

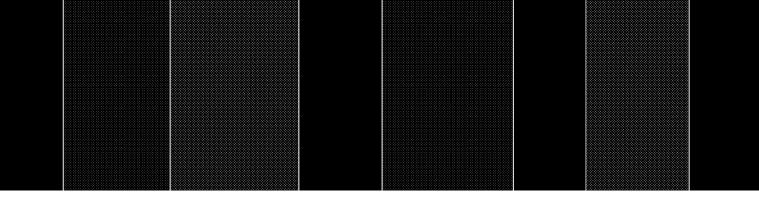
For the year ended 31st December, 2000

16. Investments in Unconsolidated Subsidiaries (Continued)

Particulars of the Company's unconsolidated subsidiaries as at 31st December, 2000 are as follows:

Name of subsidiary	Place of incorporation/ registration	Proportion of nominal value of issued share capital/ registered capital held indirectly by the Company	Principal activities
Capital Champion International Limited	Hong Kong	100	Inactive
Capital Master International Limited	Hong Kong	100	Inactive
Capital Star International Limited	Hong Kong	100	Investment holding
Kinsen Limited	Hong Kong	100	Inactive
Mengcheng Hua Feng Flour Co. Limited	The People's Republic of China	60	Manufacture and sale of flour
Million Universal Limited	Hong Kong	100	Inactive
Polyrife China Limited	Hong Kong	100	Investment holding
Qingdao Ji Xing Flour Co. Limited	The People's Republic of China	60	Manufacture and sale of flour
Shanghai Hualiang Flour Co. Limited	The People's Republic of China	60	Manufacture and sale of flour
Wuxi Hua Feng Flour Co. Limited	The People's Republic of China	60	Manufacture and sale of flour
Xian Renmin Flour Industry Co. Limited	The People's Republic of China	60	Leasing of assets
Xinyi Hua Feng Flour Co. Limited	The People's Republic of China	60	Manufacture and sale of flour

The Company's unconsolidated subsidiaries listed above principally operate at the place of their incorporation/registration.



For the year ended 31st December, 2000

17. Investments in Associates

THE GROUP

2000 1999 HK\$'000 HK\$'000

4,529

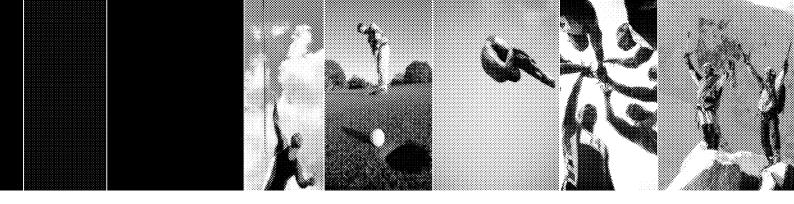
29,286

Share of net assets

Particulars of the Group's associates as at 31st December, 2000 are as follows:

		Proportion of	
	Place of	nominal value of issue	ed
	incorporation	/ ordinary share capita	1
Name of associate	registration	held by the Group	Principal activity
Topdomain Network Limited	Hong Kong	23.6%	Provision of internet solution service
Teclink Development Limited	Hong Kong	22.2%	Provision of information technology solutions

On 20th April, 2000, the Group purchased the remaining 60% interest in e2-Capital Securities (formerly known as "Goodwill Financial Services (Holdings) Limited"), a principal associate of the Group as at 31st December, 1999, from Jardine Fleming (B.V.I.) Investment Limited ("JFBVI") and Great Mark Investments Limited ("Great Mark") for an aggregate consideration of HK\$57,000,000. Details of e2-Capital Securities and its principal subsidiaries as at 31st December, 2000 are set out in note 15.

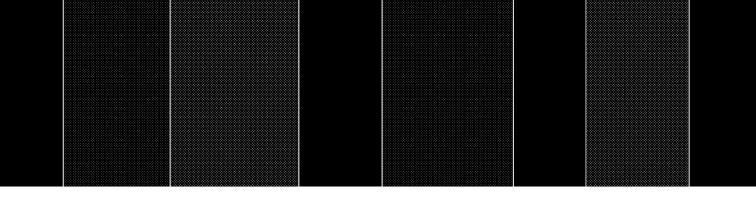


For the year ended 31st December, 2000

17. Investments in Associates (Continued)

The summary of financial information of e2-Capital Securities for the year ended 31st December, 1999, is as follows:

	1999
	HK\$'000
Consolidated income statement	
Turnover	198,839
Depreciation	783
Provision written back for bad debts	7,545
Profit before taxation	5,968
Profit before taxation attributable to the Group	<u>2,387</u>
Consolidated balance sheet	
Current assets	536,770
Current liabilities	(470,063)
Net current assets	66,707
Total net assets	71,986
Group's share of net assets	28,794



