

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.