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B M INTELLIGENCE INTERNATIONAL LIMITED

邦 盟 滙 駿 國 際 有 限 公 司*

(Incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT

PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES

The Company announces that on 8 May 2002, the Placing Agent has entered into the Placing Agreement with the Vendors to place unconditionally 32,000,000 Placing Shares at HK\$0.30 per Placing Share to independent third parties on a best endeavour basis.

The Company also announces that on 8 May 2002, the Vendors and the Company have entered into the Subscription Agreement pursuant to which the Vendors have conditionally agreed to subscribe for 32,000,000 Subscription Shares (the number of which is equivalent to the Placing Shares) at HK\$0.30 per Subscription Share.

Both the price per Placing Share and the price per Subscription Share are identical, and represent a discount of approximately 6.25% to the closing price of HK\$0.32 per Share as quoted on the Stock Exchange on 8 May 2002 being the last trading day immediately prior to the Suspension and a premium of approximately 20% over the average closing price of approximately HK\$0.25 per Share as quoted on the Stock Exchange for the last ten trading days up to and including 8 May 2002.

Completion of the Placing is unconditional. The Subscription is conditional upon completion of the Placing and the GEM Listing Committee granting the listing of and permission to deal in the Subscription Shares.

After completion of the Placing, the shareholding held by the Vendors will be reduced from approximately 40.33% to approximately 29.98%. Upon completion of the Subscription, the shareholding held by the Vendors will then increase from approximately 29.98% to approximately 36.55%.

The Company considers that the Placing and the Subscription will enlarge the shareholder base and the capital base of the Company and will strengthen the financial position of the Company. The net proceeds from the Subscription is estimated to be approximately HK\$9.3 million and is intended to be used for the expansion of the Group's geographical reach in the PRC and development of new services.

The Company is pleased to announce that the Placing Agent has successfully placed a total of 32,000,000 Placing Shares on behalf of the Vendors to 14 placees, who are independent of and not connected with any of the Directors, chief executive, substantial shareholder or management shareholder of the Company, or any of their respective associates and that none of the placees fall under any of the categories set out in Note 1 to Rule 10.12(4) of the GEM Listing Rules save for Guotai Junan Investments (Hong Kong) Limited, a fellow subsidiary of the Placing Agent, was placed with 6,000,000 Placing Shares.

The Subscription constitutes a discloseable transaction under the GEM Listing Rules. A circular regarding further information of the Subscription will be dispatched to shareholders of the Company within 21 days after the publication of this announcement in accordance with the GEM Listing Rules.

At the request of the Company, trading in the Shares was suspended with effect from 2:30 p.m. on 8 May 2002 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 10 May 2002.

THE PLACING AGREEMENT

Date :

8 May 2002

Vendor :

- (1) Williamsburg; and
- (2) Mangreat.

As at the time of signing of the Placing and Underwriting Agreement, Williamsburg and Mangreat were the beneficial owner of 61,620,000 Shares and 63,024,000 Shares respectively, representing approximately 19.94 % and 20.39 % of the existing issued share capital of the Company respectively. Upon completion of the Placing of the 32,000,000 Placing Shares, Williamsburg and Mangreat will be beneficially interested in approximately 14.99 % and 14.99 % of the issued share capital of the Company respectively.

Placing Agent :

Guotai Junan Securities (Hong Kong) Limited has agreed to place unconditionally, on a best effort basis, the Placing Shares to third parties independent to the Vendors. The Placing

Agent is independent of and not connected with any of the directors, chief executive, substantial shareholders or management shareholders of the Company or any of their respective associates.

Placing Shares:

32,000,000 Shares, representing approximately 10.36% of the existing issued share capital of the Company. The Placing Shares rank pari passu with all other existing issued shares in all respects and will be sold free from any claims, charges, liens, encumbrances or any other third party rights.

Placees:

The Placing Shares will be placed to 14 placees who, together with their ultimate beneficial owners, will be independent of and not connected with the Directors, chief executive, substantial shareholders or management shareholders of the Company or any of their respective associates.

Placing price:

HK\$0.30 per Placing Share.

This price was determined after arm's length negotiations between the Vendors and the Placing Agent. This price represents (i) a discount of approximately 6.25% to the closing price of HK\$0.32 per Share as quoted on the Stock Exchange on 8 May 2002 being the last trading day immediately prior to the Suspension; and (ii) a premium of approximately 20% to the average closing price of approximately HK\$0.25 per Share as quoted on the Stock Exchange for the last ten trading days up to and including 8 May 2002.

Conditions of the Placing:

The Placing is unconditional.

