1. ACCOUNTING POLICIES

The condensed consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard("HKAS") 34 "Interim Financial Reporting". The accounting policies and basis of preparation adopted in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2004, except in relation to the following new and revised Hong Kong Financial Reporting Standards("HKFRSs", which also include HKASs and Interpretations) that affect the Group and are adopted for the first time for current period's financial statements:

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 12	Income Taxes
HKAS 14	Segment Reporting
HKAS 16	Property , Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 20	Accounting for Government Grants and Disclosure of Government Assistance
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 31	Interests in Joint Ventures
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings Per Share
HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 40	Investment Property
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations
HK(SIC)-Int21	Income Taxes-Recovery of Revalued Non-depreciable Assets
HK-Int 4	Leases-Determination of the Length of Lease Term in respect of Hong Kong Land Leases
HKAS-Int 15	Operating Leases-Incentives

The adoption of HKASs 1,2,7,8,10,12,14,16,17,18,19,20,21,23,24,27,28,32,33,37,38,39,40, HKFRS2, HK(SIC)Int 21, HK-Int 4 and HKAS-Int 15 has had no material impact on the accounting policies of the Group and the methods of computation in the Group's condensed consolidated financial statements. The impact of adopting the other HKFRSs is summarised as follows:

1. ACCOUNTING POLICIES (continued)

(a) HKFRS3-Business Combinations and HKAS36-Impairment of Assets

In prior years, goodwill arising on acquisitions was capitalised and amortised on the straight-line basis over its estimated useful life and was subject to impairment testing when there was any indication of impairment. Negative goodwill was carried in the balance sheet and was recognised in the consolidated income statement on a systematic basis over the remaining average useful life of the acquired depreciable/amortisable assets, except to the extent it related to expectations of future losses and expenses that were identified in the acquisition plan and that could be measured reliably, in which case, it was recognised as income in the consolidated income statement when the future losses and expenses were recognised.

Upon the adoption of HKFRS 3 and HKAS 36, goodwill arising on acquisitions is no longer amortised but subject to an annual impairment review (or more frequently if events or changes in circumstances indicate that the carrying value may be impaired). Any impairment loss recognised for goodwill is not reversed in a subsequent period.

Any excess of the Group's interest in the net fair value of the acquires' identifiable assets, liabilities and contingent liabilities over the cost of the acquisition of subsidiaries (previously referred to as "negative goodwill"), after reassessment, is recognised immediately in the income statement.

The transitional provisions of HKFRS 3 have required the Group to eliminate at 1 January 2005 the carrying amounts of accumulated amortisation with a corresponding entry to the cost of goodwill and to derecognise the carrying amounts of negative goodwill against retained earnings.

The effects of the above changes are reflected in the condensed consolidated statement of changes in equity. In accordance with the transitional provisions of HKFRS 3, comparative amounts have not been restated.

(b) HKAS 31 - Interests in Joint ventures

Upon the adoption of HKAS 31, the Group is allowed to adopt the proportionate consolidation method for investments in jointly-controlled entries. The Group has determined to change the accounting policy for investments in jointly-controlled entities from the equity method to proportionate consolidation. Such change in accounting policy was accounted for retrospectively and involved recognising a proportionate share of the jointly-controlled entities' assets, liabilities, income and expenses into similar items in the condensed consolidated interim financial statement on a line-by-line basis. However, such treatment had no impact on the Group's net profit for the six months ended 30 June 2005 (the "Period") and the net assets as of 30 June 2005.

2. TURNOVER

During the Period, the Group was involved in the following principal activities:

(a) investment holding; and

(b) oil and cargo shipment along the PRC coast and international shipment.

