



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, 2003.

A proforma combined balance sheet of the Affiliated Companies as at 30th June, 2003, is presented below:

	<i>Combined total</i>	<i>Funds injected by the Group</i>
	<u>HK\$ million</u>	<u>HK\$ million</u>
Total assets	20,697	
Financed by:		
Registered capital/share capital	1,901	1,140
Reserves	113	
Accumulated losses	(379)	
	<u>1,635</u>	
Long term liabilities		
– Advances from shareholders/ joint venture partners/ related companies	7,575	2,097
– Other long-term loans	10,061	
	<u>17,636</u>	
Current liabilities	1,426	41
Total equity and liabilities	20,697	3,278

* 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.