

DISCLOSURE PURSUANT TO PRACTICE NOTE 19 OF THE LISTING RULES

(a) Specific performance obligations on controlling shareholders

Pursuant to paragraph 3.7.1 of Practice Note 19 (“PN 19”) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”), the Company is required to make disclosure of loan agreements which contain covenants requiring specific performance obligations on the controlling shareholder of the Company. As at the year end, no such covenants exist in respect of any outstanding loan agreement entered into by the Company.

(b) Financial assistance and guarantees to affiliated companies ^(Note)

As at 30th June, 2003, Sino Land Company Limited (“Sino Land”) was a 53.33% owned subsidiary of the Company. On a consolidated basis, the Company also had a general disclosure obligation under PN 19 of the Listing Rules 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 30th June, 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 by the affiliated companies of Sino Land and/or its subsidiaries as at the end of the most recent financial period. This information has been extracted from the relevant audited financial statements of the affiliated companies.

	At 30th June, 2003 HK\$	At 30th June, 2002 HK\$
Sino Land’s share of total indebtedness of its affiliated companies		
Bank loans	2,635,546,090	1,808,921,403
Other loans	258,600,000	481,400,000
	<u>2,894,146,090</u>	2,290,321,403
Advances from Sino Land and its subsidiaries	<u>10,873,337,591</u>	11,394,586,092
	<u>13,767,483,681</u>	<u>13,684,907,495</u>
Sino Land’s share of capital commitments of its affiliated companies		
Authorised but not contracted for	48,436,583	—
Contracted but not provided for	727,378,756	703,378,508
	<u>775,815,339</u>	<u>703,378,508</u>
Sino Land’s share of contingent liabilities of its affiliated companies	<u>—</u>	<u>—</u>

Note: “Affiliated companies” mentioned above refers to associates of the Group.