NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in United States dollars)

1 Reorganisation

The Company was incorporated in the Cayman Islands on 5 August 2004 as an exempted company with limited liability under the Companies Law Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Pursuant to a reorganisation (the "Reorganisation") of the Group completed on 8 December 2004 to rationalise the group structure in preparation for the public listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the subsidiaries now comprising the Group. The shares of the Company were listed on the Stock Exchange on 31 December 2004.

Details of the Reorganisation are set out in the prospectus dated 20 December 2004 issued by the Company (the "Prospectus").

The Group is regarded as a continuing entity resulting from the Reorganisation and has been accounted for on the basis of merger accounting. In accordance with the Statement of Standard Accounting Practice 27 "Accounting for group reconstructions" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), the unaudited interim financial report of the Group for the six months ended 30 June 2005 and for the same period in the corresponding year have been prepared on the merger basis as if the Company had always been the holding company of the Group.

2 Basis of presentation

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting", issued by the HKICPA. It was authorised for issuance on 31 August 2005.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2004 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2005 annual financial statements. Details of these changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2004 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

2 Basis of presentation (continued)

The interim financial report is unaudited, but have been reviewed by the Audit Committee of the Company. It has also been reviewed by KPMG in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports", issued by the HKICPA. KPMG's independent review report to the Board is included on page 26.

The financial information relating to the financial year ended 31 December 2004 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2004 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 31 March 2005.

3 Changes in accounting policies

The HKICPA has issued a number of new and revised HKFRSs, which term collectively includes HKASs and Interpretations, that are effective or available for early adoption for accounting periods beginning on or after 1 January 2005. The Board has determined the accounting policies expected to be adopted in the preparation of the Group's annual financial statements for the year ending 31 December 2005, on the basis of HKFRSs currently in issue.

The HKFRSs that will be effective or are available for voluntary early adoption in the annual financial statements for the year ending 31 December 2005 may be affected by the issue of additional interpretations or other changes announced by the HKICPA subsequent to the date of issuance of this interim report. Therefore the policies that will be applied in the Group's financial statements for that period cannot be determined with certainty at the date of issuance of the interim financial report.

The following sets out further information on the changes in accounting policies for the annual accounting period beginning on 1 January 2005 which have been reflected in the interim financial report.

(a) Employee share option scheme (HKFRS 2, Share-based payment)

In prior years, no amounts were recognised when employees (which term includes directors) were granted share options over shares in the Company. If the employees chose to exercise the options, the nominal amount of share capital and share premium were credited only to the extent of the option's exercise price receivable.

With effect from 1 January 2005, in order to comply with HKFRS 2, the Group recognises the fair value of such share options as an expense in the income statement, or as an asset, if the cost qualifies for recognition as an asset under the Group's accounting policies. A corresponding increase is recognised in a capital reserve within equity.

Where the employees are required to meet vesting conditions before they become entitled to the options, the Group recognises the fair value of the options granted over the vesting period. Otherwise, the Group recognises the fair value in the period in which the options are granted.

3 Changes in accounting policies (continued)

(a) Employee share option scheme (HKFRS 2, Share-based payment) (continued)

If an employee chooses to exercise options, the related capital reserve is transferred to share capital and share premium, together with the exercise price. If the options lapse unexercised the related capital reserve is transferred directly to retained earnings.

The new accounting policy is required to be applied retrospectively with comparatives restated in accordance with HKFRS 2.

The change in policy had no effect on the interim financial report as there were no options existed at 1 January 2004 or granted during the six month periods ended 30 June 2004 and 2005.

(b) Minority interests (HKAS 1, Presentation of financial statements and HKAS 27, Consolidated and separate financial statements)

In prior years, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as a deduction from net assets. Minority interests in the income statement for the year were also separately presented in the consolidated income statement as a deduction before arriving at the profit attributable to shareholders.

With effect from 1 January 2005, in order to comply with HKAS 1 and HKAS 27, minority interests at the balance sheet date are presented in the consolidated balance sheet within equity, separately from equity attributable to the equity holders of the Company, and minority interests in the results of the Group for the period are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the period between the minority interests and the equity holders of the Company.

