



**Third Quarterly
Report**

2002

iLink Holdings Limited

合縱連網控股有限公司

(Incorporated in the Cayman Islands with limited liability)

**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.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM Website in order to obtain up-to-date information on GEM-listed issuers.

HIGHLIGHTS

- Turnover for the nine months ended 30th September, 2002 amounted to HK\$42,653,000.
- Net loss attributable to shareholders for the nine months ended 30th September, 2002 amounted to HK\$56,582,000 after the loss of disposal on certain fixed assets of HK\$2,008,000 and the provision for impairment losses of HK\$26,792,000 in the remaining fixed assets for its data centre operation in Beijing, The People's Republic of China (the "PRC"), which was discontinued following a corporate restructuring of the Group.
- To broaden its revenue base and to leverage on its expertise and infrastructure, in June 2002, the Group diversified into the network game industry by forming a joint venture with a game developer in the PRC. In August 2002, the Group formed another joint venture with another game developer in the PRC.
- The directors do not recommend the payment of a dividend for the nine months ended 30th September, 2002.

UNAUDITED CONSOLIDATED INCOME STATEMENTS

For the three months and nine months ended 30th September, 2002

	For the three months ended 30th September,					
	Continuing Operations		Discontinuing Operation (Data Centre at Beijing)		The Group	
	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000
Turnover (Note 2)	11,034	19,552	22	1,133	11,056	20,685
Cost of revenues	(10,422)	(14,187)	-	(1,133)	(10,422)	(15,320)
Gross profit	612	5,365	22	-	634	5,365
Selling and marketing expenses	(1,499)	(2,573)	-	(138)	(1,499)	(2,711)
General and administrative expenses	(9,365)	(11,380)	(20)	(3,040)	(9,385)	(14,420)
Other loss, net (Note 3)	(1)	-	(351)	-	(352)	-
Reversal of impairment losses in fixed assets (Note 3)	-	-	617	-	617	-
(Loss) profit from operations	(10,253)	(8,588)	268	(3,178)	(9,985)	(11,766)
Interest income	863	1,945	1	34	864	1,979
Loss before taxation	(9,390)	(6,643)	269	(3,144)	(9,121)	(9,787)
Taxation (Note 4)	-	-	-	-	-	-
Loss after taxation	(9,390)	(6,643)	269	(3,144)	(9,121)	(9,787)
Minority interests	155	-	-	-	155	-
Net (loss) profit attributable to shareholders	(9,235)	(6,643)	269	(3,144)	(8,966)	(9,787)
Loss per share						
- Basic (Note 5)					(0.17 cents)	(0.19 cents)
Loss per share						
- Diluted (Note 5)					N/A	N/A

	For the nine months ended 30th September,					
	Continuing Operations		Discontinuing Operation (Data Centre at Beijing)		The Group	
	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000
Turnover (Notes 2)	40,914	62,602	1,739	1,133	42,653	63,735
Cost of revenues	(34,536)	(45,462)	(3,658)	(1,133)	(38,194)	(46,595)
Gross profit (loss)	6,378	17,140	(1,919)	-	4,459	17,140
Selling and marketing expenses	(4,924)	(8,273)	(135)	(150)	(5,059)	(8,423)
General and administrative expenses	(27,713)	(30,566)	(2,214)	(7,425)	(29,927)	(37,991)
Other income (loss), net (Note 3)	5	4	(1,997)	-	(1,992)	4
Impairment losses in fixed assets (Note 3)	-	-	(26,792)	-	(26,792)	-
Loss from operations	(26,254)	(21,695)	(33,057)	(7,575)	(59,311)	(29,270)
Interest income	2,563	7,175	11	34	2,574	7,209
Loss before taxation	(23,691)	(14,520)	(33,046)	(7,541)	(56,737)	(22,061)
Taxation (Note 4)	-	-	-	-	-	-
Loss after taxation	(23,691)	(14,520)	(33,046)	(7,541)	(56,737)	(22,061)
Minority interests	155	-	-	-	155	-
Net loss attributable to shareholders	(23,536)	(14,520)	(33,046)	(7,541)	(56,582)	(22,061)
Loss per share						
- Basic (Note 5)					(1.07 cents)	(0.46 cents)
Loss per share						
- Diluted (Note 5)					N/A	N/A

