



# FX CREATIONS INTERNATIONAL HOLDINGS LIMITED

豐盛創意國際控股有限公司\*

*(Incorporated in the Cayman Islands with limited liability)*

## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2002

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*This announcement, for which the directors of FX Creations International Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to FX Creations International Holdings Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

\* for identification purposes only

## RESULTS

The board of directors (the “Directors”) of FX Creations International Holdings Limited (the “Company”) herein present their first audited pro forma combined results of the Company and its subsidiaries (collectively referred to as the “Group”) which was legally formed on 2 May 2002 subsequent to the year end date of 31 March 2002.

	<i>Notes</i>	<b>2002</b> <b>HK\$'000</b> <b>(note 1)</b>	2001 <i>HK\$'000</i> <i>(note 1)</i>
TURNOVER	2	<b>49,587</b>	38,502
Cost of goods sold		<u><b>(18,416)</b></u>	<u>(14,139)</u>
Gross profit		<b>31,171</b>	24,363
Other revenue		<b>244</b>	82
Selling and distribution costs		<b>(17,899)</b>	(14,329)
Administrative expenses		<u><b>(10,793)</b></u>	<u>(7,387)</u>
PROFIT FROM OPERATING ACTIVITIES	3	<b>2,723</b>	2,729
Finance costs	4	<u><b>(381)</b></u>	<u>(450)</u>
PROFIT BEFORE TAX		<b>2,342</b>	2,279
Tax	5	<u><b>(422)</b></u>	<u>(410)</u>
NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		<u><b>1,920</b></u>	<u>1,869</u>
DIVIDEND	6	<u><b>2,000</b></u>	<u>—</u>
EARNINGS PER SHARE	7		
Basic		<u><b>HK0.69 cent</b></u>	<u>HK0.67 cent</u>
Diluted		<u><b>N/A</b></u>	<u>N/A</u>

## 1. GROUP REORGANISATION AND BASIS OF PRESENTATION

### The Company

The Company was incorporated in the Cayman Islands on 10 January 2002 as an exempted company with limited liability under the Companies Law (2001 Second Revision) of the Cayman Islands. On incorporation, the Company had an authorised share capital of HK\$100,000 divided into 10,000,000 shares of HK\$0.01 each. On 14 January 2002, one subscriber share was transferred to Wise New Management Limited (“WNML”) for cash at par. Apart from the aforesaid shares issued, no other transactions were carried out by the Company during the period from 10 January 2002 to 31 March 2002. Accordingly, the Company has no results, cash flows or recognised gains or losses to report for the period ended 31 March 2002.

### Group reorganisation

Pursuant to a reorganisation scheme (the “Group Reorganisation”) to rationalise the structure of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) in preparation for the listing of the Company’s shares on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in May 2002, the Company became the holding company of the companies now comprising the Group on 2 May 2002. This was accomplished by the Company acquiring the entire issued share capital of Resource Base Enterprises Limited (“RBEL”), the then holding company of other subsidiaries, in consideration for the allotment and issue of 5,599,999 shares of HK\$0.01 each in the share capital of the Company, credited as fully paid, to WNML, the former shareholder of RBEL. Further details of the Group Reorganisation are set out in the Company’s prospectus dated 8 May 2002 (the “Prospectus”).

### Basis of presentation

The Group Reorganisation involved companies under common control. For accounting purposes, the Company and its subsidiaries will be regarded and accounted for as a continuing group when the Company prepares its financial statements for the year ending 31 March 2003. Accordingly, for the benefit of shareholders, pro forma combined financial statements and related notes thereto have been presented as supplementary information of the current year on the basis that the Company is treated as the holding company of its subsidiaries for the financial years presented rather than from the subsequent date of acquisition of the subsidiaries as is required by Hong Kong Statements of Standard Accounting Practice (“SSAP”) 27 “Accounting for group reconstructions” issued by the Hong Kong Society of Accountants. The pro forma combined results of the Group for the years ended 31 March 2002 and 2001 and the pro forma combined balance sheets as at 31 March 2002 and 2001 have been prepared on the basis that the current Group structure was in place for the two years ended 31 March 2002.

All significant transactions and balances among the companies comprising the Group have been eliminated in the preparation of the pro forma combined financial statements.

Although the Group Reorganisation had not been completed until 2 May 2002 and, accordingly, the Group did not legally exist until that date, in the opinion of the directors, the presentation of such supplementary pro forma combined financial statements prepared on the above basis is necessary to apprise the Company’s shareholders of the Group’s results and its state of affairs as a whole.

