

INTERIM DIVIDEND

The Directors of the Company proposed that no interim dividend be distributed for the six months from 1 January 2005 to 30 June 2005.

OTHER DISCLOSURES

Litigation

CGC

1. Status of a dispute between CGC and 四川銀通電腦系統有限公司 (Sichuan Yintong Computer Company Limited) ("Yintong Company"), Chengdu City Commercial Bank over notes.

The action involved 15 drafts of a principal of RMB33,630,650 and seven drafts of interest of RMB1,078,638.75. The particulars of the case have been respectively disclosed in CGC's annual report for the Year 2000 and its annual reports and interim reports for the subsequent years.

On 21 June 2005, the Sichuan Higher People's Court issued a Civil Ruling [(2001) Chuan Jing Zai Chu Zi No. 2] allowing CGC's claim for the principal and interest of the drafts in full and adjudged that Chengdu City Commercial Bank bore joint and several liability as guarantor for a principal of RMB15,561,550. CGC has lodged an appeal with the Supreme People's Court pursuant to law.

CGC has drawn totally RMB33,630,650 as bad debts provision in respect of the case.

2. Status of a dispute between CGC and Yintong Company, Chengdu City Commercial Bank over proceeds

The amount involved in the case is RMB9,220,733. The particulars of the case have been respectively disclosed in CGC's annual report for the Year 2000 and its annual reports and interim reports for the subsequent years. Chengdu Intermediate People's Court has issued a Notice of Enforcement, and has adopted corresponding enforcing measures to dispose of the related assets of Yintong Company. At present, RMB120,000 has been recovered under the enforcement action. Regarding the remaining assets, further action would be taken for their recovery and disposal.

CGC has drawn totally RMB9,220,733 as bad debts provision in respect of the case.