liabilities	VI.44	7,060,546.21	6,307,225.87
Total Non-current Liabilities		66,994,606,963.77	72,905,513,288.08
Total Liabilities		145,623,717,860.05	144,335,915,289.90
EQUITY			
Share capital		10,216,274,357.00	10,216,274,357.00
Reserve		9,901,710,076.69	8,107,021,420.80
Equity attributable to equity holders of the Company		20,117,984,433.69	18,323,295,777.80
Non-controlling interests		28,783,917,188.49	26,865,819,579.83
Total Equity		48,901,901,622.17	45,189,115,357.63
Total equity and liabilities		194,525,619,482.22	189,525,030,647.53

Notes to financial statements from page 6 to page 149 is a part of this financial statements

The financial statements from page 3 to page 5 are signed by the following persons:

Principal:

Chief Financial Officer:

Financial Controller :

COSCO SHIPPING Holdings Co., Ltd.

Notes to the Pro Forma Consolidated Financial Statements

(Amount shall be expressed on RMB, unless otherwise stated.)

I. Basic information

(I) Basic Information of the Company

1. Company Profile

(1) Company name: COSCO SHIPPING Holdings Co., Ltd. (hereinafter referred to as "the Company").

(2) Establishment date: March 3, 2005

(3) Address: 2nd Floor, 12 Yuanhang Business Centre, Central Boulevard and East Seven Road Junction, Tianjin Port Free Trade Zone, Tianjin

(4) Legal representative: Mr. Wan Min (In August 2018, the legal representative was changed to Mr. Xu Lirong).

2. Business Scope

Permitted business: International shipping of general cargo; conventional shipping in domestic coast and middle and lower reaches of Yangtze River and transportation of foreign trade containers by regular shipping liners in domestic feeders; international transportation of containers by regular shipping liners; international shipping agency service in Beijing; general operation business: investment in and management of industrial business; wharf investment; international freight agency at sea and land; domestic freight agency at land; production, sales, lease, maintenance of ships and containers; storage, loading and unloading; design of transportation plans; information service.

3. Historical Evolution

The Company (Namely, the former "China COSCO Holdings Company Limited") is a joint stock company with limited liability which was solely incorporated by China Ocean Shipping (Group) Company (Hereinafter referred to as "China COSCO Company" or "China COSCO Group" when subsidiaries are included) on March 3, 2005 upon the approval in accordance with the *Reply on Incorporation of China COSCO Holdings Company Limited* (GZGG [2005] No. 191) issued by State-owned Assets Supervision and Administration Commission of the State Council. Upon the approval in accordance with the *Reply on Permission of Issuance of Overseas Listed Foreign Shares by China COSCO Holdings Company Limited* (ZJGHZ [2005] No. 17) issued by China Securities Regulatory Commission (Hereafter referred to as "CSRC") and the approval by The Stock Exchange of

Hong Kong Limited, the Company issued H shares overseas by means of global offering and Hong Kong Public Offering in June 2005 and got itself listed on June 30, 2005. After issuance of H shares, the total amount of share capital was RMB 6,140,000,000.00.

In accordance with the plan as passed by the third extraordinary general meeting of 2005, China COSCO Company converted its exclusive capital reserve into share capital. Thus, the Company increased its share capital by RMB 64,756,337.00. After the increase of share capital through the conversion, the Company's share capital was changed to RMB 6,204,756,337.00.

In accordance with the profit distribution plan of 2006 as passed by the annual general meeting of 2006 convened on May 15, 2007, the Company offers all shareholders 1.5 shares for every 10 shares based on the total number of 6,204,756,337 shares as of the end of 2006. As a result, a total of 930,713,450 bonus shares were offered. After the offer of bonus shares, the Company's share capital was changed to RMB 7,135,469,787.00.

In accordance with the resolution of the third extraordinary general meeting of 2006 and the Notification on Approval of Initial Public Offering of China COSCO Holdings Company Limited (ZJFXZ [2007] No. 130) issued by the CSRC, the Company issued 1,783,867,446 shares of A shares on June 21, 2007 and got itself listed in Shanghai Stock Exchange on June 26, 2007. After issuance of A shares, the total amount of share capital was RMB 8,919,337,233.00.

In accordance with the 31st meeting of the first session of board of directors, the 1st extraordinary general meeting, the first general meeting for H share shareholders and the first general meeting for A share shareholders convened in 2007, the *Reply on Approval of Issuance of New Shares for Purchase of Assets by China COSCO Holdings Company Limited to China Ocean Shipping (Group) Company* (ZJGSZ [2007] No. 209) issued by the CSRC, the *Notification on Approval of Non-placement Shares by China COSCO Holdings Company Limited* (ZJFXZ [2007] No. 486) issued by the CSRC and the modified Articles of Association, the Company made a non-public offering of 1,296,937,124 shares of A shares to specific objects. After the non-public offering of A shares, the Company's total amount of share capital was RMB 10,216,274,357.00.

In November 2016, the Company changed its name to COSCO SHIPPING Holdings Co., Ltd. and obtained a new business license. Its unified social credit code number is 91120118MA0603879K. The registered capital is RMB 10,216,274,357.00.

The Company's parent company is China Ocean Shipping Company Limited (former name: China Ocean Shipping (Group) Company).

The Company's ultimate controller is China COSCO Shipping Corporation Limited (hereinafter referred to as "COSCO SHIPPING Group").

4. Organizational Structure

The Company has established a relatively complete corporate governance system, set up board of shareholders, board of directors and board of supervisors, and formulated corresponding rules of procedures. In accordance with the requirements of relevant laws, regulations, normative documents and the Company's Articles of Association, the Company has set up board of directors/General Manager Office, Strategic Development Department, Financial Management Department, Human Resource Department, Securities Affairs Department, Legal and Risks Management Department, Supervision and Audit Department, Party Work Department and Labor Union etc. based on the actual situation of the Company.

Refer to Note VII "Equity in Other Entities" for significant subsidiaries which were included in the consolidation scope in the first half year of 2017.

5. Industry Involved

Water transportation

The pro forma consolidated financial statements have been approved by the board of directors of the Company on October 12, 2018.

(II) Proposed Major Assets Restructuring

1. Method of this transaction

The Company made a cash offer to all shareholders of Orient Overseas (International) Limited (hereinafter referred to as "Orient Overseas") which is listed on the main board of The Stock Exchange of Hong Kong through its overseas wholly-owned subsidiary Faulkner Global Holdings Limited (hereinafter referred to as "Faulkner Global") and Shanghai International Port Group (BVI) Development Co., Limited (hereinafter referred to as "Shanghai Port BVI") for the acquisition of the issued shares of Orient Overseas held by the shareholders. This offer is a conditional voluntary general cash offer.

Faulkner Global and Shanghai Port BVI would jointly have acquired a minimum of 429,950,088 shares (accounting for 68.7% of the total issued shares of Orient Overseas) and a maximum of 625,793,297 shares of Orient Overseas.

The shares of Orient Overseas as acquired by Faulkner Global and Shanghai Port BVI in this offer will be distributed as follows:

(1) For the 429,950,088 shares (accounting for 68.7% of the total issued shares of Orient Overseas) of Orient Overseas as stated in the *Irrevocable Undertaking*: 61,953,536 shares (accounting for 9.9% of the total issued shares of Orient Overseas) will be purchased by

Shanghai Port BVI; 367,996,552 shares (accounting for 58.8% of the total issued shares of Orient Overseas) will be acquired by Faulkner Global;

(2) For the other shares which are not stated in the *Irrevocable Undertaking* sold by the shareholders of Orient Overseas who intended to accept the offer, they would have been acquired by Faulkner Global.

2. Target in this Transaction

The target asset under this offer is a maximum of 100% of the shares of Orient Overseas which held by all shareholders who intended to accept the offer.

3. The Parties in this Transaction

The offeror of this offer is Faulkner Global and the joint offeror Shanghai Port BVI.

The potential counterparty in this tender offer is all shareholders of Orient Overseas. The final counterparty was subject to the ultimate acceptance of the offer.

4. Transaction Consideration

The consideration of this tender offer shall be paid in cash. The price of the tender offer is HKD 78.67 per share.

5. Number of Shares in this Transaction

Before this transaction, the Company did not hold any shares of Orient Overseas. Under this offer, the Company and its joint offeror would have acquired a minimum of 429,950,088 shares (accounting for 68.7% of the total issued shares of Orient Overseas) and a maximum of 625,793,297 shares of Orient Overseas in total.

6. Source of Fund for this Transaction

In this tender offer, the source of fund is from the self-owned fund and self-raised fund of Faulkner Global.

Note: After purchase of Orient Overseas, the Company shall observe the minimum public float requirement of 25% as specified in Rule 8.08(1)(a) of the Hong Kong Listing Rules. If the shares purchased by the Company exceed the ratio, the Company will take appropriate measures to ensure sufficient public float.

(III) Profile of the Assets to Be Purchased in the Transaction

1. Basic Information

(1) Company name: Orient Overseas (International) Limited

(2) Establishment date: July 29, 1986

(3) Registered address: Clarendon House, 2 Church Street, Hamilton HM11, Bermuda

(4) Office address: 33/F, Harbor Center, 25 Harbor Road, Wan Chai, Hong Kong

(5) Legal representative and Chairman: Tung Chee Chen

2. Business Scope

The main business of Orient Overseas is investment holding. Its subsidiaries, associated companies and joint ventures are mainly engaged in containers transportation, logistics services, real estate development and investment business.

3. Organizational Structure

Orient Overseas is listed in the main board of The Stock Exchange of Hong Kong Limited.

The ultimate parent company of Orient Overseas is Tung Holdings (Trustee) Inc. which is incorporated in Republic of Liberia.

Its ultimate controller is Mr. Tung Chee Chen.

4. Industry Involved

Communication and transportation

II. Preparation Basis and Method of Pro Forma Consolidated Financial Statements

1. Preparation Basis of Pro Forma Consolidated Financial Statements

According to the relevant rules of *Measures for the Administration of the Material Asset Restructuring of Listed Companies* and *Standards on the Contents and Formats of Information Disclosure by Companies Publicly Offering Securities No.26 - Material Asset Restructuring of Listed Companies* issued by the CSRC, the Company shall prepare pro forma consolidated balance sheets as of June 30, 2017 and as of December 31, 2016, the pro forma consolidated income statements from January to June 2017 and for the year 2016 as well as limited notes to the pro forma consolidated financial statements (hereinafter referred to as “Pro Forma Consolidated Financial Statements”).

This Pro Forma Consolidated Financial Statements are prepared by the Company for the purpose of implementing the major assets restructuring as specified in Note I (II) “The Proposed Restructuring of Major Assets”. Accordingly, this report shall be used by the Company only for the purpose of implementing the major assets restructuring.

To provide relevant information for the users of the financial statement, the Pro Forma Consolidated Financial Statements assume that the restructuring as specified in Note I (II) has been completed at the earliest beginning. The Pro Forma Consolidated Financial Statements are prepared based on the business structure after the restructuring. For the purchased assets as specified in Note I (II), please see Note VII “Interests in Other Entities”.

2. Preparation Method of Pro Forma Consolidated Financial Statements

(1) These Pro Forma Consolidated Financial Statements are based on the financial

statements from January to June 2017 and for the year 2016; and the purchased assets are based on the audited financial statements from January to June 2017 and the year 2016. It is prepared based on the important accounting policies and accounting estimation as specified in Note IV in accordance with relevant rules of *Accounting Standards for Business Enterprises* and its application guidelines and interpretation.

(2) In view of the special purpose and use of the Pro Forma Consolidated Financial Statements, these Pro Forma Consolidated Financial Statements are presented on the following bases:

(i) It only presents the pro forma consolidated balance sheet and pro forma consolidated income statement without provision of the Company's balance sheet and income statement.

(ii) It does not present pro forma consolidated cash flow statement and pro forma consolidated statement of changes in shareholders' equities.

(iii) In the notes to the Company's pro forma consolidated financial statements, it only discloses the main projects and does not disclose other information i.e. assets and liabilities which are measured in fair value, financial assets and liabilities in foreign currency, segment report, financial instruments, risks management and important financial information of non-wholly owned subsidiaries. Furthermore, it only present and discloses the pro forma consolidated financial information.

(3) As stated in Note I (II) "The Proposed Major Assets Restructuring", the preparation of the Pro Forma Consolidated Financial Statements is based on the following assumptions:

(i) Assuming the offer is accepted in full and the transaction is completed, Shanghai Port BVI will hold 9.90% of the shares of Orient Overseas and the Company will hold 90.10% of the shares of Orient Overseas. In order to meet the requirements of maintaining the listing status of Orient Overseas (namely, minimum public float requirement of 25%) after completion of the acquisition, the Company shall sell part of shares of Orient Overseas acquired under the offer so as to ensure the Company holds a maximum of 75.00% of shares of Orient Overseas. In addition, both the sales price and the purchase price shall be HKD 78.67 per share. Therefore, it is prepared and calculated on the basis that the Company holds 75.00% of shares of Orient Overseas and the good will is calculated and recognized at the middle rate of exchange rate of HKD to RMB as of the base date of the transaction (June 30, 2017).

(ii) Under this offer, the source of fund is from the self-owned fund and self-raised fund of Faulkner Global. In the Pro Forma Consolidated Financial Statements, the payable purchase price is calculated based on the initially confirmed self-raised fund is USD

500,000,000 with the outstanding fund being borrowed.

(4) The Pro Forma Consolidated Financial Statements do not take into account the transaction cost and intermediary fees.

III. Declaration on Compliance with Preparation Basis Stated in Note II

The Company's Pro Forma Consolidated Financial Statements are prepared in accordance with the foregoing basis and method as stated in Note II and it truthfully and completely reflects pro forma consolidated financial status as of June 30, 2017 and as of December 31, 2016 as well as the pro forma consolidated operating result of January-June 2017 and the year 2016 which are prepared based on such basis after restructuring.

IV. Significant Accounting Policies and Accounting Estimates

According to the characteristics of actual production and operation and the provisions of relevant corporate accounting standards, the Company and its subsidiaries have developed several specific accounting policies and accounting estimates for revenue recognition and other transactions and matters. For more details, please see Note IV.23 "Revenue" for description. For a description of the significant accounting judgments and estimates made by management, please refer to Note IV.29 "Significant Accounting Judgment and Estimates".

1. Accounting Period

The accounting year of the Company is divided into annual and interim period, which commences from January 1 to December 31 of each calendar year. The interim period refers to a reporting period shorter than a complete accounting period.

2. Operating cycle

Normal operating cycle refers to the period from accepting transportation and relevant business entrusting to realization of cash or cash equivalent. The Company treats 12 months as a business cycle and as a dividing standard for the liquidity of assets and liabilities.

3. Recording Currency

RMB is the currency in the main economic environment where the Company and the subsidiaries operate; the Company and the subsidiaries adopt RMB as the recording currency. The foreign subsidiaries of the Company determine its recording currency as per the currency in the main economic environment where they operate. RMB is the currency adopted by the Company when preparing the financial statements.

4. Accounting Treatment Method of Business Combination

Business combination refers to the transaction or matter of combining two or more

independent enterprises into one reporting entity. Business combinations are classified into business combinations involving enterprises under common control and business combinations not involving enterprises under common control.

(1) Business Combinations Involving Enterprises under Common Control

A business combinations involving enterprises under common control is a business combination in which all of the enterprises participating in merge are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. For business combination involving enterprises under common control, the combining party is the party that acquires the control right of other involved enterprises on combination date; the combined party is other enterprises involved in the combination. The combination date refers to the date on which the combining party actually obtains control of the combined party.

The assets and liabilities that are obtained in a business combination by the combining party shall be measured at book value in the combined party on the combination date. The difference between the book value of the net assets obtained and the book value of the consideration paid for the combination (or the aggregate face value of shares issued) is accommodated by adjustment to the capital reserve (share premium). If the capital reserve (share premium) is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Costs that are directly attributable to the combination are recorded into profit or loss for the current period in which they are incurred.

(2) Business Combination not Involving Enterprises under Common Control

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination. For business combination not under the same control, the purchasing party is the party that acquires the control power of other involved enterprises on acquisition date; the purchased party is other enterprises involved in the combination. The acquisition date refers to the date on which the acquirer actually obtains the control of the acquiree.

For business combination not involving enterprises under common control, the cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. The intermediary expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services, etc. and other associated

administrative expenses attributable to the business combination are recorded in profit or loss for the current period when they are incurred. The transaction expense on the equity securities or debt securities issued by the acquirer as combination consideration is recorded into the initially recognized amount of equity securities or debt securities. The contingent consideration involved is recorded into the combination cost based on its fair value on the acquisition date. In case that within 12 months after the acquisition date, any new or future evidence occurs regarding the existing situation on the acquisition date, leading the necessary adjustment on contingent consideration, it is necessary to adjust consolidated goodwill. The combination cost occurred on the acquirer and the identifiable net assets acquired in the combination are measured at fair value on the acquisition date. The positive difference between the cost of combination and the fair value of the identifiable net assets it obtains from the acquiree on the acquisition date is recognized as goodwill. As for the negative balance between the combination cost and the fair value of the identifiable net assets it obtains from the acquiree, it is necessary to review the measurement of the fair values of the identifiable assets, liabilities and contingent liabilities it obtains from the acquiree as well as the combination cost; and then, if the combination cost is still less than the fair value of the identifiable net assets it obtains from the acquiree, the difference shall be recorded into the profit or loss for the current period.

Where the deductible temporary difference of the acquiree obtained by the acquirer is not recognized on the ground that the recognition condition of deferred tax asset cannot meet on the acquisition date, within 12 months after the acquisition date, if a new or further information is obtained to indicate relevant situation of the acquisition date has existed and the economic interest brought by the deductible temporary difference of the acquirer on the acquisition date is expected to be realized, relevant deferred tax asset is recognized with goodwill offset. If the goodwill is insufficient to offset, the difference is recognized as the profit or loss for the current period; In addition to the aforesaid situation, the deferred tax asset recognized in relation to business combination shall be recorded into the profit or loss for the current period.

For the business combination not involving enterprises under common control and realized step by step through several transactions, according to the criteria about “package deal” stated in *Notice of the Ministry of Finance on Issuing Interpretations No.5 on Accounting Standards for Business Enterprises* (CK [2012] No. 19) and *Article 51 of No.33 (Consolidated Financial Statements) of Accounting Standards for Business Enterprises* (refer to Note IV. 5(2)), whether these several transactions belong to “package deal” shall be judged.

If they belong to “package deal”, the accounting shall be conducted with reference to the descriptions of previous paragraphs of this Part and Note IV. 12 “Long-term Equity Investment”; if they do not belong to “package deal”, relevant accounting shall be conducted by distinguishing individual financial statements from consolidated financial statements.

In individual financial statements, the sum of the book value of the equity investment of the acquiree held before the acquisition date and the investment cost increased on the acquisition date shall be the initial investment cost of such an investment. If the equity of the acquiree held before the acquisition date involves other comprehensive income, when handling this project, relevant accounting of other comprehensive income shall be conducted on the same base as the acquiree disposes of relevant assets and liabilities directly (all shares shall be converted into investment benefits of the current period, except the corresponding shares changed by net liabilities or net assets in benefit plan redesigned by the acquiree under equity approach).

In consolidated financial statements, the equity of the acquiree held before the acquisition date shall be re-measured at fair value of the equity on the acquisition date, and the difference between its fair value and its book value shall be recorded into the current income from investment. If the equity of the acquiree held before the acquisition date involves other comprehensive income, relevant accounting of other comprehensive income shall be conducted on the same base as the acquiree disposes of relevant assets and liabilities directly (all shares shall be converted into investment benefits of the current period which consists of the acquisition date, except the corresponding shares changed by net liabilities or net assets in benefit plan redesigned by the acquiree under equity approach).

5. Preparation Method of Consolidated Financial Statements

(1) Recognition Principles for the Scope of the Consolidated Financial Statements

The consolidation scope of consolidated financial statements shall be determined on the basis of control right. Control refers to the power of the Company to own the investee, in which variable returns are enjoyed by participating in relevant activities of the investee and the Company is capable of applying the power over the investee to influence the amount of the returns. The consolidation scope includes the Company and all its subsidiaries. A subsidiary refers to an enterprise or a principal that is controlled by the Company.

(2) Preparation Method of the Consolidated Financial Statements

From the day on which the Company acquires the net assets and the actual control over a subsidiary in respect of its production and operation decisions, the Company will incorporate such subsidiary into the consolidation scope. From the day when such actual

control is lost, such incorporation will cease to exist. As for a subsidiary that has been disposed of, operating results prior to the disposal date have been properly included in the consolidated profit statement. As for a subsidiary that is disposed of during the current period, no adjustment is made to the amounts at the beginning of the period in the balance sheet. For a subsidiary added through a business combination not involving enterprises under common control, the operating results have been included in the consolidated income statement, as appropriate, and no adjustment is made to the opening balances and comparative figures in the consolidated financial statements. For a subsidiary added through a business combination involving enterprises under common control, operating results from the beginning of the current period of the acquisition to the date of the acquisition have been properly included in the consolidated income statement, while adjustment is made to the numbers of comparison in the consolidated financial statement.

For a subsidiary that is acquired due to the business combination not involving enterprises under common control, the financial statements of such subsidiary shall be adjusted on the basis of the fair value of the identifiable net assets on the date of acquisition. All the major transaction balance, trade and unrealized profits are offset at the compilation of the consolidated financial statements.

The portion of shareholders' equities and net profit or loss for the current period of subsidiaries that is not attributable to the Company is treated as minority equity and profit or loss of minority shareholders and presented as "minority equity" and "net profits" in the consolidated balance sheet. The portion in the profit or loss of subsidiary for the period that belongs to the minority shareholders is listed as the "profit or loss of the minority interests" under the net profits in the consolidated profit statements. If the loss of the subsidiary shared by the minority shareholder exceeds its share of the shareholders' equities of the subsidiary at the beginning of the period, it will write down the minority interests.

When the Company loses control over a subsidiary due to disposal of parts of equity investment or other reasons, any residual equity is re-measured at fair value at the date when control is lost. The sum of the consideration obtained from the equity disposal and the fair value of the residual equity minus the net assets of the original subsidiaries calculated continuously in proportion to the original holdings from the acquisition date shall be recorded into investment income for the current period in which the control right is lost. Other comprehensive incomes related to equity investment in the original subsidiaries shall go through accounting treatment on the same basis on which the purchased party directly disposes the relevant assets or liabilities when losing control right (namely, except

re-measurement of the change to net liabilities or net assets of defined benefit plans, others shall be transferred into current investment incomes). Subsequently, the retained equity is measured subsequently in accordance with the *Accounting Standards for Business Enterprises No. 2 – Long-term Equity Investment* or the *Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments*.

When the Company disposes of equity investment in subsidiaries and even losing the right of control, it shall be distinguished that whether deals related to disposal of equity investment in subsidiaries until loss of the right of control constitute a package deal. If terms, conditions and economic effects in the disposal of each transaction of equity investment in subsidiary are in line with the following one or more conditions, it generally shows that the accounting treatment of several transactions shall be conducted as a package deal: (i) These transactions are executed in the same time or in the consideration of mutual effects to each other; (ii) These transactions only could be a complete business result when being in the whole; (iii) The occurrence of a transaction depends on the occurrence of another one transaction at least; (iv) It is not economical when considering one transaction but it will be economical when considering this transaction along with other transactions. Where it does not belong to a package deal, perform accounting treatment separately on each transaction according to applicable principles in “Partial Disposal of Equity Investment of Subsidiaries without Losing control right” (See 12.(2)(iv) of the accounting policies for details) and "Loss of control right over Original Subsidiaries due to Disposal of Part of Equity Investment or Others" (See the previous paragraph for details). If disposal of equity investment to subsidiaries leading to loss control is a package deal, accounting treatment shall be conducted for each transaction as the transaction that disposes of subsidiary with loss of control right; Nonetheless, before loss of control right, the difference between each price disposal and the net asset share of such subsidiary enjoyed correspondingly in asset disposal is recognized in the other comprehensive income in the consolidated financial statement and turned into the profit or loss for the current period when losing control right.

6. Classification of Joint-Venture Arrangements and Accounting Treatment

Methods of Joint Operation

Joint-venture arrangement refers to a jointly controlled arrangement participated in by two or more parties. The Company divides joint venture arrangement into joint operation and joint venture based on the rights enjoyed and obligations assumed in joint venture arrangements. Joint operation refers to a joint-venture arrangement that the Company enjoys relevant assets of this arrangement and assumes relevant liabilities thereof. Joint ventures

refer to joint-venture arrangement that the Company is entitled to net assets of this arrangement only.

The Company adopts equity approach for accounting of investment of joint ventures and disposes according to the accounting policy described in the Note IV. 12(2) ii “Long-term Equity Investment under Equity Approach”.

As a joint-venture party for joint operation, the Company recognizes the assets solely held and liabilities solely assumed by the Company and recognizes jointly held assets and jointly assumed liabilities according to the shares of the Company; recognizes the income from selling the shares of joint ventures; recognizes the incomes from selling out of joint venture according to the shares of the Company; recognizes expenses solely incurred by the Company, and recognizes expenses of joint venture according to the shares of the Company.

When the Company invests or sells assets towards joint operation as a joint-venture party (this asset does not constitute business as the same below), or upon purchasing assets by joint operation but before selling such assets to the third party, the Company only recognizes the part belonging to other participants of joint operation in profit or loss caused by this transaction. Where such assets belong to the asset impairment losses according to the regulations such as *Accounting Standard for Business Enterprises No. 8 – Impairment of Assets*, the Company will recognize losses in full amount for investment or sales of assets from the Company to joint operation. For assets purchase by the Company from joint operation, the Company will recognize these losses according to shares assumed.

7. Foreign Currency Transaction and Conversion of Foreign Financial Statements

(1) Methods for Conversion of Foreign Currency

For the foreign currency transaction incurred in the Company, the amount in foreign currency shall be converted into the amount in recording currency for initial recognition as per the spot rate on the trade date; but for foreign exchange businesses and transactions involving foreign exchange, the amount in foreign currency shall be converted into the amount in recording currency as per the actual exchange rate for recording.

(2) Methods for Conversion of Foreign Currency Monetary Items and Foreign Currency Non-Monetary Items

As for monetary items in foreign currency on the balance sheet date, the amount in foreign currency shall be converted into the amount in the recording currency at the spot rate on the balance sheet date; where, the differences arising out herefrom shall be recorded into the profit or loss for the current period, except that (i) differences between foreign exchange incurred from specific borrowings in foreign currency related to assets purchased and

constructed meeting capitalization conditions shall be treated as per the borrowings capitalization principle; (ii) differences for foreign currency monetary items available-for-sale shall be recorded into the profit and loss for the current period, except difference in foreign exchange arising out from other book balance change other than amortized cost that shall be recorded into other comprehensive incomes.

The foreign currency non-monetary items measured at the historical cost shall still be measured by converting the amount in foreign currency into the amount in the recording currency at the spot rate on the transaction date. The foreign currency non-monetary items measured at the fair value, shall be converted at the spot exchange rate on the date when the fair value has been determined, and the difference between the converted reporting currency amount and the original one shall be treated as the change in fair value (including change in the exchange rate) and included in the profit or loss for the current period or recognized as other comprehensive incomes.

(3) Conversion Method of Foreign Currency Financial Statements

The foreign currency adopted in the foreign exchange statements for overseas operation shall be converted into RMB as per the following methods: The asset and liability items in the balance sheet shall be converted at the spot rate of the balance sheet date, and other ownership interest items shall be converted at the spot rate occurred except for the item “undistributed profit”. The income and expense items in the profit statement shall be converted at the average spot rate of the current period of the transaction. The opening undistributed profits are the closing undistributed profits converted at the previous year; for closing undistributed profits, each item shall be calculated and presented as per the converted profits; and the difference between the asset items and the sum of liability items and owner's equity items after conversion shall be recognized into other comprehensive incomes and individually presented in shareholders' equities items in balance sheet as conversion difference. When disposing overseas operation and losing control right, conversion difference which are presented under owners' equity in the balance sheet and related with overseas operation shall be wholly transferred to the profit or loss for the current period or transferred in proportion of disposing the overseas operation.

Opening amount and previous period's actual amount are presented in line with the amount after the conversion of financial statements for the previous period.

When preparing the consolidated financial statements involving the overseas operation, if there are foreign-currency monetary items essentially constituting a net investment in an overseas operation, the exchange difference incurred due to the exchange rate change shall be

listed in the item of the owner's equity "foreign-currency statements conversion difference". When accounting for the overseas operation, the profit or loss for the current period shall be included in the accounting.

8. Financial Instruments

(1) Methods of Recognition of Fair Value of Financial Assets and Financial Liabilities

Fair value refers to the price that can be received through selling an asset or paid due to transfer of a liability by the market participant in the order transaction on the measurement date. The fair value of the financial assets or financial liabilities in the active market of the Company shall be determined at the quoted price in the active market in case that the financial instruments exist in the active market. The quoted price in active market refers to price that is easily obtained from the exchange, broker, industry association, pricing service institution, etc. and represents the price of market transaction actually happened in the fair transaction. The fair value of the financial assets or financial liabilities of the Company shall be determined via valuation technique in case that the financial instruments do not exist in the active market. The value appraisal techniques mainly include the prices adopted by the parties, who are familiar with the condition, in the latest market transaction upon their own free will, the current fair value obtained by referring to other financial instruments of the same essential nature, the cash flow capitalization method, the option pricing model, etc.

(2) Classification, Recognition and Measurement of Financial Assets

Accounting recognition and de-recognition for financial assets marketed at regular method shall be conducted on the transaction date. Financial assets shall be classified into the following four categories when they are initially recognized: the financial assets which are measured at fair value through profit or loss, the investments which will be held to their maturity, liabilities and the account receivables, and financial assets available-for-sale. When initial recognition, the financial assets shall be measured at fair value. For the financial assets at fair value through profit or loss, the transaction expenses thereof shall be directly recorded into the profit or loss for the current period; for other categories of financial assets, the transaction expenses thereof shall be recorded into the initially recognized amount.

(i) Financial assets at Fair Value through Profit or Loss

It includes financial assets held for trading and financial asset designated to be measured at fair value through profit or loss.

A financial asset is classified as held for trading if one of the following conditions is satisfied: A. It has been acquired or repurchased principally for the purpose of selling in the near term; B. It is part of a portfolio of identifiable financial instruments that the Company

manages together and there is objective evidence that the Company has a recent actual pattern of short-term profit-taking; C. It is a derivative that is not designated and effective as a hedging instrument, a financial guarantee contract, or a derivative that is linked to and must be settled by delivery of an unquoted equity instrument (without a quoted price in an active market) whose fair value cannot be reliably measured.

Financial assets held for trading shall be subsequently measured at the fair value; and gains or losses arising from the change in the fair value and dividends as well as interest incomes related to the financial assets shall be recorded into the profit or loss for the current period.

(ii) Held-to-maturity Investment

The term "held-to-maturity investment" refers to a non-derivative financial asset with a fixed date of maturity, a fixed or determinable amount of repo amount and which the Company holds for a definite purpose or the Company is able to hold until its maturity.

Held-to-maturity investment shall be subsequently measured at amortized cost by effective interest rate method, with profit or loss arising out from de-recognition, impairment or amortization recorded into the profit or loss for the current period.

The effective interest rate method refers to the method by which the post-amortization costs and the interest incomes or interest expenses of different installments are calculated in light of the effective interest rates of the financial assets or financial liabilities (including a set of financial assets or financial liabilities). The effective interest rate refers to the interest rate adopted to cash the future cash flow of a financial asset or financial liability within the predicted term of existence or within a shorter applicable term into the current book value of the financial asset or financial liability.

When the effective interest rate is determined, the Company will estimate the future cash flow on the basis of taking all the contractual provisions concerning the financial asset or financial liability (including the right to repay the loan ahead of schedule, call options, similar options and etc.) into account, and the future credit losses shall not be taken into account. The various fee charged, trading expenses, premiums or reduced values, etc., which are paid or collected by the parties to a financial asset or financial liability contract and which form a part of the effective interest rate, shall be taken into account in the determination of the effective interest rate.

(iii) Loans and Receivables

"Loans and receivables" refer to the non-derivative financial assets for which there is no quoted price in the active market and of which the repo amount is fixed or determinable.

Loans and receivable classified by the Company include notes receivable, receivables, interests receivable, dividends receivable and other receivables.

Loans and receivables are subsequently measured at amortized cost using the effective interest method. Gain or loss arising from derecognition, impairment or amortization is recognized in profit or loss for the current period.

(iv) Financial assets Available-for-Sale

Financial assets available-for-sale include non-derivative financial assets which are designated as being available-for-sale on initial recognition as well as the financial assets other than financial assets at fair value through profit or loss, loans and receivables and held-to-maturity investment.

Financial assets available-for-sale shall be subsequently measured at the fair value; except difference on exchange rate related to impairment loss, foreign currency monetary financial assets and amortization cost, gains or losses arising from the variation of the fair value shall be recognized into other comprehensive incomes, transferred out when de-recognizing the financial assets and included into the profit or loss for the current period. For the equity instrument for which there is no quotation in the active market and whose fair value cannot be reliably measured as well as the derivative financial liabilities which are connected to such equity instrument and must be settled by delivering the equity instrument, they shall be measured subsequently on the basis of their costs.

