



PRACTICE NOTE 19

As at 30th June, 2001, the financial assistance and guarantees given to and for affiliated companies in aggregate amounted to approximately 60.8% of the audited consolidated net tangible assets of the Company as at 31st December, 2000. Furthermore, there were covenants in certain loan agreements of the Group relating to specific performance obligations of the Company's controlling shareholders.

Pursuant to Practice Note 19 of the Listing Rules, the following information is hereby disclosed:

- (i) Information extracted from the balance sheets as at 30th June, 2001 of the affiliated companies which the Company has provided financial assistance:

Name of Affiliated Companies	Equity	Total	Total	Net Asset
	Interest			
	Owned by	Assets	Liabilities	(Asset
	the Group	US\$ '000	US\$ '000	Deficiency)
				US\$ '000
Beijing Chia Tai Feedmill Limited	33%	14,891	11,297	3,594
Beijing Poultry Breeding Company Limited	36%	18,151	9,677	8,474
Han Dan Chia Tai Feed Co., Ltd.	50%	2,842	2,596	246
Henan East Chia Tai Co., Ltd.	50%	9,664	5,067	4,597
Jilin Chia Tai Enterprises Co., Ltd.	50%	17,994	7,179	10,815
Jilin De Da Company Limited	50%	222,826	170,487	52,339
Kaifeng Chia Tai Company Limited	50%	24,579	15,751	8,828
Luoyang Northern Ek Chor Motorcycle Company Limited	38%	88,000	43,489	44,511
Nantong River Mouth Bio-tech Co., Ltd.	33%	9,175	6,734	2,441
Shenyang Chia Tai Livestock Farming Ltd.	49%	10,653	10,031	622
Shanghai Da Hua Industrial Appliances Co., Ltd.	25%	7,164	3,204	3,960
Tangshan Chia Tai Feedmill Co., Ltd.	38%	4,747	4,179	568
Chia Tai Shenyang Company Limited	49%	3,796	6,997	(3,201)
Total		434,482	296,688	137,794



PRACTICE NOTE 19 (continued)

(ii) Information extracted from the balance sheets as at 30th June, 2001 of the affiliated companies which the Company has provided guarantees for facilities/loans offered to them:

Name of Affiliated Companies	Equity	Net Asset		
	Interest	Total	Value/	
	Owned by	Assets	(Asset	
	the Group	US\$ '000	Liabilities	
			US\$ '000	
			Deficiency)	
			US\$ '000	
Beijing Chia Tai Feedmill Limited	33%	14,891	11,297	3,594
Han Dan Chia Tai Feed Co., Ltd.	50%	2,842	2,596	246
Jilin Chia Tai Company Limited	45%	12,922	15,040	(2,118)
Jilin Chia Tai Enterprises Co., Ltd.	50%	17,994	7,179	10,815
Kaifeng Chia Tai Company Limited	50%	24,579	15,751	8,828
P.T. Centralpertiwi Bahari	16%	116,092	159,218	(43,126)
Total		189,320	211,081	(21,761)

(iii) Loan agreements with covenants relating to special performance obligations of the Company's controlling shareholders:

Certain banking facilities of the Group imposed a requirement for a specified minimum shareholding level in the Company (being, in one of such facilities, 50%, and, in another two of such facilities, 51%) to be maintained by the Company's controlling shareholders, which hold approximately 49.4% interest in the issued share capital of the Company. As at 30th June, 2001, the outstanding amount owing by the Group under these facilities aggregated approximately US\$50.5 million.

As announced by the Company in 1998, the Company was unable to redeem certain of its floating rate notes upon their early redemption which, as a result of cross-default provisions, constituted an event of default under its other floating rate notes and the credit facilities provided by certain of its bank creditors. Such facilities include those referred to above with minimum shareholding covenants.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the period under review.