首 長 國 際 企 業 有 限 公 司

SHOUGANG CONCORD INTERNATIONAL ENTERPRISES COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 697)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2005

INTERIM RESULTS

The board of directors (the "Board") of Shougang Concord International Enterprises Company Limited (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2005. These interim results have been reviewed by the Company's Audit Committee and its Auditors.

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2005

	Notes	Six months ended 30 June **2005** ***HK$'000*** **(unaudited)**	 2004 *HK$'000* (unaudited) (restated)
Turnover		**2,539,598**	1,390,398
Cost of sales		**(2,195,260)**	(1,133,810)
Gross profit		**344,338**	256,588
Other operating income		**15,120**	6,424
Distribution costs		**(10,242)**	(4,038)
Administrative expenses		**(77,485)**	(71,096)
Other operating expenses		**(1,578)**	(15,935)
Profit from operations	5	**270,153**	171,943
Interest expenses		**(7,900)**	(6,621)
Share of results of associates		**98,669**	4,913
Gain on disposal of an associate		**4,355**	–
Loss on deemed disposal of a partial interest in an associate		**–**	(481)
Profit before tax		**365,277**	169,754
Income tax expense	6	**(16,777)**	(13,638)
Profit for the period		**348,500**	156,116
Attributable to:			
Equity holders of the parent		**334,385**	104,278
Minority interests		**14,115**	51,838
		348,500	156,116
Earnings per share	7		
– Basic		**7.2 cents**	3.1 cents
– Diluted		**6.9 cents**	2.9 cents

CONDENSED CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2005

	Notes	30 June 2005 HK$'000 (unaudited)	31 December 2004 HK$'000 (audited) (restated)
NON-CURRENT ASSETS			
Investment properties		**17,016**	17,023
Property, plant and equipment		**744,257**	742,630
Prepaid lease rentals		**89,177**	67,823
Intangible assets		**1,247**	1,638
Goodwill		**259,596**	259,596
Negative goodwill		**–**	(3,710)
Interests in associates		**572,323**	478,545
		1,683,616	1,563,545
CURRENT ASSETS			
Amounts due from customers for contract work		**4,721**	9,914
Inventories		**283,030**	281,259
Trade and bills receivables	8	**203,933**	133,269
Prepayments, deposits and other receivables		**57,966**	71,061
Prepaid lease rentals		**4,458**	4,652
Tax recoverable		**1,634**	2,336
Amounts due from related companies		**213,083**	150,313
Amounts due from associates		**178**	30,886
Amount due from a minority shareholder of a subsidiary		**2,828**	2,835
Bank balances and cash		**414,357**	468,046
		1,186,188	1,154,571
CURRENT LIABILITIES			
Amounts due to customers for contract work		**544**	647
Trade and bills payables	9	**43,572**	42,580
Other payables and accrued liabilities		**209,570**	320,012
Tax payable		**2,681**	214
Amounts due to related companies		**44,495**	30,048
Amount due to an associate		**7,673**	–
Amount due to a fellow subsidiary		**5,550**	–
Obligation under a finance lease		**534**	534
Bank borrowings		**304,466**	301,825
Provision for a compensation claim		**–**	707
		619,085	696,567
NET CURRENT ASSETS		**567,103**	458,004
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,250,719**	2,021,549
NON-CURRENT LIABILITIES			
Obligation under a finance lease		**534**	801
Deferred tax		**26,510**	26,167
Loan from a fellow subsidiary		**–**	123,904
		27,044	150,872
		2,223,675	1,870,677
CAPITAL AND RESERVES			
Share capital		**929,250**	927,450
Reserves		**1,084,518**	746,960
Equity attributable to equity holders of the parent		**2,013,768**	1,674,410
Minority interests		**209,907**	196,267
		2,223,675	1,870,677

Notes:

1. BASIS OF PREPARATION

The unaudited condensed interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost convention as modified for the revaluation of investment properties and certain buildings. The accounting policies used in the condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2004, except as described below.

In the current period, the Group has adopted, for the first time, a number of new and revised applicable Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards (hereinafter collectively referred to as "new HKFRSs") issued by the HKICPA that are effective for accounting periods beginning on or after 1 January 2005. The application of the new HKFRSs has resulted in a change in the presentation of the income statement, balance sheet and the statement of changes in equity. In particular, the presentation of share of tax of associates and minority interests have been changed under HKAS 1 "Presentation of Financial Statements" and HKAS 27 "Consolidated and Separate Financial Statements" respectively. The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results for the current or prior accounting periods are prepared and presented:

(a) Owner-occupied leasehold interest in land

In previous periods, owner-occupied leasehold land and buildings were included in property, plant and equipment and measured using the cost model. In the current period, the Group has applied HKAS 17 "Leases". Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease rentals under operating leases, which are carried at cost and amortised over the lease term on a straight line basis. This change in accounting policy has been applied retrospectively and one of the associates which previously recorded the leasehold land and buildings at revaluation model, has restated the revaluated amount of the prepaid lease rentals to cost. Alternatively, where the allocation between the land and buildings elements cannot be made reliably, the leasehold interests in land continue to be accounted for as property, plant and equipment. Accordingly, the interests in associates and the corresponding revaluation reserve have been restated (see note 3 for the financial impact).

(b) Financial instruments

In the current period, the Group has applied HKAS 32 "Financial Instruments: Disclosure and Presentation". HKAS 32 requires retrospective application. The principal effects resulting from the implementation of HKAS 32 are summarised below:

Convertible note
HKAS 32 requires an issuer of a compound financial instrument (that contains both financial liability and equity components) to separate the compound financial instrument into its liability and equity components on its initial recognition and to account for these components separately. In subsequent periods, the liability component is carried at amortised cost using the effective interest method. The principle impact of HKAS 32 on the Group is in relation to convertible note issued by the Company that contains both liability and equity components. Previously, convertible note was classified as liabilities on the balance sheet. Because HKAS 32 requires retrospective application, comparative figures have been restated (see note 3 for the financial impact).

