

EVEREST INTERNATIONAL INVESTMENTS LIMITED

首富國際投資有限公司*

(incorporated in the Cayman Islands with limited liability)

CHANGE OF SUBSTANTIAL SHAREHOLDER,

CONNECTED TRANSACTION AND RESUMPTION OF TRADING OF SHARES

The Directors announce that TIC, a substantial shareholder of the Company, has entered into the Sale and Purchase Agreement with Shen Gang to sell all of its interest in the Company, representing 19.29% of the entire issued share capital of the Company, at a cash consideration of HK\$15,343,480, which is expected to be completed on or before 8 August 2002. The Directors confirm that the change of its substantial shareholders shall have no material adverse impact on the Company’s operation and investment objectives and policies.

The Directors also announce that the Company entered into the Agreement with TIC on 25 July 2002, pursuant to which, subject to certain conditions, the Company has agreed to sell the Investments to TIC.

The Directors consider that the terms of the Agreement are on normal commercial terms which are fair and reasonable so far as the shareholders of the Company are concerned. As TIC is a substantial shareholder of the Company, the Agreement constitutes a connected transaction of the Company under the Listing Rules, and is subject to approval by the Independent Shareholders.

A circular containing, inter alia, (i) details of the Agreement; (ii) the recommendations of the independent board committee of the Company in relation to the Agreement; (iii) advice of an independent financial adviser to the independent board committee of the Company in relation to the Agreement; and (iv) a notice convening the EGM will be dispatched to shareholders of the Company in due course.

CHANGE OF SUBSTANTIAL SHAREHOLDER

Pursuant to paragraph 2 of the Listing Agreement, the Directors announce that the Company was notified by TIC on 25 July 2002, a substantial shareholder of the Company, that TIC has entered into the Sale and Purchase Agreement with Shen Gang. Shen Gang and its beneficial owners are independent third parties not connected with any of the chief executive, directors and substantial shareholders of the Company or any of its subsidiaries, or their respective associates. Pursuant to the Sale and Purchase Agreement, TIC has agreed to sell all of its interest in the Company, equivalent to 19.29% of the entire issued share capital of the Company, to Shen Gang at a cash consideration of HK\$15,343,480. The consideration of approximately HK\$0.32 per Share represents a premium of 158% over the closing price per Share at HK\$0.124 as quoted on the Stock Exchange immediately before the suspension of trading of the Shares on 25 July 2002. It is expected that the Sale and Purchase Agreement will complete on or before 8 August 2002. Shen Gang is an investment holding company mainly engages in making investments in the Greater China region. So far as the Company is aware, Shen Gang, its beneficial owners, and their respective associates do not have any shareholding interest in the Company prior to the signing of the Sale and Purchase Agreement. After completion of the Sale and Purchase Agreement, it is expected that Shen Gang, its beneficial owners and their respective associates will hold 19.29% interest in the Company.

The Directors confirm that the change of the substantial shareholder as aforesaid will not have any material adverse impact on the operation and investment objectives and policies of the Company. So far as the Directors are aware, one of the four executive directors may resign and a new director may be appointed to fill in the vacancy. The Company will issue an announcement in due course when a change in or a new appointment of new director occurs.

CONNECTED TRANSACTION

The Directors also announce that the Company has entered into the Agreement with TIC, a substantial shareholder of the Company, pursuant to which the Company has agreed to sell to TIC the Investments subject to fulfilment of certain conditions set out below. The principal terms of the Agreement are as follows:

Date of the Agreement	:	25 July 2002
Parties	:	the Company (as vendor) and TIC (as purchaser)
Investments to be sold	:	(i) CEC Shares, Fast Systems Shares and Grandmass Shares and (ii) the entire issued shares in an unlisted private company incorporated in the British Virgin Islands
Consideration	:	for shares in the listed companies, the consideration will be the average closing price of the relevant shares as stated in the Stock Exchange’s daily quotations sheet for the 20 business days prior to 1 August 2002, together with HK\$6,000,000 (being the value at cost) for the shares of the unlisted private company and the consideration will be settled by cash.
Other provisions	:	TIC shall have the right to procure independent third parties to purchase the same. TIC warrants that it shall receive no commission, rebate or other advantages from procuring purchase by independent third parties
Conditions precedent	:	the obligations of the Company and TIC are conditional upon, among others, the approval by the Independent Shareholders
Completion	:	within 60 business days after the fulfillment of the conditions precedent provided that neither the Company nor TIC shall have served notice of termination under the Agreement. If such notice is served, the Agreement will cease to have any effect, and neither party will have any claims against each other.

Reasons for the Agreement

The Company has been holding the Investments (except for the shares of an unlisted private company) for one year and the Directors have been seeking opportunities to divest this investment primarily for the purpose of increasing the Company’s liquidity and enabling the Company to engage in new investment projects in the future when opportunities arise.

