

DIVIDENDS

The directors have declared an interim cash dividend of HK24.9 cents per share (2006: an interim cash dividend of HK27.4 cents per share and a special interim cash dividend of HK9.1 cents per share) for the six months ended 30th June 2007. The interim dividend will be payable on 21st September 2007 to shareholders whose names appear on the register of members of the Company on 13th September 2007.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 10th September 2007 to Thursday, 13th September 2007, both days inclusive, during which no transfer of shares will be registered. In order to be qualified for the interim dividend, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong share registrars, Tricor Secretaries Limited of 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration no later than 4:00 p.m. on Friday, 7th September 2007.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Overall analysis of results

The profit attributable to the equity holders of the Group was US\$148,517,000 (2006: US\$136,404,000), a rise of 8.9% when compared with the corresponding period last year. With the continuous robust growth in China's import and export trade and the global shipping market, the throughput of the Group's container terminals reached 18,417,429 TEUs (2006: 14,974,748 TEUs) in the first half of 2007, a rise of 23.0% over the corresponding period last year. Accordingly, the net profit from container terminal operations for the period amounted to US\$62,010,000 (2006: US\$44,901,000), representing a significant increase of 38.1% when compared with the same period last year.

After the disposal of containers of 600,082 TEUs in June last year (the "Disposal"), the container fleets directly owned by the Group dropped to 741,116 TEUs as at 30th June 2007 (Prior to the Disposal in 2006: 1,076,762 TEUs). Net profit from container leasing and container management businesses in the first half of 2007 was US\$50,232,000 (2006: US\$68,519,000, excluding the non-recurring net gain on the Disposal and finder fee income associated with the Disposal of approximately US\$65 million in aggregate), a drop of 26.7% over the corresponding period last year.

Logistics business contributed to the Group a net profit of US\$11,113,000 (2006: US\$9,321,000) in the first half of the year, an increase of 19.2% over the same period last year.

For the first half of 2007, net profit from container manufacturing business, excluding the financial effect of the CIMC Put Options associated with the CIMC Share Reform, was US\$29,626,000 (2006: US\$32,046,000), representing a decrease of 7.6% as compared with the corresponding period last year.

Financial Analysis

Revenue

Revenue decreased by 12.9% to US\$147,331,000 (2006: US\$169,187,000) for the first half of 2007. The decrease was mainly due to the strategic disposal of 600,082 TEUs of containers in June last year, resulting in a decrease in container leasing income to US\$81,597,000 (2006: US\$138,474,000). Revenue from container management was US\$3,524,000 (2006: US\$220,000), a rise of US\$3,304,000. Revenue from leasing of reefer-container generator sets was US\$804,000 (2006: US\$656,000), representing an increase of 22.6%. In addition to leasing income, revenue from the disposal of returned containers during the period was US\$37,248,000 (2006: US\$18,901,000), an increase of 97.1% over the corresponding period last year. This increase was mainly attributable to the rise in the number of returned containers sold from 20,698 TEUs for the corresponding period last year to 36,453 TEUs for the period.