

enterpriseAsia.com plc

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2000

enterpriseAsia.com plc

CHAIRMAN'S STATEMENT

9 May, 2001

Dear Shareholder,

Your company went through an eventful year in 2000 and I am pleased to present to you our first annual business and financial report for the period from 11 January, 2000 (date of incorporation) to 31 December, 2000 (the "Period").

Results

Your company and its subsidiaries recorded an audited consolidated loss of £634,900 for the Period. Of this loss approximately £388,000 attributed to expenditure incurred in relation to the company's Extraordinary General Meeting (the "EGM") held on 20 September, 2000. In the absence of similar events, the Directors of your company ("Your Directors") do not expect such expenditure to be recurrent in future reporting periods.

Your company and its subsidiaries received total revenues of £385,876 in the Period. The breakdown of these revenues is as follows :

Interest income	£360,210
Rental and administration fee income	£2,060
Gain on disposal of investment	£23,606

As at 31 December, 2000, your company's audited net asset value per share was approximately 4.6p, and its cash balance per share was 1.5p.

Dividends

Owing to the loss recorded for the Period, Your Directors do not recommend the payment of a dividend.

Flotation on AIM

Your company was successfully floated on the Alternative Investment Market of the London Stock Exchange on 22 February, 2000. Approximately 239,600,000 new shares were issued at 5p each, bringing total net cash proceeds, after flotation expenses, of approximately £11,600,000 for investment and working capital.

Your company was floated amidst a market climate in which sentiments towards companies related to the information technology ("IT") sector began to move away from irrationally high levels. As of today, our business strategy and market position continue to offer a differentiating edge among similar companies listed on the London Stock Exchange.

Business Strategy

Your company aims at investing in start-up and early stage Internet and IT related companies arising from the Asian market, with a focus upon the Far East. Our mission is to provide the necessary financial support and management expertise to those companies with the potential to offer a reasonable return over a medium to long term time frame, typically 3 to 5 years. As a general rule, your company does not take up a controlling interest in any investee project, but board representation is mandatory. We seek to realize gains on these investments by exiting at an appropriate time, likely through a trade sale or flotation, rather than by way of sharing in the projects' regular operating profits.

We use traditional business fundamentals and established disciplines to evaluate and manage our investment projects. We see IT or the Internet as a means to enhance a business that has sound and proven fundamentals, not an end by itself. Although we aim at realizing capital gains via exit of any project, we adopt a long term vision on all projects instead of a speculative attitude based solely on financial engineering techniques.

Business Operations

During its first year of operation, your company's business efforts concentrated mainly on investment opportunities emerging from the Greater China markets (i.e. Mainland China, Hong Kong and Taiwan). This is the region in which Your Directors are best connected and most experienced.

Your company has an operating office based in the Hong Kong Special Administrative Region ("Hong Kong"), which is located strategically in the centre of our key markets and offers a stable legal and financial environment. Your management team in Hong Kong consists of the Chief Executive Officer and 4 executives, who together provide an extensive skill pool comprising expertise in marketing, sales, IT, corporate finance, administration and financial management gained in a variety of industrial sectors including technology, retail, media, banking, advertising, investment and small enterprises. With such a slim set-up, your company's overheads can be contained while business development can progress in an efficient and effective manner.

During the Period, your investment team's initial efforts were focused on the solicitation and evaluation of investment opportunities, and negotiating for the optimal investment terms. The assessment process always follows a rigorous set of procedures which evaluates the commercial, technological, financial and legal aspects of a prospective project, taking into consideration both the culture and business dynamics specific to the relevant markets, and the aptitude and capabilities of the people who are expected to drive and grow the project. While any investment decision has to be founded upon objective disciplines, an element of subjectivity based on your team's experiences and market knowledge is also essential.

As the investment portfolio is progressively built up, your investment management team's efforts gradually shifted to the management and supervision of the investee projects. They are involved actively in the projects' business and technology development at a strategic level, and closely monitor the progress and performance of the projects.

Your executive team is also proactively studying new, quality projects to complete the portfolio. A healthy deal flow is expected to continue, mainly through referrals from sources existing in the business circles of Your Directors, your management team and the existing investee projects. This is believed to be the most efficient approach in terms of both time and marketing costs.

