



CHINA RE

华泰保险经纪有限公司

HUATAI INSURANCE AGENCY & CONSULTANT SERVICE LTD.

Circular Ref: PNI 1302

Date: 29 Aug 2013

Dear Sir/Madam,

Subject: Ministry of Transport of P.R.C. Cancels and Exempts Some Fee Items Charged on Shipping Enterprises

On 29th Aug 2013, the Ministry of Transport of P. R. C held a press conference, announcing that the ministry is in the process of regulating the fee items charged on shipping related companies. It is learned that according to the work plan, 10 administrative fee items will be abolished, 4 regulatory service fee items will be cancelled or suspended, among other things, with view to easing the difficult situation of international and domestic shipping enterprises.

According to the press conference, Maritime Safety Administration of Ministry of Transport ("MSA") announced that they will abolish or suspend the following fee items:

- 1) Abolish escorting fees for escorting services applied by shipping enterprises and supplied by maritime authorities for ships entering and departing Chinese coastal ports.
- 2) Abolish escorting fees for escorting services for ships entering and departing Yangtze River.
- 3) Abolish escorting fees for escorting services to large LNG ships when entering and departing ports.
- 4) Exempt the cargo forwarders and agents from sampling and testing costs when opening and inspection containers loaded with dangerous cargo.
- 5) Abolish the booming costs during ship's bunkering operation.
- 6) Suspending the requirement for international sailing vessels to dispose of pollutants on board before departing Chinese waters. Vessels are allowed to choose their port of convenience to dispose of the pollutants, in order to avoid vessels having to dispose of the pollutants repeatedly when calling more than one port in one voyage.
- 7) Suspending the requirement on cargo forwarders and agents to send coal for testing of physical characteristics when arranging transporting of coal cargo in inland waters, in order to save them the testing costs.

Water Transport Bureau of Ministry of Transport also announced their plans to regulate the fee items as follows:

- 1) Regulate the charge of ship trading service bodies. Ship trading service fee bodies should be operated on a non-profitable basis.
- 2) Clear the illegal charges imposed by local authorities such as lockage charge.
- 3) Regulate the charge of port authorities.
- 4) Increase the transparency of pilotage work. Pilot stations should publicize their pilotage plan, towage aid standard, pilot charge standard, etc. and subject their work to the supervision of the public.
- 5) Enhance supervision of ship agent market.

Having checked with MSA for a more accurate schedule of implementing of the abovementioned abolishment and cancellation of the fee items, we were given to know that it is expected formal notice on the above will be issued soon, wherein an effective date will be specified.

We shall follow up in this respect and keep you duly updated of development.

Hope the above is of assistance. Any query/comment, please always feel free to contact us.

Best regards,

A handwritten signature in black ink, appearing to read "Shan Hong", with a long, sweeping horizontal stroke underneath.

Shan Hong
Assistant President