HUTCHISON HARBOUR RING LIMITED
和記港陸有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 715)

UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2005

HIGHLIGHTS

	2005 **HK$'million**	2004 HK$'million	**Changes**
Turnover - company and subsidiaries	**1,017.6**	950.9	7.0%
Profit attributable to shareholders	**48.8**	44.0	10.9%
Earnings per share	**HK0.73 cents**	HK0.66 cents	10.6%

- **Cash and liquid investments totalled HK$1,872.7 million**

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the six months ended 30 June

		Unaudited	
		2005	2004
	Note	**HK$'000**	HK$'000
Turnover			
Company and subsidiaries		**1,017,638**	950,899
Share of associates		**2,634**	3,746
		1,020,272	954,645
Company and subsidiaries			
Turnover	2	**1,017,638**	950,899
Cost of sales		**(908,759)**	(838,243)
Gross profit		**108,879**	112,656
Other revenue		**36,246**	29,239
Other net income		**26,574**	17,577
Administrative expenses		**(79,795)**	(76,097)
Selling and distribution costs		**(38,529)**	(25,298)
Operating profit	3	**53,375**	58,077
Share of profits less losses of associates		**(396)**	466
Earnings before interest expense and taxation		**52,979**	58,543
Finance costs		**(607)**	(83)
Profit before taxation		**52,372**	58,460
Taxation	4	**(3,158)**	(12,347)
Profit for the period		**49,214**	46,113
Attributable to:			
Shareholders of the Company		**48,825**	44,043
Minority interests		**389**	2,070
		49,214	46,113
Earnings per share for profit attributable to the shareholders of the Company during the period	5	**HK0.73 cents**	HK0.66 cents

CONSOLIDATED BALANCE SHEET

	Note	Unaudited 30 June 2005 HK$'000	Restated and audited 31 December 2004 HK$'000
Non-current assets			
Property, plant and equipment		**167,692**	174,091
Investment properties		**626,350**	681,130
Leasehold land and land use rights		**62,792**	63,899
Investments in associates		**3,915**	3,844
Held-to-maturity securities, listed		**1,263,644**	1,458,034
Available-for-sale financial assets		**8,968**	-
Non-trading securities		**-**	273
Loans receivable		**7,240**	8,762
Deferred tax assets		**12,956**	11,117
		2,153,557	2,401,150
Current assets			
Inventories		**409,813**	290,669
Trade receivables	6	**381,441**	351,582
Deposits, prepayments and other receivables		**143,747**	121,936
Loans receivable due within one year		**2,770**	2,770
Held-to-maturity securities, listed		**181,131**	-
Trading securities		**-**	7
Financial assets at fair value through profit and loss		**7**	-
Deposits with banks		**274,115**	419,046
Cash at bank and in hand		**153,837**	166,225
		1,546,861	1,352,235
Current liabilities			
Trade payables	7	**387,138**	338,220
Other creditors and accruals		**227,353**	252,709
Taxation		**28,516**	25,789
		643,007	616,718
Net current assets		**903,854**	735,517
Total assets less current liabilities		**3,057,411**	3,136,667
Non-current liabilities			
Deferred tax liabilities		**45,765**	48,303
Loans from minority shareholders		**46,361**	46,361
Net assets		**2,965,285**	3,042,003
Equity			
Capital and reserves attributable to the Company's shareholders			
Share capital		**670,500**	670,500
Reserves		**2,203,685**	2,280,192
		2,874,185	2,950,692
Minority interests		**91,100**	91,311
Total equity		**2,965,285**	3,042,003

Notes:

1 Basis of preparation and accounting policies

The unaudited condensed consolidated interim accounts ("Interim Accounts") have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting", issued by the Hong Kong Institute of Certified Public Accountants, and Appendix 16 of the Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies and methods of computation used in the preparation of the Interim Accounts are consistent with those used in the annual accounts for the year ended 31 December 2004 except that the Group has changed certain of its accounting policies following the adoption of new / revised Hong Kong Financial Reporting Standards ("HKFRS") and HKASs which are effective for accounting periods commencing on or after 1 January 2005. The changes to the Group's accounting policies and the effect of adopting these new accounting policies are set out in note (a) below.