## 2. TURNOVER

Turnover represents the aggregate of the net invoiced value of goods sold, after allowances for returns and trade discounts. All significant transactions among the companies comprising the Group have been eliminated on combination.

### 3. PROFIT FROM OPERATING ACTIVITIES

The Group's pro forma combined profit from operating activities is arrived at after charging/(crediting):

	<b>Group</b>	
	<b>2002</b>	2001
	<b>HK\$'000</b>	HK\$'000
	<b>(note 1)</b>	(note 1)
Cost of inventories sold	<b>18,416</b>	14,139
Auditors' remuneration	<b>476</b>	30
Depreciation	<b>1,570</b>	948
Staff costs (excluding directors' remuneration)		
Salaries	<b>10,674</b>	8,343
Pension scheme contributions	<b>411</b>	130
	<b>11,085</b>	8,473
Minimum lease payments under operating lease rentals for land and buildings	<b>12,421</b>	8,794
Exchange losses, net	<b>209</b>	203
Interest income	<b>(50)</b>	(78)

### 4. FINANCE COSTS

Finance costs represents interest on bank loans and overdrafts wholly repayable within five years.

### 5. TAX

Hong Kong profits tax has been provided at the rate of 16% (2001: 16%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profit assessable overseas have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

	<b>Group</b>	
	<b>2002</b>	2001
	<b>HK\$'000</b>	HK\$'000
	<b>(note 1)</b>	(note 1)
Current:		
Hong Kong	<b>542</b>	350
Overseas	<b>27</b>	—
Overprovision in prior years — Hong Kong	<b>(87)</b>	—
	<b>482</b>	350
Deferred tax charge/(credit)	<b>(60)</b>	60
Tax charge for the year	<b>422</b>	410

## 6. DIVIDEND

	<b>Group</b>	
	<b>2002</b>	2001
	<b>HK\$'000</b>	HK\$'000
	<b>(note 1)</b>	(note 1)
Special dividend	<u><b>2,000</b></u>	<u>—</u>

A special dividend was paid by a subsidiary of the Group to its then shareholders prior to the Group Reorganisation, as set out in note 1 to the announcements.

The dividend rate and the number of shares ranking for dividend are not presented as such information is not considered meaningful.

## 7. EARNINGS PER SHARE

The calculation of pro forma basic earnings per share is based on the pro forma combined net profit from ordinary activities attributable to shareholders for the year ended 31 March 2002 of approximately HK\$1,920,000 (2001: HK\$1,869,000) and the pro forma weighted average of 280,000,000 (2001: 280,000,000) shares deemed to be in issue throughout the year.

Diluted earnings per share amounts for the years ended 31 March 2001 and 2002 have not been disclosed as no diluting events existed during those years.

## 8. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other business segments. Summary details of the business segments are as follows:

- (a) the retail segment represents the selling of bags and accessories via retail shops and department store counters;
- (b) the wholesale segment represents the selling of bags and accessories via overseas agents and distributors; and
- (c) the corporate segment represents investment holding.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

**(a) Business segments**

The following tables present revenue, results and certain assets, liabilities and expenditure information for the Group's business segments.

*Group*

	Retail		Wholesale		Corporate		Combined total	
	2002	2001	2002	2001	2002	2001	2002	2001
	<i>HK\$'000</i>							
							<i>(note 1)</i>	<i>(note 1)</i>
Segment revenue:								
Sales to external customers	<u>32,726</u>	<u>26,479</u>	<u>16,861</u>	<u>12,023</u>	<u>—</u>	<u>—</u>	<u>49,587</u>	<u>38,502</u>
Segment results	<u>3,728</u>	<u>4,487</u>	<u>2,654</u>	<u>1,232</u>	<u>(3,659)</u>	<u>(2,990)</u>	<u>2,723</u>	<u>2,729</u>
Finance costs							<u>(381)</u>	<u>(450)</u>
Profit before tax							<u>2,342</u>	<u>2,279</u>
Tax							<u>(422)</u>	<u>(410)</u>
Net profit from ordinary activities attributable to shareholders							<u>1,920</u>	<u>1,869</u>
<b>ASSETS</b>								
Segment assets	<u>4,428</u>	<u>4,541</u>	<u>3,011</u>	<u>848</u>	<u>4,839</u>	<u>3,317</u>	<u>12,278</u>	<u>8,706</u>
Unallocated assets							<u>37</u>	<u>197</u>
Total assets							<u>12,315</u>	<u>8,903</u>
<b>LIABILITIES</b>								
Segment liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,589</u>	<u>3,675</u>	<u>4,589</u>	<u>3,675</u>
Unallocated liabilities							<u>5,968</u>	<u>3,390</u>
							<u>10,557</u>	<u>7,065</u>
Other segment information:								
Depreciation	<u>1,213</u>	<u>659</u>	<u>—</u>	<u>—</u>	<u>357</u>	<u>289</u>	<u>1,570</u>	<u>948</u>
Capital expenditure	<u>501</u>	<u>1,328</u>	<u>—</u>	<u>—</u>	<u>397</u>	<u>480</u>	<u>898</u>	<u>1,808</u>

## (b) Geographical segments

The following table presents revenue, certain assets and expenditure information for the Group's geographical segments.

