

## FINANCIAL ASSISTANCE TO AFFILIATED COMPANIES

As at 30th June 2001, the amount of the advances made by Group to its affiliated companies and the amount utilized by its affiliated companies on banking facilities guaranteed by the Group were as follows:

<b>Affiliated companies</b>	<b>Group's equity interest in the affiliated company</b>	<b>Advances in the form of shareholders' loan <i>HK\$'000</i></b>	<b>Amounts utilized on banking facilities guaranteed by the Group <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
International Copper Industry (China)				
Investment Limited ("ICC")	50%	240,988	297,000	537,988
CIIL	50%	16,425	150,386*	166,811
		<u>257,413</u>	<u>447,386</u>	<u>704,799</u>
Percentage of total amount of financial assistance over the net asset value of the Group as at 31st December 2000				<u>35.5%</u>

\* Comprises a bank loan of HK\$58,050,000 of which the Group has given a joint and several guarantee and 52% of another loan of HK\$177,570,000 of which the Group has guaranteed up to 52% of the loan balance.

The amount of advances are unsecured, non-interest bearing and have no fixed repayment terms except for an amount of HK\$147,250,000 included in the advance to ICC, which bear interest charged at Hong Kong prime interest rate.

As at 30th June 2001 the Group has executed a second mortgage over certain investment properties and leasehold properties pledged to a bank with carrying value at the balance sheet date of HK\$83,700,000 and HK\$14,700,000 respectively to secure the bank loan facilities granted to ICC.

As at 30th June 2001, Silver Grant International Holdings Limited, a substantial shareholder of the Company, has pledged 60,000,000 shares of the Company held by it to a bank to secure the bank loan facilities granted to ICC.

**FINANCIAL ASSISTANCE TO AFFILIATED COMPANIES—Continued**

The pro-former balance sheets of the affiliated companies as at 30th June 2001 are summarized as follows:

	<b>ICC</b> <i>HK\$'000</i>	<b>CIIL</b> <i>HK\$'000</i>
Fixed assets	—	496
Investments	773,560	1,936,454
Other assets	—	102,000
Current assets	20,434	174,684
Current liabilities	(321,910)	(464,166)
Non-current liabilities	(318,322)	(558,910)
	<hr/>	<hr/>
Net assets	153,762	1,190,558
	<hr/> <hr/>	<hr/> <hr/>
Net assets attributable to the Group	76,881	595,279
	<hr/> <hr/>	<hr/> <hr/>

Other than the above, the Company, or any of its subsidiaries, did not commit any advances, capital injection and guarantees given to any affiliated companies as at 30th June 2001.