Completion of the Placing:

On or before 2:00 p.m. on the second Business Day after the Trade Day (or such other time as the Vendors and the Placing Agent may otherwise agree).

THE SUBSCRIPTION AGREEMENT

Date :

8 May 2002

Subscriber:

- (1) Williamsburg; and
- (2) Mangreat.

Subscription Shares:

32,000,000 Subscription Shares, representing approximately 10.36% of the existing issued share capital of the Company or approximately 9.38% of the issued share capital of the Company as enlarged by the allotment and issue of such Subscription Shares pursuant to the Subscription.

Subscription price:

HK\$0.30 per Subscription Share, which is equivalent to the price per Placing Share.

Ranking of the Subscription Shares:

The Subscription Shares, when issued and fully paid on allotment, will rank equally in all respects among themselves and with all other Shares in issue as at the date of such allotment pursuant to the Subscription Agreement.

Conditions of the Subscription:

The Subscription is conditional upon completion of the Placing pursuant to the Placing Agreement and the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

Completion of the Subscription:

Completion of the Subscription shall take place on the second Business Day after the date of fulfillment of the above conditions.

As the Subscription constitutes a connected transaction under Chapter 20 of the GEM Listing Rules, completion of the Subscription is required to take place within 14 days of the date of the Placing Agreement, otherwise shareholders' approval would be required for the Subscription. If the conditions referred to above are not fulfilled by 22 May 2002 (or such later time or date as may be agreed by the Vendors and the Company), all rights, obligations and liabilities of the parties to the Subscription Agreement in relation to the Subscription will cease and determine.

GENERAL MANDATE

The Subscription Shares will be allotted and issued pursuant to the general mandate granted to the Directors by a written resolution of Shareholders passed on 4 July 2001 authorising the Directors to allot and issue up to 60,000,000 Shares, representing 20% of the issued share capital of the Company as at the date of passing of the resolution.

RESULTS OF THE PLACING

The Placing Agent has successfully placed the Placing Shares to 14 placees, who and (where applicable) their ultimate beneficial owners are independent of and not connected with any of the Directors, chief executive, substantial shareholder or management shareholder of the Company, or any of their respective associates, and that none of the placees fall under any of the categories set out in Note 1 to Rule 10.12(4) of the GEM Listing Rules save for Guotai Junan Investments (Hong Kong) Limited, a fellow subsidiary of the Placing Agent, was placed

with 6,000,000 Placing Shares.

CHANGES IN SHAREHOLDING STRUCTURE

As at the date of this announcement, the Vendors are interested in approximately 40.33% of the existing issued share capital of the Company as to 19.94% of which owned by Williamsburg and 20.39% of which owned by Mangreat. In addition, the Vendors, together with Homelink Venture Corp. (the entire issued share capital of which are also beneficially owned by Mr. Lo), B & M Associates Limited and World Standard Development Limited (the entire issued share capital of these two companies are beneficially owned by Mr. Ip), are interested in approximately 67.31% of the existing share capital of the Company.

Upon completion of the Placing of the 32,000,000 Placing Shares, the Vendors will be interested in approximately 29.98% of the existing issued share capital of the Company as to 14.99% of which owned by Williamsburg and 14.99% of which owned by Mangreat. In addition, the Vendors, together with Homelink Venture Corp., B & M Associates Limited and World Standard Development Limited, will be interested in approximately 56.96% of the existing share capital of the Company.

Upon completion of the Subscription of the 32,000,000 Subscription Shares, the Vendors will be interested in approximately 36.55% of the existing issued share capital of the Company as enlarged by the allotment and issue of such Subscription Shares pursuant to the Subscription, as to 18.07% of which owned by Williamsburg and 18.48% of which owned by Mangreat. In addition, the Vendors, together with Homelink Venture Corp., B & M Associates Limited and World Standard Development Limited, will be interested in approximately 61.00% of the share capital of the Company.

REASONS FOR THE PLACING AND SUBSCRIPTION

The Group is principally engaged in the provision of business, accounting and corporate development advisory services to companies in Hong Kong and the PRC.

The Directors consider that it is in the interests of the Company to raise further capital from the equity market by way of the Placing and the Subscription in order to enhance the capital base of the Company, thereby giving it greater flexibility in its funding and to increase the shareholders' base of the Company. In the meantime, the Directors consider that a rights issue or open offer would take a relatively long time and be much more expensive to arrange compared with a placing and subscription exercise. In the interest of time, the Company requested the Vendors, who as at the date of this announcement held sufficient shareholding for the Placing, to place the Placing Shares to the Placing Agent. As the Vendors intend to maintain their respective amount of shares in the capital of the Company, they will subscribe for such number of Subscription Shares which is equivalent to the number of Shares to be placed by them under the Placing.

