REPORT ON EXISTING INVESTMENTS

The fair value of the portfolio as at 31st December 2001 was as follows:

Investee Companies	Date of Investment	Valuation at 31 Dec 2001
APFS	May 1995	HKD12 million
ChinaGo	Apr 2000	HKD24 million
Companion-China	Jun 1997	HKD47.5 million
Skynet	Jul 2000	HKD0.5 million
Far East	Jul 1994	HKD47 million
Skyworth	Jun 1999	HKD47 million

On 8th March 2002, the Group exited from the investments in Companion-China Limited and Skynet Limited.

Skyworth Digital Holdings Limited ("Skyworth")

For the six months ended 30th September 2001, Skyworth's turnover rose 15% to HKD1,761 million versus HKD1,537 million for the same period in 2000. Net loss for the period was HKD66 million, improved from a net loss of HKD126 million for the same period in 2000. The Group has received an interim dividend of HKD0.05 per share, totaling around HKD5.14 million from Skyworth in February 2002.

ChinaGo Limited ("ChinaGo")

Revenue in 2001 increased to USD1.2 million from USD306,000 in 2000 while the post-tax loss reduced to USD2.2 million in 2001 from USD3.3 million in 2000. The composition of revenue from different divisions is approximately: 10% from email services, 35% from publishing, 40% from software solutions and 15% from others.

Revenue from paid email services is expected to gradually increase in the future as most of the leading email services providers in China have started charging for email services. Revenue from fashion magazine is also expected to increase as the magazine becomes more popular and attracts higher advertising revenue. The division of software solutions provides technical services to and generates recurring revenue from the clients of leading hardware vendors.

With the steady revenue from divisions of email, fashion and software solutions, ChinaGo is projected with a positive cash flow for its operation and to achieve breakeven in 2002. ING Beijing expects ChinaGo to have a positive future in view of the recovering world economic situation.

Beijing Asia Pacific First Star Communications Technology Co., Ltd. ("APFS")

With continuous development of the mobile phone sector in China, the radio paging industry has entered into an era of fighting for survival. APFS saw a substantial reduction in its subscriber base due to the sudden collapse of mobile phone prices after domestic phone manufacturers have started to compete for market share by reducing prices. The increasing popularity of prepaid phone cards has also reduced the effective monthly cost of mobile phone users, narrowing the monthly running cost of mobile phones with pagers.

Despite a declining paging market, APFS's nationwide network across 22 coastal cities and its six years operating experience in the telecommunication industry represent an excellent platform for development of other telecommunication value-added services. The delay in reaching agreement between shareholders of the joint venture to make further investment in the network has cast uncertainty to the future direction of the business. The reduced paging subscriber number has caused financial pressure on APFS's local operating partner. The Board of APFS is meeting frequently to explore new business direction to enhance the value of the Company. APFS is also actively looking for new strategic partner to explore new opportunities in the telecommunication industry resulted from China's entry into the World Trade Organization.

In view of difficulties surrounding the paging market, the Board of directors considered that the current provision of 50% on the cost of investment in APFS should be increased to 80%.

Beijing Far East Instrument Co., Ltd. ("Far East")

Far East had a successful year in 2001. Revenue and profit were increased from RMB77 million and RMB44,000 in 2000, to RMB 92million and RMB2.8 million respectively in 2001. The outstanding performance of the joint venture with Rosemount and the successful restructuring of the company's business during the past two years have contributed to the greatly improved result.

On 15 March 2002, ING Beijing has entered into a conditional agreement with Beijing Capital Group in relation to transfer 9% of its equity interest in Far East to Beijing Capital Group for a consideration of Rmb14.23 million payable over a period of 5 years in 5 yearly instalments. Beijing Capital Group is a major conglomerate directly under the Beijing Municipal Government with businesses covering properties, infrastructure, telecommunication, and technology development. The introduction of Beijing Capital Group to the joint venture was a strategic consideration to link up Beijing Capital Group's vast marketing network to enable Far East to open up new businesses into the areas of system integration and supply of electrical systems to Beijing Capital Group related projects.

With the improving conditions of Far East, the Board of Directors considered that the provision of 50% on the cost of investment is no longer necessary.