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This document, for which the directors of Convenience Retail Asia Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (“GEM Listing Rules”) for the purpose of giving information with regard to Convenience Retail Asia Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this document is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this document misleading; and (3) all opinions expressed in this document have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



HALF YEAR RESULTS FOR THE PERIOD ENDED 30 JUNE 2004

Three Months Ended 30 June		2004	2003
• Group Turnover	+15%	HK\$432,767,000	HK\$377,603,000
• Group Profit	+11%	HK\$18,350,000	HK\$16,589,000
• Earnings Per Share (Basic)	+8%	2.7 cents	2.5 cents
• Interim Dividend Per Share	+25%	1.25 cents	1 cent
Six Months Ended 30 June		2004	2003
• Group Turnover	+15%	HK\$836,467,000	HK\$727,203,000
• Group Profit	+13%	HK\$26,859,000	HK\$23,845,000
• Earnings Per Share (Basic)	+11%	4.0 cents	3.6 cents
• Interim Dividend Per Share	+25%	1.25 cents	1 cent

HIGHLIGHTS

- K Economic recovery in Hong Kong contributed to satisfactory growth in turnover and profitability.
- K Well on track with new store opening programme in Hong Kong; number of stores increased by two to 192 during the quarter and seven stores are scheduled to open soon.
- K Expediting store openings in quality locations in Southern China will be the Group's top priority in the second half; with number of stores in Guangzhou increased by two to 12 during the quarter and three stores scheduled to open soon.
- K Strong cash position with HK\$495.1 million and no bank borrowings as at 30 June 2004.



CHAIRMAN'S STATEMENT

Financial Overview

I am pleased to report the unaudited half year results of Convenience Retail Asia Limited and its subsidiaries (the "Group") for the period ended 30 June 2004.

The Group maintained its momentum of growth during the second quarter buoyed by the continuing trend of economic recovery in Hong Kong. During the second quarter ended 30 June 2004, the Group's turnover increased by 15% to HK\$432.8 million when compared to the same period last year. Net profit attributable to shareholders increased by 11% to HK\$18.4 million. The Group has a net cash balance of HK\$495.1 million and no bank borrowings.

In view of the Group's profitability and strong cash flow, the Board of Directors has resolved to increase the interim dividend from 1 cent per share in 2003 to 1.25 cents per share this year.

Review of Hong Kong Operations

During the second quarter of 2004, the retail market in Hong Kong remained robust as total retail sales value continued to register a healthy double-digit year-on-year growth of 23% in April and 19.7% in May. The increases were partly magnified by a relatively low base of comparison in 2003 due to the impact of SARS. If compared with the same period in 2002, retail sales value in April and May 2004 grew by 4% and 6% respectively. This steady growth can be attributed to the gradual improvement in Hong Kong's economy and the increase in visitors from the Chinese Mainland.

The strong sales performance was broad-based and spanned major categories from luxury products to miscellaneous consumer goods indicating sustained purchases by both inbound tourists and local consumers. Improvement in overall consumer confidence was duly reflected in the satisfactory growth of the Group's sales from comparable store as well as total sales turnover.

Against the backdrop of a buoyant market environment, the Group pressed ahead with its new store-opening programme. By the end of the second quarter, the total store number reached 199 (including new leases committed), well on track for the Group's target of 210 stores by the end of 2004. This was achieved despite escalating retail rentals which rendered the quest for store sites with affordable rentals much more difficult.

The upbeat economy has also created some expectation for upward salary adjustments in the labour market that will eventually exert some pressure on the Group's operational costs.



Review of Guangzhou Operations

In Guangzhou, the economy continued to perform well across all sectors. Total retail sales in May showed an annual growth rate of 30.2%, having been impacted by SARS in the same period of the year before which resulted in a smaller base for comparison. Year to date sales from January to May grew by 17.8%.

When measures to cool the Chinese economy started to take effect, a mild deceleration in economic growth and capital investment was felt. Even with significant inflation in the purchase prices of raw materials, fuels and energy, consumer prices registered a slight drop of 0.8%* in May compared with April 2004. This is expected to be a fair indication of the pricing trend in the near future since supply still far exceeds demand in most consumer product categories.

However, a positive outlook of the retail market in Guangzhou is solidly supported by the year-on-year increase of 16.6% in consumer spending which outpaced the increase in disposable income of 13.3%* for the first time.

New entrants in the convenience store market in Guangzhou are engaged in the initial phase of building their store networks. So far there is no evidence that their presence has posed any threat to the Group's business.

The performance of the Group's Guangzhou operation was very much in line with expectation. Transaction count per store day continued to grow steadily as aggressive marketing programmes delivered incremental sales from specific target customer groups and new product categories.

Business Outlook

The Group expects the second half of the year to be a period of sustained business growth and consolidation in both Hong Kong and Guangzhou.

In Hong Kong, slow but consistent improvement in the unemployment rate, reduced deflation and strong performance of the property market, together with the significant uptrend in inbound tourist figures will continue to nurture positive consumer sentiments, providing a favourable market environment for business and margin growth.

* According to the report published by the Comprehensive Statistic Department, Guangzhou Municipal Bureau of Statistics (廣州市統計局) in May 2004.



As expressed earlier, retail rents and upward salary adjustments are providing new challenges and it is the Group's intention to exercise caution and prudence in this market environment. Our goal is to commit to another 11 stores by year end in locations where the rental environment has remained competitive; in order to achieve the target store number of 210 by the end of the year.

In Guangzhou, stable growth in sales per store day means that more stores will become profitable, especially during the hot summer and sales momentum is sustained. In order to ensure quality growth, the Group still maintains a conservative and measured approach in the selection of suitable new store sites.

Considerable resources are being devoted to the development of a second tier store model comprising a much smaller store size and a more customised product range. This approach provides us with greater flexibility in locating appropriate new store sites. As a result of developing and refining this new store concept, the target of 40 stores by end of the year will be subject to review in the third quarter.