The interests obtained from financial assets available-for-sale during the period when they are held and the cash dividends that the investee declares to distribute shall be recorded into the income from investments.

(3) Impairment of Financial Assets

Except the financial assets at fair value through profit or loss, the Company would check the book value of a financial asset on the balance sheet date, and provide the impairment in case that there are some objective evidences showing the financial asset suffers from impairment.

The Company conducts impairment test on the financial assets that are individually significant; for financial assets that are not individually significant will be tested for impairment individually or by being included into the combination of financial assets that have similar credit risk features. Financial assets (including financial assets whose single amount is significant or not significant) that have not suffered from impairment after individual test shall be tested for impairment by being included into the combination of financial assets that have similar credit risk features. Financial assets whose have been

recognized for impairment individually shall not be tested for impairment by being included into the portfolio of financial assets that have similar credit risk features.

(i) Impairment of Held-to-Maturity Investments, Loans and Receivables

The book value of financial asset measured at cost or amortized cost shall be written down to estimated future discounted cash flow, with the written-down amount recognized as the impairment loss and recorded into the profit or loss for the current period. After the financial assets have been recognized for the impairment loss, if there is any objective evidence proving that the value of the said financial asset has been restored, and it is objectively related to the events that occur after such loss is recognized, the impairment losses as originally recognized shall be reversed; however, the reversed book value shall not be more than the post-amortization costs of the said financial asset on the day of reverse under the assumption that no provision is made for the impairment.

(ii) Impairment for Financial Assets Available-for-Sale

For investment in equity instruments available-for-sale, if the fair value of such investment in equity instruments falls 50% or more than 50% compared to its cost or if its fair value has fallen for 12 months or more and the basic operation and financial status of the invested unit seriously deteriorate without improvement, this indicates there is impairment to the investment.

Where an financial asset available-for-sale is impaired, the accumulative losses arising from the decrease of the fair value which was originally recorded into other comprehensive incomes shall be transferred out and recorded into the profit or loss for the current period; the accumulative losses that are transferred out shall be the balance obtained from the initially obtained costs of the sold financial asset after deducting the principals as taken back, the current fair value and the impairment losses as was recorded into the profit or loss for the current period.

After the financial assets have been recognized for the impairment loss, if there is any objective evidence proving that the value of the said financial asset has been restored, and it is objectively related to the events that occur after such loss is recognized, the impairment losses as originally recognized shall be reversed; however, the reversed impairment loss of equity instrument investment available-for-sale shall be recorded into other comprehensive incomes; and reversed impairment loss for debt instruments available-for-sale shall be recorded into the profit or loss for the current period.

However, the impairment losses incurred to an equity instrument investment for which there is no quoted price in the active market and whose fair value cannot be reliably

measured, or incurred to a derivative financial asset which is connected with the said equity instrument and which shall be settled by delivering the said equity instrument, may not be reversed.

(4) Recognition Basis and Measurement Method of Transferred Financial Assets

The financial assets meeting the following one of the conditions shall be de-recognized:

(i) Where the contractual rights for collecting the cash flow of the said financial asset are terminated; (ii) Where the said financial asset has been transferred and almost all risks and rewards of ownership of financial assets have been transferred into the transfer-in party; (iii) The financial assets have been transferred; although the Company has neither transferred nor retained almost all risks and rewards of ownership of financial assets, the Company has given up the control to the financial assets.

Where an enterprise does not transfer or retain nearly all of the risks and rewards related to the ownership of a financial asset and give up its control over the financial asset, it shall, according to the extent of its continuous involvement in the transferred financial asset, recognize the related financial asset and recognize the relevant liability accordingly. The degree of the continuous involvement in the transferred financial asset refers to the level of risk faced by the enterprise due to changes of the financial asset.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between (1) the book value of the financial asset transferred; and (2) the sum of the consideration received from the transfer and any cumulative gain or loss that has been recorded in other comprehensive incomes, is recorded in profit or loss for the current period.

If the transfer of partial financial asset satisfies the conditions of de-recognition, the entire book value of the transferred financial asset shall, between the portion whose recognition has been stopped and the portion whose recognition has not been stopped, be apportioned according to their respective relative fair value and the difference between the consideration received in the transfer and the accumulative amount of the changes of the fair value originally recorded in other comprehensive income and apportioned to the portion whose recognition has not been stopped and the book value before apportioning is recorded into the profit or loss for the current period.

In case of endorsement transfer of the financial assets to be sold by means of attaching the right of recourse or the financial assets held by the Company, the Company shall determine whether almost all risks and remunerations of the ownership of such financial assets are transferred. If almost all risks and remunerations of the ownership of such financial assets are transferred to the transferee, de-recognize such financial assets; where retained, do

not de-recognize such financial assets; where neither transferred nor retained, continue to judge whether the enterprise retains control over such assets, and conduct the accounting treatment according to the principle mentioned in above paragraphs.

(5) Classification and Measurement of Financial Liabilities

Financial liabilities shall be classified into the financial liabilities at fair value through profit or loss and other financial liabilities when they are initially recognized. When initial recognition, the financial assets shall be measured at fair value. For the financial liabilities at fair value through profit or loss, the transaction expenses thereof shall be directly recorded into the profit or loss for the current period; for other categories of financial liabilities, the transaction expenses thereof shall be recorded into the initially recognized amount.

(i) Financial liabilities at Fair Value through Profit or Loss

The condition that the transactional financial liability at fair value through profit or loss when it is initially recognized is consistent with the condition that the transactional asset at fair value through profit or loss when it is initially recognized.

If the financial liability at fair value through profit or loss is measured subsequently, the profit or loss occurred in the fair value and the relevant dividend and interest expenditure and of such financial liability are recorded into the profit or loss for the current period.

(ii) Other financial Liabilities

For the derivative financial liabilities, which are connected to the equity instrument for which there is no quotation in the active market and whose fair value cannot be reliably measured, and which must be settled by delivering the equity instrument, they shall be measured subsequently on the basis of their costs. The profit or loss that arise when such financial liabilities are de-recognized, or are measured at amortized cost subsequently, shall be recorded into profit or loss for the current period.

(6) De-recognition of Financial Liabilities

Only when the prevailing obligations of a financial liability are relieved in whole or in part may the recognition of the financial liability be terminated in whole or in part. Where the Company (the Debtor) enters into an agreement with a creditor, so as to substitute the existing financial liabilities by way of assuming any new financial liability, and if the contractual stipulations regarding the new financial liability is substantially different from that regarding the existing financial liability, it shall stop the recognition of the existing financial liability, and shall at the same time recognize the new financial liability.

Where the recognition of a financial liability is totally or partially terminated, the Company shall record into the profit or loss for the current period the difference between the

book value which has been terminated from recognition and the considerations it has paid (including the non-cash assets it has transferred and the new financial liabilities it has assumed).

(7) Derivative Instruments

Derivative instrument is measured at fair value on the date of signing the contract and measured at fair value subsequently. Except the profit or loss arising from the changes of fair value of the valid derivative instrument appointed as hedging instrument is recorded into the profit and loss period as required by hedge account based on the nature of hedging relationship, the fair values of other derivative instruments are recorded into the profit or loss for the current period.

(8) Offsetting between Financial Assets and Financial Liabilities

Where the Company is entitled to offset the confirmed financial assets and financial liabilities, and the legal rights are executable by now; at the same time, the Company plans netting or simultaneously realizes the financial assets to liquidate the financial liabilities, the financial assets and financial liabilities are listed in the balance sheet with the amount after offsetting each other. In addition, the financial assets and financial liabilities are shown separately in the balance sheet, and shall not offset each other.

(9) Equity Instruments

Equity instrument is any contract that evidences a residual interest in the assets of the Company deducting all liabilities. Transaction expenses related to equity investment shall be deducted from equity.

The Company distributes the holder of the equity instrument (excluding the dividend of share) to decrease owners' equity. The Company does not recognize the change amount of fair value of the equity instrument.

9. Receivables

Receivables include accounts receivable and other receivables, etc.

(1) Recognition Criteria of Bad Debt Provisions

The Company would check the book value of receivables on the balance sheet date, and provide the impairment in case that there are some objective evidence showing the receivables suffer from impairment:

- (i) Serious financial difficulty of the debtor;
- (ii) Breaches of the contractual provisions by the debtor, e.g., failure or delay to pay the interests or principal, etc.;
- (iii) The bankruptcy or other financial restructuring probably occurred to the debtor;

(iv) Other objective bases showing that the receivables suffer from impairment

(2) Method of Accruing Bad Debt Provision

(i) Recognition criteria and accruing method of receivables that are individually significant and for which bad debt provision is individually accrued

The Company recognizes the receivables with the amount above RMB 5 million as the receivables that are individually significant.

The Company conducts separate impairment test for the receivables that are individually significant. The financial asset tested separately without impairment is included in the portfolio of financial assets featured in similar credit risk for impairment test. As for the receivables of which impairment loss is confirmed in the separate test, it will not be included in the portfolio of financial asset featured in similar credit risk for impairment test.

(ii) Recognition basis for receivables with bad debt provisions accrued by credit risk portfolio and method of accruing bad debt provision

The Company conducts impairment test by means of combination for single receivables whose value is individually insignificant. The amount of bad debt provision is recognized through historical experience loss, current economic situation and the loss evaluation existing in anticipated receivable item combination as per the structure of receivable item and similar credit risk feature.

In portfolio, the Company accrues bad debt provision by aging analysis; and the proportion of accruing bad debt provision is as follows generally:

Aging	Proportion of Accruing (%)
Within 6 months	0.5
7-12 months	3
1-2 years	30
2-3 years	50
More than 3 years	100

(iii) Receivables that are individually significant but for which bad debt provision is individually accrued

As for the receivables that are individually insignificant but with the following features of receivables, the Company shall make an individual impairment test. If any objective evidence shows the impairment, the impairment loss shall be recognized for bad debt provisions on the basis of the difference between the current value of future cash flows and the book value. Accruing bad debt provisions: Receivables with disputes or involved in lawsuits or arbitration; receivables of which the debtor is likely to be unable to perform the

repayment obligations under obvious signs.

The Company shall go through separate impairment test for receivables of related parties. Where there is concrete evidence that a debtor of a related party has been liquidated, or become bankrupt or insolvent, or gross insufficiency of cash flow and does not intend to conduct debt restructuring of receivables or to recover such receivables by other means, the Company makes the provision for the bad debt. Generally, the Company does not make provision for bad debt with regard to the receivables of related parties, including the receivables for which the provision for bad debt has been made based on the credit risk portfolio.

(iv) Orient Overseas (International) Limited and its subsidiaries make the provisions for bad debt based on specific identification method.

(3) Reversal of bad debt provisions

If there are objective evidence showing that the value of the receivables has been recovered, and the receivables is objectively related to events occurring after the confirmation of the loss, the impairment loss confirmed previously is reversed and recorded into the profit or loss for the current period. However, the book value after the reverse shall not exceed the amortized cost of the receivables on the date of reverse under the situation of assuming not recording provision for impairment of assets.

10. Inventories

(1) Classification of Inventories

The Company's inventory refers to the materials and fuels which are held by or will be consumed during operation, including the fuel inventory in the warehouse and vessels, salable containers, materials, lubricating materials, wrappage, spare parts and accessories, low priced and easily worn articles.

(2) Valuation Method for Acquisition and Sending out of Inventories

The inventory shall be priced in light of their actual costs when being acquired. The cost of inventory consists of purchase cost, processing cost and other costs. The fuel of the Company that is used and sent out shall be valued by the moving weighted average method.

(3) Recognition of Net Realizable Value of Inventories and Recognition Method for Decline in Value of Inventories

The net realizable value refers, in the ordinary course of business, to the amount after deducting the estimated cost of completion, estimated sale expense and relevant taxes from the estimated sale price of inventories. When confirm the net realizable value of inventories, it shall be on the ground of reliable evidence obtained, taking into consideration the purpose

for holding inventories and the effects of events occurring after the balance sheet date.

Inventories are required to be measured at the lower of cost and net realizable value. If the cost of inventories is higher than the net realizable value, the provision for decline in value of inventories shall be made. Provision for decline in value of inventories shall be accrued on the basis of each item of inventories generally; for the inventory with large quantity and lower unit price, the provisions for decline in value of inventories shall be accrued on the basis of the inventory classification; for the inventory related to the product series produced and sold in the same area, with the same or similar end use or purpose, and difficult to be separated with other items for measurement, the provisions for decline in value of inventories shall be combined.

If the inventory cost of the Company is higher than the net realizable value on the balance sheet date, then provision for decline in value of inventories shall be accrued and recorded into the profit or loss for the current period. If influence factors of writing down the inventory value disappear, the amount of write-downs shall be recovered and written back within in the amount of inventory revaluation reserves with original provision already made, and the amount of written-back shall be recorded into the profit or loss for the current period.

(4) Inventory system adopts perpetual inventory system.

(5) The low-value consumables and packaging are amortized by the one-off amortization method.

11.Assets Held For Sale and Disposal Group

If the Company recovers its book value primarily through the sale instead of the continuous use of a non-current asset or disposal group (including the exchange of non-monetary assets with commercial substance, the same below), then the assets shall be classified as those held-for-sale. The specific criteria are the following conditions are achieved: a non-current asset or disposal group can be sold immediately under the current conditions based on the practice of selling such assets or disposal groups in similar transactions; the Company has already decided on the sale plan and obtained the purchase commitment; the sale will be completed within one year. Among them, a disposal group refers to a group of assets that are disposed of as a whole through sale or other methods in a transaction, and liabilities that are directly related to these assets are transferred in the transaction. If the asset group or asset group portfolio that belongs to the disposal group apportions the goodwill acquired in a business combination in accordance with the *Accounting Standards for Business Enterprises No. 8 – Asset Impairment*, the disposal group shall include the goodwill allocated to the disposal group.

Upon initial measurement or re-measurement on held-for-sale non-current assets or disposal portfolios on the balance sheet date, if the book value is higher than the net amount of fair value minus sales expense, write the book value down to the net amount of fair value minus sales expense; the amount written down is recognized as asset impairment loss and recorded into the profit or loss for the current period. Meanwhile, accrue impairment provisions for held-for-sale assets. For the disposal group, firstly, the recognized asset impairment loss deducts the book value of the goodwill in the disposal group. Then the loss proportionally deducts the book value of the various non-current assets under the measurement regulations that is based on the applicable *Accounting Standards for Business Enterprises No. 42 - Non-current Assets Held for Sale, Disposal Groups and Termination of Operations* (hereinafter referred to as the “holding for sale”). If the fair value of the disposal group held for sale on the subsequent balance sheet date minus the sales proceeds increases, the amount previously written down shall be recovered and reversed within the amount of the asset impairment loss recognized for the non-current assets governed by the measurement provisions of holding rules after being classified as held-for-sale is reversed, and the reversal amount shall be recorded into the profit or loss for the current period, and the book value shall be increased proportionally by the proportion of each non-current asset measured in the disposal group determined according to the measurement provisions of the applicable holding criteria, except for goodwill; the book value of the goodwill written down and the asset impairment loss recognized before non-current assets governed by the measurement provisions of the held-for-sale standards is classified as that held-for-sale are not reversed.

Depreciation or amortization shall not be accrued held-for-sale non-current assets or non-current assets in disposal portfolios. The interest of liabilities and other expenses in held-for-sale disposal portfolios shall be recognized.

When non-current assets or disposal portfolios are no longer classified as held-for-sale or the non-current assets are removed from held-for-sale disposal portfolios when the held-for-sale non-current assets or disposal portfolios no longer meet the conditions for classification as held-for-sale, measure by the following two items: (1) the amount of book value classified as held-for-sale after depreciation, amortization, impairment or other adjustments to be recognized based on the hypothesis that they are not classified as held-for-sale; (2) the recoverable amount, whichever is lower.

12. Long-term Equity Investments

Long-term equity investment in this part refers to the long-term equity investment that the Company has common control or significant influence over the investee. Long-term

equity investment where the Company does not have control, common control or significant influence over the investee are deemed as financial assets available-for-sale or measured at fair value through profit or loss. See Note IV. 8 "Financial Instruments" for details of the accounting policies.

Common control refers to common control owned by the Company over an arrangement as per relevant agreements and relevant activities of this arrangement must be decided upon consent of participants sharing the right of control. The term "significant influence" refers to the power to participate in making determinations on the financial and operating policies of an investment entity, but not to control or do common control together with other parties over the formulation of these policies.

(1) Recognition of Investment Cost

If the long-term equity investment is obtained from the business combination involving enterprises under the common control, the share of book value of shareholders' equity of the acquiree in consolidated financial statements of the ultimate controlling party under the combination date shall be deemed as the initial investment cost of the long-term equity investment. The difference between the initial investment cost of long-term equity investment and the cash paid, non-cash assets transferred and the book value of debt assumed shall adjust capital reserve. If the capital reserve is insufficient to set it off, the retained earnings shall be adjusted. If the Company issues equity securities as the consideration for combination, the book value of the shareholders' equity of the combined party on the combination date in the Consolidated Financial Statements of the ultimate controlling party shall be the initial investment cost of long-term equity investments. With the total face value of the shares issued as equity, the difference between the initial investment cost of long-term equity investment and the total face value of the shares issued shall adjust capital reserve. If the capital reserve is insufficient to set it off, the retained earnings shall be adjusted. If shares of the acquiree are obtained step by step through several transactions, which results in the combination of enterprises under the different control, it shall be treated respectively as per whether it belongs to "a package deal": where it belongs to "a package deal", the accounting treatment of each transaction shall be conducted as a transaction obtaining the right of control. Where it does not belong to "a package deal", the book value of the shareholder's equity of the acquiree on the combination date in consolidated financial statements of the ultimate controlling party shall be the initial investment cost of long-term equity investments. The difference among the initial investment cost of long-term equity investments, the book value of long-term equity investment which has reached the amount before combination and total

book value of new payment consideration obtained under the acquisition date shall adjust capital reserve. If the capital reserve is insufficient to set it off, the retained earnings shall be adjusted. The accounting treatment shall not be conducted on the other comprehensive income to be defined as financial assets on sale from equity investment conducted before the combination date if it is accounted for by equity approach.

For long-term equity investment obtained through business combination not involving enterprises under the common control, the cost of combination shall be deemed as the initial investment cost of long-term equity investments on the acquisition date, and the cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for acquisition of acquiree. If shares of the acquiree are obtained step by step through several transactions, which results in the business combination not involving enterprises under common control, it shall be treated respectively as per whether it belongs to "a package deal": where it belongs to "a package deal", the accounting treatment of each transaction shall be conducted as a transaction obtaining the right of control. Where it does not belong to "a package deal", the sum of the book value of equity investment of the acquiree held originally and additional investment costs shall be initial investment costs of long-term equity investment if the accounting method is changed as cost approach. If equity held originally is accounted for by equity approach, the accounting treatment shall not be conducted on the other comprehensive income related to it. If equity investment held originally is financial assets held-for-sale, the difference between fair value and book value and variations of originally accumulated fair value included in other comprehensive income shall be converted into profit or loss for the current period.

The intermediary costs for the business combination including the expenses for audit, legal services and consultancy services and other relevant management costs by the merging party and the acquirer shall be recorded into the profit or loss for the current period.

Equity investment other than long-term equity investment from business combination is initially measured at cost. Such cost is respectively recognized at the purchase price in cash actually paid by the Company, fair value of equity securities issued by the Company, specified value in investment contracts or agreements, fair value or original book value of transferred assets in non-monetary asset exchange and transactions and fair value of the long-term equity investment itself based on different means of acquiring that long-term equity investment. Expenses, taxations and other necessary expenditures directly related to the acquisition of long-term equity investment are also recorded into investment cost. In case

of being able to implement significant influence or common control to the investee due to additional investment but which does not constitute control, cost of long-term equity investment shall be the sum of fair value of originally held equity investment recognized as per the *Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments* and newly increased investment cost.

(2) Subsequent Measurement and Method of Recognition of Profit or Loss

For the long-term equity investment that has common control (except those that constitutes the joint operators) or significant influence over the investee, the equity approach is adopted. In addition, the Company adopts cost approach in the financial statements to calculate long-term equity investment that can control the investee.

(i) Long-term Equity Investment Income Measured by Cost Approach

The long-term equity investment measured by cost approach shall be measured at the initial investment cost. And the additional or recovered investments shall be used to adjust the cost of long-term equity investment. Except for the cash dividends or distributions declared but not yet distributed in the considerations paid to acquire the investment, the cash dividend or distributions declared by the invested entity that belong to the invested entity shall be recognized as the investment gains for the current period.

(ii) Long-term Equity Investment Measured by Equity Approach

If the initial cost of a long-term equity investment, accounted by equity approach, is more than the investor's attributable share of the fair value of the investee's identifiable net assets for the investment, the initial cost of the long-term equity investment may not be adjusted; if the initial cost of a long-term equity investment is less than the investor's attributable share of the fair value of the investee's identifiable net assets for the investment, the difference shall be included in the profit or loss for the current period and the cost of the long-term equity investment shall be adjusted simultaneously.

When it is accounted by equity approach, the investment gains and other comprehensive incomes shall be recognized respectively and the book value of long-term equity investment shall be adjusted according to the net profit or loss and other comprehensive incomes realized by the investee, which shall be enjoyed or shared. The enjoyed part shall be accounted according to profits or cash dividends announced to be assigned by the investee with the corresponding decrease of the book value of long-term equity investment. For other variations of owners' equity excluding net profit or loss of investee, other comprehensive income and profits distributed, the book value of long-term equity investments shall be adjusted and recorded into capital reserve. The Company shall, on the ground of the fair

value of all identifiable assets of the investee when it obtains the investment, recognize the attributable share of the net profit or loss of the investee after it adjusts the net profits of the investee. If the accounting policies and accounting period adopted by the investee do not consistent with the investor, the financial statements of the investee shall be adjusted according to the accounting policies and accounting periods of the Company, and according to which the investment profits and other comprehensive incomes shall be recognized. If investment and sales of assets cannot be constructed as business between the Company, associated enterprises and joint ventures, the unrealized profit or loss of internal transactions shall be offset through calculating the part attributable to the Company based on sharing ratio so as to recognize the profit or loss of investment. Where the unrealized losses from the internal transactions between the Company and the investee belong to the impairment losses from the transferred assets, they shall not be written off. Where the assets contributed by the Company towards joint ventures or associated enterprises constitute business, and the investor acquires long-term equity investment but not the control thereof, the fair value of the contribution shall be the initial investment cost of the newly added long-term equity investment. The balance of book value between initial investment cost and the contribution shall be recorded into profit or loss for the current period in full amount. If the assets sales, from the Company to joint ventures or associates, constitute business, the total difference between consideration achieved and book value of business shall be recorded into profit or loss for the current period. Where the assets purchased by the Company from associated enterprises and joint ventures constitute business, accounting treatment shall be carried out based on *Accounting Standards for Business Enterprises No.20--Business Combination* and recognize the profit or loss in relation to the transaction in full amount.

The Company shall recognize the net losses of the investee until the book value of the long-term equity investment and other long-term rights and interests which substantially form the net investment made to the investee are reduced to zero. In addition, if the Company has the extra obligation of its invested enterprise to undertake extra losses, the extra obligation shall be recognized as projected liability according to expected obligation and recorded into the profit or loss for the current period. If the investee realizes any net profits later, the Company shall, after the amount of its attributable share of profits offsets against its attributable share of the un-recognized losses, resume recognizing its attributable share of profits.

If the Company has held the long-term equity investment of associated enterprised and joint ventures on January 1, 2007 before executing the new accounting standard at the first

time, any debit balance of equity investment related to the investment shall be recorded into the profit or loss for the current period based on the amortized amount in straight-line of original residual maturity.

(iii) Acquisition of Minority Equity

When formulating consolidated financial statements, as for the difference between the long-term equity investment increased newly due to purchase minority equity and the net asset proportion continuously calculated from the purchase date (or combination date) by subsidiary based and enjoyed by the Company based on newly increasing shareholding ratio, capital reserve shall be adjusted. If the capital reserve is insufficient to write down, the retained income shall be adjusted.

(iv) Disposal of Long-Term Equity Investment

In the consolidated financial statements, the parent company disposes the long-term equity investment of the subsidiary without losing control. The difference between the disposing amount and the net asset of the subsidiary enjoyed correspondingly in disposing long-term equity investment is recorded into owner's equity; If the parent company loses its control of the subsidiary due to the disposal of the long-term equity investment of the subsidiary, the relevant accounting policy as indicated in Note IV.5 (2) "Method of Preparation of Consolidated Financial Statements" shall be adopted.

When disposing of a long-term equity investment under other circumstances, for equity being disposed, the difference between its book value and actual purchase price shall be recorded into the profit or loss for the current period.

If long-term equity investment is accounted for by equity approach while the remaining equity after disposal is still accounted for by equity approach, the accounting treatment of other comprehensive income originally included in shareholders' equity shall be conducted as per proportion on the same base as investee disposes of relevant assets or liabilities directly. Other owners' equity, which is recognized for variations of other owners' equity of the investee excluding net profits or losses, other comprehensive incomes and profits distribution, shall be converted into profit or loss for the current period as per proportion.

If long-term equity investment is accounted by the equity approach while the retained equity after disposal is still accounted by equity approach, the accounting treatment of other comprehensives which are recognized for being accounted by equity approach or recognition and measurement standards of financial instruments shall be conducted on the same base as investee disposes of relevant assets or liabilities directly, and other comprehensive incomes shall be carried over into profit or loss for the current period as per proportion. Owners'

equity, which is recognized for variations of other owners' equity of the investee excluding net profit or loss, other comprehensive incomes and profits distribution when the equity approach is adopted, shall be carried over into the profit or loss for the current period as per proportion.

When the Company loses the control over investee for disposal of equity investment, the accounting method shall be changed as equity approach in compiling individual financial statements and the remaining shares shall be deemed to be adjusted by equity approach upon being obtained if the remaining shares after disposal still have common control or significant impacts on investee. While the remaining shares after disposal do not have common control or significant impacts on investee anymore, the accounting treatment shall be changed as per regulations related to recognition and measurement standards of financial instruments and its difference between fair value and book value on the date of losing the control shall be recorded into the profit or loss for the current period. For other comprehensive income recognized as being accounted by equity approach or recognition and measurement standards of financial instruments before the Company obtains the control over investee, its accounting treatment shall be conducted on the same base as investee disposes of relevant assets or liabilities directly upon losing the control over investee, and other owners' entity in net assets of investee accounted for by equity approach, excluding net profit or loss, other comprehensive income and profits distribution, shall be carried over into profit or loss for the current period in the event of losing the control over investee. Of which, if the residual equity investment after disposal is calculated by equity approach, other comprehensive income and owner's equity shall be transferred by proportion; where the residual equity investment after disposal changes to be conducted with accounting treatment according to standard of recognition and measurement of financial instruments, other comprehensive income and owner's equity shall be wholly transferred.

Where the Company loses common control or significant influence over the investee due to the disposal of partial equity investment, the residual equity after disposal will change to be calculated by standard of recognition and measurement of financial instruments, the balance between the fair value and book value thereof on the date the common control or significant influence is lost shall be included into the profit or loss for the current period. Other comprehensive income recognized by calculating original equity investment by equity approach shall go through accounting treatment on the same basis on which the investee directly disposes the relevant assets or liabilities when ceasing to use equity approach; for the owner's equity recognized by other changes on owner's equity rather than net profit or loss,

other comprehensive income and profit distribution of the investee shall be transferred into current investment income when ceasing to use equity approach.

If the Company disposes of equity investment to subsidiaries leading to loss control, and the foregoing transaction is “a package deal”, accounting treatment shall be conducted for each transaction as the transaction that disposes of subsidiary with loss of control; before loss of control, the difference between each price disposal and the book value of long-term equity investment correspondingly in equity disposed shall be firstly recognized as other comprehensive income and then wholly transferred into the profit or loss for the current period when losing control.

13. Investment Properties

Investment property is the property held to earn rentals or for capital appreciation or both, The Company’s investment properties include rented land use right, house and buildings.

The investment properties shall be initially measured at their cost. For the subsequent expenses pertinent to an investment property, if the economic profit related to such asset is possible to flow in and its cost can be measured reliably, they shall be included in the cost of the investment property. Other subsequent expenditures shall be included in the profit or loss for the current period when they are incurred. The Company subsequently measures the investment properties at the mode of fair value. For investment property which is measured using cost model, its depreciation policies and amortization method are the same with those for fixed assets and intangible assets of the same or similar kind.

As for methods of impairment testing and determining the provision for impairment losses, please refer to Note IV 19. “Long-term Asset Impairment”.

If an investment property is disposed of, or if it accrues permanently from use and no economic benefit will be obtained from the disposal, the recognition of it as an investment property shall be terminated. As for the income from the sale, transfer or scrapping of investment properties or disposal of damaged investment properties, the Company shall deduct the book value of the investment properties as well as the relevant taxes, and include the amount in the profit or loss for the current period.

14. Fixed Assets

(1) Conditions for Recognition of Fixed Assets

The fixed assets of the Company refer to the tangible assets that are held for the purpose of rendering labor services, commodities producing, renting or business management, with service life of more than one accounting year.

(2) Depreciation Method of Each Category of Fixed Assets

Fixed assets will be depreciated by straight-line service life method. The service life, residual value rates and annual depreciation rates of each class of fixed assets are as follows:

Category of Fixed Assets	Service Life (Year)	Estimated Net Residual Value	Annual Depreciation Rate (%)
Vessel	15-30	Estimated waste steel price	Not applicable
Container	10-15	Estimated waste steel price	Not applicable
Land, houses and buildings	10-50	0.00	10-2
Wharf and warehouse equipment	10-15	0/Estimated waste steel price ^[1]	6.67-10/Not applicable
Vehicles	5-7	0.00	14.29-20
Machinery equipment	3-10	0.00	33.33-10
Office equipment	3-10	0.00	33.33-10
Hotel furniture	5	0.00	20

For purchased second hand vessels, where the remaining depreciable life is more than 5 years, the provision for depreciation shall be made in accordance with the remaining depreciable life; where it's less than 5 years, the provision for depreciation shall be made for 5-year basis.

For the estimated residue value of vessels, containers and cranes at the wharf and field equipment, it shall be determined at the estimated waste steel price at the time when they are disposed.

(3) Impairment Test Method and Impairment Provision Accruing Method of Fixed Asset

As for methods of impairment testing and determining the provision for impairment losses of fixed assets, please refer to Note IV 19. "Long-term Asset Impairment".

(4) Recognition Basis and Valuation Method of Fixed Assets under Finance Lease

The "finance lease" refers to a lease that has transferred in substance all the risks and rewards related to the ownership of an asset. The ownership of the asset may or may not eventually be transferred. As for the fixed assets under finance lease, the lessee shall adopt a depreciation policy for leased assets consistent with that for depreciable assets which are owned by the lessee in calculating the depreciation of a leased asset. If it is reasonable to be certain that the lessee will obtain the ownership of the leased asset when the lease term expires, the leased asset shall be fully depreciated over its service life. If it is not reasonable to be certain that the lessee will obtain the ownership of the leased asset at the expiry of the lease term, the leased asset shall be fully depreciated over the shorter one of the lease term or

its service life.

(5) Other Explanations

The subsequent expenses related to a fixed asset, if the economic interests related to such fixed asset is possible to flow into the Company and the cost of the fixed asset can be measured reliably, shall be recorded into the cost of the fixed asset and the book value of the replaced parts shall be de-recognized. Any other subsequent expenses shall be recorded into the profit or loss for the current period when occurring.

As for the income from the sale, transfer or scrapping of fixed estate or disposal of damaged fixed estate, the Company shall deduct the book value of the investment properties as well as the relevant taxes, and then include the amount in the profit or loss for the current period.

The Company will review the service life, expected net salvage value and depreciation method at the end of current year and make adjustment when necessary. In case of change, it shall be treated as accounting evaluation change for handling.

15. Construction in Progress

The Company's construction in progress mainly refers to vessels under construction, houses and plant under construction, equipment to be installed and the technical innovation projects under progress.

The cost of construction in progress is recognized based on actual project expenditure, including each project expenditure during the construction, the borrowing costs capitalized before the project reaches intended available condition and other relevant expenses which will be transferred to fixed assets when they are ready for its intended use.

Please refer to Note IV.15 "Long-term Asset Impairment" for the methods of impairment testing and determining the provision for impairment losses of construction in progress.

16. Borrowing Costs

The borrowing costs shall include interest on borrowings, amortization of discounts or premiums on borrowings, ancillary expenses, and exchange difference on foreign currency borrowings. Where the borrowing costs incurred to the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, they shall be capitalized: (i) Where the asset disbursements have already incurred; (ii) Where the borrowing costs have already incurred; and (iii) where the construction activities which are necessary to prepare the asset for its intended use or sale have already started. When the qualified asset under acquisition and construction or production is ready for the intended use or sale, the capitalization of the borrowing costs shall be ceased. Other borrowing costs shall

be recognized as expenses on the basis of the actual amount incurred.