The minority interests in the consolidated balance sheet and statement of changes in equity have been presented in accordance with HKAS 1.

(c) Leasehold land and buildings held for own use (HKAS 17, Leases)

In prior years, leasehold land and buildings held for own use (including premiums for acquiring land use rights paid to the PRC government authorities) were stated at cost less accumulated depreciation and impairment losses.

With the adoption of HKAS 17 as from 1 January 2005, the premiums for acquiring land use rights are reclassified as lease prepayments which are carried at cost and amortised on a straight-line basis over the land use right period of 20 years. Amortisation charge for the period is recognised in the consolidated income statement.

As a result of adopting this new policy, the premiums for acquiring land use rights of $3,558,000 as at 30 June 2005 (2004: $2,858,000) have been reclassified from fixed assets as lease prepayments.

3 Changes in accounting policies (continued)

(d) Financial instruments (HKAS 39, Financial instruments: Recognition and measurement)

Changes in accounting policies relating to financial instruments are as follows:

(i) In prior years, unlisted investments held on a continuing basis for an identifiable long-term purpose were classified as investment securities and stated at cost less any provision for diminution in value. With effect from 1 January 2005, and in accordance with HKAS 39, all non-trading investments are classified as available-for-sales securities and carried at fair value, except that if investments in equity instruments do not have a quoted market price in an active market and whose fair value cannot be reliably measured, the investments are measured at cost less impairment losses.

The change in policy had no effect on the interim financial report as there was no indication of impairment at 1 January 2005 or 30 June 2005.

(ii) All derivative financial instruments entered into by the Group are stated at fair value. Changes in fair value of derivatives held as hedging instruments in a cash flow hedge of committed future transactions are recognised in equity to the extent that the hedge is effective. Any ineffective portion of the changes in fair value of derivatives is recognised in the consolidated income statement. This change is adopted by way of an adjustment to the opening balance of the hedging reserve.

The adoption of this new accounting policy does not have any opening balance adjustment and impact on the financial position of the Group as at 30 June 2005.

(iii) With effect from 1 January 2005, the Group recognises and measures its financial assets and financial liabilities other than debt and equity securities (as mentioned in 3(d)(i)) in accordance with the requirement of HKAS 39.

The new policy has been adopted prospectively. As a result of this new policy, the Group's current assets and current liabilities as at 30 June 2005 increased by $2,730,000.

(e) Foreign currencies (HKAS 21, The effect of changes in foreign exchange rates)

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements of the Group are presented in United States dollars, which is the Group's presentation currency.

The results of subsidiaries not reporting in United States dollars are translated into United States dollars at the average rates of exchange for the reporting period. Exchange differences arising from the retranslation of opening foreign currency net investments and exchange differences arising from retranslation of the result for the reporting period from the average rate to the exchange rate prevailing at the period-end are accounted for in a separate foreign exchange reserve.

3 Changes in accounting policies (continued)

(e) Foreign currencies (HKAS 21, The effect of changes in foreign exchange rates) (continued)

With effect from 1 January 2005, any goodwill arising on the acquisition of a foreign operation is expressed in the functional currency and is retranslated at the closing rate at each balance sheet date. Any resulting exchange difference is taken directly to the exchange reserves. In accordance with the transitional provisions in HKAS 21, this new policy will be applied to acquisitions occurring on or after 1 January 2005. The change in policy has had no significant impact on the interim financial report for the six months ended 30 June 2005.

4 Segment report

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

(a) Business segments

The Group is principally engaged in the manufacture and sale of metal products. Accordingly, no business segment analysis is provided.

(b) Geographical segments

The Group's business is managed on a worldwide basis, but participates in three principal economic environments. The People's Republic of China (other than Hong Kong) (the "PRC") is a major market for all of the Group's businesses.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

	Six months ended 30 June	
	2005	2004
	$'000	*$'000*
The PRC	**33,798**	27,875
United States of America	**18,607**	3,533
Japan	**5,335**	3,448
Others	**1,138**	1,152
	58,878	36,008

Most of the assets and liabilities of the Group are located in the PRC. Accordingly, no geographical segment assets and capital expenditure are provided.

