

## 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 2006 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	857,676
Current assets	102,081
Current liabilities	(69,504)
Non-current liabilities	<u>(461,070)</u>
Net assets	<u>429,183</u>
Share capital	260,653
Reserves	<u>168,530</u>
Capital and reserves	<u>429,183</u>

As at 30th June 2006, the Group's consolidated attributable interest in these affiliated companies amounted to US\$147,495,000.

## CORPORATE GOVERNANCE

### Compliance with the Code on Corporate Governance Practices

The Company continues to achieve high standards of corporate governance so as to ensure better transparency and protection of shareholders' interest. The Company has complied with the code provisions of the Code on Corporate Governance Practices (the "Corporate Governance Code") in Appendix 14 of the Listing Rules throughout the six months ended 30th June 2006, except for the following deviation:

#### Code provision E.1.2

The code provision E.1.2 of the Corporate Governance Code provides that the Chairman of the Board shall attend the annual general meeting of the Company. Due to other business commitments, Dr. WEI Jiafu, the Chairman of the Board who resides in Beijing, was unable to attend the annual general meeting of the Company held on 18th May 2006 in Hong Kong. This constitutes a deviation from the code provision E.1.2 of the Corporate Governance Code.

## BOARD COMMITTEES

### Audit Committee

The Audit Committee comprises four independent non-executive directors of the Company. The Audit Committee has reviewed, in the presence of the internal and external auditors, the Group's principal accounting policies and the 2006 interim report.