(a) Impact of adopting new / revised HKFRSs and HKASs in 2005

The major and significant effects of the adoption of the new / revised HKFRSs and HKASs on the Group's accounting policies and amounts disclosed in the Interim Accounts are summarised as follows:

(i) The adoption of HKAS 1 "Presentation of Financial Statements" has affected the presentation of minority interests and share of after-tax results of associates.

(ii) The adoption of HKAS 17 "Leases" has resulted in a change in accounting policy relating to leasehold land. Leasehold land and buildings were previously classified as "property, plant and equipment", and were carried at cost less accumulated depreciation and impairment. Following the adoption of HKAS 17, a lease of land and building is split into a lease of land and a lease of building in proportion to the relative fair values of the leasehold interests in the land element and the building element of the lease at the inception of the lease. The land lease prepayment is stated at cost and amortised over the period of the lease whereas the leasehold building is stated at cost less accumulated depreciation and impairment. The land element of the leasehold properties was previously included in "other properties" and is now disclosed as "leasehold land and land use rights".

(iii) The Company operates a share option scheme. In June 2005, the Company granted 123,750,000 share options to the Group's employees. The Group has adopted HKFRS 2 "Share-based Payments" which requires the Group to measure the fair value of the share options at the date of grant and recognise the amount as an expense over the relevant vesting periods. No share options were granted in prior years.

(iv) The adoption of HKAS 32 "Financial Instruments: Disclosure and Presentation" and HKAS 39 "Financial Instruments: Recognition and Measurement" has resulted in a change in accounting policy for recognition, measurement, derecognition and disclosure of financial instruments. Following the adoption of HKAS 32 and HKAS 39, the financial assets have been classified into held-to-maturity securities, available-for-sale financial assets, financial assets at fair value through profit and loss and loans and receivables. The classification depends on the purpose for which the investments were acquired. Held-to-maturity securities are stated in the balance sheet at amortised cost. Interest income from held-to-maturity securities is calculated using the effective interest method. Available-for-sale financial assets are measured at fair value and changes in fair value are recognised in the investment revaluation reserve. Loans and receivables are measured at amortised cost and the carrying amount of the asset is computed by discounting the future cash flows to the present value using the effective interest method.

Notes:

1 Basis of preparation and accounting polices (Continued)

The Group has adopted the transitional provisions of HKAS 39 as follows:

- redesignate all "non-trading securities" as "available-for-sale financial assets", the convertible notes in an investee as "loans and receivables", and "trading securities" as "financial assets at fair value through profit and loss" at 1 January 2005;
- remeasure those financial assets or financial liabilities that should be measured at fair value and those that should be measured at amortised cost at 1 January 2005; and
- restate the held-to-maturity securities at amortised cost using effective interest method instead of straight line method from 1 January 2005.

(v) The effects of changes in accounting policies on the consolidated balance sheet are as follows:

	Effect of adopting			
At 30 June 2005	**HKAS 17 HK$'000**	**HKFRS 2 HK$'000**	**HKAS 32 and HKAS 39 HK$'000**	**Total HK$'000**
Decrease in property, plant and equipment	**(62,792)**	**-**	**-**	**(62,792)**
Increase in leasehold land and land use rights	**62,792**	**-**	**-**	**62,792**
Increase in available-for-sale financial assets	**-**	**-**	**8,968**	**8,968**
Decrease in held-to-maturity securities, listed	**-**	**-**	**(2,024)**	**(2,024)**
Increase in net assets	**-**	**-**	**6,944**	**6,944**
Increase in share-based compensation reserve	**-**	**1,040**	**-**	**1,040**
Increase in investment revaluation reserve	**-**	**-**	**8,968**	**8,968**
Decrease in retained profits		**(1,040)**	**(2,024)**	**(3,064)**
Increase in equity	**-**	**-**	**6,944**	**6,944**

	Effect of adopting			
At 31 December 2004	HKAS 17 HK$'000	HKFRS 2 HK$'000	HKAS 32 and HKAS 39 HK$'000	Total HK$'000
Decrease in property, plant and equipment	(63,899)	-	-	(63,899)
Increase in leasehold land and land use rights	63,899	-	-	63,899
Increase in net assets	-	-	-	-

Notes:

1 Basis of preparation and accounting polices (Continued)

(vi) The change in accounting policies did not have material financial impact to the results and earnings per share for the six months ended 30 June 2004. The effects of changes in accounting policies on the consolidated profit and loss for the six months ended 30 June 2005 are as follows:

