

FINANCIAL ASSISTANCE TO ASSOCIATE AND JOINTLY CONTROLLED ENTITY

At 30 June 2001, the Group provided the following financial assistance to associate and jointly controlled entity:

Name of company	Advances HK\$'000	Corporate guarantee HK\$'000	Outstanding committed capital injection HK\$'000
Fuzhou Guang Min Road and Bridge Construction & Development Co., Ltd. ("FZGM") (Note 1)	374,771	–	894,348
Hong Kong Shanghai Development Company Limited ("HKSD") (Note 2)	486,909	85,416	Nil

Note:

- FZGM is a sino-foreign co-operative joint venture between Greenway Venture Limited, a 80% owned subsidiary of the Company, and a PRC party. Under the relevant sino-foreign co-operative joint venture contract, Greenway Venture Limited is responsible for making contribution to FZGM all the total investment (including FZGM's registered capital) for the construction of a toll road and bridge in Fuzhou whilst the PRC party is only responsible for providing various services and assistance to FZGM.
- HKSD, a company incorporated in Western Samoa with limited liability, is a joint venture company between the Company and three other independent third parties. The Group made the above advances and guarantee to HKSD in the proportion to the Group's interest in HKSD, i.e. 25% of the issued capital of HKSD.

The above advance made to HKSD was for its working capital purposes and is interest free, unsecured and having no maturity date for repayment. The corporate guarantee given were in respect of banking facilities utilised by HKSD for working capital purposes.

The source of funding for such advances and for the committed capital injection is by way of the Group's internal funding and bank borrowings.

Save as disclosed above, the Group has no other matters to disclose under the provisions of Practice Note 19 of the Rules Governing the Listing of Securities issued by the Stock Exchange.

Proforma unaudited combined balance sheet of FZGM and HKSD is set out as follows:

	<i>HK\$'000</i>
Fixed assets (Note 1)	2,744,693
Current assets	190,023
Current liabilities	(319,361)
Long term liabilities (Note 2)	(2,590,681)
Minority interests	(11,204)
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Net assets	<u>13,470</u>

Note:

- Fixed assets mainly comprise investment properties, property under development and construction in progress.
- Long term liabilities mainly comprise bank loans and loans from shareholders.