The Directors (including the independent non-executive Directors) considered that the terms of the Placing Agreement and the Subscription Agreement were fair and reasonable and they were in the best interests of the Company, as far as the Shareholders are concerned.

The Subscription constitutes a discloseable transaction under the GEM Listing Rules. A circular regarding further information of the Subscription will be dispatched to shareholders of

the Company within 21 days after the publication of this announcement in accordance with the GEM Listing Rules.

APPLICATION FOR LISTING

Application will be made by the Company to the GEM Listing Committee of the Stock Exchange to grant the listing of, and permission to deal in, the Subscription Shares.

USE OF PROCEEDS

The net proceeds after deducting related placing commission, professional fees and all related expenses, under the Subscription of the 32,000,000 new Shares, are estimated to be approximately HK\$9.3 million. It is the present intention of the Company to apply the net proceeds for the expansion of the Group's geographical reach in the PRC and development of new services, as to approximately \$8 million will be used to set up offices and recruit personnel in the PRC and as to approximately \$1 million to conduct feasibility on development of new services, which are in line with the business objectives of the Company as stated in its Prospectus. In the event that the internal resources are not sufficient to finance the business plan of the Group for the year ending 30 April, 2004, additional finance may need to be raised.

SUSPENSION

At the request of the Company, trading in the Shares was suspended with effect from 2:30 p.m. on 8 May 2002 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 10 May 2002.

DEFINITIONS

The following defined terms are used in this announcement:

“associates”	having the meaning ascribed thereto in the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	means a day (other than a Saturday) on which banks in Hong Kong are generally open for business
“Company”	B M Intelligence International Limited, a company incorporated in the Cayman Islands and the Shares of which are listed on GEM
“Completion”	the performance by the parties of the several obligations contained in the Placing Agreement
“Completion Date”	the date on which Completion takes place which is the second Business Day after the Trade Day or at such other date and time as may be agreed between the Vendors and the Placing Agent
“Director(s)”	the director(s) of the Company

“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“GEM Listing Committee”	the listing committee of the Stock Exchange with responsibility for GEM
“Group”	the Company and its subsidiaries
”Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Mangreat”	Mangreat Assets Corp, a company incorporated in the British Virgin Islands, which is the beneficial owner of 63,024,000 Shares, representing approximately 20.39% of the existing issued share capital of the Company, and the entire issued share capital of Mangreat Assets Corp are beneficially owned by Mr. Lo
“Mr, Ip	Mr. Ip Yu Chak, an executive director of the Company
“Mr. Lo”	Mr. Lo Wah Wai, the chairman and an executive director of the Company
“Placing”	the placing of the Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Guotai Junan Securities (Hong Kong) Limited
“Placing Shares”	32,000,000 existing Shares
“Placing Agreement”	the Placing Agreement dated 8 May 2002 between the Vendors and the Placing Agent
“Prospectus”	the prospectus of the Company dated 11 July 2001 in relation to the initial public offer of the Shares on GEM
“Share(s)”	ordinary share(s) of HK\$0.01 in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares to be subscribed for by the Vendors pursuant to the Placing Agreement
“Subscription Agreement”	the subscription agreement dated 8 May 2002 between the Vendors and the Company

“Subscription Shares”	new Shares to be subscribed for by the Vendors in such number as shall be equivalent to the number of the Placing Shares placed by the Placing Agent under the Placing Agreement
“Suspension”	suspension of trading in the Shares with effect from 2:30 p.m. on 8 May 2002
“Trade Day”	means the Business Day immediately after the date of the Placing Agreement, on which the Placing Shares are traded on the Stock Exchange
“Vendors”	Williamsburg and Mangreat
“Williamsburg”	Williamsburg Invest Limited, a company incorporated in the British Virgin Islands, which is the beneficial owner of 61,620,000 Shares, representing approximately 19.94% of the existing issued share capital of the Company, and the entire issued share capital of Williamsburg Invest Limited are beneficially owned by Mr. Lo

By order of the Board of
B M Intelligence International Limited
Lo Wah Wai
Chairman

Hong Kong, 9 May 2002

* For identification purposes only

This announcement, for which the directors (the “Directors”) of B M Intelligence International Limited (the “Company”) 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 of Hong Kong Limited for the purpose of giving information with regard to the Company. 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.

This announcement will remain on the GEM website on the “Latest Company Announcement” page for at least 7 days from the date of publication.