	Effect of adopting			
Six months ended 30 June 2005	**HKAS 17 HK$'000**	**HKFRS 2 HK$'000**	**HKAS 32 and HKAS 39 HK$'000**	**Total HK$'000**
Increase in staff costs and related expenses	**-**	**(1,040)**	**-**	**(1,040)**
Decrease in amortisation of held-to-maturity securities	**-**	**-**	**1,087**	**1,087**
(Decrease)/increase in profit attributable to shareholders	**-**	**(1,040)**	**1,087**	**47**

(b) Impact of early adopting HKFRS and HKASs in 2004

The Group early adopted HKAS 36 "Impairment of Assets", HKAS 38 "Intangible Assets", HKAS 40 "Investment Property" and HKFRS 3 "Business Combinations" with effect from 1 January 2004. The adoption of these standards did not have any material financial impact to the Group's profit attributable to shareholders for the period ended 30 June 2004.

2 Turnover and segment information

Turnover represents sales of toys, consumer electronic products and accessories and rental income. The amount of each category of revenues recognised during the period is as follows:

	Six months ended 30 June 2005 HK$'000	2004 HK$'000
Turnover		
Sales of goods	**994,232**	927,290
Rental and service income from investment properties	**23,406**	23,609
	1,017,638	950,899

Segment information is presented in respect of the Group's business and geographical segments. The Group is grouped into core business segments as set out below. Other corporate income and expenses represent head office administration, income and expenses for corporate management purpose which are not allocated to the core business segments.

Primary segment information by business:

	Six months ended 30 June 2005					
	Toy operation HK$'000	**Technology operation HK$'000**	**Licensing and sourcing operation HK$'000**	**Property operation HK$'000**	**Elimination HK$'000**	**Group HK$'000**
Turnover						
Company and subsidiaries						
- External sales	**701,167**	**253,129**	**39,936**	**23,406**	**-**	**1,017,638**
- Inter-segment sales	**590**	**2,192**	**237**	**-**	**(3,019)**	**-**
	701,757	**255,321**	**40,173**	**23,406**	**(3,019)**	**1,017,638**
Share of associates	**2,634**	**-**	**-**	**-**	**-**	**2,634**
	704,391	**255,321**	**40,173**	**23,406**	**(3,019)**	**1,020,272**
Segment results						
Company and subsidiaries	**12,466**	**(8,230)**	**(4,254)**	**27,632**		**27,614**
Other corporate income and expenses						**25,761**
Operating profit						**53,375**
Share of profits less losses of associates	**(365)**	**-**	**-**	**(31)**		**(396)**
Earnings before interest expense and taxation	**12,101**	**(8,230)**	**(4,254)**	**27,601**		**52,979**
Finance costs						**(607)**
Taxation						**(3,158)**
Profit for the period						**49,214**

2 Turnover and segment information (Continued)

	Six months ended 30 June 2004					
	Toy operation	Technology operation	Licensing and sourcing operation	Property operation	Elimination	Group
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Turnover						
Company and subsidiaries						
- External sales	633,822	264,950	28,518	23,609	-	950,899
- Inter-segment sales	18,118	1,627	527	-	(20,272)	-
	651,940	266,577	29,045	23,609	(20,272)	950,899
Share of associates	3,746	-	-	-	-	3,746
	655,686	266,577	29,045	23,609	(20,272)	954,645
Segment results						
Company and subsidiaries	1,234	19,534	(1,156)	27,795		47,407
Other corporate income and expenses						10,670
Operating profit						58,077
Share of profits less losses of associates	575	-	-	(109)		466
Earnings before interest expense and taxation	1,809	19,534	(1,156)	27,686		58,543
Finance costs						(83)
Taxation						(12,347)
Profit for the period						46,113

2 Turnover and segment information (Continued)

Secondary segment information by geographical locations:

	Six months ended 30 June			
	Turnover		Segment results	
	2005	2004	**2005**	2004
	HK$'000	HK$'000	**HK$'000**	HK$'000
Company and subsidiaries				
United States	**406,004**	358,881	**(3,293)**	(4,009)
Europe	**193,098**	170,358	**(1,591)**	2,734
Japan	**65,842**	209,243	**5**	11,829
Hong Kong	**80,003**	101,782	**4,215**	6,520
Mainland China	**53,337**	32,724	**27,568**	30,429
Korea	**126,724**	4,682	**2,052**	235
Other regions	**92,630**	73,229	**(1,342)**	(331)
	1,017,638	950,899	**27,614**	47,407
Other corporate income and expenses			**25,761**	10,670
Operating profit			**53,375**	58,077