5 Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2005	2004
	$'000	$'000
(a) Finance costs:		
Interest expense on bank advances wholly repayable within five years	**564**	340
Less: amount capitalised into construction in progress	**(165)**	(141)
	399	199
Discounting charges	**168**	45
	567	244

Borrowing costs were capitalised at an annualised rate of 4.29% for the six months ended 30 June 2005 (2004: 4.42%).

	Six months ended 30 June	
	2005	2004
	$'000	$'000
(b) Other items:		
Amortisation of land lease premium	**32**	32
Depreciation	**3,909**	2,653
Interest income	**(374)**	(23)
Loss/(gain) on disposals of fixed assets	**72**	(9)
Gain from trading of foreign exchange contracts	**–**	(45)

6 Income tax

	Six months ended 30 June	
	2005	2004
	$'000	$'000
Current tax – PRC		
Tax for the period	**742**	649
(Over)/under-provision in respect of prior years	**(269)**	8
Tax refund	**(30)**	(123)
	443	534

6 Income tax (continued)

The provision for Hong Kong Profits Tax for the period ended 30 June 2005 is calculated at 17.5%. No provision for Hong Kong Profits Tax is made for the period as CMP (Hong Kong) Industry Company Limited did not earn any assessable income for Hong Kong Profits Tax purposes.

Pursuant to the rules and regulations of the Cayman Islands, the Company, CMTS (Cayman Islands) Industry Company Limited and CMW (Cayman Islands) Co., Ltd ("CMW(CI)") are not subject to any income tax in the Cayman Islands.

For the period ended 30 June 2005, Tian Jin CMT Industry Company Limited ("CMT") and CMW (Tianjin) Industry Co., Ltd ("CMWT") are subject to income tax at the rate of 15% applicable to foreign invested enterprises in Tianjin, the PRC. During the six months ended 30 June 2005, CMT was nominated as an "Advanced Technology Enterprise with Foreign Investment" and granted a reduced income tax rate of 10% for the period commencing 1 January 2004 to 31 December 2004. In the circumstances, an over-provision of PRC Enterprise Income Tax of $269,000 is recorded for the six months ended 30 June 2005.

Pursuant to the income tax rules and regulations of the PRC, Suzhou CMS Machinery Company Limited ("CMS") is eligible for a 100% relief from PRC Enterprise Income tax for the two years from their first profit-making year of operations and thereafter, they are subject to PRC Enterprise Income Tax at 50% of the standard income tax rate for the following three years. The financial period ended 30 June 2005 being the period within the fourth year of CMS following the first profit-making year, CMS is subject to PRC Enterprise Income tax at a reduced rate of 7.5% for the six months ended 30 June 2005.

For the period ended 30 June 2005, Suzhou CMB Machinery Co., Ltd ("Suzhou New Company") is subject to income tax at the rate of 24% applicable to foreign invested enterprises in Suzhou, the PRC.

The Group was granted a refund of PRC Enterprise Income Tax amounted to $30,000 from the Tax Bureau of Tianjin, during the six months ended 30 June 2005 as tax incentives for engaging in manufacturing of automobile parts and components.

For the six months ended 30 June 2004, the Group was granted a refund of PRC Enterprise Income Tax amounted to $123,000 from the Tax Bureau of Tianjin following the capitalisation of retained earnings of CMT.

7 Dividends

(a) Dividends attributable to the interim period

	Six months ended 30 June	
	2005	2004
	$'000	*$'000*
Interim dividend declared and to be paid after the interim period of $0.25 cents per share (2004: $Nil per share)	**2,594**	–

The interim dividend has not been recognised as a liability at the balance sheet date.

(b) Dividends attributable to the previous financial year, approved and paid after the interim period

	Six months ended 30 June	
	2005	2004
	$'000	*$'000*
Interim dividend declared and paid after the interim period	**–**	8,553

The dividend per share and the number of shares ranking for dividend are not presented above as such information is not meaningful having regard to the consolidated financial statements.