NOTES TO THE UNAUDITED CONSOLIDATED INCOME STATEMENTS:

1. Basis of Presentation

The unaudited consolidated financial statements of the Group have been prepared in accordance with Statements of Standard Accounting Practice issued by Hong Kong Society of Accountants, the accounting principles generally accepted in Hong Kong, the disclosure requirements of Hong Kong Companies Ordinance, and The Rules Governing the Listing of Securities on GEM (the "GEM Listing Rules").

2. Turnover

Turnover represents income earned from installation, Internet connectivity, server hosting and co-location, other value-added services and sales of equipment and software.

3. Discontinuing Operation

On 8th May, 2002, the Group approved a corporate restructuring and discontinued its data centre operation in Beijing, the PRC. Results of this discontinuing operation for the nine months ended 30th September, 2002 are set out above.

As a result of the corporate restructuring, a provision for impairment losses in the amount of approximately HK\$27,409,000 represented the carrying amount of fixed assets for the data centre operation in Beijing as at 30th June, 2002 was made. For the current quarter, part of these fixed assets with net book values of approximately HK\$617,000 was sold for approximately HK\$266,000, resulting in a loss of approximately HK\$351,000 which had been included in other loss for the three months ended 30th September, 2002.

As at 30th September, 2002, the carrying amount of the fixed assets of this discontinued operation was approximately HK\$26,792,000 and it had no other significant assets or liabilities. The cash outflow from operating activities of this discontinued operation was approximately HK\$7,853,000 and its cashflow from investing, other than the proceeds of approximately HK\$808,000 received upon the aforesaid disposal, and financing activities was not significant for the nine months ended 30th September, 2002.

4. Taxation

No provision for Hong Kong profits tax was made as the Group had no assessable profits in Hong Kong for the nine months ended 30th September, 2002 and 2001.

A subsidiary, 北京合縱連橫科技有限公司 (the "Beijing Subsidiary"), is subject to the PRC enterprise income tax on the taxable income as reported in its statutory financial statements adjusted in accordance with relevant income tax laws. No provision for the PRC enterprise income tax was made as the Beijing Subsidiary had no taxable income for the nine months ended 30th September, 2002 and 2001.

As at 30th September, 2002, the Group has not recorded deferred tax assets, mainly in respect of tax losses carried forward of approximately HK\$105,000,000 (31st December, 2001: HK\$88,000,000) for the operations in Hong Kong, subject to agreement by the Hong Kong Inland Revenue Department, due to the uncertainty that the resultant deferred tax asset will be recovered in the foreseeable future.

5. Loss per Share

The calculation of basic loss per share for the three months and nine months ended 30th September, 2002 is based on the Group's unaudited consolidated net loss attributable to shareholders for the periods and 5,267,374,610 shares (for the three months and nine months ended 30th September, 2001: weighted average of 5,267,374,610 and 4,818,585,796 shares respectively, which have been adjusted for the subdivision of shares of the Company in August 2001) in issue during the periods.

Diluted loss per share is not presented because the effect of the assumed conversion of all potential dilutive securities during the three months and nine months ended 30th September, 2002 and 2001 would be anti-dilutive.