2. TURNOVER (continued)

There is no major seasonality for the Group's turnover. An analysis of the Group's turnover and contribution to profit from operating activities by principal activity and geographical area of operations for the Period is as follows:

	For the six months ended 30 June			
	2005 (Unaudited)		2004 (Unaudited)	
By activity:	**Turnover Rmb'000**	**Contribution Rmb'000**	Turnover Rmb'000 (Restated)	Contribution Rmb'000 (Restated)
Crude oil and refined oil shipments	**2,204,690**	**938,765**	1,783,116	651,114
Coal shipments	**1,534,276**	**699,772**	954,664	318,131
Dry bulk shipments	**461,812**	**280,587**	375,817	216,236
	4,200,778	**1,919,124**	3,113,597	1,185,481
Other revenue and gains		**195,499**		77,972
Administrative expenses		**(114,436)**		(111,477)
Other operating expenses		**(64,713)**		(63,808)
Profit from operating activities		**1,935,474**		1,088,168

	For the six months ended 30 June			
	2005 (Unaudited)		2004 (Unaudited)	
By geographical area:	**Turnover Rmb'000**	**Contribution Rmb'000**	Turnover Rmb'000 (Restated)	Contribution Rmb'000 (Restated)
Domestic	**2,581,320**	**1,072,498**	2,009,092	741,592
International	**1,619,458**	**846,626**	1,104,505	443,889
	4,200,778	**1,919,124**	3,113,597	1,185,481
Other revenue and gains		**195,499**		77,972
Administrative expenses		**(114,436)**		(111,477)
Other operating expenses		**(64,713)**		(63,808)
Profit from operating activities		**1,935,474**		1,088,168

3. OTHER REVENUE AND GAINS

	For the six months ended 30 June	
	2005	2004
	(Unaudited)	(Unaudited)
	Rmb'000	Rmb'000
		(Restated)
Gain/(loss) on disposal of fixed assets	**80,500**	(7,313)
Interest income	**10,097**	3,801
Rental income from leased vessels	**39,045**	36,949
Service income from vessel management	**7,661**	7,752
Sales of coal	**37,009**	30,474
Others	**21,187**	6,309
Total	**195,499**	77,972

4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging

	For the six months ended 30 June	
	2005	2004
	(Unaudited)	(Unaudited)
	Rmb'000	Rmb'000
		(Restated)
Cost of shipping services rendered:		
Bunker oil inventories consumed and port fees	**1,040,109**	843,401
Depreciation	**433,761**	381,353
Operating lease rentals:		
Land and buildings	**11,248**	11,234
Vessels	**97,341**	111,136
	108,589	122,370
Staff costs	**304,816**	283,248
Dry docking and repairs	**200,530**	157,397

5. FINANCE COSTS

	For the six months ended 30 June	
	2005	2004
	(Unaudited)	(Unaudited)
	Rmb'000	Rmb'000
		(Restated)
Total interest	**72,181**	54,877
Less: Interest capitalised	**(6,392)**	(5,957)
Interest expenses	**65,789**	48,920

6. TAX

Pursuant to a directive 1998 (250) jointly issued by the Shanghai State Tax Bureau and Shanghai Bureau of Finance on 8 October 1998, the Company is entitled to a preferential income tax rate of 15% effective from 1 January 1998. Accordingly, PRC income has been provided at the rate of 15% (six months ended 30 June 2004: 15%) on the estimated assessable profits for the Period.

No Hong Kong profits tax has been provided as no assessable profit was earned in or derived from Hong Kong during the Period (six months ended 30 June 2004: No assessable profit was earned). Taxes on profits assessable elsewhere, if applicable, have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	For the six months ended 30 June	
	2005	2004
	(Unaudited)	(Unaudited)
Group:	**Rmb'000**	Rmb'000
		(Restated)
Hong Kong	**-**	-
PRC	**263,232**	152,826
Tax charge for the Period	**263,232**	152,826

A reconciliation of the tax expense applicable to profit before tax using the statutory rates for the countries in which the Company, its subsidiaries and jointly-controlled entities are domiciled to the tax expense at the effective tax rates is as follows:

	For the six months ended 30 June	
	2005	2004
	(Unaudited)	(Unaudited)
	Rmb'000	Rmb'000
		(Restated)
Accounting profit before tax	**1,869,685**	1,039,248
Tax at the applicable tax rate of 15% (2004: 15%)	**280,453**	155,887
Tax effect of net income that is not taxable in determining taxable profit	**(17,221)**	(3,061)
Tax charge at the Group's effective rate	**263,232**	152,826

7. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the net profit attributable to shareholders for the Period of RMB1,604,549,000 (six months ended 30 June 2004: RMB885,851,000) and the number of shares of 3,326,000, 000 (six months ended 30 June 2004: 3,326,000,000) in issue during the Period.

