

INVESTMENT PORTFOLIO

Particulars of the Group's investments are as follows:

(1) Equity securities listed on the Stock Exchange

Name of investee company	Place of incorporation	Number of shares/warrants held	Proportion of investee's capital owned %	Cost HK\$'000	Unrealised gain (loss) arising on revaluation HK\$'000	Market value HK\$'000	Net assets attributable to the Group HK\$'000
At 31st March, 2001							
Shares							
(a) Global Link Cyber International Limited ("Global Link")*	Hong Kong	21,000,000	0.34%	6,114	(2,396)	3,718	110 (Note)
(b) Grandmass Enterprise Solution Limited ("Grandmass")*	Bermuda	36,000,000	9.0%	4,044	(444)	3,600	2,686 (Note)
(c) Henderson Cyber Limited ("Henderson Cyber")*	Cayman Islands	600,000	0.01%	759	(339)	420	12 (Note)
(d) Hua Lien International (Holding) Company Limited ("Hua Lien")*	Cayman Islands	18,627,309	2.71%	13,403	(8,094)	5,309	15,835 (Note)
(e) Proactive Technology Holdings Limited ("Proactive")*	Bermuda	1,032,000	0.44%	1,438	(1,170)	268	246 (Note)
(f) Quality Food International Limited ("Quality Food") *	Bermuda	36,598,000	2.61%	5,661	(2,477)	3,184	3,575 (Note)
(g) Wah Sang Gas Holdings Limited ("Wah Sang Gas") *	Bermuda	340,000	0.17%	2,048	(42)	2,006	308 (Note)
				33,467	(14,962)	18,505	
Warrants							
Quality Food *	Bermuda	660,000	-	-	59	59	
				33,467	(14,903)	18,564	

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(1) Equity securities listed on the Stock Exchange *(Continued)*

Name of investee company	Place of incorporation	Number of shares/ warrants held	Proportion of investee's capital owned %	Cost	Unrealised gain (loss) arising on revaluation	Market value	Net assets attributable to the Group
				HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 31st March, 2000							
Shares							
(d) Hua Lien *	Cayman Islands	18,627,309	2.71%	13,403	(737)	12,666	12,904 <i>(Note)</i>
(f) Quality Food *	Bermuda	3,000,000	1.07%	3,031	(1,140)	1,891	446 <i>(Note)</i>
				16,434	(1,877)	14,557	

Note: The calculation of net assets attributable to the Group is based on the latest published annual reports of respective investee companies at the report date.

* *held directly by the Company*

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(2) Unlisted equity securities

Name of investee company	Place of incorporation	2001		2000	
		Fair value	Net assets attributable to the Group	Fair value	Net assets attributable to the Group
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
(h) Asia Vision Technology Limited ("AVT") *	Hong Kong	5,050	650 <i>(Note a)</i>	-	-
(i) GEM Services, Inc. ("GEM Services")	Cayman Islands	5,812	- <i>(Note b)</i>	-	-
(j) Goodwill China Business Information Limited ("Goodwill") *	Hong Kong	1,811	183 <i>(Note a)</i>	-	-
(k) Rainbowworld International Inc. ("Rainbowworld")*	British Virgin Islands	-	-	19,936	18,928 <i>(Note a)</i>
		12,673		19,936	

Notes:

- (a) The calculation of net assets attributable to the Group is based on the latest audited financial statements or management accounts of respective investee companies at the report date.
- (b) The Group held 250,000 6% redeemable Series C-2 preference shares of US\$0.001 each (the "Preference Shares") of GEM Services at 31st March, 2001. The Preference Shares are convertible at any time, without the payment of any additional consideration into ordinary shares of GEM Services based on the pre-determined formulae. Therefore, net assets attributable to the Group is not applicable.

* *held directly by the Company*

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(3) Unlisted convertible bond/note

Issuer	2001 HK\$'000	2000 HK\$'000	Interest rate	Maturity date
(l) IT Star Holdings Limited ("IT Star Holdings") – unsecured*	5,000	–	5% per annum	8th December, 2002
(m) Cyberwap Technology Limited ("Cyberwap") – secured*	4,170	–	4% per annum	9th March, 2003
	9,170	–		

* held directly by the Company

(4) Cash and cash equivalents

	2001 HK\$'000	2000 HK\$'000
Cash and cash equivalents	10,408	9,291

A brief description of the business and financial information of the listed investee companies, based on their published annual reports is as follows:

- (a) Global Link, formerly named Kong Tai International Holdings Company Limited, is principally engaged in property investment and development, the supply of construction materials and investment in toll road operations in the People's Republic of China (the "PRC"). Global Link currently intends to diversify its business into high technology and high value added areas, such as telecommunications, internet and other related fields. On 29th May, 2000, Global Link was granted a 10-year license to use a proprietary telephone network system for the operation of a "Voice over Internet" service in Hong Kong for approximately HK\$54 million. Global Link changed its name to China Bio-Chemical Group Limited since 14th May, 2001.

The audited consolidated loss attributable to shareholders of Global Link for the year ended 31st December, 2000 was approximately HK\$447,387,000. As at 31st December, 2000, the audited consolidated net asset value of Global Link was approximately HK\$32,450,000.

