

## OTHER INFORMATION

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the period, the Company has made the following repurchases of its own shares on the Stock Exchange:

| Month/Year    | Number of ordinary<br>shares repurchased | Price per share        |                       | Aggregate<br>price paid<br><i>HK\$</i> |
|---------------|--|------------------------|-----------------------|--|
|               |  | Highest<br><i>HK\$</i> | Lowest<br><i>HK\$</i> |  |
| January 2002  | 339,000                                  | 3.175                  | 3.050                 | 1,065,450                              |
| February 2002 | 50,000                                   | 3.000                  | 3.000                 | 150,000                                |
|               | <u>389,000</u>                           |                        |                       | <u>1,215,450</u>                       |

### PRACTICE NOTE 19 TO THE LISTING RULES

In compliance with Practice Note 19 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), the following information is disclosed:

1. Pursuant to part 3.3 of the Practice Note 19:
  - (a) All the Group's investments in highway projects are structured in the form of Sino-foreign co-operative joint ventures. Except for one joint venture, all the remaining 32 joint ventures are regarded as infrastructure joint ventures irrespective of whether our interests exceed 50% or not. The investments are in the form of both registered capital and loan. The size of loans made by the Group and by the other joint venture partner(s) to each joint venture is in proportion to the respective interests in each joint venture.
  - (b) During the period, the Group has provided guarantees of HK\$134 million to banks in respect of bank facilities utilised by infrastructure joint ventures.
  - (c) The total amount of loans to the infrastructure joint ventures is HK\$2,504,426,000 which exceeds 56% of the Group's net assets as at 30 June 2002. The loans are actually part of the investments and are unsecured, interest free and have no definite repayment terms.
  - (d) The loans to the infrastructure joint ventures were funded by equities raised at the listing of the Company or by borrowings or internal resources of the Group.