Diluted earnings per share for the six-month periods ended 30 June 2004 and 2005 have not been presented as no diluting events existed during these periods.

8. DIVIDEND PER SHARE

The directors do not recommend the payment of interim dividend (six months ended 30 June 2004: Nil).

9. FIXED ASSETS

During the Period, three oil tankers at a total cost of RMB1,088,943,000 and four cargo vessels at a total cost of RMB579,790,000 (six months ended 30 June 2004: two oil tankers at a total cost of RMB390,098,000) were constructed and have been put into operation. A cargo vessel with net book value of RMB7,255,000 was disposed of to a third party, and three oil tankers with net book value of RMB17,063,000 in aggregate were disposed of to two fellow subsidiaries. In addition, a cargo vessel with net book value of nil was scrapped during the Period. (A cargo vessel with net book value of RMB17,364,000 was disposed of to a third party during the six months ended 30 June 2004.)

10. TRADE AND BILLS RECEIVABLES

	30 June 2005		31 December 2004	
	Balance (Unaudited) Rmb'000	**Percentage (Unaudited)**	Balance (Audited) Rmb'000 (Restated)	Percentage (Audited) (Restated)
Within one year	**302,930**	**92**	159,150	86
One to two years	**-**	**-**	-	-
Beyond two years	**26,465**	**8**	26,465	14
	329,395	**100**	185,615	100
Provision for doubtful debts	**(28,349)**		(28,410)	
Trade and bills receivables, net	**301,046**		157,205	

The Group normally allows a credit period of 30 days to its major customers.

11. TRADE PAYABLES

	30 June 2005		31 December 2004	
	Balance (Unaudited) Rmb'000	**Percentage (Unaudited)**	Balance (Audited) Rmb'000 (Restated)	Percentage (Audited) (Restated)
Within one year	**252,273**	**92**	156,747	95
One to two years	**18,942**	**7**	359	-
Beyond two years	**2,159**	**1**	7,902	5
	273,374	**100**	165,008	100

12. CONTINGENT LIABILITIES

(i) In September 2004, the Company was sued by three Korean banks, claiming WON11,974,643,000 (equivalent to RMB81,689,000) in compensation for their losses arising from the letters of credit issued in connection with a shipment of crude oil by the Company from the PRC to Korea. It is expected that the loss from this claim would be covered by disposing of the relevant oil of 64,100 tons, which is now under the custody of the court.

(ii) In March 2005, one of the Company's cargo vessels "Hualing" collided with a vessel of a German company. In June 2005, the Company was sued by the German company, claiming USD10 million (equivalent to approximately RMB83 million) in compensation for the losses arising from the accident. The litigation is still in progress and it is not certain that which party should be responsible for the accident. However, it is expected that the asset loss related to vessels can be fully covered by the insurance contracts.

13. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its vessels under operating lease arrangements, with leases negotiated for terms ranging from one to twelve years.

As at 30 June 2005, the Group had total future minimum lease rental receivables under non-cancellable operating leases falling due as follows:

	30 June 2005 (Unaudited) Rmb'000	31 December 2004 (Audited) Rmb'000
Within one year	**87,576**	74,786
In the second to fifth years, inclusive	**111,299**	145,538
After five years	**630**	1,890
	199,505	222,214

(b) As lessee

The Group entered into non-cancellable operating lease arrangements on vessels, vehicles and buildings. The leases are negotiated for terms ranging from one to five years.