The Investment Portfolio

Since our flotation in February, 2000, we have invested in a total of 8 projects :

	Month investment was made	Original investment (approximate amount in £s)	% of equity held
Cybermax Network Technology Limited	Sept 2000	1,379,000	49%
UFO Solutions Limited	Sept 2000	1,280,000	50%
Net Fun Limited	Sept 2000	1,223,000	8%
CFN (UK) Limited	July 2000	1,200,000	39.99%
ecAgent.com Limited	Aug 2000	1,170,000	33%
P&S International Limited	June 2000	856,000	2.2%
iBASE Holdings Limited	June 2000 Jan 2001	257,000 129,000	49% Loan
Winshare Technology Limited	July 2000	252,000	50%

CHAIRMAN'S STATEMENT

We disposed of our investment in Winshare Technology Limited ("Winshare") on 15 December, 2000 for a cash consideration of HK\$3,200,000 (approximately £280,000) before deduction of legal costs. Winshare is a start-up project which develops and markets front-office components for online stock trading systems used by brokers in Hong Kong. Although Winshare's product development had gone to plan, Your Directors believed that due to unexpected market changes the project would need considerable additional marketing resources in order to maintain its original competitive advantages. Therefore, it was considered by Your Directors to be more beneficial to our shareholders to sell our interest in Winshare.

A summary of the other existing projects' business and their current status can be found in the list following this Statement. While each of them has reached a different stage of development and various fine-tuning changes need to be continually made on all projects in a dynamic market, Your Directors believe that the projects should be able to attain their respective business goals as stated in their business plans at the time of our investment.

Share Price

Your company was floated at a price without any premium to the net asset value. Within one month after the flotation, the share price reached a historical high of 18.5p. As your company was only newly formed and the published business strategy had yet to be implemented progressively, we saw the uptrend was merely a reflection of the strong market sentiment favouring IT stocks prevailing during that period.

Subsequent to its peak in March, 2000, the share price gradually declined, in line with a general downturn in the market sentiment towards IT related companies. As at the end of 2000, the share price closed at 2.5p.

Despite market volatility which has had a direct impact on our share price performance in 2000, Your Directors remain confident about our strong market position and the sector in which we operate. Your executive team will continue to build a sound and well managed investment portfolio that can generate long term value for our shareholders.

Shareholder Communications

Your Directors are aware that our present shareholder base is composed of a large number of investors (relative to your company's size), many of whom may not have access to information normally available to professional, institutional investment decision makers. Furthermore, most of our shareholders are resident in the U.K. and are geographically separated from your executive team who is based in the Far East.

The importance of efficient shareholder communications, therefore, is never under-estimated by Your Directors. Although your company has only limited management resources, considerable efforts have been put into effective communications with our shareholders and the general investor public in the U.K., including :

- A dedicated shareholders' section in our website;
- Regular meetings with journalists from both traditional and online media;
- Timely dissemination of information about significant business activities via the RNS service of AIM;
- Open channel in our website to encourage direct dialogue between our shareholders and the management team.

Your U.K. resident director has been appointed as the Corporate Relations Director, so he is available to speak directly to any shareholder who wishes to contact the company.

Although it is Your Directors' intention to maintain a high level of transparency, there are regulatory, legal and commercial restrictions on information distribution. Premature announcements of your company's activities may result in a breach of confidentiality undertaken with project owners, put us in a less favourable position at the negotiation table, or weaken our projects' competitive positions in the market. All these are undesirable from the point of view of our shareholders' interests, and the appropriate balance should be maintained.

The EGM

In August, 2000, your company received an EGM requisition (the "Requisition") from Artisan (UK) plc ("Artisan"), requesting that two of Your Directors be replaced by three nominees from Artisan. Artisan was then holding 21.8% interest in the shares of your company.

Prior to receiving the Requisition, Your Directors made constructive efforts to obtain concrete information and a proposal from Artisan in several instances. No useful information nor actionable proposal was received from Artisan. Therefore, Your Directors saw the Requisition as the attempt by an opportunistic minority shareholder to seize control of your company and its cash assets, without making any offer to our shareholders nor proposing any alternative strategy.

The EGM was held on 20 September, 2000. The results were in favour of Your Directors' recommendation to vote against all resolutions proposed by Artisan.

As mentioned in this statement earlier, your company has incurred substantial costs in relation to the EGM. Your Directors believe that such costs were essential in defending the general interest of our shareholders and protecting their information rights.

