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## Dividends

The directors have declared an interim cash dividend of HK28.1 cents (2004: HK17.4 cents) per share and a special interim cash dividend of HK11.3 cents (2004: Nil) per share for the six months ended 30th June 2005. The interim dividend and special interim dividend will be payable on 7th October 2005 to shareholders whose names appeared on the register of members of the Company on 29th September 2005.

## Closure of register of members

The register of members of the Company will be closed from Monday, 26th September 2005 to Thursday, 29th September 2005, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend and special interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong share registrars, Secretaries Limited of Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, for registration not later than 4:00 p.m. on Friday, 23rd September 2005.

## Management discussion and analysis

### Business review

#### Overall analysis of results

The past six months saw the global economy maintaining a stable and balanced growth. In the PRC, the implementation of the austerity measures by the PRC government, a GDP growth of 9.5% was achieved. The Group's focused efforts to develop the core business in recent years have paid off, resulting in a remarkable performance in the first half.

Profit attributable to the equity holders of the Company for the period rose to US\$214,770,000 from US\$93,152,000 a year ago. Earnings per share rose by 126.7% to US9.8111 cents from US4.3272 cents a year ago. In December 2004, the Group completed the acquisition of approximately 16.23% equity interest in China International Marine Containers (Group) Co., Ltd. ("CIMC"), which contributed US\$40,236,000 to the Group's net profit for the period (same period of 2004: N/A). Further, the disposal of the Group's 17.5% equity interest in Shekou Container Terminals Ltd. ("Shekou Terminals") in March this year not only generated a profit of US\$61,875,000, but also enable the Group to restructure the investment portfolio to capitalise on the strategic advantage of the Pearl River Delta terminal operations.

#### Financial analysis

Turnover for the first half of 2005 grew by 9.4% to US\$141,898,000. Majority of the increase was gained from container leasing operation which recorded a turnover of US\$132,380,000 or an increase of 9.5% from last year. Total container fleet rose by 18.9% to 1,027,954 TEUs from 864,568 TEUs a year ago. Average utilisation rate of 96.4% was achieved, versus 96.0% for the same period of last year. Continuous efforts of Zhangjiagang Win Hanverky Container Terminal Co., Ltd. ("Zhangjiagang Win Hanverky Terminal") to explore new business opportunities resulted in a 15.8% increase in throughput to 180,329 TEUs and an increase of 17.7% in turnover to US\$6,042,000. On container handling and storage operation, overall business turnover recorded a 7.3% decrease to US\$3,476,000 from a year ago.

Cost of sales, comprising mainly depreciation, depot expenses, maintenance and operating expenses, rose by 4.4% to US\$58,937,000 in the first half of the year. Depreciation increased by 10.5% to US\$53,717,000 and accounted for 91.1% of cost of sales (same period of 2004: 86.1%). High utilisation rate was maintained on the containers during the period, resulting in a decrease in operation cost of containers by 64.5% to US\$1,363,000.