

Other Information

REVOLVING CREDIT AGREEMENT WITH COVENANTS OF THE CONTROLLING SHAREHOLDERS

As disclosed in the Company's announcement dated 17th September, 2004, a wholly-owned subsidiary of the Company and a wholly-owned subsidiary of Henderson Investment Limited ("HI"), as several borrowers, have obtained a HK\$10,000,000,000 revolving credit facility that consists of a 5-year and a 7-year tranche in equal amount (the "Facility") from a syndicate of banks under the respective several guarantees given by the Company and HI.

In connection with the Facility, it will be an event of default if the Company ceases to own and control at least 51 per cent. of the issued equity share capital of HI or if either the Company or HI ceases to be ultimately controlled by Dr. Lee Shau Kee and/or his family and/or companies controlled by any of them or any trust in which Dr. Lee Shau Kee and/or his family and or companies controlled by any of them are beneficiaries. If any event of default occurs, the Facility may become due and payable on demand.

FINANCIAL ASSISTANCE TO AFFILIATED COMPANIES

As at 31st December, 2004, the issued share capital of the Company comprised 1,814,580,000 shares. Based on the average closing price of the Company's shares of HK\$40.44 per share by reference to The Stock Exchange of Hong Kong Limited's daily quotation sheets for the trading days from 23rd December, 2004 to 30th December, 2004 (both days inclusive) being the five business days immediately preceding 31st December, 2004, the total market capitalisation of the Company was approximately HK\$73,381.6 million (the "Market Capitalisation") as at 31st December, 2004.

As at 31st December, 2004, the Group had provided financial assistance to, and guarantees for certain affiliated companies amounting to HK\$13,945 million in aggregate exceeding 8 per cent. of the Market Capitalisation. In accordance with Rule 13.22 of the Listing Rules, the proforma combined balance sheet of and the Group's attributable interest in these affiliated companies as at 31st December, 2004 are set out as follows:

	Combined HK\$ million	The Group's attributable interest HK\$ million
Non-current assets	44,915	14,946
Current assets	8,802	3,011
Current liabilities	(9,986)	(4,450)
Net current liabilities	(1,184)	(1,439)
Total assets less current liabilities	43,731	13,507
Non-current liabilities	(36,571)	(11,291)
Net assets	7,160	2,216

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the period under review, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

After the period under review, Henson International Finance Limited ("Henson"), a wholly-owned subsidiary of the Company, has effected the redemption of the 1% guaranteed convertible notes due 2006 convertible into ordinary shares of the Company at a conversion price of HK\$48.96 per share (subject to adjustment) ("Convertible Notes"), on 14th February, 2005 at the option of holders of the Convertible Notes in the aggregate principal amount of HK\$5,561,300,000 at 92% of their principal amount in accordance with the terms and conditions of the Convertible Notes, out of the aggregate principal amount of HK\$5,750,000,000 which were issued by Henson in February 2004. The principal amount of the remaining Convertible Notes after the redemption is HK\$188,700,000. The remaining Convertible Notes will be redeemed on 9th February, 2006, the maturity date, at 82% of their principal amount together with accrued interest, unless previously redeemed, converted or purchased and cancelled.

AUDIT COMMITTEE

The Audit Committee met in March 2005 and reviewed the systems of internal control and compliance and the interim report for the period ended 31st December, 2004.

CORPORATE GOVERNANCE

None of the Directors is aware of information that would reasonably indicate that the Company was not at any time during the six months ended 31st December, 2004 in compliance with the Code of Best Practice as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") applicable for the period, except that Non-executive Directors of the Company were not appointed for a specific term but are subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with Article 116 of the Company's Articles of Association. On 3rd January, 2005, the term of office of all Non-executive Directors (including Independent Non-executive Directors) has been fixed to expire on 31st December, 2007.

The Company has adopted the Model Code of the Listing Rules as the code for dealing in securities of the Company by the Directors (the "Code"). Having made specific enquiry, the Company confirmed that all Directors have complied with the required standard as set out in the Code.

By Order of the Board
John YIP Ying Chee
 Secretary

Hong Kong, 17th March, 2005

As at the date of this report, the Board comprises: (1) executive directors: Lee Shau Kee (Chairman), Lee Ka Kit, Colin Lam Ko Yin, Lee Ka Shing, Lee King Yue, Fung Lee Woon King, Leung Sing, Eddie Lau Yum Chuen, Li Ning, Patrick Kwok Ping Ho, Ho Wing Fun, John Yip Ying Chee and Suen Kwok Lam; (2) non-executive directors: Lo Tak Shing, Woo Po Shing, Leung Hay Man, Angelina Lee Pui Ling, Lee Tat Man, Kan Fook Yee, Vincent Liang (as alternate to Lo Tak Shing) and Jackson Woo Ka Biu (as alternate to Woo Po Shing); and (3) independent non-executive directors: Gordon Kwong Che Keung, Ko Ping Keung and Wu King Cheong.