The Future

The worldwide capital market for IT related companies has entered a period of rationalization when, in contrast to 1999 and the early part of 2000, business valuations and prospects are measured in a more realistic and practical manner. Your company's existing portfolio of investments has been based on the principles of conventional business logic and has avoided the over-valued, over-spent sector. We shall continue to adopt a conservative approach in the business development of our investee projects in 2001. Nevertheless, in the short term at least, market sentiment does not favour even the better placed IT related companies despite their sound fundamentals and, whilst we are a relatively small player, we must do all that we can to differentiate your company favourably within the sector.

We regard marketing as a useful tool to build up your company's awareness and credibility in the relevant markets in order to support the growth and exit of our investment projects. As these projects launch their products and progressively mature, we shall leverage on the market profile of the projects. This is seen as a cost-effective and win-win marketing approach.

The largest market potential in the Far East will undoubtedly come from Greater China, in particular the Mainland. Favourable trade and investment climate, together with an increasingly affluent city population who are ready to adopt new consumer technology, will all support a fast growing IT sector in China. The rationalization process in this sector will be similar to elsewhere in the world, so Your Directors will persistently apply a long term investment approach in managing your company's projects. With your team's connections and experience, the company is well positioned to benefit from the rapid growth and future prosperity in the region.

Apart from managing the existing projects, your team is currently studying projects arising from Guangzhou, Shanghai, Shenzhen, Beijing and Seoul. Among other factors, short time-to-market and exclusive intellectual properties will be key criteria in our evaluation of these new projects. Your team will also actively look for opportunities of possible alliances which may strengthen your company's resources, create synergy with existing investment projects or enhance the future base of your portfolio.

We shall endeavour to further enhance our shareholder communications programme. Our website is being re-designed to make it more user friendly and informative. More frequent meetings with the U.K. press and investors are also being scheduled. As our projects are becoming ready to market, their progress will also be reported regularly to our shareholders.

2000 was our first year of operation but also a year in which extreme market volatility was witnessed. Your company's management team has made remarkable accomplishments during a difficult year, with persistent efforts and unparalleled dedication. I take this opportunity to express my sincere gratitude to their contribution to your company during the Period.

Peter So
Chairman

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CHAIRMAN'S STATEMENT

YOUR INVESTMENT PORTFOLIO

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CHAIRMAN'S STATEMENT

Cybermax Network Technology Limited (“Cybermax”)

Cybermax operates websites displaying recruitment advertising for part-time jobs, and owns the domain name “Part-time.com”. It has already launched a website of this nature in Hong Kong, targeting those seeking part-time and temporary work as well as those wishing to earn additional income by taking a second job.

Features offered by Part-time.com are specially designed to cater for the needs and behaviour of both part-time jobseekers and employers, a market that is significantly different from the full-time job market. Cybermax also operates a proprietary customer relationship management system to support its sales programs and services to recruiters. Subsequent to the launch of a major promotional campaign by leading international advertising agency, Ogilvy and Mather, in April, 2001, Part-time.com currently has over 100,000 registered jobseekers and nearly 5,000 registered recruiters.

Cybermax is now planning to establish similar operations in Japan, Mainland China and Macau.

UFO Solutions Limited (“UFO Solutions”)

Formerly known as Best Wisdom Limited, UFO Solutions is engaged in the business, to be branded “Unified Financial Omnibus”, of developing and providing software systems to assist stock brokers, fund management houses and custodian banks in the trading, fund management and custodianship of Hong Kong and overseas securities.

Under the leadership of its Chief Executive Officer who is a well-connected, highly respected professional with a successful track record in the development and marketing of securities trading systems, UFO Solutions is now moving into an aggressive phase, aiming at its first product launch in mid-2001. In parallel with the self-development of major system components by its own team of programmers, UFO Solutions is also actively forming alliances with owners of proven system components as well as marketing partners.

Net Fun Limited (“Net Fun”)

Net Fun provides interactive entertainment and education services with contents fine-tuned to the language and culture in the Greater China region. Apart from offering games at the virtual community “CyberCity”, new game development will continue to target children and teenagers, delivered on CD and via the Internet. Its first CD-based 3D game was launched in early 2001 through Fortress, the largest electrical appliance retail chain in Hong Kong, and a member of the Hutchison Whampoa Group.

