

OTHER INFORMATION

The Directors submit their interim report together with the unaudited financial results of PORTS DESIGN LIMITED (“PORTS” or the “Company”) and its subsidiaries (the “Group”) for the six months ended 30 June 2004.

Interim Dividend and Closure of Register of Members

The earnings for the Group for the six months ended 30 June 2004 are RMB45.2 million (US\$5.5 million). The Directors have declared an interim dividend of RMB0.16 per share for the six months ended 30 June 2004, totaling RMB21.73 million (US\$2.62 million) to be payable to shareholders of record on 30 September 2004.

The interim dividend will be payable on 30 September 2004 to shareholders whose names appear on the register of members of the Company on 30 September 2004. The register of members will be closed from 27 September 2004 to 30 September 2004, both days inclusive, during which period no transfer of shares can be effected.

In order to qualify for the above dividend, all transfer of shares accompanied by the requisite share certificates must be lodged with the Company's Branch Share Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:00 p.m. on 24 September 2004.

Directors

The Directors of PORTS during the six months ended 30 June 2004 were:

Executive Directors

Mr. Edward Tan Han Kiat
Mr. Alfred Chan Kai Tai
Mr. Pierre Frank Bourque

Non-Executive Directors

Mr. Kunnasagaran Chinniah
Ms. Janine Tran Chanh Lien

Independent Non-Executive Directors

Mr. Rodney Ray Cone
Ms. Valarie Fong Wei Lynn
Ms. Lara Magno Lai

Directors' and Chief Executives' Interests and Short Positions

As at 30 June 2004, the interests of each Director, Chief Executive of the Company and their respective associates in the shares, underlying shares and debentures of the Company or any associated corporations of the Company (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies are as follows:

(i) Shares of the Company of HK\$0.01 each ("Shares")

	Personal Interest	Corporate Interest	Family Interest	Other interest	Total interest
Mr. Edward Tan Han Kiat ¹	0	62,772,819	0	0	62,772,819
Mr. Alfred Chan Kai Tai ¹	0	62,772,819	0	0	62,772,819
Mr. Pierre Frank Bourque	0	0	0	0	0
Mr. Kunnasagaran Chinniah	0	0	0	0	0
Ms. Janine Tran Chanh Lien	0	0	0	0	0
Mr. Rodney Ray Cone	0	0	0	0	0
Ms. Valarie Fong Wei Lynn	0	0	0	0	0

Notes:

- 872,819 shares are owned by Ports International Enterprise Limited ("PIEL"), the issued share capital of which is owned as to 50% by Mr. Tan and Mr. Chan. 61,900,000 Shares was owned by CFS International Inc., a subsidiary of PIEL. Mr. Tan and Mr. Chan are deemed to be interested in 46.22% of the issued share capital of the Company by virtue of their respective interests in PIEL pursuant to Part XV of the SFO

(ii) Share Options in the Company

	Number of outstanding share options	Percentage of issued share capital
Mr. Pierre Frank Bourque	45,000	0.03%
Mr. Rodney Ray Cone	15,000	0.01%
Ms. Valarie Fong Wei Lynn	15,000	0.01%

Other than the holdings disclosed above, no interests and short positions were held or deemed or taken to be held under Part XV of the SFO by any Director or Chief Executive of the Company or their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) were required to be notified to the Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code for

Securities Transactions by Directors of Listed Companies or which are required pursuant to section 352 of the SFO to be entered in the register referred to therein.

Details of the share options outstanding as at 30 June 2004 under the Scheme were as follows:

	Options held at 1/1/2003	Options granted during the period	Options exercised during the period	Options lapsed during the period	Exercise Price (HK\$)	Grant Date	Exercisable from	Exercisable until
Mr. Edward Tan Han Kiat	0	0	0	0	10.50	N/A	N/A	N/A
Mr. Alfred Chan Kai Tai	0	0	0	0	10.50	N/A	N/A	N/A
Mr. Pierre Frank Bourque	0	45,000	0	0	10.50	Nov-3-2003	Nov-3-2003	Nov-2-2013
Mr. Kunnasagaran Chinniah	0	0	0	0	10.50	N/A	N/A	N/A
Ms. Janine Tran Chanh Lien	0	0	0	0	10.50	N/A	N/A	N/A
Mr. Rodney Ray Cone	0	15,000	0	0	10.50	Nov-3-2003	Nov-3-2003	Nov-2-2013
Ms. Valarie Fong Wei Lynn	0	15,000	0	0	10.50	Nov-3-2003	Nov-3-2003	Nov-2-2013
Continuous contract employees	0	3,425,000	0	0	10.50	Nov-3-2003	Nov-3-2003	Nov-2-2013