The actual cost incurred of the specially borrowed loan at the present period minus the income of interests earned on the unused borrowing liabilities as a deposit in the bank or as a temporary investment shall be capitalized. The Company shall calculate and determine the to-be-capitalized amount of interests on the general borrowing by multiplying the weighted average asset disbursement of the part of the accumulative asset disbursements minus the specific borrowing by the capitalization rate of the general borrowing used. The capitalization rate shall be calculated and determined in light of the weighted average interest rate of the general borrowing.

During the period of capitalization, the exchange balance on foreign currency borrowings shall be capitalized; the exchange difference on foreign currency general borrowings shall be recorded into the profit or loss for the current period.

The term "assets eligible for capitalization" shall refer to the fixed assets, investment properties, inventories and other assets, of which the acquisition and construction or production may take quite a long time to get ready for its intended use or for sale.

Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended until the construction or production restores.

17. Intangible Assets

(1) Intangible Assets

The intangible asset refers to the identifiable non-monetary asset which has no physical shape and are possessed or controlled by enterprises.

The intangible assets shall be initially measured at cost. For the expenses pertinent to an intangible asset, if the economic profit related to such asset is possible to flow into the Company and its cost can be measured reliably, they shall be recorded into cost of intangible assets. In addition, the expenditure of other items shall be recorded into the profit or loss for the current period in which they are actually incurred.

The acquisition of land use right is usually treated as intangible assets for calculation. As for the building such as the plant self-constructed, relevant expenditure of land use right and construction cost of the building shall be treated as intangible asset and fixed asset for calculation respectively. As for the purchased house and building, it is necessary to distribute relevant amount between land use right and building. In case of any difficulty to distribute, all of the amount shall be handled as fixed assets.

With regard to intangible assets with limited service life from the day when it is used,

the part that its original value minus expect net salvage value and accrued accumulated amount of impairment reserve shall be amortized averagely by stages by methods of line in its estimated service life. Intangible assets with an uncertain service life may not be amortized.

In the end of period, it is necessary to review the service life and amortization method of the intangible asset with limited service life. In case of any change, it shall be treated as changes in accounting estimate. In addition, the service life of the intangible asset with uncertain service life shall be reviewed. In case of evidence to indicate that the economic profit brought by the intangible assets is predictable, it is necessary to estimate its service life and conduct amortization based on the amortization policy of the intangible assets with limited service life.

(2) Research and Development Expenditure

The expenditures of the research and development project inside the Company can be divided into research expenditure and development expenditure.

Research expenditures shall be recorded into profit or loss for the current period when incurring.

Development expenditures may be recognized as intangible assets when they satisfy the following conditions simultaneously; otherwise the development expenditures shall be recorded into profit or loss for the current period:

(i) It is technically feasible to complete the intangible assets so that it will be available for use or sale;

(ii) The Company has the intention to complete the intangible assets and use or sell it;

(iii) The usefulness of methods for intangible assets to generate economic interests shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets itself; for the intangible assets will be used internally, its ability to use can be proved;

(iv) Where it is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources; and

(v) The expenditure attributable to the intangible asset during its development phase can be reliably measured.

If the expenditures can hardly be classified into expenditure on the research phase or expenditures on the development phase, they shall be recorded into the profit or loss for the

current period completely.

(3) Impairment Test Method and Impairment Provision Accruing Method of Intangible Assets

As for the impairment testing and determining the provision for impairment losses of intangible assets, please refer to Note IV 19. "Long-term Asset Impairment".

18. Long-term Unamortized Expenses

Long-term unamortized expenses of the Company refers to the expenses of the Company borne in reporting period and in subsequent periods with amortization term of over 1 year (excluding 1 year), including expenditure on fixed asset improvement through operating lease. Long-term unamortized expenses shall be recorded at actual expenditure and amortized by straight-line method during the benefit period of the project.

19. Long-term Impairment of Assets

As for fixed asset, construction in progress, the intangible asset with limited service life, the investment properties measured at cost pattern, the long-term equity investment on subsidiary, joint venture, associated enterprises and other non-current and non-financial assets, the Company will determine whether any impairment indication exists on the balance sheet date. Where any evidence shows that there is possible assets impairment, the recoverable amount of the assets shall be estimated and impairment test shall be conducted. Impairment test shall be conducted annually for goodwill, the intangible assets with uncertain service life and the intangible assets not reaching available condition, no matter there is impairment indication.

Where the measurement result of the impairment test indicates that an asset's recoverable amount is lower than its book value, impairment provision shall be accrued based on its differences and recorded into the impairment loss. The recoverable amount shall be determined on the basis of the higher one of the net amount of the fair value of the asset minus the disposal expenses and the current value of the expected future cash flow of the asset. The fair value of asset is recognized based on the price as stipulated in the sales agreement in the fair transaction; Where there is no sales agreement but there is an active market of assets, the fair value is recognized based on the price bidden by the buyer of the asset; Where there is no sales agreement and no active market of assets, the fair value of an asset shall be estimated in light of the best information available of asset. The disposal expenses shall include the relevant legal expenses, relevant taxes, truckage as well as the direct expenses for bringing the assets into a marketable state. The current value of the expected future cash flow of an asset shall be determined by the discounted cash with an

appropriate discount rate, on the basis of the expected future cash flow generated during the continuous use or final disposal of an asset. Asset impairment provision is calculated and recognized based on single asset. In case of the difficulty to estimate the recoverable amount of single asset, the recoverable amount of asset group is recognized in accordance with the asset group that such asset belongs to. The asset group refers to the minimum asset portfolio that can independently generate cash inflow.

When the goodwill separately listed in the financial statement is under impairment test, the book value of the goodwill is apportioned to the asset group or the asset group combination beneficial from the cooperative effect of business combination. If the test result indicates that the recoverable amount of the asset group or the asset group combination of the goodwill apportioned is lower than its book value, corresponding impairment loss is recognized. The amount of the impairment loss shall first charge against the book value of the headquarter' assets and business goodwill which are apportioned to the asset group or combination of asset groups, then charge it against the book value of other assets in proportion to the weight of other assets in the asset group or combination of asset groups with the business goodwill excluded.

Upon the recognition of the above mentioned asset impairment loss, it is not allowed to be reversed in the future.

20. Employees' Compensation

The employees' compensation of the Company mainly includes the short-term employees' compensation, post-employment benefit, dismissal welfare and other long-term employee benefits. Wherein:

The short-term compensation mainly includes salaries, bonuses, allowances and subsidies, staff welfare expenses, medical insurance premium, maternity insurance premium, work-related injury insurance premium, housing accumulation funds, labor union dues and personnel education funds, and non-monetary welfares. The Company recognizes the short-term employees' compensation actually incurred and records it in the profit or loss for the current period or relevant asset costs during the accounting period when employees provide services for the Company. Where, the non-monetary welfare shall be measured at its fair value.

Post-employment benefits mainly include defined contribution plans and defined benefit plans. Defined benefit plan mainly includes the basic endowment insurance, unemployment insurance and annuity, and the corresponding amount payable shall be recorded into the relevant asset cost or the profit or loss for the current period when it is incurred. The

Company's defined benefit plan refers to provision for coordinated pension for the emeritus and retired which is made at the time of respective company reform. The Company hires an independent actuary to make estimate about related demographic variables and financial variables, the measure the obligations under the defined benefit plan, and determine the periods to which the obligations are attributed by estimated welfare unit method, using compatible actuarial assumptions. On the balance sheet date, the Company will present the obligations arising from the defined benefit plan as current value, and record the current service costs into the profit or loss for the current period.

Where the labor relationship with employees is terminated prior to the expiration of the labor contract with employees, or compensation suggestions are made to encourage employees to accept the cutback voluntarily, the employees' compensation liabilities incurred by the dismissal welfare shall be recognized and recorded into the profit or loss for the current period when the Company cannot withdraw unilaterally the dismissal welfare provided for the termination plan of labor relations or cutback suggestions, or when the Company recognizes the cost related to reorganization involving the payment of dismissal welfare, whichever is earlier. However, if it is anticipated that the dismissal welfare cannot be fully paid within 12 months after the end of the annual reporting period, such welfare shall be handled as other long-term employees' compensation.

The internal retirement plan for employee shall be handled by the principle the same to the aforesaid dismissal welfare. The Company will pay the salary and contribute social insurance for the internal retirement from the service stopped to be provided by such employee to normal retirement. Such fee is recorded into the profit or loss for the current period when conforming to the reorganization condition of estimated liability (dismissal welfare).

Accounting treatment shall be conducted on other long-term employees' compensations provided to employees by the Company according to defined contribution plans if such plans are conformed. In addition, accounting treatment shall be conducted according to defined benefit plans.

21. Estimated Liabilities

The obligation pertinent to contingencies shall be recognized as an estimated liability when the following conditions are satisfied simultaneously: (1) That obligation is a current obligation of the Company; (2) It is likely to cause any economic interests to flow out of the Company as a result of performance of the obligation; and (3) The amount of the obligation can be measured in a reliable way.

On the balance sheet date, the estimated liabilities shall be initially measured in accordance with the best estimate of the necessary expenses for the performance of the current obligation. To determine the best estimate, the Company shall take into full consideration the risks, uncertainty, time value of money, and other factors pertinent to the contingencies.

When all or some of the expenses necessary for the liquidation of estimated liabilities is expected to be compensated by a third party, the compensation shall be separately recognized as an asset only when it is virtually certain that the reimbursement will be obtained. The amount recognized for the reimbursement shall not exceed the book value of the estimated liabilities.

The onerous contract refers to the contract where the cost incurred inevitably in performing contractual obligations exceeds the expected economic interests. When the executory contract becomes an onerous contract and obligations incurred under this onerous contract meet recognition conditions for the above estimated liabilities, the excess of estimated contract losses over the recognized impairment loss (if any) to contract underlying assets shall be recognized as the estimated liability.

22.Share-based Payments

Share-based payments include cash-settled share-based payment and equity-settled share -based payment.

(1) Cash-settled Share-based Payments

Cash-settled share-based payments are measured at the fair value of the liabilities incurred by the Company, which are determined based on the share. Services obtained in the current period will be recorded into relevant cost or expense and relevant liabilities as per the fair value of equity instrument on the date of granting based on the optimal estimation of the quantity of vesting equity instruments in waiting period at fair value of the liabilities that the Company assumes. On each balance sheet date and settlement date before settlement of relevant liabilities, the fair value of liabilities shall be remeasured, and its changes shall be recorded into the profit or loss for the current period.

(2) Equity-settled Share-based Payments

For equity-settled share-based payments, the fair value shall be measured by the equity instruments as granted to employees. In situations where the amount of fair value is only vesting after completing services in waiting period or reaching specific performance conditions, calculated relevant cost or expense by the method of line based on the optimal estimation of the quantity of vesting equity instruments in waiting period/where the vesting

right is available immediately after the award, include it into relevant cost or expense on the date of award and correspondingly increase capital reserves.

For equity-settled share-based payment in exchange for services rendered by other parties, if the fair value of services from other parties can be measured reliably, they are measured at the fair value of services from other parties at the date when such services are received. If the fair value of services from other parties cannot be measured reliably but the fair value of the equity instruments can be measured reliably, they are measured at the fair value of the equity instruments at the date when such services are received. The fair value of the equity instruments are recognized as related costs or expenses, with 'owners' equity correspondingly increased.

23. Revenues

The Company recognizes the realized operating revenue in accordance with the following rules and such operating revenue is recognized into profit or loss for the current period at the realized operating revenue.

(1) Revenues from Rendering Transportation Services

If the Company can reliably estimate the outcome of a transaction concerning the transportation services, it shall recognize the revenue by the percentage-of-completion method on the balance sheet date. The percentage of completion is determined and measured in accordance with the proportion of the days of completed operation to the total days of operation in this voyage.

The outcome of a transaction concerning the labor services can be measured in a reliable way, means that the following conditions shall be met simultaneously: (i) the amount of revenue can be measured reliably; (ii) it is probable that the associated economic interests will flow to the Company; (iii) the stage of completion of the transaction can be determined reliably; and; (iv) the associated costs incurred or to be incurred in transactions can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognized only to the extent of the costs incurred that will be recoverable, and the costs incurred are recognized as expenses for the current period. When it is not probable that the costs incurred will be recovered, revenue is not recognized.

(2) Operating Revenue from Container Wharf

The operating revenue from container wharf is recognized when the service is completed and the vessel leaves berth.

(3) Revenues from Rentals

Rental from operating lease is recognized by the Company in profit or loss on a straight-line basis over the term of the relevant lease. The income from finance lease of assets is recognized in each accounting period using effective interest method.

(4) Revenue from Cargo Agency and Shipping Agency

Cargo agency: The income from ocean cargo agency is recognized on the date when the vessel leaves the port (export) or arrives at the port (import); the income from land cargo agency is recognized when the cargo arrives at the designated place.

Shipping agency: the income from shipping agency is recognized at the date when the vessel leaves the port.

(5) Revenue from Sale of Goods

Revenue from sale of goods is recognized when (i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods; (ii) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (iii) the amount of revenue can be measured reliably; (iv) it is probable that the associated economic benefits will flow to the Company; and (v) the associated costs incurred or to be incurred can be measured reliably.

(6) Revenue from Interest

It shall be recognized in accordance with the length of time for which the Company's cash is used by others and the effective interest rate.

24. Government Grants

A government subsidy refers to the monetary or non-monetary assets obtained free by the Company from the government, but excluding the capital invested by the government as the owner. The government grants are divided into government grants related to asset and government grants related to income.

If the government grant is monetary asset, it shall be measured as per the amounts that are collected or shall be collected. If the government grant is non-monetary asset, it shall be measured at the fair value; if the fair value cannot be obtained, then it shall be measured at nominal amount. But the government grants measured at the nominal amount shall be recorded into profit or loss for the current period.

The Company usually recognizes and measures the government grants according to the actual amount received when such grants are actually received. However, if any unambiguous evidence shows that relevant conditions specified in financial support policies

are met and the financial support fund is expected to be received, measurement shall be made according to the amount receivable.

The government grants related to assets shall be recognized as the deferred income and included in the profit or loss for the current period in a reasonable and systematic method in the service life of relevant assets. The government grants related to income shall be recognized as deferred incomes and included into the profit or loss for the current period when determining the related costs if they are used for compensating the subsequent related costs or losses; if they are used for compensating the related costs or losses that have incurred, they shall be included into the profit or loss for the current period.

The government grants related to both assets and income shall be subject to accounting treatment in accordance with different portion. Where it is hard to distinguish the assets from the income, the whole grants will be recognized as government grants related to income.

Government grants related to daily activities of the Company shall be recorded into other incomes as per the nature of economic business; otherwise, they shall be recorded into non-operating expenditures.

For repayment of a government grant already recognized, if there is related deferred income balance, the repayment is offset against the book value of the deferred income, and any excess is recognized in profit or loss for the current period. If it belongs to other conditions, the repayment is recognized immediately in profit or loss for the current period.

25. Deferred Income Tax Assets/Deferred Income Tax Liabilities

(1) Current Income Tax

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws. The taxable income of the Company, the basis of the measurement of the income tax, shall be measured according to the adjusted accounting profit before tax for the year by tax law.

(2) Deferred Income tax Assets and Deferred Income tax Liabilities

For differences between the book values of certain assets or liabilities and their tax base, or temporary differences between the book value of those items that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred income tax assets and liabilities are recognized using the balance sheet liability method.

For temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business

combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction, no deferred income tax asset or liability is recognized. Besides, deferred income tax liabilities will not be recognized for taxable temporary differences associated with investments in subsidiaries, associated enterprises and joint ventures, except where the Company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future. Except the above-mentioned cases, the deferred income tax liabilities generated from other all taxable temporary difference are recognized by the Company.

Related to the initial recognition of the assets or liabilities arising from the following transactions that is not business combination and the accounting profits will not be affected, nor will the taxable amount (or the deductible loss) be affected at the time of transaction, the deductible temporary differences are not allowed to recognize relevant deferred income tax assets. The deductible temporary differences related to the investments of subsidiary, associated enterprises and joint ventures shall not recognize corresponding deferred income tax asset if the temporary differences are unlikely to be reversed in the excepted future and it is likely to acquire any amount of taxable income tax that may be used for making up the deductible temporary differences. Except the above-mentioned cases, the Company shall recognize the deferred income tax liabilities arising from a deductible temporary difference to the extent of the amount of the taxable income which it is most likely to obtain and which can be deducted from the deductible temporary difference.

As for any deductible loss or tax deduction that can be carried forward to the next year, the corresponding deferred income tax assets shall be determined to the extent that the amount of future taxable income to be offset by the deductible loss or tax deduction to be likely obtained.

On the balance sheet date, the deferred income tax assets and deferred income tax liabilities shall be measured at the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

The book value of deferred income tax assets shall be review on the balance sheet date. If it is unlikely to obtain sufficient taxable income taxes to offset the interests of the deferred income tax assets, the book value of the deferred income tax assets shall be written down. When it is probable to obtain sufficient taxable income taxes, such write-down amount shall be subsequently reversed.

(3) Income Taxes Expenses

The income tax expenses include current income tax and deferred tax.

Other current and deferred tax expenses or income are recognized in profit or loss for the current period, except when they arise from transactions or events that are directly recognized in other comprehensive income or in owners' equity, in which case they are recognized in other comprehensive income or in owners' equity; and when they arise from business combinations, in which case they adjust the book value of goodwill.

26. Lease

The "finance lease" refers to a lease that has transferred in substance all the risks and rewards related to the ownership of an asset. The ownership of the asset may or may not eventually be transferred. All other leases are classified as operating lease.

(1) The Company as Lessee under Operating Lease

The rents from operating lease shall be recorded by the lessee in the relevant asset costs or the profit or loss for the current period by using the straight-line method over each period of the lease term. Initial direct costs incurred are charged to profit or loss for the current period. Contingent rents are charged to profit or loss for the current period in which they are actually incurred.

(2) The Company as Lessor under Operating Lease

The rents from operating lease shall be recorded into the profit or loss for the current period by using the straight-line method over each period of the lease term. The initial direct costs with a larger amount shall be capitalized when they actually arise and recorded, on a phased basis, into the profit or loss for the current period on the ground of the recognized rent revenue during the whole lease term; and the other ones with a smaller amount shall be directly recorded into the profit or loss for the current period. The contingent rents shall be recorded into the profit or loss for the current period in which they actually arise.

(3) Record of Finance Lease Business by the Company as Lessee

On the lease commencement date, a lessee shall record the lower one of the fair value of the leased asset and the current value of the minimum lease payments on the lease commencement date as the entry value in an account, recognize the amount of the minimum lease payments as the entry value in an account of long-term account payable, and treat the balance between the recorded amount of the leased asset and the long-term account payable as unrecognized financing charges. The initial direct costs such as commissions, attorney's fees and traveling expenses, stamp duties directly attributable to the leased item incurred during the process of lease negotiating and signing the leasing agreement shall be recorded into the asset value of the current period. The balances between the long-term accounts payable minus the unrecognized financing charges are recognized in long-term liabilities and

long-term liabilities due within 1 year respectively.

Unrecognized finance charges are recognized as finance charge for the period using the effective interest method over the lease term. Contingent rents are charged to profit or loss for the current period in which they actually arise.

(4) Record of Finance Lease business by the Company as Leaser

On the commencement date of the lease term, a lessor shall recognize the sum of the minimum lease receipts on the lease commencement date and the initial direct costs as the entry value in an account of the Finance Lease values receivable, and record the unguaranteed residual value at the same time. The balance between the sums of the minimum lease receipts, the initial direct costs and the unguaranteed residual value, and the sum of their current values shall be recognized as unrealized financing income. The balances between the Finance Lease receivable minus unrealized financing profit are recognized in long-term liabilities and long-term liabilities due within 1 year respectively.

The unrealized financing profit in the lease period shall adopt the effective interest rate method to calculate and recognize the financing income in the current period. Contingent rents are charged to profit or loss for the current period in which they actually arise.

27. Hedge Accounting

The Company's hedging instruments include derivative financial instruments i.e. fuel futures, interest rate swap contract and forward exchange contract. The accounting method for derivative financial instruments is dependent on whether such derivative instrument will effectively hedge the risks of the projects being hedged.

(1) Conditions for Hedging Accounting

At commencement of hedging, the Company has formally designated the hedging relationship and made preparations with regard to hedging instruments, the project being hedged, the nature of hedged risks and the method of evaluating effectiveness of hedging etc. The hedging must be identifiable and related to designated risks and finally affect the profit and loss of the Company;

The hedging is expected to be highly effective and conform to the risk management strategy as initially determined by the Company for the hedging relationship;

The effectiveness of the hedging can be reliably measured and constantly evaluated. Furthermore, it shall be ensured that the hedging is highly effective during the accounting period during which the hedging relationship is designated.

(2) Method for Evaluation of Effectiveness of Hedging

This includes the prospective evaluation and retrospective evaluation. Prospective

evaluation must be conducted at the commencement of hedging at each settlement date. Retrospective evaluation adopts ratio analysis method and is carried out at each settlement date. Subject to the features of its risk management policies, the Company determines whether the hedging is effective by comparing change ratio of fair value of hedging instruments and the hedged projects caused by the hedged risks based on the accumulative changes. The Company's management believes that the hedging is high effective if its effectiveness is from 80% to 125%.

(3) Accounting Treatment of Hedging

Where hedging of fair value meets the foregoing conditions, the profit or loss due to change of fair value of hedging instruments is recognized into profit or loss for the current period; the profit or loss of hedged project due to hedged risks is recognized into profit or loss for the current period. At the same time, the book value of hedged projects is also adjusted.

Where the hedging of cash flow meets the foregoing conditions, the profit or loss of hedged instruments which is attributable to the effective hedging is directly recognized as the rights and interest of the owner. The profit or loss of hedging instruments which is not attributable to the effective hedging is recognized into profit or loss for the current period.

(4) Conditions for Termination of Application of Hedging Accounting Method

The hedging instrument has expired, been sold or the contract has been terminated or exercised; the hedging is no longer qualified for application of hedging accounting method; the expected transaction is not likely to happen; the Company revokes the designation of the hedging relationship.

28.Changes of Significant Accounting Policies and Accounting Estimates

(1) Changes of Accounting Policies

There were no significant changes of accounting policies in the reporting period.

(2) Changes of Accounting Estimates

There were no significant changes of accounting estimates in the reporting period.

29.Significant Accounting Judgment and Estimates

In application of the accounting policies, due to the uncertainty of business operation, the Company needs to determine, estimate, or make assumption on the book value of report subjects which are not able to be precisely measured. These determinations, estimations, or assumptions are made upon the Company's historical experience and with references to other relative factors. Where, the judgment and estimate and assumption will influence the reporting amount of income, expenses, assets and liabilities, balance sheet date or disclosure

of contingent liabilities. However, the result arising out from uncertainty of these estimates might cause significant adjustment on the book value of assets or liabilities that will be influenced in future.

The Company performs periodic revision on the above determinations, estimations, and assumptions on the basis of constant operation. When a change in accounting estimation is just influencing the current term, its influenced amount is recognized in the current term. When a change is influencing not only the current term but also the future terms, its influenced amount is recognized in the current term and also the future terms.

Major fields of amount of financial statements to be judged, evaluated and assumed by the Company on balance sheet date are as follows:

(1) Classification of Leasing

According to the provisions of *Accounting Standards for Business Enterprises No.21-Leasing*, the Company classifies leasing into operating leasing and financing leasing, when classifying, the management shall make analysis and judgment on whether or not to substantially transfer all risks and compensations relevant to the ownership of assets leased to the lessee, or whether the Company has assumed all risks and compensations relevant to the ownership of assets leased.

(2) Bad Debt Provision

The Company shall calculate the bad debt provisions by allowance method according to the accounting policies of receivables. Receivable impairment is based on the recoverability of receivables. Verification of receivable impairment requires judgment and estimation of the management. Difference between the actual results and the original estimation will be accrued or reversed by the influence on the book value of receivables and bad debt provisions of receivables in the estimated change period.

(3) Provision for Decline in Value of Inventory

The Company accrues provision for decline in value of inventory with higher cost than net realizable value and obsolete and unsalable inventories according to their cost and net realizable value, whichever is lower, based on inventory accounting policies. Impairment of inventory to net realizable value is based on the evaluation of its saleability and net realizable value. The identification of impairment of inventory calls for the management to make judgment and estimation after receiving sound evidence and considering the purpose of holding the inventory and the influence factors of events after balance sheet date. Difference between the actual results and the original estimation will be calculated, accrued or reversed by the influence on the book value of inventories and provisions for decline in value of inventory in

the estimated change period.

(4) Impairment for Financial Assets Available-for-Sale

The determination of the Company whether or not a financial asset available-for-sale shall be impaired depends on the judgments and assumptions of management to a great extent. Such judgment and assumption will determine whether to confirm its impairment loss in the income statement. When making judgments and assumptions, the Company needs to assess the extent to which the fair value is lower than the cost and the duration of the same, as well as the financial status and short-term business outlook of the investee, including industry conditions, technological transformation, credit ratings, default rate and counterparty risk.

(5) Provision for Impairment on Non-Financial and Non-Current Assets

The Company will judge whether there exists indication showing that the impairment might incur on non-current assets rather than financial assets on the balance sheet date. Except impairment test conducted each year, when there exists indication of impairment, then impairment test shall be conducted too for intangible asset that service life is uncertain. When there exists indication showing the book value is unrecoverable, then impairment test shall be conducted on non-current assets rather than financial assets.

When the book value of assets or asset group is higher than recoverable amount, namely, the net amount of the fair value of the asset minus the disposal expenses and the current value of the expected future cash flow of the asset, it indicates that the impairment incurs.

Net amount of the fair value minus disposal expense shall be recognized by reference to sales agreement price or observed market price of similar assets in fair transaction minus increased cost belonging to such assets disposed.

Upon estimation of current value of future cash flow, significant judgment on production, sale price, related operation cost and discount rate for current value calculation is required. The Company may use all attainable relevant information upon estimation of recoverable amounts, including estimation of relevant production, sale price and relevant operation cost made based on reasonable and supportive hypothesis.

The Company will test if the goodwill suffers from impairment at least once a year. It requires estimation of the current value of future cash flow for asset groups or their combinations with goodwill distributed. Upon estimation of future cash flow, the Company needs to estimate cash flow generated by future asset groups or their combinations and meanwhile choose proper discount rate to recognize the current value of future cash flow.

(6) Fair Value of Financial Instruments

The Company recognizes the fair value of financial instruments without active trading market through various valuation methods. These valuation methods include discounted cash flow model analysis, etc. The Company needs to evaluate the future cash flow, credit risks, market volatility and relevance, etc. and choose the proper discount rate. These relevant hypotheses are uncertain and the changes will inflict impact on the fair value of financial instruments.

(7) Depreciation and Amortization

The Company calculates and accrues depreciation and amortization by the method of line within service life after considering the remaining value of investment properties, fixed assets and intangible assets with limited service life. The Company periodically reviews service life to decide the amount to be included into each reporting period of depreciation and amortization expenses. Service life is recognized by the Company based on past experience for the same type of assets together with anticipated technological updates. If past estimation has been significantly changed, expenses for depreciation and amortization shall be adjusted in the future.

(8) Deferred Income Tax Assets

If it is highly possible that there is enough taxable profit to offset losses, the Company recognizes deferred income assets for all unused taxation losses. It requires huge judgment of the management of the Company to estimate the time and amount of future taxable profit together with tax payment planning strategy to decide the amount of deferred income tax assets to recognized.

(9) Income Taxes

During regular business activities of the Company, there are uncertainties in final taxation disposal and calculation for some transactions. Approval from competent taxation authorities shall be obtained to determine whether some projects shall be presented finally. If the final recognition result of these taxation matters is different from the initially estimated amount, such difference will may influence the profit or loss and/or financial status of current period during final recognition.

(10) Internal Retirement and Pension Benefit and Supplementary Retirement Benefit

The amount of expenses and liabilities with regard to the Company's internal retirement and pension benefit and supplementary retirement benefit is determined based on various assumptions. These assumptions include discount rate, growth rate of average medical cost, growth rate of subsidies for the retired and early retired and other factors. The difference between actual result and the assumptions will be immediately recognized when it occurs and

recognized into the cost of that year. Although the management believes that reasonable assumptions have been adopted, the change of practical experience and assumptions will still affect the cost and the amount of liabilities with regard to the Company's internal retirement and pension benefit and supplementary retirement benefit.

(11) Estimated Liabilities

The Company, based on the contract terms, existing knowledge and experience, estimates and assesses corresponding provisions for expected contract loss. When such contingencies have formed an actual liability and the performance of such actual liability is likely to lead to the outflow of economic benefits from the Company, the Company's best estimated number of expenditure needed for implementing relevant actual liability shall be recognized as estimated liabilities. The confirmation and measurement of estimated liabilities depend on management's judgment to a great extent. In the process of judgment, the Company needs to assess related risks, uncertainties and currency time value and other factors of such contingencies.

(12) Revenues from Voyage and Cost of Voyage

The revenues of the transportation service provided by the Company are recognized in accordance with the percentage of completion if its result can be reliably estimated. The percentage of completion is determined and measured in accordance with the proportion of the days of completed operation to the total days of operation in this voyage. The estimated voyage schedule depends on management's judgment to a great extent. If the actual completion time of the voyage differs from estimation, this will affect the income and cost in the next accounting period.

For the voyage which has been completed or being carried out at the end of the reporting period, the expenses of the voyage is estimated in accordance with the latest quotation and voyage statistics provided by the supplier. Generally, the cost of the voyage is charged within several months after the transaction. If the actual cost of the voyage differs from estimation, this will affect the cost in the next accounting period.

V. Taxes

1. Value-added Tax

For the applicable VAT for income from repair, sales of commodities, sales of raw materials, voyage and other relevant business of the Company's subsidiaries registered in domestic territory, the tax rates are 0%, 3%, 6%, 11% and 17% respectively.

2. Enterprise Income Tax

In accordance with the *Enterprise Income Tax Law of the People's Republic of China*

which was implemented from January 1, 2008, the applicable enterprise income tax for the Company and its subsidiaries registered in China is 25%. The subsidiaries which are certified as new high-tech enterprises are entitled to a preferential income tax rate of 15%. The Company's subsidiaries which are registered overseas are subject to local enterprise income tax rate in accordance with the requirements of local tax laws.

In accordance with Article 92 of the *Regulation on the Implementation of the Enterprise Income Tax Law of the People's Republic of China*, some subsidiaries of the Company are recognized as small low-profit enterprises. In accordance with the document CS [2015] No.34, from January 1, 2015 to December 31, 2017, for small low-profit enterprises with annual taxable income less than RMB200,000 (inclusive), 50% of their income was counted as taxable income and enterprise income tax was levied at the rate of 20%

V. Notes to Items of Consolidated Financial Statements

Unless otherwise stated, in the following notes, "opening" shall mean January 1, 2017; "closing" shall mean June 30, 2017; "previous period" shall mean the entire year of 2016; and the "current period" shall mean January to June, 2017.

1. Cash and Bank Balances

Items	Closing Balance	Opening Balance
Cash on hand	7,365,490.82	4,124,885.62
Deposit in bank	33,552,984,262.27	40,338,892,766.48
Other cash and cash equivalents	57,739,419.89	69,200,394.51
Total	33,618,089,172.98	40,412,218,046.61
Including: Total amount deposited overseas	8,747,417,853.15	8,158,167,020.25

Note: Refer to VI.56-Assets with Restricted Ownership or Right of Use for details of above cash and bank balances where is restricted due to pledge, mortgage or freezing of the above monetary capitals.

