New Capital
International Investment Limited
(Incorporated in the Cayman Islands with limited liability)

INTERIM REPORT 2005

Review of The Period

The Board of Directors of New Capital International Investment Limited (the "Company" or "New Capital") announces the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2005. The interim report for the six months ended 30 June 2005 has been reviewed by the audit committee and auditors of the Company.

The loss of the Group for the first half of 2005 was HKD5,896,648 compared to the profit of HKD7,006,369 for the same period in 2004. The consolidated results, consolidated balance sheet and condensed consolidated cash flow statement of the Group, all of which are unaudited, along with the explanatory notes, are set out on pages 7 to 29 of this report.

Business Development

China saw a rapid economic growth registering a value-added industrial output totaled Rmb3,227 billion in the first six months of 2005, up 16.4% yoy. Over the same period, China recorded a trade surplus of USD40 billion, with exports reaching USD342 billion, up 32.7% yoy while imports rose by 14.0% yoy to USD303 billion. China's GDP increased by 9.5% yoy in the first half year of 2005 to Rmb6,742 billion.

During the first half year of 2005, Fixed Asset Investment in Beijing reached Rmb97.7 billion, up 14.4% yoy. Real estate investment which accounted for 54.2% of Fixed Asset Investment totaled Rmb53 billion during the period, up 8.1% yoy. Over the same period, new building starts totaled 8.9 million sq m, down 23% yoy, of which new residential buildings amounted to 5.9 million sq m, down 31.7% yoy. This slowdown highlights the effects of the government's new tighter financing policies and other property related regulations.

The leasing residential market in Beijing continued to be active with increasing number of expatriates entering the city, triggering strong demand for luxury housing. In general, multinational companies engaged in the energy, automobile and communication fields were most active in bringing in the expatriates as their business expanded. From the supply perspective, some high quality projects were completed and ready for occupation, including Fortune Plaza Phase I, Central Park Phase II and Windsor Avenue.

Being attracted by the high return and strong market momentum, an increasing number of foreigners and overseas Chinese were buying residential properties in Beijing for investment and self-occupation purposes. The newly released regulation, which became effective 1 June, requires residential property owners pay a 5% business tax on the total price of the property that have been held for less than two years. As a result, some landlords have changed their investment strategy, from a short-term hold-and-sell strategy to a mid-term renting strategy. Nevertheless, it appears that Beijing has not been as affected by the policy as other cities like Shanghai, since the market is mainly driven by owner-occupier purchases. The government has issued several regulations to calm the real estate market in 2005. Thus far, transactions of high-end properties have decreased, although the average price of these properties has increased by 1.8% during the second quarter.

The recent measures had minor impact on the Beijing real estate market, evidenced by the market's response to Richmond Park Project. Pre-sales of building A2 in Phase I was launched on 24 June 2005, priced at an average selling price of Rmb12,000 per sq m inclusive of luxurious fitment. A2 is comprised of 22 apartment units with an average size ranging from approximately 191 to 324 sq m. It was well received by the market, in which 9 out of 22 units (40%) were booked within a one week period.

The Group invested HKD 78 million in China Property Development (Holdings) Limited ("CPDH") in February 2002. CPDH held 80% interest in a Beijing residential development project, the Pacific Town Project (marketed as Richmond Park in Beijing), and subsequently increased its stake to 100% in late 2004. Richmond Park has made significant progress in its sales, planning and development work. Apart from the favorable sales results of Phase I apartments, Richmond Park has also made significant progress in its planning and development work for the later phases. With the construction work of Phase I in progress, the management of the Project is currently focusing on Phases II (A &B) and III which comprises of approximately 130,000 sq m and 24,000 sq m of residential apartments. The resettlement work has reached the final stages for Phases IIA and III, and shall commence site clearance followed by super structure construction promptly. Moreover, in view of the 2% appreciation of Rmb in July this year, it is expected to impose a positive impact to our investment in the project as it would translate into a gain in valuation, and will inflate our derived income in HKD terms.

Future Prospects

Since 2002, the Beijing municipal government has issued a series of directives intended to curtail an over rapid growth of investment in real estate development by limiting credit availability and tightening the supply of land. These measures will tend to eliminate the smaller, financially weaker developers from the market while leaving the larger developers with a better and more transparent environment to operate. It will also stimulate developers to put more emphasis on market research and producing better quality products. The Company's investment in the Pacific Town project is in a favorable position to enjoy the new conditions.

Beijing is enjoying a fast growing economy and the city's vast investment infrastructure for the 2008 Olympic Games will continue to stimulate domestic consumption and attract foreign companies. Multinationals are expected to invest more as they move beyond the start up and consolidation phase and begin looking for new business opportunities.
This would in turn bring in more expatriates relocating to Beijing for both short and long-term assignments. An increasing number of foreigners, overseas and local Chinese were buying residential properties in Beijing for investment and self-occupation purposes. This indicated stable demand for high-end residential units in the short to mid-term.

Together with our years of knowledge in the China market and our relationship with local partners, we will continue to look for opportunities in the property sector and are confident that the sector will bring satisfactory return to our shareholders. The Pacific Town Project (marketed as Richmond Park in Beijing) launched presale on August 2004 and was well received by the market, having over 90% units sold as at the end of June 2005. Total sales contract value amounted to RMB664 million and presale proceeds amounted to RMB500 million were received. The Directors of the Company are both confident and optimistic on the prospects of the Group.

Corporate Governance

On 19 November, 2004, the Stock Exchange of Hong Kong Limited have published its conclusion report and amendments have been made to the Listing Rules relating to the Code on Corporate Governance Practice and Rules on the Corporate Governance Report.

