



# Power of UNITY

**First Quarterly Report 2005**  
**第一季度業績報告2005**

**B M Intelligence International Limited**  
(Incorporated in the Cayman Islands with limited liability)

邦盟滙駿國際有限公司  
(於開曼群島註冊成立之有限公司)

**BM** INTELLIGENCE

## **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.**

*The Stock Exchange takes no responsibility for the contents of this report, 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 report.*

*This report, for which the directors of B M Intelligence International Limited 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 for the purpose of giving information with regard to B M Intelligence International Limited. The directors of B M Intelligence International Limited, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this report is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this report misleading; and (iii) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

The board of directors (the "Board" or the "Directors") of B M Intelligence International Limited ("BM Intelligence" or the "Company") is pleased to announce the unaudited results of the Company and its subsidiaries (collectively, the "Group") for the three months ended 31 July 2005, together with the comparative unaudited figures for the corresponding period ended 31 July 2004 as follows:

### UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months ended 31 July 2005

	Notes	Three months ended 31 July	
		2005 HK\$'000	2004 HK\$'000
Turnover	2	6,046	2,751
Cost of services provided		<u>(4,452)</u>	<u>(1,961)</u>
Gross profit		1,594	790
Other revenue		77	3
Administrative expenses		<u>(2,301)</u>	<u>(1,715)</u>
Loss from operations		(630)	(922)
Finance charge on obligations under Hire purchases contract		(3)	—
Share of results of associates		<u>498</u>	<u>295</u>
Loss before taxation		(135)	(627)
Taxation	3	<u>(87)</u>	<u>(42)</u>
Loss before minority interests		(222)	(669)
Minority interests		<u>6</u>	<u>—</u>
Loss attributable to shareholders		<u>(216)</u>	<u>(669)</u>
Dividends	4	<u>—</u>	<u>—</u>
Loss per share	5		
Basic		<u>HK0.06 cents</u>	HK0.20 cents
Diluted		<u>N/A cents</u>	<u>N/A cents</u>

Notes:

1. Basis of preparation

The principal accounting policies adopted in the preparation of the unaudited results are in accordance with the accounting principles generally accepted in Hong Kong and the accounting standards issued by The Hong Kong Institute of Certified Public Accountants. They have been prepared under the historical cost convention.

2. Turnover

The Group's turnover represents the net amounts received and receivable from services provided by the Group to outside clients during the three months ended 31 July 2005.

### 3. Taxation

	<b>Three months ended 31 July</b>	
	<b>2005</b>	<b>2004</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
The charge comprises:		
Hong Kong profits tax	—	—
Share of taxation attributable to associates	<u>87</u>	<u>42</u>
	<u><b>87</b></u>	<u><b>42</b></u>

Hong Kong profits tax has been provided at the rate of 17.5% (2004: 17.5%) on the estimated assessable profits arising in Hong Kong for the three months ended 31 July 2005.

There was no significant unprovided deferred taxation in respect of any periods referred to in this report.

### 4. Dividends

The Board does not recommend the payment of any dividends for the three months ended 31 July 2005 (2004: nil).

### 5. Loss per share

The calculation of the basic and diluted loss per share is based on the following data:

	<b>Three months ended 31 July</b>	
	<b>2005</b>	<b>2004</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Net loss for the period and loss for the purpose of calculating basic and diluted loss per share	<u>(216)</u>	<u>(651)</u>
Number of shares:		
Number of shares for the purpose of calculating basic loss per share	<b>341,020,000</b>	341,020,000
Effect of dilutive potential shares:		
Share options	<u>N/A</u>	<u>N/A</u>
Weighted average number of share for the purpose of calculating diluted loss per share	<u>N/A</u>	<u>N/A</u>

Diluted loss per share has not been calculated for the three months ended 31 July 2005 as there was no dilutive potential ordinary share during this period.

### 6. Movements in reserves

Movements in the reserves of the Group during the three months ended 31 July 2005 are set out as follows:

	<b>Share premium HK\$'000</b>	<b>Special reserve HK\$'000</b>	<b>Accumulated losses HK\$'000</b>	<b>Total HK\$'000</b>
At 1 May 2005	<b>27,180</b>	<b>(200)</b>	<b>(14,557)</b>	<b>12,423</b>
Loss attributable to shareholders	<u>—</u>	<u>—</u>	<u>(216)</u>	<u>(216)</u>
At 31 July 2005	<u><b>27,180</b></u>	<u><b>(200)</b></u>	<u><b>(14,773)</b></u>	<u><b>12,207</b></u>
	<b>Share premium HK\$'000</b>	<b>Special reserve HK\$'000</b>	<b>Accumulated losses HK\$'000</b>	<b>Total HK\$'000</b>
As at 1 May 2004	<b>27,180</b>	<b>(200)</b>	<b>(11,079)</b>	<b>15,901</b>
Loss attributable to shareholders	<u>—</u>	<u>—</u>	<u>(669)</u>	<u>(669)</u>
At 31 July 2004	<u><b>27,180</b></u>	<u><b>(200)</b></u>	<u><b>(11,748)</b></u>	<u><b>15,232</b></u>

## BUSINESS REVIEW AND OUTLOOK

### Financial Review

For the three months ended 31 July 2005, the Group recorded a total turnover of approximately HK\$6,046,000 (for the three months ended 31 July 2004: approximately HK\$2,751,000) and a loss attributable to shareholders of approximately HK\$216,000 (for the three months ended 31 July 2004: loss of approximately HK\$669,000).