The investment cost of the Company in CEC Shares, Fast Systems Shares and Grandmass Shares was HK\$4.78 million, HK\$5.25 million and HK\$8.01 million. Based on the closing price of the listed shares of the Investments as stated in the Stock Exchange’s daily quotations sheet as of 25 July 2002, the book value and market value of CEC Shares, Fast Systems Shares and Grandmass Shares was HK\$1.87 million, HK\$3.71 million, and HK\$2.39 million respectively. On the basis of the aforesaid market value of the listed shares of the Investments and the book value of unlisted shares of Investments, the aggregate value of the Investments was approximately HK\$13.97 million, which accounted for approximately 28% of the entire investment portfolio of the Group and approximately 28% of the latest unaudited net asset value of the Group on 25 July 2002.

The Agreement was reached between TIC and the Agreement after arm’s length negotiation. The Directors consider that the terms of the Agreement are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned.

Use of proceeds

The proceeds from the sale of the Investments pursuant to the Agreement will be used in future investment projects in accordance with the Company’s investment objectives and restrictions, as well as for general working capital and the proceeds not yet deployed for the aforesaid uses will be placed on interest bearing deposit. As of the date hereof, the Company has not entered into any agreements in relation to future investment projects.

Based on the market value of shares of the listed companies of the Investments on 25 July 2002 and the book value of the unlisted shares of the Investment, the Directors estimate that after completion of the Agreement, cash and value of investment held by the Group will account for approximately 30% and 70% of the net asset value of the Group.

Connection between the Parties

As TIC is at present a substantial shareholder of the Company and is holding 19.29% interest in the Company, the Agreement constitutes a connected transaction of the Company under the Listing Rules and is subject to approval by the Independent Shareholders. Based on the market value of the listed shares of the Investments as of 25 July 2002 and the book value of the unlisted shares of the Investments, the Company will incur a loss of approximately HK\$9.77 million, representing approximately 17% of the audited net asset value of the Group as of 31 March 2002. The audited net asset value of the Group as of 31 March 2002 was HK\$58.55 million.

GENERAL

The Company is an investment company listed under Chapter 21 of the Listing Rules.

A circular containing, inter alia, (i) details of the Agreement; (ii) the recommendations of the independent board committee of the Company in relation to the Agreement; (iii) advice of an independent financial adviser to the independent board committee of the Company in relation to the Agreement; and (iv) a notice convening the EGM will be dispatched to shareholders of the Company in due course.

Trading in the Shares was suspended with effect from 3:48 p.m. on 25 July 2002. An application has been made to the Stock Exchange for resumption of trading of the Shares at 9:30 a.m. on 30 July 2002.

DEFINITIONS

“Agreement”	the sale and purchase agreement dated 25 July 2002 entered into between the Company and TIC
“associates”	has the meaning ascribed to it in the Listing Rules
“CEC Shares”	7,470,000 shares in CEC International Holdings Limited (representing approximately 1.13% of the issued share capital of CEC International Holdings Limited)
“Company”	Everest International Investments Limited
“Directors”	the board of directors of the Company
“EGM”	an extraordinary general meeting to be held by the Company to approve the Agreement
“Fast Systems Shares”	18,620,000 shares in Fast Systems Technology (Holdings) Limited (representing approximately 3.1% of the issued share capital of Fast Systems Technology (Holdings) Limited)
“Grandmass Shares”	74,900,000 shares in Grandmass Enterprise Solution Limited (representing approximately 5.2% of the issued share capital of Grandmass Enterprise Solution Limited)
“Group”	the Company and its subsidiaries
“Independent Shareholders”	shareholders of the Company other than TIC and its associates (as defined in the Listing Rules)
“Investments”	including shares in three listed companies in Hong Kong, and shares in an unlisted private company incorporated in the British Virgin Islands
“Listing Agreement”	the listing agreement entered into between the Company and the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Sale and Purchase Agreement”	the sale and purchase agreement dated 25 July 2002 entered into between TIC and Shen Gang
“Share(s)”	share(s) of HK\$0.01 each in the capital of the Company
“Shen Gang”	Shen Gang Limited, a company incorporated in the British Virgin Islands with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TIC”	Taiwan International Capital (HK) Limited, a company incorporated in Hong Kong with limited liability and is a wholly owned subsidiary of TIS Taiwan International Securities (HK) Limited (Mr. Jerry Chiou, a Director, is also a director of TIS Taiwan International Securities (HK) Limited)

By Order of the board of directors of
Everest International Investments Limited
Chou, Ping-chun Benji

Hong Kong, 29 July 2002

* for identification purposes only