

## Advance to Entity

The advance made by the Group to the following entity exceeded 8.0 per cent of the Market Capitalisation (note 5) as at 31st December 2004 and are required to be disclosed under Rule 13.20 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as follows:

| Name of the Entity               | Percentage<br>of indirect<br>attributable<br>interest held<br>by the Company | Advances as at<br>31st December 2004<br>(Note 1) |  | Interest<br>rate | Total<br>(A + B)<br>HK\$ million |
|----------------------------------|--|--|--|------------------|----------------------------------|
|                                  |  | Interest<br>bearing<br>(A)<br>HK\$ million       | Non-interest<br>bearing<br>(B)<br>HK\$ million |                  |                                  |
|                                  |  |  |  |                  |                                  |
|                                  |  |  |  |                  |                                  |
| Guangdong Humen Bridge Co., Ltd. | 8.58   | 525.0  | —  | (Note 2)         | 525.0                            |

## Financial Assistance to Affiliated Companies

The financial assistance provided by the Group to the affiliated companies of the Company which in aggregate exceeded 8.0 per cent of the Market Capitalisation (note 5) as at 31st December 2004 (the “Relevant Affiliated Companies”) and are required to be disclosed under Rule 13.22 of the Listing Rules as follows:

| Name of affiliated<br>companies                       | Percentage<br>of indirect<br>attributable<br>interest held<br>by the Company | Advances as at<br>31st December 2004<br>(Note 1) |  | Interest<br>rate | Total<br>(A + B)<br>HK\$ million |
|---|--|--|--|------------------|----------------------------------|
|   |  | Interest<br>bearing<br>(A)<br>HK\$ million       | Non-interest<br>bearing<br>(B)<br>HK\$ million |                  |                                  |
|   |  |  |  |                  |                                  |
|   |  |  |  |                  |                                  |
| Guangdong Humen Bridge Co., Ltd.                      | 8.58   | 525.0  | —  | (Note 2)         | 525.0                            |
| Guangdong Qinglian Highway<br>Development Co., Ltd.   | 8.10   | —  | 219.0  | —                | 219.0                            |
| Guangdong Shantou Bay Bridge Co., Ltd.                | 10.30  | 43.4   | —  | (Note 3)         | 43.4                             |
| Hainan China City Property<br>Development Co. Ltd.    | 52.00  | —  | 49.7   | —                | 49.7                             |
| Guangdong Xinshidai Real Estate Ltd.                  | 45.00  | —  | 10.1   | —                | 10.1                             |
| Zhoushan Xinyuan Real Estate<br>Development Co., Ltd. | 38.00  | —  | 2.6  | —                | 2.6                              |
| Total (Note 4)  |  | 568.4  | 281.4  |                  | 849.8                            |

# Disclosures Pursuant to Chapter 13 of the Listing Rules

## Financial Assistance to Affiliated Companies (cont'd)

Notes:

- (1) The advances were shareholders' loans representing part of the investment costs injected by the Group in proportion to the Group's equity interest in such entity and affiliated companies. These advances are unsecured and have no fixed term of repayment. There were no committed capital injections nor guarantees given to or for the above entity and affiliated companies.
- (2) Of these interest-bearing advances, approximately HK\$419.7 million was charged at US prime rate; approximately HK\$105.2 million was charged at lending rates of financial institutions in China; and the remaining balance was charged at Hong Kong prime rate.
- (3) Of these interest-bearing advances, approximately HK\$9.1 million was charged at Hong Kong prime rate; and approximately HK\$34.3 million was charged at lending rates of financial institutions in China.
- (4) The total amount of financial assistance provided by the Group to the affiliated companies of the Company exceeded 8.0 per cent of the Market Capitalisation.
- (5) Market Capitalisation means the market capitalisation of the Company as at 31st December 2004 amounting to HK\$4,839,917,610 based on the total number of 6,351,597,914 shares of the Company in issue on 31st December 2004 and average closing price of HK\$0.762 per share for the five business days immediately preceding 31st December 2004.

## 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 Company's Relevant Affiliated Companies as at 31st December 2004 and the Group's attributable interest therein are set out below:

|   | HK\$'000    |
|---|-------------|
| Long term assets                          | 5,953,102   |
| Current assets                            | 544,783     |
| Current liabilities                       | (152,774)   |
| Long term liabilities                     | (4,126,080) |
| Net assets                                | 2,219,031   |
|   | HK\$'000    |
| Attributable interest to the Group        |             |
| Net assets                                | 268,280     |
| Shareholder's loans receivable            | 849,821     |
| Goodwill on acquisition less amortisation | 158,083     |
|   | 1,276,184   |

## Disclosures Pursuant to Rule 13.21 of the Listing Rules

Reference was made to a term loan facility agreement dated 5th September 2001 ("2001 loan agreement") and an agreement supplemental to the 2001 loan agreement dated 7th September 2004 in respect of an extension of the final maturity to September 2005 for the outstanding principal amount of US\$15,000,000, a HK\$2,630 million loan agreement dated 23rd September 2002 with a final maturity in December 2007, a HK\$100 million loan agreement dated 16th June 2003 with a final maturity in December 2005 and a HK\$300 million loan agreement dated 23rd June 2003 with a final maturity in June 2008. In accordance with the terms of the aforementioned agreements, it is an event of default if Yue Xiu ceases to own (directly or indirectly) at least (in the case of the 2001 loan agreement) 40 per cent or (in the case of the other three loan agreements ) 30 per cent of the issued share capital of the Company. The obligation has been complied with.