(c) Business combinations

Goodwill
In the current period, the Group has applied HKFRS 3 "Business combinations" and the principal effects of the application of HKFRS 3 to the Group are summarised below:

In previous periods, goodwill arising on acquisition was capitalised and presented as an asset on the balance sheet or included in interest in associates and amortised over its estimated useful life. The Group has applied the relevant transitional provisions in HKFRS 3. The Group has discontinued amortising such goodwill presented on the balance sheet or included in interests in associates from 1 January 2005 onwards and goodwill will be tested for impairment at least annually/in the financial year in which the acquisition takes place. Goodwill arising on acquisition after 1 January 2005 is measured at cost less accumulated impairment losses (if any) after initial recognition. As a result of this change in accounting policy, no amortisation of goodwill has been charged in the current period. Comparative figures for 2004 have not been restated.

Excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost (previously known as "negative goodwill")
In accordance with HKFRS 3, any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition ("discount on acquisition") is recognised immediately in profit or loss in the period in which the acquisition takes place. In previous periods, negative goodwill arising on acquisition after 1 January 2001 was presented as a deduction from assets and released to income based on an analysis of the circumstances from which the balance resulted. In accordance with the relevant transitional provisions in HKFRS 3, the Group has derecognised all negative goodwill at 1 January 2005, with a corresponding decrease to accumulated losses (see note 3 for financial impact).

3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

The effects of the changes in accounting policies described in note 2 on the results for the current and prior period are as follows:

For the six months ended 30 June 2005

	HKAS 1 *HK$'000* *(Note 2)*	**HKAS 17** *HK$'000* *(Note 2a)*	**HKFRS 3** *HK$'000* *(Note 2c)*	**Total effect** *HK$'000*
Decrease in amortisation of goodwill	–	–	6,741	6,741
Decrease in release of negative goodwill	–	–	(93)	(93)
(Decrease) increase in share of results of associates	(931)	65	552	(314)
Decrease in income tax expense	931	–	–	931
Increase in profit for the period	–	65	7,200	7,265

For the six months ended 30 June 2004

	HKAS 1 *HK$'000* *(Note 2)*	HKAS 17 *HK$'000* *(Note 2a)*	Total effect *HK$'000*
(Decrease) increase in share of results of associates	(1,095)	57	(1,038)
Decrease in income tax expense	1,095	–	1,095
Increase in loss on deemed disposal of a partial interest in an associate	–	(4)	(4)
Increase in profit for the period	–	53	53

The cumulative effects of the new HKFRSs as at 31 December 2004 and 1 January 2005 are summarised below:

	As at 31 December 2004 (originally stated) *HK$'000*	**Retrospective adjustments** **HKAS 27** *HK$'000* *(Note 2)*	**HKAS 17** *HK$'000* *(Note 2a)*	**HKAS 32** *HK$'000* *(Note 2b)*	**As at 31 December 2004 (restated)** *HK$'000*	**Adjustment on 1 January 2005 HKFRS 3** *HK$'000* *(Note 2c)*	**As at 1 January 2005 (restated)** *HK$'000*
Balance sheet							
Property, plant and equipment	815,105	–	(72,475)	–	742,630	–	742,630
Prepaid lease rentals	–	–	72,475	–	72,475	–	72,475
Interests in associates	480,808	–	(2,263)	–	478,545	–	478,545
Negative goodwill	(3,710)	–	–	–	(3,710)	3,710	–
Other assets and liabilities	580,737	–	–	–	580,737	–	580,737
Total effects on assets and liabilities	1,872,940	–	(2,263)	–	1,870,677	3,710	1,874,387
Share capital	927,450	–	–	–	927,450	–	927,450
Share premium	1,411,312	–	–	6,805	1,418,117	–	1,418,117
Revaluation reserve	4,700	–	(1,760)	–	2,940	–	2,940
Exchange reserve	24,734	–	(2)	–	24,732	–	24,732
Goodwill reserve	11,238	–	–	–	11,238	(11,238)	–
Accumulated losses	(2,594,141)	–	(501)	(6,805)	(2,601,447)	14,948	(2,586,499)
Other reserves	1,891,380	–	–	–	1,891,380	–	1,891,380
Equity holders of the parent	1,676,673	–	(2,263)	–	1,674,410	3,710	1,678,120
Minority interests	–	196,267	–	–	196,267	–	196,267
Total effects on equity	1,676,673	196,267	(2,263)	–	1,870,677	3,710	1,874,387
Minority interests	196,267	(196,267)	–	–	–	–	–
	1,872,940	–	(2,263)	–	1,870,677	3,710	1,874,387

The financial effects of the application of the new HKFRSs to the Group's equity at 1 January 2004 are summarized below:

	As originally stated *HK$'000*	**HKAS 27** *HK$'000* *(Note 2)*	**HKAS 17** *HK$'000* *(Note 2a)*	**HKAS 32** *HK$'000* *(Note 2b)*	**As restated** *HK$'000*
Share capital	529,109	–	–	–	529,109
Revaluation reserve	4,382	–	(1,527)	–	2,855
Exchange reserve	18,876	–	(2)	–	18,874
Accumulated losses	(2,865,381)	–	(609)	(6,805)	(2,872,795)
Other reserves	2,834,999	–	–	9,240	2,844,239
Equity holders of the parent	521,985	–	(2,138)	2,435	522,282
Minority interests	–	420,032	–	–	420,032
Total effects on equity	521,985	420,032	(2,138)	2,435	942,314

The Group has not early applied the following new Standards or Interpretations that have been issued but are not yet effective. The Directors of the Company anticipate that the application of these Standards or Interpretations will have no material impact on the financial statements of the Group:

HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plan and Disclosures
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 (Amendment)	The Fair Value Option
HKFRS 6	Exploration for and Evaluation of Mineral Resources
HKFRS – INT 4	Determining whether an Arrangement Contains a Lease
HKFRS – INT 5	Rights to Interests Arising from Decommissing, Restoration and Environmental Rehabilitation Funds

4. SEGMENT INFORMATION

For management purposes, the Group is currently organised into the following divisions. These divisions are the basis on which the Group reports its primary segment information.