In view of such changes, New Capital held its Board Meeting on 23 June 2005 to update the directors the revised requirements and to work on the corporate governance compliance. In the meeting, the remuneration committee has been set up, the division of roles and responsibilities of chairman and chief executive officer is recognized and the revised terms of reference of the audit committee were adopted.

Review of Existing Portfolio

The value of the portfolio as at 30 June 2005 is as follows:

Investee Companies	Date of investment	Value as at 30 Jun 2005
China Property Development (Holdings) Limited	April 2002	HKD78.00 million
Beijing Far East Instrument Company Limited	Jul 1994	HKD47.77 million
Skyworth Digital Company Limited		HKD13.60 million

China Property Development (Holdings) Limited ("CPDH")

The Group invested HKD 78 million in China Property Development (Holdings) Limited ("CPDH") in February 2002. CPDH held 80% interest in a Beijing residential development project, the Pacific Town Project (marketed as Richmond Park in Beijing), and in late 2004 increased its stake to 100%.

Richmond Park

Richmond Park has made significant progress in its sales, planning and development work. The recent measures had minor impact on the Beijing real estate market, evidenced by the market's response to Richmond Park Project. Pre-sales of building A2 in Phase I was launched on 24 June 2005, priced at an average selling price of Rmb12,000 per sq m inclusive of luxurious fitment. A2 is comprised of 22 apartment units with an average size ranging from approximately 191 to 324 sq m. It was well received by the market, in which 9 out of 22 units (40%) were booked within a one week period.

The two other buildings in Phase I are well over 90% sold since its launch in August 2004; representing 288 units of A1, 77 units of A3 sold as of June. Total sales contract value amounted to Rmb664 million; and received payment amounted to Rmb500 million as of June.

The average selling price for the three buildings, that has launched pre-sales, has outperformed the company's projected selling price of Rmb9,700 per sq m. As of June, the average selling price per sq m for A1, A2 and A3 was Rmb10,308, Rmb12,000, and Rmb9,765 respectively.

With the construction work of Phase I in progress, the management of the Project is currently focusing on Phases II (A &B) and III which comprises of approximately 130,000 sq m and 24,000 sq m of residential apartments. The resettlement work has reached the final stages for Phases IIA and III, and shall commence site clearance followed by super structure construction very soon.

Beijing Far East Instrument Co., Ltd. ("Far East")

Based on the unaudited management accounts as at 30 June 2005, the profit of Far East amounted to Rmb2.74 million before provisions. It included Rmb2.23 million dividend income from Beijing Rosemount Far East Instrument Co. Limited, the joint venture of Far East with Rosemount Inc. for advanced market segment. Far East made additional provisions on its receivables and inventories according to the aging composition, resulting in a loss of Rmb4.43 million to Far East for the period ended 30 June 2005.

In the board meeting in late January 2005, Far East has resolved to implement a four-year business plan to consolidate its business operations, with a target to increase sales revenue of Rmb400 million by 2008. It will be concentrated on streamlining the production of traditional electrical products as well as restructuring the product composition of Rosemount's business.

To explore the business of automatic control systems, Far East will form a joint venture with Beijing Union Partner Co. Limited and Beijing Yu Cheng Sheng Ye Technology Co. Limited to invest into the business of building integrated control system. The partners have participated in the sales and engineering work of air-conditioning system of Yi Cheng Building and He Qiao Ritz hotel apartment, and the building integrated system of Beijing television center. Far East will invest Rmb0.8 million for a 40% shareholding of the joint venture company, Beijing Far East Jia Chuang Building Integrated Control System Co. Limited.

Quoted Investment

The Company's investment in quoted securities is an investment of 10 million shares in Skyworth Digital Company Limited ("Skyworth"). Skyworth was listed on the Stock Exchange of Hong Kong Limited in April 2000. On 30 November 2004, Skyworth was suspended from trading due to an alleged misappropriation of corporate funds and possible fraud by the chairman and certain senior management. Such news expose Skyworth's share to substantial downside risk when it resumes trading. Accordingly, the Company's investment in Skyworth has been revalued by applying 50% discount and stated at HKD1.36 per share at 31 December 2004. The last trading price of the Skyworth's shares before suspension was HKD 2.725 per share.

On 29 June 2005, Skyworth announced its audited interim results and as at 30 September 2004, its NAV per share is HKD1.204, an interim dividend HK2.2 cents per share was announced. On 26 August 2005, Skyworth announced its audited annual results and as at 31 March 2005, its NAV is HKD1.30 per share. A final dividend of HK3.3 cents was announced. The valuation of Skyworth share of HKD1.36 per share remains unchanged at 30 June 2005.

Consolidated Income Statement

for the six months ended 30 June 2005 – unaudited
(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June 2005	2004 (Restated)
Turnover: Group and share of associates' turnover	5	**$32,455,085**	$ 21,151,840
Less: Share of associates' turnover		**(32,080,145)**	(20,684,741)
Group turnover	4	**$ 374,940**	$ 467,099
Other net loss	6(a)	**(20,366)**	(407)
Gain on deemed disposal of associates	3	**3,065,080**	–
Gain on disposal of available-for-sale securities	3	**–**	16,938,629
Operating expenses	6(b)	**(4,955,484)**	(4,912,891)
(Loss)/profit from operations	6	**$ (1,535,830)**	$ 12,492,430
Share of losses of associates	7	**(4,360,818)**	(5,486,061)
(Loss)/profit before taxation	5	**$ (5,896,648)**	$ 7,006,369
Income tax	8	**–**	–
(Loss)/profit attributable to equity holders of the company	15	**$ (5,896,648)**	$ 7,006,369
(Loss)/earnings per share	9		
Basic		**(0.911) cents**	1.299 cents

The notes on pages 11 to 29 form part of this interim financial report.