The Group has also been actively pursuing its plans of expanding to other Pearl River Delta cities. Once the feasibility studies are finalised, the Group will be ready to roll out the second phase of its market entry plan in the Pearl River Delta.

Fung Kwok King, Victor

Chairman

Hong Kong, 4 August 2004

Executive Directors:

Yeung Lap Bun, Richard

Li Kwok Ho, Bruno

Non-executive Directors:

Dr. Fung Kwok King, Victor (*Chairman*)

Dr. Fung Kwok Lun, William

Lau Butt Farn

Wong Yuk Nor, Louisa

Independent non-executive Directors:

Dr. Ch'ien Kuo Fung, Raymond

Au Man Chung, Malcolm

Godfrey Ernest Scotchbrook



MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

During the three months ended 30 June 2004, the Group's turnover increased by 15% to HK\$432.8 million when compared to the same period last year. The increase in turnover was achieved both through the opening of new stores and an increase in turnover among comparable stores (stores in existence throughout the first and second quarter of 2003 and 2004) which registered an increase of 3% in HK and 27% in Guangzhou.

Gross margin excluding interest increased from 32.2% in 2003 to 33.7% in 2004 during the quarter, mainly as a result of an increase in the sales mix of higher margin categories such as packaged beverages and in-store bakery products, as well as increases in promotional fund and rebate income from suppliers.

During the quarter, store operating expenses as a percentage of sales increased from 22.1% in 2003 to 23.9% in 2004. The increase was mainly due to higher advertising and promotional spending, higher in store operating expenses in Guangzhou and a comparatively lower rental base during the same quarter of 2003 caused by a one-off rental concession from Hong Kong Housing Authority as a relief measure related to SARS.

During the quarter, both distribution and administration expenses were under control and their ratios expressed as a percentage of sales were at the same level as last year.

For the second quarter of 2004, net profit attributable to shareholders increased by 11% to HK\$18.4 million, as a result of increased turnover and gross margin. Net loss after minority interest from the Guangzhou operation was HK\$2.5 million in 2004 as compared to HK\$2.1 million in 2003.

The Group's financial position continues to be strong with a total cash balance of HK\$495.1 million and no borrowings. The Board of Directors has resolved to declare an interim dividend of 1.25 cents a share.

The Group had limited foreign exchange exposure in RMB which was kept to a minimal level by maintaining the paid-in capital of the Group's joint venture in Guangzhou in Hong Kong dollars and only converting amount needed for working capital in RMB. In addition, any future borrowings of the joint venture will be denominated in RMB.

In the six months ended 30 June 2004, the Group recorded a turnover of HK\$836.5 million and a net profit of HK\$26.9 million, an increase of 15% and 13% respectively when compared to the results for the six months ended 30 June 2003.



Operation Review – Hong Kong

Store Operations

Given the positive market environment, the only area for management concern was the escalating retail rentals. This posed considerable challenges in the quest of new store sites.

However, by carefully analysing and selecting sites with the right profile of customers, the Group was still able to secure new store sites which delivered high traffic and locational convenience to our target customers.

Employees

As at 30 June 2004, the Group had a total of 2,070 employees of whom 1,740 were based in Hong Kong, 330 in Guangzhou. Regular part-time staff accounted for 48.6% of the total headcount.

The Group continued to invest significantly in customer service training programmes for frontline staff.

Implementation of the Group's Total Quality Culture programme continued well into 2004, with new "Work Improvement Teams" being formed and assigned with new projects annually.

Marketing and Promotion

During the second quarter, continual consumer promotions were planned at two levels: chain-wide thematic promotions and localised loyalty programmes. Both achieved significant sales results with noteworthy residual effects on the market positioning of Circle K.

The "Look for your Lucky Star at Circle K" promotion for magazines and newspapers was effective not only in boosting sales of the media category, but also in creating a major competitive advantage. In fact, the free pack of facial tissue with Lucky Star Card insert that was given out with every media purchase has already become a signature premium for the Circle K stores.

The "High Calcium" promotion for soft-serve ice cream generated over 50% incremental sales for the category while creating a point of difference for an exclusive Circle K product which has little competition in the market.



Category Excellence

By reviewing and adjusting the overall product mix and enhancing store display, the Group outperformed the market in sales growth of core product categories such as packaged drinks, confectionery, food and other key categories.

As a result, the Group's margin performance also improved significantly and exceeded budgeted figures. There were also some indications that customers were more receptive to the idea of upgrading to better quality products and more premium brands.

Service Excellence

In the latest Hong Kong Retail Management Association's Mystery Shoppers Programme for March to May 2004, Circle K's customer service performance was rated number one in the Supermarket/Convenience Stores/Drug Stores category, underscoring our strongest point of differentiation against our competition. This recognition was most gratifying, especially as a morale booster for frontline staff.

Supply Chain Management and Logistics

In order to gear up for increased demand during the peak sales season in summer, an extensive system review and process streamlining operation was conducted during the first quarter. With higher frequency deliveries and enhanced information flow, the Group's stores are getting more efficient supply chain support than ever.

A custom-built user-friendly Order Planning System (OPS) was developed in-house and launched in the second quarter. The Group also completed the installation of broadband connections in all its stores in Hong Kong.

Operation Review – Guangzhou

During the second quarter, a series of aggressive thematic promotions were launched which effectively generated incremental sales and built customer loyalty.

In order to attract student customers and cultivate their habit of shopping at Circle K, a student loyalty programme was launched which offered a range of attractive and exclusive premiums for free redemption with the accumulation of specified bonus points. The promotion was well received and succeeded in increasing the percentage of student customers from 7% to 12% of total customer base.



The successful “Bread of the Week” promotion introduced a range of bread varieties by rotation at an attractive “Trial Pricing” which provided the incentive to buy. The promotion worked very well in maintaining a substantial sales base for the Hot & In category.