Six months ended 30 June 2005

	Steel manufacturing *HK$'000*	**Shipping operations** *HK$'000*	**Electricity generation** *HK$'000*	**Kitchen and laundry equipment, steel trading** *HK$'000*	**Others** *HK$'000*	**Elimination** *HK$'000*	**Consolidated** *HK$'000*
Turnover from external customers	**1,439,952**	**121,340**	**200,614**	**777,004**	**688**	**–**	**2,539,598**
Inter-segment sales	**200,625**	**–**	**–**	**–**	**–**	**(200,625)**	**–**
Total	**1,640,577**	**121,340**	**200,614**	**777,004**	**688**	**(200,625)**	**2,539,598**
Inter-segment sales are charged at the terms agreed by both parties.							
Segment results	**189,219**	**48,077**	**32,281**	**7,477**	**688**	**–**	**277,742**
Unallocated other operating income							**3,055**
Unallocated corporate expenses							**(10,644)**
Profit from operations							**270,153**
Interest expenses							**(7,900)**
Share of results of associates	**98,669**	**–**	**–**	**–**	**–**	**–**	**98,669**
Gain on disposal of an associate							**4,355**
Profit before tax							**365,277**
Income tax expense							**(16,777)**
Profit for the period							**348,500**

Six months ended 30 June 2004 (Restated)

	Steel manufacturing *HK$'000*	Shipping operations *HK$'000*	Electricity generation *HK$'000*	Kitchen and laundry equipment, steel trading *HK$'000*	Others *HK$'000*	Consolidated *HK$'000*
Turnover from external customers	1,038,156	140,427	188,917	22,286	612	1,390,398
Segment results	84,607	61,481	33,029	241	612	179,970
Unallocated other operating income						1,420
Unallocated corporate expenses						(9,447)
Profit from operations						171,943
Interest expenses						(6,621)
Share of results of associates	4,913	–	–	–	–	4,913
Loss on deemed disposal of a partial interest in an associate	(481)	–	–	–	–	(481)
Profit before tax						169,754
Income tax expense						(13,638)
Profit for the period						156,116

5. PROFIT FROM OPERATIONS

Profit from operations has been arrived at after charging (crediting):

	Six months ended 30 June	
	2005 *HK$'000*	2004 *HK$'000* (Restated)
Allowance for inventories	**1,883**	–
Amortisation of goodwill (included in administrative expenses)	**–**	1,817
Amortisation of intangible assets (included in administrative expenses)	**390**	513
Amortisation of prepaid lease rentals	**2,111**	2,544
Depreciation of property, plant and equipment	**26,349**	29,861
Impairment loss recognised in respect of investment securities	**–**	11,503
Loss on disposal of prepaid lease rentals	**1,004**	–
Loss on disposal of property, plant and equipment	**5,527**	4,560
Interest income	**(3,055)**	(1,420)
Write-back of allowance for bad and doubtful debts, net	**(9,930)**	(2,277)

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2005 *HK$'000*	2004 *HK$'000* (Restated)
Current tax:		
People's Republic of China (the "PRC")	**16,401**	14,786
Other jurisdictions	**–**	9
	16,401	14,795
Deferred taxation	**376**	(1,157)
	16,777	13,638

No provision for Hong Kong Profits Tax has been made for the period as the group companies which are subject to Hong Kong Profits Tax either incurred tax losses for the period or have tax losses brought forward to set off assessable profit for the period.

Certain subsidiaries of the Company operating in the PRC are eligible for certain tax holidays and concessions in respect of PRC income tax.

Taxation arising on the PRC and in other jurisdictions is calculated in accordance with the relevant rules and regulations.

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	Six months ended 30 June 2005 HK$'000	2004 HK$'000 (Restated)
Profit for the purposes of basic earnings per share	**334,385**	104,278
Effect of dilutive potential ordinary shares:		
Adjustment to the share of result of an associate based on dilution of its earnings per share	**(602)**	(1,259)
Interest on convertible note	**–**	16
Earnings for the purposes of diluted earnings per share	**333,783**	103,035
Weighted average number of ordinary shares for the purposes of basic earnings per share	**4,643,961,987**	3,403,923,221
Effect of dilutive potential ordinary shares:		
Options	**174,131,618**	152,912,937
Convertible note	**–**	3,139,717
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**4,818,093,605**	3,559,975,875

8. TRADE AND BILLS RECEIVABLES

An aged analysis of trade and bills receivables is as follows:

	30 June 2005 HK$'000	31 December 2004 HK$'000
Within 90 days	**194,855**	126,242
91-180 days	**3,793**	6,027
181-365 days	**4,933**	677
1-2 years	**352**	323
	203,933	133,269

Trading terms with customers are largely on credit, except for new customers, where payment in advance is normally required. The Group allows a range of credit period to its customers normally not more than 30 days, except for certain well established customers, where the terms are extended to 60 days.

At 30 June 2005, retentions held by customers for contract work amounted to HK$1,589,000 (31 December 2004: HK$1,233,000).

9. TRADE AND BILLS PAYABLES

An aged analysis of trade and bills payables is as follows:

	30 June 2005 HK$'000	31 December 2004 HK$'000
Within 90 days	**35,239**	32,643
91-180 days	**2,436**	5,335
181-365 days	**2,933**	1,324
1-2 years	**635**	742
Over 2 years	**2,329**	2,536
	43,572	42,580

INTERIM DIVIDEND

The Board did not declare an interim dividend for the six months ended 30 June 2005 (2004: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group enjoyed significant growth in profit for the six months ended 30 June 2005 compared to the corresponding period in 2004. Net profit attributable to shareholders amounted to HK$334.4 million, compared to net profit attributable to shareholders of HK$104.3 million (as restated) for the corresponding period in 2004, representing an increase of 220.6%. Basic earnings per share was HK7.2 cents for the six months ended 30 June 2005 compared to basic earnings per share of HK3.1 cents (as restated) for the corresponding period in 2004.

