

Disclosure under Rule 13.22 of Chapter 13 of the Listing Rules

In relation to the financial assistance granted by the Group to certain affiliated companies, a proforma combined balance sheet of the affiliated companies as at 30th June 2005 required to be disclosed under Rule 13.22 of Chapter 13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") is set out below:

	US\$'000
Non-current assets	789,358
Current assets	67,201
Current liabilities	(298,231)
Non-current liabilities	(248,719)
Net assets	<u>309,609</u>
Share capital	260,407
Reserves	49,202
Capital and reserves	<u>309,609</u>

As at 30th June 2005, the Group's consolidated attributable interests in these affiliated companies amounted to US\$130,433,000.

Corporate governance

Compliance with Code on Corporate Governance Practices

The Company is committed to maintaining high standards of corporate governance so as to ensure better transparency and protection of shareholders' interests. The Company has complied with the code provisions of the Code on Corporate Governance Practices (the "Code") in Appendix 14 of the Listing Rules throughout the six months ended 30th June 2005, except for the following deviations:

Code provision A.4.2 (the last sentence)

The code provision A.4.2 of the Code (the last sentence) provides that, every director (including directors with specific terms) should be subject to retirement by rotation at least once every three years. According to Bye-law 87(1) of the Bye-laws of the Company then in effect before 20th May 2005, at each annual general meeting, one-third (if the number of directors is not a multiple of three then the number nearest to three) of the directors for the time being shall retire from office by rotation provided that notwithstanding anything therein, the Chairman of the Board and/or the Managing Director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of directors to retire in each year.

The Bye-laws of the Company constitutes a deviation from the code provision A.4.2 of the Code. To comply with the code provision A.4.2 of the Code, amendments to Bye-law 87(1) of the Bye-laws of the Company was proposed and approved by the shareholders at the annual general meeting of the Company held on 20th May 2005.

Code provision E.1.2

The code provision E.1.2 of the Code provides that the Chairman of the Board shall attend the annual general meeting of the Company. Due to unexpected business commitment, Mr. WEI Jiafu, the Chairman of the Board who resides in Beijing, was unable to attend the annual general meeting of the Company held on 20th May 2005 in Hong Kong. This constitutes a deviation from the code provision E.1.2 of the Code.

Audit Committee

The Audit Committee comprises four independent non-executive directors of the Company and its terms of reference have been modified to incorporate certain provisions set out in the Code. The Audit Committee has reviewed, in the presence of the internal and external auditors, the Group's principal accounting policies and the unaudited Condensed Financial Statements for the six months ended 30th June 2005.

Other board committees

On top of the Audit Committee, the Board has also established various committees which include Executive Committee, Investment and Strategic Planning Committee, Corporate Governance Committee, Risk Management Committee, Nomination Committee and Remuneration and Assessment Committee. Among them, the Nomination Committee and Remuneration and Assessment Committee comprise a majority of independent non-executive directors. Each committee has its defined scope of duties and terms of reference.

Model code for securities transactions by directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as the Company's code of conduct and rules governing dealings by all directors in the securities of the Company. Having made specific enquiry of all directors of the Company, they all confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30th June 2005.

Purchase, sale or redemption of listed shares

The Company has not redeemed any of its listed shares during the six months ended 30th June 2005. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed shares during the six months ended 30th June 2005.

Investor relations

The Group has long been putting emphasis on investor relations. Through regular interaction with the investors, the Group achieves the objective of bringing the investors fully updated on matters that relate to the Group, such as management philosophy, operating conditions, and corporate strategy. The Group also believes in the value of maintaining both high transparency on corporate matters and high standards on corporate governance, while striving to create shareholders' value.

During the first half of the year, the meetings we had with the investors and relevant parties had a total attendance of 171, up 14.8% from the same period last year. By category, those who attended were fund managers (34.5%); analysts (16.4%); bankers (22.8%), and from sectors such as securities (15.8%), media (2.9%) and others (7.6%). In addition, 11 roadshows and investor forums were conducted with a total attendance of 641, up 102.8% from the same period last year.

We also arranged various visits for the investors to visit our terminals and logistics facilities, enabling them to develop a deeper understanding of our core business and the operating environment.

In addition, the Company also releases information via website and emails alerts to the financial market regularly on key events and operational performance data about the Group.