6. Reserves

Movements in reserves of the Group for the nine months ended 30th September, 2002 and 2001 are as follows:

	For the nine months ended 30th September,					2001 Total HK\$'000
	2002				Total HK\$'000	
	Share premium HK\$'000	Contributed surplus HK\$'000	Exchange translation reserve HK\$'000	Accumulated deficit HK\$'000		
Balance, beginning of period	243,476	43,782	50	(67,336)	219,972	224,059
Issuance of ordinary shares	-	-	-	-	-	110,742
Capitalisation issue	-	-	-	-	-	(71,110)
Conversion of convertible notes	-	-	-	-	-	(8,868)
Exchange translation differences	-	-	20	-	20	50
Loss for the period	-	-	-	(56,582)	(56,582)	(22,061)
Balance, end of period	243,476	43,782	70	(123,918)	163,410	232,812

Under the Companies Law (Revised) of the Cayman Islands, the funds in the share premium account and the contributed surplus account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

DIVIDEND

The directors do not propose any dividend for the nine months ended 30th September, 2002 (2001: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

For the nine months ended 30th September, 2002, the Group recorded a turnover of approximately HK\$42,653,000 and a net loss attributable to shareholders of approximately HK\$56,582,000.

In the period under review, the Group had discontinued its data centre operation in Beijing, the PRC and accordingly, a provision for impairment losses in the fixed assets for this operation amounting to approximately HK\$26,792,000 was made after the disposal and transfer of part of these fixed assets with net book values of approximately HK\$2,890,000 for approximately HK\$901,000. However, this restructuring has effectively reduced the Group's operating costs.

The market remained difficult with most enterprises restricting their expenditures and the Group continued to experience pressure on pricing of its service revenue upon renewal of the expiring service contracts. This together with the restructuring of operation in Beijing explained the drop in turnover of the Group by 16.3% from last quarter's HK\$13,211,000 to HK\$11,056,000 for the quarter.

While the Group focused on improving its core business in data centre operation, leveraging on its expertise and infrastructure, the Group also participated in the network game industry by forming joint ventures with game developers in the PRC. Different alternatives had also been implemented to control the Group's operating costs.

Operation Review

Strategic development

Beijing

The Group has in May 2002 discontinued its data centre operation in Beijing, PRC through 北京合縱連橫科技有限公司, a wholly-owned subsidiary of the Company registered in the PRC.

On the other hand, the directors believe that Beijing and the other major cities of the PRC are still areas for growth for the Group and hence, a new operation has been established in Beijing which will be providing web-hosting, online storage and secure mailing system to its customers by the end of this year. The Group has also engaged a strategic partner in Beijing for the provision of data centre services to its customers.

The Group has also in June 2002 formed a joint venture with independent third parties in Beijing, the PRC for the development of network games. The Group has contributed USD256,001 for 80% interest in the joint venture. In August 2002, the Group formed another joint venture with other independent third parties in Beijing for the development of network games. The Group has contributed USD300,001 for 70% interest in this joint venture. While it may not provide immediate significant return, the Group is optimistic about the network game industry and intends to establish a network game operation which ranges from development, distribution and deployment of network games in the PRC.

Shanghai, Taiwan, Singapore, Shenzhen and Guangzhou

The Group has engaged a strategic partner in providing data centre services in Shanghai. Having considered the oversupply situation there at the moment, it is expected that the delay in establishing its own data centre will not materially affect the Group's operation.

Strategic partners have been engaged in Singapore and identified in Taiwan, Shenzhen and Guangzhou for the provision of data centre services. In view of the downturn of economy in Taiwan and Singapore and the market conditions in Shenzhen and Guangzhou, the Group will take a very cautious approach and closely monitor the market conditions before

establishing data centres there to minimise the potential risks to the Group. It is expected that the delay in establishing its own data centres there will not materially affect the Group's operation.

Infrastructure and facilities development

In view of the soft market and the Group had completed its renovation and installation of the facilities in the expansion phase of the data centre at "The Center" in Hong Kong last year, no material costs were incurred this period for its infrastructure and facilities. The Group's hosting capacity reaches approximately 1,300 racks in Hong Kong.

Business development

The Group continued to expand its existing data centre services and strengthened its managed / ASP services in the period. It is expected that web-hosting, online storage and secure mailing system will be launched both in Hong Kong and Beijing by the end of this year.