3 Operating profit

	Six months ended 30 June	
	2005	2004
	HK$'000	HK$'000
Operating profit is stated after crediting and charging the following:		
<u>Crediting:</u>		
Gain on disposal of available-for-sale financial assets	**11,890**	-
Gain on disposal of investment properties	**8,285**	12,386
Fair value gains on investment properties	**2,724**	-
<u>Charging:</u>		
Cost of inventories sold	**904,905**	833,241
Depreciation and amortisation	**21,615**	23,689

4 Taxation

	Six months ended 30 June 2005				Six months ended 30 June 2004			
	Current taxation – current period HK$'000	**Current taxation – over provisions in prior periods HK$'000**	**Deferred taxation HK$'000**	**Total HK$'000**	Current taxation – current period HK$'000	Current taxation – under/ (over) provisions in prior periods HK$'000	Deferred taxation HK$'000	Total HK$'000
Hong Kong	**1,744**	**(2,389)**	**(1,563)**	**(2,208)**	3,086	283	3,314	6,683
Outside Hong Kong	**8,936**	**(755)**	**(2,815)**	**5,366**	3,499	(736)	2,901	5,664
	10,680	**(3,144)**	**(4,378)**	**3,158**	6,585	(453)	6,215	12,347

Hong Kong profits tax has been provided at the rate of 17.5% (2004: 17.5%) on the estimated assessable profit for the period. Taxation outside Hong Kong has been provided for on the estimated assessable profits for the period at applicable rate ruling in the relevant countries.

5 Earnings per share

The calculation of basic earnings per share is based on the Group's profit attributable to shareholders of HK$48,825,000 (2004: HK$44,043,000) and 6,705,000,263 (2004: 6,705,000,263) ordinary shares in issue during the period.

The employee share options outstanding did not have a material dilutive effect on earnings per share.

6 Trade receivables

The Group's average credit period granted to trade debtors mainly ranges from 30 to 60 days. At 30 June 2005 and 31 December 2004, the aging analysis of trade receivables, net of provision, based on the date of invoice is as follows:

	30 June 2005 HK$'000	31 December 2004 HK$'000
0-30 days	**249,523**	175,498
31-60 days	**71,133**	97,838
61-90 days	**43,859**	50,820
Over 90 days	**16,926**	27,426
	381,441	351,582

7 Trade payables

At 30 June 2005 and 31 December 2004, the aging analysis of trade payables is as follows:

	30 June 2005 HK$'000	31 December 2004 HK$'000
0-30 days	**286,937**	184,396
31-60 days	**83,851**	108,400
61-90 days	**9,219**	19,091
Over 90 days	**7,131**	26,333
	387,138	338,220

CHAIRMAN'S STATEMENT

Results

The Group's turnover, including its share of associates' turnover, for the period increased by 7% to HK$1,020.3 million. Unaudited consolidated profit attributable to shareholders for the six months ended 30 June 2005 ("the period") increased by 11% to HK$48.8 million (six months ended 30 June 2004: HK$44.0 million) and basic earnings per share was HK0.73 cents (six months ended 30 June 2004: HK0.66 cents).

Dividend

In view of the seasonality of the Group's principal toy operation and consistent with past years, the Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2005 (2004: Nil) and will consider the payment of any final dividend for the full year ending 31 December 2005.

Review of Operation

The Group's turnover, including its share of associates' turnover, for the period ended 30 June 2005 amounted to HK$1,020.3 million, compared to HK$954.6 million in 2004. Unaudited consolidated profit attributable to shareholders totaled HK$48.8 million for the six months ended 30 June 2005, 11% ahead of the HK$44.0 million reported for same period last year.

Earnings before interest expense and taxation ("EBIT") for the period was HK$53.0 million, compared to HK$58.5 million for the same period in 2004. There was an increase in spending by the technology operation on marketing activities and the setting up of overseas operation and distribution network as the Group expands into new markets. These spending were partially offset by increased sales performance of the toy operation. The Group's two prime office towers in Shanghai continued to generate stable rental income.