A major shareholder of Net Fun is a subsidiary of Cheung Kong (Holdings) Limited (“Cheung Kong”), a multinational conglomerate headquartered in Hong Kong with diversified interests in property, telecommunications, port operations, retail and IT related business. Net Fun is actively exploring alliances within the Cheung Kong group, so as to leverage on the group’s extensive experience in marketing and distribution, as well as its wide reaching customer network and high penetration in residential housing.

Other shareholders of Net Fun are associated with Excel Technology International Holdings Limited, which is a Hong Kong listed company and a leading e-solutions provider in the banking and finance sector in Asia.

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CHAIRMAN'S STATEMENT

CFN (UK) Limited ("CFN UK")

CFN UK plans to become a provider of value added services to small to medium sized brokers and financial institutions in the UK, facilitating them to expand into Internet trading and overseas investment services.

While the business of CFN UK is based in the U.K., one of its strengths lies in its ability to capture opportunities and build associations arising from the Far Eastern markets. The management team of CFN UK operates from its London office. They offer extensive senior-level experiences in securities trading in Asia and the U.K.

CFN UK is now clearing regulatory and licensing issues and expects to be ready for its product launch in the third quarter of 2001.

ecAgent.com Limited ("ecAgent")

ecAgent plans to provide a virtual office environment to insurance sales agents in Greater China. It will offer a comprehensive range of sales management, administrative, marketing and financial functions that can facilitate the agents' daily sales and administrative needs, thus freeing them to become more productive in their sales work. After initial success is achieved, the same concept can be extended to cover sales people in other industries.

While the products and systems of ecAgent are being developed for launch in 2001, a significant competitor with similar business nature has emerged in Mainland China. Therefore, ecAgent is now considering changes in its business plan in order to maintain its competitive advantage. The changes may include a shift of initial priorities from the Hong Kong market to Mainland China, enhancements in product features, relocation of ecAgent's operating office to the Mainland, and strengthening of its Mainland China management team.

P & S International Limited ("P&S International")

P & S International is involved in the development of total system solutions, including semiconductor chips, for facilitating the bi-directional communications connectivity between appliances and equipment with embedded microcontroller units ("MCUs") and the Internet. Such connectivity will enable remote control and monitoring of home appliances, business, industrial and medical equipment. The design is based on a cost-effective technology platform.

P & S International has filed applications for several U.S. patents in relation to its technology, aiming at establishing an industry standard that is hitherto exclusive in the global market. It has joined the OSGi, a consortium with many of the world famous IT and telecommunications brands as members, and will promote the standard to leading semiconductor manufacturers.

The major shareholder in this project is a member of the Wuhan P & S Electronics Group, an experienced trader and solutions provider in MCUs based in central China, with an active customer base comprising many major Chinese appliance and equipment manufacturers.

P & S International has established an operating office in Phoenix, Arizona. The office is managed by senior executives previously with multi-national semiconductor groups and international banks.

iBASE Holdings Limited (“iBASE”)

iBASE provides IT and e-commerce solutions to a wide spectrum of businesses, including multi-national and listed companies, with a particular focus on the Greater China market. Its strength lies in online payment logistics, Linux server solutions and technologies associated with domain names in Chinese characters.

iBASE also owns and operates Goal4u.com, a soccer-related website targeted towards soccer fans in Hong Kong and Mainland China. Managed by ex-soccer stars and sports commentators, the website aims at generating various commercial opportunities arising from soccer by building a relevant community through the brand “Goal4u”. It is now publishing a monthly soccer magazine and organizing soccer training programmes in Hong Kong. Other activities to be launched soon include merchandizing and travel programmes.

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DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2000

The directors present their report and financial statements for the period ended 31 December 2000.

Incorporation

The company was incorporated on 11 January 2000.

A special resolution was passed on 17 January 2000, changing the company's name to enterpriseAsia.com plc.

Principal activities and review of the business

During the period, the principal activity of the company and group was to provide venture capital to start up and early stage IT and related businesses, focusing in Asia, particularly the Far East.

It is considered that the development of the Group and its position at 31 December 2000 are fairly set out in the accompanying financial statements.

Results and dividends

The results for the period are set out on page 5.

The directors do not recommend a dividend payment for the period.