### Group

	Hong Kong, SAR		PRC (not including Hong Kong, SAR)		Taiwan		Singapore		Other		Combined total	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:												
Sales to external customers	<u>32,136</u>	<u>28,398</u>	<u>9,254</u>	<u>5,920</u>	<u>5,621</u>	<u>524</u>	<u>1,603</u>	<u>1,327</u>	<u>973</u>	<u>2,333</u>	<u>49,587</u>	<u>38,502</u>
Other segment information:												
Segment assets	<u>9,421</u>	<u>4,897</u>	<u>1,335</u>	<u>666</u>	<u>1,214</u>	<u>212</u>	<u>230</u>	<u>—</u>	<u>115</u>	<u>3,128</u>	<u>12,315</u>	<u>8,903</u>
Capital expenditure	<u>554</u>	<u>1,776</u>	<u>—</u>	<u>—</u>	<u>344</u>	<u>32</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>898</u>	<u>1,808</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Results

During the year ended 31 March 2002, the Group recorded a turnover of HK\$49,587,000 (2001: HK\$38,502,000), an increase of approximately 29% compared to the previous corresponding year. The turnover for the year ended 31 March 2002 comprised retail sales and wholesale sales which accounted for approximately 66% and 34% (2001: 69% and 31%) of the total turnover respectively. As at 31 March 2002, the Group had 24 retail outlets which consisted of 8 retail shops and 4 department store counters in Hong Kong and 12 department store counters in Taiwan.

The increase in turnover was mainly attributable to higher retail sales due to the opening of new retail outlets and increase in sales to wholesalers (agents and distributors) due to increase in the number of agents and distributors, and sales to existing agents and distributors.

The net profit attributable to shareholders for the year ended 31 March 2002 amounted to HK\$1,920,000 (2001: HK\$1,869,000), an increase of 3% compared to the previous corresponding year. The increase was mainly attributable to the expansion of the business.

#### Liquidity, financial resources and capital structure

For the year under review, the Group financed its operations with its own working capital and bank borrowings of approximately HK\$5,460,000 (2001: HK\$3,995,000).

As at 31 March 2002, the Group had net current assets of approximately HK\$118,000 (2001: HK\$16,000) including cash and bank balances and pledged bank deposits of approximately HK\$2,063,000 (2001: HK\$2,535,000).

At 31 March 2002, the Group had total available banking facilities of approximately HK\$10,210,000 (2001: HK\$6,347,000) which were supported by the following:

- (i) the pledge of a bank deposit of HK\$1,840,000 (2001: HK\$2,046,000);
- (ii) personal guarantees executed by two directors of the Company and a director of a subsidiary of the Company;
- (iii) legal charges over certain properties owned by a director of the Company, a director of a subsidiary of the Company and a relative of a director of the Company; and
- (iv) a floating charge over the current assets of a subsidiary of the Company.

As at the close of business on 31 March 2002, the gearing ratio (defined as the ratio between total bank borrowings and total assets) was 0.4 (2001: 0.4). No fixed interest bank borrowing was noted. All the bank borrowings were denominated in HK Dollars.

As at 31 March 2002, the Group has outstanding bank borrowings of approximately HK\$5,460,000 (2001: HK\$3,995,000). The bank borrowings comprised secured bank overdrafts of approximately HK\$2,078,000 (2001: Nil), secured trust receipt loans of approximately HK\$1,321,000 (2001: HK\$1,048,000), a secured bank loan of approximately HK\$600,000 (2001: HK\$600,000) and unsecured bank loans of approximately HK\$1,461,000 (2001: HK\$2,347,000). Approximately HK\$5,215,000 (2001: HK\$3,405,000) of the total outstanding borrowings are repayable within one year and the remaining balance of approximately HK\$245,000 (2001: HK\$590,000) is repayable in the second year.

### **Release of personal guarantees and legal charges**

The Group has received written consent, in principle, from its bankers to the effect that upon the listing of the Company's shares on GEM, the personal guarantees from two directors of the Company and a director of a subsidiary of the Company, and the legal charges over certain properties owned by a director of the Company, a director of a subsidiary of the Company and a relative of a director of the Company will be released and replaced by corporate guarantees executed by the Company and/or other security provided by the Group.