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- (b) Grandmass is principally engaged in the provision of computer consultancy services, software development and trading of computer hardware and software.

The audited consolidated loss attributable to shareholders of Grandmass for the year ended 31st December, 2000 was approximately HK\$10,749,000. As at 31st December, 2000, the audited consolidated net asset value of Grandmass was approximately HK\$29,850,000

- (c) Henderson Cyber is principally engaged in Internet, telecommunications and high technology services operations. Its business can be categorized into five main areas: (i) Internet services; (ii) data centres; (iii) local wireless fixed telecommunications network services; (iv) intelligent buildings; and (v) strategic investments in information technology companies. It was listed on the GEM Board of The Stock Exchange on 14th July, 2000.

The audited consolidated loss attributable to shareholders of Henderson Cyber for the period from 10th January, 2000 (date of incorporation) to 30th June, 2000 was approximately HK\$12,028,000. As at 30th June, 2000, the audited consolidated net asset value of Henderson Cyber was approximately HK\$122,943,000.

- (d) Hua Lien is principally engaged in the manufacture, sale and marketing of leather, raw materials sourcing and investments holding. It currently has three production facilities location in the Guangdong Province and Shannxi Province, the PRC. It was listed on the Main Board of the Stock Exchange in 2nd February, 2000.

The audited consolidated profit attributable to shareholders of Hua Lien for the year ended 31st December, 2000 was approximately HK\$52,526,000 (1999: approximately HK\$88,375,000). As at 31st December, 2000, the audited consolidated net asset value of Hua Lien was approximately HK\$584,325,000 (1999: approximately HK\$476,174,000).

- (e) Proactive is principally engaged in the design, development and sales of value-added telecommunications products and computer telephony products with focus on business applications. It was listed on GEM Board of The Stock Exchange in May, 2000.

The audited consolidated loss attributable to shareholders of Proactive for the year ended 31st December, 2000 was approximately HK\$5,925,000. As at 31st December, 2000, the audited consolidated net asset value of Proactive was approximately HK\$55,978,000.

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- (f) Quality Food is principally engaged in the manufacture and trading of processed eels and eel feed products. It has maintained its leading role in manufacturing premium grade proceeds eels under its brandname Qixiang.

The audited consolidated profit attributable to shareholders of Quality Food for the year ended 30th April, 2000 was approximately HK\$53,005,000 (1999: approximately HK\$40,646,000). As at 30th April, 2000, the audited consolidated net asset value of Quality Food was approximately HK\$136,981,000 (1999: approximately HK\$41,711,000).

- (g) Wah Sang Gas is principally engaged in the construction of gas pipelines, production and sale of gas in the PRC

The audited consolidated profit attributable to shareholders of Wah Sang Gas for the year ended 31st March, 2001 was approximately HK\$67,246,000. As at 31st March, 2001, the audited consolidated net asset value of Wah Sang Gas was approximately HK\$181,135,000.

A brief description of the business of the unlisted investee companies is as follows:

- (h) AVT is principally engaged in the provision of vision technology consulting services. The Group held approximately 4.5% of AVT's issued share capital at 31st March, 2001. Pursuant to a subscription agreement dated 25th October, 2000, AVT shall issue further shares (the "Shares") to the Group if the audited profit after taxation but before extraordinary items of AVT for the year ending 31st March, 2002 is less than the guarantee profit as defined in the Agreement. In the event that the shareholding percentage of the Group is increased to more than 10% after the Shares are issued, AVT will have an option to purchase such number of shares in AVT which exceed 10% of the then issued share capital of AVT from the Group at a price calculated by a formulae as defined in the Agreement.

As at 31st March, 2001, the unaudited net asset value of AVT was approximately HK\$14,450,000.

- (i) GEM Services is principally engaged in the provision of semi-conductor packaging and test services to semi-conductor and electronics manufacturers located in strategic markets throughout Asia and North America. The Group held 250,000 6% redeemable Series C-2 preference shares of US\$0.001 each (the "Preference Shares") at 31st March, 2001. The Preference Shares are convertible at any time, without the payment of any additional consideration into ordinary shares of GEM services based on the pre-determined formulae.

As at 31st December, 2000, the audited consolidated net asset value of GEM Services was approximately HK\$251,357,000.

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- (j) Goodwill is principally engaged in the sale of information products and the provision of credit checking services. The Group held approximately 3.62% of Goodwill's issued share capital at 31st March, 2001.

As at 31st March, 2001, the unaudited net asset value of Goodwill was approximately HK\$5,066,000.

- (k) Rainbowworld is an investment holding company whose subsidiaries are principally engaged in the sale and manufacture of nutrition additives, aquatic feeds and frozen food. The Group held approximately 6.125% at 31st March, 2000. The amount is fully disposed of during the year.

As at 31st December, 1999, the audited consolidated net asset value of Rainbowworld was approximately HK\$309,033,000.

A brief description of the business of the issuers of the convertible bonds is as follows:

- (l) IT Star Holdings is principally engaged in investment holding. Its wholly-owned subsidiary, IT Star Limited, holds a portfolio of technology-driven business.
- (m) Cyberwap is principally engaged in software development, system integration and internet related business.