Directors

The directors who have held office during the period:

	Appointed	Resigned
Peter So (Non-Executive Chairman)	18 January 2000	-
Benjamin Ng (Chief Executive Officer)	1 February 2000	-
Phill Brown (Corporate Relations Director)	18 January 2000	-
Siu Fai Ng (Non-Executive Director)	18 January 2000	-
Huntsmoor Limited	11 January 2000	18 January 2000
Huntsmoor Nominees Limited	11 January 2000	18 January 2000

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of 1p each	
	At date of incorporation	31 December 2000
Peter So	-	20,000,000
Benjamin Ng	-	400,001
Phill Brown	-	10,000,000
Siu Fai Ng	-	11,000,000

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DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2000

enterpriseAsia.com plc executive share option scheme

Date of grant	Number of ordinary shares	Exercise price per share	Exercise period	
			From	To
7 February 2000	1,000,000	5p	7 February 2000	7 February 2010

Creditor payment policy

The Group agrees terms and conditions for its business transactions with suppliers. Payment is then made in accordance with these terms, subject to the supplier fulfilling its obligations. On average payment is made to suppliers around thirty days after invoice receipt.

Auditors

Pridie Brewster were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

Substantial interests

As at the date of this Report, the Company has been notified of the following interests in the issued share capital of the Company in accordance with section 198 of the Companies Act 1985 (as amended).

Number of shares	Percentage	
Artisan (UK) plc	52,325,000	21.8%
Fiske Nominees Limited	10,407,398	4.3%
Clarest Holdings Limited	10,000,000	4.2%
startIT.com plc	10,000,000	4.2%

The shares held by Clarest Holdings Limited represent the interests of Peter So who is a director and shareholder of Clarest Holdings Limited.

The shares held by startIT.com plc represent the interests of Peter So, Siu Fai Ng and Phill Brown, who are directors and shareholders of startIT.com plc. Their total shareholding in startIT.com plc amounts to 21.3%.

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DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2000

CORPORATE GOVERNANCE

The Combined Code

The Group aims to comply with the principles set out in Section 1 of the Combined Code.

The Board currently consists of four directors, two of whom are executives, one being full-time and the other being part-time.

Detailed below, are provisions that have not been complied with:

The Board has not established any committee during the period as it is considered that the structure of the Board is appropriate for the Group and Company.

The Group's business has not developed sufficiently, in the directors' opinion, to warrant the establishment of an audit committee and a remuneration committee. Consequently, there are no reports prepared by management relating to the interim and annual accounts and to the system of internal control. A report to the shareholders by the Board, detailing the remuneration policy and benefits has not been prepared.

Going Concern

The accounts have been prepared on a going concern basis, since the directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;
- State whether applicable standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board

Benjamin Ng
Director

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AUDITORS' REPORT

TO THE SHAREHOLDERS OF enterpriseAsia.com plc

We have audited the financial statements on pages 5 to 17 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's and group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company and group affairs as at 31 December 2000 and of the group loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Pridie Brewster

9 May 2001

**Chartered Accountants
Registered Auditor**

Carolyn House
29-31 Greville Street
London
EC1N 8RB

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CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2000

	Notes	Period ended 31 December 2000 £
Turnover		
Gain on disposal of subsidiary investment		23,606
Administrative expenses		(632,386)
-Exceptional costs		(388,390)
		<hr/>
Other operating income		(997,170)
		2,060
		<hr/>
Operating loss	3	(995,110)
Other interest receivable and similar income		360,210
		<hr/>
Loss on ordinary activities before taxation		(634,900)
Tax on loss on ordinary activities	4	-
		<hr/>
Loss on ordinary activities after taxation	10	(634,900)
		<hr/> <hr/>
		2000
		Pence
Basic loss per share	14	0.3
		<hr/> <hr/>
Diluted loss per share	14	0.3
		<hr/> <hr/>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

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CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2000

		2000	
	Notes	£	£
Fixed assets			
Tangible assets	5		4,483
Investments	6		7,353,691
			<hr/>
			7,358,174
Current assets			
Debtors	7	38,212	
Cash at bank and in hand		3,591,686	
		<hr/>	
		3,629,898	
Creditors: amounts falling due within one year	8	(51,217)	
		<hr/>	
Net current assets			3,578,681
			<hr/>
Total assets less current liabilities			10,936,855
			<hr/> <hr/>
Capital and reserves			
Called up share capital	9		2,395,985
Share premium account	10		9,175,770
Profit and loss account	10		(634,900)
			<hr/>
Shareholders' funds – equity interests	11		10,936,855
			<hr/> <hr/>

The financial statements were approved by the Board on 9 May, 2001.