Prospect

While the different market segments in Hong Kong and worldwide remained difficult in the period, the Group has no immediate plan in setting up further data centres across the Asia Pacific region and has adopted a more flexible strategy in providing its customers data centre services throughout the region by forming alliances with other data centre operators in Beijing, Shanghai, Tokyo, Singapore, Manila and Bangkok. The directors believe it is in the Group's interest to slow its pace of business development and the Group will pursue its business objectives cautiously taking into account of the latest market development.

As already set out in the Company's last quarterly report, the Group experienced pressure on pricing of its service revenue in 2002 and it was expected that the level of bad debts would be at a relatively high level before the market rebounded. Nevertheless, the Group has taken every measure to increase its operating efficiency and to reduce its operating costs so as to increase its competitiveness. Further, with a tightened credit control policy and the setting up of a task group for debt collection, it is noted that provision for bad debts has returned to a lower level in this quarter. On the other hand, the Group has been launching more value-added services to its customers to broaden its revenue base.

The growth in e-commerce and Internet usage has stimulated the demand for Internet hosting, co-location, managed services and other value-added services throughout the world in the long-run. The directors believe that the Group is well positioned to capture these opportunities. Although, the economic recovery in the United States becomes less certain recently which casts doubt on whether the economy in Hong Kong has reached its bottom and may rebound in the last quarter of 2002, the directors currently note that the market becomes more stabilized. Further, the restructuring of its Beijing data centre operation has contributed positively to the Group's overall results.

As a medium term investment, the Group has also been investing in the network game industry which will hopefully provide new drive to the Group's revenue growth. In addition to its investments in two joint ventures in game development, the Group has been evaluating the possibility of investing in a game operator in the PRC.

DIRECTORS' INTERESTS

As at 30th September, 2002, the interests of the directors in the shares of the Company as recorded in the register maintained by the Company under Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") or as otherwise notified to the Company and the Stock Exchange pursuant to rules 5.40 to 5.49 of the GEM Listing Rules were as follows:

Name of directors	Personal interests	Family interests	Corporate interests	Other interests	Total
				<i>(Note)</i>	
Chung Cho Yee, Mico	-	-	-	400,500,000	400,500,000
Tam Wai Keung, Billy	1,081,350,000	-	-	-	1,081,350,000
Lee Brandon	-	-	-	400,500,000	400,500,000
Leung Man Leuk, Tommy	-	-	-	400,500,000	400,500,000
Hui Kwai	-	-	-	400,500,000	400,500,000
Tang King Fai	-	-	-	400,500,000	400,500,000
Cheung Sum, Sam	-	-	-	400,500,000	400,500,000

Note: These directors are deemed to be interested in 400,500,000 shares of the Company held by HSBC International Trustee Limited ("HSBC Trustee"), the trustee of a discretionary trust named The RadarNet Trust, by virtue of being the beneficiaries under such discretionary trust.

Save as disclosed above, as at 30th September, 2002, none of the directors, chief executives of the Company or their associates had any interests in any securities of the Company or its associated corporations as defined in the SDI Ordinance.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Share Option Scheme

The Company has terminated its share option scheme adopted on 22nd February, 2001 (the “Old Share Option Scheme”) and adopted a new share option scheme (the “New Share Option Scheme”) on its 2002 Annual General Meeting on 3rd May, 2002 (the “Approval Date”).

Pursuant to the New Share Option Scheme, details of which have been set out in a circular of the Company to its shareholders dated 28th March, 2002, any individual being an employee, officer or consultant of the Group, including any executive or non-executive director of the Company and its subsidiaries may be granted options to subscribe for the shares of the Company. Up to 33 $\frac{1}{3}$ %, 66 $\frac{2}{3}$ % and 100% of any option offered under the New Share Option Scheme may respectively be exercised after one year, two years and three years from the date of offer of an option is made, but not later than 10 years from the date of offer. The subscription price on the exercise of an option shall be at least the highest of (i) the closing price of the Company’s shares quoted on the GEM on the date of offer, (ii) the average closing price of the Company’s shares quoted on the GEM for the five business days immediately preceding the date of offer, and (iii) the nominal value of the Company’s shares.