The Group's primary business is the manufacture of steel plates. The Group conducts its steel production business through its wholly-owned subsidiary, Qinhuangdao Shougang Plate Mill Co., Ltd ("Qinhuangdao Plate Mill") and an associated company (as at 30 June 2005), Qinhuangdao Shouqin Metal Materials Co., Ltd. ("Shouqin"). In August 2005, the Group entered into conditional agreements for the purchase of an additional 45% interest in Shouqin, and, upon completion, the Group will consolidate Shouqin's results into that of the Group. For more information concerning the acquisition of additional interest in Shouqin, see "Impact of Shouqin Acquisition and Consolidation" below.

Six Months Ended 30 June 2005 compared to Six Months Ended 30 June 2004

Turnover

Turnover increased from HK$1,390.4 million for the period in 2004 to HK$2,539.6 million for the period in 2005, or 82.7%. Turnover increased primarily because of an increase in sales volume as well as average selling prices of our steel products.

Turnover in the steel manufacturing segment increased from HK$1,038.2 million for the period in 2004 to HK$1,640.6 million for the period in 2005, or 58.0%, primarily as a result of increased production capacity at the Qinhuangdao Plate Mill and a rise in steel prices. Steel prices rose primarily as a result of the favourable environment for steel products in China due to the growth in the Chinese economy. Our average price per metric tonne was HK$3,748 (net of tax) for the period in 2004 while the average price per metric tonne for the period in 2005 was HK$4,187 (net of tax). Our production capacity rose primarily as a result of increased utilisation of our facilities from approximately 242,500 metric tonnes for the period in 2004 to approximately 348,000 metric tonnes for the period in 2005, an increase of or 43.5%.

Turnover in the shipping segment decreased from HK$140.4 million for the period in 2004 to HK$121.3 million for the period in 2005, or 13.6%, primary as a result of a market decline in freight rates in the time charter business.

Turnover in the power generation segment increased slightly from HK$188.9 million for the period in 2004 to HK$200.6 million for the period in 2005, or 6.2%. The Group sold 554 million kwh of electricity for the period in 2004 while it sold 577 million kwh of electricity for the period in 2005, an increase of 4.2%, while the price of electricity remained generally stable.

Turnover in other segments increased from HK$22.9 million for the period in 2004 to HK$777.7 million for the period in 2005, or 3,296.1%, primarily as a result of the resumption of our steel trading activities during the period in 2005 in response to favourable market conditions. The Group does not anticipate steel trading to become increasingly important to the Group's earnings.

Cost of sales

Cost of sales increased from HK$1,133.8 million for the period in 2004 to HK$2,195.3 million for the period in 2005, or 93.6%. Cost of sales increased far more than turnover, primarily as a result of the resumption of the steel trading business, as well as increases in iron ore prices, during the period.

Other operating income

Other operating income increased from HK$6.4 million for the period in 2004 to HK$15.1 million for the period in 2005, or 135.9%, primarily as a result of the increase in sale of scrap materials and provision of services.

Administrative expenses

Administrative expenses increased from HK$71.1 million for the period in 2004 to HK$77.5 million for the period in 2005, or 9.0%, primarily as a result of higher administrative expenses associated with the Group's expansion in steel manufacturing.

Other operating expenses

Other operating expenses decreased from HK$15.9 million for the period in 2004 to HK$1.6 million for the period in 2005, or 89.9%, primarily as a result of the decrease in impairment loss recognized in respect of investment securities from HK$11.5 million for the period in 2004 to nil for the period in 2005.

Interest expenses
Interest expenses increased from HK$6.6 million for the period in 2004 to HK$7.9 million for the period in 2005, or 19.7%, primarily as a result of an increase in the Group's bank borrowings in line with its expansion in steel manufacturing.

Loss on deemed disposal of a partial interest in an associate
Loss on deemed disposal of a partial interest in an associate decreased from HK$0.5 million for the period in 2004 to nil for the period in 2005.

Income tax expense
Income tax expense increased from HK$13.6 million for the period in 2004 to HK$16.8 million for the period in 2005, or 23.5%, primarily as a result of an increase in the Group's profit from operations, which increased the amount of tax obligations.

Manufacture and sale of steel products
The Group operates in this business segment through Qinhuangdao Plate Mill and Shouqin.

Qinhuangdao Plate Mill recorded a turnover of HK$1,640.6 million for the six months ended 30 June 2005, an increase of HK$602.4 million when compared with the corresponding period last year. The increase in turnover was due to good market conditions which resulted in growth in sales volume and increase in selling price. Qinhuangdao Plate Mill sold approximately 348,000 metric tonnes of its steel plates main product in this interim period at average selling price (net of tax) of HK$4,187 per metric tonne, in contrast with approximately 242,500 metric tonnes sold at average selling price (net of tax) of HK$3,748 per metric tonne in 2004. This resulted in an increase in gross profit of HK$97.9 million, from HK$138.0 million in 2004 to HK$235.9 million in 2005. During the period under review, Qinhuangdao Plate Mill continued to implement successful cost control measures to maintain its expenses at reasonable level. In addition, the further acquisition of interests in Qinhuangdao Plate Mill by the Group in the second half year of 2004 has further enhanced the Group's share of profit in Qinhuangdao Plate Mill in the current period. For the six months ended 30 June 2005, net profit contributed by Qinhuangdao Plate Mill to the Group (excluding the share of result from Shouqin, which will be described below) amounted to HK$174.7 million, representing an impressive increase in profit of HK$133.5 million over that for last interim period.

During the period under review, the Group has held an effective interest of 51% in Shouqin (27% held by the Group directly and 24% held by Qinhuangdao Plate Mill). Shouqin delivered an excellent result for the six months ended 30 June 2005 and contributed a net profit of HK$88.8 million to the Group (2004: Group's share of its loss amounted to HK$3.7 million). As it is expected that Shouqin will continue to generate satisfactory profits in future, the Group has entered into agreements to acquire further interests of 45% in Shouqin subsequent to the balance sheet date, details of which were disclosed in the Company's announcement and a circular will be issued to the shareholders in due course.