2. Financial Assets at Fair Value through Profit or Loss

Items	Closing Balance	Opening Balance
Financial assets designated to be measured at fair value through profit or loss	2,071,918,422.54	2,240,141,325.22
Including: Debt instrument investment	1,692,888,912.64	1,945,442,513.74
Equity instrument investment	246,326,789.15	254,725,814.08
Unit trust fund	132,702,720.75	39,972,997.40
Total	2,071,918,422.54	2,240,141,325.22

3. Derivative Financial Assets

Items	Closing Balance	Opening Balance
Derivative contract of oil price	1,643,988.63	14,550,133.92
Total	1,643,988.63	14,550,133.92

4. Notes Receivable

Items	Closing Balance	Opening Balance
Bank acceptance bill	334,863,027.78	256,675,416.08
Trade acceptance draft	17,232,972.50	5,817,292.13
Total	352,096,000.28	262,492,708.21

5. Accounts Receivable

(1) Receivables disclosed by category

Category	Closing Balance				
	Book Balance		Bad Debt Provision		Book Value
	Amount	Proportion (%)	Amount	Proportion of Accruing (%)	
Receivables that are individually significant and for which bad debt provision has been accrued individually	530,281,376.75	5.73	29,931,452.04	5.64	500,349,924.71
Receivables which bad debts are accrued by portfolio of credit risk features	6,802,293,581.69	73.46	58,801,617.61	0.86	6,743,491,964.08
Portfolio 1: current amount among related parties	546,847,903.08	5.91			546,847,903.08
Portfolio 2: Portfolio by aging	6,255,445,678.61	67.55	58,801,617.61	0.94	6,196,644,061.00
Receivables that are individually insignificant but for which bad debt provision has been accrued individually	1,926,684,991.21	20.81	97,548,274.38	5.06	1,829,136,716.83
Total	9,259,259,949.65	100.00	186,281,344.03		9,072,978,605.62

(Cont')

Category	Opening Balance				
	Book Balance		Bad Debt Provision		Book Value
	Amount	Proportion (%)	Amount	Proportion of Accruing (%)	

Category	Opening Balance				
	Book Balance		Bad Debt Provision		Book Value
	Amount	Proportion (%)	Amount	Proportion of Accruing (%)	
Receivables that are individually significant and for which bad debt provision has been accrued individually	466,016,104.31	5.73	31,689,797.82	6.80	434,326,306.49
Receivables which bad debts are accrued by portfolio of credit risk features	5,983,812,503.99	73.59	52,068,748.61	0.87	5,931,743,755.38
Portfolio 1: current amount among related parties	563,191,767.17	6.93			563,191,767.17
Portfolio 2: Portfolio by aging	5,420,620,736.82	66.66	52,068,748.61	0.96	5,368,551,988.21
Receivables that are individually insignificant but for which bad debt provision has been accrued individually	1,681,625,915.21	20.68	100,962,896.99	6.00	1,580,663,018.22
Total	8,131,454,523.51	100.00	184,721,443.42		7,946,733,080.09

(i) Closing receivables that are individually significant and for which bad debt provision has been individually accrued

Items	Closing Balance			Reason of accruing
	Accounts receivable	Bad Debt Provision	Proportion of Accruing (%)	
Rent and freight etc.	530,281,376.75	29,931,452.04	5.64	Relatively high risk of bad debts
Total	530,281,376.75	29,931,452.04	5.64	

(ii) Receivables for which bad debt provision has been accrued by approach of aging analysis in portfolio

Aging	Closing Balance		
	Accounts receivable	Bad Debt Provision	Proportion of Accruing (%)
Within 1 year	6,217,362,763.96	29,340,277.34	3.50
Including: Within 6 months	6,150,112,576.56	27,400,534.95	0.50
7-12 months	67,250,187.40	1,939,742.39	3.00

Aging	Closing Balance		
	Accounts receivable	Bad Debt Provision	Proportion of Accruing (%)
1 to 2 years	9,413,896.24	2,626,651.07	30.00
2 to 3 years	3,322,170.01	1,487,840.80	50.00
More than 3 years	25,346,848.40	25,346,848.40	100.00
Total	6,255,445,678.61	58,801,617.61	

(iii) Receivables which bad debt provisions are accrued by other approach in portfolio

Name of portfolio	Closing Balance		
	Accounts receivable	Bad Debt Provision	Proportion of Accruing (%)
Transaction among related parties	546,847,903.08		
Total	546,847,903.08		

(iv) Closing receivables that are individually insignificant but for which bad debt provision has been accrued individually

Items	Closing Balance		
	Accounts receivable	Bad Debt Provision	Proportion of Accruing (%)
Rent, freight and handling charges	1,926,684,991.21	97,548,274.38	5.06
Total	1,926,684,991.21	97,548,274.38	5.06

(2) Condition of receivables collected from debtors with top five closing balance a

The Company's total amount of receivables collected from debtors with the top five closing balance for the current period is RMB593,645,664.91, accounting for 6.41% of the total closing balance of receivables. The corresponding total closing balance of provisions for bad debt is RMB1,622,462.95.

6. Prepayments

(1) Presented as per aging

Aging	Closing Balance		Opening Balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	2,887,889,290.21	91.91	2,979,014,367.02	88.51
1 to 2 years	141,248,483.20	4.50	36,760,158.86	1.09

Aging	Closing Balance		Opening Balance	
	Amount	Proportion (%)	Amount	Proportion (%)
2 to 3 years	8,864,607.68	0.28	77,873,428.15	2.31
More than 3 years	104,112,876.67	3.31	272,282,552.63	8.09
Total	3,142,115,257.76	100.00	3,365,930,506.66	100.00

(2) Prepayments paid from objects of prepayments with top five at the end of period

The Company's total amount of prepayments paid by the objects of prepayments with top five closing balances is RMB604,840,815.14, accounting for 19.25% of the total closing balance of prepayments.

7. Interests Receivable

Items	Closing Balance	Opening Balance
Bond interest	45,456,911.94	45,178,898.47
Interests for Fixed Deposit	44,126,485.11	60,014,588.10
Total	89,583,397.05	105,193,486.57

8. Dividends Receivable

Investee	Closing Balance	Opening Balance
Qingdao Port International Co., Ltd.	145,008,899.20	
Nanjing port Longtan Container Co., Ltd.	44,791,764.02	43,692,285.02
Ningbo Yuan Dong Terminals Ltd.	42,436,182.40	
OOCL (UAE) LLC	29,823,917.99	
Shanghai Pudong International Container Terminals Co., Ltd	28,472,235.17	
Taicang International Container Terminals Co., Ltd	22,726,640.13	
Kao Ming Container Terminals Corp.	18,165,266.35	
Dalian Port Container Terminals Co., Ltd.	15,878,453.97	15,878,453.97
Nansha Stevedoring Corporation of Port of Guangzhou	11,695,790.19	
Tianjin Five Continents International Container Terminals Co., Ltd	10,662,096.08	
United Container Storage Limited	10,624,401.90	10,354,124.70
Yingkou Container Terminals Co., Ltd.	7,510,000.00	
Guangzhou Port Company Limited	5,982,081.45	
Shanghai Hanglian Customs Broker Co., Ltd.	100,000.00	100,000.00

Investee	Closing Balance	Opening Balance
OOCL (Egypt) Shipping Agency S.A.E	26,613.77	
Shanghai Tianhongli Assets Management Co., Ltd.		1,481,678.91
Dawning Company Limited		3,220,235.95
Tianjin Port Alliance International Container Terminal Co., Ltd.		19,799,377.29
Total	393,904,342.62	94,526,155.84

9. Other Receivables

(1) Disclosed by category

Category	Closing Balance				
	Book Balance		Bad Debt Provision		Book Value
	Amount	Proportion (%)	Amount	Proportion of Accruing (%)	
Other receivables that are individually significant and for which bad debt provision has been accrued individually	225,517,224.43	10.61	60,834,400.00	26.98	164,682,824.43
Other receivables for which bad debt provision has been accrued by portfolio of credit risk features	1,564,385,297.53	73.58	11,060,708.25	0.71	1,553,324,589.28
Portfolio1: Related party transactions, reserve funds, guarantee, deposits, etc.	1,292,037,639.55	60.77			1,292,037,639.55
Portfolio 2: Portfolio by aging	272,347,657.98	12.81	11,060,708.25	4.06	261,286,949.73
Other receivables that are individually insignificant but for which bad debt provision has been accrued individually	336,218,311.24	15.81	7,476,376.71	2.22	328,741,934.53
Total	2,126,120,833.20	100.00	79,371,484.96	-	2,046,749,348.24

(Cont')

Category	Opening Balance				
	Book Balance		Bad Debt Provision		Book Value
	Amount	Proportion (%)	Amount	Proportion of Accruing (%)	
Other receivables that are individually significant and for which bad debt provision has been accrued individually	176,365,878.78	7.28	60,834,400.00	34.49	115,531,478.78
Other receivables for which bad debt provision has been	1,800,307,710.67	74.28	10,574,050.61	0.59	1,789,733,660.06

Category	Opening Balance				Book Value
	Book Balance		Bad Debt Provision		
	Amount	Proportion (%)	Amount	Proportion of Accruing (%)	
accrued by portfolio of credit risk features					
Portfolio 1: Related party transactions, reserve funds, guarantee, deposits, etc.	1,599,305,504.26	65.99			1,599,305,504.26
Portfolio 2: Portfolio by aging	201,002,206.41	8.29	10,574,050.61	5.26	190,428,155.80
Other receivables that are individually insignificant but for which bad debt provision has been accrued individually	446,846,219.72	18.44	7,667,258.74	1.72	439,178,960.98
Total	2,423,519,809.17	100.00	79,075,709.35	-	2,344,444,099.82

(i) Other closing receivables that are individually significant and for which bad debt provision has been accrued individually

Items	Closing Balance			
	Other Receivables	Bad Debt Provision	Proportion of Accruing (%)	Reason of accruing
Nantong Huigang Shipbuilding Co.,Ltd.	60,834,400.00	60,834,400.00	100.00	Bankruptcy restructuring
Modern Terminals Ltd	59,157,224.82			
Westports Malaysia SDN BHD	30,315,736.87			
Yantian International Container Terminals Ltd	20,499,370.27			
Hong Kong Science And Technology Parks Corporation	16,837,788.31			
Gilbane Building Company	7,769,884.53			
Societe Generale Bank	6,388,678.67			
Netherlands Customs	6,245,442.79			
QBE Reinsurance Corp	6,181,111.60			
Shekou Container Terminals Limited	5,999,815.10			
Ralph Applebaum Associates, Inc	5,287,771.47			
Total	225,517,224.43	60,834,400.00		

(ii) Other receivables which bad debt provision has been accrued by method of aging analysis in portfolio

Aging	Closing Balance
-------	-----------------

	Other receivables	Bad Debt Provision	Proportion of Accruing (%)
Within 1 year	262,038,611.67	1,566,484.40	
Including: Within 6 months	251,786,958.00	1,258,934.79	0.50
7-12 months	10,251,653.67	307,549.61	3.00
1 to 2 years	999,504.80	299,851.44	30.00
2 to 3 years	230,338.20	115,169.10	50.00
More than 3 years	9,079,203.31	9,079,203.31	100.00
Total	272,347,657.98	11,060,708.25	

(ii) Other receivables which bad debts are provided by other approach in portfolio

Name of portfolio	Closing Balance		
	Other receivables	Bad Debt Provision	Proportion of Accruing (%)
Transactions	477,006,801.63		
Deposit, guarantee and imprest, etc.	815,030,837.92		
Total	1,292,037,639.55		

(iv) Other receivables that are individually insignificant but for which bad debt provision has been accrued individually at the end of the period

Items	Closing Balance		
	Other receivables	Bad Debt Provision	Proportion of Accruing (%)
Tax rebate discount, deposit, ship reserve, etc.	328,741,934.53		
Freight, claim case, rent guarantee	6,728,858.46	6,728,858.46	100.00
Interacting with agent (OMNITRANS INTL)	684,214.40	684,214.40	100.00
House rent	63,303.85	63,303.85	100.00
Total	336,218,311.24	7,476,376.71	

(2) Conditions of bad debt provisions accrued, recovered or reversed for the current period

The amount of bad debt provision accrued for the current period was RMB 422,341.94 and the bad debt provision recovered or reversed was RMB 0.00.

(3). Condition of other receivables actually written off in the current period

Items	Amount Written-off
Other receivables actually written off	108,624.30

Among which, the material write-offs of other receivables:

Name of Company	Nature of other Receivables	Amount Written-off	Reason for Writing off	Procedure of Cancellation Implemented after Verification	Whether it is caused by related transaction
Hainan Pan Ocean Shipping Agency Co., Ltd. Shanghai Branch	Booking deposit	100,000.00	Bankrupt	Resolution of the Board of Directors	No
Grand China Logistics Holdings (Group) Co., Ltd.	Rent	8,624.30	The debtor closed business and cannot be recovered	As approved by the board of directors.	No
Total		108,624.30			

(4) Other receivables collected from debtors with top five closing balances The Company's total other receivables with top five closing balance in the current period is RMB438,217,754.56, accounting for 20.61% of the total closing balance of other receivables. The corresponding total closing balance of provisions for bad debt is RMB61,308,955.44.

10. Inventories

(1) Category of Inventory

Items	Closing Balance		
	Book Balance	Provisions for Decline in Value	Book Value
Raw materials	31,645,449.11	1,532,306.08	30,113,143.03
Fuel	2,330,074,659.25		2,330,074,659.25
Spare parts	568,702,828.30	922,673.60	567,780,154.70
Merchandise inventory	65,496,958.83	157,448.00	65,339,510.83
Others	75,012,984.46		75,012,984.46
Total	3,070,932,879.95	2,612,427.68	3,068,320,452.27

(Cont')

Items	Opening Balance		
	Book Balance	Provisions for Decline in Value	Book Value
Raw materials	41,566,614.67	1,972,637.06	39,593,977.61
Fuel	1,830,942,536.52		1,830,942,536.52
Spare parts	147,481,427.72	930,813.16	146,550,614.56
Merchandise inventory	65,980,737.75	122,365.03	65,858,372.72
Others	67,723,886.12		67,723,886.12

Items	Opening Balance		
	Book Balance	Provisions for Decline in Value	Book Value
Total	2,153,695,202.78	3,025,815.25	2,150,669,387.53

(2) Provision for decline in value of inventory

Items	Opening Balance	Increase in the Current Period		Decrease in the Current Period		Closing Balance
		Accrui ng	Exchange Difference	Reversal or Resales	Other	
Raw materials	1,972,637.06			440,330.98		1,532,306.08
Spare parts	930,813.16			8,139.56		922,673.60
Merchandise inventory	122,365.03		35,082.97			157,448.00
Total	3,025,815.25		35,082.97	448,470.54		2,612,427.68

11.Non-current Assets Due within One Year

Items	Closing Balance	Opening Balance	Remarks
Long-term Receivables Due within One Year	130,974,277.13	127,935,550.93	Refer to Note VI.15 for details.
Total	130,974,277.13	127,935,550.93	

12.Other Current Assets

Items	Closing Balance	Opening Balance
Input tax to be deducted	679,748,808.64	628,714,798.95
Prepaid enterprise income tax	105,704,908.52	88,463,837.33
Prepaid other taxes	1,645,755.22	914,375.77
Total	787,099,472.38	718,093,012.05

13.Available-for-Sale Financial Assets

(1) Condition of available-for-sales financial assets

Items	Closing Balance		
	Book Balance	Impairment Provision	Book Value
Available-for-sale equity instruments	3,481,497,466.79	133,653,915.16	3,347,843,551.63
Including: Measured at fair value	2,784,308,415.09	133,353,915.16	2,650,954,499.93
Measured at cost	697,189,051.70	300,000.00	696,889,051.70
Total	3,481,497,466.79	133,653,915.16	3,347,843,551.63

(Cont')

Items	Opening Balance		
	Book Balance	Impairment Provision	Book Value
Available-for-sale equity instruments	2,538,148,578.56	229,312,032.64	2,308,836,545.92
Including: Measured at fair value	1,341,514,526.86	229,012,032.64	1,112,502,494.22
Measured at cost	1,196,634,051.70	300,000.00	1,196,334,051.70
Total	2,538,148,578.56	229,312,032.64	2,308,836,545.92

(2) Closing available-for-sale financial assets measured at cost

Classification of Available-for-Sale Financial Assets	Available-for-Sale Equity Instruments	Total
Cost of equity instrument/amortization cost of debt instrument	816,780,264.92	816,780,264.92
Fair value	2,650,954,499.93	2,650,954,499.93
Accumulated amount of change of fair value of available-for-sale financial assets that is included into other comprehensive incomes	1,967,528,150.17	1,967,528,150.17
Amount of impairment accrued	133,353,915.16	133,353,915.16

(3) Closing available-for-sale financial assets measured at cost

Investee	Book Balance			Closing Balance
	Opening Balance	Increase in the Current Period	Decrease in the Current Period	
Guangzhou Port Company Limited	499,445,000.00		499,445,000.00	
Shanghai Tianhongli Assets Management Co., Ltd.	394,159,593.24			394,159,593.24
Yan Tai Port Co., Ltd.	198,836,660.21			198,836,660.21
Shanghai Ocean Hotel Co., Ltd.	85,254,803.14			85,254,803.14
Cosco(Shanghai)Shipyard Co.,Ltd.	6,311,382.49			6,311,382.49
Qingdao Luhai International Logistics Co., Ltd.	4,702,154.88			4,702,154.88
Lianyungang Electronic Port Information Development Limited	3,000,000.00			3,000,000.00
Shanghai Tonglian Real Estate Limited	2,543,883.55			2,543,883.55

Investee	Book Balance			
	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance
Shanghai Yuanhong Industrial Co., Ltd.	929,402.97			929,402.97
Wuhan Port Container Co., Ltd.	500,000.00			500,000.00
Shandong Lihua Trade Development Co., Ltd.	300,000.00			300,000.00
Sichuan Tianhua Co., Ltd.	200,000.00			200,000.00
Shanghai Tongda Property Co., Ltd.	157,171.22			157,171.22
Tianjin Wanhua Co., Ltd.	150,000.00			150,000.00
Tianjin Hualian Department Store Limited	144,000.00			144,000.00
Total	1,196,634,051.70		499,445,000.00	697,189,051.70

(Cont')

Investee	Impairment Provision				Shareholding Ratio in Investee (%)	Cash Dividends in the Current Period
	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance		
Guangzhou Port Company Limited						
Shanghai Tianhongli Assets Management Co., Ltd.					19.00	
Yan Tai Port Co., Ltd.					3.90	
Shanghai Ocean Hotel Co., Ltd.					10.00	
Cosco(Shanghai)Shipyard Co.,Ltd.					5.00	
Qingdao Luhai International Logistics Co., Ltd.					9.08	
Lianyungang Electronic Port Information Development Co., Ltd.					15.00	
Shanghai Tonglian Real Estate Limited					2.02	
Shanghai Yuanhong Industrial Limited					5.80	
Wuhan Port Container Co., Ltd.					0.10	
Shandong Lihua Trade Development Co., Ltd.	300,000.0			300,000.0	30.00	

Investee	Impairment Provision			Shareholding Ratio in Investee (%)	Cash Dividends in the Current Period
	Opening Balance	Increase in the Current Period	Decrease in the Current Period		
	0			0	
Sichuan Tianhua Co., Ltd.				0.01	
Shanghai Tongda Property Co., Ltd.				3.58	
Tianjin Wanhua Co., Ltd.				0.01	
Tianjin Hualian Department Store Co., Ltd.				0.01	
Total	300,000.0			300,000.0	
	0			0	-

(4) Change of impairment of available-for-sale financial assets in the current period

Category of Available-for-Sale Financial Assets	Equity Instruments Available-for-Sale Equity Instruments	Total
	Opening balance of impairment which has been accrued	229,312,032.64
Amount accrued in the current period		
Including: Transfer-in from other comprehensive incomes		
Decrease in the current period	95,658,117.48	95,658,117.48
Including: Transfer-back due to rise of closing fair value		
Closing balance of impairment which has been accrued	133,653,915.16	133,653,915.16

14. Held-to-maturity Investment

Items	Closing Balance			Opening Balance		
	Book Balance	Impairment Provision	Book Value	Book Balance	Impairment Provision	Book Value
Debt	1,679,568,504.15		1,679,568,504.15	1,643,497,925.14		1,643,497,925.14

instruments					
investment					
Total	1,679,568,504.15		1,679,568,504.15	1,643,497,925.14	1,643,497,925.14

15. Long-term Receivables

Items	Closing Balance		
	Book Balance	Impairment Provision	Book Value
Equity loan	1,575,253,628.75		1,575,253,628.75
Other	144,858.78		144,858.78
Total book balance	1,575,398,487.53		1,575,398,487.53
Less: Bad debt provision			
Book Value	1,575,398,487.53		1,575,398,487.53
Less: Book value of parts due within one year (Refer to Note VI. 11)	130,974,277.13		130,974,277.13
Total	1,444,424,210.40		1,444,424,210.40

(Cont')

Items	Opening Balance		
	Book Balance	Impairment Provision	Book Value
Equity loan	1,343,180,190.32		1,343,180,190.32
Other	135,558.82		135,558.82
Total book balance	1,343,315,749.14		1,343,315,749.14
Less: Bad debt provision			
Book value	1,343,315,749.14		1,343,315,749.14
Less: Book value of parts due within one year (Refer to Note VI. 11)	127,935,550.93		127,935,550.93
Total	1,215,380,198.21		1,215,380,198.21

16. Long-term Equity Investments

Investee	Opening Balance	Increases and Decreases of the Current Period	
		Added Investment	Reduced Investment
I. Joint ventures			
COSCO Container Lines (Italy) S.r.l.	16,752,793.57		

Investee	Opening Balance	Increases and Decreases of the Current Period	
		Added Investment	Reduced Investment
Tianjin Port Euroasia International Container Terminal Co., Ltd.	421,083,306.43		
Shanghai Pudong International Container Terminals Limited	900,563,830.87		
Xiamen Yuanda International Freight Forwarding Limited	3,445,210.26		
Qingdao Shenzhouxing International Freight Forwarding Limited	17,918,078.88		
Yuantai Shipping Limited	6,339,098.36		
Tangshan COSCO Container Logistics Limited	90,758,384.38		
Xiamen Port Haicang Container Equipment Inspection Service Co., Ltd.	3,902,220.32		
Yingkou COSCO Container Service Limited	541,796.49		
Qingdao Port Dongjiakou Ore Terminal Co., Ltd.	385,124,749.88		
COSCO-HPHTACT Limited	897,544,064.45		
Euro-Asia Oceangate S.a.r.l	2,695,028,925.81		
United Container Ltd	25,437,515.98		
Dalian International Container Terminals Co., Ltd.	543,750,017.88		
Dalian Dagang China Shipping Container Terminal Co., Ltd.	5,242,951.08		
Yingkou New Century Container Terminal Co., Ltd.	39,610,370.77		
Lianyungang Port Railway International Container Multimodal Transport Limited	2,858,103.27		
Nansha Stevedoring Corporation Limited of Port of Guangzhou	682,797,269.53		
Qinzhou International Container Terminal Co., Ltd.	218,098,765.23		
Qingdao Qianwan Intelligent Container Terminal Co., Ltd.	130,013,890.27		138,013,968.49

Investee	Opening Balance	Increases and Decreases of the Current Period	
		Added Investment	Reduced Investment
Dalian Vanguard International Logistics Co., Ltd.	48,339,138.97		
COSCO SHIPPING Lines (Lanka) Limited	884,541.01		
COSCO SHIPPING Lines (Israel) Limited		438,514.29	
Ningbo Yuan Dong Terminals Co., Ltd.	1,222,687,198.18		
Qingdao Qianwan Container Terminal Co., Ltd.	1,315,954,130.70		456,195,613.07
Shanghai INTL Ferry Co., Ltd.	59,122,958.84		25,819,500.00
Shanghai Int'l Ferry Co., Ltd.	14,175,857.39		
China-Japan International Ferry Co., Ltd.	73,553,171.66		
Yingkou Container Terminals Co., Ltd.	40,316,712.85		
COSCO-PSA Terminal Private Limited	204,977,737.43		
COSCO-HIT Terminal (Hongkong) Limited	21,694,272.39		
Piraeus Consolidation and Distribution Centre S.A.	7,245,016.79		
China Shipping Egypt s.a.e.	815,611.40		
Asia Container Terminals Limited	655,009,291.92		
Qingdao Orient International Container Storage and Transportation Co., Ltd.	36,028,642.08		
OOCL (UAE) LLC	31,810,663.34		
OOCL (Egypt) Shipping Agency S.A.E	1,707,053.66		
Subtotal	10,821,133,342.32	438,514.29	620,029,081.56
II. Associated Enterprises			
COSCO SHIPPING Lines (Japan) Co., Ltd.	7,710,696.15		
Shanghai COSCO Manning Cooperation Inc.	1,166,267.82		
COSCO Finance Co., Ltd.	446,225,448.67		
APM Terminals Zeebrugge N.V	119,624,972.27		
Antwerp Gateway NV	17,184,307.95		
Dawning Company Limited	129,533,790.20		
Dalian Port Container Terminals Co., Ltd.	146,377,526.02		
Dalian Automobile Terminal Co., Ltd.	109,404,395.97		
Henan Haitie International Logistics Limited			
Shandong Xinlihua Renewable Resources			

Investee	Opening Balance	Increases and Decreases of the Current Period	
		Added Investment	Reduced Investment
Limited			
Shanghai Hanglian Customs Broker Co., Ltd.	1,556,094.42		
Taicang International Container Terminals Co., Ltd	345,017,351.15		
Tianjin Tianguan Yuanyang International Freight Forwarding Limited	2,341,318.75		
Suez Canal Container Terminal	897,953,116.24		
Sigma Enterprises Limited	3,293,879,793.47		
Watruss Limited	1,054,301,437.43		
Kao Ming Container Terminals Corporation	829,443,888.20		
COSCO Shipping Terminals (USA) LLC			
Shanghai Mingdong Container Terminals Limited	1,494,895,067.93		
Jiangsu Yangtze Petrochemical Co., Ltd.	160,172,414.94		
Qinhuangdao Port Xingang Container Terminal Limited	94,642,945.73		
Angang Auto Transportation Co., Ltd.	76,832,965.18		
Ningbo Meishan Bonded Port New Harbour Terminal Operating Co., Ltd.	51,896,159.41		
Tianjin Five Continents International Container Terminal Co., Ltd.	369,708,481.31		
Nanjing Port Longtan Container Co., Ltd.	337,282,205.10		
Dalian Shentie Yuangang Logistics Limited	8,224,605.43		
Liaoning Shenha Hongyun Logistics Jinzhou Limited	1,600,752.43		
Euromax Terminal Rotterdam B.V	300,957,443.44		
APM Terminals Vado Holdings B.V.		51,294,665.70	
Harbin Express Khorgos Dongmen Limited Liability Partnership		250,510,444.97	
Qingdao Qianwan Intelligent Container Terminal Co., Ltd.		138,013,968.49	
Qingdao Port International Co., Ltd.		6,346,779,200.00	

Investee	Opening Balance	Increases and Decreases of the Current Period	
		Added Investment	Reduced Investment
Tianjin Port Alliance International Container Terminal Co., Ltd.	342,687,753.81		
Subtotal	10,640,621,199.42	6,786,598,279.16	
General provision	-7,630,692.85		
Total	21,454,123,848.89	6,787,036,793.45	620,029,081.56

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Investee	Changes in the Current Period		
	Profit or Loss of Investment Recognized by Equity Approach	Adjustment of Other Comprehensive Incomes	Changes of other Equities
I. Joint ventures			
COSCO Container Lines (Italy) S.r.l.	3,166,514.23		
Tianjin Port Euroasia International Container Terminal Co., Ltd.	13,196,953.80	357,342.17	
Shanghai Pudong International Container Terminals Limited	77,405,494.92		
Xiamen Yuanda International Freight Forwarding Co., Ltd.	126,796.20		
Qingdao Shenzhouxing International Freight Forwarding Co., Ltd.	6,422,756.62		
Yuantai Shipping Co., Ltd.	81,743.00		
Tangshan COSCO Container Logistics Co., Ltd.	131,461.46		157,157.99
Xiamen Port Haicang Container Equipment Inspection Service Co., Ltd.	344,730.14		
Yingkou COSCO Container Service Co., Ltd.	-259,306.14		
Qingdao Port Dongjiakou Ore Terminal Co., Ltd.	11,366,515.37		
COSCO-HPHTACT Limited	12,200,669.89		
Euro-Asia Oceangate S.a.r.l	29,447,493.63		
United Container Ltd	5,064,997.94		
Dalian International Container Terminals Co., Ltd.	10,781,867.79	279,741.63	

Investee	Changes in the Current Period		
	Profit or Loss of Investment Recognized by Equity Approach	Adjustment of Other Comprehensive Incomes	Changes of other Equities
Dalian Dagang China Shipping Container Terminals Co., Ltd.	490,015.77	26,157.25	
Yingkou New Century Container Terminal Co., Ltd.	6,633,089.54	228,068.41	
Lianyungang Port Railway International Container Multimodal Transport Co., Ltd.	361,895.21		
Nansha Stevedoring Corporation Limited of Port of Guangzhou	15,404,359.52		
Qinzhou International Container Terminal Co., Ltd.	5,056,540.55	254,304.36	
Qingdao Qianwan Intelligent Container Terminal Co., Ltd.		9,013,878.64	
Dalian Vanguard International Logistics Co., Ltd.	-86,456.35		
COSCO SHIPPING Lines (Lanka) Co., Ltd.	1,397,756.67		
COSCO SHIPPING Lines (Israel) Co., Ltd.	101,175.37		
Yuan Dong Terminals Limited	65,911,077.32	14,093,688.53	580,873.14
Qingdao Qianwan Container Terminal Co., Ltd.		308,930,900.61	
Shanghai INT'L Ferry Co., Ltd.	554,786.14		
Shanghai Int'l Ferry Co., Ltd.	-1,187,747.80		
China-Japan International Ferry Co., Ltd.	2,332,087.89		
Yingkou Container Terminals Co., Ltd.	6,755,248.92		
COSCO-PSA Terminal Private Limited	11,055,916.92		
COSCO-HIT Terminal (Hongkong) Limited	34,530,332.46		
Piraeus Consolidation and Distribution Centre S.A.	732,449.22		
China Shipping Egypt s.a.e.	1,737,455.90		
Asia Container Terminals Holdings	7,051,123.17		
Qingdao Orient International Container Storage and Transportation Co., Ltd.	5,797,463.82	1,064,837.23	
OOCL (UAE) LLC	4,431,539.90	-1,092.22	

Investee	Changes in the Current Period		
	Profit or Loss of Investment Recognized by Equity Approach	Adjustment of Other Comprehensive Incomes	Changes of other Equities
OOCL (Egypt) Shipping Agency S.A.E	3,826,864.90	-1,132,055.69	
Subtotal	342,365,663.89	333,115,770.92	738,031.13
II. Associated Enterprises			
COSCO SHIPPING Lines (Japan) Co., Ltd.	569,930.58		7.15
Shanghai COSCO Manning Cooperation Inc.	197,506.96		
COSCO Finance Co.,Ltd.	35,597,726.38	-1,186,988.49	
APM Terminals Zeebrugge N.V	-7,538,501.48		
Antwerp Gateway NV	9,091,167.17	463,067.02	
Dawning Company Limited	2,177,643.76		
Dalian Port Container Terminals Co., Ltd.	10,076,552.91	239,428.43	
Dalian Automobile Terminal Co., Ltd.	3,176,014.63	101,269.50	
Henan Haitie International Logistics Co., Ltd.			
Shandong Xinlihua Renewable Resources Co., Ltd.			
Shanghai Hanglian Customs Broker Co., Ltd.	29,317.57		
Taicang International Container Terminals Co., Ltd	14,411,670.64		
Tianjin Tianguan Yuanyang International Freight Forwarding Co., Ltd.	84,143.72		
Suez Canal Container Terminal	23,123,504.49		
Sigma Enterprises Limited	118,215,534.84		
Wattrus Limited	26,051,831.84		
Kao Ming Container Terminals Corporation	5,961,551.42		
COSCO SHIPPING Terminals (USA) LLC			
Shanghai Mingdong Container Terminals Limited	69,577,005.99		
Jiangsu Yangtze Petrochemical Co., Ltd.	1,531,184.97		
Qinhuangdao Port Xingang Container Terminal Co., Ltd.	163,188.16	-21,627.31	
Angang Auto Transportation Co., Ltd.	-1,919,957.39		
Ningbo Meishan Bonded Port New Harbour	1,404,371.52		

Investee	Changes in the Current Period		
	Profit or Loss of Investment Recognized by Equity Approach	Adjustment of Other Comprehensive Incomes	Changes of other Equities
Terminal Operating Co., Ltd.			
Tianjin Five Continents International Container Terminal Co., Ltd.	14,281,129.33		
Nanjing Port Longtan Container Co., Ltd.	6,600,940.32		
Dalian Shentie Yuangang Logistics Co., Ltd.	12,041.41		
Liaoning Shenha Hongyun Logistics Jinzhou Co., Ltd.	-588,882.77		
Euromax Terminal Rotterdam B.V	3,141,708.45		
APM Terminals Vado Holdings B.V.			
Harbin Express Khorgos Dongmen Limited Liability Partnership			
Qingdao Qianwan Intelligent Container Terminal Co., Ltd.	1,648,247.29	-9,013,878.64	
Qingdao Port International Co., Ltd.	91,673,000.00		
Tianjin Port Alliance International Container Terminal Co., Ltd.	18,703,645.33	8,149,103.54	235,503.89
Subtotal	447,453,218.04	-1,269,625.95	235,511.04
General provision			
Total	789,818,881.93	331,846,144.97	973,542.17

(Cont')

Investee	Changes in the Current Period		
	Declared Distribution of Cash Dividends or Profit	Accruing Impairment Provision	Exchange Difference
I. Joint ventures			
COSCO Container Lines (Italy) s.a.l.			1,135,739.31
Tianjin Port Euroasia International Container Terminal Co., Ltd.			0.01
Shanghai Pudong International Container Terminals	85,575,575.93		-4,952,522.06

