

*iSteelAsia.com*

**iSteelAsia.com Limited**

*(Incorporated in Bermuda with limited liability)*

**FIRST QUARTER RESULTS  
FOR THE THREE MONTHS ENDED 30TH JUNE, 2002**

**CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (“THE STOCK EXCHANGE”)**

*GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.*

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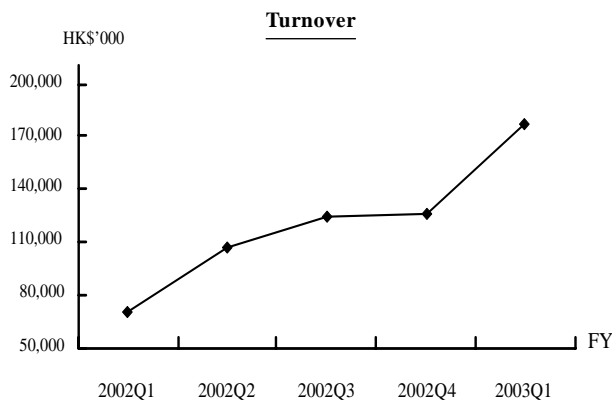
*The Stock Exchange takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement, for which the directors of iSteelAsia.com Limited (“the Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (“the GEM Listing Rules”) for the purpose of giving information with regard to iSteelAsia.com 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.*

## HIGHLIGHTS

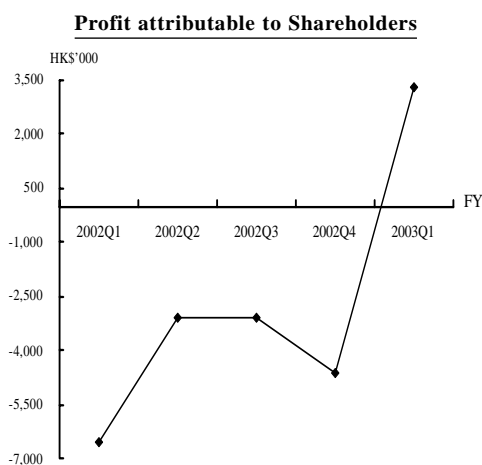
### Turnover

The Group continues to record a growth in turnover for seven consecutive quarters since FY2001Q3. Turnover grew over 40% to approximately HK\$178 million as compared to last quarter (FY2002Q4), and 150% as compared to Q1 of last financial year (FY2002Q1).



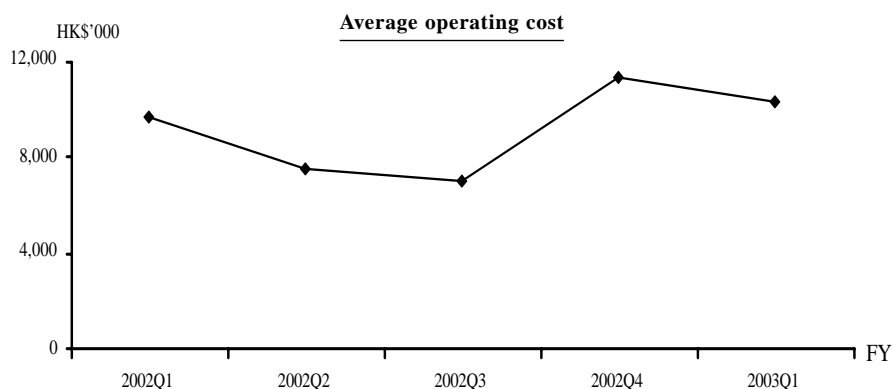
### Profit attributable to shareholders

The Group recorded its first profitable quarter (through three consecutive profitable months, April, May, June of 2002) with a profit attributable to shareholders of approximately HK\$3.3 million.



### Operating cost

The Group's average operating cost for the quarter has dropped by 9.2% to approximately HK\$10.3 million from the previous quarter (FY2002Q4). The Group is confident that it can continue to improve the operating cost efficiency. The increase in the past two quarters is a consequence of certain one time initial setup costs which were provisionally allocated in the particular quarter of the expansion.