Shipping operations
Shougang Concord Shipping Holdings Limited and its subsidiaries ("Shougang Shipping Group") reported a net operating profit of HK$46.7 million for the six months ended 30 June 2005, representing a decline in profit of HK$12.7 million from a net operating profit of HK$59.4 million for the corresponding period last year. The main reason for decrease in profit was due to the adjustment of freight rates in the market, which caused the operating profit of its time charter business to decline from HK$61.9 million in 2004 to HK$45.0 million in 2005. Its floating crane business recorded a moderate operating profit of HK$1.0 million in the current period, which was similar to that of last interim period. During the period under review, Shougang Shipping Group managed to maintain its expenses at minimum level which, together with the reversal of bad debt provision of HK$4.4 million, has effectively reduced the impact on performance caused by weaker freight rates.

Electricity generation
Beijing Shougang Firstlevel Power Co., Ltd. ("Beijing Power Plant") reported a turnover of HK$200.6 million for this interim period, representing an increase of HK$11.7 million from HK$188.9 million for last interim period. Beijing Power Plant sold approximately 577 million kwh of electricity and generated a sales revenue of HK$170.5 million for the six months ended 30 June 2005, in contrast with selling 554 million kwh of electricity with a sales revenue of HK$161.3 million for the same period last year. Turnover of steam and hot water grew marginally during this interim period. Sales revenue of steam increased by HK$1.0 million to HK$16.4 million, while sales revenue of hot water grew by HK$1.5 million to HK$13.7 million. The increase in total turnover of HK$11.7 million was however confronted with rising material costs. During this interim period, costs of sales increased by HK$15.3 million to HK$153.3 million, resulting in a decline of gross profit of HK$3.6 million to HK$47.3 million. After accounted for total expenses of HK$18.8 million (2004: HK$20.0 million), tax charge of HK$3.9 million (2004: Nil) and minority interests, the Group's share of net profit of Beijing Power Plant for the six months ended 30 June 2005 amounted to HK$12.5 million, which showed a moderate decline of HK$1.5 million as compared to HK$14.0 million shared by the Group for last interim period.

Manufacture of steel cord for radial tyres; processing and trading of copper and brass products
Shougang Concord Century Holdings Limited and its subsidiaries ("Shougang Century Group") reported a turnover of HK$269.5 million for this interim period, representing a growth of HK$77.5 million from HK$192.0 million for the same period last year. During this interim period, turnover for its core business of manufacture of steel cord for radial tyres grew by 72.9% to HK$194.4 million whilst sales of its another core business, processing and trading of copper and brass products, declined by 6.0% to HK$74.5 million.

Despite the growth in turnover, the rapid rising costs of raw material and keen competition in product selling price had caused pressure on profitability, particularly for the steel cord business. As a result, gross profit dropped by HK$8.2 million, from HK$61.1 million (as restated) in 2004 to HK$52.9 million in 2005. During this interim period, Shougang Century Group was successful to maintain its expenditure to grow only moderately despite its strong growth in sales. On the whole, Shougang Century Group's net profit attributable to shareholders amounted to HK$36.1 million for the six months ended 30 June 2005, a decline of HK$8.5 million from HK$44.6 million (as restated) for the last interim period. Accordingly, the Group's share of its net profit has decreased by HK$2.3 million to HK$9.9 million in this interim period.

Trading of steel products; manufacture and installation of kitchen and laundry equipment
Shougang Concord Steel Holdings Limited and its subsidiaries ("Shougang Steel Group") achieved a substantial growth in turnover and earnings for the six months ended 30 June 2005, which was mainly attributable to the steel trading business. During this interim period, Shougang Steel Group resumed its activities in steel trading which recorded a turnover of HK$748.7 million; turnover of the kitchen and laundry equipment business also grew from HK$21.7 million to HK$27.9 million. Hence, total turnover recorded a substantial growth of HK$754.7 million, from HK$22.3 million in 2004 to HK$777.0 million in 2005.

The captioned increase in turnover caused gross profit to improve by HK$10.7 million to HK$14.9 million, of which the steel trading business accounted for HK$11.2 million and the kitchen and laundry business accounted for HK$3.4 million, respectively. During the period under review, total expenses (net of other incomes) fell by HK$0.6 million to HK$3.3 million as the management continued to tighten cost measures and to streamline operations. Consequently, Shougang Steel Group achieved a net profit of HK$11.6 million for the current period, representing a strong growth of HK$11.3 million as compared to the net profit of HK$0.3 million as recorded for the corresponding period last year.

Liquidity and financial resources
The Group normally financed its operations by cash generated from its business activities and banking facilities provided by its bankers. For the six months ended 30 June 2005, the Company obtained extra source of funding in the sum of HK$3.3 million by the issue of 9.0 million new ordinary shares of the Company to certain employees upon their exercise of share options of the Company.

As at 30 June 2005, the Group had banking facilities of HK$205.5 million and RMB375.0 million with banking institutions in Hong Kong and in the PRC, respectively. These banking facilities were utilised to the extent of HK$46.2 million and RMB275.0 million respectively as at 30 June 2005. The banking facilities in Hong Kong were secured by certain properties of HK$13.4 million and corporate guarantees from the Company of HK$206.3 million, and those in the PRC were secured by certain plant and machinery with an aggregate net book value of RMB189.0 million and corporate guarantees from Shougang Corporation of RMB175.0 million.

The Group's current assets as at the current period end amounted to HK$1,186.2 million, an increase of HK$31.6 million from last year end's level of HK$1,154.6 million. In contrast, the Group's current liabilities decreased from HK$696.6 million to HK$619.1 million, representing a decrease of HK$77.5 million during the period. Hence, the Group's working capital position showed an improvement, where net current assets grew by HK$109.1 million to HK$567.1 million as at 30 June 2005. The Group's current ratio, defined as current assets divided by current liabilities, accordingly increased to 1.92 times as at 30 June 2005 from 1.66 times as at last year end. The Group's gearing ratio which is defined as total debts divided by equity, reduced to 0.32 times as at 30 June 2005 as compared to 0.51 times as at 31 December 2004. During the current period, the Group had no significant exposure to foreign exchange fluctuations and therefore no material hedging arrangements were made in this aspect.