Investee	Changes in the Current Period		
	Declared Distribution of Cash Dividends or Profit	Accruing Impairment Provision	Exchange Difference
Limited			
Xiamen Yuanda International Freight Forwarding Co., Ltd.			
Qingdao Shenzhouxing International Freight Forwarding Co., Ltd.			
Yuantai Shipping Co., Ltd.			-91,345.26
Tangshan COSCO Container Logistics Co., Ltd.			
Xiamen Port Haicang Container Equipment Inspection Service Co., Ltd.			0.02
Yingkou COSCO Container Service Co., Ltd.			
Qingdao Port Dongjiakou Ore Terminals Co., Ltd.			0.01
COSCO-HPHT ACT Limited	20,320,623.54		-26,545,893.73
Euro-Asia Oceangate S.a.r.l			-63,586,562.16
United Container Ltd			740,402.57
Dalian International Container Terminals Co., Ltd.			-0.22
Dalian Dagang China Shipping Container Terminals Co., Ltd.	865,392.30		-1,988.39
Yingkou New Century Container Terminal Co., Ltd.	12,162,027.63		42,132.21
Lianyungang Port Railway International Container Multimodal Transport Co., Ltd.			-0.01
Nansha Stevedoring Corporation Limited of Port of Guangzhou	23,337,957.39		-53,622.96
Qinzhou International Container Terminal Co., Ltd.			-0.15
Qingdao Qianwan Intelligent Container Terminal Co., Ltd.	1,013,800.42		
Dalian Vanguard International Logistics Co., Ltd.			
COSCO SHIPPING Lines (Lanka) Co., Ltd.	1,525,590.72		-5,804.57
COSCO SHIPPING Lines (Israel) Co., Ltd.			30,404.20
Yuan Dong Terminals Limited	90,764,067.13		-14,540,044.52
Qingdao Qianwan Container Terminal Co., Ltd.	1,168,689,418.25		0.01
Shanghai INT'L Ferry Co., Ltd.	1,850,610.30		

Investee	Changes in the Current Period		
	Declared Distribution of Cash Dividends or Profit	Accruing Impairment Provision	Exchange Difference
Shanghai Int'l Ferry Co., Ltd.			
China-Japan International Ferry Co., Ltd.	7,500,000.00		
Yingkou Container Terminal Co., Ltd.	7,630,706.02		-49,229.87
COSCO-PSA Terminal Private Limited			4,901,736.81
COSCO-HIT Terminal (Hongkong) Limited	26,507,478.00		-795,795.70
Piraeus Consolidation and Distribution Centre S.A.			467,409.26
China Shipping Egypt s.a.e			-91,776.46
Asia Container Terminals Holdings	10,428,940.03		-19,411,575.86
Qingdao Orient International Container Storage and Transportation Co., Ltd.	10,705,150.92		-790,357.11
OOCL (UAE) LLC	30,248,963.51		-381,901.17
OOCL (Egypt) Shipping Agency S.A.E	1,664,336.91		-54,529.57
Subtotal	1,500,790,639.00		-124,035,125.36
II. Associated Enterprises			
COSCO SHIPPING Lines (Japan) Co., Ltd.			22,573.50
Shanghai COSCO Manning Cooperation Inc.	213,326.83		
COSCO Finance Co., Ltd.			
APM Terminals Zeebrugge N.V			6,957,730.87
Antwerp Gateway NV			346,170.13
Dawning Company Limited			-2,759,759.19
Dalian Port Container Terminals Co., Ltd.			1.00
Dalian Automobile Terminal Co., Ltd.			19,239.53
Henan Haitie International Logistics Co., Ltd.			
Shandong Xinlihua Renewable Resources Co., Ltd.			
Shanghai Hanglian Customs Broker Co., Ltd.			
Taicang International Container Terminals Co., Ltd	22,726,640.13		-0.06
Tianjin Tianguan Yuanyang International Freight Forwarding Co., Ltd.			
Suez Canal Container Terminal	89,330,241.00		-20,111,498.88
SIGMA ENTERPRISES LIMITED			-84,214,135.00

Investee	Changes in the Current Period		
	Declared Distribution of Cash Dividends or Profit	Accruing Impairment Provision	Exchange Difference
Wattrus Limited			-26,559,022.30
Kao Ming Container Terminals Corporation	18,425,788.89		28,236,237.60
COSCO Shipping Terminals (USA) LLC			
Shanghai Mingdong Container Terminals Limited	86,310,780.85		-33,087.59
Jiangsu Yangtze Petrochemical Co., Ltd.			-0.97
Qinhuangdao Port Xingang Container Terminal Co., Ltd.			-0.08
Angang Auto Transportation Co., Ltd.			
Ningbo Meishan Bonded Port New Harbour Terminal Operating Co., Ltd.			-0.92
Tianjin Five Continents International Container Terminal	26,641,891.28		-116,338.62
Nanjing Port Longtan Container Co., Ltd.	1,095,748.83		-960,511.86
Dalian Shentie Yuangang Logistics Co., Ltd.			
Liaoning Shenha Hongyun Logistics Jinzhou Co., Ltd.			
Euromax Terminal Rotterdam B.V			18,360,162.52
APM Terminals Vado Holdings B.V.			3,355,649.87
Harbin Express Khorgos Dongmen Limited Liability Partnership			-3,649,218.29
Qingdao Qianwan Intelligent Container Terminal Co., Ltd.			1,013,799.36
Qingdao Port International Co., Ltd.	145,008,899.20		
Tianjin Port Alliance International Container Terminal Co., Ltd.			-8,414,052.45
Subtotal	389,753,317.01		-88,506,061.83
General provision			178,859.86
Total	1,890,543,956.01		-212,362,327.33

(Cont')

Investee	Changes in the Current Period	Closing Balance	Closing Balance of Impairment Provision
	Other		
I. Joint ventures			
COSCO Container Lines (Italy) S.r.l.		21,055,047.11	
Tianjin Port Euroasia International Container		434,637,602.41	

Investee	Changes in the Current Period	Closing Balance	Closing Balance of Impairment Provision
	Other		
Terminal Co., Ltd.			
Shanghai Pudong International Container Terminals Limited		887,441,227.80	
Xiamen Yuanda International Freight Forwarding Co., Ltd.		3,572,006.46	
Qingdao Shenzhouxing International Freight Forwarding Co., Ltd.		24,340,835.50	
Yuantai Shipping Co., Ltd.		6,329,496.10	
Tangshan COSCO Container Logistics Co., Ltd.		91,047,003.83	
Xiamen Port Haicang Container Equipment Inspection Service Co., Ltd.		4,246,950.48	
Yingkou COSCO Container Service Co., Ltd.		282,490.35	
Qingdao Port Dongjiakou Ore Terminal Co., Ltd.		396,491,265.26	
COSCO-HPHT ACT Limited		862,878,217.07	
Euro-Asia Oceangate S.a.r.l		2,660,889,857.28	
United Container Ltd		31,242,916.49	
Dalian International Container Terminals Co., Ltd.		554,811,627.08	
Dalian Dagang China Shipping Container Terminals Co., Ltd.		4,891,743.41	
Yingkou New Century Container Terminal Co., Ltd.		34,351,633.30	
Lianyungang Port Railway International Container Multimodal Transport Co., Ltd.		3,219,998.47	
Nansha Stevedoring Corporation Limited of Port of Guangzhou		674,810,048.70	
Qinzhou International Container Terminal Co., Ltd.		223,409,609.99	
Qingdao Qianwan Intelligent Container Terminal Co., Ltd.			
Dalian Vanguard International Logistics Co., Ltd.		48,252,682.62	
COSCO SHIPPING Lines (Lanka) Co., Ltd.		750,902.39	
COSCO SHIPPING Lines (Israel) Co., Ltd.		570,093.86	

Investee	Changes in the Current Period	Closing Balance	Closing Balance of Impairment Provision
	Other		
Yuan Dong Terminals Limited		1,197,968,725.52	
Qingdao Qianwan Container Terminal Co., Ltd.			
Shanghai INT'L Ferry Co., Ltd.		32,007,634.68	
Shanghai Int'l Ferry Co., Ltd.		12,988,109.59	
China-Japan International Ferry Co., Ltd.		68,385,259.55	
Yingkou Container Terminal Co., Ltd.		39,392,025.88	
COSCO-PSA Terminal Private Limited		220,935,391.16	
COSCO-HIT Terminal (Hongkong) Limited		28,921,331.15	
Piraeus Consolidation and Distribution Centre S.A.		8,444,875.27	
China Shipping Egypt s.a.e		2,461,290.84	
Asia Container Terminals Holdings Limited		632,219,899.20	
Qingdao Orient International Container Storage and Transportation Co., Ltd.		31,395,435.10	16,258,560.00
OOCL (UAE) LLC		5,610,246.34	
OOCL (Egypt) Shipping Agency S.A.E		2,682,996.39	
Subtotal		9,252,936,476.63	16,258,560.00
II. Associated Enterprises			
COSCO SHIPPING Lines (Japan) Co., Ltd.		8,303,207.38	
Shanghai COSCO Manning Cooperation Inc.		1,150,447.95	
COSCO Finance Co.,Ltd.	0.04	480,636,186.60	
APM Terminals Zeebrugge N.V		119,044,201.66	
Antwerp Gateway NV		27,084,712.27	
Dawning Company Limited		128,951,674.77	
Dalian Port Container Terminals Co., Ltd.		156,693,508.36	
Dalian Automobile Terminal Co., Ltd.		112,700,919.63	
Henan Haitie International Logistics Co., Ltd.			576,045.59
Shandong Xinlihua Renewable Resources Co., Ltd.			2,025,207.09
Shanghai Hanglian Customs Broker Co., Ltd.		1,585,411.99	
Taicang International Container Terminals Co., Ltd		336,702,381.60	
Tianjin Tianguan Yuanyang International Freight		2,425,462.47	

Investee	Changes in the Current Period	Closing Balance	Closing Balance of Impairment Provision
	Other		
Forwarding Co., Ltd.			
Suez Canal Container Terminal		811,634,880.85	
SIGMA ENTERPRISES LIMITED		3,327,881,193.31	
Wattrus Limited		1,053,794,246.97	
Kao Ming Container Terminals Corporation		845,215,888.33	
COSCO Shipping Terminals (USA) LLC			17,972,620.58
Shanghai Mingdong Container Terminals Limited		1,478,128,205.48	
Jiangsu Yangtze Petrochemical Co., Ltd.		161,703,598.94	
Qinhuangdao Port Xingang Container Terminal Co., Ltd.		94,784,506.50	
Angang Auto Transportation Co., Ltd.		74,913,007.79	
Ningbo Meishan Bonded Port New Harbour Terminal Operating Co., Ltd.		53,300,530.01	
Tianjin Five Continents International Container Terminal		357,231,380.74	
Nanjing Port Longtan Container Co., Ltd.		341,826,884.73	
Dalian Shentie Yuangang Logistics Co., Ltd.		8,236,646.84	
Liaoning Shenha Hongyun Logistics Jinzhou Co., Ltd.		1,011,869.66	
Euromax Terminal Rotterdam B.V		322,459,314.41	
APM Terminals Vado Holdings B.V.		54,650,315.57	
Harbin Express Khorgos Dongmen Limited Liability Partnership		246,861,226.68	
Qingdao Qianwan Intelligent Container Terminal Co., Ltd.		131,662,136.50	
Qingdao Port International Co., Ltd.		6,293,443,300.80	
Tianjin Port Alliance International Container Terminal Co., Ltd.		361,361,954.12	
Subtotal	0.04	17,395,379,202.91	20,573,873.26
General provision		-7,451,832.99	7,451,832.99
Total	0.04	26,640,863,846.55	44,284,266.25

17. Investment Properties

Items	Houses and Building	Land Use Right	Total
I. Original Book Value			
1. Opening Balance	661,750,633.30	188,388,277.31	850,138,910.61
2. Increase in the current period	22,359,166.52		22,359,166.52
3. Decrease in the current period	14,079,867.06		14,079,867.06
(1) Decrease from business combination	12,574,768.88		12,574,768.88
(2) Other transfer	1,505,098.18		1,505,098.18
4. Exchange Difference	-10,317,999.28	-3,317,342.89	-13,635,342.17
5. Closing Balance	659,711,933.48	185,070,934.42	844,782,867.90
II. Accumulated Depreciation and Amortization			
1. Opening Balance	388,551,003.99	7,966,294.35	396,517,298.34
2. Increase in the current period	9,946,596.95	469,504.99	10,416,101.94
(1) Provision or amortization	9,946,596.95	469,504.99	10,416,101.94
3. Decrease in the current period	1,619,566.57		1,619,566.57
(1) Decrease from business combination	1,453,378.71		1,453,378.71
(2) Other transfer	166,187.86		166,187.86
4. Exchange Difference	-7,013,943.50		-7,013,943.50
5. Closing balance	389,864,090.87	8,435,799.34	398,299,890.21
III. Book Value			
1. Closing book value	269,847,842.61	176,635,135.08	446,482,977.69
2. Opening book value	273,199,629.31	180,421,982.96	453,621,612.27

18. Fixed Assets**(1) Information of fixed assets**

Items	Vessels	Vehicles	Container
I. Original Book Value			
1. Opening Balance	70,552,047,113.41	333,780,618.14	15,236,372,850.40
2. Increase in the Current Period	3,148,699,997.12	9,776,924.19	619,776,052.97
(1) Purchase	192,966,545.09	8,793,624.01	619,776,052.97
(2) Transfer from construction in progress	2,955,733,452.03		
(3) Others		983,300.18	

Items	Vessels	Vehicles	Container
3. Decrease in the Current Period	429,052,153.12	27,579,708.79	60,989,622.47
(1) Disposal or scrapping	429,052,153.12	27,579,142.48	60,989,622.47
(2) Others		566.31	
4. Exchange difference	-1,512,465,720.49	-698,559.52	-364,821,065.94
5. Closing balance	71,759,229,236.92	315,279,274.02	15,430,338,214.96
II. Accumulated depreciation			
1. Opening balance	16,792,104,933.07	244,355,040.99	6,729,320,651.60
2. Increase in the current period	1,384,124,979.56	14,756,964.06	526,159,492.46
(1) Accruing	1,384,124,979.56	14,153,743.77	526,159,492.46
(2) Others		603,220.29	
3. Decrease in the current period	429,052,153.12	25,993,719.45	48,800,003.18
(1) Disposal or scrapping	429,052,153.12	25,993,707.79	48,800,003.18
(2) Others		11.66	
4. Exchange difference	-347,396,154.53	-532,767.28	-164,307,884.98
5. Closing balance	17,399,781,604.98	232,585,518.32	7,042,372,255.90
III. Impairment Provision			
1. Opening balance	26,574,618.77		
2. Increase in the current period			
3. Decrease in the current period			
4. Exchange difference			
5. Closing balance	26,574,618.77		
IV. Book Value			
1. Closing book value	54,332,873,013.17	82,693,755.70	8,387,965,959.06
2. Opening book value	53,733,367,561.57	89,425,577.15	8,507,052,198.80

(Cont')

Items	Machinery Equipment	Office Equipment	Land, Houses and Buildings
I. Original Book Value			
1. Opening balance	7,101,982,313.75	1,793,743,138.56	13,049,782,620.62
2. Increase in the current period	813,685,609.78	39,312,893.19	305,322,677.38
(1) Purchase	805,455,832.50	33,211,588.28	78,745,595.00
(2) Transfer from construction in progress	8,203,103.59	6,101,063.21	212,503,473.57
(3) Others	26,673.69	241.70	14,073,608.81
3. Decrease in the current period	10,379,983.31	23,159,698.44	8,333,509.93
(1) Disposal or scrapping	10,353,067.92	22,934,342.92	5,299,909.35
(2) Others	26,915.39	225,355.52	3,033,600.58
4. Exchange difference	96,850,108.68	-12,398,209.85	103,062,448.67
5. Closing balance	8,002,138,048.90	1,797,498,123.46	13,449,834,236.74
II. Accumulated depreciation			
1. Opening balance	2,185,427,252.09	1,437,841,159.28	2,352,633,693.14
2. Increase in the current period	173,049,573.25	73,990,862.74	199,526,968.48
(1) Accruing	173,009,365.75	73,414,704.81	197,846,698.34
(2) Others	40,207.50	576,157.93	1,680,270.14
3. Decrease in the current period	8,265,323.32	22,571,988.45	6,256,544.72
(1) Disposal or scrapping	8,265,323.32	22,343,938.35	4,034,871.81
(2) Others		228,050.10	2,221,672.91
4. Exchange difference	13,327,369.54	-10,394,644.04	7,388,416.80
5. Closing balance	2,363,538,871.56	1,478,865,389.53	2,553,292,533.70
III. Impairment Provision			
1. Opening balance			1,094,678.23
2. Increase in the current period			

Items	Machinery Equipment	Office Equipment	Land, Houses and Buildings
3. Decrease in the current period			
4. Exchange difference			
5. Closing balance			1,094,678.23
IV. Book Value			
1. Closing book value	5,638,599,177.34	318,632,733.93	10,895,447,024.81
2. Opening book value	4,916,555,061.66	355,901,979.28	10,696,054,249.25

(Cont')

Items	Wharf and Warehouse Equipment	Hotel Furniture	Total
I. Original Book Value			
1. Opening balance	3,344,087,435.13	57,180.00	111,411,853,270.01
2. Increase in the current period	1,198,808.92		4,937,772,963.55
(1) Purchase	1,198,808.92		1,740,148,046.77
(2) Transfer from construction in progress			3,182,541,092.40
(3) Others			15,083,824.38
3. Decrease in the current period	5,221,234.48		564,715,910.54
(1) Disposal or scrapping	5,221,234.48		561,429,472.74
(2) Others			3,286,437.80
4. Exchange difference	-78,327,161.23		-1,768,798,159.68
5. Closing balance	3,261,737,848.34	57,180.00	114,016,112,163.34
II. Accumulated Depreciation			
1. Opening balance	1,046,378,585.75	11,436.00	30,788,072,751.92
2. Increase in the current period	116,174,179.93	5,718.00	2,487,788,738.48
(1) Accruing	116,174,179.93	5,718.00	2,484,888,882.62
(2) Others			2,899,855.86
3. Decrease in the current period	5,221,234.48		546,160,966.72
(1) Disposal or scrapping	5,221,234.48		543,711,232.05
(2) Others			2,449,734.67
4. Exchange difference	-26,089,700.73		-528,005,365.22
5. Closing balance	1,131,241,830.47	17,154.00	32,201,695,158.46
III. Impairment Provision			

Items	Wharf and Warehouse Equipment	Hotel Furniture	Total
1. Opening balance			27,669,297.00
2. Increase in the current period			
3. Decrease in the current period			
4. Exchange difference			
5. Closing balance			27,669,297.00
IV. Book Value			
1. Closing book value	2,130,496,017.87	40,026.00	81,786,747,707.88
2. Opening book value	2,297,708,849.38	45,744.00	80,596,111,221.09

Note: the amount of depreciation in the current period is RMB 2,484,888,882.62. The original value of fixed asset transferred from construction in progress in the current period is RMB 3,182,541,092.40.

(1) Condition of Fixed Assets Leased through Finance Lease

Items	Original Book Value	Accumulated Depreciation	Impairment Provision	Book Value
Land, houses and buildings	10,203,298.81	536,105.86		9,667,192.95
Machinery equipment	528,766,080.55	155,252,353.48		373,513,727.07
vessel and vessel equipment	18,021,679,258.43	3,605,996,446.90		14,415,682,811.53
Container	1,433,961,696.07	655,497,085.81		778,464,610.26
Wharf and warehouse equipment	700,202,283.02	58,350,190.58		641,852,092.44
Total	20,694,812,616.88	4,475,632,182.63		16,219,180,434.25

(3) Condition of fixed assets whose ownership is restricted

Refer to Note VI. 56 for assets with restricted ownership or right of use

19. Construction in Progress

(1) Condition of Construction in Progress

Items	Closing Balance			Opening Balance		
	Book Balance	Impairment Provision	Book Value	Book Balance	Impairment Provision	Book Value
vessel under	9,160,828,012.76		9,160,828,012.76	6,930,924,076.00		6,930,924,076.00

Items	Closing Balance			Opening Balance		
	Book Balance	Impairment Provision	Book Value	Book Balance	Impairment Provision	Book Value
construction						
Infrastructural project	2,669,681,760.27		2,669,681,760.27	2,406,934,314.54		2,406,934,314.54
Installation project	25,051,843.26		25,051,843.26	24,533,843.26		24,533,843.26
Technical renovation project	84,004,241.54		84,004,241.54	49,289,025.66		49,289,025.66
Other construction in progress	497,877,758.40		497,877,758.40	481,333,322.62		481,333,322.62
Total	12,437,443,616.23		12,437,443,616.23	9,893,014,582.08		9,893,014,582.08

(2) Change in the Current Period of Significant Construction in Progress

Items	Budget	Opening Balance	Increase in the Current Period
vessels under construction	34,382,654,272.00	6,930,924,076.00	5,382,354,121.15
Long Beach terminal	4,335,616,000.00	570,894,823.57	284,644,246.89
Xiamen terminal	1,677,083,128.13	1,379,935,783.58	78,453,516.27
Piraeus terminal	774,960,000.00	106,627,890.04	68,121,036.36
Quanzhou terminal	2,144,520,000.00	338,816,158.03	56,728,848.99
Yangzhou terminal	830,880,000.00	363,284,185.50	2,272,826.74
Nansha terminal	69,400,000.00	10,397,179.01	6,783,999.27
Total	44,215,113,400.13	9,700,880,095.73	5,879,358,595.67

(Cont')

Items	Amount of transfer-in fixed assets in the current period	Amount of other decreases in the current period	Closing Balance

Items	Amount of transfer-in fixed assets in the current period	Amount of other decreases in the current period	Closing Balance
Vessels under construction	2,955,733,452.03	196,716,732.35	9,160,828,012.77
Long Beach terminal		17,391,512.17	838,147,558.29
Xiamen terminal	7,792,836.70	-5,277,004.95	1,455,873,468.10
Piraeus terminal	58,754.15	-9,096,066.00	183,786,238.25
Quanzhou terminal	184,889,381.64	-53,065.30	210,708,690.68
Yangzhou terminal	22,428,905.85	-725,074.88	343,853,181.27
Nansha terminal	5,277,182.37		11,903,995.91
Total	3,176,180,512.74	198,957,033.39	12,205,101,145.27

(Cont')

Project Name	Proportion of accumulative project investment to budget (%)	Project progress	Accumulated interest capitalization
Vessels under construction	26.64	26.64	56,798,096.08
Long Beach terminal	59.98	59.98	
Xiamen terminal	86.81	86.81	317,754,492.46
Piraeus terminal	23.72	23.72	1,983,989.28
Quanzhou terminal	9.83	9.83	16,462,596.98
Yangzhou terminal	41.38	41.38	63,377,290.96
Nansha terminal	17.15	17.15	
Total			456,376,465.76

(Cont')

Project Name	Including: Amount of Capitalization of Interests in the Current Period	Capitalization Rate of Interest in the Current Period	Sources of Funds
Vessel under construction	29,840,561.00	1.17~1.70	Own funds, bank loans
Long Beach terminal			Own funds, bank loans
Xiamen terminal	29,372,649.73	4.05	Bank loans, shareholder loans, entrusted loans, financial company loans
Piraeus terminal	1,983,989.84	1.12	Own funds, bank loans

Project Name	Including: Amount of Capitalization of Interests in the Current Period	Capitalization Rate of Interest in the Current Period	Sources of Funds
Quanzhou terminal	324,808.75	4.41	Own funds, bank loans
Yangzhou terminal	9,824,369.41	4.33	Own funds, bank loans, shareholder loans
Nansha terminal			Own funds, bank loans
Total	71,346,378.73		

20. Disposal of Fixed Assets

Items	Closing Balance	Opening Balance
Scrap sale clearance fee	37,259.20	
Total	37,259.20	

21. Intangible Assets

Items	Use Right of Houses and Buildings	Land Use Right	Software
I. Original Book Value			
1. Opening balance	2,520,483.57	2,072,574,773.90	1,876,738,244.11
2. Increase in the current period		8,236.50	33,117,169.70
(1) Purchase		8,236.50	31,527,166.29
(2) Transfer-in from development expenditures			1,590,003.41
3. Decrease in the current period			245,480,338.34
(1) Disposal or scrapping			245,480,338.34
4. Exchange difference		-380,854.53	-21,211,260.49
5. Closing balance	2,520,483.57	2,072,202,155.87	1,643,163,814.98
II. Accumulated Amortization			
1. Opening balance	1,757,875.75	347,080,262.98	1,432,027,590.40
2. Increase in the current period	15,421.64	22,385,570.46	61,829,212.72
(1) Accruing	15,421.64	22,385,570.46	61,829,212.72
3. Decrease in the current period			245,350,806.84

Items	Use Right of Houses and Buildings	Land Use Right	Software
period			
(1) Disposal or scrapping			245,350,806.84
4. Exchange difference		-109,970.32	-15,961,415.01
5. Closing balance	1,773,297.39	369,355,863.12	1,232,544,581.27
III. Book value			
1. Closing book value	747,186.18	1,702,846,292.75	410,619,233.71
2. Opening book value	762,607.82	1,725,494,510.92	444,710,653.71

(Cont')

Items	Terminal Concession Rights	Other	Total
I. Original book value			
1. Opening balance	320,291,088.36	49,633,569.65	4,321,758,159.59
2. Increase in the current period			33,125,406.20
(1) Purchase			31,535,402.79
(2) Transfer-in of development expenditures			1,590,003.41
3. Decrease in the current period			245,480,338.34
(1) Disposal or scrapping			245,480,338.34
4. Exchange difference	22,140,252.25	4,584.77	552,722.00
5. Closing balance	342,431,340.61	49,638,154.42	4,109,955,949.45
II. Accumulated Amortization			
1. Opening balance	71,181,382.82	6,349,894.09	1,858,397,006.04
2. Increase in the current period	4,890,228.28	517,931.88	89,638,364.98
(1) Accruing	4,890,228.28	517,931.88	89,638,364.98
3. Decrease in the current period			245,350,806.84
(1) Disposal or scrapping			245,350,806.84
4. Exchange difference	4,792,452.31	122.87	-11,278,810.15

Items	Terminal Concession	Other	Total
	Rights		
5. Closing balance	80,864,063.41	6,867,948.84	1,691,405,754.03
III. Book value			
1. Closing book value	261,567,277.20	42,770,205.58	2,418,550,195.42
2. Opening book value	249,109,705.54	43,283,675.56	2,463,361,153.55

22. Development Expenditure

Items	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Exchange Difference	Closing Balance
		Internal Development Expenditure	Recognized as Intangible Assets		
Pan Asia Zongheng WeChat official account development		75,121.57			75,121.57
Pan Asia Shipping E-commerce Platform project development fee	181,022.42	286,683.76	181,022.42		286,683.76
CargoSmart System	110,501,804.80	13,062,610.81	1,408,980.99	-2,754,283.90	119,401,150.72
Total	110,682,827.22	13,424,416.14	1,590,003.41	-2,754,283.90	119,762,956.05

23. Goodwill

(1) Original Book Value of Goodwill

Name of the Investee or Item	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance
COSCO Container Lines (Netherlands) Limited	11,966,833.75			11,966,833.75
COSCO Poland Sp. Z o.o.	769,180.71			769,180.71
Shaoxing COSCO International Freight Co., Ltd.	719,096.05			719,096.05
Xiamen Haitou Tongda Terminal Co., Ltd	2,090,313.08			2,090,313.08
Orient Overseas (International) Limited	9,080,744.471.99			9,080,744.471.99
Total	9,096,289,895.58			9,096,289,895.58

(2) Provision for Impairment of Goodwill

Name of the investee	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance
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	Accruing	Disposal
Xiamen Haitou Tongda Terminal Co., Ltd.	2,090,313.08	2,090,313.08
Total	2,090,313.08	2,090,313.08

24. Long-term Deferred Expenses

Items	Opening Balance	Increase in the Current Period	Amortization for the current period	Other Reductions	Closing Balance
Improvement expenditure of fixed assets of operating lease	90,122,704.66	5,972,965.97	18,453,668.91	4,158,775.58	73,483,226.14
Other	513,307.21	15,993.32	86,065.30	9,218.06	434,017.17
Total	90,636,011.87	5,988,959.29	18,539,734.21	4,167,993.64	73,917,243.31

25. Deferred Income Tax Assets/Deferred Income Tax Liabilities

(1) Details of deferred income tax assets

Items	Closing Balance	Opening Balance
Accounts receivable	9,533,377.71	9,423,880.08
Other Receivables	15,766,792.05	15,661,551.97
Fixed Assets	9,455,552.80	18,697,426.49
Accounts Payables	687,782.01	527,920.83
Employee compensation payable	29,689,519.63	33,116,915.42
Accrued Liabilities	8,961,650.00	8,961,650.00
Tax Loss	13,933,177.92	23,297,563.63
Other	13,185,745.31	5,622,721.78
Total	101,213,597.43	115,309,630.20

(2) Details of deferred income tax liabilities

Items	Closing Balance	Opening Balance
Available-for-sale financial assets	423,673,018.00	17,904,676.65
Long-term Equity Investments	599,834,875.90	453,949,666.56
Investment Properties	317,469.45	19,180,839.72
Fixed Assets	11,588,033.63	22,454,085.37
Intangible Assets	18,943,051.86	8,091,383.43
Accrued expense	5,452,265.95	372,695.21

Other	31,451,497.45	15,221,328.03
Total	1,091,260,212.24	537,174,674.97

26. Other Non-current Assets

Items	Closing Balance	Opening Balance
Payments for the purchase of long-term assets	152,420,260.12	293,635,519.85
Other	6,671,236.16	7,602,182.20
Less: Other non-current assets due within one year		
Total	159,091,496.28	301,237,702.05

27. Short-term borrowings

Items	Closing Balance	Opening Balance
Credit borrowings	35,227,874,797.65	31,861,201,197.65
Total	35,227,874,797.65	31,861,201,197.65

28. Notes Payable

Type	Closing Balance	Opening Balance
Bank acceptance bill	11,000,000.00	6,000,000.00
Commercial acceptance bill	41,000,000.00	20,000,000.00
Total	52,000,000.00	26,000,000.00

29. Accounts payable

(1) Accounts Payable as follow:

Items	Closing Balance	Opening Balance
Within 1 year	20,931,959,477.49	20,633,526,623.24
Over 1 years	211,416,984.91	109,434,848.99
Total	21,143,376,462.40	20,742,961,472.23

(2) Important accounts payable that aging is more than 1 year

Items	Closing Balance	Reason for outstanding
Guangzhou Pandian Power Construction Group Co., Ltd.	16,041,200.00	Unsettled

Items	Closing Balance	Reason for outstanding
Jiangsu Jiangdu Economic Development Zone Management Committee	6,212,434.40	Land certificate has not been received in the acquisition of land in Jiangdu Port in line with the Contract
Changjiang Waterway Bureau Zhonggang First Harbor First Company Consortium (长江航道局中港一航一公司联合体)	5,730,563.49	Unsettled
COSCO ShHIPPING Lines (Hongkong) Co., Ltd.	8,722,830.23	Unsettled
China Shipping North America	4,596,150.09	Unsettled
COSCO Shipping Development Co., Ltd.	4,688,200.91	Unsettled
Yang Ming Marine Transport Corp.	3,885,118.40	Unsettled
China Shipping Lines (German) Co., Ltd.	1,791,223.15	Unsettled
China Shipping Belgium Agency Co., Ltd.	1,457,307.47	Unsettled
BARWIL DUBAI LLC	7,535,732.27	Non-settlement in time
Total	60,660,760.41	

30. Advance receipt

(1) Advance receipt as follow:

Items	Closing Balance	Opening Balance
Within 1 year	295,200,035.39	287,973,171.89
Over 1 years	44,291,835.21	42,843,203.57
Total	339,491,870.60	330,816,375.46

(2) Significant Advance receipt that aging is more than 1 year

Items	Closing Balance	Reason of outstanding
Pan Asia E-commerce Platform	15,309,607.76	Pan Asia E-commerce advance payment
E-commerce Platform-Foreign Commerce	439,541.62	Not settled
Tenants prepayment of Rent	1,008,210.58	Rental collected in advance
EPSON Malaysia SDN BHD	788,637.95	Not settled
Total	17,545,997.91	

31. Employees Payable

(1) Employees Payable as follow:

Items	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance
I. Short-term employee benefits	1,293,807,145.95	4,615,678,390.92	4,927,713,411.60	981,772,125.27
II. Post-employment benefits-defined contribution plans	55,137,077.68	321,869,947.04	329,025,580.92	47,981,443.80
III. Termination benefits	23,090,312.78	6,869,627.76	10,528,776.89	19,431,163.65
Total	1,372,034,536.41	4,944,417,965.72	5,267,267,769.41	1,049,184,732.72

(2) Short-term employee benefits

Items	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance
1. Wage, bonus, allowance and subsidy	115,745,002.77	3,481,220,629.97	3,243,125,574.72	353,840,058.02
2. Employee Welfare	112,608,432.76	176,841,994.58	171,988,126.03	117,462,301.31
3. Social insurance premiums	33,196,485.77	312,306,319.98	321,767,043.93	23,735,761.82
Including Medical insurance premium	19,045,862.15	125,504,895.72	137,243,899.97	7,306,857.90
Industrial injury insurance premium	562,219.41	8,447,742.50	8,184,836.94	825,124.97
Maternity insurance	414,661.52	7,457,133.16	7,256,957.06	614,837.62

Items	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance
Other	13,173,742.69	170,896,548.60	169,081,349.96	14,988,941.33
4. Housing provident fund	28,864,705.11	115,152,214.77	116,705,869.45	27,311,050.43
5. Labour-union expenditure and personnel education fund	118,652,977.48	45,868,962.79	40,068,721.77	124,453,218.50
6. Commercial insurance premium		-1,979.54	-1,979.54	
7. Cash-settled Share-based Payments	18,983,943.33			18,983,943.33
8. Labor dispatch service fee	24,092,054.92	341,512,934.29	345,766,771.82	19,838,217.39
9. Others	841,663,543.81	142,777,314.08	688,293,283.42	296,147,574.47
Total	1,293,807,145.95	4,615,678,390.92	4,927,713,411.60	981,772,125.27

