

# INVESTMENT PORTFOLIO

(Expressed in Hong Kong dollars)

Particulars of the Group's investments are as follows:

**(1) Non-trading securities listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") held directly by the Company:  
At 31st March, 2004**

Name of investee company	Place of incorporation	Number of shares held	Proportion of investee company's capital owned %	Cost	Unrealised gain (loss) arising on revaluation	Market value	Net assets attributable to the Group
				'000	'000	'000	'000 (Note)
(a) Garron International Limited ("Garron", formerly known as Friedmann Pacific Greater China Investments Ltd.)	Cayman Islands	6,000,000	7.4813	7,328	(6,140)	1,188	2,502
(b) Hua Lien International (Holding) Company Limited ("Hua Lien")	Cayman Islands	1,301,309	0.1896	775	383	1,158	1,283
(c) Proactive Technology Holdings Limited ("Proactive")	Bermuda	1,032,000	0.4448	1,438	(1,314)	124	78
				<u>9,541</u>	<u>(7,071)</u>	<u>2,470</u>	

# INVESTMENT PORTFOLIO

(Expressed in Hong Kong dollars)

## (1) Non-trading securities listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") held directly by the Company:

(Continued)

At 31st March, 2003

Name of investee company	Place of incorporation	Number of shares held	Proportion	Unrealised gain (loss)		Net assets attributable	
			of investee company's capital owned	arising on	Market	to the	
			%	Cost	revaluation	value	Group
				'000	'000	'000	'000
							(Note)
(a) Garron	Cayman Islands	6,000,000	7.48	7,328	(5,318)	2,010	2,652
(b) Hua Lien	Cayman Islands	7,183,309	1.05	4,280	1,251	5,531	6,808
(c) Proactive	Bermuda	1,032,000	0.44	1,438	(1,389)	49	99
				<u>13,046</u>	<u>(5,456)</u>	<u>7,590</u>	

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

# INVESTMENT PORTFOLIO

(Expressed in Hong Kong dollars)

## **(1) Non-trading securities listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) held directly by the Company:** *(Continued)*

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

- (a) Garron is principally engaged in investment in equity, equity-related and debt securities issued by enterprises established in or having significant operations in the People’s Republic of China (the “PRC”).

The audited consolidated loss attributable to shareholders of Garron for the year ended 31st March, 2004 was approximately HK\$739,000 (2003: profit of HK\$1,907,000 (restated)). As at 31st March, 2004, the unaudited consolidated net asset value of Garron was approximately HK\$33,443,400 (as at 28th February, 2003: HK\$35,448,400).

- (b) 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 locations in the Guangdong Province and Shanxi Province, the PRC.

The audited consolidated profit attributable to shareholders of Hua Lien for the year ended 31st December, 2003 was approximately HK\$7,141,000 (2002: approximately HK\$30,052,000). As at 31st December, 2003, the audited consolidated net asset value of Hua Lien was approximately HK\$676,453,000 (2002: approximately HK\$648,400,000).

- (c) Proactive is principally engaged in the design, development and sales of value-added telecommunications products and computer telephony products with focus on business applications.

The audited consolidated loss attributable to shareholders of Proactive for the year ended 31st December, 2003 was approximately HK\$4,862,000 (2002: approximately HK\$9,900,000). As at 31st December, 2003, the audited consolidated net asset value of Proactive was approximately HK\$17,637,000 (2002: approximately HK\$22,431,000).

## (2) Unlisted equity securities:

Place of Name of investee company	incorporation	2004		2003	
		Fair value '000	Net assets attributable to the Group '000 (Note)	Fair value '000	Net liabilities attributable to the Group '000
(a) Golisa Enterprise Resources Pte. Ltd. ("Golisa")	Republic of Singapore	860	-	3,061	(58) (Note i)
(b) Shanghai Health Bio-Pharmaceutical Co., Ltd. ("Shanghai Health") *	PRC	1,546	1,523	-	-
		<u>2,406</u>		<u>3,061</u>	

\* held directly by the Company at 31st March, 2004

Note: The calculation of net liabilities attributable to the Group is based on the latest available audited financial statements of respective investee companies.

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

- (a) Golisa is principally engaged in the provision of business management and consultancy services, and distribution and development of human resources software solutions. The Group held approximately 11% (2003: 12.29%) of Golisa's issued share capital at 31st March, 2004.

As at 30th June, 2003, the audited net liabilities of Golisa was approximately HK\$3,000 (2002: net liabilities of approximately HK\$472,000).

- (b) Shanghai Health is principally engaged in development of medical products in the PRC. The Group held 10% of Shanghai Health's paid up capital at 31st March, 2004. As at 31st December, 2003, the audited net assets of Shanghai Health was approximately HK\$15,231,000.

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## (3) Unlisted convertible bond held directly by the Company:

Issuer	2004 '000	2003 '000	Interest rate	Maturity date
Amplus International Investments Limited ("Amplus") – unsecured (Note)	3,080	–	1% per annum	30th November, 2008

Note: Amplus is principally engaged in investment holding of unlisted securities.

## (4) Trading securities listed on the Stock Exchange held directly by the Company:

Trading securities	Place of incorporation	Number of shares held	Proportion of investee company's capital owned %	Cost '000	Unrealised gain arising on revaluation '000	Market value '000	Net assets attributable to the Group '000 (Note)
(a) China Life Insurance Company Limited	PRC	100,000	0.0004	362	128	490	36
(b) EcoGreen Fine Chemicals Group Limited ("EcoGreen")	Cayman Islands	26,000	0.0063	36	–	36	5
				<u>398</u>	<u>128</u>	<u>526</u>	

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

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

- (a) China Life is principally engaged in provision of life insurance and annuity products in the PRC.

The audited consolidated loss attributable to shareholders of China Life for the year ended 31st December, 2003 was approximately HK\$1,347,169,000. As at 31st December, 2003, the audited consolidated net asset value of China Life was approximately HK\$8,910,887,000.

**(4) Trading securities listed on the Stock Exchange held directly by the Company: (Continued)**

- (b) EcoGreen is principally engaged in research, development, production and sale of fine chemical products of functional ingredients and intermediates for application in pharmaceutical industry, healthcare industry and personal care industry.

The audited consolidated profit attributable to shareholders of EcoGreen for the year ended 31st December, 2003 was approximately HK\$4,042,000. As at 31st December, 2003, the audited consolidated net asset value of EcoGreen was approximately HK\$81,026,000.

**(5) Cash and cash equivalents**

	2004 '000	2003 '000
Cash and cash equivalents	<u>5,017</u>	<u>37</u>