

# LISTED INVESTMENTS

## LISTED SECURITIES PORTFOLIO

As at 31st December, 2001

Top ten listed securities	Nature of business	No. of shares held	% held of total issued shares %	Cost	Market value	% of net asset value	Dividend received	
				US\$	US\$	%	US\$	Original currency
APT Satellite	Satellite transponder services	2,877,000	0.6969	1,246,363	1,171,432	1.93	65,254	HK\$508,950
Cheung Kong Holdings	Investment holding and project management	60,000	0.0026	627,305	623,261	1.02	—	—
China Unicom	Telecommunication services	300,000	0.0024	355,150	330,867	0.54	—	—
Hon Hai Precision	PC connector and cable accessories	120,000	0.0068	710,327	548,728	0.90	177,855	NT\$6,117,840
Hon Kwok Land	Property development and investment	17,840,000	1.3372	960,664	400,374	0.66	—	—
Hutchison Whampoa	Conglomerate	20,000	0.0005	189,804	193,006	0.32	327	HK\$2,550
HSBC Holdings	Banking & financial services	100,000	0.0011	1,225,280	1,170,217	1.92	54,682	—
Petrochina	Integrated petroleum and petrochemical conglomerate	2,500,000	0.0142	467,087	442,438	0.73	54,695	—
Sinopec Zhenhai Refining & Chemical	Oil refining	2,000,000	0.2763	490,547	369,340	0.61	6,041	RMB50,000
Top Glory International	Property development and investment holding	10,000,000	0.3738	933,708	596,330	0.98	—	—
Total				7,206,235	5,845,993	9.61		
Other listed securities				853,728	704,144	1.16		
Total investments in listed securities				<u>8,059,963</u>	<u>6,550,137</u>	<u>10.77</u>		

## LISTED INVESTMENTS *(Cont'd)*

Despite the dramatic reduction of Fed funds rate in 2001, the Hang Seng Index (“HSI”) was still down 25% as the slowdown in the global economy affected corporate earnings. The Hong Kong market rally that started in early December of 2000 continued through January 2001. Investors pushed up stock prices on expectations that the Fed would continue to cut interest rates.

The Company’s listed investments performed well in January and February. The rally in the property sector in the first two months of 2001 contributed to the good performance of the portfolio in the period. In early February, profit warnings triggered a series of profit taking in both traditional and technology stocks in the U.S. Technology stocks in Hong Kong fell with their U.S. counterparts, but most traditional stocks continued to hold up well before HSBC announced lower-than-expected results at the end of February. With the exception of H share, most of the Hong Kong stocks collapsed in March, particularly in the property sector.

As a result, the level of cash was increased in late March and a defensive stance maintained. In early April, bargain hunting in technology stocks triggered a remarkable rebound in the NASDAQ Composite Index. As a result, the Hong Kong market staged a strong rally in April. Weightings in blue chips and China-related stocks were increased in mid-April as the U.S. market continued to rebound. Since the outlook of China-related stocks had become more attractive in May, the weighting in China-related stocks was increased again, whereas the weighting in blue chips was reduced. The Company’s listed investments performed in May mainly due to the rise of mid-cap China-related stocks.

Profit taking started to hit the U.S. market in early June as investors worried that corporate earnings are unlikely to turnaround in the remainder of the year. China’s stronger-than-expected first quarter GDP growth of 8.1% was able to impress foreign institutional investors to increase their China weightings in the second quarter. The Hang Seng China Enterprise Index (“HSCEI”) and the Hang Seng China Affiliated Corporation Index (“HSCCI”) was up 27.3% and 13.7% respectively.

Notwithstanding the strong performance of China’s economy, fears of a slowdown in China’s exports coupled with a series of crackdowns on alleged market misconduct on H shares and B shares triggered a collapse of confidence on China-related shares. The HSCEI and the HSCCI were down 25.6% and 33.6% respectively in the third quarter.

Deterioration in the outlook of the domestic and global economies pushed the Hong Kong market sharply lower in the third quarter. In July and August, investors dumped their holdings in China Mobile and China Unicom as their growth momentum slowed down because of intense competition. The plunge in China-related shares affected the performance of the Company’s listed investments in the period. In view of the risk of a global recession, the Company increased the cash level significantly in August. Consequently, despite the 9.11 terrorist attacks on the U.S. in September dealt a severe blow to the fragile stock market, the Company’s portfolio was much less affected by the immediate sell-off resulting from the attack.