Toy operation

The toy operation remains the Group's principal revenue contributor, accounting for 69% of total turnover. For the six months ended 30 June 2005, turnover grew by 7% from HK$655.7 million in 2004 to HK$704.4 million while EBIT increased from HK$1.8 million in 2004 to HK$12.1 million. In 2004, the operation's profit margin was adversely affected by the spiraling raw material cost associated with upsurge in oil price. This situation has improved during the first half of 2005 due to pricing adjustment for plastic materials on new projects and sharing the fluctuations in major raw material costs with customers on on-going projects. On the other hand, the increase in statutory minimum wages since March 2005 in the Pearl River Delta Region ("PRD") where the Group's manufacturing facilities are located increased manufacturing costs. In addition, the toy factories continued to be affected by the adverse impact of the shortage of skilled labour and reliable electricity supply in the PRD. With appropriate investment in backup power generators and measures implemented to attract more workers, the Group is maintaining its competitive edge in the market place.

Management continuously upgrades its facilities to cope with changes in production demand and laws and regulations. The operation's factories have recently been equipped with the production equipment to manufacture hazardous-free products in compliance with the requirements of certain new environmental rules laid down by the European Union. During the period, a new sewing plant has been set up in Qing Yuan, thereby allowing management to effectively control costs given attractive incentives offered by local government to entice foreign investment.

The operation continues to broaden and diversify its product offerings. During the period, it was the sole manufacturer engaged by Playmates to start production on the King Kong toys series to prepare for the imminent launch of the premiere. Sales of Cabbage Patch Dolls, which were reintroduced in late 2004, also saw significant growth in 2005 compared to the same period last year. After embarking on the manufacturing of digital cameras three years ago, the operation has rapidly developed the skill set to manufacture latest high quality five mega pixel models. Six mega pixels cameras with advanced features are under development for imminent market release.

Due to the seasonality of the toy industry and in line with past track record of the Group, management expects healthy profits from the toy operation during the peak season in the second half of the year.

Technology operation

The technology operation experienced a drop in sales by 4% from HK$266.6 million in 2004 to HK$255.3 million in 2005 and a loss before interest expense and taxation ("LBIT") of HK$8.2 million compared to an EBIT of HK$19.5 million for the same period last year. The technology operation mainly engages in the manufacturing and trading of mobile phone accessories for distribution to customers in Asia and Europe. The decline in EBIT was mainly attributed to the increase in marketing costs to brand build the in-house developed "i. Tech" brand to position the operation as an original brand manufacturing ("OBM") player, thereby reducing its reliance on mobile handset brand owners; the establishment of an office in the United Kingdom ("UK") as a first step to expand the global distribution network; and lower profit margins from different product mix compared to last year.

The technology operation is continuing to develop and expand its business. It recently partnered with a most prominent mobile handset distributor in Hong Kong for distribution of its headset products through its extensive retail network. A co-branding project with Mobilecast, a popular mobile phone accessories brand in Japan, offers opportunity for the Group to expand into the Japanese market. The operation has also established a strategic relationship with a world-leading Bluetooth® IC supplier to develop new Bluetooth® products with the most advanced technological features. A new series of Bluetooth® headset with stereo features was recently launched. Following the successful launch of digital audio broadcast radio in the UK in 2004, this product will also be introduced to other European and South East Asia countries. Portable media player with a unique in-built Bluetooth® feature will soon be launched globally.

Licensing and sourcing operation

The licensing and sourcing operation reported a turnover of HK$40.2 million representing a growth of 38% while the LBIT for the six months ended 30 June 2005 was HK$4.3 million, compared to HK$1.2 million for the same period last year. The operation mainly engages in providing one-stop-shop value chain business solution from sourcing to distribution and brand licensing. Established in early 2004, the operation is still in the investment stage resulting in a decline in earnings despite prudent cost control. Management is in discussion with Warner Bros., its major licensing partner, to expand the array of product categories and characters covered by its global sourcing right.

Property operation

Property operation reported stable turnover and EBIT during the period ended 30 June 2005. The office rental market in Shanghai continues to experience strong growth during the first half of 2005 and the operation's two commercial properties maintained satisfactory rental yields and occupancy rates. Excluding the profit from the disposal of certain properties for the first half of 2004 and 2005 and the fair value gains on investment properties during the period, the operation reported an EBIT of HK$16.6 million for the six months ended 30 June 2005, compared to HK$15.3 million for the same period last year, representing a growth of 8%.

