

PRACTICE NOTE 19 TO THE LISTING RULES

Financial assistance and guarantees to affiliated companies

Yetcome Investments Limited (“Yetcome”)/T & T Properties Sdn. Bhd. (“T&T”)

The Company entered into a shareholders agreement (“Yetcome Shareholders Agreement”) with, amongst others, two independent third parties (the “Yetcome Shareholders”) on 11 February 1993 pursuant to which the parties set out the terms and conditions on which a joint venture company, Yetcome (the British Virgin Islands incorporated holding company of T&T), would be operated. The purpose of setting up Yetcome and its wholly-owned subsidiary, T&T, was to develop a complex consisting of an office tower, a retail podium, car park spaces and related facilities (“Complex A”) together with a hotel complex (“Complex B”) in Johor Bahru, Malaysia. Pursuant to the Yetcome Shareholders Agreement, the Company agreed to make pro rata shareholders loans to Yetcome. The Company has a 33.33% equity interest in the project companies owning 70% interests of Complex A and a 66.67% equity interest in Complex B.

Pursuant to the Yetcome Shareholders Agreement, the Company made loans in the aggregate amount of HK\$12,802,000 to various immediate holding companies of Yetcome. The immediate holding companies relating to Complex A and Complex B are owned effectively as to 33.33% (out of 70%) and as to 66.67% by the Company respectively. In addition, the Company also made loans amounting to HK\$113,818,000 and HK\$9,692,000 to Yetcome and T&T as at 31 October 2003. The loans to Yetcome and various immediate holding companies are unsecured, interest free and repayable on demand.

As at 31 October 2003, Yetcome has no material capital commitment for Complex A and Complex B.

In conclusion, as a result of the loan and financing arrangements set out above, the aggregate of all amounts due from various affiliated companies amounts to approximately HK\$136,312,000, representing approximately 32.1 times of the Group’s net asset value.

Note:

The exchange rates used above is as follows:

RM1.00 = HK\$2.0376
US\$1.00 = HK\$7.8

INTERIM DIVIDEND

The Board has resolved not to declare the payment of any interim dividend for the six months ended 31 October 2003.