

Other Information

LOANS TO ENTITIES

As at 31st December, 2004, the issued share capital of the Company comprised 497,776,205 shares. Based on the average closing price of the Company's shares of HK\$4.055 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\$2,018 million (the "Market Capitalisation") as at 31st December, 2004.

Details of the advances made by the Group to the following entities as at 31st December, 2004, which individually exceeded 8% of the Market Capitalisation and are required to be disclosed in the interim report of the Company under Rule 13.20 of the Listing Rules, are as follows:

Name of the Entities	Percentage of equity interest held by		Advances as at 31st December, 2004 (Note 2)	
	The Company	Subsidiaries	Non-interest bearing HK\$ million	Total HK\$ million
Perlin Development Limited (Note 1)	–	50%	410.11	410.11
Shanghai Heng Chang Real Estate Development Co., Ltd. (Note 1)	–	49%	203.67	203.67

Notes:

- (1) The advances were funding contributions to enable the entity to pay for the land and development costs.
- (2) These advances are unsecured and have no fixed term of repayment.

FINANCIAL ASSISTANCE TO AFFILIATED COMPANIES

As at 31st December, 2004, the Group had provided financial assistance to certain affiliated companies (including Perlin Development Limited and Shanghai Heng Chang Real Estate Development Co., Ltd.) amounting to HK\$792.91 million in aggregate exceeding 8% 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	755	372
Current assets	481	200
Current liabilities	(91)	(36)
Net current assets	390	164
Total assets less current liabilities	1,145	536
Non-current liabilities	(1,803)	(884)
Net liabilities	(658)	(348)

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.

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 Bye-law 87 of the Company's Bye-laws. On 3rd January, 2005, the term of office of all Non-executive Directors (including Independent Non-executive Directors) has been fixed for a specific term until 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 Ka Kit (Chairman), Lee Shau Kee, Colin Lam Ko Yin, Lee King Yue, Leung Sing, Lee Ka Shing, Patrick Kwok Ping Ho, Ho Wing Fun and Cheung Fong Ming; (2) non-executive directors: Wong Ying Wai, Kan Fook Yee and Philip Yuen Pak Yiu; and (3) independent non-executive directors: Liang Shangli, Gordon Kwong Che Keung and Leung Yuk Kwong.