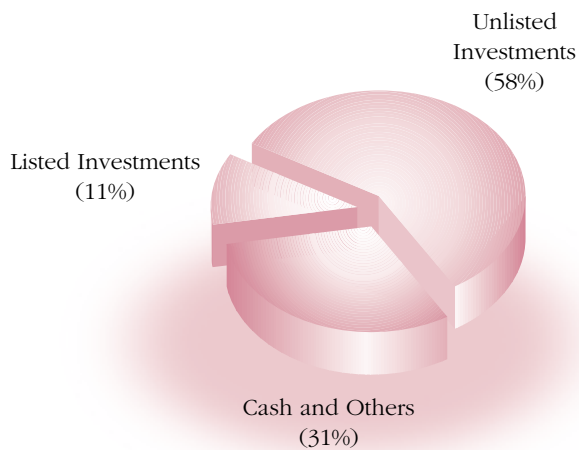
## LISTED INVESTMENTS *(Cont'd)*

Global stock markets staged a powerful rally in response to the aggressive cuts in Fed funds rate in the fourth quarter. The U.S.' military campaign in Afghanistan also boosted investors' confidence. Nevertheless, the lack of semiconductor and computer-related stocks in the Hang Seng Index capped the upside of the rally in December as foreign investors switched their investments to Taiwan and Korea, which have heavy exposures to the technology sector. The collapse in crude oil prices affected the performance of H shares in the fourth quarter as oil and gas constitutes the largest sector in the H shares.

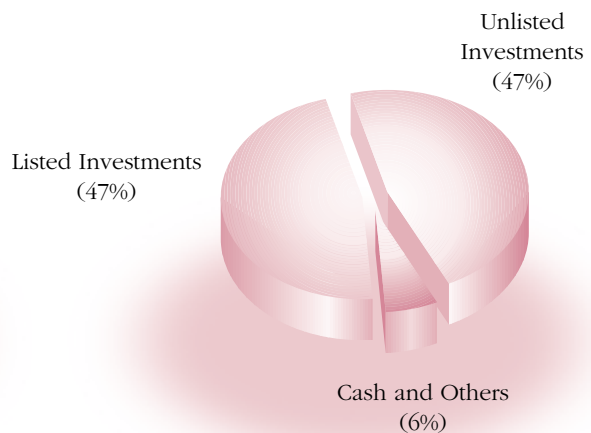
Despite boost in the fourth quarter, the Company continued to maintain a conservative approach towards its listed investments due to looming uncertainties and negative sentiments in the global economy. That approach has nonetheless limited its portfolio to gain significantly in the fourth quarter rally. By the end of December 2001, Shanghai Growth's listed portfolio registered a 25% loss for the year.

### INVESTMENT ALLOCATION

31st December, 2001

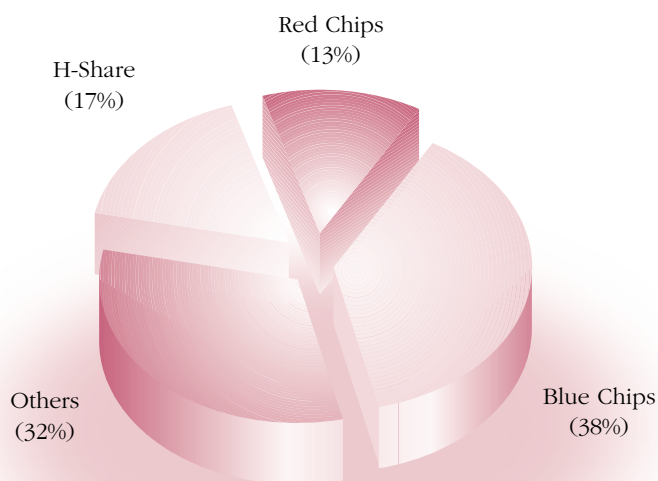


31st December, 2000



# LISTED INVESTMENTS *(Cont'd)*

## LISTED SECURITIES PORTFOLIO ALLOCATION



## INVESTMENT PERFORMANCE

	Total Relative Performance		
	1 year	2 years	3 years
Shanghai Growth Listed Securities Portfolio	-25%	-28%	4%
Hang Seng Index	-25%	-33%	13%
Hang Seng HK Midcap Index	-14%	-27%	N/A
Hang Seng China Enterprises Index	8%	-11%	N/A
Hang Seng China Affiliated Corp Index	-18%	-32%	N/A
All Ordinaries Index	-20%	-32%	13%
Shanghai B-Share Index	92%	352%	497%
Shenzhen B-Share Index	93%	214%	396%
GEM Index	-36%	-80%	N/A
Peregrine Greater China Index	-13%	-17%	19%