

The following is a summary of the audited consolidated financial statements of Van Shung Chong Holdings Limited (the “Company” or “VSC”) and its subsidiaries (together the “VSC Group”) for the respective years as hereunder stated.

### CONSOLIDATED INCOME STATEMENTS

*Amounts expressed in Hong Kong dollars*

	Years ended 31st March,				
	1998	1999	2000	2001	2002
	\$'000	\$'000	\$'000	\$'000	\$'000
			(Note 1)	(Note 1)	
Turnover	<u>2,150,961</u>	<u>1,842,262</u>	<u>1,900,945</u>	<u>2,376,451</u>	<u>2,137,845</u>
Operating profit before share of (loss) profit of associates	79,099	81,449	76,807	300,221	11,980
Share of (loss) profit of associates	<u>(615)</u>	<u>(1,980)</u>	<u>2</u>	<u>89</u>	<u>(88)</u>
Profit before taxation	78,484	79,469	76,809	300,310	11,892
Taxation	<u>(10,800)</u>	<u>(13,610)</u>	<u>(19,294)</u>	<u>(15,533)</u>	<u>(760)</u>
Profit before minority interests	67,684	65,859	57,515	284,777	11,132
Minority interests	<u>(1,238)</u>	<u>1,121</u>	<u>(2,150)</u>	<u>1,059</u>	<u>(1,022)</u>
Profit attributable to shareholders	<u>66,446</u>	<u>66,980</u>	<u>55,365</u>	<u>285,836</u>	<u>10,110</u>
Dividends (Note 2)	<u>21,387</u>	<u>21,387</u>	<u>29,930</u>	<u>400,391</u>	<u>9,230</u>

Notes:

- Figures in prior years have been restated as set out in Note 2.b to the accompanying financial statements.
- For the year ended 31st March, 2000, there was also a bonus issue of warrant dividend in the ratio of one warrant for every five shares in addition to the cash dividends. Such warrants were expired on 16th February, 2002. For the year ended 31st March, 2001, dividend in specie of shares in iSteelAsia.com Limited (“iSteelAsia”) worth approximately \$308 million was distributed on the basis of 1,562 shares of iSteelAsia for VSC’s shareholders holding 2,000 shares in VSC in addition to the cash dividends. For the year ended 31st March, 2002, there was also a bonus issue of warrant dividend in the ratio of one warrant for every ten shares in addition to the cash dividends. Such warrants will be expired on 18th November, 2004. All other dividends were settled in cash.

## CONSOLIDATED BALANCE SHEETS

Amounts expressed in Hong Kong dollars

	As at 31st March,				
	1998	1999	2000	2001	2002
	\$'000	\$'000	\$'000	\$'000	\$'000
	(Note 1)	(Note 1)	(Note 1)	(Note 1)	
Property, plant and equipment	92,620	94,940	130,985	86,296	123,248
Investment properties	41,840	38,480	36,800	31,340	32,500
Website development costs	—	—	3,762	—	—
Investment in associates	30,840	22,282	18,561	90	2
Long-term investments	5,519	5,519	12,700	87,431	32,561
Goodwill	—	—	24,877	—	6,474
Pre-operating expenditures	1,050	—	—	—	—
Current assets	779,691	636,057	1,016,311	716,257	791,401
Current liabilities	(527,672)	(335,023)	(619,227)	(259,665)	(458,053)
Long-term bank loan	(178)	—	—	—	—
Deferred taxation	(128)	(863)	(1,497)	(2,070)	(250)
Minority interests	(4,654)	(2,429)	(4,289)	(2,921)	(4,573)
Net assets	<u>418,928</u>	<u>458,963</u>	<u>618,983</u>	<u>656,758</u>	<u>523,310</u>
Representing:					
Share capital	29,704	29,704	34,088	35,529	35,498
Reserves	125,779	120,221	245,611	414,425	359,311
Retained profit	249,781	295,374	317,967	125,088	125,661
Proposed dividend	13,664	13,664	21,317	81,716	2,840
Shareholders' equity	<u>418,928</u>	<u>458,963</u>	<u>618,983</u>	<u>656,758</u>	<u>523,310</u>

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