

## Review of the Unlisted Portion Investments

---

As at 31 December 2003, the Company had fully realised its entire portfolio of investments, including the two investments described below, which had been held by the Company as at 31 December 2002.

### **A-S China Plumbing Products Limited ("ASPPL")**

---

ASPPL was established in 1994 to produce and distribute a complete line of sanitary-ware products through the acquisition of several joint ventures in China.

On 11 July 2003, ASPPL obtained a listing of its shares on the Growth Enterprise Market in The Stock Exchange of Hong Kong Limited and the company's shares commenced trading on that date. The conditions of the proposed distribution in specie of shares in ASPPL (the "Distribution") to the Company's shareholders were satisfied in full shortly before the listing of ASPPL. Accordingly, the Distribution proceeded just prior to the listing of ASPPL in accordance to the announcement (the "Announcement") made by the Company on 19 June 2003. Under the Distribution, eligible shareholders were allocated two ASPPL shares for every five HCF shares held as described in the Announcement.

As a result of the Distribution, the Company had fully realised its investment in ASPPL as at 3 September 2003.

### **New World Sun City Limited ("NWSC")**

---

NWSC was incorporated in Hong Kong in 1992 to develop Dongguan New World Gardens near Dongguan, Guangdong Province.

In October 2002, NWSC's shareholders, including the Company, entered into an agreement to sell its shares in NWSC and pursuant to the arrangements, NWSC's shareholders were also entitled to distributions of NWSC's remaining cash and assets. The payment of the consideration for the sale of shares and the distributions (collectively the "Proceeds") were to be made in three instalments scheduled for December 2002, May 2003 and January 2004. As described in the Company's 2002 annual report, the Company had received the first instalment of the Proceeds of US\$1.2 million in December 2002.

The sale of the shares and distributions were completed ahead of time and during 2003, the Company received Proceeds of US\$3.3 million in instalments with the final payment made in November 2003.

Over the life of the investment in NWSC, the Company received total proceeds of US\$12.8 million compared with the original cost of US\$7.3 million.