

PRACTICE NOTE 19 TO THE LISTING RULES

Financial assistance and guarantees to affiliated companies *(Note)*

As at 31st December, 2003, Sino Land Company Limited (“Sino Land”) was a 53.46% owned subsidiary of the Company. On a consolidated basis, the Company also had a general disclosure obligation under Practice Note 19 (“PN 19”) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited with respect to the advances to, and guarantees given for the benefits of its affiliated companies by the Company (through Sino Land and/or its subsidiaries), which in aggregate exceeded 25% of the Company’s net asset value as at 31st December, 2003. In accordance with paragraph 3.10 of PN 19 of the Listing Rules, the Company discloses the following statement of indebtedness, capital commitments and contingent liabilities reported on by the affiliated companies of Sino Land and/or its subsidiaries as at 31st December, 2003:

	At 31st December, 2003 <i>HK\$</i>	At 30th June, 2003 <i>HK\$</i>
Sino Land’s share of total indebtedness of its affiliated companies:		
Bank loans	2,647,891,914	2,635,546,090
Other loans	246,600,000	258,600,000
	<u>2,894,491,914</u>	<u>2,894,146,090</u>
Advances from Sino Land and its subsidiaries	10,152,179,380	10,873,337,591
	<u>13,046,671,294</u>	<u>13,767,483,681</u>
Sino Land’s share of capital commitments of its affiliated companies:		
Authorised but not contracted for	46,383,705	48,436,583
Contracted but not provided for	341,725,195	727,378,756
	<u>388,108,900</u>	<u>775,815,339</u>
Sino Land’s share of contingent liabilities of its affiliated companies	—	—

(Note) “Affiliated companies” mentioned above refers to associates of the Group

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 accounting period covered by the interim report, in compliance with the Code of Best Practice, as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The term of office for each Independent Non-Executive Director is the period up to his retirement by rotation and re-election at the Annual General Meeting in accordance with the Company’s Articles of Association.

By Order of the Board
Eric IP Sai Kwong
Secretary

Hong Kong, 17th March, 2004