

INDEPENDENT REVIEW REPORT
TO THE BOARD OF DIRECTORS
OF PORTS DESIGN LIMITED
for the six months period ended 30 June 2006
(Incorporated in Bermuda with limited liability)



Introduction

We have been instructed by Ports Design Limited ("the Company") to review the interim financial report for the six months ended 30 June 2006 set out on pages 19 to 36.

Respective responsibilities of directors and auditors

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim financial reporting" adopted by the International Accounting Standards Board. The interim financial report is the responsibility of, and has been approved by, the directors.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Review work performed

We conducted our review in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports" issued by the Hong Kong Institute of Certified Public Accountants. A review consists principally of making enquiries of group management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

Review conclusion

On the basis of our review, which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30 June 2006.

KPMG

Certified Public Accountants
Hong Kong, 30 August 2006

UNAUDITED CONSOLIDATED INCOME STATEMENT
for the six months ended 30 June 2006

	Note	Six months ended 30 June			
		2006 (RMB)	2005 (RMB)	2006 (US\$) (Note 16)	2005 (US\$) (Note 16)
Turnover	2	417,097,363	383,151,535	52,165,862	46,293,909
Cost of sales		(106,679,014)	(134,117,145)	(13,342,215)	(16,204,573)
Gross profit		310,418,349	249,034,390	38,823,647	30,089,336
Other operating income		7,847,517	4,739,226	981,479	572,612
Distribution expenses		(179,695,963)	(150,257,204)	(22,474,356)	(18,154,679)
Administrative expenses		(16,483,150)	(18,367,459)	(2,061,528)	(2,219,230)
Other operating expenses		(16,827,823)	(14,595,031)	(2,104,635)	(1,763,430)
Profit from operations		105,258,930	70,553,922	13,164,607	8,524,609
Net finance income / (costs)	3(i)	2,302,366	(1,981,678)	287,954	(239,435)
Profit before taxation		107,561,296	68,572,244	13,452,561	8,285,174
Income tax	4	(6,717,470)	(1,977,029)	(840,146)	(238,872)
Profit for the period-attributable to equity shareholders of the Company		100,843,826	66,595,215	12,612,415	8,046,302
Dividends payable to equity shareholders of the Company:	5				
Interim dividend proposed after the balance sheet date		60,225,579	40,744,489	7,532,340	4,922,913
Earnings per share					
-Basic	6	0.18	0.12	0.02	0.01
-Diluted	6	0.18	0.12	0.02	0.01

The notes on pages 23 to 36 form part of this interim financial report.