## RESULTS

The Board of Directors of iSteelAsia.com Limited (“iSteelAsia” or “the Company”) has the pleasure in presenting the unaudited consolidated results of the Company and its subsidiaries (together “the Group”) for the three months ended 30th June, 2002, together with the comparative unaudited figures for the corresponding period in 2001, as follows:

		<b>For the three months ended</b>	
		<b>30th June,</b>	
		<b>2002</b>	<b>2001</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
Turnover			
— Sales		<b>172,643</b>	69,411
— Commission		<b>4,762</b>	1,381
— Dividend income		<b>187</b>	—
		<hr/>	<hr/>
	<i>1</i>	<b>177,592</b>	70,792
Cost of inventories sold		<b>(162,844)</b>	(67,151)
Staff costs		<b>(3,149)</b>	(5,475)
Research and development expenses		—	(349)
Marketing and branding expenses		<b>(15)</b>	(157)
Amortisation of website development costs		<b>(272)</b>	(272)
Depreciation of furniture and equipment		<b>(176)</b>	(184)
Impairment loss of long-term investment		<b>(344)</b>	—
Other operating expenses		<b>(6,342)</b>	(3,238)
		<hr/>	<hr/>
Profit (Loss) from operations		<b>4,450</b>	(6,034)
Interest income		<b>259</b>	841
Interest expense		<b>(1,280)</b>	(1,306)
		<hr/>	<hr/>
Profit (Loss) before taxation		<b>3,429</b>	(6,499)
Taxation	<i>2</i>	<b>(7)</b>	(37)
		<hr/>	<hr/>
Profit (Loss) before minority interests		<b>3,422</b>	(6,536)
Minority interests		<b>(153)</b>	—
		<hr/>	<hr/>
Profit (Loss) attributable to shareholders		<b><u>3,269</u></b>	<b><u>(6,536)</u></b>
Earnings (Loss) per share	<i>3</i>		
— Basic		<b><u>0.21 cents</u></b>	<b><u>(0.45) cents</u></b>
— Diluted		<b><u>0.21 cents</u></b>	<b><u>N/A</u></b>

Notes:

## 1. Turnover

Turnover represents (i) the net invoiced value of merchandise sold after allowances for returns and discounts from steel trading operation, (ii) commission on procurement and online steel trading services and (iii) dividend income from long-term investment.

## 2. Taxation

Taxation consisted of:

	For the three months ended 30th June,	
	2002	2001
	HK\$'000	HK\$'000
Current taxation		
— Mainland China enterprise income tax	<u>7</u>	<u>37</u>

No provision for Hong Kong profits tax has been provided as the Group had no assessable profit during the three months ended 30th June, 2002 (2001-Nil). Subsidiaries operated in Mainland China are subject to Mainland China enterprise income tax at the rate of 15% to 33% (2001-33%).

## 3. Earnings (Loss) per share

The calculations of basic earnings (loss) per share for the three months ended 30th June, 2002 were based on the unaudited consolidated profit attributable to shareholders of approximately HK\$3,269,000 (2001-loss of HK\$6,536,000) and on the weighted average number of 1,564,500,000 (2001-1,454,500,000) shares in issue during the three months ended 30th June, 2002.

The calculation of diluted earnings per share for the three months ended 30th June, 2002 was based on the unaudited consolidated profit attributable to shareholders of approximately HK\$3,269,000 and on the weighted average number of 1,571,950,000 shares, being the weighted average number of shares outstanding during the period, adjusted for the effects of all dilutive potential shares of 7,450,000 shares in respect of outstanding warrants.

There were no potential shares outstanding during the three months ended 30th June, 2001 and thus no dilutive loss per share was presented.

## 4. Dividends

The Directors do not recommend the payment of an interim dividend for the three months ended 30th June, 2002.

## 5. Movements in reserves

For the three months ended 30th June, 2002, movements in reserves are as follows:

	Share premium <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Asset revaluation reserve <i>HK\$'000</i>	Cumulative translation adjustment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Balance, 1st April, 2002	11,099	2,700	(18,552)	145	(4,608)
Deficit on revaluation of long-term investment	—	—	(2,250)*	—	(2,250)
Balance, 30th June, 2002	<u>11,099</u>	<u>2,700</u>	<u>(20,802)</u>	<u>145</u>	<u>(6,858)</u>

\* The deficit on revaluation of long-term investment is a result of stating the Group's investment in AcrossAsia Multimedia Ltd. ("AcrossAsia") (another GEM listed company, stock code 8061) at market value as at 30th June, 2002.