Note: On and subject to the terms of the Share Option Scheme, the Options shall only be exercisable in respect of such part thereof that has been vested in accordance with the following manner:

Fraction of the shares covered under the option	Vesting date
1/3	First anniversary of the offer date
1/3	Second anniversary of the offer date
1/3	Third anniversary of the offer date

The Board may in its absolute discretion relax or accelerate all or any of the above vesting periods in such manner as it may deem fit.

Substantial Shareholders

As at 30 June 2004, the interests or short positions of the shareholders, other than a Director or Chief Executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Names of shareholders	Class of shares	Capacity	Number of shares of the Company	Total number of shares of the Company	Percentage of the issued share capital
CFS International Inc.	Ordinary	Beneficial Owner	61,900,000	61,900,000	45.58%
Ports International Enterprises Limited	Ordinary	Beneficial Owner	872,819	62,772,819	46.22%
		Interest of Controlled Corporation	61,900,000		
Tetrad Ventures Pte. Limited	Ordinary	Beneficial Owner	12,727,181	12,727,181	9.37%
GIC Special Investments Pte. Ltd.	Ordinary	Interest of Controlled Corporation	12,727,181	12,727,181	9.37%
Government of Singapore Investment Corp. Pte. Ltd.	Ordinary	Interest of Controlled Corporation	12,727,181	12,727,181	9.37%
Government of Singapore Investment Corporation (Ventures) Pte. Ltd.	Ordinary	Interest of Controlled Corporation	12,727,181	12,727,181	9.37%
Minister for Finance (Incorporated), Singapore	Ordinary	Interest of Controlled Corporation	12,727,181	12,727,181	9.37%
Baring Asset Management	Ordinary	Investment Manager	6,870,000	6,870,000	5.06%

Note: All interests disclosed are long positions of the relevant entities in the shares of the Company.

Save as disclosed above, the register required to be kept under section 336 of the SFO showed that the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 30 June 2004.

Directors' Interests in Contracts of Significance

There were no contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, at the end of the period ended 30 June 2004.

Purchase, Sale or Redemption of Group's Listed Securities

During the six months ended 30 June 2004, the Company has not redeemed, and neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities.

Pre-emptive Rights

There is no provision regarding pre-emptive rights under the Bye-Laws of the Company and the laws of Bermuda.

Retirement Scheme

The Group participates in the Pension Plan benefit scheme mandated by the PRC government for its employees based in the PRC and the Mandatory Provident Plan mandated by the Hong Kong Government for its employees in Hong Kong.

Pledging of shares by controlling shareholders

The controlling shareholder of the issuer has not pledged any of its interests in shares of the Group to any third-party.

Corporate Governance

None of the Directors is aware of any information that would reasonably indicate that the Company is not in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited ("the Listing Rules").

The Company has adopted the Model Code for securities transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. The Company has made specific inquiry of all Directors regarding non-compliance with the Model Code for the period ended 30 June 2004, and they have all confirmed that they have complied with the required standard set out in the Model Code and its code of conduct regarding directors' security transactions.

Audit Committee

The Audit Committee, which comprises two independent non-executive directors, has reviewed the interim financial report of the Company and the auditors' independent review report for the six months ended 30 June 2004 and submitted its views to the Board of Directors. The Audit Committee has also endorsed the accounting treatment adopted by the Company.

The Company will have appointed a minimum of three independent non-executive directors to the Audit Committee by 30 September 2004, at least one of whom will have appropriate professional qualifications or accounting or related financial management expertise.

Statement of Sufficiency of Public Interest

As at 25 August 2004, based on the information publicly available to the Company and within the knowledge of the Directors, 44.41% of the Shares were publicly held.



On Behalf of the Board
Edward Tan Han Kiat
Chairman

25 August 2004
Xiamen, China