

## Practice Note 19 of the Listing Rules

The Company through its subsidiaries has entered into contractual joint venture agreements and has undertaken substantial investments for development of certain infrastructure and property projects. The capital investments and advances made to the joint venture companies and associates ("the Affiliated Companies") were classified and disclosed under the headings "Interests in Jointly Controlled Entities" and "Interests in Associates" in the consolidated balance sheet as at 30th June, 2002.

A proforma combined balance sheet of the Affiliated Companies as at 30th June, 2002, is presented below:

	Combined total HK\$ million	Funds injected by the Group HK\$ million
Total assets	<b>21,265</b> *	
Financed by:		
Registered capital/share capital	2,297	1,539
Accumulated losses	(405) ^	
	<u>1,892</u>	
Long-term liabilities		
- Advances from shareholders/joint venture partners/related companies	8,131	2,483
- Other long-term loans	10,552	
	<u>18,683</u>	
Current liabilities	690	53
Total equity and liabilities	<b>21,265</b> *	<b>4,075</b>

\* With the exception of the investment in a property development joint venture which is immaterial, all property, plant and equipment, including essential production facilities, will be reverted to PRC joint venture partners without compensation at the end of the joint venture co-operation period. Disclosure of the attributable interests of the Group in the assets and liabilities of the Affiliated Companies is deemed not appropriate.

^ Accumulated losses are mainly attributed to interest expenses incurred during the trial operation of the toll roads before commencement of the joint venture co-operation period.