(3) Presentation of Defined Contribution Plan

Items	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance
1. Basic Pension Insurance	39,985,337.56	259,395,860.13	264,698,676.11	34,682,521.58
2. Unemployment insurance premium	1,742,303.78	13,620,280.73	15,186,725.29	175,859.22
3. Enterprise Annuity Payment	13,409,436.34	48,853,806.18	49,140,179.52	13,123,063.00
Total	55,137,077.68	321,869,947.04	329,025,580.92	47,981,443.80

32. Taxes Payable

Items	Closing Balance	Opening Balance
Added-value Tax	20,155,096.94	203,459,444.40
Business tax	405,390.68	583,890.35
Enterprise Income Tax	730,991,705.93	700,926,134.27
Individual income tax	41,125,848.77	89,243,727.02
Urban Maintenance and Construction Tax	-1,225,438.32	11,494,070.44
Property tax	3,418,699.93	4,319,724.33

Items	Closing Balance	Opening Balance
Urban land use tax	4,405,806.24	854,133.77
Vehicle and vessel tax	10,860.00	10,860.00
Stamp tax	8,015,983.23	11,086,670.40
Educational surtax	616,034.89	10,010,777.89
Embankment maintenance fees	83,129.06	100,532.60
River channel maintenance fee	96,245.29	1,990,624.26
Other local contributions	3,142,878.41	8,000,156.68
Total	811,242,241.05	1,042,080,746.41

33. Interests Payable

Items	Closing Balance	Opening Balance
Medium term note	371,383,190.79	157,021,253.13
Long and short-term loans	106,775,633.55	74,992,556.77
Interests for finance lease	27,010,514.55	22,674,454.89
Total	505,169,338.89	254,688,264.79

34. Dividends Payable

Name of Company	Closing Balance	Opening Balance
Public Shareholders of COSCO SHIPPING Ports	108,926,855.07	
COSCO SHIPPING Logistics Co., Ltd.	25,677,495.28	25,677,495.28
COSCO Europe GmbH	20,723,010.00	19,638,150.00
CJKOREA EXPRESS Co., Ltd.	12,927,969.51	12,927,969.51
Penavicon Overseas S.A.	7,323,372.00	6,904,926.00
Qingdao Ocean Shipping Mariners College	5,403,222.68	507,370.57
COSCO SHIPPING (Europe) Holdings GmbH	4,190,355.27	
COSCO (Singapore) Holdings Pte. Ltd.	3,765,989.26	
GCS LTD	1,677,102.02	
Qingdao Ocean & Great Asia Logistics Co., Ltd.	1,215,725.10	2,254,980.31
Ningbo Hongda Container Storage and Transportation Limited	943,881.33	1,275,673.62
HafenCityProperty Co., Ltd.	936,221.14	
PKP Cargo	866,306.00	694,596.00
COSCO (HK) Industry & Trade Holdings Ltd.	165,824.51	165,824.51

Name of Company	Closing Balance	Opening Balance
Chinese-Polish Joint Stock Shipping Company	137,780.50	1,041,894.00
Wuhan Zhonggang Logistics Limited	77,060.98	77,060.98
Shareholders of tradable H shares of COSCO SHIPPING Holdings	9,902.39	10,205.76
R.A Oben Holdings INC.		836,624.43
Shareholders of tradable H shares of Orient Overseas	2,318,357.25	1,861,659.24
Total	197,286,430.29	73,874,430.21

35. Other Payables

(1) Presentation of other Payables

Items	Closing Balance	Opening Balance
Within 1 year	4,873,173,175.13	4,209,368,826.40
More than 1 years	370,861,506.02	619,671,668.91
Total	5,244,034,681.15	4,829,040,495.31

(2) Other Significant Payables with the Aging over One Year

Items	Closing Balance	Reasons for Unrepayment or Carrying Over
OOCL (UAE) LLC	51,831,276.64	Payables with associates and joint ventures, unsettled
Zhangjiagang Port Group Co., Ltd.	40,057,209.25	Unsettled
NO.2 Engineering Company Ltd. of CCCC First Harbor Engineering Company Ltd.	15,886,284.85	Unsettled
CCCC Third Harbor Engineering Co., Ltd.	13,800,001.00	Unsettled
Total	121,574,771.74	

36. Non-current Liabilities Due within One Year

Items	Closing Balance	Opening Balance
Long-term borrowings due within one year (Note VI.37)	11,416,418,441.88	8,459,022,861.84
Long-term Payables due within one year (Note VI.39)	2,643,031,899.65	2,438,681,621.52
Total	14,059,450,341.53	10,897,704,483.36

37. Long-term Borrowings

Items	Closing Balance	Opening Balance
Credit loan	15,333,832,071.30	13,917,528,594.47
Guaranteed loan	4,882,457,346.99	7,308,680,624.53

Items	Closing Balance	Opening Balance
Mortgaged loan	27,046,433,044.32	29,902,350,990.96
Less: Long-term borrowings due within one year (Note VI. 36)	11,416,418,441.88	8,459,022,861.84
Total	35,846,304,020.73	42,669,537,348.12

38. Bonds Payable

(1) Bonds Payable

Items	Closing Balance	Opening Balance
Medium term note	15,644,006,362.54	15,786,013,721.01
Secured Bonds	2,019,469,780.74	2,066,385,592.17
Total	17,663,476,143.28	17,852,399,313.18

(2) Movements of Payable Bonds

Name of Bond	Face Value	Date of Issuance	Term to Maturity	Amount Issued	Opening Balance
Medium term note	RMB 5 billion	2010-9-7	10 years	RMB 5 billion	4,944,673,666.93
Medium term note	RMB 4 billion	2011-11-29	7 years	RMB 4 billion	3,977,000,000.00
Credit Enhancement Bonds	USD 1 billion	2012-12-4	10 years	USD 0.98766 billion	6,864,340,054.08
Guaranteed Note	USD 0.3 billion	2013-1-31	10 years	USD 0.29796 billion	2,066,385,592.17
Total					17,852,399,313.18

(Cont')

Name of Bond	Issued in the Current Period	Interest Provision at the Book Value	Amortization of Premium and Discount	Repayment in the Current Period	Closing Balance
Medium term note		7,544,500.02			4,952,218,166.95
Medium term note		6,000,000.00			3,983,000,000.00
Credit Enhancement Bonds		5,421,683.97	-160,973,542.46		6,708,788,195.59
Guaranteed Note		1,541,079.14	-48,456,890.57		2,019,469,780.74
Total		20,507,263.13	-209,430,433.03		17,663,476,143.28

Note 1: As approved by the resolution of the 2009 Annual General Meeting of

Shareholders held on June 18, 2010, the Company issued 10-year medium-term notes with a principal amount of RMB5,000,000,000.00 to the investors at face value on September 7, 2010, with the nominal interest rate of 4.35%. The medium-term notes are unsecured notes, being offered and circulated from September 8, 2010, and can be transferred between institutional investors in the inter-bank market. The company may redeem or purchase such notes; otherwise the principal amount of the notes will expire on September 7, 2020. Changes in the book value of bonds payable are due to interest adjustments.

Note 2: As approved by the resolution of the 2009 Annual General Meeting of Shareholders held on June 18, 2010, the Company issued 7-year medium-term notes with a principal amount of RMB 4,000,000,000.00 to the investors at face value on November 29, 2011, with the nominal interest rate of 5.45%. The medium-term notes are unsecured notes, being offered and circulated from December 1, 2011, and can be transferred between institutional investors in the inter-bank market. The Company may redeem or purchase such notes; otherwise the principal amount of the notes will expire on November 29, 2018. Changes in the book value of bonds payable are due to interest adjustments.

Note 3: As approved by the resolution of the 2012 Annual General Meeting of Shareholders held on November 12, 2012, the wholly-owned subsidiary COSCO Finance (2011) Limited issued 10-year medium-term notes with a principal amount of USD1,000,000,000.00 to the investors. The offer price is 98.766% of the bond principal amount, and the nominal interest rate is 4.00%. The principal and interest payment in relation to the bonds will be guaranteed by the irrevocable stand-by letter of credit issued by the Bank of China Limited Beijing Branch. The bond was listed for circulation on December 4, 2012. The Company may redeem or purchase such notes; otherwise the principal amount of the notes will expire on December 3, 2022. Changes in the book value of bonds payable are due to interest adjustments and exchange rate changes.

Note 4: COSCO Pacific Finance (2013) Company Limited, a wholly-owned subsidiary of COSCO SHIPPING Ports Limited, a subsidiary of the Company (hereinafter referred to as "COSCO SHIPPING Ports"), issued 10-year notes with a principal amount of USD300,000,000.00 to the investors. The offer price is 99.320% of the bond principal amount and the nominal interest rate is 4.375%. The bonds have been unconditionally and irrevocably guaranteed by COSCO SHIPPING Port. The bond was listed for circulation on February 1, 2013. The Company may redeem or purchase such notes; otherwise the principal amount of the notes will expire on January 31, 2023. Changes in the book value of bonds payable are due to interest adjustments, discount amortization and exchange rate changes.

39. Long-term Payables

Items	Closing Balance	Opening Balance
Rental for fixed assets under finance lease	14,401,351,521.35	13,588,534,099.20
Shareholder's equity loan	1,182,440.00	2,212,040.00
Less: Portion due within one year (Note VI. 36)	2,643,031,899.65	2,438,681,621.52
Total	11,759,502,061.70	11,152,064,517.68

40. Long-term Employee Payable**(1) Long-term Employee Payable**

Items	Closing Balance	Opening Balance
I. Post-employment benefit-net liabilities for defined benefit plan	278,874,928.49	340,945,892.09
II. Dismission welfare	16,281,952.41	16,531,952.43
III. Other long-term welfare	25,787,085.45	25,779,181.54
Total	320,943,966.35	383,257,026.06

(2) Movements of Defined Benefit Plan**(i) Obligated Current value of Defined Benefit Plan**

Unit: RMB 0,000

Items	Amount incurred in the current period	Amount incurred in the previous period
I. Opening Balance	173,353.01	168,310.04
II. Defined Benefit Cost Recorded into the Profit or Loss for the Current Period	2,773.33	6,248.64
1. Service cost for the current period	392.24	837.97
2. Past service costs		
3. Settlement gains (loss is presented by“-”)	65.71	
4. Net interest	2,315.38	5,410.67
III. Defined Benefit Cost Recorded into Other Comprehensive Incomes	-2,960.33	25,499.35
1. Actuarial gains (loss is presented by “-”)	-2,960.33	25,499.35
IV. Other Change	-1,639.50	-26,705.02
1. Currency conversion adjustment	5,137.67	-16,902.22
2. Paid benefits	-3,536.85	-5,723.91
3. Planned member contribution	26.42	51.11

Items	Amount incurred in the current period	Amount incurred in the previous period
4. Settlement/Loss	-1,262.75	
V. Closing Balance	171,526.51	173,353.01

(ii) Plan Assets

Unit: RMB 0,000

Items	Amount Incurred in the Current Period	Amount Incurred in the Previous Period
I. Opening Balance	139,218.92	147,204.47
II. Defined benefit cost recorded into the profit or loss for the current period	1,812.15	5,247.81
1. Net interest	1,812.15	5,247.81
III. Defined benefit cost recorded into other comprehensive incomes	1,651.60	9,976.58
1. Return on planned assets (excluding net interest)	1,651.60	9,976.58
2. Changes of impact of asset cap (excluding net interest)		
IV. Other Change	956.96	-23,209.95
Currency conversion adjustment	4,951.15	-17,423.85
Paid benefits	-4,538.85	-7,788.91
Planned member contribution	26.42	51.11
Group contribution	1,846.70	1,951.70
Settlement/Loss	-1,328.46	
V. Closing Balance	143,639.64	139,218.92

(iii) Net Liabilities (Net Assets) of Defined Benefit Plan

Unit: RMB 0,000

Items	Amount incurred in the current period	Amount incurred in the previous period
I. Opening Balance	34,134.09	21,105.56
II. Defined benefit cost recorded into the profit or loss for the current period	961.18	1,000.82
III. Defined benefit cost recorded into other	-4,611.93	15,522.77

Items	Amount incurred in the current period	Amount incurred in the previous period
comprehensive incomes		
IV. Other Change	-2,596.47	-3,495.07
V. Closing Balance	27,886.87	34,134.09

41. Estimated Liabilities

Items	Closing Balance	Opening Balance
Pending litigation	86,353,326.57	83,096,693.03
Total	86,353,326.57	83,096,693.03

42. Government Grants

1. Basic Condition of Government Grants Initially Recognized in the Current Period

Grant items	Amount	Assets-related		Income-related			Whether actually received
		Deferred incomes	Write off against book value of assets	Deferred incomes	Other incomes	Non-operating revenue	
Local financial subsidy income	390,097,000.98	865,042.00			2,647,174.98	386,584,784.00	Yes
Total	390,097,000.98	865,042.00			2,647,174.98	386,584,784.00	—

2. Government Grant Recorded into Profit or Loss for the Current Period

Grant Items	Asset/Income-Related	Recognized into Other Incomes	Recognized into Non-operating Revenues	Writing off against Cost and Expenses
Local financial subsidy income	Income-related	2,647,174.98	386,584,784.00	
Local financial subsidy income	Assets-related	2,834,844.47		
Total	—	5,482,019.45	386,584,784.00	

43. Deferred Incomes

Items	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance	Source
Government grants	221,676,489.16	865,042.00	2,834,844.47	219,706,686.69	Government grants
Total	221,676,489.16	865,042.00	2,834,844.47	219,706,686.69	-

Wherein, items involving government grants:

Grant Items	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance	Assets/income-related
			Recognized into other incomes		
Automation project	189,715,600.00			189,715,600.00	Assets-related
National Defense Ro-Ro Terminal grants	10,580,000.00		120,000.00	10,460,000.00	Assets-related
Port construction fee repayment and government grants	8,838,548.45	802,000.00	1,974,481.80	7,666,066.65	Assets-related
House demolition compensation	398,214.75	63,042.00		461,256.75	Assets-related
Others	12,144,125.96		740,362.67	11,403,763.29	Assets-related
Total	221,676,489.16	865,042.00	2,834,844.47	219,706,686.69	

44. Other non-current Liabilities

Items	Closing Balance	Opening Balance
Pension fixed income plan	7,060,546.21	6,307,225.87
Total	7,060,546.21	6,307,225.87

45. Operating Revenues and Operating Costs

Items	Current Period		Previous Period	
	Revenues	Cost	Revenues	Cost
Main business	63,134,706,258.88	57,416,723,044.63	105,919,030,372.66	104,967,160,715.96
Other businesses	111,194,289.56	202,597,269.88	250,104,449.11	137,369,388.96
Total	63,245,900,548.44	57,619,320,314.51	106,169,134,821.77	105,104,530,104.92

46. Taxes and Surtaxes

Items	Current Period	Previous Period
Business tax	5,706,452.26	15,633,752.70
Stamp tax	40,281,083.23	38,183,340.62
Educational surtax	8,699,694.48	28,278,332.66
Urban construction tax	12,334,555.80	22,250,628.31
Property tax	40,566,505.82	46,619,915.06
Land use tax	8,917,883.34	4,625,793.33

Items	Current Period	Previous Period
Vehicle and vessel use tax	645,914.92	4,080,777.33
Consumption tax	7,820.52	
Other	827,050.22	9,694,534.75
Total	117,986,960.59	169,367,074.76

Note: Please refer to Note V. Taxes for the payment standards of various taxes and surtaxes. In accordance with the VAT Accounting Regulations (CK[2016] No.22), the property tax, land use tax, vehicle and vessel use tax and stamp tax generated by the Company's business activities will be reclassified from "Management Fee" to "Taxes and Surtaxes" from May 1, 2016.

47. Selling Expenses

Items	Current Period	Previous Period
Labor cost	21,370,453.41	52,010,721.58
Marketing and management expenses	1,475,917.57	6,612,374.38
Asset expenses	2,831,721.69	4,695,425.06
Fuel material fees	185,481.18	807,811.02
Production and operation expenses		375,306.39
Out sourcing project and coordination fees		169,747.45
Other cost	10,731.70	788,552.46
Total	25,874,305.55	65,459,938.34

48. Administrative Expenses

Items	Current Period	Previous Period
Labor cost	2,604,406,091.81	5,056,443,366.91
Marketing and management expenses	500,815,853.95	894,886,899.27
Asset expenses	381,681,228.33	980,149,190.86
Tax	6,427,570.73	51,805,281.84
Fuel material fees	6,818,640.87	21,833,680.99
Technological R&D expenditures	1,735,554.69	16,592,012.35
Other	67,270,191.30	139,511,833.15
Total	3,569,155,131.68	7,161,222,265.37

49. Financial Expenses

Items	Current Period	Previous Period
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Items	Current Period	Previous Period
Interest expense	1,262,829,455.88	2,504,884,079.29
Less: Interest income	286,350,862.21	606,600,368.50
Exchange gain or loss	68,062,305.30	328,785,186.68
Other	64,876,263.58	122,533,454.59
Total	1,109,417,162.55	2,349,602,352.06

50. Asset Impairment Losses

Items	Current Period	Previous Period
Losses on bad debts	7,573,381.62	21,813,796.04
Decline in value of inventory	-8,139.56	590,753.73
Impairment loss for financial assets available-for-sale		221,650,534.44
Impairment loss for goodwill	2,090,313.20	
Total	9,655,555.26	244,055,084.21

51. Gain from Changes of Fair Value

Source of gain from changes of fair value	Current Period	Previous Period
Stock appreciation rights		15,212,597.30
Financial assets at fair value through profit or loss	-12,744,643.90	54,972,135.37
Total	-12,744,643.90	70,184,732.67

52. Investment Incomes

Items	Current Period	Previous Period
Long-term equity investment incomes calculated by equity approach	789,818,881.93	1,516,081,381.84
Investment incomes from disposal of long-term equity investment	1,890,691,002.33	-2,424,868,478.88
Investment income from financial assets at fair value through profit or loss during holding period	41,535,878.35	79,351,671.20
Investment income from disposal of financial asset at fair value through profit or loss	43,892,456.03	-2,410,785.16
Investment income obtained from held-to-maturity investment during holding period	39,083,827.56	77,178,879.03
Investment income from disposal of		-493,582.18

Items	Current Period	Previous Period
held-to-maturity investment		
Investment income obtained from financial assets available-for-sale during holding period	151,513,335.74	224,852,949.56
Investment income obtained from disposal of financial assets available-for-sale	262,782,648.34	-15,193,862.88
Financial derivatives disposal income	6,204,755.22	15,632,322.63
Total	3,225,522,785.50	-529,869,504.84

53. Non-operating Income

Items	Current Period	Previous Period	Amount Included into Non-recurring Profit or Loss for the Current Period
Total gains from disposal of non-current assets	4,486,130.37	21,988,929.22	4,486,130.37
Including: Gains from disposal of fixed assets	4,486,130.37	21,988,929.22	4,486,130.37
Government grants non-related to daily corporate activities		542,646,659.28	
Payables can't be Paid	448,367.87	11,361,783.36	448,367.87
Claim income	255,067.04	12,311,516.45	255,067.04
Government grants (refer to the following table: Details of Government Grants)	386,584,784.00	14,161,494.37	386,584,784.00
Other	4,233,726.39	22,792,652.50	4,233,726.39
Total	396,008,075.67	625,263,035.18	396,008,075.67

Wherein: government grants recorded into the profit or loss for the current period:

Grant Items	Current Period	Previous Period	Asset-related/Income-related
Local financial subsidy income	386,584,784.00	14,161,494.37	Asset/income-related
Total	386,584,784.00	14,161,494.37	

54. Non-operating Loss

Items	Current Period	Previous Period	Amount Included Into Non-recurring Profit or Loss for the Current Period
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Items	Current Period	Previous Period	Amount Included Into Non-recurring Profit or Loss for the Current Period
Losses from disposal of non-current assets	7,496,779.20	1,061,971,523.92	7,496,779.20
Including: Losses from disposal of fixed assets	7,496,779.20	1,061,495,038.52	7,496,779.20
Donation expenditure	338,554.05	2,307,868.95	338,554.05
Compensation, liquidated damage, overdue fine and penalty expenditures	4,273,150.71	58,403,926.76	4,273,150.71
Estimated liabilities		155,493,433.16	
Other	4,745,330.63	19,637,581.23	4,745,330.63
Total	16,853,814.59	1,297,814,334.02	16,853,814.59

55. Income Taxes Expenses

Items	Current Period	Previous Period
Income taxes in the current period calculated as per the tax law and relevant provisions	569,801,563.10	593,982,089.48
Adjustment of deferred income tax	170,349,060.97	7,401.47
Total	740,150,624.07	593,989,490.95

56. Assets with Restricted Ownership or Use Right

Items	Closing Book Value	Reasons of Limitations
Subtotal of assets used for guarantee:	57,673,837,312.72	
Vessels and equipment	31,282,153,386.77	Mortgage loan
Container	5,567,123,803.24	Mortgage loan
Vessels under construction	3,524,624,009.78	Mortgage loan
Wharf and warehouse equipment	281,191,639.32	Mortgage loan
Other Fixed Assets	720,550,563.38	Mortgage loan
Other	88,680,668.93	Mortgage loan
Vessels and equipment	14,415,682,811.53	Fixed assets under finance lease
Container	778,464,610.26	Fixed assets under finance lease

Items	Closing Book Value	Reasons of Limitations
Wharf and warehouse equipment	641,852,092.44	Fixed assets under finance lease
Machinery equipment	373,513,727.07	Fixed assets under finance lease
Subtotal of assets with restricted ownership or use right due to other reasons:	444,624,352.95	
Cash and Bank	33,529,466.28	Margin
Cash and Bank	2,344,313.30	Unclaimed Shareholders' dividends
Cash and Bank	293,081,102.81	Fixed deposits that cannot be withdraw at any time
Cash and Bank	18,452.04	Employees' fund
Cash and Bank	113,871,317.71	Deposit in tax account
Cash and Bank	179,700.81	Housing reform special fund and house sales
Cash and Bank	1,600,000.00	Project performance bond
Total	58,118,461,665.67	

VI. Interests in Other Entities

1. Interests in the Subsidiaries

(1). Composition of Enterprises Group

Name of subsidiary	Prime business place	Registration place	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
COSCO Investment Limited	Hong Kong	Hong Kong	Investment Holding		100.00	Obtained through business combination involving enterprises under common control
COSCO Asset Management Co., Ltd.	Hong Kong	Hong Kong	Ocean shipping		100.00	Establishment
COSCO SHIPPING Ports Limited (Note)	Bermuda	Bermuda	Investment Holding		46.72	Obtained through business combination involving enterprises under common control
COSCO Finance (2011) Limited	Hong Kong	Hong Kong	Transportation services		100.00	Establishment
China COSCO (Hong Kong) Limited	Hong Kong	Hong Kong	Investment Holding	100.00		Obtained through business combination involving enterprises under common control
COSCO SHIPPING Lines Co., Ltd.	Shanghai	Shanghai	Container	100.00		Obtained through business

Name of subsidiary	Prime business place	Registration place	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
			shipping			combination involving enterprises under common control
Shanghai PanAsia shipping Co., Ltd.	Shanghai	Shanghai	Container shipping		100.00	Obtained through business combination involving enterprises under common control
Shanghai COSCO Container Development Co., Ltd.	Shanghai	Shanghai	Container logistics		100.00	Establishment
COSCO SHIPPING International Freight Co., Ltd.	Shanghai	Shanghai	Shipping agent		100.00	Obtained through business combination involving enterprises under common control
Shanghai Ocean Shipping Co., Ltd.	Shanghai	Shanghai	Labor service		100.00	Obtained through business combination involving enterprises under common control
EW GOLDEN SEA SHIPPING Pte. Ltd.	Singapore	Singapore	Shipping agent		100.00	Obtained through business combination involving enterprises under common control
COSCO SHIPPING Lines Agency Co., Ltd.	Shanghai	Shanghai	Ship agent		100.00	Obtained through business combination involving enterprises under common control
COSCO SHIPPING Lines (Southern China) Co., Ltd.	Shenzhen	Shenzhen	Freight forwarder and shipping agent		100.00	Obtained through business combination involving enterprises under common control
Coheung Marine Shipping Co.,Ltd.	Hong Kong	Hong Kong	Container shipping		100.00	Obtained through business combination involving enterprises under common control
COSCO SHIPPING Lines (North America) Inc.	New Jersey	Delaware	Ship agent and freight forwarder		100.00	Obtained through business combination involving enterprises under common control
COSCO Shipping (Europe) GmbH	Germany	Germany	Ship agent and freight forwarder		100.00	Obtained through business combination involving enterprises under common control
COSCO (Panama) Limited	Panama	Panama	Ship agent and freight forwarder		100.00	Obtained through business combination involving enterprises under common control
COSCO BRASIL S.A.	Brazil	Brazil	Ship agent and freight forwarder		100.00	Obtained through business combination involving enterprises under common control
COSCO SHIPPING Lines (Japan) Co., Ltd	Japan	Japan	Ship agent and freight forwarder		100.00	Obtained through business combination involving enterprises under common control
COSCO SHIPPING Lines (Korea) Limited	South Korea	South Korea	Ship agent and freight forwarder		100.00	Obtained through business combination involving enterprises under common control
COSCO SHIPPING Lines (Hongkong) Limited	Hong Kong	Hong Kong	Investment Holding		100.00	Obtained through business combination involving enterprises under common control

Name of subsidiary	Prime business place	Registration place	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
COSCO Shipping Container Line Agencies Ltd.	Hong Kong	Hong Kong	Ship agent and freight forwarder		100.00	Obtained through business combination involving enterprises under common control
Shanghai COSCO Container Transportation Document Service Limited	Shanghai	Shanghai	Labor service		100.00	Establishment
COSCO (Cayman) Mercury Co. Ltd	Cayman Islands	Cayman Islands	Investment Holding		100.00	Obtained through business combination involving enterprises under common control
COSCO Shipping Lines (Oceania) Pty Ltd	Australia	Australia	Ship agent and freight forwarder		100.00	Obtained through business combination involving enterprises under common control
Tianjin Binhai COSCO Container Logistics Co., Ltd.	Tianjin	Tianjin	Container logistics		56.10	Establishment
Shanghai COSCO Information Technology Co., Ltd.	Shanghai	Shanghai	IT services		60.00	Obtained through business combination involving enterprises under common control
Golden Sea Shipping PTE. LTD.	Singapore	Singapore	Ocean shipping		100.00	Obtained through business combination involving enterprises under common control
China Shipping Container Lines (Dalian) Co., Ltd.	Dalian	Dalian	Transportation agency service		100.00	Obtained through business combination involving enterprises under common control
China Shipping Container Lines (Tianjin) Limited	Tianjin	Tianjin	Transportation agency service		100.00	Obtained through business combination involving enterprises under common control
China Shipping Container Lines (Qingdao) Limited	Qingdao	Qingdao	Transportation agency service		100.00	Obtained through business combination involving enterprises under common control
China Shipping Container Lines (Shanghai) Limited	Shanghai	Shanghai	Transportation agency service		100.00	Obtained through business combination involving enterprises under common control
China Shipping Container Lines (Xiamen) Limited	Xiamen	Xiamen	Transportation agency service		100.00	Obtained through business combination involving enterprises under common control
China Shipping Container Lines (Guangzhou) Limited	Guangzhou	Guangzhou	Transportation agency service		100.00	Obtained through business combination involving enterprises under common control
China Shipping Container Lines (Shenzhen) Limited	Shenzhen	Shenzhen	Transportation agency service		100.00	Obtained through business combination involving enterprises under common control
China Shipping Container Lines (Hainan) Limited	Hainan	Hainan	Transportation agency service		100.00	Obtained through business combination involving enterprises under common control
CSCL (Dalian) Information Processing Co., Ltd.	Dalian	Dalian	Internet information service		100.00	Obtained through business combination involving enterprises under common control

Name of subsidiary	Prime business place	Registration place	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Yangpu COSCO Shipping Refrigeration Storage & Transportation Co., Ltd.	Guangzhou	Guangzhou	Other sea transport side events		100.00	Obtained through business combination involving enterprises under common control
China Shipping Container Lines (Shanghai) Limited	Shanghai	Shanghai	International freight forwarding business		100.00	Obtained through business combination involving enterprises under common control
COSCO SHIPPING Lines (Ningbo) Co., Ltd.	Ningbo	Ningbo	International freight forwarding business		100.00	Obtained through business combination involving enterprises under common control
Ningbo COSCO Shipping Container Shipping Agency Ltd.	Zhejiang	Zhejiang	Import and export ship agent		100.00	Obtained through business combination involving enterprises under common control
Qingdao COSCO Shipping Lines Co., Ltd.	Qingdao	Qingdao	Shipping agent		100.00	Obtained through business combination involving enterprises under common control
Tianjin COSCO International Freight Limited	Tianjin	Tianjin	Shipping agent		100.00	Obtained through business combination involving enterprises under common control
Wuhan COSCO Shipping Lines Co., Ltd.	Wuhan	Wuhan	Shipping agent		51.00	Obtained through business combination involving enterprises under common control
Wuhan COSCO LOGISTICS Limited	Wuhan	Wuhan	Logistics		51.00	Obtained through business combination involving enterprises under common control
Dalian COSCO Shipping Container Transportation Co., Ltd.	Dalian	Dalian	Freight forwarding		100.00	Obtained through business combination involving enterprises under common control
Xiamen COSCO Shipping Container Transportation Limited	Fujian	Fujian	Freight forwarding		100.00	Obtained through business combination involving enterprises under common control
Xiamen COSCO Shipping Container Shipping Agency Co., Ltd.	Fujian	Fujian	Shipping agent		100.00	Obtained through business combination involving enterprises under common control
Qingdao COSCO Shipping Container Shipping Agency Co., Ltd.	Qingdao	Qingdao	Ship agent		100.00	Obtained through business combination involving enterprises under common control
Shanghai COSCO Shipping Container Shipping Agency Co., Ltd.	Shanghai	Shanghai	Import and export ship agent		100.00	Obtained through business combination involving enterprises under common control
Hainan COSCO Shipping Container Shipping Agency Co., Ltd.	Hainan	Hainan	Freight forwarder and etc.		100.00	Obtained through business combination involving enterprises under common control
Cosren Shipping Agency (Pty) Ltd.	South Africa	South Africa	Shipping agent		100.00	Obtained through business combination involving enterprises under common control
COSCO SHIPPING Lines (West Asia) Co., Ltd.	Dubai	Dubai	Shipping agent		100.00	Establishment

Name of subsidiary	Prime business place	Registration place	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Orient Overseas (International) Limited	Hong Kong	Hong Kong	Communication and transportation		75.00	Acquisition

Note: The board of directors of COSCO SHIPPING Ports consists of 15 directors, 9 of which are appointed by the Company. According to Article 114 of Articles of Association of COSCO SHIPPING Ports, questions raised in any meeting shall be resolved in the principle of plurality. On such basis, the management of the Company believes that, since the majority of the directors of COSCO SHIPPING Ports are appointed by the Company, the Company has the majority voting rights in the board of directors of COSCO SHIPPING Ports, and is able to control the COSCO SHIPPING Ports through the board of directors of the same. Therefore, COSCO SHIPPING Ports was incorporated into the consolidated financial statements of the Company.