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2005 – UNAUDITED

(Expressed in Hong Kong dollars)

	Note	At 30 June 2005 (Unaudited)	At 31 December 2004 (Audited) (Restated)
Non-current assets			
Interest in associates	10	**$ 86,307,112**	$ 88,567,299
Available-for-sale securities	11	**13,600,000**	13,600,000
Investment deposit	12	**–**	35,000,000
		$ 99,907,112	$ 137,167,299
Current assets			
Investment deposit	12	**$ 35,000,000**	$ –
Prepayments and other receivables		**126,286**	742,142
Cash and cash equivalents	13	**45,228,259**	49,387,783
		$ 80,354,545	$ 50,129,925
Current liabilities			
Accounts payable and accruals		**$ 2,344,638**	$ 3,483,557
Net current assets		**$ 78,009,907**	$ 46,646,368
Net assets		**$177,917,019**	$ 183,813,667
Capital and reserves			
Share capital	14	**$ 6,471,140**	$ 6,471,140
Reserves	15	**171,445,879**	177,342,527
Total equity		**$177,917,019**	$ 183,813,667
Net asset value per share	17	**$ 0.275**	$ 0.284

The notes on pages 11 to 29 form part of this interim financial report.

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2005 – unaudited
(Expressed in Hong Kong dollars)

	Six months ended 30 June 2005	Six months ended 30 June 2004
Total equity at 1 January	**$183,813,667**	$ 181,726,729
Net income for the period recognised directly in equity:		
Changes in fair value of available-for-sale securities	**$ –**	$ 1,000,000
Exchange differences on translation of financial statements of associates in the People's Republic of China ("PRC")	**–**	131,601
Net income for the period recognised directly in equity	**$ –**	$ 1,131,601
Net (loss)/profit for the period	**$ (5,896,648)**	$ 7,006,369
Changes in fair value of available-for-sale securities transferred to the consolidated income statement on disposal	**–**	(13,459,950)
	$ (5,896,648)	$ (6,453,581)
Total recognised income and expense for the period	**$ (5,896,648)**	$ (5,321,980)
Total equity at 30 June	**$177,917,019**	$ 176,404,749

The notes on pages 11 to 29 form part of this interim financial report.

Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2005 – unaudited
(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June 2005	2004
Cash used in operations		**$ (5,474,331)**	$ (531,122)
Hong Kong Profits Tax paid		**–**	(4,582,442)
Net cash used in operating activities		**$ (5,474,331)**	$ (5,113,564)
Net cash from investing activities		**1,314,807**	28,942,426
Net (decrease)/increase in cash and cash equivalents		**$ (4,159,524)**	$ 23,828,862
Cash and cash equivalents at 1 January		**49,387,783**	14,470,509
Cash and cash equivalents at 30 June	*13*	**$45,228,259**	$ 38,299,371

The notes on pages 11 to 29 form part of this interim financial report.

Notes on the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

1 Reorganisation and basis of preparation

(a) Reorganisation

The Company was incorporated in the Cayman Islands on 1 August 2003 as an exempted company with limited liability under the Companies Law, Cap. 22 (Laws of 1961 as consolidated and revised) of the Cayman Islands. Pursuant to a reorganisation proposal whereby ING Beijing Investment Company Limited ("ING Beijing") would become a wholly owned subsidiary of the Company to be implemented by way of a scheme of arrangement under section 166 of the Hong Kong Companies Ordinance, Chapter 32 of the Laws of Hong Kong ("the Scheme") as stated in a document dated 13 January 2005 issued to the shareholders of ING Beijing, the Company became the holding company of the companies now comprising the group ("the Group") on 13 April 2005, the effective date of the Scheme. This was accomplished by the Company acquiring the entire issued share capital of ING Beijing, the then holding company of other subsidiaries, as set out in note 10 on the proforma financial information of the Company's 2004 annual report.

The listing of the shares of ING Beijing was withdrawn from The Stock Exchange of Hong Kong Limited ("HKSE") and the Company's shares were listed on the HKSE by way of introduction on 13 April 2005.

(b) Basis of preparation

This 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 of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34, "Interim financial reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issuance by the Board of Directors on 20 September 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 2.

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.

This 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").

The interim financial report is unaudited, but has 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 of Directors is included on page 30. In addition, this interim financial report has been reviewed by the Company's Audit Committee.

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 22 April 2005.

In accordance with Statement of Standard Accounting Practice 27 "Accounting for group reconstructions", the consolidated income statement for the period ended 30 June 2005 includes the financial results of the companies which now comprise the Group for the period from 1 January 2005 (or the date of incorporation if later) to 30 June 2005 as if the current group structure had been in existence and remained unchanged throughout the period presented. The comparative figures as at 31 December 2004 and for the period ended 30 June 2004 have been presented on the same basis.

2 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 of Directors has determined the accounting policies 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 financial 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 this interim financial report.

The following is a summary of the effect of the changes in accounting policies for the annual accounting period beginning on 1 January 2005 which have been reflected in this interim financial report.

	Effect on consolidated balance sheet of adopting new accounting policies		
	HKAS 32 and HKAS 39	**HKAS 31**	**Total**
Increase in available-for-sale securities	**$ 13,600,000**	**$ –**	**$ 13,600,000**
Increase in interest in associates	**–**	**21,025,854**	**21,025,854**
Decrease in non-trading investments	**(13,600,000)**	**–**	**(13,600,000)**
Decrease in interest in jointly controlled entities	**–**	**(21,025,854)**	**(21,025,854)**
Total effect at 1 January 2004 and 2005	**$ –**	**$ –**	**$ –**

The changes in accounting policies resulted in the reclassification of certain assets of the Group and did not have any financial impact on the Group's results for the periods ended 30 June 2005 and 30 June 2004 and consolidated net assets as at 30 June 2005 and 31 December 2004.