## OTHER INFORMATION (Continued)

## PRACTICE NOTE 19 TO THE LISTING RULES (Continued)

| PRC Infrastructure Joint Ventures  | % of interest<br>held indirectly<br>by the Company | Loan to<br>joint<br>venture | Outstanding<br>loan to<br>be injected |
|--|--|-----------------------------|---------------------------------------|
|  |  | <i>HK\$'000</i>             | <i>HK\$'000</i>                       |
| Anhui Road Universe Hefei Highway Development Co., Ltd.                                      | 50%  | 30,201                      | —                                     |
| Anhui Road Universe Hehuai Highway<br>Dayang Section Development Company Limited             | 60%  | 75,663                      | —                                     |
| Anhui Road Universe Hehuai Highway<br>Yangjin Section Development Company Limited            | 60%  | 67,252                      | —                                     |
| Anhui Road Universal Liuan Highway Development Co., Ltd.                                     | 50%  | 7,353                       | —                                     |
| Bengbu Road King Chaoyanglu Huaihe<br>Highway Bridge Development Co., Ltd.                   | 60%  | 24,994                      | 11,319                                |
| Bengbu Road King Huaihe Bridge Highway Development Co., Ltd.                                 | 60%  | 78,083                      | —                                     |
| Bengbu Road King Huaimeng Highway Development Co., Ltd.                                      | 60%  | 57,200                      | —                                     |
| Foshan Guangsan Special-Use Automobile Highway Co., Ltd.                                     | 35%  | 198,144                     | —                                     |
| Guangxi Hengjing Highway Development Co., Ltd.   | 70%  | 61,513                      | 18,384                                |
| Guangxi Lutong Highway Development Co., Ltd.   | 70%  | 81,800                      | 15,793                                |
| Handan Rongguang Highway Development Co., Ltd.   | 70%  | 79,223                      | —                                     |
| Handan Xinguang Highway Development Co., Ltd.  | 70%  | 80,474                      | —                                     |
| Hunan Changyi (Baining) Expressway Co., Ltd.   | 43.17%   | 58,635                      | —                                     |
| Hunan Changyi (Cangyi) Expressway Co., Ltd.  | 43.17%   | 59,832                      | —                                     |
| Hunan Changyi (Changbai) Expressway Co., Ltd.  | 43.17%   | 59,567                      | —                                     |
| Hunan Changyi (Hengchang) Expressway Co., Ltd.   | 43.17%   | 61,465                      | —                                     |
| Hunan Changyi (Ningheng) Expressway Co., Ltd.  | 43.17%   | 59,510                      | —                                     |
| Hunan Changyi (Zijiang No. 2 Bridge) Expressway Co., Ltd.                                    | 43.17%   | 47,346                      | —                                     |
| Liuan Road Universe Liuye Highway Development Co., Ltd.                                      | 50%  | 20,665                      | —                                     |
| Liuan Road Universe Pihe Bridge Development Co., Ltd.  | 50%  | 17,833                      | —                                     |
| Luodingshi Luochong Highway Company Limited  | 61%  | 114,726                     | —                                     |
| Pingdingshan Road King Xuchang-Nanyang Highway<br>(Xiangcheng Section) Development Co., Ltd. | 50%  | 68,352                      | —                                     |
| Pingdingshan Road King Xuchang-Nanyang<br>Highway (Yexian Section) Development Co., Ltd.     | 50%  | 59,025                      | —                                     |
| Shanxi Lutong Dongguan Highway Co., Ltd.   | 65%  | 99,693                      | —                                     |
| Shanxi Lutong Taigu Highway Co., Ltd.  | 60%  | 76,080                      | —                                     |
| Shanxi Lutong Taiyu Highway Co., Ltd.  | 65%  | 75,938                      | —                                     |
| Shanxi Lutong Xiaodian Fenhe Highway Bridge Co., Ltd.  | 25%  | 7,646                       | —                                     |
| Shanxi Lutong Yuci Highway Co., Ltd.   | 65%  | 60,460                      | —                                     |
| Shenzhen Airport-Heao Expressway (Eastern Section) Co., Ltd.                                 | 45%  | 377,028                     | —                                     |
| Shijiazhuang Luhui Road & Bridge Development Co., Ltd.                                       | 60%  | 85,462                      | —                                     |
| Shijiazhuang Luxin Road & Bridge Development Co., Ltd.                                       | 60%  | 48,443                      | —                                     |
| Suzhou Road King Shanghai-Suzhou Airport Road Development Co., Ltd.                          | 50%  | 120,874                     | —                                     |
| Wujin Road King Changcao Highway Development Co., Ltd.                                       | 60.24%   | 83,946                      | —                                     |
|  |  | <u>2,504,426</u>            | <u>45,496</u>                         |

**OTHER INFORMATION** *(Continued)***PRACTICE NOTE 19 TO THE LISTING RULES** *(Continued)*

## 2. Pursuant to part 3.7.1 of Practice Note 19:

The Group has a syndicated bank loan facility with an outstanding amount of about US\$75 million. The facility will mature on 2 February 2004. Under the facility agreement the single largest shareholder of the Company is required to maintain directly or indirectly not less than thirty-five per cent. (35%) of each class of the issued voting share capital of the Company throughout the continuance of the facility.

## 3. Pursuant to part 3.10 of Practice Note 19:

The summary of aggregate financial information of the infrastructure joint ventures, based on the adjusted financial statements prepared under the accounting principles generally accepted in Hong Kong for the period ended 30 June 2002, is as follows:

|                               | 30 June 2002<br><i>HK\$'000</i> |
|-------------------------------|---------------------------------|
| <b>Balance sheet</b>          |                                 |
| Property, plant and equipment | 7,458,537                       |
| Other assets                  | 154                             |
| Current assets                | 214,267                         |
| Current liabilities           | (233,602)                       |
| Net current liabilities       | (19,335)                        |
| Due to joint venture partners | (3,023,417)                     |
| Net assets                    | 4,415,939                       |

## 4. Save as disclosed above, there is no other disclosure required to be made by the Company pursuant to Practice Note 19.

**AUDIT COMMITTEE**

The Audit Committee has reviewed with management and external auditors the accounting principles and policies adopted by the Group and the unaudited interim financial statements for the six months ended 30 June 2002.

**CODE OF BEST PRACTICE**

None of the Directors is aware of information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30 June 2002, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

By Order of the Board

**Ko Yuk Bing**

*Managing Director*

Hong Kong, 22 July 2002