

**MP LOGISTICS INTERNATIONAL HOLDINGS LTD:
OH, NO WONG, NO WONG, NO-O WONG, NO!**

With just 5 customers under its belt, MP Logistics International Holdings Ltd went public on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, Placing 50 million, one-cent Shares at a Premium of 39 cents per Share.

This Company, now designated as being Stock Code Number 8239, is '*principally engaged in coordinating various logistics services for its customers. The logistics services provided by the Group include sea freight forwarding, road freight forwarding, air freight forwarding and providing other related logistics services such as customs clearance and declaration, purchasing on behalf of its customers of insurance policies, repackaging and storage ...*'. (Page 40 of the Placing Prospectus)

The Company went public on October 31, 2002 and collected about \$HK12 million, net of expenses, by the Placement of its Shares.

That amount of money is to be used, the Prospectus states, for the following purposes:

1. \$HK2 million to expand the Company's operational network;
2. \$HK2 million to expand the operational facilities;
3. \$HK2 million to conduct advertising and marketing campaigns; and,
4. \$HK6 million to invest in a new or existing entity in the People's Republic of China (PRC), proper (as opposed to the Hongkong Special Administrative Region (HKSAR) of the PRC).

MP Logistics has been in business since May 1998, having been founded by Mr Yeung Leung Kong, who is, today, the 42-year old Managing Director.

The other founding member of this Company is Nanjing (Overseas) Cosco Trading Ltd, which was beneficially owned by a Mr Tong Hing Lim.

Today, this fledgling Company, now 5 years old, boasts of being able to earn a Net Profit Attributable to Shareholders of about \$HK1.40 million, at least, that was the situation in the Financial Year, ended March 31, 2002.

And it would appear that the Current Year could well set a new record for the MP Logistics.

The following table indicates the financial results of MP Logistics for the previous 2 Financial Years:

	Financial Year ended March 31	
	2001	2002
	All Figures are Denominated in Hongkong Dollars	
Turnover	16,698,146	17,840,933
Cost of Sales	(12,245,699)	(12,779,052)
Gross Profit	4,452,447	5,061,881
Other Revenue	223,145	229,124
Selling and Distribution Costs	(247,164)	(187,190)

Administrative Expenses	(3,635,989)	(3,472,927)
Profit from Operating Activities	792,439	1,630,888
Financing Costs	(44,422)	(11,176)
Profit before Taxation	748,017	1,619,712
Taxation	Nil	(220,000)
Net Profit from Ordinary Activities, Attributable to Shareholders	748,017	1,399,712

For the Current Year, up to August 31, 2002, this Company had recorded in its Management Accounts, a Net Profit Attributable to Shareholders of about \$HK1.13 million. (Page 84)

Annualising that first 5 months of this Financial Year would suggest a Net Profit for the full Year of about \$HK2.70 million – which is a 93-percent increase, if achieved, Year-on-Year.

The estimate of this Year's potential Net Profits is taken from the calculation of the Adjusted Net Tangible Assets

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