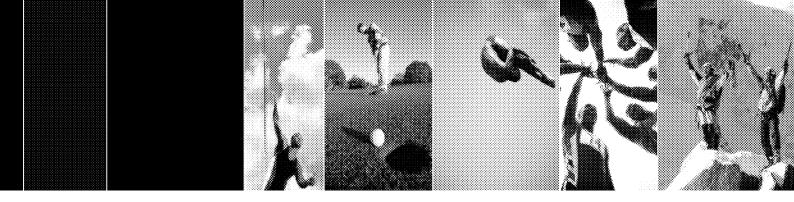
For the year ended 31st December, 2000

18. Investments in Securities

THE GROUP

		stment ırities	Other in	vestments	Tota	.1
	2000	1999	2000	1999	2000	1999
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Equity securities:						
Listed in Hong Kong	-	_	65,050	8,401	65,050	8,401
Listed overseas	-	_	5,704	6,050	5,704	6,050
Unlisted	46,642	16,448	9,614	9,962	56,256	26,410
	46,642	16,448	80,368	24,413	127,010	40,861
Unlisted debt securities	2,392	2,392	3.899	3,899	6,291	6,291
Warrants						
Listed in Hong Kong			76,237		76,237	
Total:						
Listed	-	_	146,991	14,451	146,991	14,451
Unlisted	49,034	18,840	13,513	13,861	62,547	32,701
	49,034	18,840	160,504	28,312	209,538	47,152
Market value of listed						
securities			146,991	14,446	146,991	14,446
Carrying amount						
analysed for						
reporting						
purposes as:						
Current	-	_	90,767	10,687	90,767	10,687
Non-current	49,034	18,840	69,737	17,625	118,771	36,465
	49,034	18,840	160,504	28,312	209,538	47,152

The warrants listed in Hong Kong as at 31st December, 2000 of approximately HK\$76,237,000 (1999: Nil) are held for hedging the call options mentioned in note 38.



For the year ended 31st December, 2000

18. Investments in Securities (Continued)

securit	ies
2000	1999
HK\$'000	HK\$'000
26.005	
36,605 10,000	
26,605	

Investment

THE COMPANY

Unlisted equity shares acquired during the year, at cost Less: provision for impairment loss

The cost represents the Company's 20% investment in Pacific Connections Limited ("PCL"), a web-development service company incorporated in Hong Kong. In the opinion of the directors, the Company does not have significant influence in the financial and operating policy decision of PCL in view of the fact that the other 80% equity interest in PCL is owned by another entity.

19. Loans to Investee Companies

Loans to investee companies are interest free, unsecured and is not expected to be repaid in the next twelve months.

20. Mortgage Loans Receivable

THE GROUP

1999	2000
HK\$'000	HK5'000
57	62
6,506	4,261
6,563	4,323

Due within one year Due after one year

The mortgage loans receivable are secured by sub-mortgages of second ranking on certain residential properties in Hong Kong and bear interest at commercial rate.

For the year ended 31st December, 2000

Other Non-Current Assets 21.

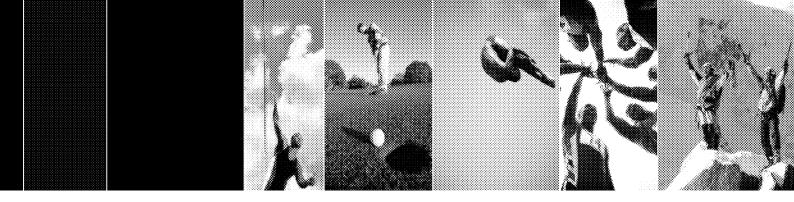
	THE GROUP		THE COM	PANY
	2000	1999	2000	1999
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Statutory and other deposits relating to the securities and futures dealing businesses Chinese antiques Other deposits				
	4,000 2,017	- 2,017	2,017	- 2,017
	3,196		<u></u>	
	9,213	2,017	2,017	2,017

Properties Under Development for Sale 22.

	THE GROUP		
	2000	1999	
	HK\$'000	HK\$'000	
COST At 1st January Additions	168,403 14,217	-	
Reclassified from properties under development (note 14)	11,217	168,403	
At 31st December	182,620	168,403	
PROVISION At 1st January Reclassified from properties under development (note 14)	55,000	55,000	
At 31st December	55,000	55,000	
	127.620	113,403	

Up to the balance sheet date, interest expenses capitalised in the cost of properties under development for sale amounted to HK\$22,360,000 (1999: HK\$17,969,000).

At 31st December, 2000 the properties are situated in Hong Kong and are held under long leases.



For the year ended 31st December, 2000

23. Inventories

THE GR	ROUP	
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	2000	1999
	HK\$'000	HK\$'000
Raw materials	9,349	12,333
Work in progress	2,008	1,800
Finished goods	3,577	2,040
	14,934	16,173
	======================================	

Included above are raw materials of approximately HK\$2,773,000 (1999: HK\$3,936,000) and finished goods of approximately HK\$249,000 (1999: Nil) which are carried at net realisable value.

