

## Other Information

### REVOLVING CREDIT AGREEMENT WITH COVENANTS OF THE CONTROLLING SHAREHOLDERS

As disclosed in the Company's announcement dated 17 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 amounts (the "First Facility") from a syndicate of banks under the respective several guarantees given by the Company and HI.

In connection with the First 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 First Facility may become due and payable on demand.

As also disclosed in the Company's announcement dated 26 July 2006, a wholly-owned subsidiary of the Company, as borrower, has obtained a HK\$13,350,000,000 5-year revolving credit facility (the "Second Facility") from a syndicate of banks under the guarantee given by the Company.

In connection with the Second Facility, it will be an event of default if the Company 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 Second Facility may become due and payable on demand.

### FINANCIAL ASSISTANCE TO AFFILIATED COMPANIES

As at 31 December 2006, the Group had provided financial assistance to, and guarantees for certain affiliated companies amounting to HK\$12,715.9 million in aggregate exceeding 8 per cent of the total assets of the Company. In accordance with Rule 13.22 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the combined balance sheet of and the Group's attributable interest in these affiliated companies as at 31 December 2006 are set out as follows:

	Combined HK\$ million	The Group's attributable interest HK\$ million
Non-current assets	54,370	17,688
Current assets	8,263	3,031
Current liabilities	(4,138)	(1,512)
Net current assets	4,125	1,519
Total assets less current liabilities	58,495	19,207
Non-current liabilities	(38,739)	(12,254)
Net assets	19,756	6,953

## REVIEW OF INTERIM RESULTS

The unaudited interim results for the six months ended 31 December 2006 have been reviewed by the auditors of the Company, Messrs. KPMG in accordance with Statement of Auditing Standards 700 “Engagements to review interim financial reports” issued by the Hong Kong Institute of Certified Public Accountants, the report of which is included on page 52.

## SHARE PLACEMENT

On 10 November 2006, 128,000,000 existing ordinary shares in the Company were placed at a price of HK\$43.05 per share (the “Placing Price”) through a share placement arrangement (“Share Placement”) and the Company subsequently issued 128,000,000 new ordinary shares (“New Shares”), with a view to strengthening the capital base of the Company. The placees and their beneficial owners are not connected persons of the Company (as defined in the Listing Rules). There were over six placees. The Placing Price represented a discount of approximately 6.5% to the closing price of HK\$46.05 per share in the Company as quoted on The Stock Exchange of Hong Kong Limited on 10 November 2006.

The New Shares represented approximately 7.05% of the issued share capital of the Company prior to the Share Placement. The issue price for the New Shares was approximately HK\$43.031 per share, which is equivalent to the Placing Price less expenses of the Share Placement. A net amount of approximately HK\$5.508 million in aggregate after expenses was received.

The Directors consider that the placing and subscription will strengthen the capital base of the Company. The Directors intend to use the net proceeds of the Share Placement for general corporate purposes and for acquisition of land banks in the People’s Republic of China.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Except for the Share Placement in November 2006 by the Company, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the period under review.

## AUDIT COMMITTEE

The Audit Committee met in March 2007 and reviewed the systems of internal control and compliance and the interim report for the period ended 31 December 2006.

## CODE ON CORPORATE GOVERNANCE PRACTICES

During the six months ended 31 December 2006, the Company has complied with the Code on Corporate Governance Practices (the “CGP Code”) as set out in Appendix 14 to the Listing Rules, except that the roles of the chairman and the chief executive officer of the Company are not separate under code provision A.2.1 of the CGP Code. The Company is of the view that it is in the best interest of the Company that Dr. Lee Shau Kee, with his profound expertise in the property business, shall continue in his dual capacity as the Chairman and Managing Director.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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 “Model Code”). Having made specific enquiry, the Company confirmed that all Directors have complied with the required standard as set out in the Model Code.

By Order of the Board  
**Timon LIU Cheung Yuen**  
Company Secretary

Hong Kong, 21 March 2007

*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, John Yip Ying Chee, Alexander Au Siu Kee, Suen Kwok Lam, Lee King Yue, Fung Lee Woon King, Eddie Lau Yum Chuen, Li Ning and Patrick Kwok Ping Ho; (2) non-executive directors: Woo Po Shing, Leung Hay Man, Angelina Lee Pui Ling, Lee Tat Man 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.*