On the operational front, preparation for the set up of a larger training centre was well underway, paving the way for an official opening in August 2004.

The significant increase in social costs for staff plus the price inflation of raw materials are two notable factors that might impact operating cost in future.

Prospect

In Hong Kong, the inbound tourist boom will continue to fuel optimism in the industry even though local consumer spend remains cautious and retailers relying on domestic consumption are less likely to be benefited by the boom.

It is expected that the year’s retail sales will return to positive growth for the first time since 1997. However retail sales growth will slow down in the second half of the year because of the high base for comparisons a year ago when sales recorded a sharp rebound after the SARS outbreak.

Even though the improvement in the economy has only been gradual, overall favourable retail performances are likely to raise landlords’ rental expectations. Rentals in prime retail areas where most Chinese tourists visit have gone up 20% to 30%. Lease renewal and new store acquisition negotiations will become more challenging. However, the Group plans to continue to exercise tight controls over other expenses.

The Group will focus on further improving its business performance in Hong Kong and ensuring a strong cash flow position, so that there will be ample cash funding for the next phase of strategic development on the Chinese Mainland.

In Southern China, the Group’s primary objectives are to speed up its store network expansion programme while exerting tight control over capital expenditure and operating costs. Operational and sales data indicate that the Group is already well on track.

Consumer sentiment and spending will continue to improve, and this trend will be reflected in our comparable store growth. However, energy, labour and social benefits costs are all expected to increase, partially offsetting the favourable impact of sales growth.



The Group's top priority in the second half of 2004 is to expedite growth of stores, both within and outside Guangzhou. The Group is currently conducting feasibility studies of a market entry plan for other cities in the Pearl River Delta, due for review in the latter part of the year.

In terms of turnover and profitability, the Management Team is cautiously confident that the favourable trend that was established in the first six months will continue into the second half of 2004.

Yeung Lap Bun, Richard
Chief Executive Officer

Hong Kong, 4 August 2004



**CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2004**

	<i>Note</i>	(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
		2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
Turnover	2	432,767	377,603	836,467	727,203
Cost of sales		<u>(321,380)</u>	<u>(284,946)</u>	<u>(626,439)</u>	<u>(549,218)</u>
Gross profit		111,387	92,657	210,028	177,985
Other revenues	2	35,896	30,483	65,034	55,402
Store expenses		<u>(103,414)</u>	<u>(83,422)</u>	<u>(199,999)</u>	<u>(167,981)</u>
Distribution costs		<u>(6,829)</u>	<u>(5,956)</u>	<u>(13,685)</u>	<u>(11,402)</u>
Administrative expenses		<u>(15,814)</u>	<u>(14,507)</u>	<u>(30,513)</u>	<u>(27,277)</u>
Profit before taxation	3	21,226	19,255	30,865	26,727
Taxation	4	<u>(4,199)</u>	<u>(3,798)</u>	<u>(6,561)</u>	<u>(5,271)</u>
Profit after taxation		17,027	15,457	24,304	21,456
Minority interests		<u>1,323</u>	<u>1,132</u>	<u>2,555</u>	<u>2,389</u>
Profit attributable to shareholders		<u><u>18,350</u></u>	<u><u>16,589</u></u>	<u><u>26,859</u></u>	<u><u>23,845</u></u>
Dividend	5	<u><u>8,385</u></u>	<u><u>6,685</u></u>	<u><u>8,385</u></u>	<u><u>6,685</u></u>
Basic earnings per share	6	<u><u>2.7 cents</u></u>	<u><u>2.5 cents</u></u>	<u><u>4.0 cents</u></u>	<u><u>3.6 cents</u></u>
Diluted earnings per share	6	<u><u>2.7 cents</u></u>	<u><u>2.5 cents</u></u>	<u><u>4.0 cents</u></u>	<u><u>3.6 cents</u></u>



**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2004**

	<i>Note</i>	(Unaudited) 30 June 2004 HK\$'000	(Audited) 31 December 2003 HK\$'000
Intangible assets	7	58	97
Fixed assets	8	94,922	97,197
Deferred tax assets		2,068	2,389
Current assets			
Inventories		57,472	61,607
Rental deposits		28,684	26,737
Trade receivables	9	16,244	12,896
Other receivables, deposits and prepayments		21,393	27,374
Bank balances and cash		495,117	460,022
		<u>618,910</u>	<u>588,636</u>
Current liabilities			
Amount due to immediate holding company		2,395	1,005
Trade payables	10	254,403	238,508
Other payables and accruals		36,780	38,455
Taxation payable		6,739	766
		<u>300,317</u>	<u>278,734</u>
Net current assets		<u>318,593</u>	<u>309,902</u>
Total assets less current liabilities		<u>415,641</u>	<u>409,585</u>
Financed by:			
Share capital		67,076	66,921
Reserves		334,055	314,240
Proposed dividend		8,385	20,087
		<u>409,516</u>	<u>401,248</u>
Shareholders' funds		409,516	401,248
Minority interests		(4,095)	(1,560)
Long service payment liabilities		7,577	7,521
Deferred tax liabilities		2,643	2,376
		<u>415,641</u>	<u>409,585</u>



**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2004**

(Unaudited)

**Six months ended
30 June**

	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash inflow from operating activities	67,397	41,305
Net cash outflow from investing activities	(13,695)	(16,934)
Net cash (outflow)/inflow from financing activities	(18,626)	1,984
Increase in cash and cash equivalents	35,076	26,355
Cash and cash equivalents at 1 January	460,022	407,489
Effect of foreign exchange rate changes	19	(100)
Cash and cash equivalents at 30 June	<u>495,117</u>	<u>433,744</u>
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	<u>495,117</u>	<u>433,744</u>



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2004

(Unaudited)