As at the Approval Date, no options had been granted or agreed to be granted under the Old Share Option Scheme. During the period and as at 30th September, 2002, no option has been granted or agreed to be granted under the New Share Option Scheme.

Trust Scheme

The RadarNet Trust is a discretionary trust which was set up by RadarNet Limited, the then substantial shareholder of the Company, on 9th August, 2000. HSBC Trustee was appointed as the trustee. Under The RadarNet Trust, HSBC Trustee may at its discretion to sell the shares of the Company to certain beneficiaries who are directors, employees or consultants of the Group and its holding companies, shareholders or associated companies. The objective of establishing The RadarNet Trust is to incentivise the beneficiaries who have contributed to the business development of the Group before its listing and to the preparation for the listing of the Company's shares.

Since The RadarNet Trust is a discretionary trust, HSBC Trustee has the absolute discretion in deciding the manner and terms of the sale of the shares comprised therein to any beneficiary. However, the Group has recommended to HSBC Trustee the manner and terms by which any shares to be sold to the beneficiaries. The Group has recommended to HSBC Trustee to sell 200,250,000 shares of the Company representing 50% of the shares comprised in the trust property to 56 then full-time employees including four executive directors of the Company, namely Mr. Lee Brandon, Mr. Leung Man Leuk, Tommy, Mr. Hui Kwai and Mr. Tang King Fai, and a non-executive director, Mr. Cheung Sum, Sam, and the remaining 50% of such shares to 14 then full-time employees of PCCW Limited (formerly known as Pacific Century CyberWorks Limited) ("PCCW"), one of the substantial shareholders of the Company, including Mr. Chung Cho Yee, Mico, who is an executive director of both PCCW and the Company, for their contribution to the business development of the Group before its listing and to the preparation for the listing. In addition, the Group also recommended to HSBC Trustee that any shares to be sold by

HSBC Trustee to the beneficiaries should be at a cost of HK\$0.0334 per share. All dividends derived from the shares received by HSBC Trustee will be retained by HSBC Trustee and form part of the trust fund under The RadarNet Trust.

Following the resignation of several employees from the Group and PCCW, as at 1st January, 2002, the recommendation of 2,002,500 shares to be sold to them had been withdrawn and that of 64,080,000 shares to be sold to them had also been withdrawn during the period. Subsequent to the period end, the Group has recommended to HSBC Trustee to sell 26,032,500 shares to its employees.

As at 30th September, 2002, no shares have been sold to the beneficiaries under the aforesaid trust.

Save as disclosed above, at no time during the period was the Company or any of its holding companies, fellow subsidiaries or subsidiaries a party to any arrangements to enable any of the Company's directors or members of its management to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30th September, 2002, the interests of substantial shareholders in the Company's shares as recorded in the register maintained by the Company under Section 16(1) of the SDI Ordinance were as follows:

Name	Number of shares	Approximate percentage of shareholding
Li Tzar Kai, Richard ^(Note)	2,523,150,000	47.90%
Pacific Century Group Holdings Limited ^(Note)	2,523,150,000	47.90%
Pacific Century International Limited ^(Note)	2,523,150,000	47.90%
Pacific Century Group (Cayman Islands) Limited ^(Note)	2,523,150,000	47.90%
Anglang Investments Limited ^(Note)	2,523,150,000	47.90%
Pacific Century Regional Developments Limited ^(Note)	2,523,150,000	47.90%
PCCW ^(Note)	2,523,150,000	47.90%
Century Power Group Limited ^(Note)	2,523,150,000	47.90%
CyberVentures (Bermuda) Limited ("CyberVentures") ^(Note)	2,523,150,000	47.90%
CyberWorks Internet Ventures Limited ^(Note)	2,523,150,000	47.90%
Media Touch Group Limited ("Media Touch") ^(Note)	2,523,150,000	47.90%
Tam Wai Keung, Billy	1,081,350,000	20.53%

Note: Media Touch is wholly-owned by CyberWorks Internet Ventures Limited which is, in turn, wholly-owned by CyberVentures. The entire issued share capital of CyberVentures is held by Century Power Group Limited and the entire issued share capital of Century Power Group Limited is held by PCCW. Therefore, CyberWorks Internet Ventures Limited, CyberVentures, Century Power Group Limited and PCCW are deemed to be interested in the shares held by Media Touch for the purposes of the SDI Ordinance.