(a) *Financial instruments (HKAS 32, "Financial instruments: Disclosure and presentation" and HKAS 39, "Financial instruments: Recognition and measurement")*

In prior years, the accounting policies for financial instruments were as follows:

(i) Investments held for trading were stated in the balance sheet at fair value. Changes in fair value were recognised in the consolidated income statement as they arise.

(ii) Non-trading investments were stated in the balance sheet at fair value. Changes in fair value were recognised in the investment revaluation reserve until the investment was sold, collected or otherwise disposed of or until there was objective evidence that the investment was impaired, at which time the relevant cumulative gain or loss was transferred from the investment revaluation reserve to the consolidated income statement. Transfers from the investment revaluation reserve to the income statement as a result of impairments were reversed when the circumstances and events that led to the impairments ceased to exist and there was persuasive evidence that the new circumstances and events would persist for the foreseeable future.

With effect from 1 January 2005, and in accordance with HKAS 39, all non-trading investments are classified as available-for-sale securities and carried at fair value. Changes in fair value are recognised in equity, unless there is objective evidence that an individual investment has been impaired. If there is objective evidence that an individual investment has been impaired, any amount held in the fair value reserve in respect of the investment is transferred to the income statement for the period in which the impairment is identified. Any subsequent increase in the fair value of available-for-sale securities is recognised directly in equity.

The adoption of HKAS 32 and HKAS 39 only resulted in a redesignation of all non-trading investments as available-for-sale securities. Such redesignation has no financial effect on the current and prior accounting periods except for the change in presentation.

(b) 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 the 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.

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 profits.

The Group has taken advantage of the transitional provisions set out in paragraph 53 of HKFRS 2 under which the new recognition and measurement policies have not been applied to the following grants of options:

(i) all options granted to employees on or before 7 November 2002; and

(ii) all options granted to employees after 7 November 2002 but which had vested before 1 January 2005.

Since the options granted by the Group fall within category (i), the change in accounting policy has no impact on the Group's net assets and results for the current and prior periods. Details of the share option scheme can be found in the Company's 2004 annual report and note 16 on this interim financial report.

(c) HKAS 31, "Interests in joint ventures"

In prior years, a jointly controlled entity was defined as an entity which operated under a contractual arrangement between the Group and other parties, where the contractual arrangement established that the Group and one or more of the other parties shared joint control over the economic activity of the entity. An investment in a jointly controlled entity was accounted for in the Group's financial statements under the equity method and was initially recorded at cost and adjusted thereafter for the post-acquisition change in the Group's share of the jointly controlled entity's net assets.

With effect from 1 January 2005, in accordance with HKAS 31, joint control exists only when the strategic financial and operating decisions of the joint venture require the venturers' unanimous consent. As a result of this, management reviewed the nature of an investment previously accounted for as an interest in a jointly controlled entity and concluded that this investment should be reclassified as an investment in an associate. The reclassification has been applied retrospectively. Such reclassification has no effect on the current and prior accounting periods except for the change in presentation.

3 Gains on investments

		Six months ended 30 June	
	Note	**2005**	2004
Gain on deemed disposal of associates	*10(a)(i)*	**$ 3,065,080**	$ –
Gain on disposal of 12,819,000 shares of Skyworth Digital Holdings Limited	*11(c)*	**–**	16,938,629

4 Turnover

The principal activity of the Company and of its subsidiaries is the holding of equity investments primarily in companies or entities with significant business interests or involvement in the PRC. In particular, the Group focuses on investing in Sino-foreign joint ventures in the PRC and companies with substantial operations or investments in the PRC.

Share of associates' turnover represents the Group's share of associates' invoiced value of goods sold.

Group turnover represents interest income and dividend income from listed investments and is analysed as follows:

	Six months ended 30 June	
	2005	2004
Interest income from deposits with banks	**$ 374,940**	$ 10,719
Dividend income from listed investments	**–**	456,380
	$ 374,940	$ 467,099

5 Segment reporting

Segment information is presented in respect of the Group's business segments which are based on the nature of business of its associates and other investee companies. No geographical segment information is presented as the revenue of the Group and its associates and the Group's results were substantially derived from the PRC.

The Group's associates and other investee companies comprise the following main business segments:

Manufacture of industrial products:	Electronic and electrical instruments.
Manufacture of consumer products:	Audio-visual products.
Real estate:	Development of residential and commercial properties for sale.

Segment revenue includes the Group's share of associates' turnover. Segment results include only those relating to the Group.

	Revenue Group and Group's share of associates' turnover Six months ended 30 June		Segment results Contribution to (loss)/ profit before taxation Six months ended 30 June	
	2005	2004	**2005**	2004
Manufacture of industrial products	**$32,080,145**	$ 20,684,741	**$(1,933,840)**	$ (2,794,355)
Manufacture of consumer products	**–**	456,380	**(134,791)**	17,089,473
Real estate	**–**	–	**(979,391)**	(4,286,113)
Unallocated	**374,940**	10,719	**(2,848,626)**	(3,002,636)
	$32,455,085	$ 21,151,840	**$(5,896,648)**	$ 7,006,369

6 (Loss)/profit from operations

(Loss)/profit from operations is arrived at after charging/(crediting):

		Six months ended 30 June	
		2005	2004
(a)	Other net loss:		
	Net exchange loss	**$ (20,366)**	$ (407)
(b)	Operating expenses:		
	Administrative fees *(Note)*	**$ 374,353**	$ 343,114
	Custodian fee	**25,268**	30,000
	Legal and secretarial fees	**545,199**	435,809
	Management fees *(Note)*	**2,246,517**	2,024,522
	Other operating expenses	**1,764,147**	2,079,446
		$ 4,955,484	$ 4,912,891

Note: Administrative fees are paid to ING Management (Hong Kong) Limited, a wholly owned subsidiary of ING Groep N.V., pursuant to the agreements as disclosed in the 2004 directors' report. ING Groep N.V. is a substantial shareholder of the Company.