Capital Structure

At the beginning of the current period, the issued share capital of the Company was HK$927.5 million, represented by 4,637,251,215 ordinary shares of HK$0.20 each. During the current period, certain employees of the Group exercised the granted options, pursuant to which 3 million and 6 million new ordinary shares were issued at exercise prices of HK$0.295 and HK$0.41 per share, respectively. Consequently, the issued share capital of the Company was increased by HK$1.8 million (represented by 9,000,000 ordinary shares) to HK$929.3 million (represented by 4,646,251,215 ordinary shares).

Subsequent to the balance sheet date, certain employees of the Group exercised the granted options, pursuant to which 0.4 million and 15.75 million new ordinary shares were issued at exercise prices of HK$0.295 and HK$0.41 per share, respectively. Consequently, the issued share capital of the Company was increased by HK$3.2 million (represented by 16,146,000 ordinary shares) to HK$932.5 million (represented by 4,662,397,215 ordinary shares). In addition, a wholly-owned subsidiary of the Company entered into agreements with third parties in August 2005 to acquire a total of 45% interest in Shouqin for a consideration of RMB467.5 million (equivalent to HK$448.2 million). According to the terms of the agreements, 40% of the said consideration which amounted to HK$179.3 million, will be satisfied by the issue of 271,659,999 new ordinary shares of the Company at HK$0.66 per share. After completion of the said acquisition, the issued share capital of the Company will be increased to HK$986.8 million, represented by 4,934,057,214 ordinary shares.

As described in our circular to the shareholders dated 20 May 2005 and the special resolution of which was duly approved by the shareholders at the extraordinary general meeting held on 13 June 2005, the Company sought to cancel the share premium account and the capital reserve account (the "Cancellation") in writing off its accumulated losses, to the extent permitted by the High Court of Hong Kong (the "High Court"). The High Court made an order confirming the Cancellation on 1 September 2005, which was duly registered by the Registrar of Companies in Hong Kong on 1 September 2005. Accordingly, the Cancellation became effective on the same day. As a result, the share premium account of the Company has been reduced by HK$1,412,855,741.98 and the capital reserve account of the Company has been reduced by HK$1,800,000,000.00. An amount of HK$2,920,201,029.67 arising from such reduction has been applied towards the elimination of the accumulated losses of the Company and the remaining balance of HK$292,654,712.31 has been credited to the Company's special capital reserve account. Against this background, the Company is now in a position to consider distributing dividends in future.

Contingent Liabilities

The Company has provided guarantees for the due and punctual performance and observance by a wholly-owned subsidiary of the Company of each and every of its obligations, undertakings and liabilities under two time charter hires, through which the Group leases certain of its vessels. The time charter hires commenced on 26 September 1997 with a lease period of 15 years, with the option to terminate two months prior to expiration or extend two months after expiration. The daily rates of the time charter hires increase by US$250 every half year until December 2007, and thereafter the daily rates will increase by US$125 every half year.

Employees and Remuneration Policies

The Group had approximately 2,000 employees as at 30 June 2005.

The remuneration policies of the Group are to ensure the fairness and competitiveness of total remuneration in order to motivate and retain existing employees as well as to attract potential employees. Remuneration packages are structured in a way that takes into account local practices under various geographical locations in which the Group operates.

The remuneration packages of Hong Kong employees include salary payments, discretionary bonuses on a performance basis, medical subsidies and a hospitalisation scheme. All of the subsidiaries of the Group located in Hong Kong provide pension schemes for their Hong Kong employees as part of their staff benefits. The remuneration packages of certain employees in the PRC include salary payments, discretionary bonuses on a performance basis, medical subsidies and a welfare fund as part of their staff benefits.

Impact of Shouqin Acquisition and Consolidation

Currently, Shouqin's operating results are recognized as the share of results of an associate pursuant to generally accepted accounting principles in Hong Kong. However, following the Group's acquisition of another 45% interest in Shouqin, which was announced on 11 August 2005 and which is expected to take effect upon the conclusion of a shareholders' vote in an extraordinary shareholders' meeting, Shouqin's operating results will be consolidated into the Group's financial statements. The consolidation of Shouqin's operating results, or the Shouqin consolidation, will have a substantial impact on the Group's financial condition and results of operations.

Details of the acquisition are contained in the Company's announcement dated 11 August 2005. Further details will also be set out in the Company's circular, which will be sent to shareholders in due course. Shougang Holding, which holds approximately 59% of the Shares of the Company, has indicated that it will vote in favour of the acquisitions at the extraordinary shareholders' meeting.

Set forth below is a summary of the expected impact of the Shouqin consolidation.

Production capacity

After Phase II of Shouqin reaches full production capacity, which is anticipated by 2008, the Group expects its production capacity for steel plates to increase from the current level of approximately 800,000 metric tonnes per year to 2.6 million metric tonnes per year. Without Shouqin's consolidation, much of the added production capacity would be treated as that of an associate. For a discussion of Shouqin's expansion plans, see "Shouqin Expansion" below.

Turnover

Shouqin is expected to increase substantially its production volume in 2005. Moreover, with the completion of Phase II in 2006, the Group's total production of medium and thick steel plates will increase significantly. As Shouqin after Phase II will be capable of producing steel plates with widths slightly exceeding 4.0 meters, which management believes will command higher prices than those of the steel plates that the Group currently produces, the Group expects that the average price of its products will increase, further contributing to the rise in turnover.

Cost of sales

Raw materials account for the largest proportion of the Group's cost of sales. After the Shouqin consolidation, slabs will cease to become the major raw material for the Group's business, as the slabs sourced from Shouqin will no longer be treated as an external cost to the Group. However, Shouqin's primary raw material, iron ore, will constitute the largest proportion of raw materials. The impact of this vertical integration will be an increase in the Group's gross profit margins.

Income tax

As a newly established enterprise, Shouqin enjoys a tax treatment that is more favourable than that enjoyed by the Qinhuangdao Plate Mill. With the Shouqin consolidation, the Group's effective tax rate is likely to be reduced, which is likely to have a positive effect on profit attributable to shareholders. Shouqin is expected to enjoy preferential tax treatment for five years.