PCCW is a subsidiary of Pacific Century Regional Developments Limited. Approximately 37.5% and 37.8% of Pacific Century Regional Developments Limited's issued share capital are held by Pacific Century Group (Cayman Islands) Limited and Anglang Investments Limited respectively. Anglang Investments Limited is wholly-owned by Pacific Century Group (Cayman Islands) Limited whilst the latter is wholly-owned by Pacific Century International Limited. In turn, Pacific Century International Limited is wholly-owned by Pacific Century Group Holdings Limited, the entire issued share capital of which is held by Mr. Li Tzar Kai, Richard. Therefore, Pacific Century Regional Developments Limited, Anglang Investments Limited, Pacific Century Group (Cayman Islands) Limited, Pacific Century International Limited, Pacific Century Group Holdings Limited and Mr. Li Tzar Kai, Richard are all deemed to be interested in the shares held by Media Touch for the purposes of the SDI Ordinance.

Save as disclosed above, the Company has not been notified of any other interests representing 10% or more of the issued share capital of the Company as at 30th September, 2002.

COMPETING INTERESTS

PCCW is a substantial shareholder of the Company and Mr. Chung Cho Yee, Mico, an executive director of the Company, is also an executive director. PCCW has interests in the following entities which are engaged in the data centre or related business:

- a 42.5% interest in 北京中關村數據科技有限公司, which provides IT and professional services.

- a 100% interest in an indirect subsidiary of PCCW, which provides data centre services under the brand name of Powerb@se.

The directors believe that there is a risk that such businesses may compete with those of the Group's. Details of the above competing interests have been disclosed in the section "Relationship with PCCW" on pages 114 to 119 of the Prospectus. Up to the date of this report, all information regarding the aforesaid competing interests and the arrangements in this connection as mentioned in the Prospectus remains unchanged with the exception that relating to IDC Limited (see below).

Information in relation to the liquidation of IDC Limited (an Internet data centre joint venture company of PCCW and Telstra Corporation Limited, which did not commence trading) was included in the Company's second quarterly report for the six months ended 30th June, 2002. There has been no further change in respect of IDC Limited.

Save as disclosed above, none of the directors, the management shareholders or the substantial shareholders of the Company or their respective associates (as defined under the GEM Listing Rules) have any interests in a business which competes or may compete with the business of the Group.

AUDIT COMMITTEE

The audit committee of the Company comprises Mr. Cheng Kai Ming and Mr. Wong Wing Shing, both of whom are independent non-executive directors of the Company. The primary duties of the audit committee are to review the financial reporting process and internal control procedures of the Group.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied with the “Board Practices and Procedures” as set out in Rules 5.28 to 5.39 of the GEM Listing Rules throughout the period.

INTEREST OF SPONSOR

As notified by BNP Paribas Peregrine Capital Limited (the “Sponsor”), the Company’s sponsor, neither the Sponsor nor its directors or employees or associates (as referred to in Note 3 to Rule 6.35 of the GEM Listing Rules) had any interest in the share capital of the Company as at 30th September, 2002.

Pursuant to the agreement dated 13th February, 2001 entered into between the Company and the Sponsor, the Sponsor will receive a fee for acting as the Company’s retained sponsor for the period from 9th March, 2001, the date on which the shares of the Company are listed, until 31st December, 2003.

Save for the above, the Sponsor has no other interest in the Company as at 30th September, 2002.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the nine months ended 30th September, 2002, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

By Order of the Board

TAM Wai Keung, Billy

Director and Chief Executive Officer

Hong Kong, 11th November, 2002