Management fees are paid to Baring Capital (China) Management Limited ("BCCM") pursuant to the terms of the agreements as disclosed in the 2004 directors' report. BCCM is also a wholly owned subsidiary of ING Groep N.V.

7 Share of losses of associates

	Six months ended 30 June 2005	2004 (Restated)
Share of results of associates	**$ (4,917,839)**	$ (5,486,061)
Share of associates' taxation	**557,021**	–
	$ (4,360,818)	$ (5,486,061)

8 Income tax

No provision for Hong Kong Profits Tax has been made for the period ended 30 June 2005 as the Group has no assessable profits for the period. There is no significant deferred taxation not provided for.

9 (Loss)/earnings per share

(a) Basic

The calculation of basic (loss)/earnings per share is based on loss attributable to equity holders of the company of $5,896,648 (30 June 2004: profit attributable to equity holders of the company of $7,006,369) and the 647,114,000 ordinary shares (30 June 2004: 539,514,000 ordinary shares) in issue during the period, being the shares that would have been in issue throughout the period if the Scheme as set out in note 1 on the interim financial report had become effective on 1 January 2004.

(b) Diluted

There were no potential ordinary shares during the period ended 30 June 2005.

Diluted earnings per share was not shown for the period ended 30 June 2004 as the potential ordinary shares were anti-dilutive.

10 Interest in associates

	At 30 June 2005	At 31 December 2004 (Restated)
Share of net assets	**$84,633,952**	$ 87,610,806
Amount due from an associate	**1,681,116**	964,435
Amount due to an associate	**(7,956)**	(7,942)
	$86,307,112	$ 88,567,299

Amounts due from/(to) associates are unsecured, interest free and have no fixed terms of repayment.

(a) China Property Development (Holdings) Limited

(i) On 3 February 2005, 383 new ordinary shares of US$0.01 each of the Group's associate, China Property Development (Holdings) Limited ("CPDH"), were allotted to certain related companies of a shareholder of CPDH at a price of US$10,000 each. Upon the allotment, the Group's profit sharing ratio and proportion of voting rights held were diluted from 37.37% to 33.42% and from 22.88% to 20.49% respectively. The allotment of shares resulted in a gain on deemed disposal of $3,065,080 which has been recognised in the consolidated income statement for the period.

(ii) CPDH, through its wholly owned subsidiaries, Sound Advantage Limited ("Sound Advantage") and Choice Capital Limited ("Choice Capital"), acquired an 80% equity interest in World Lexus Pacific Limited ("World Lexus") in 2002. World Lexus' sole asset is a wholly owned PRC subsidiary, Beijing Pacific Palace Real Estate Development Co Ltd ("Beijing Pacific Palace"), which is engaged in a property development project at the Lido area of Jiangtai Town, Chaoyang District, Beijing, the PRC ("Pacific Town project").

The Pacific Town project is a medium density residential area with a mixed development of high rise apartments and villas. The development of the project will be carried out in several phases. Pre-sale of the properties of Phase I commenced in late August 2004. Resettlement work of Phase II and Phase III commenced in October 2004 and February 2005 respectively. Pre-sale of the properties of Phase II and Phase III is expected to commence in late 2005 and early 2006 respectively.

(iii) CPDH acquired the remaining 20% equity interest in World Lexus from the former minority shareholders for a consideration of RMB40 million (equivalent to $37.3 million) in November 2004. Pursuant to the equity transfer agreement, CPDH is also required to reimburse the preliminary costs amounting to RMB45 million (equivalent to $42.4 million) of the Pacific Town project incurred by the minority shareholders prior to acquisition of the 80% equity interest in World Lexus by Sound Advantage and Choice Capital in 2002. The settlement of the consideration is secured by the 20% equity interest in World Lexus.

CPDH has withheld part of the consideration and reimbursement costs to cover certain contingent liabilities of Beijing Pacific Palace and World Lexus as set out in notes 19(b) and (c). Due to disputes between the minority shareholders over the proportion which should be received by each shareholder, the balance of the consideration and reimbursement after deducting the amount withheld was fully settled by a payment to the Hong Kong High Court pursuant to an application for interpleader relief filed by CPDH.

(iv) During the period, CPDH paid total fees of US$493,904 (equivalent to $3.8 million) (period ended 30 June 2004: US$494,781, equivalent to $3.8 million) to certain related parties of the Group who act as fund manager, administrator and project manager pursuant to the private placement memorandum of CPDH dated 13 September 2003. These related parties are either companies wholly owned by ING Groep N.V. or companies in which a director of the Company is a member of the senior management.

(b) Beijing Far East Instrument Company Limited

(i) The Group holds a 35% equity interest in Beijing Far East Instrument Company Limited ("Beijing Far East"). Beijing Far East was classified as an interest in a jointly controlled entity in the Group's financial statements in prior years. As a result of the adoption of HKAS 31, this investment has been reclassified as an interest in an associate during the period.

(ii) In March 2002, the Group entered into a conditional agreement with Beijing Capital Group pursuant to which, the Group agreed to sell an equity interest of 9% in Beijing Far East for a consideration of approximately RMB14 million (equivalent to $13 million), subject to the fulfilment of certain conditions. The consideration is payable over a period of 5 years. Up to 30 June 2005, the disposal has not been accounted for as the conditions have not been satisfied, including the settlement of the consideration. According to the agreement between the Group and Beijing Capital Group, Beijing Capital Group is required to transfer back the equity interest in Beijing Far East in relation to the unpaid portion of the consideration to the Group upon the expiry of the 5-year period ending 31 December 2006. The Group continues to account for the share of profit or loss attributable to the portion of equity interest for which the consideration has not been settled. As such, although the legal interest in Beijing Far East held by the Group was 26% at 30 June 2005, the Group has accounted for 35% of the losses of Beijing Far East for the period. A director of the Company is also a member of the senior management of Beijing Capital Group.