Debt

Shouqin has considerably higher levels of debt than the rest of the Group. As of 30 June 2005, Shouqin's debt to equity ratio was 2.44. Upon Shouqin's consolidation, the Group's general level of indebtedness will be significantly increased.

Set forth below is certain information on the impact of Shouqin's consolidation. The historical financial data for the six months ended 31 December 2004 reflect Shouqin's performance since its inception, while the pro forma financial data take into account the proposed acquisition of an additional 45% interest in Shouqin.

	Six months ended 31 December 2004	**Six months ended 30 June 2005**	Six months ended 31 December 2004	**Six months ended 30 June 2005**
	(Standalone)		**(Pro Forma)**	
		(HK$ in thousands)		
Turnover	1,378,198	**1,652,111**	2,133,243	**2,963,839**
Cost of Sales	(1,193,614)	**(1,345,384)**	(1,686,268)	**(2,312,774)**
Gross profit	184,584	**306,727**	446,975	**651,065**
Other operating income	4,766	**713**	26,475	**15,833**
Distribution costs	(2,931)	**(15,908)**	(8,933)	**(26,150)**
Administrative expenses	(44,715)	**(70,004)**	(143,937)	**(147,489)**
Other operating expenses	(5,006)	**(43)**	(30,105)	**(1,621)**
PROFIT FROM OPERATIONS	136,698	**221,485**	290,475	**491,638**
Interest expenses	(36,320)	**(47,451)**	(42,569)	**(55,351)**
Share of results of associates	–	**–**	6,202	**9,912**
Gain on disposal of an associate	–	**–**	–	**4,355**
Loss on deemed disposal of a partial interest in an associate	–	**–**	(336)	**–**
PROFIT BEFORE TAXATION	100,378	**174,034**	253,772	**450,554**
Income tax expenses	(14,983)	**–**	(2,832)	**(16,777)**
PROFIT FOR THE PERIOD	85,395	**174,034**	250,940	**433,777**
ATTRIBUTABLE TO:				
Equity holders of parent	85,395	**174,034**	207,720	**412,700**
Minority interests	–	**–**	43,220	**21,077**
	85,395	**174,034**	250,940	**433,777**
EBITDA	183,960	**272,314**	371,451	**568,262**

	As at 31 December 2004	**As at 30 June 2005**	As at 31 December 2004	**As at 30 June 2005**
	(Standalone)		**(Pro Forma)**	
		(HK$ in thousands)		
NON-CURRENT ASSETS				
Investment properties	–	**–**	17,023	**17,016**
Deferred tax assets	1,185	**1,183**	1,185	**1,183**
Property, plant and equipment	1,874,654	**2,282,389**	2,768,270	**3,026,646**
Deposit for property, plant and equipment	94,747	**378,106**	94,747	**378,106**
Prepaid lease rentals	76,894	**80,123**	–	**169,300**
Intangible assets	–	**–**	1,638	**1,247**
Goodwill	–	**–**	492,075	**492,075**
Negative goodwill	–	**–**	(3,710)	**–**
Interests in associates	–	**–**	179,650	**182,998**
	2,047,480	**2,741,801**	3,550,878	**4,268,571**
CURRENT ASSETS				
Amounts due from customers for contract work	–	**–**	9,914	**4,721**
Inventories	207,367	**360,901**	488,626	**643,931**
Trade and bill receivables	45,271	**8,773**	178,540	**212,706**
Prepayments, deposits and other receivables	29,673	**58,205**	100,734	**116,171**
Prepaid lease rentals	1,617	**1,709**	–	**6,167**
Tax recoverable	–	**–**	2,336	**1,634**
Amounts due from related companies	22,773	**154,050**	173,086	**359,460**
Amounts due from associates	–	**–**	14,914	**–**
Amount due from a minority shareholder of a subsidiary	–	**–**	2,835	**2,828**
Restricted Deposits	155,506	**245,230**	155,506	**245,230**
Bank balances and cash	176,868	**227,187**	375,971	**372,601**
	639,075	**1,056,055**	1,502,462	**1,965,449**
CURRENT LIABILITIES				
Amounts due to customers for contract work	–	**–**	647	**544**
Trade and bill payables	81,442	**174,965**	124,022	**218,537**
Other payables and accrued liabilities	122,914	**153,985**	442,926	**363,555**
Tax payable	13,124	**13,108**	13,338	**15,789**
Amounts due to related companies	299,833	**579,344**	313,909	**623,661**
Amounts due to a fellow subsidiary	–	**–**	–	**5,550**
Loan from ultimate holding company	246,269	**312,724**	246,269	**312,724**
Obligation under a finance lease	–	**–**	534	**534**
Bank borrowings	338,473	**807,588**	640,298	**1,112,054**
Provision for a compensation claim	–	**–**	707	**–**
	1,102,055	**2,041,714**	1,782,650	**2,652,948**
NET CURRENT LIABILITIES	(462,980)	**(985,659)**	(280,188)	**(687,499)**
TOTAL ASSETS LESS CURRENT LIABILITIES	1,584,500	**1,756,142**	3,270,690	**3,581,072**
NON-CURRENT LIABILITIES				
Obligation under a finance lease	–	**–**	801	**534**
Deferred tax	–	**–**	26,167	**26,510**
Bank borrowings	1,012,599	**1,011,363**	1,012,599	**1,011,363**
Loan from a fellow subsidiary	–	**–**	123,904	**–**
	1,012,599	**1,011,363**	1,163,471	**1,038,407**
	571,901	**744,779**	2,107,219	**2,542,665**

	As at 31 December 2004	**As at 30 June 2005**	As at 31 December 2004	**As at 30 June 2005**
	(Standalone)		(Pro Forma)	
		(HK$ in thousands)		
CAPITAL AND RESERVES				
Share capital	518,868	**518,868**	981,782	**983,582**
Reserves	53,033	**225,911**	906,294	**1,319,385**
Equity attributable to equity holders of the parent	571,901	**744,779**	1,888,076	**2,302,967**
Minority interest	–	**–**	219,143	**239,698**
	571,901	**744,779**	2,107,219	**2,542,665**

Set forth below is the standalone cashflow statement for Shouqin for the six months ended 30 June 2005.

