

Transactions Disclosed in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

1. In addition to the transactions set out elsewhere in the accounts, there are certain financial assistance granted by the Company and certain of its wholly-owned subsidiaries to certain of its non wholly-owned subsidiaries and associates which are required to be disclosed in the annual report in accordance with the disclosure requirement of the Listing Rules. Details are as follows:
 - (i) At the balance sheet date, certain advances made by Guangnan Supermarket Development Limited (“GSDL”), a wholly-owned subsidiary, to Guangdong Guangnan Tianmei Food Development Company Limited, a 55% owned subsidiary, are outstanding in an aggregate amount of Renminbi (“RMB”) 49 million. The advances are unsecured, interest-bearing at a range from 11.5% per annum to 12% per annum and are repayable within 2 years from the balance sheet date.
 - (ii) On 29th December, 2000, the Company entered into a loan agreement with Guangnan (KK) Supermarket Limited (the “Borrower”), a 70% owned subsidiary in which no connected persons are shareholders (excluding persons who are connected persons by virtue only of their substantial shareholdings in the Borrower). The loan in the sum of \$41 million was made by the Company to the Borrower for its general working capital after the balance sheet date, secured by a first floating charge over the Borrower’s undertaking, property and assets, repayable within 3 years and interest bearing at Hong Kong dollar prime rate.
 - (iii) At the balance sheet date, certain advances made by Guangnan Fresh and Live Foodstuffs Limited, a wholly-owned subsidiary, to Guangnan (KK) Supermarket Limited, a 70% owned subsidiary, are outstanding in an aggregate amount of HK\$23.5 million. The advances are unsecured, interest-bearing at a range from Hong Kong dollar prime rate plus 1% per annum to 8% per annum and are repayable within 1 year from the balance sheet date.
 - (iv) At the balance sheet date, certain advances made by the Company to Guangnan (KK) Supermarket Limited, a 70% owned subsidiary, are outstanding in an aggregate amount of HK\$104.6 million. The advances are unsecured, interest free, except certain loans amounting to HK\$49.1 million, which are unsecured and interest-bearing at a range from Hong Kong dollar prime rate per annum to 11.5 per annum and are repayable within 1 year from the balance sheet date.
 - (v) GSDL, a wholly-owned subsidiary, provided a 50% back to back guarantee to 廣州市南方大廈有限公司, the other shareholder of 廣州市廣南－南大超級市場有限公司, an associate held by GSDL, in respect of a loan in the sum of RMB5 million obtained by the associate from the 廣州市財政局技改資金管理

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局 for a term of 1 year from October 1996 to October 1997 at the interest rate of 0.756% per month. At the balance sheet date, the loan was still outstanding. As the associate ceased operation, the Group has made a provision of RMB2.5 million for the guarantee accordingly.

- (vi) At the balance sheet date, the Company gave to banks in its ordinary and usual course of business a guarantee for banking facilities to the extent of US\$2.8 million granted to Yellow Dragon Food Industry Company Limited, an associate of the Company, for its operations and expansion projects.
2. The Company entered into an agreement with a wholly-owned subsidiary (the "Landlord") of Guangdong Investment Limited ("GDI") on 21st August, 2000 for leasing of offices A and B, 16/F., Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong. Details of the agreement are set out in the Company's announcement dated 21st August, 2000. Subsequent to the balance sheet date, the aforesaid agreement was terminated by the Company and the Landlord by another agreement. GDI is a connected person of the Company as defined in the Listing Rules.
 3. The Company entered into an agreement with Guangdong Brewery Holdings Limited ("GDB") on 21st August, 2000 for the transfer of certain chattels and equipment to the Company. Upon completion of the Restructuring on 22nd December, 2000, GDB became a connected person of the Company as defined in the Listing Rules. Subsequent to the balance sheet date, the aforesaid agreement was terminated by the Company and GDB by another agreement.
 4. In accordance with the disclosure requirements of the Listing Rules, a proforma combined balance sheet as at the date of this report of two associates, which the Group provided financial assistance as stated in 1(v) and 1(vi) above and note 27 on the accounts, and the Group's attributable interest at 31 December 2000 in these associates are presented below.

	Proforma combined balance sheet	Group's attributable interest
	HK\$'000	HK\$'000
Long term assets	360,326	144,226
Current assets	306,899	122,938
Current liabilities	(320,300)	(131,150)
Long term liabilities	(75,163)	(30,070)
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Net Asset	<u>271,762</u>	<u>105,944</u>