

## COMPLIANCE WITH THE PRACTICE NOTE 19 OF THE LISTING RULES

Details of the advances, financial assistance and guarantees provided by the Group to its affiliated companies disclosed pursuant to the Practice Note 19 of the Listing Rules as at 30th September 2001 are set out as follows:-

### (i) Loans to jointly controlled entities

	<b>Effective percentage holding of the Group</b>	<b>30th September 2001 HK\$ (Unaudited)</b>
Westly Limited ("Westly") <sup>(a)</sup>	50%	<u>113,192,864</u>
Hungexpress Investment Limited <sup>(b)</sup>	50%	<u>15,294,388</u>

#### Notes:

- (a) The Company holds 50% interest in Westly, and the remaining 50% interest of which is held by a third party independent of the Group. The principal asset of Westly is its 70% interest in Asian Eagle Limited ("Asian Eagle"). Asian Eagle is the developer of 12 three-storey detached garden townhouses at No. 23 Pik Sha Road, Pik Sha Wan, Sai Kung, New Territories, Hong Kong, 9 houses of which have been sold up to date. The loan provided by the Company to Westly was mainly for financing the development project, which was completed in November 1999. The loan is unsecured. It bears interest at 12% per annum and is repayable on demand.
- (b) The Company holds 50% interest in Hungexpress, and the remaining 50% interest of which is held by third parties independent of the Group. The principal asset of Hungexpress is its 50% interest in Silver Star Hotel Limited ("Silver Star"). Silver Star is a co-operative joint venture for operating the Holiday Inn Crowne Plaza Shanghai, a four-star hotel in Shanghai, China. On 17th October 1997, the Company acquired 50% equity interest in Hungexpress, and the Company's wholly owned subsidiary, Panew International Limited, also acquired interest in the loan due by Hungexpress. The loan is unsecured, interest free and will be repaid out of any dividend receivable or repayment from the co-operative joint venture.

**(ii) Corporate guarantees given for banking facilities and subordinated loans granted to jointly controlled entities**

**30th September  
2001  
HK\$  
(Unaudited)**

MT Finance Limited ("MT")

- |                                                                                                                                                                                                                                                                                                                                    |                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| (a) Extent of guarantee provided by the Company                                                                                                                                                                                                                                                                                    | <u><b>15,000,000</b></u> |
| (b) Banking facilities utilised that is guaranteed by the Company                                                                                                                                                                                                                                                                  | <u><b>14,045,353</b></u> |
| (c) Kincheng Banking Corporation ("Kincheng") has obtained debt judgment on 11th July 2001 against MT for the sum of HK\$13,698,713.97 due together with interest thereon at 17.5% p.a. from 5th September 2001 until full payment (HCA10431/2000). On 24th September 2001, Kincheng petitioned for winding up MT (HCW 1094/2001). |                          |

**30th September  
2001  
HK\$  
(Unaudited)**

Westly Limited

- |                                                                                                                                                                                                                                                                                                         |                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| (a) Extent of guarantee provided by the Company                                                                                                                                                                                                                                                         | <u><b>13,042,533</b></u> |
| (b) Banking facilities utilised that is guaranteed by the Company                                                                                                                                                                                                                                       | <u><b>13,042,533</b></u> |
| (c) The loan facilities are secured by share charges on the Company's 50% interest in Westly's issued share capital together with the mortgage and subordination of the Company's shareholder loans to Westly, bearing interest at 3.5% per annum over prime rate, and repayable on 31st December 2001. |                          |

- (iii) The proforma combined balance sheet as at 30th September 2001 of the jointly controlled entities and the Group's attributable interest thereof disclosed in accordance with paragraph 3.10 of the Practice Note 19 of the Listing Rules is as follows:–

	<b>Proforma combined balance sheet 30th September 2001 HK\$ (Unaudited)</b>	<b>Group's attributable interest 30th September 2001 HK\$ (Unaudited)</b>
<b>Non-current Assets</b>		
Fixed assets	6,486	3,243
Interest in a jointly controlled entity	51,494,900	25,747,450
	<b>51,501,386</b>	<b>25,750,693</b>
<b>Current Assets</b>		
Properties held for sale	56,123,050	28,061,525
Loans to shareholder	3,898,500	3,898,500
Other current assets	651,952	325,976
Cash and bank balances – restricted	687,765	343,883
Cash and bank balances – unrestricted	12,316,131	6,158,065
	<b>73,677,398</b>	<b>38,787,949</b>
<b>Current Liabilities</b>		
Bank overdrafts, unsecured	14,045,353	14,045,353
Other loans, unsecured	17,794,388	16,544,388
Other current liabilities	29,794,651	14,897,326
Loans from JV partners, unsecured	15,594,000	7,797,000
Loans and amounts due to shareholders, unsecured	371,046,564	160,026,000
	<b>448,274,956</b>	<b>213,310,067</b>
<b>Net current liabilities</b>	<b>(374,597,558)</b>	<b>(174,522,118)</b>
<b>Net Liabilities</b>	<b>(323,096,172)</b>	<b>(148,771,425)</b>