## FINANCIAL AND OPERATIONAL REVIEW

The Board of Directors is pleased to report the Group's first quarter results for the financial year ending 31st March, 2003. For the three months ended 30th June, 2002 ("FY2003Q1"), the Group for the 7th quarter in a row, continued to record a healthy increase in turnover to approximately HK\$178 million, representing over a 150% increase by comparing the results in the corresponding period last year ("FY2002Q1"). More significantly, the Group was able to achieve profitability consecutively for each of the months April, May and June of 2002, thus resulting in a quarterly profit attributable to shareholders of approximately HK\$3.3 million, comparing to a loss attributable to shareholders of approximately HK\$6.5 million in FY2002Q1. This result was mainly achieved by the Group's continued business expansion and improvement in cost efficiency, resulting in a much healthier gross profit for the period under review.

Analysing the turnover in terms of business activities, turnover from traditional steel trading operation was approximately HK\$177 million for FY2003Q1, representing about 154% increase by comparing the same results in FY2002Q1. The increase in turnover was mainly due to the expansion of sales through the Group's distribution network in Mainland China. Currently, the Group's sales distribution network strategically covers the densely populated and high growth cities in Mainland China like Guangzhou, Shanghai, Beijing and Tianjin. On the other hand, the online steel trading business is still not reaching a critical mass. This was mainly due to pre-maturity of online business globally coupled with the "dot bomb" sentiment, leading to a slower development of online value-added services, low penetration rate and adoption rate although the pace is keep improving in the past few years. Although the development of Internet industry is slower than expected, the Group still firmly believes the value propositions that the "B2B" exchange will eventually provide actual cost benefits to the steel industry participants. As such, the Group believes building a fundamental distribution network offline is important to expand the scalability of the online business. The Group envisions itself being the "Value-added Services Provider" between the supplier and the end-user, either as e-distributor/e-aggregator, or through traditional steel trading services. As soon as the customers are ready to move their business online, iSteelAsia is there to support them on its trading and Enterprise Resources Planning platform.

The dividend received in FY2003Q1 was approximately HK\$187,000 and was paid by Stemcor Holdings Limited (“Stemcor”), a company incorporated in the United Kingdom. Stemcor is principally engaged in the trading of steel products and the provision of specialist services to the steel and metals industries. The Group holds approximately 3.5% equity interest in Stemcor. On the other hand, the Group had stated the investment in AcrossAsia at market value as at 30th June, 2002. Although the management is confident and optimistic with the outlook of the business of AcrossAsia, nevertheless, given the current weakness in the equity market, the management had taken the conservative approach to make additional provision as reflected in the market price of AcrossAsia. The Group will continue to closely monitor its investments performance and will seek various opportunities to improve return from these investments.

The Group continues its cost conscious efforts while maintaining a sustainable growth in business. The average operating cost of the Group dropped by 9.2% to approximately HK\$10.3 million as compared to approximately HK\$11.3 million in the previous quarter (FY2002Q4). The Group had taken a conservative approach to provisionally allocate certain initial setup costs for the Group’s expansion. In particular, this expansion is captured under the category of other operating expenses.

## **OUTLOOK**

After China’s successful accession to the World Trade Organisation, import duties of certain steel products were lowered effective from 1st January, 2002. Prices of certain steel products start to pick up and have increased 10%-20% up to 30th June, 2002. Comparing steel industries in other countries, the steel industry of Mainland China remained robust during the period under review and had provided the Group with abundant business opportunities to capture. These solid growths are driven by the continual improvement in people’s living standards and infrastructure developments in Mainland China. Thus, the Group remains optimistic about the future of the steel industry. Capitalising on the e-commerce capabilities and brand established over the past two years, iSteelAsia will continue to look for various ways to provide values to the participants in the steel industry. It will continue to expand its distribution network in the high growth areas with an aim to provide values to shareholders of the Group. On the e-enabling side, the Group had gained valuable experiences in implementing multi-location and multi-function systems from internationally recognised vendors like Oracle, Intel, etc. As previously stated, the Group believes that there remains tremendous potential in servicing steel industry in Mainland China, and the Group will progressively explore opportunities in this niche space. With the development of Internet and technology, the Group will continue its profitability trend and operate itself as full value-added services provider through organic growth, and if the right opportunity arises, through mergers and acquisitions.

