

**PRACTICE  
NOTE NO. 19 TO  
LISTING RULES**

In accordance with the general disclosure obligation under Paragraph 2(1) of the Listing Agreement and supplemented by Practice Note No.19 to the Listing Rules, the Company is required to disclose the following information to its shareholders and the general public:

*Specific Performance of the Controlling Shareholder*

Reference was made to the US\$650 million syndicated loan agreement dated 23rd May 1997 with a final maturity in 2002, US\$280 million syndicated loan agreement dated 25th April 2000 with a final maturity in 2005 and a HK\$600 million term loan facility agreement dated 16th June 2000 with a final maturity in 2005 provided that the lender does not exercise its option to demand repayment in 2003. In accordance with the terms of the aforementioned agreements, NWD is required to control more than 50% of the voting share capital or the composition of more than 50% of the board of directors of the Company. As at 31st December 2000, the total outstanding amount of the aforementioned loans was approximately HK\$6 billion (as at 30.6.2000: HK\$5.03 billion).

*Financial Assistance and Guarantees*

As at 31st December 2000, the Group has given shareholder loans/advances to its affiliated companies with an aggregate of some HK\$4.17 billion. Except for an amount of some HK\$105.8 million, which carries interest at the Hong Kong prime rate, and a total amount of about HK\$2.79 billion, which bears interest ranging from 8% to 15% per annum all other loans are interest free. Except for an amount of some HK\$356.2 million and HK\$448.9 million, which are repayable in 5 and 10 years respectively, these loans have no definite repayment terms. All loans are unsecured and repayable in cash out of the net cash surplus from the operations of affiliated companies.

The Company has given a counter-guarantee to NWD of approximately HK\$1.09 billion in respect of the Group's attributable portion of a syndicated bank loan facility extended to a PRC jointly controlled entity of the Group, in respect of which NWD has given a guarantee. As at 31st December 2000, the outstanding amount under the syndicated bank loan facility in respect of the counter-guarantee was approximately HK\$68 million.

The Company has given guarantees to banks of approximately HK\$1.46 billion in respect of the Group's attributable portion of syndicated bank loan facilities extended to two jointly controlled entities of the Group. As at 31st December 2000, the outstanding amounts under the syndicated bank loan facilities in respect of the guarantees were some HK\$278 million.

The Group has committed to provide a total of HK\$388.2 million in shareholder loans/advances to its affiliated companies. The total shareholder loans/advances and guarantees represented about 40% of the consolidated net asset value of the Group as at 31st December 2000.

The shareholder loans/advances were funded by equity raised at the initial public offering of the Company or by borrowings or from the internal resources of the Group.

*Indebtedness, Capital Commitments and Contingent Liabilities of Affiliated Companies*

As of 31st December 2000, the affiliated companies of the Group had outstanding borrowings of some HK\$12.71 billion comprised of secured bank loans of HK\$4.48 billion, unsecured bank loans of HK\$0.58 billion and other loans of some HK\$7.65 billion. The total capital commitments of affiliated companies amounted to some HK\$2.14 billion. There were no contingent liabilities as at 31st December 2000 reported on by the affiliated companies of the Group.