

COMPLIANCE WITH PRACTICE NOTE 19 OF THE LISTING RULES



Details of the advances, financial assistance and guarantees provided by the Group to its jointly controlled entities disclosed pursuant to the Practice Note 19 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as at the latest practicable date on 31 March 2002 are set out as follows:—

(i) Loans to and amounts due from jointly controlled entities

	<i>Note</i>	<i>HK\$</i>
Westly Limited	<i>(a)</i>	<u>113,192,865</u>

Note:

- (a) The Company holds 50% interest in Westly Limited and the remaining 50% interest of which is held by a third party independent of the Group. The principal asset of Westly Limited is its 70% interest in Asian Eagle Limited, which 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. The loans provided by the Company to Westly Limited are mainly for financing the construction of the properties. The properties were granted the occupation permit on 26 November 1999 and nine houses were sold before 31 March 2002. The loan is unsecured, bearing interest of 12% per annum and repayable on demand.

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

	<i>HK\$</i>
MT Finance Limited ("MT")	
(a) Extent of guarantee provided by the Company	<u>15,000,000</u>
(b) Banking facilities utilised that is guaranteed by the Company	<u>14,045,353</u>
(c) Kincheng Banking Corporation ("Kincheng") has obtained debt judgment on 11 July 2001 against MT for the sum of HK\$13,698,713.97 due together with interest thereon at 17.5% p.a. from 5 September 2000 until payment (HCA10431/2000). On 24 September 2001, Kincheng petitioned for winding up MT (HCW 1094/2001) and on 26 February 2002, the winding-up petition was dismissed by withdrawal.	

Westly Limited

(a) Extent of guarantee provided by the Company	<u>9,000,000</u>
(b) Loan facilities utilised that is guaranteed by the Company	<u>1,740,933</u>
(c) The loan facilities are secured by first legal charge on the Company's 50% interest in Westly Limited, bearing interest at 12% per annum and 3.5% per annum over prime rate, and was due on 31 December 2001.	



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- (iii) The proforma combined balance sheets 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as at 31 March 2002 are set out as follows:—

	Proforma combined balance sheet <i>HK\$</i>	Group's attributable interest <i>HK\$</i>
CURRENT ASSETS		
Properties held for sales	41,800,000	20,900,000
Other current assets	446,640	223,320
Cash and bank balances	1,815,037	907,518
CURRENT LIABILITIES		
Other loans	(2,500,000)	(1,250,000)
Other current liabilities	(29,193,821)	(14,596,910)
Bank loans and overdrafts	(14,045,353)	(14,045,353)
NET CURRENT LIABILITIES	(1,677,497)	(7,861,425)
LOANS AND AMOUNTS DUE TO SHAREHOLDERS	(350,566,983)	(168,533,491)
NET LIABILITIES	<u>(352,244,480)</u>	<u>(176,394,916)</u>
SHARE CAPITAL AND RESERVES	<u>(352,244,480)</u>	<u>(176,394,916)</u>

Note:

The above proforma financial information is prepared based on the unaudited management accounts each of the jointly controlled entities at the balance sheet date.