

# EVEREST INTERNATIONAL INVESTMENTS LIMITED

首富國際投資有限公司\*

(incorporated in the Cayman Islands with limited liability)

## INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2001

The Board of Directors (the “Directors”) of Everest International Investments Limited (the “Company”) presents the unaudited consolidated results of the Company and its subsidiary (the “Group”) for the six months ended 30th September, 2001 as follows:

### CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th September, 2001

		Six months ended	
	Notes	30.9.2001 HK\$'000 (unaudited)	30.9.2000 HK\$'000 (audited)
Turnover	4	558	250
(Loss) gain on disposal of investments		(1,952)	2,006
Administrative expenses		(1,192)	(552)
Finance costs		(16)	(6)
		<u>(2,602)</u>	<u>1,698</u>
(Loss) profit before taxation	5	(2,602)	1,698
Taxation	6	–	–
		<u>(2,602)</u>	<u>1,698</u>
(Loss) profit for the period		<u>(2,602)</u>	<u>1,698</u>
Dividend		–	–
		<u>–</u>	<u>–</u>
(Loss) earnings per share – basic	7	<u>(1.14 cents)</u>	<u>0.96 cents</u>

### NOTES TO THE CONDENSED FINANCIAL STATEMENTS

#### 1. BASIS OF PREPARATION

The condensed financial statements have been prepared in accordance with Statement of Standard Accounting Practice No. 25 “Interim Financial Reporting” (“SSAP 25”) issued by the Hong Kong Society of Accountants, except that, in this first year of implementation of the standard, as permitted by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), no comparative amounts have been presented for condensed consolidated cash flow statement and with the applicable disclosure requirements of Appendix 16 to the Listing Rules.

#### 2. PRINCIPAL ACCOUNTING POLICIES

The condensed financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain investment in securities.

The accounting policies adopted are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31st March, 2001 except as described below.

In the current period, the Group has adopted, for the first time, a number of new or revised Statements of Standard Accounting Practice (“SSAP”) issued by the Hong Kong Society of Accountants. The adoption of these new or revised SSAPs does not have any significant effect on the financial statements for the current or prior period.

#### 3. SEGMENTAL INFORMATION

The Group’s turnover and contribution to (loss) profit before taxation analysed by geographical location, were as follows:

	Turnover Six months ended		Contribution to (loss) profit before taxation Six months ended	
	30.9.2001 HK\$'000	30.9.2000 HK\$'000	30.9.2001 HK\$'000	30.9.2000 HK\$'000
By geographical location:				
Hong Kong	372	250	5	526
Japan	12	–	(167)	(32)
Taiwan	7	–	(79)	1
United States	122	–	(1,301)	(36)
Other regions in the PRC	39	–	(155)	1,287
Other parts of the world	6	–	(139)	88
	<u>558</u>	<u>250</u>	<u>(1,836)</u>	<u>1,834</u>
Less: Central administrative expenses			(750)	(130)
Finance costs			(16)	(6)
			<u>(2,602)</u>	<u>1,698</u>

All of the Group’s turnover and contribution to (loss) profit before taxation for the six months ended 30th September, 2001 and 30th September, 2000 were all attributable to investment activities.

Note: The above analysis is prepared based on the place of principal activities of investee companies.

#### 4. TURNOVER

	Six months ended	
	30.9.2001 HK\$'000	30.9.2000 HK\$'000
An analysis of the Group’s turnover is as follows:		
Dividend income – listed	186	–
Interest income	372	250
	<u>558</u>	<u>250</u>

#### 5. (LOSS) PROFIT BEFORE TAXATION

	Six months ended	
	30.9.2001 HK\$'000	30.9.2000 HK\$'000
(Loss) profit before taxation has been arrived at after charging:		
Directors’ remuneration		
– fees	20	–
– other emoluments	30	–
Contributions to retirement benefits scheme	3	–
Other staff costs	62	–
	<u>115</u>	<u>–</u>
Total staff costs	115	–
Auditor’s remuneration	20	38
Investment management fee	441	422
Interest on amount due to a related company	15	6
	<u>591</u>	<u>466</u>

#### 6. TAXATION

No provision for Hong Kong Profits Tax has been made in the financial statements since the Group had no assessable profit for both periods.

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

#### 7. (LOSS) EARNINGS PER SHARE – BASIC

The calculation of the loss per share is based on the loss for the six months ended 30th September, 2001 of approximately HK\$2,602,000 (six months ended 30th September, 2000: profit of approximately HK\$1,698,000) and on the weighted average number of 228,425,923 (six months ended 30th September, 2000: 176,568,000) shares in issue during the period.