	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Capital reserve HK\$'000	Exchange reserve HK\$'000	Retained earnings/ (accumulated losses) HK\$'000	Total shareholders' equity HK\$'000
At 1 January 2003, as previously reported	66,722	113,444	177,087	13,433	-	(20,273)	350,413
Effect of changes in accounting policies							
– deferred tax	-	-	-	-	-	2,139	2,139
– long service payment liabilities	-	-	-	-	-	(7,200)	(7,200)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2003, as restated	66,722	113,444	177,087	13,433	-	(25,334)	345,352
Issue of shares	123	1,008	-	-	-	-	1,131
Exchange differences	-	-	-	-	176	-	176
Profit for the period attributable to shareholders	-	-	-	-	-	23,845	23,845
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2003	<u>66,845</u>	<u>114,452</u>	<u>177,087</u>	<u>13,433</u>	<u>176</u>	<u>(1,489)</u>	<u>370,504</u>
At 1 July 2003	66,845	114,452	177,087	13,433	176	(1,489)	370,504
Issue of shares	76	624	-	-	-	-	700
Exchange differences	-	-	-	-	(133)	-	(133)
Profit for the period attributable to shareholders	-	-	-	-	-	36,862	36,862
Dividend	-	-	-	-	-	(6,685)	(6,685)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2003	<u>66,921</u>	<u>115,076</u>	<u>177,087</u>	<u>13,433</u>	<u>43</u>	<u>28,688</u>	<u>401,248</u>
At 1 January 2004	66,921	115,076	177,087	13,433	43	28,688	401,248
Issue of shares	155	1,325	-	-	-	-	1,480
Exchange differences	-	-	-	-	35	-	35
Profit for the period attributable to shareholders	-	-	-	-	-	26,859	26,859
Dividend	-	-	-	-	-	(20,106)	(20,106)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2004	<u>67,076</u>	<u>116,401</u>	<u>177,087</u>	<u>13,433</u>	<u>78</u>	<u>35,441</u>	<u>409,516</u>

NOTES TO CONDENSED INTERIM ACCOUNTS

1. Basis of preparation and accounting policies

These unaudited consolidated condensed interim accounts are prepared in accordance with Hong Kong Statement of Standard Accounting Practice 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants ("HKSA") and the disclosure requirements set out in Chapter 18 of GEM Listing Rules.

These condensed interim accounts should be read in conjunction with the 2003 annual accounts.

The accounting policies and methods of computation used in the preparation of these condensed interim accounts are consistent with those used in the annual accounts for the year ended 31 December 2003.

2. Turnover, other revenues and segment information

The Group is principally engaged in the operation of a chain of convenience stores. Revenues recognised during the three months and six months ended 30 June 2004 are as follows:

	(Unaudited)		(Unaudited)	
	Three months ended 30 June		Six months ended 30 June	
	2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000
Turnover				
Merchandise sales revenue	432,767	377,603	836,467	727,203
Other revenues				
Supplier rebate and promotion fees	29,909	25,969	53,073	45,992
Service items income	4,342	2,858	8,716	6,116
Interest income	1,645	1,656	3,245	3,294
	35,896	30,483	65,034	55,402
Total revenues	<u>468,663</u>	<u>408,086</u>	<u>901,501</u>	<u>782,605</u>

Revenue from the sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when goods are delivered to customers and the title has passed.

Supplier rebate and promotion fees are recognised in accordance with the terms of agreements with the vendors.

Revenue from provisions of services is recognised when the services are rendered.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.



Primary reporting format – geographical segments

The Group operates in two geographical areas: Hong Kong and Chinese Mainland.

	Hong Kong	(Unaudited) Chinese Mainland	Group
	2004 HK\$'000	Six months ended 30 June 2004 HK\$'000	2004 HK\$'000
Turnover from external customers	825,060	11,407	836,467
Other revenues from external customers	60,743	1,046	61,789
	<u>885,803</u>	<u>12,453</u>	<u>898,256</u>
Segment results	<u>35,006</u>	<u>(7,386)</u>	27,620
Interest income			3,245
Profit before taxation			30,865
Taxation			(6,561)
Profit after taxation			24,304
Minority interests	<u>–</u>	<u>2,555</u>	2,555
Profit attributable to shareholders			<u>26,859</u>

	Hong Kong	(Unaudited) Chinese Mainland	Group
	2003 HK\$'000	Six months ended 30 June 2003 HK\$'000	2003 HK\$'000
Turnover from external customers	723,888	3,315	727,203
Other revenues from external customers	51,774	334	52,108
	<u>775,662</u>	<u>3,649</u>	<u>779,311</u>
Segment results	<u>30,183</u>	<u>(6,750)</u>	23,433
Interest income			3,294
Profit before taxation			26,727
Taxation			(5,271)
Profit after taxation			21,456
Minority interests	<u>71</u>	<u>2,318</u>	2,389
Profit attributable to shareholders			<u>23,845</u>

There are no sales between the geographical segments.



3. Profit before taxation

Profit before taxation is stated after crediting and charging the following:

	(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
	2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000
<i>Crediting</i>				
Net write-back of provision for inventories	–	32	–	32
<i>Charging</i>				
Amortisation of franchise licence	20	20	39	39
Depreciation of owned fixed assets	9,416	8,594	19,272	16,712
Loss on disposal of fixed assets	–	67	15	323
Provision for doubtful debts	82	–	123	–
Provision for inventories	667	–	667	–

4. Taxation

Hong Kong profits tax has been provided at the rate of 17.5% on the estimated assessable profit for the three months and six months ended 30 June 2004 and 2003. No provision for overseas profits tax has been made as the Group has no overseas estimated assessable profit for the three months and six months ended 30 June 2004 and 2003.