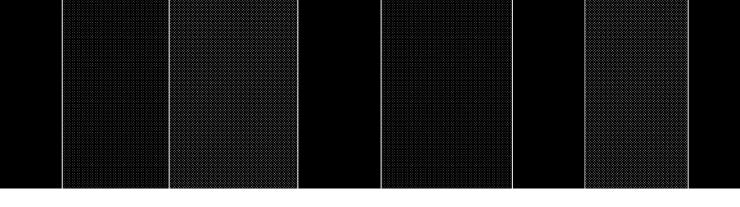
24. Trade Debtors

THE GROUP

	2000	1999
	HK\$'000	HK\$'000
Accounts receivable arising from the ordinary course of business of dealing in securities	81,819	_
Loans to share margin clients	33,184	_
Accounts receivable from Hong Kong Futures Exchanges Clearing Corporation ("HKFECC") arising from the ordinary course of business of dealing in futures contracts	3,434	_
Other trade debtors ("non-financial service		
s trade debtors")	17,964	7,600
	136,401	7,600

The settlement terms of accounts receivable arising from the ordinary course of business of dealing in securities are two days after trade date, and from HKFECC is one day after trade date.

Loans to share margin clients are secured by clients' pledged securities, repayable on demand and bear interest at commercial rates. No ageing analysis is disclosed as in the opinion of directors, the ageing analysis does not give additional value in view of the nature of business of share margin financing.



For the year ended 31st December, 2000

24. Trade Debtors (Continued)

The Group allows an average credit period of 60 - 90 days to the non-financial services trade debtors. The ageing analysis of the non-financial services trade debtors at the reporting date is as follows:

THE GROU

1999	2000
HK\$'000	HK\$'000
5,624	10,329
1,473	3,758
503	3,877
7,600	17,964

0 - 60 days
61 - 90 days
> 90 days

25. Other Receivables, Prepayments and Deposits

THE GROUP

The balance as at 31st December, 1999 included an amount of HK\$2,000,000 due from former ultimate holding company, being the deposit paid for the acquisition of Sunyork Investment Limited ("Sunyork"), a wholly owned subsidiary of the Company's former ultimate holding company.

26. Trade Creditors

Accounts payable arising from the ordinary course	9
of business of dealing in securities	

Accounts payable to clients arising from the ordinary course of business of dealing in futures contracts

Amounts due to share margin clients

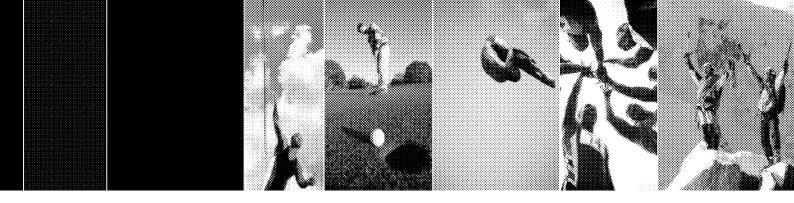
Premium received for call options granted to a client (note 38)

Other trade creditors

("non-financial services trade creditors")

THE GROUP

_	4000
2000	1999
HK\$'000	HK\$'000
101,882	_
2,923	_
2,013	_
76,237	_
9,809	2,431
192,864	2,431



For the year ended 31st December, 2000

26. Trade Creditors (Continued)

The settlement terms of accounts payable arising from the ordinary course of business of dealing in securities are two days after trade date. The age of these balances is within 30 days.

Accounts payable to clients arising from the ordinary course of business of dealing in futures contracts are margin deposits received from clients for their trading of futures contracts on Hong Kong Futures Exchanges ("HKFE"). The excesses of the outstanding amounts over the required initial margin deposits stipulated by HKFE are repayable to clients on demand. No ageing analysis is disclosed as in the opinion of directors, the ageing analysis does not give additional value in view of the nature of business of futures contract dealing.

Amounts due to share margin clients are repayable on demand. No ageing analysis is disclosed as in the opinion of directors, the ageing analysis does not give additional value in view of the nature of business of share margin financing.

The ageing analysis of the non-financial services trade creditors at the reporting date is as follows:

THE GROUP

1999	2000
HK\$'000	HKS'000
2,431	6,588
_	696
	2,525
2,431	9,809

0 - 60 days 61 - 90 days > 90 days

For the year ended 31st December, 2000

27. Obligations under Finance Leases and Hire Purchase Contracts

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	THE GROUP	
	2(10)	1999
	HK\$'000	HK\$'000
Within one year	71	_
More than one year but not exceeding two years	45	
	116	_
Less: Amount due within one year shown under		
current liabilities	(71)	
	45	

28. Secured Bank Loans

	THE GROUP		THE COMPANY	
	2000	1999	2000	1999
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The schedule of the principal repayments is as follows:				
Within one year	137,805	43,300	7,700	2,400
One to two years	16,400	43,600	10,500	7,700
Two to five years	37,426	28,200	-	10,500
Over five years	8,850	14,750	 -	
	200,481	129,850	18,200	20,600
Less: Amount due within one year				
included in current				
liabilities	(137,805)	(43,300)	(7,700)	(2,400)
Non-current portion of secured bank loans	62,676	86,550	10,500	18,200