### OPERATION REVIEW

#### Corporate Services

##### *Professional Translation Services*

During the period under review, BMI Professional Translation Service Limited ("BMI Translation"), the Group's wholly-owned subsidiary, recorded a remarkable growth in its turnover and profit as compared to that of the last corresponding period. During the period under review, BMI Translation endeavoured to upgrade its production facilities and expand its professional team. Leveraged on the enhanced quality control system and the concerted efforts of the team, BMI Translation proved to be a trusted language solutions partner of leading local and regional enterprises in their respective industries. Looking forward, we are confident in strengthening its market position in future.

##### *Company Secretarial Services*

BMI Corporate Services Limited ("BMI Corporate Services"), the Group's wholly-owned subsidiary providing full range, timely and accurate company secretarial services to listed companies as well as private companies recorded remarkable growth in its turnover. IBC Corporate Services Limited ("IBC" Corporate Services), the Group's wholly-owned subsidiary, providing offshore company services, has also continued to grow to become a trusted offshore company services provider.

Leveraging on the increasing awareness and demand for good corporate governance practices, BMI Corporate Services is expected to experience continued growth in both its turnover and profits. The synergies among BMI Corporate Services, IBC Corporate Services and Union Services and Registrar Inc., in which the Group holds a 4.9% interest, shall benefit the division and the Group as a whole, generating a positive momentum for further expansion and growth.

##### *Assets Valuation Services*

BMI Appraisals Limited ("BMI Appraisals"), the Group's 45% owned associate, is an all-rounded valuation consulting company providing a wide range of professional valuation and consultancy services which include, but not limited to, real estate, plant & machinery and intangible assets valuations for clients worldwide. During the period under review, BMI Appraisals has successfully completed 1 valuation project for Main-board listing purposes and 1 valuation project for public documentation purposes. BMI

Appraisals has been expanding its company network to cope with the enhancing business opportunities in the PRC market and the Asia-Pacific region. The Board believes the performance of BMI Appraisals is satisfactory.

#### *Event Management and Corporate Communications Services*

In the reviewing period, Innovation Advertising Limited, the Group's 30% owned associate, and BM Union Communications Limited, the Group's 80% owned subsidiary form on 6 May 2005, completed several large-scale corporate events for a number of reputable clients in Hong Kong and the PRC, which marked the success of our new development in the business of corporate event management. We successfully held a golf tournament for a world-renowned international bank in the PRC's 13 cities and also a merging ceremony held for a Beijing leading accounting firm in Beijing and Hong Kong that hit the city with its successful theme we furnished for the client.

#### *Business, Accounting and Corporate Development Advisory Services*

The division provides business, accounting and corporate development advisory services through BMI Consultants Limited, the Group's wholly-owned subsidiary, whose importance to the Group's businesses in Hong Kong has gradually been diminishing. Nevertheless, the Group's successful organizational transformation denoted that the Group's overall business performance would not be adversely affected, as was compensated by the other successful professional service divisions.

#### *Wealth management services*

BMI Funds Management Limited ("BMIF"), the Group's wholly-owned subsidiary, has recorded a continuous growth in its turnover and product range. To broaden the services spectrum, BMI Wealth Management Limited ("BMIW"), the Group's 72% owned subsidiary, has been established to carry out all insurance related products. Whereby our services can be managed more efficiently and professionally through a more comprehensive product range and effective risk management.

BMIF and BMIW have endeavoured to expanding its teams of professional advisors and have continued to increase public awareness of its products and services through different marketing initiatives, such as Child Wealth Management Workshops. BMIF has also successfully got the sole distribution right of Marco Polo Pure China Fund in the region of Hong Kong and Taiwan, leading to an up-streaming development direction. Looking forward, BMIF and BMIW shall leverage the platform built to progress to become a well-known wealth management team in the Asia Pacific Region.

### **BUSINESS OUTLOOK**

The results for the period under review are encouraging. Benefiting from the economic upswing and the positive momentum built, the Board is confident in managing a successful turnaround and achieving our united vision, which is to become a pre-eminent service provider offering uniquely integrated and customized corporate consultancy solutions to mid-size listed companies and private companies in the Greater China region.

