

DISCLOSURE UNDER CHAPTER 13 OF THE LISTING RULES

As at 30th June 2004, the Group had certain financial assistance to affiliated companies which is disclosed below in accordance with Chapter 13 of the Listing Rules.

Advances to Affiliated Companies

As at 30th June 2004, the Company advanced a total sum of HK\$93,185,000 to its affiliated companies, the details of which are as follows:–

Affiliated Companies	Interest Rate of Advances	Amount of Advances as at 30th June 2004 HK\$'000
Allman Holdings Limited and its subsidiaries	Interest-free	77,050
Mango Designs, LLC	Interest-free	2,001
Hip Wah Industrial (Development) Limited	Interest-free	7,462
The Melville Street Trust	Interest-free	6,672
		<u>93,185</u>

All the said advances were unsecured, repayable on demand and were funded by internal resources and/or bank borrowings and were made for the purpose of providing investment funds and/or working capital.

Set out below is a proforma combined balance sheet of the above affiliated companies as at 30th June 2004 (being the latest practicable date for determining the relevant figures) required to be disclosed under Chapter 13 of the Listing Rules:–

Proforma Combined Balance Sheet as at 30th June 2004

	HK\$'000
Fixed assets	824,737
Other non-current assets	5,136
Net current liabilities	(69,953)
Bank loans and shareholders' loans – long term	<u>(484,577)</u>
Surplus in shareholders' funds	<u>275,343</u>

The aggregate of the Group's advances to affiliated companies as at 30th June 2004 amounted to HK\$93,185,000 which represents approximately 9.8% of the Group's total assets as at 30th June 2004.