As at 30 June 2005, the Group had total future minimum lease rental payables under non-cancellable operating leases falling due as follows:

13. OPERATING LEASE ARRANGEMENTS (continued)

(b) As lessee (continued)

	30 June 2005 (Unaudited) Rmb'000	31 December 2004 (Audited) Rmb'000 (Restated)
Within one year	**188,705**	193,319
In the second to fifth years, inclusive	**157,336**	264,628
	346,041	457,947

14. COMMITMENTS

In addition to the operating lease commitments detailed in note 13(b) above, the Group had the following capital commitments at the balance sheet date:

	30 June 2005 (Unaudited) Rmb'000	31 December 2004 (Audited) Rmb'000
Contracted, but not provided for:		
Construction of vessels	**2,913,850**	4,306,768
Renovation of vessels	**-**	37,454
	2,913,850	4,344,222
Authorised, but not contracted for:		
Renovation of vessels	**82,423**	37,000
	2,996,273	4,381,222

15. DIFFERENCES IN FINANCIAL STATEMENTS PREPARED UNDER GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN HONG KONG ("HK GAAP") AND PRC ACCOUNTING STANDARDS

The Group has prepared a separate set of financial statements for the Period in accordance with PRC accounting standards. The major differences between the financial statements prepared under PRC accounting standards and HK GAAP are set out as follows:

	For the six months ended 30 June	
	2005 (Unaudited) Rmb'000	2004 (Unaudited) Rmb'000
Net profit attributable to shareholders prepared under HK GAAP	**1,604,549**	885,851
Adjustments for depreciation, gain on disposal of vessels and deferred staff expenditures, etc.	**3,008**	9,877
Net profit attributable to shareholders prepared under PRC accounting standards	**1,607,557**	895,728

15. DIFFERENCES IN FINANCIAL STATEMENTS PREPARED UNDER GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN HONG KONG ("HK GAAP") AND PRC ACCOUNTING SANDARDS (continued)

	30 June 2005 (Unaudited)	31 December 2004 (Audited)
	Rmb'000	Rmb'000
Shareholders' equity prepared under HK GAAP	**9,766,315**	8,659,080
Adjustments for revaluation surplus, depreciation, gain on disposal of vessels and deferred staff expenditure, etc.	**(158,773)**	(134,783)
Shareholders' equity prepared under PRC accounting standards	**9,607,542**	8,524,297

16. THE ULTIMATE HOLDING COMPANY

In the opinion of the directors, the ultimate holding company of the Company is China Shipping (Group) Company ("China Shipping"), a state-owned enterprise established in the PRC.

17. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these financial statements, business transactions between the Group and its holding company, fellow subsidiaries, jointly-controlled entities as well as related parties for the Period, which are also considered by the directors as connected transactions, are set out as below:

(1) A Services Agreement dated 3 April 2001 between the Company and China Shipping (Group) became effective subsequent to an approval by the independent shareholders at an extraordinary general meeting held on 22 May 2001. Pursuant to the Services Agreement and a supplementary agreement entered into on 8 January 2004, China Shipping (or its subsidiaries and jointly- controlled entities) will provide to the Group the necessary supporting shipping materials and services for the ongoing operations of the Group, including the provision of dry-docking and repairs services, lubricating oil, fresh water supplies, raw materials and bunker oil, as well as other services. The Services Agreement is effective for a period of ten years. The service fees under the Services Agreement should be determined (after arm's length negotiations) with reference to, depending on applicability and availability, either State-fixed price, market price or cost.

17. RELATED PARTY TRANSACTIONS (continued)

Further details of the principal amounts paid by the Group to China Shipping, its subsidiaries or jointly-controlled entities in respect of the Services Agreement for the Period are set out as below:

		For the six months ended 30 June	
	Pricing basis	**2005 Total value (Unaudited) Rmb'000**	2004 Total value (Unaudited) Rmb'000 (Restated)
Dry-docking and repairs	State-fixed prices or market prices	**175,848**	95,046
Supply of lubricating oil, fresh water supplies, raw materials, bunker oil, mechanical and electrical engineering, ship stores and repairs and maintenance services for life boats	Market prices	**556,601**	395,084
White washing and oily water treatment for vessels	State-fixed prices or market prices	**4,247**	3,537
Installation, repairs and maintenance of telecommunication and navigational services	State-fixed prices	**11,764**	4,983
Hiring of sea crew	Market prices	**88,953**	76,587
Accommodation, lodging and transportation for employees	Market prices	**2,966**	2,930
Medical services (for existing employees)	State-fixed prices	**595**	1,276
Miscellaneous management services	Market prices	**18,136**	16,053
Agency commissions	Market prices	**30,224**	11,296
Service fees on sale and purchase of vessels, accessories and other equipment	Market prices	**2,763**	-

In connection with the above transactions and for other operating purposes, the Group made prepayments/advances to subsidiaries and jointly-controlled entities of China Shipping from time to time.