11 Available-for-sale securities

	Note	At 30 June 2005	At 31 December 2004
Investment in unlisted joint venture, at cost	*(a)*	**$ 61,495,650**	$ 61,495,650
Less: Impairment losses		**(61,495,650)**	(61,495,650)
		$ –	$ –
Investment in unlisted company, at cost	*(b)*	**$ 23,557,891**	$ 23,557,891
Less: Impairment losses		**(23,557,891)**	(23,557,891)
		$ –	$ –
Listed investments, at cost	*(c)*	**$ 9,000,000**	$ 9,000,000
Fair value adjustment		**4,600,000**	4,600,000
		$ 13,600,000	$ 13,600,000
		$ 13,600,000	$ 13,600,000

Notes:

(a) The Group invested $61,495,650 for an 18% equity interest in Beijing Asia Pacific First Star Communications Technology Co. Ltd. The directors considered the fair value to be nil at 30 June 2005.

(b) The Group invested $23,557,891 for a 10.44% equity interest in ChinaGo Limited. The directors considered the fair value to be nil at 30 June 2005.

(c) During the period ended 30 June 2004, the Group disposed of 12,819,000 shares of Skyworth Digital Holdings Limited ("Skyworth Digital"), a company listed on the HKSE for a total consideration, net of expenses, of $28,475,729, resulting in a gain on disposal of $16,938,629.

Trading in the shares of Skyworth Digital on the HKSE has been suspended since 30 November 2004 due to alleged misappropriation of the company's assets by senior management. At 31 December 2004, the Group held 10,000,000 shares of Skyworth Digital which were stated at a directors' valuation of $1.36 per share. A fair value adjustment of $5,900,000 was charged to the fair value reserve at 31 December 2004. Skyworth Digital announced its audited interim results for the six-month period ended 30 September 2004 and annual results for the year ended 31 March 2005 in June 2005 and August 2005 respectively. Based on its annual report, Skyworth Digital has been operating normally and is profitable.

The Company's directors have taken into account the net asset value of $1.30 per share based on Skyworth Digital's latest published audited financial statements and other currently available information and consider that there is no material change in the fair value of the shares in Skyworth Digital since 31 December 2004. At 30 June 2005, the 10,000,000 shares were stated at $1.36 per share.

12 Investment deposit

The amount represents a purchase consideration paid to acquire a 15% equity interest in a joint venture entity in the PRC in 2003 pursuant to a purchase agreement dated 10 November 2003. The PRC joint venture is engaged in the development of residential properties at the Taiyanggong Zone F in Beijing, the PRC.

The purchase agreement expired as the equity transfer was not effected by 31 October 2004 due to a delay. According to a settlement agreement dated 10 May 2005, the investment deposit plus interest during the period from November 2003 to December 2005 totalling $42 million was due to be refunded to the Group in two instalments on 30 June 2005 and 31 December 2005. The first instalment of $5.7 million was received in July 2005. The Company's directors are of the opinion that the final instalment due on 31 December 2005 is fully recoverable and no provision is required at 30 June 2005. The deposit has been included under current assets at 30 June 2005.

13 Cash and cash equivalents

	At 30 June 2005	At 31 December 2004
Deposits with banks	**$44,142,382**	$ 33,828,693
Cash at bank and in hand	**1,085,877**	15,559,090
	$45,228,259	$ 49,387,783

14 Share capital

	Note	Number of ordinary shares of $0.01 each	Amount
Authorised:			
On incorporation and at 31 December 2004		10,000,000	$ 100,000
Increase in authorised share capital	*(a)*	11,990,000,000	119,900,000
Authorised share capital as at 30 June 2005		12,000,000,000	$ 120,000,000
Issued:			
Share capital at 31 December 2003 *(Note)*		539,514,000	$ 5,395,140
Issue of shares by ING Beijing in December 2004	*15(b)*	107,600,000	1,076,000
Share capital at 31 December 2004 (Note) and issued share capital as at 30 June 2005	*(b)*	647,114,000	$ 6,471,140

Note: Share capital at 31 December 2004 and 31 December 2003 is based on the number of shares that would have been issued by the Company as consideration for the acquisition of the shares of ING Beijing if the Scheme had been effective on 31 December 2004 and 31 December 2003 respectively.

(a) Pursuant to a written resolution of the sole shareholder of the Company dated 4 November 2004, the authorised share capital of the Company was increased from $100,000 to $120,000,000 by the creation of 11,990,000,000 additional ordinary shares of $0.01 each, ranking pari passu in all respects with the existing ordinary shares of the Company conditional upon the Scheme becoming effective.

(b) Pursuant to the Scheme described in note 1 on the interim financial report, the Company allotted and issued 637,114,000 ordinary shares of $0.01 each, credited as fully paid, and also credited as fully paid the 10,000,000 nil paid ordinary shares of $0.01 each, in consideration for the acquisition of the entire issued share capital of ING Beijing on 13 April 2005.