Benjamin Ng
Director

Phill Brown
Director

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BALANCE SHEET AS AT 31 DECEMBER 2000

		2000	
	Notes	£	£
Fixed assets			
Tangible assets	5		506
Interests in subsidiaries	6		10,063,425
			<u>10,063,931</u>
Current assets			
Debtors	7	42	
Cash at bank and in hand		1,258,558	
		<u>1,258,600</u>	
Creditors: amounts falling due within one year	8	(44,248)	
		<u></u>	
Net current assets			1,214,352
			<u></u>
Total assets less current liabilities			11,278,283
			<u></u>
Capital and reserves			
Called up share capital	9		2,395,985
Share premium account	10		9,175,770
Profit and loss account	10		(293,472)
			<u></u>
Shareholders' funds – equity interests			11,278,283
			<u></u>

The financial statements were approved by the Board on 9 May, 2001

Benjamin Ng
Director

Phill Brown
Director

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CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2000

		Period Ended 31 December 2000 £
Net cash outflow from operating activities		(1,004,649)
Returns on investments and servicing of finance		
Interest received	360,210	
	<hr/>	
Net cash inflow for returns on investments and servicing of finance		360,210
Capital expenditure and financial investment		
Payments to acquire tangible assets	(5,545)	
Payments to acquire investments	(7,605,691)	
Receipt from sale of fixed asset investment	275,606	
	<hr/>	
Net cash outflow for capital expenditure		(7,335,630)
		<hr/>
Net cash outflow before management of liquid resources and financing		(7,980,069)
Financing		
Issue of ordinary share capital	11,979,924	
Cost of share issue	(408,169)	
	<hr/>	
Issue of shares	11,571,755	
	<hr/>	
Net cash inflow from financing		11,571,755
		<hr/>
Increase in cash in the period		<u><u>3,591,686</u></u>

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CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2000

1 Reconciliation of operating loss to net cash outflow from operating activities				2000
				£
Operating loss				(995,110)
Depreciation of tangible assets				1,062
Increase in debtors				(38,212)
Increase in creditors within one year				51,217
Profit on sale of fixed asset investment				(23,606)
Net cash outflow from operating activities				(1,004,649)

2 Analysis of net funds	11 January 2000	Cash Flow	Other non-cash changes	31 December 2000
	£	£	£	£
Net cash:				
Cash at bank and in hand	-	3,591,686	-	3,591,686
Net funds	-	3,591,686	-	3,591,686

3 Reconciliation of net cash flow to movement in net funds		2000
		£
Increase in cash in the period		3,591,686
Movement in net funds in the period		3,591,686
Opening net funds		-
Closing net funds		3,591,686

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Office equipment	33% Straight Line
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1.4 Operating Leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Investments

Fixed asset investments are stated at cost less provision for any permanent diminution in value.

1.6 Basis of consolidation

The consolidated accounts include the accounts of the parent company and its subsidiaries made up to 31 December 2000. Internal movements are eliminated on consolidation.

1.7 Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to the profit and loss account.

1.8 Pension costs

The group operates a defined contribution scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

2 Parent Company result

As permitted by section 230 of the Companies Act 1985, the parent company profit and loss account has not been included as part of these financial statements. The parent company's loss for the financial period was £293,472.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2000

3 Operating loss

	2000
	£
Operating loss is stated after charging:	
Exceptional cost of shareholders' Extraordinary General Meeting	388,390
Depreciation of tangible assets	1,062
Operating lease rentals	-
Auditors' remuneration	
Hong Kong - audit fee	7,684
UK – audit fee	10,000
UK – other fees	7,931
	<u>7,931</u>

During the period the company held an Extraordinary General Meeting in which resolutions to remove two existing directors and appoint three new directors were defeated. The exceptional costs relate to professional fees and incidental costs of shareholder communications in preparation for the Extraordinary General Meeting.