(2) Significant Non-wholly-owned Subsidiary

Name of Subsidiary	Minority Shareholders' Shareholding Ratio (%)	Profit or loss Attributable to Minority Shareholders in the Current Period	Dividends Distributed to Minority Shareholders in the Current Period	Closing Minority Shareholders' Equity
COSCO SHIPPING Ports Limited	53.28	1,368,627,550.76	-110,422,967.52	17,921,741,760.85
Tianjin Binhai COSCO Container Logistics Co., Ltd.	43.90	1,206,736.44		94,779,252.91
Shanghai COSCO Information & Technology CO,Ltd	40.00	67,533.74		4,920,525.69
COSCO SHIPPING Lines (Wuhan) Co., Ltd.	49.00	6,778,578.46		46,572,042.28
COSCO Wuhan Logistics Co., Ltd	49.00	13,139.32		50,405,393.26

(3) Main Financial Information of Significant Non-Wholly-Owned Subsidiary

Name of Subsidiary	Closing Balance		
	Current Assets	Non-current Assets	Total Assets
COSCO SHIPPING Ports Limited	3,610,086,136.62	46,831,408,309.25	50,441,494,445.87
Tianjin Binhai COSCO Container Logistics Co., Ltd.	133,598,419.91	117,217,644.30	250,816,064.21
Shanghai COSCO Information & Technology CO,Ltd	15,312,095.92	1,117,472.11	16,429,568.03
COSCO SHIPPING Lines (Wuhan) Co., Ltd.	434,396,765.87	18,189,659.84	452,586,425.71
COSCO Wuhan Logistics Co., Ltd	122,308,744.21	8,101,571.76	130,410,315.97

(Cont')

Name of Subsidiary	Closing Balance		
	Current Liabilities	Non-current Liabilities	Total Liabilities
COSCO SHIPPING Ports Limited	4,512,044,441.42	9,342,533,506.51	13,854,577,947.93
Tianjin Binhai COSCO Container Logistics Co., Ltd.	33,817,993.79	1,100,000.00	34,917,993.79
Shanghai COSCO Information & Technology CO,Ltd	4,128,253.81		4,128,253.81
COSCO SHIPPING Lines (Wuhan) Co., Ltd.	317,465,299.79	34,720,285.07	352,185,584.86
COSCO Wuhan Logistics Co., Ltd	37,205,242.98		37,205,242.98

(Cont')

Name of Subsidiary	Opening Balance		
	Current Assets	Non-current Assets	Total Assets
COSCO SHIPPING Ports Limited	6,906,022,450.22	40,088,046,011.18	46,994,068,461.40
Tianjin Binhai COSCO Container Logistics Co., Ltd.	126,806,251.89	123,007,846.90	249,814,098.79
Shanghai COSCO Information & Technology CO,Ltd	24,341,892.30	1,361,557.20	25,703,449.50
COSCO SHIPPING Lines (Wuhan) Co., Ltd.	357,606,079.47	19,134,732.13	376,740,811.60
COSCO Wuhan Logistics Co., Ltd	131,876,617.44	8,736,992.48	140,613,609.92

(Cont')

Name of Subsidiary	Opening Balance		
	Current Liabilities	Non-current Liabilities	Total Liabilities
COSCO SHIPPING Ports Limited	5,798,890,398.68	8,228,306,233.18	14,027,196,631.86
Tianjin Binhai COSCO Container Logistics Co., Ltd.	35,564,858.54	1,100,000.00	36,664,858.54
Shanghai COSCO Information & Technology CO,Ltd	13,570,969.62		13,570,969.62
COSCO SHIPPING Lines (Wuhan) Co., Ltd.	257,475,782.01	34,720,285.07	292,196,067.08
COSCO Wuhan Logistics Co., Ltd	45,416,572.89		45,416,572.89

(Cont')

Name of subsidiary	Amount Incurred in the Current Period			
	Operating revenue	Net Profit	Total Comprehensive Incomes	Cash Flow from Operating Activities
COSCO SHIPPING Ports Limited	1,920,471,519.29	2,695,496,441.45	3,871,676,426.64	500,091,995.61
Tianjin Binhai COSCO Container Logistics Co., Ltd.	70,418,861.88	2,748,830.17	2,748,830.17	12,737,883.89
Shanghai COSCO Information & Technology CO,Ltd	34,169,936.46	168,834.34	168,834.34	-3,302,246.65

Name of subsidiary	Amount Incurred in the Current Period			
COSCO SHIPPING Lines (Wuhan) Co., Ltd.	1,224,866,661.48	15,856,096.33	15,856,096.33	32,135,648.23
COSCO Wuhan Logistics Co., Ltd	51,958,617.38	-1,991,964.04	-1,991,964.04	-45,020,575.14

(Cont')

Name of Subsidiary	Amount Incurred in the Previous Period			
	Operating Revenue	Net Profit	Total Comprehensive Incomes	Cash Flow from Operating Activities
COSCO SHIPPING Ports Limited	2,297,260,731.69	626,856,262.24	1,069,158,807.00	1,112,516,926.50
Tianjin Binhai COSCO Container Logistics Co., Ltd.	53,250,108.28	-1,466,568.71	-1,466,568.71	15,888,535.37
Shanghai COSCO Information & Technology CO, Ltd	32,137,193.02	4,499,404.52	4,499,404.52	-7,640,107.55
COSCO SHIPPING Lines (Wuhan) Co., Ltd.	172,281,011.77	7,685,382.29	7,685,382.29	10,575,384.12
COSCO Wuhan Logistics Co., Ltd	79,135,647.69	-2,930,330.22	-2,930,330.22	-21,739,347.22

2. Equity in Joint Venture or Associates

(1) Significant Joint Venture or Associates

Name of Joint Ventures or Associates	Prime Business Place	Registration Place	Business Nature	Shareholding Ratio (%)		Accounting Method Of Joint Ventures Or Associates
				Direct	Indirect	
Qingdao Port International Co., Ltd.	Qingdao	Qingdao	Terminal and related business		18.41	Equity approach
Sigma Enterprises Limited and Wattrus Limited	BVI	BVI	Terminal and related business		20.55	Equity approach
Shanghai Mingdong Container Terminals Limited	Pudong New District	Pudong New District	Terminal and related business		20.00	Equity approach
Tianjin Port Alliance International Container Terminal Co., Ltd.	China	Tianjin, China	Container terminal operation		20.00	Equity approach

(2) Main Financial Information of Significant Joint Venture or Associates

Items	Closing Balance /Amount Incurred in the Current Period	
	Qingdao Port International Co., Ltd.	
Current assets	18,549,473,963.00	
Non-current assets	29,217,568,440.00	

Items	Closing Balance /Amount Incurred in the Current Period
	Qingdao Port International Co., Ltd.
Total assets	47,767,042,403.00
Current liabilities	14,837,154,768.00
Non-current liabilities	9,614,766,005.00
Total liabilities	24,451,920,773.00
Minority equity	1,412,817,536.00
Shareholders' equity attributable to parent company	21,902,304,094.00
Net assets share calculated at shareholding ratio	4,032,214,184.00
Adjustment	2,261,229,117.00
-Goodwill	1,419,283,373.00
-Profits unrealized of internal transaction	
-Others	841,945,744.00
Book Value of equity investment to joint ventures	6,293,443,301.00
Operating revenues	4,785,027,307.00
Net profits	1,652,631,573.00
Other comprehensive incomes	183,120,000.00
Total comprehensive incomes	1,835,751,573.00
Dividends obtained from associates in the current year	

Note: Qingdao Port International Co., Ltd. became an affiliated associates of the Company in this period.

(Cont')

Items	Closing Balance /Amount Incurred in the Current Period	
	Sigma Enterprises Limited and Wattus Limited	Shanghai Mingdong Container Terminals Limited
Current assets	6,622,295,290.40	1,377,409,732.45
Non-current assets	26,735,087,401.47	3,498,296,307.43
Total assets	33,357,382,691.87	4,875,706,039.88
Current liabilities	4,577,476,722.16	420,418,399.07
Non-current liabilities	3,397,863,264.68	
Total liabilities	7,975,339,986.84	420,418,399.07
Minority equity	7,709,250,480.40	
Shareholders' equity attributable to parent company	17,672,792,224.63	4,455,287,640.81

Items	Closing Balance /Amount Incurred in the Current Period	
	Sigma Enterprises Limited and Wattrus Limited	Shanghai Mingdong Container Terminals Limited
Net assets share calculated at shareholding ratio	3,631,758,802.16	891,057,528.16
Adjustment	749,916,638.12	587,070,677.32
-Goodwill	190,985,616.03	587,070,677.32
-Profits unrealized of internal transaction		
-Others	558,931,022.09	
Book Value of equity investment to associated enterprises	4,381,675,440.28	1,478,128,205.48
Fair value of joint venture equity investments with public offer		
Operating revenues	2,968,150,573.62	1,130,491,711.39
Net profits	640,786,776.61	388,054,722.07
Net profit from termination of operation		
Other comprehensive incomes	34,774,328.35	
Total comprehensive incomes	675,561,104.96	388,054,722.07
Dividends obtained from associates in the current year		

(Cont')

Items	Opening Balance/Amount Incurred in the Previous Period	
	Sigma Enterprises Limited and Wattrus Limiter	Shanghai Mingdong Container Terminals Limited
Current assets	5,525,281,776.54	1,168,428,669.27
Non-current assets	27,875,255,422.50	3,586,852,860.49
Total assets	33,400,537,199.04	4,755,281,529.76
Current liabilities	4,367,127,502.56	256,329,269.00
Non-current liabilities	3,662,832,893.62	
Total liabilities	8,029,960,396.18	256,329,269.00
Minority equity	7,775,484,043.71	
Shareholders' equity attributable to parent company	17,595,092,759.15	4,498,952,260.76
Net assets share calculated at shareholding ratio	3,615,791,562.01	899,790,452.15
Adjustment	732,389,668.89	595,104,615.69
-Goodwill	195,569,676.79	595,104,615.69
-Profits unrealized of internal transaction		

Items	Opening Balance/Amount Incurred in the Previous Period	
	Sigma Enterprises Limited and Wattrus Limiter	Shanghai Mingdong Container Terminals Limited
-Others	536,819,992.10	
Book value of equity investment to associated enterprises	4,348,181,230.90	1,494,895,067.84
Fair value of joint venture equity investments with public offer		
Operating revenues	2,795,041,008.71	1,042,568,512.92
Net profits	638,807,267.16	346,493,078.74
Net profit from termination of operation		
Other comprehensive incomes	-42,466,233.27	
Total comprehensive incomes	596,341,033.89	346,493,078.74
Dividends obtained from associatess in the current year		

(Cont')

Items	Closing Balance /amount incurred in the current period	Opening Balance/Amount incurred in the previous period
	Tianjin Port Alliance International Container Terminal Co., Ltd.	Tianjin Port Alliance International Container Terminal Co., Ltd.
Current assets	283,588,632.87	331,039,574.35
Non-current assets	1,580,059,124.35	1,632,920,970.30
Total assets	1,863,647,757.22	1,963,960,544.65
Current liabilities	56,782,306.28	151,467,886.26
Non-current liabilities		99,000,000.00
Total liabilities	56,782,306.28	250,467,886.26
Minority equity		
Shareholders' equity attributable to parent company	1,806,865,450.94	1,713,492,658.39
Net assets share calculated at shareholding ratio	361,373,090.19	342,698,531.68
Adjustment	-11,136.07	-10,777.87
-Goodwill		
-Profits unrealized of internal transaction		
-Others	-11,136.07	-10,777.87
Book Value of equity investment to associated enterprises	361,361,954.12	342,687,753.81
Fair Value of Joint Venture Equity Investments with Public Offer		

Items	Closing Balance /amount incurred in the current period	Opening Balance/Amount incurred in the previous period
	Tianjin Port Alliance International Container Terminal Co., Ltd.	Tianjin Port Alliance International Container Terminal Co., Ltd.
Operating revenues	271,775,123.36	562,461,988.07
Net profits	92,211,825.98	181,280,908.83
Net profit from termination of operation		
Other comprehensive incomes		
Total comprehensive incomes	92,211,825.98	181,280,908.83
Dividends obtained from the associates in the current period/previous period		22,610,844.56

(4) Summarized Financial Information of Insignificant Joint Ventures and Associates

Items	Closing Balance /Amount Incurred in the Current Year	Opening Balance/Amount Incurred in the Previous Period
Joint venture:		
Total book value for investment	9,252,936,476.63	10,821,133,342.32
Total of the followings calculated at the proportion of shareholding		
-Net profits	516,812,539.01	681,895,669.55
-Other comprehensive incomes	317,332,756.50	-8,455,973.46
-Total comprehensive incomes	834,145,295.51	673,439,696.09
Associates:		
Total book value for investment	4,873,318,469.24	4,447,226,453.93
Total of the followings calculated at the proportion of shareholding		
-Net profits	225,436,342.00	190,393,037.71
-Other comprehensive incomes	-9,418,729.49	-471,093.78
-Total comprehensive incomes	216,017,612.51	189,921,943.93

VII. Related Party and Related Transactions**1. Information of Parent Company of the Company**

Name of Parent Company	Registrat ion place	Business nature	Registered Capital (RMB 0,000)	Shareholding Ratio of the Parent Company to the Company (%)	Voting Ratio of the Parent Company to the Company (%)
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Name of Parent Company	Registration place	Business nature	Registered Capital (RMB 0,000)	Shareholding Ratio of the Parent Company to the Company (%)	Voting Ratio of the Parent Company to the Company (%)
China Ocean Shipping Company Limited	Beijing	Ocean Transportation	1,619,135.13	44.61	44.61

Note: The ultimate controlling party of the Company is China COSCO Shipping Corporation Limited.

2. Conditions of the Subsidiaries of the Company

Refer to the Notes VII. 1. Interests in the subsidiary

3. Information about Joint Ventures and Associated Enterprises of the Company

Refer to Note VII.2 Interest in joint ventures or associated enterprises. Information of other joint ventures or associates, with which, the Company conducted the related party transactions and formed balance in current period or in the previous period, is shown as follows:

Name of other Joint Ventures or Associated Enterprises	Relationship with the Company
Qingdao Orient International Container Storage & Transportation Co., Ltd.	Joint venture
OOCL (UAE) LLC	Joint venture
OOCL (Egypt) Shipping Agency S.A.E	Joint venture
Shanghai Pudong International Container Terminals Limited	Joint venture
Yuantai Shipping Co., Ltd.	Joint venture
COSCO-PSA Terminal Private Limited	Joint venture
COSCO Shipping Lines (Lanka) Co., Ltd.	Joint venture
Guangzhou Port Nansha Port Co., Ltd.	Joint venture
Ningbo Yuan Dong Terminal Ltd.	Joint venture
Xiamen Port Haicang Container Equipment Inspection Service Co., Ltd.	Joint venture
Dalian International Container Terminals Co., Ltd.	Joint venture
Qingdao Shenzhouxing International Freight Forwarding Co., Ltd.	Joint venture
COSCO Container Lines (Italy) Co., Ltd.	Joint venture
COSCO Shipping Lines (Israel) Co., Ltd.	Joint venture
COSCO-HIT Terminal (Hongkong) Limited	Joint venture
China Shipping Egypt Co., Ltd.	Joint venture
China Ocean Shipping Agency Haikou Co., Ltd.	Joint venture

Name of other Joint Ventures or Associated Enterprises	Relationship with the Company
CHIMBUSCO Pan Nation (Hongkong) Holdings Limited	Joint venture
Zhejiang Xinggang International Freight Forwarding Limited	Joint venture
Dalian United International Shipping Agency Co., Ltd.	Joint venture
Tianjin Port Euroasia International Container Terminal Co., Ltd.	Joint venture
Wenzhou Shipping Agency International Freight Limited	Joint venture
COSCO Jotun Marine Coatings (Qingdao) Co., Ltd.	Joint venture
COSCO Shipping Lines (Egypt) Co., Ltd.	Joint venture
COSCO VTG Tanktainer Co., Ltd.	Joint venture
COSCO SHIPPING Lines (Thailand) Limited	Joint venture
Dalian Jinmen Logistics Co., Ltd.	Joint venture
COSCO Jotun Marine Coatings (Hong Kong) Co. Ltd.	Joint venture
Shanghai Port United International Ocean Shipping Agency Ltd	Joint venture
China Ocean Shipping Agency Wenzhou Co., Ltd.	Joint venture
COSRACO LLC	Joint venture
Wallem Shipping (China) Ltd	Joint venture
COSCO SHIPPING Lines (Italy) Limited	Joint venture
Dalian Port Container Terminals Co., Ltd.	Associated enterprise
Shanghai Mingdong Container Terminals Limited	Associated enterprise
Donghwa Container Transportation Service Co., Ltd.	Associated enterprise
Penavico Tianjin Freight & Forwarding Co., Ltd.	Associated enterprise
China Ocean Shipping Agency Fuzhou Co., Ltd.	Associated enterprise
China Ocean Shipping Tally Shenzhen Co., Ltd.	Associated enterprise
PT. Ocean Global Shipping	Associated enterprise
APMT Zeebrugge Port Limited	Associated enterprise
Euromax Terminal Rotterdam B.V	Associated enterprise
COSCO (Xiamen) Container Storage Co., Ltd.	Associated enterprise
China Ocean Shipping Agency Zhuhai Co., Ltd.	Associated enterprise
Taizhou Xinggang International Container Storage & Transportation Limited	Associated enterprise
China Ocean Shipping Agency Xiamen Co., Ltd.	Associated enterprise
Shenzhen United International Ocean Shipping Agency Ltd	Associated enterprise
China Shipping (Bangkok) Co., Ltd.	Associated enterprise

4. Information of Other Related Parties

Name of Other Related Parties	Relationship with the Company
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Name of Other Related Parties	Relationship with the Company
COSCO SHIPPING Development Co., Ltd.	Under common control by the ultimate controlling party
China Ocean Shipping Agency Lianyungang Co., Ltd.	Under common control by the ultimate controlling party
COSCO SHIPPING Specialized Carriers Co., Ltd.	Under common control by the ultimate controlling party
COSCO SHIPPING (Korea) Limited	Under common control by the ultimate controlling party
China Ocean Shipping Agency Xiamen Co., Ltd.	Under common control by the ultimate controlling party
COSCO Logistics (Shanghai) Co., Ltd.	Under common control by the ultimate controlling party
China Ocean Shipping Agency (Shanghai) Co., Ltd.	Under common control by the ultimate controlling party
China Shipping (Malaysia) Agency Sdn. Bhd.	Under common control by the ultimate controlling party
China Ocean Shipping Agency Zhangjiagang Co., Ltd.	Under common control by the ultimate controlling party
COSCO SHIPPING Tanker (Shanghai) Co., Ltd.	Under common control by the ultimate controlling party
COSCO (H.K.) Shipping Co., Limited	Under common control by the ultimate controlling party
COSCO SHIPPING Agency (Tianjin) Co., Ltd.	Under common control by the ultimate controlling party
COSCO (France) Co., Ltd.	Under common control by the ultimate controlling party
Qingdao Ocean & Great Asia Logistics Co., Ltd	Under common control by the ultimate controlling party
COSCO SHIPPING Logistics (Qingdao) Co., Ltd.	Under common control by the ultimate controlling party
COSCO SHIPPING Agency (Qinghuangdao) Co., Ltd.	Under common control by the ultimate controlling party
COSCO SHIPPING Tanker (Dalian) Co., Ltd.	Under common control by the ultimate controlling party

Name of Other Related Parties	Relationship with the Company
COSCO Shipping Bulk Co., Ltd.	Under common control by the ultimate controlling party
COSCO SHIPPING Logistics (Changshu) Co., Ltd	Under common control by the ultimate controlling party
COSCO Shanghai ShipManagement Limited	Under common control by the ultimate controlling party
COSCO SHIPPING Logistics (Shenzhen) Co., Ltd.	Under common control by the ultimate controlling party
COSCO SHIPPING Logistics (Nantong) Co., Ltd.	Under common control by the ultimate controlling party
China Ocean Shipping Agency (Qingdao) Co., Ltd.	Under common control by the ultimate controlling party
China Ocean Shipping Agency (Yangzhou) Co., Ltd.	Under common control by the ultimate controlling party
China COSCO Bulk Shipping (Group) Co., Ltd.	Under common control by the ultimate controlling party
COSCO SHIPPING Logistics Co., Ltd.	Under common control by the ultimate controlling party
COSCO (UK) Ltd	Under common control by the ultimate controlling party
China Shipping Logistics (Hainan) Co., Ltd.	Under common control by the ultimate controlling party
COSCO (Romania) Co., Ltd.	Under common control by the ultimate controlling party
COSCO Logistics (Ningbo) Co., Ltd.	Under common control by the ultimate controlling party
China Shipping Agency Germany GmbH	Under common control by the ultimate controlling party
China Shipping (France) Agency S.A.S.	Under common control by the ultimate controlling party
China Shipping (Japan) Limited	Under common control by the ultimate controlling party
China Shipping (Argentina) Agency S.A.	Under common control by the ultimate controlling party

Name of Other Related Parties	Relationship with the Company
China Shipping (Korea) Limited	Under common control by the ultimate controlling party
China Shipping (Chile) Agency S.A.	Under common control by the ultimate controlling party
COSCO SHIPPING Agency (Shanghai) Limited	Under common control by the ultimate controlling party
COSCO SHIPPING Logistics (Guangzhou) Limited	Under common control by the ultimate controlling party
China Shipping (Brazil) Agency Limited	Under common control by the ultimate controlling party
China Shipping (Spain) Agency Co., Ltd.	Under common control by the ultimate controlling party
COSCO International Ship Trading Company Limited	Under common control by the ultimate controlling party
COSCO Petroleum Limited	Under common control by the ultimate controlling party
COSCO SHIPPING Logistics (Lianyungang) Co., Ltd.	Under common control by the ultimate controlling party
China Marine Bunker Guangzhou Co., Ltd.	Under common control by the ultimate controlling party
China Shipping Lines (Hongkong) Co., Ltd.	Under common control by the ultimate controlling party
China Shipping (S) Agencies Pte Ltd	Under common control by the ultimate controlling party
China Shipping Lines (Asia) Co., Ltd.	Under common control by the ultimate controlling party
China Shipping Egypt S.A.E.	Under common control by the ultimate controlling party
China Shipping North America Co., Inc	Under common control by the ultimate controlling party
COSCO (West Africa) Limited	Under common control by the ultimate controlling party
Xing Yuan (Singapore) Pte. Ltd.	Under common control by the ultimate controlling party

Name of Other Related Parties	Relationship with the Company
China Shipping (UK) Agency Co., Ltd.	Under common control by the ultimate controlling party
China Shipping (Singapore) Petroleum Pte. Ltd.	Under common control by the ultimate controlling party
Florens Container Holdings Limited	Under common control by the ultimate controlling party
Oriental International Asset Management Co., Ltd.	Under common control by the ultimate controlling party
Ocean & Air Cargo Services Pty Ltd	Under common control by the ultimate controlling party
COSCO Turkey Co., Ltd.	Under common control by the ultimate controlling party
Sea Trade International Inc.	Under common control by the ultimate controlling party
China Shipping (Canada) Agency Limited	Under common control by the ultimate controlling party
China Shipping (Panama) Agency Limited	Under common control by the ultimate controlling party
China Ocean Shipping Agency (Dalian) Limited	Under common control by the ultimate controlling party
China Shipping (Netherlands) Agency Limited	Under common control by the ultimate controlling party
China Shipping (Belgium) Agency Limited	Under common control by the ultimate controlling party
China Shipping & Sinopec Suppliers Co., Ltd.	Under common control by the ultimate controlling party
China Shipping & Sinopec Suppliers (Hongkong) Co., Ltd.	Under common control by the ultimate controlling party
COSCO (Europe) Co., Ltd.	Under common control by the ultimate controlling party
China Shipping (German) Agency Co., Ltd.	Under common control by the ultimate controlling party
COSCO SHIPPING Agency (Lianyungang) Limited	Under common control by the ultimate controlling party

Name of Other Related Parties	Relationship with the Company
Yuantong Marine Equipment Service Limited	Under common control by the ultimate controlling party
COSCO SHIPPING Technology Co., Ltd.	Under common control by the ultimate controlling party
COSCO Shipping Energy Transportation Co., Ltd.	Under common control by the ultimate controlling party
China Shipping (Manila) Agency Co., Ltd.	Under common control by the ultimate controlling party
COSCO (Myanmar) Limited	Under common control by the ultimate controlling party
Shin Chung Ling Corporation	Under common control by the ultimate controlling party
China Shipping Agency (Taicang) Co., Ltd.	Under common control by the ultimate controlling party
Double Rich Limited	Under common control by the ultimate controlling party
COSCO Bulk Carrier Co., Ltd.	Under common control by the ultimate controlling party
Hanyuan Technology Service Limited	Under common control by the ultimate controlling party
Xiamen Ocean Shipping Company	Under common control by the ultimate controlling party
China Shipping Logistics (Lianyungang) Limited	Under common control by the ultimate controlling party
China Shipping (Russia) Agency Limited	Under common control by the ultimate controlling party
China Shipping Regional Holdings Pte. Ltd. (Singapore)	Under common control by the ultimate controlling party
Piraeus Port Bureau Limited	Under common control by the ultimate controlling party
Florens Container (Macao Commercial Offshore) Limited	Under common control by the ultimate controlling party
Qingdao United International Shipping Agency Ltd	Under common control by the ultimate controlling party

Name of Other Related Parties	Relationship with the Company
COSCO SHIPPING Japan Co., Ltd	Under common control by the ultimate controlling party
China Ocean Shipping Agency Company Limited	Under common control by the ultimate controlling party
China SHIPPING (North America) Co., Ltd	Under common control by the ultimate controlling party
China Ocean Shipping Agency (Taicang) Co., Ltd.	Under common control by the ultimate controlling party
COSCO SHIPPING Logistics (Changshu) Co., Ltd.	Under common control by the ultimate controlling party
COSCO SHIPPING (UK) Co., Ltd.	Under common control by the ultimate controlling party
China Ocean Shipping Agency (Hongkong) Co., Ltd.	Under common control by the ultimate controlling party
Florens Asset Management Company Limited	Under common control by the ultimate controlling party
China United Tally (Dalian) Co., Ltd.	Under common control by the ultimate controlling party
China Shipping Xiamen Manning Service Limited	Under common control by the ultimate controlling party
COSCO SHIPPING Logistics Warehousing Distribution Co., Ltd.	Under common control by the ultimate controlling party
China Ocean Shipping Agency (Changzhou) Limited	Under common control by the ultimate controlling party
COSCO SHIPPING Agency (Qinghuangdao) Limited	Under common control by the ultimate controlling party
To-go Corporation	Under common control by the ultimate controlling party
China Ocean Shipping Agency (Ningbo) Limited	Under common control by the ultimate controlling party
China Ocean Shipping Agency (Zhanjiang) Limited	Under common control by the ultimate controlling party
China Ocean Yangshan (Shanghai) International Container Storage & Transportation Limited	Under common control by the ultimate controlling party

Name of Other Related Parties	Relationship with the Company
COSCO SHIPPING Air Freight Co., Ltd.	Under common control by the ultimate controlling party
China Ocean Shipping Agency (Fangcheng) Co., Ltd.	Under common control by the ultimate controlling party
China Ocean Shipping Agency (Nantong) Co., Ltd.	Under common control by the ultimate controlling party
China Ocean Shipping Agency (Taizhou) Co., Ltd.	Under common control by the ultimate controlling party
China Ocean Shipping Agency (Zhenjiang) Co., Ltd.	Under common control by the ultimate controlling party
China Ocean Shipping Agency (Maoming) Co., Ltd.	Under common control by the ultimate controlling party
China Shipping (Belgium) Agency Limited	Under common control by the ultimate controlling party
COSCO SHIPPING Logistics (North America) Limited	Under common control by the ultimate controlling party
COSCO SHIPPING Logistics (Nantong) Co., Ltd.	Under common control by the ultimate controlling party
COSCO SHIPPING Logistics (Dalian) Co., Ltd.	Under common control by the ultimate controlling party
COSCO SHIPPING Logistics (Shanghai) Co., Ltd.	Under common control by the ultimate controlling party
COSCO SHIPPING Logistics (Zhanjiang) Co., Ltd.	Under common control by the ultimate controlling party
COSCO SHIPPING Logistics (Ningbo) Co., Ltd.	Under common control by the ultimate controlling party
Ningbo Penavico-CCL International Freight Forwarding Co., Ltd.	Under common control by the ultimate controlling party
Ningbo Penavico Xinyang Shipping Co., Ltd.	Under common control by the ultimate controlling party
Pacific Terminal Company	Under common control by the ultimate controlling party
COSCO SHIPPING Logistics (Xiamen) Co., Ltd.	Under common control by the ultimate controlling party

Name of Other Related Parties	Relationship with the Company
COSCO SHIPPING Logistics (Chengdu) Co., Ltd.	Under common control by the ultimate controlling party
COSCO SHIPPING Logistics (Nanjing) Co., Ltd.	Under common control by the ultimate controlling party
China COSCO Shipping Company Limited (Taiwan 0)	Under common control by the ultimate controlling party
COSCO (Qingdao) Ship Supply Company Limited	Under common control by the ultimate controlling party
COSCO SHIPPING Crystal Logistics (UK) Company Limited	Under common control by the ultimate controlling party
COSCO Logistics Europ GmbH	Under common control by the ultimate controlling party
COSCO (Guangzhou) Ship Supply Co., Ltd.	Under common control by the ultimate controlling party
COSCO SHIPPING Logistics (Zhenjiang) Co., Ltd.	Under common control by the ultimate controlling party
COSCO SHIPPING Logistics (Qingdao) Co., Ltd.	Under common control by the ultimate controlling party
COSCO (Shanghai) International Container Storage and Transportation Limited	Under common control by the ultimate controlling party
COSCO SHIPPING Agency (Shenzhen) Co., Ltd.	Under common control by the ultimate controlling party
COSCO Logistics Suzhou Co., Ltd.	Under common control by the ultimate controlling party
COSCO Logistics Shantou Co., Ltd.	Under common control by the ultimate controlling party
COSCO Logistics (Qingdao) International Multimodal Transport Limited	Under common control by the ultimate controlling party
CSCL Global Goods Shipping Limited	Under common control by the ultimate controlling party
COSCO Heavy Industries (Nantong) Co., Ltd.	Under common control by the ultimate controlling party
COSCO SHIPPING Logistics (Guangzhou) Co., Ltd.	Under common control by the ultimate controlling party

Name of Other Related Parties	Relationship with the Company
COSCO SHIPPING Air Freight Forwarding Agency Limited	Under common control by the ultimate controlling party
COSCO SHIPPING Logistics (Shenzhen) Co., Ltd.	Under common control by the ultimate controlling party
COSCO West Asia Fze	Under common control by the ultimate controlling party
COSCO SHIPPING Logistics (Beijing) Co., Ltd.	Under common control by the ultimate controlling party
COSCO Shipyard Engineering Service (Dalian) Co., Ltd.	Under common control by the ultimate controlling party
COSCO Zhoushan Shipyard Co., Ltd.	Under common control by the ultimate controlling party
China Shipping Agency (Malaysia) Co., Ltd.	Under common control by the ultimate controlling party
China Shipping Agency (Australia) Co., Ltd.	Under common control by the ultimate controlling party
China Shipping Logistics (North China) Co., Ltd.	Under common control by the ultimate controlling party
COSCO SHIPPING Airfreight Forwarding Agency (Guangzhou) Co., Ltd.	Under common control by the ultimate controlling party
COSCO (Qidong) Offshore Co., Ltd.	Under common control by the ultimate controlling party
COSCO SHIPPING Air Freight Forwarding Agency (Qingdao) Co., Ltd.	Under common control by the ultimate controlling party
China Shipping Agency (Egypt) Co., Ltd.	Under common control by the ultimate controlling party
Shanghai Asia-Pacific International Container Storage and Transportation Co., Ltd.	Under common control by the ultimate controlling party
COSCO Logistics Maoming Co., Ltd.	Under common control by the ultimate controlling party
COSCO (Guangdong) Shipyard Co., Ltd.	Under common control by the ultimate controlling party
COSCO Logistics Distribution (Shanghai) Limited	Under common control by the ultimate controlling party

Name of Other Related Parties	Relationship with the Company
China Shipping Agency (Germany) Co., Ltd.	Under common control by the ultimate controlling party
China Shipping Agency (Netherlands) Co., Ltd.	Under common control by the ultimate controlling party
China Ocean Shipping Agency (Shantou) Co., Ltd.	Under common control by the ultimate controlling party
China Shipping Agency (Singapore) Co., Ltd.	Under common control by the ultimate controlling party
China Shipping Agency (India) Co., Ltd.	Under common control by the ultimate controlling party
Dong Fang International Container (Hong Kong) Co., Ltd.	Under common control by the ultimate controlling party
China Shipping Agency (Vietnam) Co., Ltd.	Under common control by the ultimate controlling party
Rich Shipping (Shenzhen) Co., Ltd.	Under common control by the ultimate controlling party
Costar Shipping Pte Ltd.	Under common control by the ultimate controlling party
CSCL Global Shipping Co., Ltd.	Under common control by the ultimate controlling party
COSCO Manning Cooperation Inc.	Under common control by the ultimate controlling party
China Ocean Shipping Agency Shanghai Co., Ltd., Pudong Branch	Under common control by the ultimate controlling party
Cosharbor Logistics (Lianyungang) Co., Ltd.	Under common control by the ultimate controlling party
Shanghai Ocean Hotel Co., Ltd.	Under common control by the ultimate controlling party
COSCO SHIPPING South East Asia Co., Ltd.	Under common control by the ultimate controlling party
CSCL Midwest Logistics Limited	Under common control by the ultimate controlling party
COSCO SHIPPING Financial Holdings Co., Limited	Under common control by the ultimate controlling party

Name of Other Related Parties	Relationship with the Company
China Standard Inspection Co., Ltd.	Under common control by the ultimate controlling party
Qingdao Ocean & Great Asia Bonded Logistics Co., Ltd.	Under common control by the ultimate controlling party
China Ocean Shipping Agency (Guangzhou) Co., Ltd.	Under common control by the ultimate controlling party
Oceania Containers Service Co., Ltd.	Under common control by the ultimate controlling party
Maersk Line Ltd	Other Related Parties
MCC Transport Singapore Pte Ltd	Other Related Parties
Egypt Domini COSCODOM	Other Related Parties
Maersk (China) Line Ltd Shanghai Branch	Other Related Parties
PT Ocean Global Shipping	Other Related Parties
Guangzhou Port Group Co., Ltd.	Other Related Parties
Yangzhou Modern Logistics Center	Other Related Parties
Lianyungang Electronic Port Information Development Co., Ltd.	Other Related Parties
Guangzhou Ocean Shipping Tally Co., Ltd.	Other Related Parties
APM Terminal Invest Company Limited	Other Related Parties
Guangzhou Port Company Limited	Other Related Parties
Zhangjiagang Port Group Co., Ltd.	Other Related Parties
Guangzhou Port Group Logistics Co., Ltd.	Other Related Parties
Guangzhou Port Group Shipping Co., Ltd.	Other Related Parties
Guangzhou Port Group Passenger Service Co., Ltd.	Other Related Parties
Fujian Jinjiang Industry Development Investment Group Limited	Other Related Parties
Jiangsu Lianyungang Port Limited	Other Related Parties
CSCL Egypt Company	Other Related Parties
COSCO Lanka (Pvt) Ltd.	Other Related Parties
China Shipping Agency (UAE) Co., Ltd.	Other Related Parties
Tianjin Penavico Freight & Forwarding Co., Ltd.	Other Related Parties
China Shipping (Bangkok) Agency Co., Ltd.	Other Related Parties
COSCO (Bangladesh) Shipping Co., Ltd.	Other Related Parties
COSCO Bangladesh Company	Other Related Parties
COSRACO LLC	Other Related Parties
China Ocean Shipping Agency (Yantai)	Other Related Parties
CSCL Shenhua Shipping Co., Ltd.	Other Related Parties