The amount of taxation charged to the consolidated profit and loss account represents:

	(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
	2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000
Current taxation – Hong Kong profits tax	4,635	2,930	5,972	2,930
Deferred taxation relating to the origination and reversal of temporary differences	(436)	868	589	2,541
Deferred taxation resulting from an increase in tax rate	–	–	–	(200)
	<u>4,199</u>	<u>3,798</u>	<u>6,561</u>	<u>5,271</u>



5. Dividend

	(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
	2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000
Interim dividend – proposed after balance sheet date of 1.25 HK cents (2003: 1 HK cent) per share	<u>8,385</u>	<u>6,685</u>	<u>8,385</u>	<u>6,685</u>

This proposed dividend is not reflected as a dividend payable in these condensed accounts, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2004.

6. Earnings per share

The calculation of the Group's basic and diluted earnings per share for the three months and six months ended 30 June 2004 is based on the respective unaudited consolidated profit attributable to shareholders of HK\$18,350,000 (2003: HK\$16,589,000) and HK\$26,859,000 (2003: HK\$23,845,000).

The basic earnings per share is based on the weighted average of 670,410,220 (2003: 668,253,297) and 669,978,956 (2003: 667,948,011) shares of HK\$0.10 each (the "Shares") in issue during the three months and six months ended 30 June 2004 respectively.

The diluted earnings per share is based on the weighted average number of 670,410,220 (2003: 668,253,297) and 669,978,956 (2003: 667,948,011) Shares in issue during the three months and six months ended 30 June 2004 plus the respective weighted average of 3,330,495 (2003: 3,069,716) and 3,705,406 (2003: 3,396,066) Shares deemed to be issued at no consideration if all outstanding options had been exercised.



7. Intangible assets

	(Unaudited) 30 June 2004 HK\$'000	(Audited) 31 December 2003 HK\$'000
Franchise licence, at cost	1,559	1,559
Less: accumulated amortisation	(1,501)	(1,462)
	<u>58</u>	<u>97</u>

Franchise licence represents the exclusive territorial rights owned by the Group to operate convenience stores utilising the tradename, trademarks and Circle K System of The Circle K Stores Inc. of the United States of America.

8. Fixed assets

	(Unaudited) 30 June 2004 HK\$'000	(Audited) 31 December 2003 HK\$'000
At beginning of the period	97,197	77,382
Exchange adjustment	72	(144)
Additions	16,940	55,170
Disposals	(15)	(506)
Depreciation	(19,272)	(34,705)
At end of the period	<u>94,922</u>	<u>97,197</u>

9. Trade receivables

Majority of the Group's turnover are cash sales. The Group's credit terms on trade receivables from other revenues mainly range from 30 days to 60 days. At 30 June 2004, the ageing analysis of trade receivables was as follows:

	(Unaudited) 30 June 2004 HK\$'000	(Audited) 31 December 2003 HK\$'000
0-30 days	12,403	11,038
31-60 days	1,497	1,613
61-90 days	803	68
Over 90 days	1,541	177
	<u>16,244</u>	<u>12,896</u>



10. Trade payables

At 30 June 2004, the ageing analysis of the trade payables was as follows:

	(Unaudited) 30 June 2004 <i>HK\$'000</i>	(Audited) 31 December 2003 <i>HK\$'000</i>
0-30 days	136,547	116,256
31-60 days	64,298	67,397
61-90 days	37,812	37,002
Over 90 days	15,746	17,853
	<u>254,403</u>	<u>238,508</u>

11. Commitments

(a) Capital commitments

The Group had commitments to make payments in respect of the acquisition of fixed assets:

	(Unaudited) 30 June 2004 <i>HK\$'000</i>	(Audited) 31 December 2003 <i>HK\$'000</i>
Contracted but not provided for	2,856	2,660
Authorised but not contracted for	3,158	2,055
	<u>6,014</u>	<u>4,715</u>

(b) Commitments under operating leases

At 30 June 2004, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

	(Unaudited) 30 June 2004 <i>HK\$'000</i>	(Audited) 31 December 2003 <i>HK\$'000</i>
Not later than one year	100,943	95,386
Later than one year and not later than five years	85,354	77,264
Later than five years	159	—
	<u>186,456</u>	<u>172,650</u>

12. Contingent liabilities

	Company	
	(Unaudited) 30 June 2004 HK\$'000	(Audited) 31 December 2003 HK\$'000
Guarantees for bank loans and overdrafts of a subsidiary	<u>50,888</u>	<u>50,888</u>

13. Related party transactions

The following is a summary of significant related party transactions carried out in the normal course of the Group's business during the periods:

	Note	(Unaudited) Six months ended 30 June	
		2004 HK\$'000	2003 HK\$'000
Net purchases from fellow subsidiaries	<i>a</i>	5,025	3,470
Management fee and reimbursement of office and administrative expenses to immediate holding company	<i>b</i>	7,223	4,887
Rental payable to group companies	<i>c</i>	<u>2,034</u>	<u>1,304</u>

Note:

- (a) Purchases from fellow subsidiaries were carried out on normal commercial terms in ordinary course of business and on terms mutually agreed between the Group and the fellow subsidiaries.
- (b) Management fee and reimbursements payable to the immediate holding company in respect of office and administrative expenses incurred are charged on an actual cost recovery basis.
- (c) Rentals are payable to the immediate holding company and fellow subsidiaries in accordance with the terms of agreements.

COMPETING INTERESTS

During the period under review, none of the Directors or the management shareholders (as defined in the GEM Listing Rules) of the Company had an interest in a business which competed or might compete with the business of the Group.

SHARE OPTIONS

(a) Pre-IPO Share Option Plan

On 27 December 2000, a Pre-IPO Share Option Plan (the “Pre-IPO Share Option Plan”) was approved by a written resolution of the shareholders of the Company under which the board of Directors may, at its discretion, grant options to full-time or part-time employees of the Group entitling them to subscribe for Shares representing up to a maximum of 19,930,000 Shares. On 30 December 2000, options to subscribe 19,930,000 Shares were granted to 228 employees.