15 Reserves

	Attributable to equity holders of the company					
	Share premium *(note a)*	Special reserve *(note a)*	Exchange reserves	Fair value reserve	Accumulated losses	Total
At 1 January 2004	$ 173,560,966	$ 373,092,958	$ 2,990,183	$ 23,959,950	$ (397,272,468)	$ 176,331,589
Profit for the year	–	–	–	–	6,251,287	6,251,287
Exchange differences on translation of financial statements of PRC associates	–	–	131,601	–	–	131,601
Transfer to consolidated income statement on disposal of available-for-sale securities	–	–	–	(13,459,950)	–	(13,459,950)
Changes in fair value of available-for-sale securities	–	–	–	(5,900,000)	–	(5,900,000)
Shares issued by ING Beijing *(note (b))*	–	13,988,000	–	–	–	13,988,000
At 1 December 2004	$ 173,560,966	$ 387,080,958	$ 3,121,784	$ 4,600,000	$ (391,021,181)	$ 177,342,527
At 1 January 2005	$ 173,560,966	$ 387,080,958	$ 3,121,784	$ 4,600,000	$ (391,021,181)	$ 177,342,527
Loss for the period	$ –	$ –	$ –	$ –	$ (5,896,648)	$ (5,896,648)
At 30 June 2005	**$ 173,560,966**	**$ 387,080,958**	**$ 3,121,784**	**$ 4,600,000**	**$(396,917,829)**	**$ 171,445,879**

(a) The excess of the value of the shares of ING Beijing acquired pursuant to the Scheme over the nominal value of the shares of the Company issued in exchange is credited to share premium. The difference between the amount recorded as share capital issued by the Company pursuant to the Scheme and the amount recorded for the share capital of ING Beijing acquired is included in the special reserve.

(b) On 29 December 2004, ING Beijing alloted and issued 107,600,000 new ordinary shares of $0.10 each to Sense Control International Limited at a price of $0.14 per share.

16 Equity compensation benefits

Prior to the Company's acquisition, ING Beijing operated a share option scheme under which the Board of Directors of ING Beijing may grant options to employees, including directors, of ING Beijing and its subsidiaries to subscribe for shares of ING Beijing. Each option gives the holder the right to subscribe for one share.

The share option scheme of ING Beijing was terminated and a new share option scheme was adopted by the Company effective 13 April 2005. All outstanding share options granted in prior periods under the share option scheme of ING Beijing lapsed in November 2004. Terms of the new share option scheme are similar to those of ING Beijing and are set out in the Company's 2004 directors' report.

There were no options granted under the new share option scheme during the period and there were no outstanding options as at 30 June 2005.

17 Net asset value per share

The net asset value per share is computed based on the consolidated net assets of $177,917,019 (31 December 2004: $183,813,667) and 647,114,000 ordinary shares in issue as at 30 June 2005 (31 December 2004: 647,114,000 ordinary shares).

18 Capital commitments

At 30 June 2005, the Group's share of the capital commitments of an associate, Beijing Pacific Palace, outstanding not provided for in the interim financial report was as follows:

	At 30 June 2005	At 31 December 2004
Authorised and contracted for	**$ 36,562,000**	$ 45,570,000
Authorised but not contracted for	**270,557,000**	261,613,000
	$307,119,000	$ 307,183,000

19 Contingent liabilities

At 30 June 2005, the Group's associates, Beijing Pacific Palace and World Lexus, had the following contingent liabilities. The Group's interest in these associates is disclosed in note 10(a).

		At 30 June 2005	At 31 December 2004
(a)	The Group's share of the guarantees given by Beijing Pacific Palace to financial institutions in respect of financing provided to the buyers of the properties of the Pacific Town project	**$79,700,000**	$ 25,700,000

(b) In July 2004, Beijing Pacific Palace commenced legal proceedings against a consultancy company to recover a deposit paid of RMB14 million (equivalent to $13 million) in relation to the Pacific Town project plus compensation of RMB34 million (equivalent to $32 million) for the delay in resettlement work of Phase I. The consultancy company has made a counter claim of RMB20 million (equivalent to $19 million) against Beijing Pacific Palace for breach of contract.

According to the judgement delivered in July 2005, the court dismissed the counter claim of the consultancy company and ordered it to repay RMB9 million (equivalent to $8.5 million) to Beijing Pacific Palace plus interest for the period from 2001 to July 2005. Beijing Pacific Palace did not agree with the judgement and filed an appeal with the court in August 2005.

Beijing Pacific Palace had made a provision of RMB4 million (equivalent to $3.8 million) against the deposit in prior years. Based on the judgement, there may be a further loss of RMB1 million (equivalent to $0.9 million). However, Beijing Pacific Palace has made an appeal against the judgement and in any case any loss will be recoverable from the former minority shareholders under the terms of the equity transfer agreement for the acquisition of the 20% interest in World Lexus by CPDH. The amount of RMB10 million (equivalent to $9.4 million) has been deducted from the consideration payable to the minority shareholders. Therefore, no further provision has been made in the interim financial report.

(c) In April 2005, a third party commenced legal action involving a claim of RMB5.34 million (equivalent to $5.03 million) plus interest and damages against World Lexus for services rendered pursuant to certain agreements which amounted to a total of RMB9.38 million (equivalent to $8.84 million). As these agreements were not disclosed in the equity transfer agreement for the acquisition of 20% interest in World Lexus, this constitutes a breach of warranties in the equity transfer agreement and CPDH has deducted the amount claimed by the third party from the consideration payable to the minority shareholders. As such, no provision has been made in the interim financial report in this regard.

(d) In April 2005, CPDH commenced arbitration proceedings against the former minority shareholders in respect of various items in dispute including the matters referred to in (b) and (c) above. The arbitration proceedings are still in progress as of the date of this interim financial report.

(e) In July 2005, another third party made a claim of approximately RMB50 million (equivalent to $47 million) against World Lexus pursuant to an agreement entered into by the third party and World Lexus in 2001 for services rendered in connection with the Pacific Town project. This agreement was also not disclosed in the equity transfer agreement and constitutes a breach of warranties.

As the claim made by the third party was not properly supported by documentary evidence, World Lexus has requested the third party to provide further information. World Lexus is also seeking legal advice on the validity of the claim. As this matter is still at the preliminary stage and no legal action has been formally taken by the third party, the Company's directors consider that no provision is required at 30 June 2005.

