



# Notes to the Financial Statements

For the period from 23rd January, 2001  
(Date of Incorporation) to 31st March, 2002

## 1. GENERAL

The Company was incorporated and registered in the Cayman Islands on 23rd January, 2001 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 6th June, 2002.

The Company did not carry on any business during the period from 23rd January, 2001 (date of incorporation) to 31st March, 2002.

## 2. SIGNIFICANT ACCOUNTING POLICY

The financial statements have been prepared under the historical cost convention and in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policy adopted is as follows:

### Taxation

The charge for taxation is based on the results for the period as adjusted for items which are non-assessable or disallowed. Timing differences arise from the recognition for tax purposes of certain items of income and expense in a different accounting period from that in which they are recognised in the income statement. The tax effect of timing differences, computed using the liability method, is recognised as deferred taxation to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

## 3. TAXATION

No provision for taxation has been made in the financial statements as the Company had no assessable profit for the period.

There was no significant unprovided deferred taxation for the period and at the balance sheet date.

## 4. DIVIDEND

Final, proposed – HK3 cents per share

HK\$'000

9,000

Subsequent to 31st March, 2002, the directors of the Company proposed a final dividend of HK3 cents per share, amounting to HK\$9,000,000, be paid to the shareholders of the Company whose names appear in the register of members on 5th September, 2002. This final dividend is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

## 5. AMOUNT DUE TO A RELATED COMPANY

The amount is due to Get Nice Investment Limited in which Messrs. Hung Hon Man and Shum Kin Wai, Frankie, the directors of the Company, have beneficial interests. It is unsecured, repayable on demand and non-interest bearing.



# Notes to the Financial Statements (continued)

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## 6. SHARE CAPITAL

	Number of shares '000	HK\$'000
Ordinary shares of HK\$0.1 each		
Authorised:		
On incorporation and at 31st March, 2002	1,000	100
Issued:		
1 share allotted and issued at par on 30th January, 2001	–	–
999,999 shares allotted and issued nil paid on 30th January, 2001	1,000	–
At 31st March, 2002	1,000	–

The Company was incorporated in the Cayman Islands on 23rd January, 2001 with an authorised share capital of HK\$100,000 divided into 1,000,000 shares of HK\$0.1 each. On 30th January, 2001, 1 share of HK\$0.1 each was allotted and issued at par.

On 30th January, 2001, 999,999 shares of HK\$0.1 each were allotted and issued nil paid to the shareholders. All the nil paid shares were subsequently settled in the manner described in note 7.

Changes in the share capital of the Company subsequent to 31st March, 2002 are set out in note 7.

## 7. POST BALANCE SHEET EVENTS

- (a) Pursuant to the written resolutions passed by the shareholders of the Company on 16th May, 2002:
- (i) the authorised share capital of the Company was increased from HK\$100,000 to HK\$200,000 by the creation of an additional 1,000,000 shares of HK\$0.1 each, which were on that date issued and credited as fully paid to the shareholders;
  - (ii) the authorised share capital of the Company was further increased from HK\$200,000 to HK\$200,000,000 by the creation of an additional 1,998,000,000 shares of HK\$0.1 each;
  - (iii) the issue of 75,000,000 new shares of HK\$0.10 each for cash at HK\$1 per share by way of public offer and placing was approved (the “Share Offer”) and the directors were authorised to allot and issue these new shares;
  - (iv) conditional on the share premium account being credited as a result of the Share Offer, the directors were authorised to capitalise HK\$22,300,000 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 223,000,000 shares for allotment and issue to holders of shares of the Company whose names appeared on the register of members of the Company at the close of business on 16th May, 2002 (or as they may direct) in proportion to their then existing holdings in the Company; and
  - (v) the Company adopted a share option scheme.



# Notes to the Financial Statements (continued)

For the period from 23rd January, 2001  
(Date of Incorporation) to 31st March, 2002

## 7. POST BALANCE SHEET EVENTS (continued)

- (b) The companies comprising the Group underwent a reorganisation to rationalise the Group's structure in preparation for the listing of the Company's shares on the Stock Exchange. The reorganisation involved the transfer to the Company by Honeylink Agents Limited (the entire issued share capital of which is beneficially owned by Mr. Hung Hon Man), Mr. Shum Kin Wai, Frankie and Chambray Resources Limited (the entire issued share capital of which is beneficially owned by Mr. Cham Wai Ho, Anthony) of an aggregate of 10,000 shares of US\$1 each, being the entire issued share capital in Get Nice Incorporated, the intermediate holding company of the Group, in consideration of and in exchange for which the Company (i) allotted and issued, credited as fully paid, an aggregate of 1,000,000 new shares of HK\$0.1 each of the Company, as to 933,600 shares of HK\$0.1 each of the Company to Honeylink Agents Limited, 50,100 shares of HK\$0.1 each of the Company to Mr. Shum Kin Wai, Frankie and 16,300 shares of HK\$0.1 each of the Company to Chambray Resources Limited, and (ii) credited as fully paid at par the 999,999 nil paid shares of HK\$0.1 each of the Company held and owned as to 948,799 shares of HK\$0.1 each of the Company by Honeylink Agents Limited, 44,500 shares of HK\$0.1 each of the Company by Mr. Shum Kin Wai, Frankie and 6,700 shares of HK\$0.1 each of the Company by Chambray Resources Limited.

Details of the reorganisation are set out in the prospectus dated 24th May, 2002 issued by the Company.

- (c) Subsequent to 31st March, 2002, a wholly-owned subsidiary of the Company declared a dividend of HK\$10,000,000 be paid to the Company.