Details of the share options granted under the Pre-IPO Share Option Plan and remain outstanding as at 30 June 2004 were as follows:

	Options held at 1 January 2004	Options exercised during the period (Note 1)	Options lapsed during the period	Options held at 30 June 2004	Exercise price HK\$	Grant date	Exercisable from	Exercisable until
Continuous contract employees	2,700,000	(1,080,000)	-	1,620,000	0.92	30 December 2000	10 January 2002	9 January 2006
	2,650,000	(340,000)	-	2,310,000	0.92	30 December 2000	10 January 2003	9 January 2006

Note:

- 1,420,000 share options were exercised at an exercise price of HK\$0.92 per Share and the weighted average closing price of the Shares immediately before the date on which the options were exercised is HK\$2.554.



(b) Share Option Scheme

On 6 January 2001, a Share Option Scheme (the “Scheme”) was approved by a written resolution of the shareholders of the Company. On 24 April 2002, the Scheme was amended to comply with the changes to Chapter 23 of the GEM Listing Rules, which came into effect on 1 October 2001 in relation to the share option schemes of listed issuers on the Stock Exchange. Details of the Scheme are as follows:

(i) Purpose of the Scheme

The purpose of the Scheme is to attract and retain the best quality employees for the development of the Company’s businesses and to provide additional incentives or rewards to selected qualifying participants of the Scheme for their contribution to the creation of the Company’s shareholders value.

(ii) Qualifying participants

Any employee (whether full time or part time employee including any executive or non-executive Directors of the Company or any Affiliate (the “Affiliate”) as defined in the Scheme) or any consultant, agent, advisor, business alliance, joint venture partner of or supplier of goods or services to the Group or any Affiliate or any employee of the business alliance, joint venture partner of or supplier of goods or services to the Group or any Affiliate.

(iii) Maximum number of shares

The total number of Shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes (including the Pre-IPO Share Option Plan in (a) above) must not in aggregate exceed 10% of the Shares in issue as at 6 January 2001 being 65,560,000 Shares, which represent approximately 9.77% of the issued share capital of the Company as at the date of this Report.

The total number of Shares issued and to be issued upon exercise of the options (whether exercised or outstanding) in any 12-month period granted to each qualifying participant must not exceed 1% of the Shares in issue, unless specially approved by the independent shareholders of the Company.



(iv) *Option period*

In respect of any particular option, such period as the Board may in its absolute discretion determine, save that such period shall not expire less than three years nor more than 10 years from the commencement date (“the Commencement Date”). The Commencement Date is deemed to have taken effect from the date on which that option was offered to the qualifying participants.

(v) *Amount payable on application or acceptance*

An offer of the grant of an option shall remain open for acceptance for a period of 28 days from the Commencement Date. An offer of the grant of the option shall be deemed to have been accepted when the duplicate letter comprising acceptance of the relevant option duly signed by the grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration of the grant thereof is received by the Company.

(vi) *Subscription price*

The subscription price in respect of any particular option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant option but it shall not be less than whichever is the highest of (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the Commencement Date (ii) the average closing price of the Shares for the five business days immediately preceding the Commencement Date on which there were dealings in Shares on the Stock Exchange and (iii) the nominal value of a Share.

(vii) *The remaining life of the Scheme*

The Board shall be entitled at any time within 10 years commencing on 6 January 2001 to offer the grant of an option to any qualifying participants.



Details of the share options granted and remain outstanding as at 30 June 2004 were as follows:

	Options held at 1 January 2004	Options granted during the period (Note 2)	Options exercised during the period	Options lapsed during the period (Note 4)	Options held at 30 June 2004	Exercise price HK\$	Grant date	Exercisable from	Exercisable until
(A) Continuous contract employees									
	242,000	-	-	(8,000)	234,000	2.42	21 September 2001	21 September 2002	20 September 2006
	472,000	-	-	(62,000)	410,000	2.42	21 September 2001	21 September 2003	20 September 2006
	2,436,000	-	-	(40,000)	2,396,000	2.785	24 May 2002	24 May 2003	23 May 2007
	578,000	-	-	-	578,000	2.785	24 May 2002	24 May 2004	23 May 2007
	94,000	-	-	-	94,000	2.15	23 September 2002	23 September 2003	22 September 2007
	48,000	-	-	-	48,000	2.15	23 September 2002	23 September 2004	22 September 2007
	1,378,000	-	(70,000) (Note 3)	-	1,308,000	1.69	20 May 2003	20 May 2004	19 May 2008



	Options held at 1 January 2004	Options granted during the period (Note 2)	Options exercised during the period	Options lapsed during the period (Note 4)	Options held at 30 June 2004	Exercise price HK\$	Grant date	Exercisable from	Exercisable until
(A) Continuous contract employees (continued)									
	736,000	-	-	(96,000)	640,000	1.69	20 May 2003	20 May 2005	19 May 2008
	152,000	-	-	(10,000)	142,000	2.225	September 2003	September 2004	September 2008
	180,000	-	-	(18,000)	162,000	2.225	September 2003	September 2005	September 2008
	-	832,000	-	(10,000)	822,000	2.535	March 2004	March 2005	March 2009
	-	202,000	-	(36,000)	166,000	2.535	March 2004	March 2006	March 2009
(B) Directors									
	1,800,000 (Note 1)	-	-	-	1,800,000	2.785	May 2002	May 2003	May 2007



Notes:

- (1) 1,300,000, 250,000 and 250,000 options were respectively granted to the Directors, Messrs. Yeung Lap Bun, Richard and Li Kwok Ho, Bruno and Ms. Wong Yuk Nor, Louisa. Please refer to the section headed “Interests and Short Positions of Directors in the Shares, Underlying Shares and Debentures of the Company and certain major associated corporations” for details.
- (2) During the period, options were granted on 29 March 2004. The closing price of the Shares immediately before the date on which the options were granted was HK\$2.525 on 26 March 2004.
- (3) 70,000 share options were exercised at an exercise price of HK\$1.69 per Share and the weighted average closing price of the Shares immediately before the date on which the options were exercised is HK\$2.382.
- (4) 280,000 options were lapsed following the cessation of employment of certain grantees.
- (5) Hong Kong Financial Reporting Standard (“HKFRS”) 2 “Share-based Payment” has been issued by HKSA in April 2004 and this will take effect for accounting periods beginning on or after 1 January 2005. The Directors are now studying and evaluating the impact of this change to the Group’s accounting policy and the effect of adopting this new HKFRS. The Group will value and account for subsisting share options in accordance with HKFRS 2 for the financial year commencing on 1 January 2005.