#### 8. POST BALANCE SHEET EVENT

Subsequent to the balance sheet date, the Group has acquired a wholly-owned subsidiary, Cyberlink Management Limited (“Cyberlink”) together with a shareholder’s loan amounted to US\$200,000 at a consideration of HK\$6,000,000. The principal activity of Cyberlink is investment holding and its major asset is the holding of 12.94% interest in Golisa Enterprise Resources Pte. Ltd. (“Golisa”). Golisa, being a company incorporated in Singapore, is principally engaged in the provision of business management and consultancy service, and distribution and development of human resources software solutions.

#### INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30th September, 2001 (six months ended 30th September, 2000: Nil).

#### BUSINESS REVIEW AND OUTLOOKS

For the six months ended 30th September, 2001, the Group recorded a turnover of approximately HK\$558,000. Net loss attributable to shareholders of the Group for the six months ended 30th September, 2001 was approximately HK\$2,602,000 which was mainly attributed to the realized loss in divestment of some investments during the period amid the adverse and stagnant stock market condition. The disposal of those investments was made after careful evaluation in considering their unfavorable earning outlook by the Directors.

For the period under review, the Group’s investment portfolio has been slightly adjusted as compared with that of 31st March, 2001. An unlisted investment has been disposed while a new unlisted investment has been acquired during the period. Since the Group’s unlisted investments have not yet been listed and capital gains of some of the listed investments have not been realized, returns from the investments decreased significantly and were unable to match the recurrent expenses. At 30th September, 2001, approximately 50% of the value of the Group’s investments was in a portfolio of listed securities, 37% in unlisted investments, while the remaining 13% equivalent to approximately HK\$6,488,000 in cash at bank. The Group had no bank borrowing at the period end.

The Directors envisages that the economic and investment climate of Hong Kong is still clouded with uncertainty in coming months, but recent economic data suggests that there should be twilight of recovery by the mid or the end of 2002. The Directors believe that the PRC accession to the WTO and its sustainable economic growth in coming years will be the major boosters to Hong Kong capital market. Besides, the Directors will remain cautious in managing the Group’s portfolio, and when appropriate, restructure the portfolio in order to improve return to shareholders.

#### SHARE PLACEMENT AND SUBSCRIPTION

Taiwan International Capital (HK) Limited (“TICL”), the substantial shareholder of the Company entered into the Placing and Subscription Agreement (the “Agreement”) dated 12th June, 2001 for the placing of up to 40 million existing ordinary shares of HK\$0.01 each (the “Share”) in the share capital of the Company at the placing price of HK\$0.247 per share (the “Placing Price”) to independent investors.

Pursuant to the Agreement, the Company issued and allotted and TICL subscribed for 40 million new Shares (the “Subscription Shares”) at the subscription price of HK\$0.247 per share less the costs and expenses incurred by TICL in relation to the placing and the subscription. The Placing Price represents a discount of approximately 19.02% to the closing price of HK\$0.305 of the Shares as quoted on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 11th June, 2001 and a discount of approximately 15.12% to the average closing price of HK\$0.291 per share as quoted on the Stock Exchange for the ten consecutive trading days ended on 11th June, 2001.

The Subscription Shares represent approximately 19.36% of the entire issue share capital of the Company as at the date of the Agreement and approximately 16.22% of the entire issued share capital of the Company as enlarged by the subscription.

The net proceeds of the placing and subscription amounted to approximately HK\$9.4 million are used for making investments when opportunities arise.

#### EMPLOYEES

As at 30th September, 2001, the Group has employed 4 employees and the total remuneration paid to staff was approximately HK\$94,000 during the period under review. The employees were remunerated based on their responsibilities and performance.

#### AUDIT COMMITTEE

The audit committee has reviewed with management the accounting principles and practice adopted by the Group and discussed internal controls and financial reporting matters, including a review of the unaudited interim financial report for the six months ended 30th September, 2001. In carrying out his review the audit committee has relied on the review of the Group’s external auditors as well as obtaining explanations from management.

#### PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SHARES

During the period, neither the Company nor its subsidiary purchased, sold or redeemed any of the Company’s listed shares.

#### CORPORATE GOVERNANCE

None of the Directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not, during the six months ended 30th September, 2001 in compliance with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules, except that the non-executive directors are not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company’s Articles of Association.

#### PUBLICATION OF FURTHER INFORMATION ON THE STOCK EXCHANGE’S WEBSITE

All the financial and other related information of the Company required by paragraphs 46(1) to 46(6) of Appendix 16 of the Listing Rules will be published on the Stock Exchange’s website at <http://www.hkex.com.hk> in due course.

By Order of the Board  
Tai Chi Ching  
Executive Director

Hong Kong, 21st December, 2001

\* For identification purposes only