## DIRECTORS' INTEREST IN SHARES

As at 30th June, 2002, the interests of the Directors and the chief executives of the Company in the equity or debt securities of the Company or any of its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance (“SDI Ordinance”)) which were notified to the Company and the Stock Exchange pursuant to Section 28 of the SDI Ordinance (including interests which they were taken or deemed to have under Section 31 of, or Part 1 of the Schedule to, the SDI Ordinance), or which were required, pursuant to Section 29 of the SDI Ordinance, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.40 to 5.59 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

### (a) Ordinary shares (“Shares”) of the Company of HK\$0.10 each and Warrants

Name	Type of interest	Attributable interest to the Director	Number of Shares	Number of Warrants (Note 1)
Mr. Andrew Cho Fai Yao	— Corporate interest held by TN (Note 2)	deemed interest (indirectly)	196,301,600	39,260,320
	— Corporate interest held by Huge Top (Note 3)	more than one-third (indirectly)	159,811,344	31,962,268
	— Corporate interest held by VSC BVI (Note 4)	through Huge Top (indirectly)	301,026,000	60,205,200
	— Corporate interest held by Right Action (Note 5)	100% (directly)	<u>102,400,000</u>	<u>20,480,000</u>
		Total:	<u>759,538,944</u>	<u>151,907,788</u>
Ms. Miriam Che Li Yao	— Corporate interest held by TN (Note 2)	deemed interest (indirectly)	196,301,600	39,260,320
	— Corporate interest held by Huge Top (Note 3)	more than one-third (indirectly)	159,811,344	31,962,268
	— Corporate interest held by VSC BVI (Note 4)	through Huge Top (indirectly)	<u>301,026,000</u>	<u>60,205,200</u>
		Total:	<u>657,138,944</u>	<u>131,427,788</u>
Mr. Philip King Huen Ma	— Corporate interest held by S & S (Note 6)	—	<u>159,324</u>	<u>31,864</u>

#### Notes:

- The warrants of the Company (“Warrants”) entitle the holders to subscribe in cash for ordinary shares of HK\$0.1 each in the Company at a subscription price of HK\$0.1 each (subject to adjustment) and are exercisable between 18th June, 2002 and 17th June, 2005.

- As at 30th June, 2002, TN Development Limited (“TN”) owns 196,301,600 Shares and 39,260,320 Warrants. Van Shung Chong (B.V.I.) Limited (“VSC BVI”) owns 54% of the issued share capital of TN and Andrew Cho Fai Yao owns 10% of the issued share capital of TN. The board of directors of TN only comprises Andrew Cho Fai Yao and Miriam Che Li Yao. These interests of the aforesaid Directors in the securities of the Company were corporate interests.

All Shares held by TN are, or are intended to be, the subject of options exercisable, in certain circumstances, by designated employees and founding members pursuant to the share option agreements and the revenue option agreements, respectively as disclosed in the Company’s prospectus dated 14th April, 2000. The sole purpose of TN is to provide an avenue to motivate the Company’s employees and founding members while at the same time not incurring any dilution effect to the public investors of the Company.

- As at 30th June, 2002, Huge Top Industrial Ltd. (“Huge Top”) owns 159,811,344 Shares and 31,962,268 Warrants. Andrew Cho Fai Yao directly and indirectly owns more than one-third of the issued share capital of Huge Top. The board of directors of Huge Top only comprises Andrew Cho Fai Yao and Miriam Che Li Yao. These interests of the aforesaid Directors in the securities of the Company were corporate interests.
- As at 30th June, 2002, VSC BVI owns 301,026,000 Shares and 60,205,200 Warrants and Huge Top owns approximately 57.64% of the issued share capital of Van Shung Chong Holdings Limited (“VSC”). Andrew Cho Fai Yao and Miriam Che Li Yao are directors of VSC. VSC BVI is a wholly-owned subsidiary of VSC. The board of directors of VSC BVI comprises Andrew Cho Fai Yao and Miriam Che Li Yao. These interests of the aforesaid Directors in the securities of the Company were corporate interests.
- As at 30th June, 2002, Right Action Offshore Inc. (“Right Action”) owns 102,400,000 Shares and 20,480,000 Warrants. Andrew Cho Fai Yao owns the entire issued share capital of Right Action and is also the sole director of that company. These interests were corporate interests in the Company.
- As at 30th June, 2002, S & S Management Co. Ltd. (“S & S”) owns 159,324 Shares and 31,864 Warrants. Philip King Huen Ma is deemed to be interested in these 159,324 Shares and 31,864 Warrants.