17. RELATED PARTY TRANSACTIONS (continued)

(2) Save for the connected transactions outlined above, details of other connected transactions with the holding company, fellow subsidiaries, jointly-controlled entities and related companies are as follows:

		For the six months ended 30 June	
		2005	2004
		(Unaudited)	(Unaudited)
		Rmb'000	Rmb'000
			(Restated)
Vessel chartering charges paid	(a)	**50,432**	44,347
Agency commissions paid		**405**	476
Sale of vessels	(b)	**(97,896)**	-
Vessel chartering income received	(c)	**(50,394)**	(47,985)
Vessel management fees	(d)	**(5,641)**	(5,721)

(a) The Company entered into a time charter party agreement on 22 December 2004 with one of its fellow subsidiaries, namely China Shipping (Hong Kong) Holdings Co., Ltd., whereby the Company has agreed to lease from this fellow subsidiary a vessel for a term of three years commencing 1 January 2005. The charter payment for this vessel for the Period was RMB28,475,000.

The Company also entered into a time charter party agreement on 22 December 2004 with one of its fellow subsidiaries, namely Shanghai Shipping Industrial Co., Ltd., whereby the Company has agreed to lease from this fellow subsidiary a vessel for a term of three years commencing 1 January 2005. The charter payment for this vessel for the Period was RMB14,237,000.

In addition, the Company entered into a bare-boat charter party agreement with one of its jointly-controlled entities, namely Zhuhai New Century Marine Co., Ltd. ("New Century"), whereby the Company has agreed to lease from this company a vessel for a term of seven months commencing 1 January 2005. The charter payment for this vessel for the Period was RMB3,620,000.

Apart from the above, the Company entered into a time charter party agreement with one of its fellow subsidiaries, namely Zhuhai Shipping Enterprise Co., Ltd., in prior year, whereby the Company has agreed to lease from this fellow subsidiary a vessel for a term commencing 1 January 2002 and ending on the scrap date of the vessel. The charter payment for this vessel for the Period was RMB4,100,000.

(b) The Company and one of its fellow subsidiaries, namely Yuzhou Ship Dismantling Company Limited, entered into a sale and purchase agreement on 27 June 2005, whereby the Company has agreed to sell and the fellow subsidiary has agreed to purchase an oil tanker, and thereafter to dismantle it for scrap metal. The consideration for the sale of this vessel was RMB15,925,000 as determined based on the market price of scrap metal.

In addition, the Company and one of its fellow subsidiaries, namely China Shipping Industry Company Limited ("CS Industry"), entered into two sale and purchase agreements on 22 December 2004, whereby the Company has agreed to sell and CS Industry has agreed to purchase two oil tankers, and thereafter to dismantle them for scrap metal. The consideration for the sale of these vessels was RMB81,971,000 as determined based on the market price of scrap metal. The vessels were delivered in January 2005.

17. RELATED PARTY TRANSACTIONS (continued)

(c) The Company and one of its subsidiaries, namely China Shipping Development (Hong Kong) Marine Co., Limited ("China Shipping Hong Kong"), entered into various bare-boat charter party agreements on 22 December 2004 with one of their fellow subsidiaries, namely China Shipping Container Liners Co., Ltd. ("CSC"), whereby the Company and China Shipping Hong Kong have agreed to lease to this fellow subsidiary four and five vessels for a term of three years commencing 1 January 2005, respectively. The chartering income for these vessels for the Period was RMB32,953,000.

Furthermore, the Company entered into various bare-boat charter party agreements in year 1998 with one of its fellow subsidiaries, namely CSC, whereby the Company has agreed to lease to this fellow subsidiary three vessels for a term of 12 years commencing 4 September 1998, 18 September 1998 and 23 September 1998, respectively, with a total consideration of RMB1,260,000.