8 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2005 is based on the profit attributable to equity holders of the Company of $11,435,000 and the weighted average number of 1,033,978,000 ordinary shares in issue during the period. The calculation of basic earnings per share for the six months ended 30 June 2004 was based on the profit attributable to equity holders of the Company of $6,757,000 and on the 750,000,000 ordinary shares of the Company in issue as at the date of the Prospectus, as if the shares were outstanding throughout the six months ended 30 June 2004.

(b) Diluted earnings per share

There were no dilutive potential ordinary shares during the six month periods ended 30 June 2004 and 2005 and, therefore, diluted earnings per share are not presented.

9 Fixed assets

During the six months ended 30 June 2005, the Group acquired items of plant and machinery with a cost of $1,062,000 (2004: $337,000) and transferred items from construction in progress with a cost of $8,405,000 (2004: $17,495,000). Items of plant and machinery with a net book value of $457,000 were disposed of during the six months ended 30 June 2005 (2004: $2,000), resulting in a loss on disposal of $72,000 (2004: a gain of $9,000)

10 Trade and other receivables, deposits and prepayments

Included in trade and other receivables are debtors and bills receivable (net of impairment losses) with the following ageing analysis:

	At 30 June 2005	At 31 December 2004
	$'000	*$'000*
Within 3 months	**32,238**	25,452
More than 3 months but less than 12 months	**4,336**	1,586
More than 1 year but less than 2 years	**679**	85
More than 2 years but less than 5 years	**27**	16
Total debtors and bills receivable, net of impairment loss	**37,280**	27,139
Over receivables, deposits and prepayments	**3,503**	46,232
	40,783	73,371

The Group generally grants credit periods of 90 days from the date of billing. The Group may, on a case by case basis and after evaluation of the business relationship and credit worthiness, extend the credit period upon customers' request.

Include in trade receivables are amounts due from related companies of $2,372,000 (2004: $1,841,000), details of which are disclosed in note 18.

Certain trade receivables of the Group approximately $3,859,000 (2004: $Nil) as at 30 June 2005 were pledged for bank loans (note 13).

10 Trade and other receivables, deposits and prepayments (continued)

Included in debtors and bills receivable were bills discounted to the bank with recourse totalling $2,730,000 as at 30 June 2005.

Included in other receivables as at 31 December 2004 were the net proceeds of $43,859,000 receivable from the issuance of shares upon listing of the Company's shares on the Stock Exchange, which were received by the Company in January 2005.

11 Cash and cash equivalents

	At 30 June 2005 *$'000*	At 31 December 2004 *$'000*
Cash at bank and in hand	**35,053**	6,947
Deposits with banks maturing within three months	**15,106**	–
Cash and cash equivalents in the consolidated cash flow statement	**50,159**	6,947
Cash and cash equivalents denominated in:		
– Hong Kong dollar	**31,033**	–
– United States dollar	**10,186**	3,514
– Renminbi ("RMB")	**8,552**	1,529
– Other currencies	**388**	1,904
	50,159	6,947

RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to the exchange restriction imposed by the PRC government.

12 Trade and other payables

Included in trade and other payables are trade payables and bills payable with the following ageing analysis:

	At 30 June 2005 *$'000*	At 31 December 2004 *$'000*
Due within 1 month or on demand	**5,695**	5,565
Due after 1 month but within 3 months	**7,641**	5,471
Due after 3 months but within 6 months	**2,142**	2,486
Total creditors and bills payable	**15,478**	13,522
Other payables	**7,096**	7,988
	22,574	21,510

Certain bills payable of approximately $4,138,000 (2004: $4,649,000) were secured by pledged deposits of $1,050,000 (2004: $1,610,000).

13 Bank loans

The bank loans are repayable as follows:

	At 30 June 2005 *$'000*	At 31 December 2004 *$'000*
Within 1 year or on demand	**25,943**	30,237
After 1 year but within 2 years	**3,000**	3,500
	28,943	33,737
Representing:		
Secured bank loans	**6,364**	5,043
Unsecured bank loans	**19,849**	28,694
Proceeds from discounted bills	**2,730**	–
	28,943	33,737

Certain bank loans of approximately $2,505,000 and $3,859,000 (2004: $5,043,000 and $Nil) as at 30 June 2005 were secured by pledged bank deposits and trade receivables (note 10), respectively.