### **Significant investment**

During the year under review, there was no significant investment held by the Group (2001: Nil).

### **Material acquisition or disposal of subsidiaries and affiliated companies**

Other than in connection with the Group Reorganisation in preparation for the listing of the Company's shares on GEM, there were no material acquisitions or disposal of subsidiaries and affiliated companies in the course of this year.

## Contingent liabilities

As at 31 March 2002, the Group had the following contingent liabilities:

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(note 1)</b>	<b>(note 1)</b>
Bills discounted with recourse	<u>—</u>	<u>239</u>

## Lease and contracted commitments

The Group leases certain of its office premises, warehouses, retail shops and department store counters under non-cancellable operating lease arrangements with lease terms ranging from one to three years.

At 31 March 2002, the Group had total future minimum lease payments in respect of non-cancellable operating leases falling due as follows:

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(note 1)</b>	<b>(note 1)</b>
Land and buildings expiring:		
Within one year	<b>7,287</b>	5,980
In the second to fifth years, inclusive	<u><b>5,958</b></u>	<u>1,479</u>
	<u><b>13,245</b></u>	<u>7,459</u>

At the balance sheet date, the Group had contracted commitments in respect of purchases of certain fixed assets of HK\$157,500 (2001: Nil).

## Foreign exchange exposure

The Group's income and expenditure during the year ended 31 March 2002 were denominated in US Dollars, HK Dollars and New Taiwanese ("NT") Dollars, and most of the assets and liabilities as at 31 March 2002 were denominated in HK Dollars and NT Dollars. Accordingly, the Directors are of the view that, to certain extent, the Group is exposed to foreign currency exchange risk. For the US Dollars foreign exchange exposure, the Director believe the exposure is small as the exchange rate of US Dollars to HK Dollars is comparatively stable. However, the Group is exposed to NT Dollars foreign exchange exposure and fluctuation of exchange rates of NT Dollars against HK Dollars could affect the Group's results of operations. During the year, no hedging transaction or arrangement was made.

## Treasury policies

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. To manage liquidity risk, the board of directors closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

## Segment information

### *Business segments*

	<b>Year ended 31 March 2002 HK\$'000</b>	Year ended 31 March 2001 HK\$'000
Retail sales	<b>32,726</b>	26,479
Wholesale sales	<b><u>16,861</u></b>	<u>12,023</u>
	<b><u><u>49,587</u></u></b>	<u><u>38,502</u></u>

### *Geographical segments*

PRC:		
Hong Kong, SAR	<b>32,136</b>	28,398
Elsewhere	<b>9,254</b>	5,920
Taiwan	<b>5,621</b>	524
Singapore	<b>1,603</b>	1,327
Others	<b><u>973</u></b>	<u>2,333</u>
	<b><u><u>49,587</u></u></b>	<u><u>38,502</u></u>

### *Business segments*

#### Retail sales

Retail sales increased by approximately 24%, as compared to the previous corresponding year, to HK\$32,726,000 (2001: HK\$26,479,000). The increase was mainly attributed to an increase in the retail outlets by the Group from 17 as at 31 March 2001 to 24 as at 31 March 2002 in Hong Kong and Taiwan.

#### *Wholesale sales*

Wholesale sales comprised sales to agents and sales to distributors.

Sales to agents increased by approximately 55%, as compared to the previous corresponding year, to HK\$11,263,000 (2001: HK\$7,247,000). The increase was mainly attributed to increase in the number of agents from 2 to 5 and increase in sales to an existing agent.

Sales to distributors increased by approximately 17%, as compared to the previous corresponding year, to HK\$5,598,000 (2001: HK\$4,776,000). The increase was mainly attributed to sales to new distributors.

### *Geographical segment*

For the year ended 31 March 2002, sales in Hong Kong, SAR increased by 13% compared to the previous corresponding year. The increase was mainly attributed to increase in sales from the retail outlets in Hong Kong and an increase in sales to distributors which resells to other countries.

For the year ended 31 March 2002, sales to elsewhere in the PRC increased by 56% compared to the previous corresponding year. The increase was mainly attributed to increase in sales to the Group's agent in the PRC.

For the year ended 31 March 2002, sales to Taiwan increased by 973% compared to the previous corresponding year. The increase was mainly attributed to the opening of new retail outlets in Taiwan.

For the year ended 31 March 2002, sales to Singapore increased by 21% compared to the previous corresponding year. The increase was mainly attributed to increase in sales to the Group's agent in Singapore.