Capital Resources and Liquidity

The Group continues to maintain a healthy financial position. Total cash and cash equivalents plus other liquid listed investments amounted to HK$1,872.7 million at 30 June 2005 (31 December 2004: HK$2,043.3 million). The Group was debt free at 30 June 2005 and 31 December 2004.

Treasury Policies

At 30 June 2005, the Group had no material exposure under foreign exchange contracts, interest or currency swaps or other financial derivatives.

Charges and Contingent Liabilities

There was no pledge of fixed assets at 30 June 2005 and 31 December 2004. There were no contingent liabilities at 30 June 2005 and there was no significant change in contingent liabilities from 31 December 2004.

Human Resources

At 30 June 2005, excluding associates, the Group employed 27,202 people (31 December 2004: 22,099). Total employee costs for the period ended 30 June 2005, including directors' emoluments, amounted to HK$210.7 million (2004: HK$174.9 million). The Group's employment and remuneration policies remained the same as those described in the Annual Report for the year ended 31 December 2004.

Review of Unaudited Condensed Consolidated Interim Accounts

The Audit Committee, which is chaired by an independent non-executive director and currently has a membership comprising two independent non-executive directors and one non-executive director, has reviewed with management and approved the unaudited condensed consolidated accounts for the six months ended 30 June 2005. The Company's auditors, PricewaterhouseCoopers, has reviewed the unaudited condensed consolidated accounts in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports" issued by the Hong Kong Institute of Certified Public Accountants. The auditors' independent review report will be included in the Interim Report to shareholders.

Outlook

The toy operation of the Group managed to maintain its competitive position and solid reputation to report profits ahead of same period last year despite the on-going pressure resulted from shortage of skilled labour and reliable electricity supply as well as increased labour cost. Pricing strategies are continuously under review to mitigate the impact to profit margins caused by fluctuations in raw material costs. Efficiency improvement measures are being devised continuously to combat rising production costs.

The technology operation continues to work hard to expand the business profitably over a wider geographical spread to build brand recognition, and to gradually transform the business into an OBM mode of operation. Overseas entities will be established where there are business opportunities. Leveraging on the success of the Bluetooth® headsets, the operation continues to offer more technologically advanced Bluetooth® products to wider market establishing better prospect for the rest of the year.

The licensing and sourcing operation is pursuing promising opportunities for licensing arrangements with strategic partners. Increase in sourcing activities is anticipated to better serve the retail arm of the Hutchison Group in Europe.

Strong economic growth and stable commercial property prices have attracted overseas investments into Shanghai's property market, further stimulating economic growth. Benefiting from this favourable economic environment, the property operation maintained high occupancy rate and contributed stable income to the Group. To optimise the utilisation of the Group's surplus capital, management continues to explore good investment opportunities to enhance the Group's investment returns.

The Board of Directors would like to thank all employees for their hard work and dedication and our shareholders and business partners for their continued support.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30 June 2005, neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities. In addition, the Company has not redeemed any of its listed securities during the period.

Code on Corporate Governance Practices

The Company has been fully compliant with all code provisions of the Code on Corporate Governance Practices of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the six months ended 30 June 2005.

As at the date of this announcement, the Directors of the Company are:

Executive Directors:

Mr. FOK Kin-ning, Canning *(Chairman)*

Mr. LAI Kai Ming, Dominic *(Deputy Chairman)*

Mr. LUK Tei, Lewis *(Deputy Chairman and Deputy Managing Director)*

Mr. KO Yuet Ming *(Managing Director)*

Ms. CHAN Wen Mee, May (Michelle) *(Executive Deputy Managing Director)*

Mrs. CHOW WOO Mo Fong, Susan

Mr. CHOW Wai Kam, Raymond

Ms. Edith SHIH
Mr. ENDO Shigeru
Ms. CHEUNG Wing Han, Miranda
Mr. TAM Yue Man

Non-executive Director:
Mr. Ronald Joseph ARCULLI

Independent Non-executive Directors:
Mr. KWAN Kai Cheong
Dr. LAM Lee G.
Mr. LAN Hong Tsung, David

Fok, Kin-ning, Canning
Chairman

Hong Kong, 11 August 2005

* *for identification purpose only*