**(b) Employee options to purchase Shares from TN:**

Name	Employee options granted	Number of employee options		
		Beginning of period	Exercise during the period	End of period
Ms. Drina C. Yue ( <i>Note 1</i> )	30,720,000	20,480,000	—	20,480,000
Mr. Daniel Takuen Shih ( <i>Note 1</i> )	2,00,000	2,000,000	—	2,000,000

*Note:*

- Each of Drina C. Yue and Daniel Takuen Shih has been granted an option to purchase 30,720,000 Shares (balance as at 30th June, 2002 – 20,480,000 Shares) and 2,000,000 Shares respectively from TN, at an exercise price per Share of HK\$0.054, under separate share option agreements both dated 13th April, 2000. The option shall vest starting on 13th April, 2001 and may be exercised in whole or in part in the following manner:



- (a) During the period starting from 13th April, 2001 to 12th April, 2002, the option may be exercised up to one-third of such Shares.
- (b) During the period starting from 13th April, 2002 to 12th April, 2003, the option may (to the extent not be exercised in accordance with (a) above) be exercised up to two-thirds of such Shares.
- (c) During the period starting from 13th April, 2003 to 12th April, 2004, the option may (to the extent not be exercised in accordance with (a) and (b) above) be exercised in full.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Under the terms of the Company's share option scheme approved by the shareholders on 13th April, 2000 ("the Old Scheme"), the Board of Directors of the Company may, at their discretion, invite any full-time employees of the Company or any of the group companies, including any executive directors, to take up options to subscribe for Shares in the Company. The Old Scheme became effective upon the listing of the Company's Shares on 20th April, 2000.

Details of movements in the share options to subscribe for shares of HK\$0.10 each in the Company granted to and held by certain Directors during the three months ended 30th June, 2002 were as follows:

Name	Date of grant	Exercise price per Share	Exercise period	Number of options		
				Beginning of period	Exercised during the period	End of period
Ms. Drina C. Yue	3rd July, 2000	HK\$0.360	1st October, 2001 -12th April, 2010	2,000,000	—	2,000,000
	7th November, 2000	HK\$0.485	8th November, 2001 -12th April, 2010	5,000,000	—	5,000,000
Ms. Miriam Che Li Yao	3rd July, 2000	HK\$0.360	1st October, 2001 -12th April, 2010	2,500,000	—	2,500,000
	7th November, 2000	HK\$0.485	8th November, 2001 -12th April, 2010	5,000,000	—	5,000,000
Mr. Andrew Cho Fai Yao	7th November, 2000	HK\$0.485	8th November, 2001 -12th April, 2010	5,000,000	—	5,000,000

No options were granted, exercised, lapsed or cancelled during the period. The Old Scheme was terminated on 10th June, 2002. Upon termination of the Old Scheme, no further options will be granted thereunder but in all other respects, the provisions of the Old Scheme shall remain in force and all options granted prior to such termination shall continue to be valid and exercisable in accordance therewith. A new share option scheme has been adopted by the Company since 10th June, 2002 ("the New Scheme") to replace the Old Scheme to comply with the current statutory requirements. Up to the date of this quarterly report, no options have been granted pursuant to the New Scheme.

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the Company's Directors or their associates to acquire benefits by means of the acquisition of Shares in, or debt securities (including debentures) of, the Company or any other body corporate.

Other than disclosed above, as at 30th June, 2002, neither the Directors nor their associates, had any interests in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance, and neither the Directors nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the period.

## SUBSTANTIAL SHAREHOLDERS

As at 30th June, 2002, according to the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance, those shareholders (other than those interests of Directors disclosed above) having an interest of 10% or more of the issued share capital of the Company were as follows:

Name		Number of Shares	Total number of Shares	Notes
VSC BVI	— directly	301,026,000	497,327,600	1
	— indirect deemed interest through TN	196,301,600		
VSC	— indirectly through VSC BVI	301,026,000	497,327,600	1 & 2
	— indirect deemed interest through TN	196,301,600		
Huge Top	— directly	159,811,344	657,138,944	1, 2 & 3
	— indirectly through VSC BVI	301,026,000		
	— indirect deemed interest through TN	196,301,600		
TN	— directly	196,301,600	196,301,600	4
Mr. Leroy Lin Yuen Kung	— indirectly through Grand Bridge	181,824,000	181,824,000	5
Galaface Limited	— indirectly through Grand Bridge	181,824,000	181,824,000	5
Asian Gold Associates Limited	— indirectly through Grand Bridge	181,824,000	181,824,000	5
iMerchants Group Limited	— indirectly through Grand Bridge	181,824,000	181,824,000	5
Grand Bridge Enterprises Limited	— directly	181,824,000	181,824,000	5