Name of Other Related Parties	Relationship with the Company
Jotun COSCO Marine Coatings (Hong Kong) Co. Ltd.	Other Related Parties
COSCO Cosfim Company	Other Related Parties
COSCO Domeni Agency Co., Ltd.	Other Related Parties
China Ocean Shipping Tally Co., Ltd. Jinzhou	Other Related Parties
COSCO Itally Company	Other Related Parties
COSCO Buhari Company	Other Related Parties
ADVANCE CONTAINER LINES PTE LTD	Other Related Parties
Singamas Container Holdings Limited	Other Related Parties
MARIANA EXPRESS LINE PTE LTD CARE OF TMS SHIP AGENCIES INC	Other Related Parties
MARIANA EXPRESS LINES PTE LTD	Other Related Parties
Pacific International Lines (Private) Limited	Other Related Parties
SSA Terminals (Seattle) LLC	Other Related Parties
Xiamen United International Shipping Agency Co., Ltd.	Other Related Parties
Xiamen Xinhaihang Freight Forwarding Agency Co., Ltd.	Other Related Parties
Shanghai Chipol International Logistics Co.,Ltd.	Other Related Parties
ENG KONG CONTAINER AGENCIES PTE LTD	Other Related Parties
Xiamen Xinhaihang Freight Forwarding Agency Co., Ltd.	Other Related Parties
Chinese Maritime Transport Ltd.	Other Related Parties
Associated International Inc.	Other Related Parties
Island Navigation Corporation International Limited	Other Related Parties
Yuensung Investment Company Limited	Other Related Parties

5. Information of Transaction among Related Parties

(1) Information of Regular Related Party Transaction

(i) Related Transaction of Sales of Commodities, Rendering and Receiving of Labor Services

Statement of Purchase of Commodities and Receiving of Labor Services

Items	Current Period	Previous Period
Container vessel leasing expenses	4,400,453,454.73	7,129,008,516.94
Comprehensive service expenses	44,395,222.37	96,206,052.77
Vessel service expenses	5,877,855,226.24	4,632,824,416.16
Property leasing expenditures	82,512,664.36	290,194,117.61
Crew hire charges	312,461.62	3,097,973.96

Items	Current Period	Previous Period
Container service expenses	43,706,422.56	100,784,704.86
Port charges	1,504,766,495.71	2,844,616,719.93
Freight service expenses	460,264,486.99	1,142,752,530.55
Dry bulk vessels leasing expenses		4,304,278.00
Expenditure on trademark royalty		1.00

Condition of Sales of Commodities and Rendering of Labor Services

Items	Current Period	Previous Period
Income from comprehensive services	14,032,479.73	39,715,219.88
Income from vessel services	58,111,376.25	31,202,701.45
Income from property lease	6,088,323.42	18,364,093.23
Income from crew leasing	64,906,296.10	73,267,213.73
Income from container services	2,750.93	
Income from freight service	475,959,320.27	1,540,320,104.94
Income from leasing dry bulk vessels		5,856,827.33

(ii) Financial services transactions

A. Deposits and Interest Revenue

Items	Current Period	Previous Period
Amounts deposited in COSCO Finance Co., Ltd. at the end of the reporting period.	4,897,553,799.68	6,863,183,481.29
Interest revenue of the amounts deposited in COSCO Finance Co., Ltd.	21,372,494.50	76,778,699.02
Amounts deposited in China Shipping Finance Co., Ltd. at the end of the reporting period.	30,156,712.24	111,252,049.89
Interest revenue of the amounts deposited in China Shipping Finance Co., Ltd.	68,401.61	2,420,786.88

B. Loans and Interest Expenditures

Items	Current Period	Previous Period
Closing Balance of loan released by COSCO Finance	2,156,807,262.89	930,807,262.89

Items	Current Period	Previous Period
Co., Ltd. to the Company.		
Interest on borrowings paid to COSCO Finance Co., Ltd.	23,304,086.83	49,796,310.95
Closing Balance of loan released by China Shipping Finance Co., Ltd. to the Company	89,800,000.00	98,400,000.00
Interest on borrowings paid to China Shipping Finance Co., Ltd.	1,848,774.00	4,286,973.75

(iii) Other Related Party Transactions

Items	Current Period	Previous period
Revenue from the services that COSCO SHIPPING Ports Limited rendered for COSCO-HIT Terminal	HKD10,000,000.00	HKD 20,000,000.00
Revenue from the shipping-associated services that COSCO SHIPPING Ports Limited rendered for related parties	194,322,520.99	412,611,093.12
Cost of port-related services that the related parties rendered for COSCO SHIPPING Ports Limited	31,321,151.46	79,287,204.63
Income from entrusted management that the Company provided for COSCO Group		4,576,873.00

(2) Information of Major Incidental Related Party Transaction

(i) Ship Building

On September 9, 2015, a single ship company affiliated to COSCO Assets Management Limited (hereinafter referred to as “single ship company”) signed an agreement with Nantong COSCO KHI Ship Engineering Co., Ltd. (hereinafter referred to as “NACKS”), where the single ship company entrusted NACKS to build four 19,000TEU vessels, with the total ship prices agreed being USD541,200,000.00. In the current period, the single ship company totally paid USD40,590,000 of progress payment for ship building as mentioned above. The single ship company signed an agreement with Dalian COSCO KHI Ship Engineering Co., Ltd. (hereinafter referred to as DACKS), where the single ship company entrusted DACKS to build two 19,000TEU vessels, with the total ship prices agreed being USD270,600,000.00. In the current period, the single ship company totally paid USD13,530,000 of progress payment for ship building as mentioned above.

(ii) Transactions Related Ships under Construction

A. On October 30, 2015, Oriental Fleet International Co., Ltd. (hereinafter referred to as “Oriental Fleet”), which was a subsidiary of COSCO SHIPPING Development Co., Ltd.

(hereinafter referred to as “COSCO SD), signed six copies of Contract for Construction of 21000TEU Container Vessel (hereinafter collectively known as “21000TEU Shipbuilding Contract”) with China Shipbuilding Trading Company Limited (hereinafter referred to as “CSTC”) and Shanghai Waigaoqiao Shipbuilding Company Limited (Hereinafter referred to as “SWS”), which agreed that SWS shall build six 21000TEU container vessels for Oriental Fleet. COSCO (Cayman) Mercury Co., Ltd. (hereinafter referred to as “COSCO Mercury”), a subsidiary of the Company, purchased the six 21000TEU container vessels under construction by way of contract transfer (hereinafter referred to as “21000TEU vessel transaction”).

On May 4, 2017, COSCO Mercury (the new buyer) signed an Update Agreement with Oriental Fleet (the former buyer), CSTC and SWS (jointly being the seller) on the transfer of 21000TEU Shipbuilding Contract. Wherein, it was agreed that Oriental Fleet shall transfer all rights, interests, responsibilities and debts under 21000TEU Shipbuilding Contract to COSCO Mercury and change the subject of the contract as COSCO Mercury. CSTC and SWS agreed on the above updates. On the same day, COSCO Mercury (the new buyer) signed a Memorandum of Agreement with Oriental Fleet (the former buyer) on the transfer of 21000TEU Shipbuilding Contract. Wherein, it was agreed that Oriental Fleet shall transfer the buyer’s rights and obligations under 21000TEU Shipbuilding Contract to COSCO Mercury. In accordance with the calculation method agreed in the Memorandum of Agreement, the total transaction price of 21000TEU vessels was expected to be USD840,220,000, including USD84,351,064.74 payable to Oriental Fleet, which has been paid off in the current period.

B. On July 29, 2015, COSCO Shipping Development (Hong Kong) Co., Limited (hereinafter referred to as “COSCO SD Hong Kong”), which was affiliated to COSCO SD, signed eight copies of Contract for Construction of 13500TEU Container Vessels (hereinafter referred to as “13500TEU Shipbuilding Contract”) with CSTC and Shanghai Jiangnan Changxing Shipbuilding Company Limited. (hereinafter referred to as Jiangnan Shipbuilding), wherein, it was agreed that Jiangnan Shipbuilding shall build eight 13500TEU container vessels for COSCO SD Hong Kong. COSCO Mercury, a subsidiary of the Company, planned to purchase the eight 13500TEU container vessels under construction by way of contract transfer (hereinafter referred to as “13500TEU vessel transaction”).

On May 4, 2017, COSCO Mercury (the new buyer) signed an Agreement on Change of Buyer under 13500TEU Shipbuilding Contract (hereinafter referred to as “Amendment to the Contract”) with COSCO SD Hong Kong (the former buyer), CSTC and Jiangnan

Shipbuilding (jointly being the seller) on the transfer of 13500TEU Shipbuilding Contract. Wherein, it was agreed that COSCO SD Hong Kong shall transfer all rights, interests, responsibilities and debts under 13500TEU Shipbuilding Contract to COSCO Mercury, and COSCO Mercury agreed to accept such summarized transfer. CSTC and Jiangnan Shipbuilding agreed on the summarized transfer of the rights and obligations under the shipbuilding contract mentioned above. On the same day, COSCO Mercury signed a Transfer Agreement (hereinafter referred to as Transfer Agreement) with COSCO SD Hong Kong on the transfer of 13500TEU Shipbuilding Contract. Wherein, it was agreed that COSCO SD Hong Kong shall transfer the buyer's rights and obligations under 13500TEU Shipbuilding Contract to COSCO Mercury. In accordance with the calculation method agreed in the Transfer Agreement, the total transaction price of 13500TEU vessels was expected to be USD939,026,200, including USD109,799,413.03 payable to COSCO SD Hong Kong, which has been paid off in the current period.

(iii) Equity Transaction

A. On December 11, 2015, upon to the approval of the 21st meeting of the fourth session of the Board of Directors of COSCO, the Company signed the Agreement on Transfer of 100% Equity of COSCO Bulk Carrier (Group) Co., Ltd. with COSCO Group.

B. On December 11, 2015, upon to the approval of the 21st meeting of the fourth session of the Board of Directors of COSCO, COSCO SHIPPING Ports Limited, a subsidiary of the Company, signed the Agreement on Purchase and Selling of 5,679,542,724 Shares of China Shipping Ports Development Co., Ltd. with China Shipping (Hong Kong) Holdings Co., Ltd. and COSCO SHIPPING Development Co., Ltd. (former known as "China Shipping Container Lines Company Limited", hereinafter referred to as "COSCO SD").

C. On December 11, 2015, upon to the approval of the 21st meeting of the fourth session of the Board of Directors of COSCO, COSCO SHIPPING Ports Limited, a subsidiary of the Company, signed the Agreement with China Shipping Container Lines (Hong Kong) Co., Ltd. on Selling and Purchase of all Issued Shares of Florens Container Holdings Limited.

D. On December 11, 2015, subject to the approval of the 21st meeting of the fourth session of the Board of Directors of COSCO, COSCO Container Lines, a subsidiary of the Company, and its subsidiaries purchased the equities of 33 companies from COSCO SD.

E. On November 4, 2016, COSCO Chemical Logistics Company Limited, a subsidiary of COSCO Group, signed an *Equity Transfer Agreement* with Wuhuan COSCO Logistics Company Limited, a subsidiary of the Company, in Shanghai, where it was agreed that

Wuhan COSCO Logistics Company Limited shall transfer 100% of the equity of Chongqing COSCO Chemical Logistics Company Limited held by it to COSCO Chemical Logistics Company Limited.

F. COSCO Container Lines Europe GmbH (hereinafter referred to as “COSCO Container Lines Europe”), a subsidiary of the Company, purchased 75% of the equity of China Shipping Agency (Turkey) Co., Ltd., which was held by China Shipping (Europe) Holdings GmbH (hereinafter referred to as China Shipping Europe), a subsidiary of China COSCO SHIPPING Corporation Limited (hereinafter referred to as COSCO SHIPPING Group).

New Golden Sea Shipping Pte. Ltd. (former known as “COSCO Container Lines South East Asia Pte. Ltd.”, hereinafter referred to as “New Golden Sea”), a subsidiary of the Company, purchased 50% of the equity of COSCO Saeed Karachi (Private) Limited, which was held by COSCO Singapore Pte Ltd., a subsidiary of COSCO SHIPPING Group.

New Golden Sea purchased 60% of the equity of China Shipping (Myanmar) Company Limited, which was held by China Shipping Regional Holdings Pte. Ltd. (Singapore) (hereinafter referred to as “China Shipping Regional”), a subsidiary of COSCO SHIPPING Group.

G. COSCO Container Lines Europe signed an *Equity Transfer Agreement* with COSCO Europe GmbH (hereinafter referred to as “COSCO Europe”), a subsidiary of COSCO SHIPPING Group. Wherein, it was agreed that COSCO Container Lines Europe purchased 70% of the equity of COSCO Greece S.A., which was held by COSCO Europe.

COSCO Container Lines Europe signed an *Equity Transfer Agreement* with COSCO Europe. Wherein, it was agreed that COSCO Shipping Lines Europe purchased 90% of the equity of COSCO SHIPPING Lines (Ukraine) Co., Ltd., which was held by COSCO Europe.

COSCO Container Lines Europe signed an *Equity Transfer Agreement* with China Shipping Europe. Wherein, it was agreed that COSCO Container Lines Europe purchased 49% of the equity of China Shipping Egypt S.A.E, which was held by China Shipping Europe.

New Golden Sea signed an *Equity Transfer Agreement* with COSCO Holdings Singapore Pte. Ltd. (hereinafter referred to as “COSCO Singapore”), a subsidiary of COSCO SHIPPING Group. Wherein, it was agreed that New Golden Sea purchased 60% of the equity of COSCO India Co., Ltd., which was held by COSCO Singapore.

COSCO Container Lines Europe signed an *Equity Transfer Agreement* with COSCO Europe. Wherein, it was agreed that COSCO Container Lines Europe purchased 75% of the

equity of Penta Holding A/S, which was held by COSCO Europe.

H. COSCO Container Lines Europe and COSCO Belgium N.V (hereinafter referred to as “COSCO Belgium”) respectively purchased 90% and 10% of the equity of China Shipping (Romania) Agency Co. Ltd. SRL, which was held by China Shipping (Europe) Holding GmbH and Hafencity Immobile Sandorkai 60 Verwaltung GmbH.

COSCO Container Lines Europe purchased 50% of the equity of COSCO Poland Sp. Z o.o., which was held by COSCO Europe.

COSCO Container Lines Europe and COSCO Belgium respectively purchased 99% and 1% of the equity of COSCO Russia, which was held by COSCO Europe and its subsidiary Newman Shipping & Agency Co N.V..

COSCO Container Lines purchased 100% of the equity of Cosren Shipping Agency (Pty) Ltd (hereinafter referred to as “Cosren Agency”), which was held by COSCO Africa (Pty) Ltd, a subsidiary of COSCO SHIPPING Group. After completion of this transaction, the Company purchased 60% of the equity of China Shipping (Nigeria) Agency Ltd. (hereinafter referred to as “Nigeria Agency”), which was held by China Shipping (Africa) Holdings Pte. Ltd., a subsidiary of COSCO SHIPPING Group, and 10% of the equity of Nigeria Agency, which was held by an independent third party Comet Shipping Agencies Nigeria Ltd., through Cosren Agency.

COSCO Container Lines purchased 49% of the equity of Golden Sea Shipping Pte. Ltd., which was held by China Shipping Regional Holdings Pte. Ltd. (Singapore) , a subsidiary of COSCO SHIPPING Group.

New Golden Sea purchased 40% of the equity of COSCO Lanka (Pvt) Ltd., which was held by COSCO Singapore.

New Golden Sea purchased 100% of the equity of COSCO Cambodia Pte. Ltd., which was held by COSCO Singapore.

COSCO Container Lines Americas, Inc. and COSCO Agencies (Los Angeles) Agency Inc., subsidiaries of the Company, respectively purchased 99.90% and 0.10% of the equity of China Shipping México, S. de R.L. de C.V., which was held by China Shipping (North America) Holding Company Limited and China Shipping (North America) Agency Co., Inc., subsidiaries of COSCO SHIPPING Group, respectively.

For the above-mentioned equity transactions, relevant payments of equity transfer have been paid and received, and equity delivery has been accomplished in 2016.

(3) Condition of Related Guarantee

(i) Guarantee that the Company provided for its subsidiaries

The guaranteed	Guaranteed Amount	End Date of Guaranteeing
COSCO Finance (2011) Limited	7,837,074,000.00	2022-12-03
COSCO SHIPPING Lines Co., Ltd.	1,354,880,000.00	2018-04-14
Total	9,191,954,000.00	

(ii) Guarantee among Subsidiaries

Guarantor	The guaranteed	Guaranteed amount	End date of guaranteeing
COSCO SHIPPING Ports Limited	COSCO Pacific Finance (2013) Company Limited	2,032,320,000.00	2023-01-31
China COSCO (Hongkong) Company Limited	COSCO (Cayman) Mercury Co., Ltd	338,720,000.00	2018-06-01
China COSCO (Hongkong) Company Limited	COSCO (Cayman) Mercury Co., Ltd	338,720,000.00	2018-06-01
China COSCO (Hongkong) Company Limited	COSCO (Cayman) Mercury Co., Ltd	677,440,000.00	2018-06-01
Total		3,387,200,000.00	

(iii) Guarantee that Subsidiaries Provided for Joint Ventures

Guarantor	The Guaranteed	Guaranteed amount	End date of Guaranteeing
China Shipping Terminal Development Co., Ltd.	Guangxi Qinzhou International Container Terminal Co., Ltd.	16,000,000.00	8/16/2017
China Shipping Terminal Development Co., Ltd.	Guangxi Qinzhou International Container Terminal Co., Ltd.	44,000,000.00	5/26/2024
China Shipping Terminal Development Co., Ltd.	Guangxi Qinzhou International Container Terminal Co., Ltd.	3,482,000.00	5/26/2024
China Shipping Terminal Development Co., Ltd.	Guangxi Qinzhou International Container Terminal Co., Ltd.	8,000,000.00	1/21/2018
China Shipping Terminal Development Co., Ltd.	Guangxi Qinzhou International Container Terminal Co., Ltd.	8,000,000.00	1/21/2018
Total		79,482,000.00	

6. Receivable and Payables of Related Parties

(1) Receivable Items

Items	Closing Amount		Opening Balance	
	Book Balance	Bad Debt Provision	Book Balance	Bad Debt Provision
Receivables:				

Items	Closing Amount		Opening Balance	
	Book Balance	Bad Debt Provision	Book Balance	Bad Debt Provision
COSCO SHIPPING Development Co., Ltd.	293,861,750.94		297,592,414.54	
Maersk Line Ltd	39,071,115.80		34,650,536.27	
COSRACO LLC	33,651,197.23		28,006,189.28	
CSCL Egypt Company	20,983,819.49		8,693,737.84	
China Ocean Shipping Agency Lianyungang Co., Ltd.	18,308,226.24		9,572,139.52	
COSCO SHIPPING Specialized Carriers Co., Ltd.	14,839,295.80		22,493,336.34	
COSCO SHIPPING Lines (Israel) Co., Ltd.	14,825,115.12			
COSCO SHIPPING (Korea) Co., Ltd.	13,884,169.31		15,290,610.74	
China Ocean Shipping Agency Xiamen Co., Ltd.	9,486,159.29			
COSCO Logistics (Shanghai) Co., Ltd.	8,871,828.22		7,459,441.68	
China Ocean Shipping Agency (Yantai) Co., Ltd.	8,573,464.27		6,988,344.97	
China Ocean Shipping Agency (Shanghai) Co., Ltd.	6,695,910.94			
China Shipping (Malaysia) Agency Co., Ltd.	6,043,935.95		2,121,771.84	
China Ocean Shipping Agency Zhangjiagang Co., Ltd.	5,473,019.73		5,003,445.60	
COSCO Shipping Tanker (Shanghai) Co., Ltd.	4,808,307.37		1,697,278.19	
COSCO (H.K.) Shipping Co., Limited	4,524,226.90		1,900,410.03	
OOCL (Egypt) Shipping Agency S.A.E	3,873,834.21		2,516,900.86	
COSCO Lanka (Pvt) Ltd.	3,418,173.52		470,697.52	
COSCO SHIPPING Agency (Tianjin) Co., Ltd.	3,218,094.13		2,810,692.46	
COSCO (France) Co., ltd.	3,153,438.79		1,879,698.12	
Qingdao Ocean & Great Asia Logistics Co.,	2,981,437.11		1,044,677.86	

Items	Closing Amount		Opening Balance	
	Book Balance	Bad Debt Provision	Book Balance	Bad Debt Provision
Ltd.				
China COSCO Shipping Company Limited (Taiwan)	2,941,939.28		1,211,673.30	
COSCO SHIPPING Logistics (Qingdao) Co., Ltd.	2,805,760.68		1,454,538.04	
China Ocean Shipping Agency Fuzhou Co., Ltd.	2,773,132.07		2,811,355.63	
CSCL Shenhua Shipping Co., Ltd.	2,525,866.00		2,991,428.50	
MCC Transport Singapore Pte Ltd	2,344,693.66		1,289,266.33	
Taizhou Xingang International Container Storage & Transportation Co., Ltd.	1,898,393.91		2,818,280.01	
COSCO Shipping Agency (Qinghuangdao) Co., Ltd.	1,896,755.46		1,026,850.73	
Egypt Domini COSCODOM	1,831,371.31		1,920,504.90	
COSCO Shipping Tanker (Dalian) Co., Ltd.	1,503,780.65			
COSCO Shipping Bulk Co., Ltd.	1,387,211.99		2,589,499.54	
COSCO Shipping Logistics (Changshu)	1,337,597.09		2,752,617.92	
Jotun COSCO Marine Coatings (Hong Kong) Co. Ltd.	1,153,130.42		534,877.75	
Maersk (China) Line Ltd Shanghai Branch	1,059,040.00		630,360.00	
Shanghai Ocean Shipping Management Co., Ltd.	1,025,987.82		1,269,770.41	
Subtotal of other companies	20,812,636.70		102,841,408.36	
Total	567,843,817.40		576,334,755.08	
Advanced payment				
COSCO International Ship Trading Company Limited	119,630,000.00			
COSCO Petroleum Co., Ltd.	77,905,600.00		142,214,473.93	
Dalian International Container Terminals Co., Ltd.	44,737,304.00		16,165,396.00	

Items	Closing Amount		Opening Balance	
	Book Balance	Bad Debt Provision	Book Balance	Bad Debt Provision
Piraeus Port Bureau Ltd.	16,681,163.32		15,423,769.74	
COSCO SHIPPING Logistics (Lianyungang) Co., Ltd.	1,190,000.00			
COSCO SHIPPING Agency (Qinghuangdao) Co., Ltd.	1,000,000.00			
Subtotal of other companies	697,441.86		68,865,151.57	
Total	261,841,509.18		242,668,791.24	
Other Receivables				
China Shipping Lines (Asia) Co., Ltd.	120,209,856.22			
China Shipping Egypt S.A.E.	103,105,186.52		333,347,393.02	
China SHIPPING North America Inc.	54,082,654.62		117,955,453.03	
COSRACO LLC	47,507,345.54		38,969,932.80	
COSCO SHIPPING Lines (Israel) Co., Ltd.	40,998,867.92			
COSCO Container Lines (Italy) Co., Ltd.	38,606,068.14			
Yuantai Shipping Co., Ltd.	30,791,791.66		37,259,400.99	
COSCO Cosfim Company	18,733,484.01		32,304,044.21	
COSCO Shipping Lines (Hongkong) Co., Ltd.	9,595,455.21		126,970,142.46	
PT Ocean Global Shipping	8,953,712.76		19,218,597.55	
China Shipping Agency (UAE) Co., Ltd.	3,086,980.91		20,553,439.63	
COSCO Domeni Agency Co., Ltd.			20,032,468.00	
COSCO (France) Co., Ltd.			34,227,051.11	
COSCO (West Africa) Co., Ltd.			23,308,129.54	
Xing Yuan (Singapore) Pte Ltd			4,730,348.80	
China Shipping (UK) Agency Co., Ltd.			11,049,644.76	
China Shipping Egypt Co., Ltd.			9,413,187.34	
Subtotal of other companies	1,335,398.12		57,344,697.62	
Total	477,006,801.63		886,683,930.86	

(1) Payable Items

Items	Closing Balance	Opening Balance
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Items	Closing Balance	Opening Balance
Payables		
COSCO Petroleum Co., Ltd.	387,017,596.68	534,526,117.56
China Shipping (Singapore) Petroleum Pte Ltd.	269,189,859.12	522,901,236.89
COSCO SHIPPING Energy Transportation Co., Ltd.	144,067,246.81	2,968,736.97
Florens Container Holdings Limited	141,424,700.80	78,461,600.36
Dalian International Container Terminals Co., Ltd.	75,599,064.60	76,113,440.28
Double Rich Limited	68,058,964.54	971,766.18
COSCO-PSA Terminal Private Limited	62,098,228.99	56,305,391.53
COSCO International Ship Trading Company Limited	60,231,967.58	
COSCO-HIT Terminal (Hong Kong) Limited	44,504,548.51	15,665,806.20
Chimbusco Pan Nation (Hongkong) Holdings Limited	39,857,528.64	10,554,016.45
China Shipping Lines (Asia) Co., Ltd.	38,826,633.30	64,266,773.54
Oriental International Asset Management Co., Ltd.	33,639,989.20	33,239,197.61
SSA Terminals (Seattle) LLC	22,802,881.59	
Dalian Port Container Terminals Co., Ltd.	19,453,004.29	18,206,048.94
COSCO SHIPPING Development Co., Ltd.	17,037,891.02	306,949,260.83
Sea Trade International Inc.	16,685,063.69	13,038,612.19
China Shipping Lines (Hongkong) Co., Ltd.	14,502,832.87	119,981,107.49
Xing Yuan (Singapore) Pte Ltd	9,825,398.26	2,198,102.62
Xiamen United International Shipping Agency Co., Ltd.	9,155,993.23	
China Shipping & Sinopec Suppliers Co., Ltd.	9,026,775.80	5,258,842.93
Zhangjiagang Port Group Co., Ltd.	8,509,942.02	
Guangzhou Port Company Limited	8,333,334.00	28,345.00
China Shipping (Korea) Co., Ltd.	5,910,972.11	11,908,151.35
Guangzhou Port Nansha Port Co., Ltd.	5,786,466.00	
Tianjin Penavico Freight & Forwarding Co., Ltd.	5,730,486.91	6,364,160.64
China Shipping North America Inc.	4,596,150.09	125,227,040.53
China Ocean Shipping Agency (Dalian) Co., Ltd.	4,591,615.50	9,467,277.34
Ningbo Yuan Dong Terminals Ltd.	4,335,027.14	

Items	Closing Balance	Opening Balance
Qingdao Orient International Container Storage and Transportation Co., Ltd.	3,651,258.44	5,155,861.90
China Shipping (UK) Agency Co., Ltd.	3,323,501.25	23,388,635.50
Lianyungang Electronic Port Information Development Co., Ltd.	3,090,000.00	3,940,000.00
COSCO SHIPPING Agency (Shanghai) Co., Ltd.	3,055,605.33	32,085.88
COSCO SHIPPING Specialized Carriers Co., Ltd.	2,861,397.01	6,712,913.66
China Ocean Shipping Agency (Ningbo) Co., Ltd.	2,601,321.16	
Guangzhou Port Group Co., Ltd.	2,377,453.35	9,187,943.95
Yuantong Marine Equipment Service Co., Ltd.	2,309,234.80	3,634,828.57
COSCO Bulk Carrier Co., Ltd.	2,253,357.34	702,119.80
China Ocean Shipping Agency (Shanghai) Co., Ltd.	2,166,265.56	6,722,150.92
COSCO Turkey Ship Trading Company Limited	2,148,954.52	13,581,810.33
Hanyuan Technology Service Co., Ltd.	2,148,832.97	197,444.29
Shanghai Mingdong Container Terminals Limited	2,109,053.90	
Xinzhonglin Co., Ltd.	2,029,317.81	1,413,695.12
Xiamen Port Haicang Container Equipment Inspection Service Co., Ltd.	1,860,864.12	
COSCO SHIPPING Technology Co., Ltd.	1,835,205.42	3,188,701.24
China Shipping Lines (German) Co., Ltd.	1,791,223.15	
China Ocean Shipping Tally Co., Ltd. Jinzhou	1,668,490.50	
Xiamen Ocean Transportation Co., Ltd.	1,580,646.23	
OOCL (UAE) LLC	1,544,967.97	11,857,047.13
China Shipping Belgium Agency Co., Ltd.	1,457,307.47	5,411,972.35
China Shipping Logistics (Lianyungang) Co., Ltd.	1,279,105.42	
ADVANCE CONTAINER LINES PTE LTD	1,084,868.20	1,963,578.27
Subtotal of other companies	24,391,271.68	256,746,209.98
Total	1,605,419,666.89	2,368,438,032.32
Accounts Collected in Advance:		
COSCO Shipping Co., Ltd.	6,479,963.82	1,745,750.70
COSCO Logistics Co., Ltd.	4,234,516.01	6,100,000.00
Xiamen Ocean Shipping Company	2,670,855.42	489,520.00
COSCO Bulk Carrier Co., Ltd.	1,150,027.62	1,394,013.72

Items	Closing Balance	Opening Balance
Xing Yuan (Singapore) Pte Ltd	524,949.23	260,680.06
COSCO (H.K.) Shipping Co., Limited	500,999.87	1,616,320.69
Other	50,068.88	745,763.42
Total	15,611,380.85	12,352,048.59
Other payables:		
Guangzhou Port Group Co., Ltd.	790,000,000.00	760,001,237.00
APM Terminal Invest Company Limited	378,846,703.73	403,837,623.78
Shanghai Pudong International Container Terminals Limited	278,500,000.00	278,500,000.00
Guangzhou Port Company Limited	57,614,538.79	24,807,240.27
OOCL (UAE) LLC	51,831,276.64	53,075,337.46
China Shipping Regional Holdings Pte. Ltd. (Singapore)	42,664,973.16	35,443,711.90
Florens Container Holding Limited	42,490,082.50	42,519,189.26
Zhangjiagang Port Group Co., Ltd.	40,057,209.25	40,057,209.25
COSCO SHIPPING Development Co., Ltd.	19,583,327.57	22,900,593.86
COSCO Italy Company	16,588,220.56	40,323,102.33
COSCO (Europe) Co., Ltd.	15,930,041.28	
COSCO (Bangladesh) Shipping Co., Ltd.	13,902,516.22	
COSCO Lanka (Pvt) Ltd.	10,280,942.50	4,479,847.66
Guangzhou Port Group Logistics Co., Ltd.	10,001,226.98	5,532,161.96
Guangzhou Port Group Shipping Co., Ltd.	6,655,178.54	2,300,000.00
COSCO Buhari Company	6,403,450.32	6,557,146.74
COSCO Domeni Agency Co., Ltd.	6,228,647.49	8,761,137.97
COSCO Bangladesh Company	5,151,503.60	21,593,675.00
PT Ocean Global Shipping	4,536,335.71	4,582,733.29
COSCO SHIPPING Logistics Co., Ltd.	4,240,000.00	4,240,000.00
Guangzhou Ocean Shipping Tally Co., Ltd.	4,152,921.00	5,135,517.00
China Shipping (Netherlands) Agency Co., Ltd.	3,610,475.00	1,238,190.76
Guangzhou Port Group Passenger Service Co., Ltd.	3,559,035.00	1,710,161.50
Yangzhou Modern Logistics Center	3,001,886.00	200,000.00
COSCO SHIPPING (Korea) Co., Ltd.	2,963,000.00	2,878,500.00
COSCO SHIPPING Development Co., Ltd.	4,547,168.68	20,095,467.80

Items	Closing Balance	Opening Balance
COSCO Lanka (Pvt) Co., Ltd.	2,848,810.46	2,689,230.51
Fujian Jinjiang Industry Development Investment Group Co., Ltd.	2,333,333.38	
Jiangsu Lianyungang Port Co., Ltd.	2,142,651.16	2,142,651.16
Dalian International Container Terminals Co., Ltd.	2,023,454.83	
COSRACO LLC	435,830.82	29,264,451.75
China Shipping (Singapore) Petroleum Pte. Ltd.		41,735,919.14
Subtotal of other companies	40,982,788.30	67,325,838.63
Total	1,874,107,529.47	1,933,927,875.98