4 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

5 Tangible fixed assets

	Company	Group
	Office equipment	Office equipment
	£	£
Cost		
Additions	568	5,545
At 31 December 2000	<u>568</u>	<u>5,545</u>
Depreciation		
Charge for the period	62	1,062
At 31 December 2000	<u>62</u>	<u>1,062</u>
Net book value		
At 31 December 2000	<u>506</u>	<u>4,483</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2000

6	Fixed asset investments – Group Undertakings		
	<i>Company</i>		2000
			£
	Shares in group undertakings		
	-subsidiary undertakings		847
	Loans to group undertakings		
	-subsidiary undertakings		10,062,578
			<u>10,063,425</u>
			<u><u>10,063,425</u></u>
		Shares in	Loans to
		group	group
		undertakings	undertakings
		£	£
	Cost		
	Additions	847	10,062,578
	Disposals	-	-
		<u>847</u>	<u>10,062,578</u>
	At 31 December 2000	<u><u>847</u></u>	<u><u>10,062,578</u></u>

Additional information on principal subsidiary undertakings:

Name of Company	Place of incorporation	Equity shareholdings	Proportion of the nominal value of equity held by the		Nature of business
			Company	Group	
			%	%	
enterpriseAsia.com Limited	Hong Kong	Ordinary	100	-	Investment holding
enterpriseAsia.com (B.V.I.) Limited	British Virgin Islands	Ordinary	100	-	Investment holding
Alternative Enterprises Limited	British Virgin Islands	Ordinary	-	100	Investment holding
London Technology Limited	British Virgin Islands	Ordinary	-	100	Investment holding
Behaviour International Limited	British Virgin Islands	Ordinary	-	100	Investment holding
Electronic Commerce Limited	British Virgin Islands	Ordinary	-	100	Investment holding
Electronic Industries Limited	British Virgin Islands	Ordinary	-	100	Investment holding
E-Market Assets Limited	British Virgin Islands	Ordinary	-	100	Investment holding
E-Force Enterprises Limited	British Virgin Islands	Ordinary	-	100	Investment holding
Jobpro International Limited	British Virgin Islands	Ordinary	-	100	Investment holding
Cable First Holdings Limited	British Virgin Islands	Ordinary	-	100	Investment holding

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2000

<i>Group</i>	Investments	Loans
	£	£
Cost		
Additions	7,605,691	-
Disposals	(252,000)	-
At 31 December 2000	<u>7,353,691</u>	<u>-</u>

Additional information on investments:

Name of company	Country of incorporation / registration	Class of shares held	Proportion of nominal value of issued capital held by the group;	Nature of business
iBASE Holdings Limited	Hong Kong	Ordinary	49%	e-commerce solutions
P & S International Limited	Hong Kong	Ordinary	2%	Design and marketing of semi-conductor chips
CFN (UK) Limited	UK	Ordinary	40%	Financial networking
EcAgent.com Limited	British Virgin Islands	Ordinary	33%	Virtual office environment provider
UFO Solutions Limited	Hong Kong	Ordinary	50%	Financial software systems provider
Net Fun Limited	Hong Kong	Ordinary	8%	Game provider
Cybermax Network Technology Limited	Hong Kong	Ordinary	49%	Recruitment advertising on web

The Group has committed capital to support other investments further as follows:

	Date committed	Amount
		£
Loan to iBASE Holdings Limited	January 2001	<u>128,739</u>

7 Debtors	Company 2000	Group 2000
	£	£
Other debtors	42	3,579
Prepayments and accrued income	-	34,633
	<u>42</u>	<u>38,212</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2000

8	Creditors: amounts falling due within one year	Company 2000	Group 2000
		£	£
	Directors' current accounts	4,500	5,703
	Other creditors	24,002	25,762
	Accruals and deferred income	15,746	19,752
		<u>44,248</u>	<u>51,217</u>
9	Share capital		2000
			£
	Authorised		
	500,000,000 ordinary shares of 1p each		<u>5,000,000</u>
	Allotted, called up and fully paid		
	239,598,496 ordinary shares of 1p each		<u>2,395,985</u>

On 22 February 2000, the company issued 239,598,494 ordinary shares of £0.01 each, which were allotted and fully paid for a cash consideration of £11,979,924.