For the year ended 31 March 2002, sales to other countries decreased by 58% compared to the previous corresponding year. The decrease was mainly attributed to decrease in orders from countries other than above.

Please refer to note 8 to the announcement for details on business and geographical segments.

### **Future plans for material investments and expected source of funding**

Details for the Group's future plans for material investments or capital assets and their expected source of funding have been stated in the Company's Prospectus under the sections headed "Statement of Business Objectives" and "Reasons for the Share Offer and the Use of Proceeds" respectively. Other than those disclosed, the Group did not have any plan for material investments or capital assets.

### **Employees and remuneration policies**

As at 31 March 2002, the Group had 81 (2001: 71) full time employees. Remuneration is determined by reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme to its employees in Hong Kong. To date, no share options have been granted to employees.

## **COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS**

The share of the Company was listed on GEM on 21 May 2002. According to the statement of business objectives stated in the Prospectus, the first period covered by the statement of business objectives is from 3 May 2002 to 30 September 2002 whereas, this result announcement covers the year ended 31 March 2002. Accordingly, no comparison is presented, and the actual business progress for the two years ended 31 March 2000 and 2001, for the eight months ended 30 November 2001, and from 1 December 2001 to 3 May 2002 is stated in the section headed "Statement of Active Business Pursuits" in the Prospectus. The Group is in the progress of implementing the business plan as stated in the Prospectus and believe that the implementation will be in accordance to the time frame.

## **USE OF PROCEEDS**

The Company was listed on GEM on 21 May 2002 by way of placing and public offer of 81,000,000 shares. The gross proceeds from such placement and public offer were approximately HK\$21,060,000. The Group intends to apply the net proceeds (after deducting listing expenses) for setting up additional retail shops in Hong Kong and Taiwan, conducting advertising and marketing campaigns and other corporate image enhancement programs, financing the acquisition of plant, machinery and production facilities and financing the expansion of the geographical coverage of the Group's network. As of the date of this announcement, the Group has not spent any of the proceeds from the abovementioned share offer and such proceeds are placed on short-term deposits with a bank in Hong Kong. The directors intend to use the net proceeds in the manner as disclosed in the Prospectus.

## **BUSINESS PROSPECTS**

The Group has reviewed its business strategies and set up future plan to promote **FX CREATIONS** as a brandname for stylish bags and lifestyle consumers products in the world market. The key strategic initiatives that the Group plans to implement in the near future are as follows:

### **To promote greater awareness of the FX CREATIONS brandname**

To achieve this, the Group will continue to conduct advertising and promotional campaigns to enhance awareness of the **FX CREATIONS** brandname.

### **To expand its product range under the FX CREATIONS brandname**

The Group intends to expand its product range such as developing professional office bags. Also, the Group will expand its product range through licensing its brandname to other types of products such as apparel.

### **To expand the geographical coverage of the Group's distribution network and to expand its retail outlets**

The Group will approach potential agents in the markets such as the US, Europe and other countries in Asia. Also, the Group will expand new retail outlets in Hong Kong and Taiwan.

## **To manufacture its products**

The Group will establish its own manufacturing capacity through a processing agent in the PRC. To achieve this goal, the Group intends to acquire plant, machinery and production facilities to work with a processing agent in the PRC.

## **COMPLIANCE WITH RULES 5.28 TO 5.39 OF THE RULES GOVERNING THE LISTING OF SECURITIES ON GEM**

The Company has complied with the board practices and procedures as set out in Rules 5.28 to 5.39 of the Rules Governing the Listing of Securities on GEM (the “Listing Rules”) since the listing of the Company’s shares on GEM on 21 May 2002.

## **AUDIT COMMITTEE**

The Company set up an audit committee (the “Committee”) on 2 May 2002, with written terms of reference in compliance with the Listing Rules. The primary duties of the Committee are to review and provide supervision over the financial reporting process and internal control system of the Group. The Committee comprises the two independent non-executive directors of the Company, Mr. Christopher Leu and Ms. Kau Man Wai. The pro forma combined financial statements of the Group for the year ended 31 March 2002 have been reviewed by the Committee, who were of the opinion that such statements complied with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures had been made.

## **PURCHASE, REDEMPTION OR SALES OF THE LISTED SECURITIES OF THE COMPANY**

Since the listing of the Company on GEM on 21 May 2002 and up to the date of this announcement, neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company’s listed securities.

By Order of the Board  
**Ng Pak To, Petto**  
*Chairman*

Hong Kong, 24 June 2002

*The announcement will remain on GEM website on the “Latest Company Announcements” page for 7 days from the day of its posting.*