

INTERIM DIVIDEND

The directors have declared an interim cash dividend of HK17.4 cents per share for the six months ended 30th June 2004 (2003: HK13.8 cents per share). The interim dividend will be payable on 8th October 2004 to shareholders whose names appeared on the register of members of the Company on 30th September 2004.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 24th September 2004 to Thursday, 30th September 2004, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the 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 Thursday, 23rd September 2004.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overall analysis of results

The economy in the PRC has witnessed a new era of growth, as a result of the acceleration in industrialisation and urbanisation, the upgrading of domestic consumers' spending structure and the shift of global manufacturing bases, the enormous market demand in the PRC has become a driving force in the development in global freight forwarding industry and a major source fuelling global economic growth. This driving force propelled the growth of our three core businesses, i.e. container leasing, container terminal and logistics businesses.

During the period, the PRC government adopted a series of macro-economic controls to regulate certain overheated industries amid high energy prices in the global market. As these factors had minimal impact on the Group, the Group continued to achieve satisfactory results in its business expansion during the first half of 2004.

Profit attributable to shareholders during the six months ended 30th June 2004 was US\$92,975,000, representing an increase of 26.3% when compared with US\$73,608,000 for the corresponding period of last year. Earnings per share rose 26.0% to US4.3190 cents, compared to US3.4284 cents in the corresponding period of last year. The Group's acquisition of the 49% equity interest in COSCO Logistics Co., Ltd. ("COSCO Logistics") was completed in January 2004, and it contributed US\$6,237,000 to the Group's net profit in the first half of the year.