

Financial Assistance and Guarantees provided to Entities and Affiliated Companies

As at 31 March 2004

Relevant advances to entities

In accordance with rule 13.20 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”), details of relevant advances made by the Group to the following entities which individually exceeded 8% of the Company’s market capitalisation as at 31 March 2004 of approximately HK\$982,909,000 (“Market Capitalisation”) based on the total number of 259,685,288 shares of the Company in issue on 31 March 2004 and the average closing price of HK\$3.785 per share for the five business days immediately preceding 31 March 2004, are as follows:

Name of entity	Attributable interest held	Loans as at 31 March 2004 (A) HK\$’000	Interest rate per annum	Guarantee provided (B) HK\$’000	Guaranteed loan drawn HK\$’000	Maturity of guarantee	Total (A+B) HK\$’000	Note
Universal Plus Ltd.	20.0%	35,493	Prime less 3%	100,000	37,390	June 2006	135,493	1
Winwill Investment Pte Ltd	20.0%	49,960	3.5%	111,552	95,935	March 2007	161,512	2
Winworth Investment Pte Ltd	15.0%	109,371	4.0619%	—	—		109,371	3

Financial assistance and guarantees to affiliated companies

In accordance with rule 13.16 of the Listing Rules, details of loans advanced to, and guarantees provided by the Group for the benefit of the Group’s affiliated companies (Note 4) as at 31 March 2004, which in aggregate exceeded 8% of the Company’s Market Capitalisation as at 31 March 2004, are as follows:

Name of entity	Attributable interest held	Loans as at 31 March 2004 (A) HK\$’000	Interest rate per annum	Guarantee provided (B) HK\$’000	Guaranteed loan drawn HK\$’000	Maturity of guarantee	Total (A+B) HK\$’000	Note
Javary Ltd.	33.3%	6,664	—	—	—	—	6,664	
Suzhou World Trade Centre	24.8%	4,280	—	—	—	—	4,280	
Tat Yeung Trading Co. Ltd.	50.0%	4,739	—	—	—	—	4,739	
Universal Plus Ltd.	20.0%	35,493	Prime less 3%	100,000	37,390	June 2006	135,493	1
Winwill Investment Pte Ltd	20.0%	49,960	3.5%	111,552	95,935	March 2007	161,512	2
Total		<u>101,136</u>		<u>211,552</u>	<u>133,325</u>		<u>312,688</u>	

The loans have been provided by the Group to the named entities and affiliated companies as shareholders’ loans in proportion to the Group’s equity interests therein and are unsecured and have no fixed terms of repayment. The loans are funded partly by the Group’s internal resources and partly by utilising the Group’s banking facilities. Save for the loans disclosed above, no capital injection has been committed by the Group. No further material loans or other forms of financial assistance have been provided by the Group to, and no material repayment of the loans or further material utilization of the guaranteed facilities have been made by, the named entities or affiliated companies since 31 March 2004.

Notes:

- The loans advanced to Universal Plus Ltd. (“Universal”) have been loaned by Universal onward to Landyork Investment Ltd. (“Landyork”) which is a 50% owned associated company of Universal, and the guarantee is given by the Group directly for the benefit of Landyork in respect of banking facilities granted to Landyork. The Group’s funding and payment obligations under the said guarantee are several and limited to the Group’s 10% effective interest in Landyork.

Financial Assistance and Guarantees provided to Entities and Affiliated Companies *(continued)*

At 31 March 2004

Notes *(continued)*:

2. The loans advanced to Winwill Investment Pte Ltd (“Winwill”) have been loaned by Winwill onward to Winhome Investment Pte Ltd (“Winhome”) which is a 60% owned subsidiary of Winwill, and the guarantee is provided by the Group by way of an indemnity given to Wing Tai Holdings Ltd., another beneficial shareholder of Winwill, who has provided a guarantee on behalf of Winwill in respect of banking facilities granted to Winhome. The Group’s funding and payment obligations under the said indemnity are several and limited to the Group’s 12% effective interest in Winhome.
3. The balance of HK\$109,371,000 as at 31 March 2004 of the loan advanced to Winhome Investment Pte Ltd (“Winhome”) is the equivalent of S\$24,902,000. Interest on the loan is calculated as simple normal interest at the rate of 4.0619% per annum for a period of 3 years from 26 June 2002 and payable in a lump sum at the end thereof. Irrespective of whether the loan shall have been repaid in full or in part during the course of the said three years, interest shall nonetheless accrue for the whole of the said three years on the full amount of the loan of S\$30,000,000 made by the Group on 26 June 2002. The loan has been subordinated to the indebtedness of Winworth to its bankers.
4. As such term is defined in Chapter 13 of the Listing Rules, it means associated companies in the context of the Group.

Pro forma combined balance sheet of affiliated companies

In accordance with rule 13.22 of the Listing Rules, a pro forma combined balance sheet of the Group’s affiliated companies as at 31 March 2004 and the Group’s attributable interest therein are set out below:

	Pro forma combined balance sheet HK\$’000	Group’s attributable interest HK\$’000
Investment properties	14,413	4,667
Other fixed assets	49,505	12,880
Properties under development	1,234,929	246,986
Associated companies	184,157	36,831
Net current assets	1,340	497
Minority interests	(1,849)	(370)
Long term bank loans	(799,456)	(159,891)
Other long term loans	(170,399)	(34,689)
Amounts and loans due to shareholders	<u>(486,483)</u>	<u>(103,025)</u>
	<u>26,157</u>	<u>3,886</u>