Bills receivable were discounted with recourse. The proceeds from discounting are stated in the consolidated balance sheet as borrowings pledged with the bills receivable (note 10).

14 Share capital

	At 30 June 2005 No. of shares *(thousand)*	At 30 June 2005 Amount *$'000*	At 31 December 2004 No. of shares *(thousand)*	At 31 December 2004 Amount *$'000*
Authorised:				
Ordinary shares of HK$0.01 each	**10,000,000**	**12,853**	10,000,000	12,853
Issued:				
At 1 January	**1,000,000**	**1,285**	–	–
Issuance of shares pursuant to the Reorganisation	**–**	**–**	224,411	288
Capitalisation issue	**–**	**–**	525,589	676
Issuance of shares by placing and public offer	**–**	**–**	250,000	321
Issuance of shares pursuant to the exercise of the Over-allotment Option	**37,500**	**48**	–	–
	1,037,500	**1,333**	1,000,000	1,285

In connection with the Placing and Public Offer of the Company's shares in December 2004, the Company has granted GC Capital (Asia) Limited ("GCC"), the joint bookrunners, an Over-allotment Option for issuing additional Over-allotment shares of not more than 37,500,000 ordinary shares of the Company within 30 days after the day of the Prospectus.

On 17 January 2005, GCC exercised the Over-allotment Option in full on behalf of the Placing Underwriters (as defined in the Prospectus) at HK$1.42 each. The Over-allotment shares commenced dealing on the Stock Exchange on 19 January 2005.

15 Reserves

	Attributable to equity holders of the Company							
	Share premium $'000	Statutory surplus reserve $'000	Exchange fluctuation reserve $'000	Other reserve $'000	Retained profits $'000	Total $'000	Minority interests $'000	Total equity $'000
At 1 January 2004	2,200	2,737	8	11,200	29,583	45,728	–	45,728
Exchange differences arising from consolidation	–	–	(10)	–	–	(10)	–	(10)
Capital injection by shareholders	–	–	–	800	–	800	–	800
Profit for the period	–	–	–	–	6,757	6,757	–	6,757
Appropriation	–	875	–	–	(875)	–	–	–
At 30 June 2004	2,200	3,612	(2)	12,000	35,465	53,275	–	53,275
At 1 January 2005	**42,182**	**3,612**	**(6)**	**34,920**	**38,004**	**118,712**	**-**	**118,712**
Exchange differences arising from consolidation	**-**	**-**	**10**	**-**	**-**	**10**	**-**	**10**
Issuance of shares pursuant to the Over-allotment Option	**6,796**	**-**	**-**	**-**	**-**	**6,796**	**-**	**6,796**
Share issue expenses	**(72)**	**-**	**-**	**-**	**-**	**(72)**	**-**	**(72)**
Profit for the period	**-**	**-**	**-**	**-**	**11,435**	**11,435**	**-**	**11,435**
Share of net assets to minority shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**6,250**	**6,250**
At 30 June 2005	**48,906**	**3,612**	**4**	**34,920**	**49,439**	**136,881**	**6,250**	**143,131**

Pursuant to the incorporation of CMW(CI), which had a paid-up capital of $25,000,000, minority shareholders have contributed a total of $6,250,000, representing a 25% equity interest of CMW(CI) and its wholly owned subsidiary, CMWT. As at 30 June 2005, both CMW(CI) and CMWT had not commenced commercial operations.

16 Capital commitments outstanding not provided for in the interim financial report

	At 30 June 2005 $'000	At 31 December 2004 $'000
Contracted for	**18,632**	36,827
Authorised but not contracted for	**13,287**	1,427
	31,919	38,254

17 Contingent assets and liabilities

(a) Foreign currency contracts

The notional amounts of the Group's foreign currency contracts are as follows:

	At 30 June 2005 $'000	At 31 December 2004 $'000
Foreign currency contracts	–	2,000

(b) Contingent liabilities

The Group had contingent liabilities as follows:

	At 30 June 2005 $'000	At 31 December 2004 $'000
Bills discounted with banks (with recourse)	–	1,921

18 Material related party transactions

During the period ended 30 June 2005, transactions with the following parties are considered as related party transactions.