### Notes:

1. VSC BVI owns 54% of the share capital of TN and is deemed to be interested in the 196,301,600 Shares held by TN. VSC BVI directly owns 301,026,000 Shares. VSC BVI is therefore directly and indirectly interested in an aggregate of 497,327,600 Shares.
2. VSC owns the entire issued share capital of VSC BVI, VSC is therefore deemed to be interested in an aggregate of 497,327,600 Shares.

3. Huge Top is beneficially interested in approximately 57.64% of the issued share capital of VSC as at 30th June, 2002 and is therefore deemed to be interested in the 196,301,600 Shares held by TN and the 301,026,000 Shares held by VSC BVI. Huge Top also directly owns 159,811,344 Shares. Huge Top is therefore directly and indirectly interested in an aggregate of 657,138,944 Shares.
4. All Shares held by TN are, or are intended to be, the subject of options exercisable, in certain circumstances, by designated employees and founding members pursuant to the share option agreements and the revenue option agreements, respectively as disclosed in the Company's prospectus dated 14th April, 2000. The sole purpose of TN is to provide an avenue to motivate the Company's employees and founding members while at the same time not incurring any dilution effect to the public investors of the Company.
5. Grand Bridge Enterprises Limited ("Grand Bridge") directly owns 181,824,000 Shares. Grand Bridge is a wholly-owned subsidiary of iMerchants Group Limited which is a wholly-owned subsidiary of Asian Gold Associates Limited ("AGA"). AGA is a company in which Galaface Limited is entitled to exercise more than one-third of its voting power. Galaface Limited is a company owned and controlled by Mr. Leroy Lin Yuen Kung.

## **SPONSOR'S INTERESTS**

ICEA Capital Limited ("ICEA") has been appointed by the Company as the sponsor to the Company from 16th August, 2001.

As at 30th June, 2002 and as updated and notified by ICEA:

1. Neither ICEA nor its associates have any interest in any class of securities of the Company or any other company in the Group (including options or rights to subscribe such securities);
2. No director or employee of ICEA who is involved in providing advice to the Company has any interest in any class of securities of the Company or any other company in the Group (including options or rights to subscribe such securities);
3. Neither ICEA nor its associates expect to have accrued any material benefit as a result of the successful outcome of any transaction, including by way of example, the repayment of material outstanding indebtedness and payment of any underwriting commissions or success fees; and
4. No director or employee of ICEA has a directorship in the Company or any other company in the Group.

Pursuant to the agreement dated 3rd August, 2001 entered into between the Company and ICEA, ICEA would receive a fee for acting as the Company's retained sponsor for the period from 16th August, 2001 to 30th April, 2003.

## **COMPETING INTERESTS**

Mr. Ralph David Oppenheimer, is a non-executive director of the Company, and is the chairman and chief executive of Stemcor Holdings Limited whose business is principally engaged in the international steel trading. The Directors believe that there is a risk that such business may compete with those of the Group. However, the Directors are also of the view that the invaluable experience of Mr. Oppenheimer in the steel industry will complement the development of the Group's business.

Save as disclosed above, none of the Directors or the management shareholders of the Company (as defined in the GEM Listing Rules) has an interest in a business which competes or may compete with the business of the Group.

## **PURCHASES, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the three months ended 30th June, 2002.

## **AUDIT COMMITTEE**

The Company has established an audit committee with written terms of reference based upon the guidelines recommended by the Hong Kong Society of Accountants. The duties of the audit committee include reviewing the Company's annual reports and quarterly reviews and providing advice and comments thereon to the Board of Directors. The audit committee is also responsible for reviewing and supervising the Company's financial reporting and internal control procedures. The audit committee comprises two independent non-executive directors, namely Mr. Yeung Kwok Keung and Mr. Philip King Huen Ma.

On behalf of the Board of Directors,  
**DRINA C. YUE**  
*Director and Chief Executive Officer*

Hong Kong, 13th August, 2002