Save as disclosed above, as at 30 June 2004, none of the Directors, chief executives, management shareholders or substantial shareholders of the Company or their respective associates have been granted options under the Pre-IPO Share Option Plan and the Scheme.

INTERESTS AND SHORT POSITIONS OF DIRECTORS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND CERTAIN MAJOR ASSOCIATED CORPORATIONS

As at 30 June 2004, the interests and short positions of each of the Directors, chief executives and their associates in the shares, underlying shares and debentures of the Company and certain of its major associated corporations* (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as required to be recorded in the register maintained by the Company pursuant to section 352 of SFO or otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors under the GEM Listing Rules, were as follows:

The Company

Long positions in Shares and the underlying Shares of equity derivatives

Name of Directors	Number of		Nature of interests/ Holding capacity	Approximate percentage of interests
	(i) Shares	(ii) underlying Shares		
Dr. Fung Kwok King, Victor	373,692,000	–	Corporate (Note 1)	55.71%
Dr. Fung Kwok Lun, William	373,692,000	–	Corporate (Note 1)	55.71%
Mr. Yeung Lap Bun, Richard	17,896,000	1,300,000 (Note 2)	Personal/ beneficiary	2.86%
Mr. Li Kwok Ho, Bruno	2,676,000	250,000 (Note 3)	Personal/ beneficiary	0.43%
Mr. Lau Butt Farn	2,390,000	–	Personal/ beneficiary	0.36%
Ms. Wong Yuk Nor, Louisa	1,338,000	250,000 (Note 4)	Personal/ beneficiary	0.23%
Dr. Ch'ien Kuo Fung, Raymond	1,000,000	–	Personal/ beneficiary	0.14%



Major associated corporations

Long positions in shares and the underlying shares of equity derivatives

Name of Directors	Name of associated corporations	Class of shares	Number of		Nature of interests/ Holding capacity	Approximate percentage of interests
			(i) shares	(ii) underlying shares		
Dr. Fung Kwok King, Victor	Li & Fung (Gemini) Limited	Ordinary shares	5,222,807	–	Corporate (Note 5)	
			602,631	–	Corporate (Notes 1 & 6)	84.80%
			6,800,000	–	Corporate (Note 7)	
Dr. Fung Kwok Lun, William	Li & Fung (Distribution) Limited	Full voting ordinary shares	–	130,000 (Note 8)	Personal/ beneficiary	
			–	160,000 (Note 9)	Personal/ beneficiary	70.55%
			5,222,807	–	Corporate (Note 5)	76.02%
Mr. Lau Butt Farn	Li & Fung (Distribution) Limited	Full voting ordinary shares	6,800,000	–	Corporate (Note 7)	67.66%
			–	32,500 (Note 8)	Personal/ beneficiary	
				32,500 (Note 10)	Personal/ beneficiary	0.65%



- * *Dr. Fung Kwok King, Victor and Dr. Fung Kwok Lun, William, by virtue of their interests in King Lun Holdings Limited ("King Lun") and the Company are deemed to be interested in the shares and underlying shares of certain associated corporations of the Company under SFO. A waiver from full compliance from Rule 18.56 of the GEM Listing Rules for the disclosure of Directors' interests in the shares and underlying shares of the associated corporations has been granted by the Stock Exchange on 10 August 2004. Accordingly, the companies under the section headed "Interests and Short Positions of Directors in the shares, underlying shares and debentures of the Company and certain major associated corporations" are only the major associated corporations of the Company and are not intended to be exhaustive.*

Notes:

1. King Lun through its indirect wholly owned subsidiary, Li & Fung (Retailing) Limited ("LFR") (a wholly owned subsidiary of Li & Fung (1937) Limited ("LF (1937)")) held 373,692,000 Shares in the Company. 1,332,840 shares in King Lun, representing 50% of its issued share capital, are owned by J.P. Morgan Trust Company (Jersey) Limited, the trustee of a trust established for the benefit of the family members of Dr. Fung Kwok King, Victor. The remaining 50% of King Lun is owned by Dr. Fung Kwok Lun, William.
2. On 24 May 2002, Mr. Yeung Lap Bun, Richard was granted share options to subscribe for 1,300,000 Shares pursuant to the Share Option Scheme of the Company. The options are exercisable at a subscription price of HK\$2.785 per Share during the period from 24 May 2003 to 23 May 2007. No relevant share options have been exercised.
3. On 24 May 2002, Mr. Li Kwok Ho, Bruno was granted share options to subscribe for 250,000 Shares pursuant to the Share Option Scheme of the Company. The options are exercisable at a subscription price of HK\$2.785 per Share during the period from 24 May 2003 to 23 May 2007. No relevant share options have been exercised.
4. On 24 May 2002, Ms. Wong Yuk Nor, Louisa was granted share options to subscribe for 250,000 Shares pursuant to the Share Option Scheme of the Company. The options are exercisable at a subscription price of HK\$2.785 per Share during the period from 24 May 2003 to 23 May 2007. No relevant share options have been exercised.
5. King Lun through its wholly owned subsidiary, LF (1937) held 5,222,807 shares in Li & Fung (Gemini) Limited ("LFG"). Dr. Fung Kwok King, Victor and Dr. Fung Kwok Lun, William are deemed to have interests in these shares through their respective interests in King Lun and LF (1937) as set out in note (1) above.
6. 602,631 shares in LFG are owned by a company which is held by J.P. Morgan Trust Company (Jersey) Limited.
7. LFG holds 6,800,000 full voting ordinary shares in Li & Fung (Distribution) Limited ("LFD"). Dr. Fung Kwok King, Victor and Dr. Fung Kwok Lun, William are deemed to have interests in these shares through their respective interests in King Lun and LF (1937) and indirect interests in LFG as set out in notes (1) and (5) above.
8. Dr. Fung Kwok King, Victor and Mr. Lau Butt Farn were respectively granted share options on 6 January 1999 and 13 December 1999 to subscribe for 130,000 and 32,500 full voting ordinary shares of US\$0.01 each in LFD ("LFD Shares"). All these share options were fully vested in Dr. Fung Kwok King, Victor and Mr. Lau Butt Farn. The share options are exercisable at US\$1 per LFD Share within 21 business days after the earliest of (a) the date of issuance of a notice for an initial public offering of LFD Shares, (b) the date of issuance of a notice of the sale of all or substantially all of the business or shares of LFD and (c) 31 December 2006.