20 Related party transactions

(a) During the period, the Group and its associates paid management fees and other expenses to certain related companies, the details of which are set out in notes 6(b) and 10(a)(iv) on this interim financial report.

(b) The Group paid key management personnel compensation as follows:

	Six months ended 30 June	
	2005	2004
Salaries and other short-term employee benefits	**$ 423,534**	$ 389,672
Retirement scheme contributions	**3,933**	–
	$ 427,467	$ 389,672

21 Comparative figures

Certain comparative figures have been reclassified as a result of the adoption of the new HKFRSs set out in note 2.

Independent Review Report to the Board of Directors of New Capital International Investment Limited

(Incorporated in the Cayman Islands with limited liability)

Introduction

We have been instructed by the Company to review the interim financial report set out on pages 7 to 29.

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 Hong Kong Accounting Standard 34, "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants. 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 2005.

KPMG
Certified Public Accountants
Hong Kong, 20 September 2005

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2005, none of the Directors or the chief executive of the Company or their respective associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they are taken or deemed to have under such provision of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register required to be kept therein, or which were required, pursuant to Model Code for Securities Transactions by Directors of Listed Company, to be notified to the Company and the Stock Exchange.

Interests and Short Positions of Shareholders

So far as is known to the Directors, as at 30 June 2005, the persons/companies who have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Names	**No. of Shares**	**Approximate % of shareholding**
ING Groep N.V. *(Note 1)*	85,140,000	13.16
ING Bank N.V. *(Note 1)*	85,140,000	13.16
ING Real Estate (B) B.V. *(Note 1)*	85,140,000	13.16
ING Insurance Investments Holdings B.V. *(Note 1)*	85,140,000	13.16
ING IM Investment Holdings B.V. *(Note 1)*	85,140,000	13.16
N.V. Haagsche Herverekering-Maatachappij van 1836 *(Note 1)*	85,140,000	13.16
Lin Si Yu *(Note 2)*	107,600,000	16.63
Sense Control International Limited *(Note 2)*	107,600,000	16.63

Note:

1. The 85,140,000 shares were held by N.V. Haagsche Herverekering-Maatachappij van 1836, which is a wholly owned subsidiary of ING IM Investment Holdings B.V.. ING IM Investment Holdings B.V. is therefore deemed to be interested in the same parcel of shares hold by N.V. Haagsche Herverekering-Maatachappij van 1836.

   ING IM Investment Holdings B.V. is a wholly owned subsidiary of ING Insurance Investments Holdings B.V. and ING Insurance Investments Holdings B.V. is therefore deemed to be interested in the same parcel of shares hold by ING IM Investment Holdings B.V..

   ING Insurance Investments Holdings B.V. is a wholly owned subsidiary of ING Real Estate (B) B.V. and ING Real Estate (B) B.V. is therefore deemed to be interested in the same parcel of shares hold by ING Insurance Investments Holdings B.V..

   ING Real Estate (B) B.V. is a wholly owned subsidiary of ING Bank N.V. and ING Bank N.V. is therefore deemed to be interested in the same parcel of shares hold by ING Real Estate (B) B.V.

   ING Bank N.V. is a wholly owned subsidiary of ING Groep N.V. and ING Groep N.V. is therefore deemed to be interested in the same parcel of shares hold by ING Bank N.V..

2. Sense Control International Limited is beneficially and wholly owned by Mr. Lin Si Yu. Mr. Lin Si Yu is therefore deemed to be interested in the same parcel of shares hold by Sense Control International Limited.

Share Option Scheme

A share option scheme was adopted by the Company effective 13 April 2005 under which the board of directors of the Company may, at its discretion, grant to any director, employee, executive or officer of the Company, or any director, employee, executive of any subsidiaries from time to time of the Company, to subscribe for the Company's shares.

As at 30 June 2005, no option was granted since the adoption of the Share Option Scheme. There are no share options outstanding as at 30 June 2005.

Interim Dividend

The Board of Directors does not recommend payment of interim dividend for the period ended 30 June 2005 (2004: nil).

Employee

As at 30 June 2005, the Group employed a qualified accountant and basic salary and mandatory provident fund scheme are provided to the employee.

Audit Committee

The Audit Committee comprises three independent Non-executive Directors. This Committee acts in an advisory capacity and makes recommendations to the Board. It met on 13 September 2005 to review the Group's 2005 interim results before it was tabled for the Board's approval.

Remuneration Committee

The Remuneration Committee is headed by Mr. Liu Xiao Guang, the Chairman of the Board. The other members of the Remuneration Committee are the three independent Non-executive Directors, Mr. To Chun Kei, Mr. Fung Tze Wa and Mr. Kwong Chun Wai Michael.

Purchase, Sale or Redemption of Shares

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities during the period from 1 January 2005 to 30 June 2005.

Compliance with the Code on Corporate Governance Practices

Throughout the six months ended 30 June 2005, the Company has complied with all the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") except that Non-executive Directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election at the Company's annual general meetings and that the Chairman of the Board did not attend the annual general meeting of the Company held on 26 May 2005.

Compliance with the Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company (the "Code"). Having made specific enquiry by the Company, all Directors confirmed that they had complied with the required standards as set out in the Code during the period.

Directors

As at the date hereof, the Board is comprised of Mr. Liu Xiao Guang, Mr. Cheng Bing Ren, Mr. Lawrence H. Wood and Mr. Liu Xue Min as Executive Directors, Mr. Kwong Chun Wai Michael, Mr. To Chun Kei and Mr. Fung Tse Wa as independent Non-executive Directors.

By Order of the Board

Liu Xiao Guang
Chairman

Hong Kong, 20 September 2005