



BMI Quarterly News

Third Quarter of 2001

B M Intelligence International Limited

What's New

BMI has become the first consultancy firm listed in Hong Kong

BM Intelligence International Limited ("BMI") is the first consultancy firm listed on the GEM board of the Stock Exchange of Hong Kong Limited. BMI has been listed in Hong Kong since 18 July 2001. The net proceeds from the listing will be applied to the development of new services, enhancement of its internet-based platform, and promotion of public awareness of the Group. Listing also provides us with good financial capacity for other possible strategic growth.



We are currently trying to enrich our services to better serve our clients. At present, we are offering a number of professional services which include corporate finance advisory, asset valuation, financial PR services, company secretarial services, translation, credit management, and information technology.



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New business service unit – Corporate Communications Services

One of the greatest challenges faced by companies in today's business world is communication. Companies are required by different kinds of audiences to account for their actions. These audiences include shareholders, financial analysts, customers, suppliers, media and so forth. As the market competition is getting more and more intense, companies must differentiate itself from other competitors in order to succeed.

Our new financial PR services aim at helping clients establish corporate image and a better corporate communications channel with stakeholders in the marketplace. We incorporate our expertise and experiences in corporate finance, management consulting, company secretarial and business development into our public relations knowledge so that our consultants can provide a more comprehensive financial communications solution for our clients in Hong Kong and the PRC.

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We have introduced an *all-in-one corporate communications services* to clients which integrate three functional aspects – financial PR, company secretarial and translation into a single, professional services package.

The benefits of our professional communications package are varied – the

time saved and the convenience from only dealing with us; the compliance and administrative workload reduced as all the corporate communications and company secretarial duties have been outsourced to us; the professional fees minimized as we offer a package fee for providing all these three services.

GP Nano Technology Limited listed on GEM in July 2001

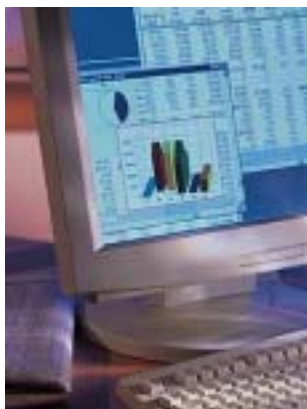
We successfully assisted GP Nano to obtain status on the GEM of Hong Kong in July 2001

One of our clients, GP Nano Technology Limited ("GP Nano"), was listed on GEM board in July 2001. GP Nano is principally engaged in the manufacture and sale of nanomaterials for use as fillers in different industrial applications such as the manufacturing of plastics and rubber products. We were engaged to provide corporate development advisory and assist in its IPO processes.



BMI's first quarterly results announcement for the period ended 31 July 2001

BMI announced its first quarterly results for the period ended 31 July 2001 on 13 September 2001. The Group recorded a turnover of approximately HK\$4.4 million, representing a growth rate of approximately 178% as compared to the same period last year. Net profit attributable to shareholders achieved a remarkable growth of approximately 139%, to record approximately HK\$2 million.



Two new strategic alliance members joined BMI

Two strategic alliance members namely, Xiamen Capital Management Co., Ltd in the PRC and DWC International in the United States, joined us in September 2001. Both of them are professional consultancy firms engaged in the provision of advisory services on corporate finance, business, accounting, tax, legal, and information technology to clients. The purpose of establishing this strategic alliance relationship is for business development in the PRC and the United States.



Our continuous training programs provide our employees and alliance members with training opportunities to keep their professional skills and knowledge current

Corporate training held in the PRC with strategic alliance members

BMI organized a corporate training for all company professional staff and strategic alliance members during 12 to 13 October 2001. The training covered various issues on corporate finance, IPO process, tax rulings and the rules and regulations of the Stock Exchanges in both Hong Kong and the PRC. The purpose of the training is for the exchange of professional knowledge amongst different alliance members.

IPO handbook for GEM board listing

We are currently preparing a handbook regarding the various issues during the IPO process for GEM board listing. It is expected that the handbook can be finalized and published at the end of this year. The IPO handbook will cover all topics in relation to the whole IPO process, such as accounting and tax issues; engagement of professional parties; costs of listing in Hong Kong; business valuation; financial PR, and disclosure requirements. This handbook can help companies better understand the process and requirements of IPO listing on GEM board.



GEM listing rules update

The following summaries are proposed changes of the GEM listing rules. The new rules are stricter than the interim rules announced last March but still less onerous than the original GEM listing rules.

1. The requirement that a GEM applicant must have a minimum of 24 months' active business pursuit is now shortened to 12 months provided that it has market capitalization, assets or revenue of at least HK\$500 million. However, the 24 months restriction is still applicable to those who do not have such market capitalization, assets or revenue.
2. The restriction that no new shares shall be issued within the first six months of listing is relaxed if it is used for acquisition.
3. The moratorium for initial management shareholder has been extended from six months to one year. The definition of initial management shareholder is all members of senior management, directors and investors with board representation.
4. Previously, stock lending arrangements with underwriters at the time of listing to cover over-allotments and the sale of shares pursuant to a placing and top-up transaction during the second six months are within the meaning of "disposal" and waiver must be obtained from the SFC. Now these two activities are excluded from the meaning of "disposal" by initial management shareholders.
5. The eligible person for granting of share options is no longer restricted to the full time employees of the listed issuer. However, the rules governing the maximum number of share options can be granted to each employee have been amended so that the maximum entitlement of each participant in a share option scheme in any 12-month period up to the date of grant to each participant can not exceed 1% of the securities in issue. Originally, the maximum entitlement of each participant under the scheme is not to exceed 2.5% of the securities in issue.
6. Amendments are made to Rules 11.23 and 25.08 to require the minimum prescribed percentage of securities in issue in public hands to be 25% for issuers with a market capitalization not exceeding HK\$4 billion and, for issuers with a market capitalization over HK\$4 billion, the higher of the percentage that would result in the market value of the securities in issue in public hands being equal HK\$1 billion (determined as at the time of listing) and 20%. Moreover, employees and their associated will not be considered as public in determining the minimum public float.



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Remarks:

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