



# Container manufacturing and other investments

## Container manufacturing

### China International Marine Containers (Group) Co., Ltd. (“CIMC”)

On 19th August 2004, the Group entered into an agreement to acquire approximately 16.23% equity interest in CIMC from COSCO. The transfer procedures of the legal ownership of the shares in the CIMC were completed at the end of 2004.

CIMC, a listed company on the Shenzhen Stock Exchange, is one of the first container manufacturers and Sino-foreign joint ventures established in the PRC. It principally engaged in the manufacturing and sale of modern traffic and transport equipment such as containers, modern road transport vehicles and airport ground equipment. CIMC has 18 production bases located in the southern, eastern and northern parts of China. Since 1996, it has been ranked the first among the

container manufacturers in the world in terms of annual container output and sales volume. Its customers include world leading shipping companies and container leasing companies.

The investment in CIMC is beneficial to the Group in strengthening its foothold in the growing container manufacturing industry.

On the other hand, during the year, production of the three jointly controlled entities which engaged in container manufacturing business (each with CIMC as the major shareholder), directly invested in by the Group, all rose from last year due to the increase in market demand.

<b>Container manufacturing plants</b>	<b>Shareholding</b>	<b>Production volume 2004 (TEUs)</b>	<b>Production volume 2003 (TEUs)</b>	<b>+/-</b>
Shanghai CIMC Reefer Containers Co., Ltd.	20.0%	40,320	35,398	+13.9%
Shanghai CIMC Far East Container Co., Ltd.	20.0%	136,486	124,537	+9.6%
Tianjin CIMC North Ocean Container Co., Ltd.	22.5%	133,968	98,306	+36.3%

## Other investments

### Liu Chong Hing Bank

The Group has 20% equity interest in Liu Chong Hing Bank Limited ("Liu Chong Hing Bank"), which contributed US\$11,483,000 (2003: US\$9,762,000) to the Group's profit before taxation, an increase of 17.6% as compared with 2003.