	Six months ended 30 June 2005
	HK$'000
Net cash from operating activities	**358,408**
Net cash used in investing activities	**(844,372)**
Net cash from financing activities	**536,283**
Net (decrease) increase in cash and cash equivalents	**50,319**
Cash and Cash equivalents at beginning of the period	**176,868**
Cash and cash equivalents at end of the period	**227,187**
Represented by:	
Bank balances and cash	**227,187**
Bank overdrafts	**–**
	227,187

Between 30 June and 31 August of this year, the Group had entered into bank facilities amounting to approximately RMB400 million, out of which RMB200 million had been drawn down, in connection with the funding for Shouqin Phase II.

Shouqin Expansion

The Group intends to become a major producer of medium and thick steel plates with maximum widths slightly exceeding 4.0 meters, which the Group believes to be a niche market. In order to achieve this goal, construction of Phase I of Shouqin began in 2003, while commercial production commenced in June 2004.

The Group commenced Phase II of Shouqin's expansion in 2004 and expects to complete Phase II by the end of 2006, at an estimated total cost of RMB4 billion. The Group expects its production capacity for steel plates to increase from the current level of approximately 800,000 metric tonnes per year to 2.5 million metrie tonnes per year in 2007 and 2.6 million metric tonnes per year in 2008.

The following table sets forth information regarding the Group's planned expenditures for the next two years:

	For the Year Ended December 31,	
	2005	2006
	(HK$ in millions)	
Shouqin expansion	**3,189.6**	848.0
Total	**3,189.6**	848.0

Phase II of Shouqin consists of several major components: raw materials and sintering, iron-making, steel-making, and steel-rolling.

Raw materials and sintering

The Group plans to expand the capacity of its consolidated storage silo to accommodate increased production capacity, and build another sintering machine of 180 square meters. Much of the silo has been completed and testing may begin as early as November 2005. The sintering machine is at the installation stage. The Group budgeted approximately RMB207.5 million for this portion of the expansion, of which approximately RMB97.9 million had been expended by the end of June 2005.

Iron-making

The Group plans to build a blast furnace of 1,780 cubic meters for making iron. The Group budgeted approximately RMB630.6 million for this portion of the expansion, of which approximately RMB291.1 million had been expended by the end of June 2005.

Steel-making

The Group plans to build a 100-ton converter, a continuous casting machine for medium and thick steel plates of greater width, add a new finery furnace and vacuum furnace for the vacuum-treatment of molten steel. The Group budgeted approximately RMB742.3 million for this portion of the expansion, of which approximately RMB196.2 million had been expended by the end of June 2005.

Steel rolling

The Group plans to build two furnaces, a high-pressure descaling system that could withstand pressure of 20 MPa, and a rolling machine, manufactured by the SMS company, used for rolling 4.0-meter width steel plates. The Group budgeted approximately RMB2,017.1 million for this portion of the expansion, of which approximately RMB279.0 million had been expended by the end of June 2005.

Prospects

The strong performance of the Group for the first half of 2005 confirms that the Group has taken a correct strategic direction towards strengthening its core business of steel manufacturing. The Group's further investments in the said business segment subsequent to the balance sheet date will provide further momentum to drive earnings to a higher level.

With the surge of the economy in the PRC in recent years, more business opportunities should be available for the Group. The Group will try its best efforts to identify new investments with long-term growth potentials which can also generate stable incomes so as to maximize returns. Barring unforeseen circumstances, the Group is confident that financial result for the whole year of 2005 will continue to be impressive.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (whether on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or otherwise) during the period under review.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code on Corporate Governance Practices (the "Code") (with the exception of code provision C.2 on internal control which is effective for accounting periods commencing on or after 1 July 2005) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") during the six months ended 30 June 2005, except for the following deviations:–

– Under code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term and subject to re-election.

  None of the existing non-executive directors of the Company is appointed for a specific term. However, non-executive directors of the Company are subject to retirement by rotation and re-election at annual general meetings in accordance with the provisions of the articles of association of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code. To further improve its corporate governance structure, the Company will try its best to procure any future appointment of non-executive director with a specific term and subject to retirement.

– Under the first part of code provision E.1.2 of the Code, the chairman of the board should attend the annual general meeting and arrange for the chairman of the audit, remuneration and nomination committees (as appropriate) or in the absence of the chairman of such committees, another member of the committee or failing this his duly appointed delegate, to be available to answer questions at the annual general meeting.

  The Chairman of the Board had not attended the annual general meeting of the Company held on 13 June 2005 (the "Meeting") as he had another business engagement. The Managing Director of the Company, who took the chair of the Meeting, and other members of the Board together with the Chairman and majority of members of the audit, remuneration and nomination committees attended the Meeting. The Company considers that the members of the Board and the audit, remuneration and nomination committees who attended the Meeting were already of sufficient calibre and number for answering questions at the Meeting.

APPRECIATION

On behalf of the Board, I would like to extend our sincere thanks to our customers, suppliers and shareholders for their continuous support to the Group. I would also extend my gratitude and appreciation to all management and staff for their hard work and dedication throughout the year.

By order of the Board
Cao Zhong
Managing Director

Hong Kong, 14 September 2005

As at the date of this announcement, the Board comprises Mr. Wang Qinghai (Chairman), Mr. Cao Zhong (Managing Director), Mr. Chen Zhouping (Deputy Managing Director), Mr. Luo Zhenyu (Deputy Managing Director), Mr. Ip Tak Chuen, Edmond, Mr. Leung Shun Sang, Tony, Ms. Choy Hok Man, Constance, Ms. Kan Lai Kuen, Alice (Independent Non-executive Director), Mr. Kwan Bo Ren, Dick (Independent Non-executive Director) and Mr. Wong Kun Kim (Independent Non-executive Director).

Please also refer to the published version of this announcement South China Morning Post - Classified.