Name of party	Relationship
Taiwan Asahi Bearing Co., Ltd ("Asahi")	Shareholder of the Company
China Metal Products Company Limited ("CMP")	Shareholder of the Company
Dairitsu Industry Company Limited ("Dairitsu")	Shareholder of the Company
China Metal Japan Company Limited ("CMJ")	Affiliated Company
China Metal Automotive International Co., Limited ("CMAI")	Affiliated Company
Fuzhou Xin Mi Mechanical and Electrical Products Co., Ltd ("Fuzhou Xin Mi")	Affiliated Company
Yanmar Diesel Engine Co., Ltd. ("Yanmar")	Related Company

18 Material related party transactions (continued)

(a) Recurring transactions

Particulars of significant transactions between the Group and one of the above related parties during the period are as follows:

	Six months ended 30 June	
	2005	2004
	$'000	*$'000*
Sales of goods to		
– Asahi	**135**	294
– Fuzhou Xin Mi	**822**	455
– Yanmar	**4,442**	1,540
	5,399	2,289
Commission to		
– CMAI	**272**	1
– CMJ	**228**	27
	500	28
Reimbursement of expenses to		
– CMAI	**1,452**	–
– CMP	**49**	33
	1,501	33

Included in the reimbursement of expenses to CMP is the Group's share of contributions to retirement schemes of certain eligible employees in Taiwan of $23,000 (2004: $6,000) for the six months ended 30 June 2005. The schemes are administered by CMP. Based on an agreement between the Group and CMP, CMP is responsible for the retirement liability of these employees. The Group is not obliged to incur any liability beyond the contribution.

(b) Non-recurring transactions

	Six months ended 30 June	
	2005	2004
	$'000	*$'000*
Purchases of goods from CMP	**60**	173

Certain bank loans of approximately $7,360,000 as at 30 June 2004 were guaranteed by CMP and/or Mr Ho Ming-Shiann, Chairman of the Company and/or secured by a USD promissory note drawn by Mr Ho. The above guarantees and security were released prior to the listing of the Company.

18 Material related party transactions (continued)

(c) Amounts due from related companies

	At 30 June 2005 $'000	At 31 December 2004 $'000
Trade		
– Asahi	**89**	162
– Fuzhou Xin Mi	**587**	427
– Yanmar	**1,696**	1,252
	2,372	1,841
Non-trade		
– CMAI	**–**	83
	2,372	1,924

All the other amounts due from related companies are unsecured, interest-free and are expected to be recovered within one year. There was no provision made against these amounts as at 30 June 2005.

(d) Amounts due to related companies

	At 30 June 2005 $'000	At 31 December 2004 $'000
CMAI	**83**	–
CMJ	**27**	41
CMP	**–**	65
Dairitsu	**71**	71
	181	177

These amounts are unsecured, interest-free and are expected to be repaid within one year.

19 Comparative figures

Certain comparative figures in the consolidated balance sheet have been reclassified as a result of a change in accounting policies in leasehold land and buildings held for own use under HKAS 17 "Leases", details of which are set out in note 3(c).

20 Possible impacts of amendments, new standards and interpretations issued but not yet effective for the annual accounting period ending 31 December 2005

Up to the date of issue of this interim financial report, the HKICPA has issued the following amendments, new standards and interpretations which are not yet effective for the accounting period ending 31 December 2005:

	Effective for accounting periods beginning on or after
HK(IFRIC) 4, Determining whether an arrangement contains a lease	1 January 2006
Amendments to HKAS 19, Employee benefits – Actuarial Gains and Losses, Group Plans and Disclosures	1 January 2006

The above amendments, new standards and interpretations have not been applied in this interim financial report because the directors expect that the Group will not early apply them when preparing the Group's annual financial statements for the year ending 31 December 2005.

The Group is in the process of making an assessment of the impact of these amendments, new standard and interpretations in the period of initial application and has so far concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.