9. On 6 January 1999, Dr. Fung Kwok King, Victor was granted share options to subscribe for 16,000 LFD Shares for each full percentage point by which certain LFD investors' fully diluted aggregate estimated internal rate of return on a public share offer by LFD, or on a sale of all or substantially all of its business or shares, exceeds 30% per annum, subject to a maximum of 160,000 LFD Shares. The share options are exercisable at US\$1 per LFD Share within 21 business days after the date of issuance of a notice of public offer or sale (whichever is earlier) as described in note (8) above.
10. On 12 December 2002, Mr. Lau Butt Farn was granted share options to subscribe for 3,250 LFD Shares for each full percentage point by which certain LFD investors' fully diluted aggregate estimated internal rate of return on a public share offer by LFD, or on a sale of all or substantially all of its business or shares, exceeds 30% per annum, subject to a maximum of 32,500 LFD Shares. The share options are exercisable at US\$1 per LFD Share within 21 business days after the date of issuance of a notice of public offer or sale (whichever is earlier) as described in note (8) above.

Save as disclosed above, as at 30 June 2004, none of the Directors, chief executives and their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2004, the interests and short positions of the substantial shareholders in the Shares and underlying Shares of the Company as recorded in the register required to be kept under section 336 of SFO were as follows:

Long positions in Shares

Name	Number of Shares	Nature of interests/ Holding capacity	Approximate percentage of interests
King Lun Holdings Limited	373,692,000	Corporate (Note 1)	55.71%
Commonwealth Bank of Australia	60,284,000	Corporate (Note 2)	8.99%
Overseas Investments (BVI) Limited	34,272,000	Other (Note 3)	5.11%



Notes:

1. These shares are held by Li & Fung (Retailing) Limited (“LFR”). King Lun Holdings Limited (“King Lun”) indirectly owns 100% interests in LFR through its wholly owned subsidiary, Li & Fung (1937) Limited (“LF (1937)”). All of King Lun, LFR and LF (1937) are taken to be interested in the shares. Please refer to Note (1) in the above section headed “Interests and Short Positions of Directors in the shares, underlying shares and debentures of the Company and certain major associated corporations”.
2. These shares are indirectly held by Commonwealth Bank of Australia through a chain of 100% owned companies, namely Colonial Ltd, Colonial Holding Company Limited (formerly known as Colonial Holding Company Pty Ltd), Colonial Holding Company (No. 2) Pty Limited, The Colonial Mutual Life Assurance Society Ltd, Colonial First State Group Ltd, First State Investment (UK Holdings) Limited, SI Holdings Limited, First State Investment Management (UK) Limited, First State Investment Managers (Asia) Ltd, First State Investments (Bermuda) Ltd, First State (Hong Kong) LLC and First State Investments (Hong Kong) Limited.
3. These shares are held by Overlook Investments (BVI) Limited, as general partner for Overlook Investments L.P., the general partner of The Overlook Partners Fund L.P. Overlook Investments (BVI) Limited is jointly owned by Richard Hurd Lawrence, Jr. and Dee Macleod Lawrence, all of whom are taken to be interested in such shares under SFO.

Save as disclosed above, as at 30 June 2004, the Company had not been notified of any substantial shareholders’ interests or short positions which are required to be kept under section 336 of SFO.

BOARD PRACTICES AND PROCEDURES

The Company was in compliance with Board Practices and Procedures as set out in Rules 5.34 to 5.45 of the GEM Listing Rules.

AUDIT COMMITTEE

The Company established an audit committee on 6 January 2001 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. The audit committee comprises four members, namely Dr. Ch’ien Kuo Fung, Raymond, Mr. Au Man Chung, Malcolm, Mr. Godfrey Ernest Scotchbrook (being independent non-executive Directors) and Mr. Lau Butt Farn (being a non-executive Director). The chairman of the audit committee is Dr. Ch’ien Kuo Fung, Raymond.

The audit committee has reviewed with management this unaudited half year report for the period ended 30 June 2004.



PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

INTERIM DIVIDEND

At a meeting held on 4 August 2004, the Board of Directors has resolved to declare an interim dividend of 1.25 HK cents (2003: 1 HK cent) per Share for the six months ended 30 June 2004 absorbing a total of HK\$8,385,275 (2003: HK\$6,684,500) on 670,822,000 Shares issued as at 4 August 2004.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 23 August 2004 to 26 August 2004, both days inclusive, during which period no transfer of Shares will be effected. 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 branch registrars, Abacus Share Registrars Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on 20 August 2004. Dividend warrants will be despatched on 30 August 2004.