

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



華 廈 置 業 有 限 公 司

WAH HA REALTY COMPANY LIMITED

WAH HA REALTY COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 278)

DISCLOSURE PURSUANT TO RULES 13.13 AND 13.16 OF THE LISTING RULES

This announcement is made by Wah Ha Realty Company Limited (the “Company”) in compliance with the disclosure requirements under Rules 13.13 and 13.16 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”).

As at 31 March 2004, the Company and its subsidiaries (the “Group”) had made advances to entities, which individually exceeded 8% of the market capitalization of the Company (hereinafter defined as the “Market Capitalization”). Details of such advances are required to be disclosed under Rule 13.13 of the Listing Rules.

In addition, as at 31 March 2004, the Group had provided financial assistance to the affiliated companies of the Company in aggregate exceeding 8% of the Market Capitalization. Such financial assistance is required to be disclosed under Rule 13.16 of the Listing Rules.

The Company failed to release an announcement pursuant to Rules 13.13 and 13.16 of the Listing Rules in a timely manner following the implementation of the new Listing Rules which became effective on 31 March 2004. The Stock Exchange reserves the right to take appropriate actions against the Company and/or the Directors of the Company in this regard. The Company will continue to use its best endeavours to comply with the Listing Rules and will request the entities to speed up their processes of producing monthly statements for recording so that the Company will comply with the general disclosure obligation under the Listing Rules in a timely manner.

As at 31 March 2004, the market capitalization of the Company was approximately HK\$154,103,040 (the “Market Capitalization”) which was based on the total number of 120,960,000 shares of the Company in issue on 31 March 2004 and the average closing price of HK\$1.274 per share from 24 March 2004 to 30 March 2004 (both days inclusive) being the five business days immediately preceding 31 March 2004.

ADVANCES TO ENTITIES UNDER RULE 13.13 OF THE LISTING RULES

Details of the advances made by the Group to the following entities as at 31 March 2004, which individually exceeded 8% of the Market Capitalization, are as follows:

Name of Entities	Percentage of equity interest held by the Group	Advances as at 31 March 2004 (Note 2) HK\$
Cantake Land Investment Company Limited (Note 1)	25%	52,775,266
Chase Good Development Limited (Note 1)	25%	15,871,803
Eastern Tailor Enterprises Limited (Note 1)	25%	19,526,917
Hinquand Enterprise Limited (Note 1)	50%	20,626,760
Keneva Company Limited (Note 1)	25%	38,857,400
Kin Yuen Hing Investment Company Limited (Note 1)	50%	13,159,056
Wah Ha Property Development Limited (Note 1)	50%	14,291,605

FINANCIAL ASSISTANCE TO AFFILIATED COMPANIES UNDER RULE 13.16 OF THE LISTING RULES

Details of the financial assistance made by the Group to the affiliated companies of the Company as at 31 March 2004, which in aggregate exceeded 8% of the Market Capitalization, are as follows:

Name of Affiliated Companies	Percentage of equity interest held by the Group	Advances as at 31 March 2004 (Note 2) HK\$
Cantake Land Investment Company Limited	25%	52,775,266
Chase Good Development Limited	25%	15,871,803
Eastern Tailor Enterprises Limited	25%	19,526,917
Fullion Realty Limited	50%	26,284
Hinquand Enterprise Limited	50%	20,626,760
Kam Lee Wah Realty Limited	50%	105,935
Keneva Company Limited	25%	38,857,400
Kin Yuen Hing Investment Company Limited	50%	13,159,056
Remadour Estate Limited	25%	9,261,495
Star Fortune Investments Limited	50%	2,084,974
Sun Prince Godown Limited	50%	3,425,575
Sun Tai Tsuen Godown Company Limited	50%	3,421,469
Wah Ha Property Development Limited	50%	14,291,605
Total:		<u>193,434,539</u>

Notes:

- (1) The advances were funding contributions made to the entities, in proportion to the Group's shareholdings in such companies on the same terms and conditions, for financing their respective property projects.
- (2) These advances, being unsecured, interest free and having no specific repayment terms, are met by the internal resources of the Group.
- (3) There were no committed capital injection to and guarantees given to or for the above-mentioned affiliated companies.
- (4) The total amount of advances given by the Group to the affiliated companies of the Company represented approximately 125.52% of the Market Capitalization.

The Company will fulfill the continuing disclosure obligation under Rules 13.20 and 13.22 of the Listing Rules so long as circumstances giving rise to such disclosure obligation continue to exist at its interim period and or annual financial year end.

Save for the disclosures in this announcement, no other obligations arise under Rules 13.13 to 13.19 of the Listing Rules.

COMPLIANCE WITH THE LISTING RULES

The Directors of the Company consider that the Company has always been well prepared to fully comply with the Listing Rules. In the course of preparing the financial information in this announcement, since the transactions involved are small in value and high in volume, enormous time and efforts are needed in determining and finalizing the figures. Moreover, some of the entities to which the Company has made advance or provided financial assistance, could only let the Company have the relevant financial information after they have finalised their respective monthly statements. The Directors of the Company therefore consider that the Company has already used its best endeavours to make the relevant disclosure under Rules 13.13 and 13.16 of the Listing Rules as soon as practicable in accordance with the requirements of the Listing Rules.

Notwithstanding the aforesaid, the Stock Exchange considers the Company failed to release an announcement pursuant to Rules 13.13 and 13.16 of the Listing Rules in a timely manner following the implementation of the new Listing Rules which became effective on 31 March 2004. The Stock Exchange reserves the right to take appropriate actions against the Company and/or the Directors of the Company in this regard. The Company will continue to use its best endeavours to comply with the Listing Rules and will request the entities to speed up their processes of producing monthly statements for recording so that the Company will comply with the general disclosure obligation under the Listing Rules in a timely manner.

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Cheung Kee Wee, Mr. Cheung Lin Wee and Mr. Cheung Ying Wai, Eric as Executive Directors and Mr. John Ho, Mr. Lam Hon Keung, Keith, Mr. Ng Kwok Tung, Mr. Chan Woon Kong and Mr. Soo Hung Leung, Lincoln as Independent Non-executive Directors.

By order of the Board
Raymond W.M. Chu
Company Secretary

Hong Kong, 9 July 2004

Please also refer to the published version of this announcement in the China Daily.