The following options to subscribe for ordinary shares have been granted to English Trust Company Limited as part of the company's corporate finance fee in respect of the placing and offer for subscription:

Date of grant	Number of ordinary shares	Exercise price per share	Exercise period	
			From	To
7 February 2000	1,200,000	5p	7 February 2000	7 February 2010

The following options to subscribe for ordinary shares have been granted to the Directors as an incentive to achieve the company's strategy:

Date of grant	Number of ordinary shares	Exercise price per share	Exercise period	
			From	To
7 February 2000	1,000,000	5p	7 February 2000	7 February 2010

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2000

10 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Company		
Retained loss for the period	-	(293,472)
Premium on shares issued during the period	9,583,939	-
Share issue costs	(408,169)	-
	<u>9,175,770</u>	<u>(293,472)</u>
Group		
Retained loss for the period	-	(634,900)
Premium on shares issued during the period	9,583,939	-
Share issue costs	(408,169)	-
	<u>9,175,770</u>	<u>(634,900)</u>

11 Reconciliation of movements in shareholders' funds

	2000 £
Loss for the financial period	(634,900)
Proceeds from issue of shares	11,979,924
Cost of share issue written off to share premium account	(408,169)
	<u>10,936,855</u>
Net addition to shareholders' funds	10,936,855
Opening shareholders' funds	-
	<u>10,936,855</u>

12 Directors' emoluments

	2000 £
Emoluments for qualifying services	80,844

13 Employees

Number of employees

The average monthly number of employees (excluding directors) during the period was:

	2000 Number
Investment management	1
Administration	1

Employment costs (excluding directors)

	£
Wages and salaries	75,909
Other costs	4,838
	<u>80,747</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2000

14 Earnings per share

	2000
	£
Loss before taxation	634,900
	<u><u>2000</u></u>
Weighted average number of shares in issue	211,331,260
Dilution effect of share in options	301,812
Diluted weighted average number of shares	<u><u>211,633,072</u></u>
Basic loss per share (pence)	0.3
Diluted loss per share (pence)	<u><u>0.3</u></u>

15 Related party transactions

During the period, the following related party transactions took place:

Administrative service fees amounting to £3,525 were charged by startIT.com plc. Additionally, relevant expenditure, the majority of which was in respect of travel, was reimbursed to this company and amounted to £19,392. startIT.com plc reimbursed the company for expenses incurred on its behalf amounting to £1,721. startIT.com plc is a related party by virtue of the investment this company holds in enterpriseAsia.com plc, and by virtue of the fact that the two companies have directors in common.

Rental and administrative fees were paid to CFN Hong Kong Limited, and amounted to £22,580. CFN Hong Kong Limited is a related party by virtue of the fact that Peter So, a director and shareholder in enterpriseAsia.com plc, has a 12.1875% beneficial shareholding interest in this company.

Advisory service fees were paid to Communications Express Limited, and amounted to £42,337. Communications Express Limited is a related party by virtue of the fact that Benjamin Ng, a director and shareholder in enterpriseAsia.com plc, is also a director and shareholder in this company.

Web site design and maintenance fees were paid to iBASE Consultants Limited, and amounted to £1,270. iBASE Consultants Limited is a related party by virtue of the fact that Benjamin Ng, a director and shareholder in enterpriseAsia.com plc, is also a director of iBASE Holdings Limited, the ultimate holding company of this company.

Rental and administrative service fees were received from P & S International Limited, and amounted to £2,060. P & S International Limited is a related party by virtue of the fact that Benjamin Ng, a director and shareholder in enterpriseAsia.com plc, is also a director of this company.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2000

16 Net asset value per share

The net asset value per share and the net asset value attributable to ordinary shareholders were as follows:

	Net Asset Value per share	Net Asset Value Attributable to Ordinary Shareholders
Ordinary shares (Basic)	31 December 2000	31 December 2000
	4.56p	10,936,855
	<u> </u>	<u> </u>

Basic net asset value per ordinary share is 4.56p which is based on net assets at the period end and on 239,598,496 ordinary shares, being the number of ordinary shares in issue at the period end.

The Annual Report and Accounts will be posted to all shareholders on 1 June, 2001 and will be available at the company's registered office thereafter. The Company's Annual General Meeting will be held at The Insurance Hall, 20 Aldermanbury, London EC2V 7HY on 27 June 2001 at 11.00am.

The Profit and Loss Account and Balance Sheet have not yet been filed with the Registrar of Companies