In addition, the Company entered into a time charter party agreement with one of its jointly-controlled entities, namely Shanghai Times Shipping Co., Ltd. ("Times Shipping"), whereby Times Shipping has agreed to lease from the Company a vessel for a term of one year commencing 1 January 2005. The charter payment for this vessel for the Period was RMB14,484,000.

Moreover, the Company entered into a bare-boat charter party agreement with one of its jointly-controlled entities, namely Shanghai Friendship Marine Co., Ltd. ("Friendship"), whereby Friendship has agreed to lease from the Company a vessel for a term of two months commencing 1 January 2005. The charter payment for this vessel for the Period was RMB1,097,000.

Apart from the above, the Company entered into two bare-boat charter party agreements in year 2002 with one of its fellow subsidiaries, namely Shanghai Puhai Marine Co., Ltd., whereby the Company has agreed to lease to this fellow subsidiary two vessels for a term of two years or ending on the scrap date of the vessel respectively. The chartering income for these vessels for the Period was RMB600,000.

(d) Management of cargo vessels

On 27 May 1998, the Company entered into two Cargo Vessels Management Agreements with Dalian Shipping (Group) Company ("Dalian Shipping") and Guangzhou Maritime Transport (Group) Company Limited ("Guangzhou Maritime") for the management of their 15 and 57 cargo vessels (the "Cargo Vessels"), respectively. Each of the Cargo Vessels Management Agreements contains an option exercisable by the Company at any time prior to the expiration thereof to acquire any of the Cargo Vessels, and under which the Company has a right of first refusal in respect of any proposed sale of the Cargo Vessels. In the event that Dalian Shipping or Guangzhou Maritime ceases to own any of the Cargo Vessels, the management fees shall be reduced accordingly by the percentage represented by the tonnage of the disposed vessels to total tonnage of the Cargo Vessels.

On 6 March 2002, the Company entered into two supplementary agreements with Guangzhou Maritime and Dalian Shipping, respectively. According to these agreements, Guangzhou Maritime should pay the Company RMB4,600,000 for the management of its cargo vessels during the Period (six months ended 30 June 2004: RMB4,680,000), while Dalian Shipping should pay RMB1,041,000 for similar service in the same period (six months ended 30 June 2004: RMB1,041,000).

17. RELATED PARTY TRANSACTIONS (continued)

(e) Pursuant to two bare-boat charter-party agreements both dated 20 October 1994, Shanghai Shipping (Group) Company ("Shanghai Shipping"), the former holding company and now a fellow subsidiary) agreed to charter two vessels to the Company from their respective dates of delivery to the Company, until full repayment of the principal and interest of the related loans borrowed by Shanghai Shipping to purchase the vessels, and under which, on due completion of the charters, the vessels will become the Company's property. The vessels were delivered to the Company on 1 January 1996. The principal amounts to be paid each year until 2007 amount to approximately DM7.6 million. With the currency reform in Europe starting from 1 January 2002, the principal amounts re-denominated to EURO are approximately EURO 3.9 million.

(f) Pursuant to the share transfer agreement entered into between the Company and China Shipping on 9 September 2002, the Company transferred its 25% equity interests in CSC to China Shipping at a consideration of RMB1. The Company is entitled to an option to buy back from China Shipping all or part of the disposed interests in CSC at terms and consideration to be agreed between the two parties ("the Option"). It was resolved in a board meeting of the Company on 8 January 2004 that the Company will not exercise the Option within three years from the date when CSC was converted into a joint stock limited company, which was on 3 March 2004.

18. COMPARATIVE AMOUNTS

As explained in note 1 to the condensed consolidated financial statements, due to the adoption of new and revised HKFRSs during the Period, the accounting treatment and presentation of certain items in the financial statements have been revised to comply with the new requirements. Accordingly, certain prior year adjustments have been made and certain comparative amounts have been reclassified to conform with the current period's presentation.

19. APPROVAL OF INTERIM FINANCIAL REPORT

These condensed consolidated interim financial statements were approved and authorised for issue by the board of directors on 10 August 2005.