## DIRECTORS' INTERESTS IN SECURITIES

As at 31 July 2005, the interests and short positions of the Directors and their respective associates in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") adopted by the Company, or to be notified to the Company and the Stock Exchange, were as follows:

(a) *Interests in the shares and underlying shares of the Company*

Name of directors	Capacity	Type of interests	Aggregate long position in the shares and underlying shares	Approximate percentage of the issued share capital
Lo Wah Wai	Held by controlled corporation	Corporate	139,050,000 (Note 1)	40.77%
	Beneficial owner	Personal	43,000,000 (Note 2)	12.61%
Ip Yu Chak	Held by controlled corporation	Corporate	69,220,000 (Note 3)	20.30%
	Beneficial owner	Personal	43,000,000 (Note 2)	12.61%
Wong Wai Tung	Beneficial owner	Personal	5,000	0.0015%
	Beneficial owner	Personal	3,000,000 (Note 4)	0.88%

*Notes:*

- 61,890,000, 63,024,000 and 14,136,000 shares are owned by Williamsburg Invest Limited ("WI"), Mangreat Assets Corp. ("MA") and Homelink Venture Corp. ("HV") respectively. WI, MA and HV are companies incorporated in the British Virgin Islands. The entire issued share capital of WI, MA and HV are wholly-owned by Mr. Lo Wah Wai.
- Options to subscribe for a total of 43,000,000 shares of the Company were granted to each of Mr. Lo Wah Wai and Mr. Ip Yu Chak.
- 62,380,000 and 6,840,000 shares are owned by B & M Associates Limited ("BM") and World Standard Development Limited ("WS") respectively. BM and WS are companies incorporated in the British Virgin Islands. The entire issued share capital of BM and WS are wholly-owned by Mr. Ip Yu Chak.
- Options to subscribe for a total of 3,000,000 shares of the Company was granted to Mr. Wong Wai Tung.

(b) *Interests in shares in an associated corporation of the Company*

Name of directors	Name of associated corporation	Nature of interest	Aggregate long position in the shares and underlying shares	Approximately percentage of the issued share capital
Lo Wah Wai	Innovation Advertising Limited	Corporate	28 ordinary shares (Note a)	28%
Ip Yu Chak	Innovation Advertising Limited	Corporate	21 ordinary shares (Note b)	21%

*Notes:*

- 28 ordinary shares are owned by Riverwood Down Limited, a company incorporated in the British Virgin Islands and the entire issued share capital of Riverwood Down Limited is beneficially owned by Mr. Lo Wah Wai.
- 21 ordinary shares are owned by Golden Legacy Venture Limited, a company incorporated in the British Virgin Islands and the entire issued share capital of Golden Legacy Venture Limited is beneficially owned by Mr. Ip Yu Chak.

Save as disclosed above, as at 31 July 2005, none of the Directors or chief executives of the Company or their respective associates (as defined in the GEM Listing Rules) had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

## **SUBSTANTIAL SHAREHOLDERS**

As at 31 July 2005, other than the interests and short positions of the Directors or chief executives of the Company disclosed above, persons or companies who had interests or short positions in the shares and underlying shares of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances of general meetings of the Company or substantial shareholders as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

(a) *Long positions in shares*

Name of shareholder	Capacity	Type of interests	Aggregate long position in the shares and underlying shares	Approximate percentage of the issued share capital
Williamsburg Invest Limited	Beneficial owner	Corporate	61,890,000 (Note)	18.15%
Mangreat Assets Corp.	Beneficial owner	Corporate	63,024,000 (Note)	18.48%
B & M Associates Limited	Beneficial owner	Corporate	62,380,000 (Note)	18.29%

*Note:* These shareholdings have also been included as corporate interests of Directors as disclosed under the section headed "Directors' Interests in Securities" above.



Save as disclosed above, no person had registered an interest in the share capital of the company that was required to be disclosed under Divisions 2 and 3 of Part XV of the SFO and the GEM Listing Rules.

Save as disclosed above, the Directors or chief executives of the Company are not aware of any persons or corporations who, as at 31 July 2005, were entitled to exercise or control the exercise of 5% or more of the voting power at general meetings of the Company and were also, as a practicable matter, able to direct or influence the management of the Company.

### **COMPETING INTERESTS**

None of the Directors or the management shareholders or the substantial shareholders of the Company, or any of their respective associates, (as defined under the GEM Listing Rules) had any interest in a business that competes or may compete with the business of the Group.

### **AUDIT COMMITTEE**

The Company set up an audit committee on 4 July 2001 with written terms of reference in accordance with Rules 5.28 to 5.29 of the GEM Listing Rules. The primary duties of the audit committee are, inter alia, to review and monitor the financial reporting process and internal controls of the Group. The audit committee currently comprises three independent non-executive Directors of the Company, namely Mr. So Kwok Wai, Mr. Lee Kwong Tong and Mr. Lui Tin Nang. The audit committee has reviewed the Group's unaudited quarterly results for the three months ended 31 July 2005.

### **BOARD PRACTICES AND PROCEDURES**

During the three months ended 31 July 2005, the Company was in compliance with the Board Practices and Procedures as set out in Rules 5.34 to 5.45 of the GEM Listing Rules. Except that from 1 July 2005, actions were taken to comply with the Code which has become effective for accounting periods commencing on or after 1 January 2005 to replace the Board Practices and Procedures as set in Rules 5.35 to 5.45 of the GEM Listing Rules.

### **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

During the three months ended 31 July 2005, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

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

Hong Kong, 13 September 2005

Teamwork



Commitment



Achievement