

# EVEREST INTERNATIONAL INVESTMENTS LIMITED

## 首富國際投資有限公司\*

(incorporated in the Cayman Islands with limited liability)

### ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2002

The board of directors (the “Board” or “Directors”) of Everest International Investments Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st March, 2002 together with the comparative audited figures for the corresponding period of last year, are as follows:

#### CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2002

	Notes	2002 HK\$'000	2001 HK\$'000
Turnover	1	770	813
(Loss) gain on disposal of investments in securities		(7,895)	4,196
Other revenue		–	41
Administrative expenses		(2,646)	(1,470)
Finance costs		(21)	(11)
(Loss) profit before taxation	2	(9,792)	3,569
Taxation	3	–	–
(Loss) profit for the year		(9,792)	3,569
Basic (loss) earnings per share	4	(4.12) cents	1.92 cents

#### 1. Turnover and segmental information

All of the Group's turnover and contributions to operating results are attributable to investment activities. The following geographical markets are the basis on which the Group reports its primary segment information:

	Turnover		Segment Results	
	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000
The People's Republic of China	–	–	(33)	3,356
Hong Kong	770	813	(7,826)	877
The United States of America	–	–	(109)	(68)
Indonesia	–	–	(42)	–
	<u>770</u>	<u>813</u>	<u>(8,010)</u>	<u>4,165</u>
Unallocated corporate income			–	41
Unallocated corporate expenses			(1,761)	(626)
Finance costs			(21)	(11)
(Loss) profit before taxation			(9,792)	3,569
Taxation			–	–
(Loss) profit for the year			(9,792)	3,569

#### 2. (Loss) profit before taxation

(Loss) profit before taxation has been arrived at after charging:

	2002 HK\$'000	2001 HK\$'000
Staff costs including directors' emoluments	380	60
Retirement benefits scheme contributions	11	3
	<u>391</u>	<u>63</u>
Auditors' remuneration		
– current year	210	180
– (over) underprovision in prior year	(30)	13

#### 3. Taxation

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

At 31st March, 2002, a deferred tax asset of approximately of HK\$375,000 (2001: approximately HK\$93,000) in respect of tax losses available to offset future profits was not recognised in the financial statements as it is not certain that such benefits will be crystallised in the foreseeable future.

#### 4. Basic (loss) earnings per share

The calculation of the loss per share is based on the loss for the year of approximately HK\$9,792,000 (2001: profit of approximately HK\$3,569,000) and on the weighted average number of 237,472,110 (2001: 185,937,863) shares in issue during the year.

#### DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31st March, 2002 (2001: Nil).

#### BUSINESS REVIEW AND OUTLOOKS

For the year ended 31st March, 2002, the Group recorded a loss of HK\$9.79 million which was primarily attributed to the realised loss in divestment of listed investments during the period, while administrative expenses were kept at a reasonable level. On a per share basis, basic loss per share was HK\$0.0412 (2001: earnings per share: HK\$0.0192) and net assets value per share was HK\$0.24 at the balance sheet date (2001: HK\$0.27). The Group had no bank borrowing and was wholly financed by shareholders' funds during the year.

#### Business Review

Hong Kong still endured in the trough of the cycle for the period under review, with the Gross Domestic Product experiencing a consecutive three quarters year on year downturn and the unemployment rate shooting to a historical high of 7%. The events of September 11 also gave a harsh blow to the global financial markets. Asia Venture Capital

Journal best summarized the Directors' review in its commentary of the November 2001 issue (Volume 14, Number 11) as “One thing that old and new-timers alike can agree on, is that the current economic state is something none of us have ever faced before. A key, critical difference is the macroeconomy – the Asia Financial Crisis was focused on Asia, while many other markets prospered. In contrast, the current downturn seems to be a global one, except perhaps in China.”

The stock market in Hong Kong was oscillating downward primarily underpinned by the prolonged sluggish domestic growth and clouding of abundant external economic uncertainties. The Hang Seng Index and the Hong Kong Growth Enterprise Market Index plummeted by approximately 13.31% and 21.67% respectively, making the Group's listed securities portfolio suffered realized and unrealized impairment in value during the reported period. The Group's investment portfolio consisted of approximately 45% in listed investments, 45% in unlisted investments and 10% in cash and cash equivalents. Segmented by the form of investments, the Group's investments portfolio is consisted of 81% in equity securities, 9% in convertible bond, while the remaining 10% is cash and cash equivalents at the balance sheet date.

#### Acquisition of a Subsidiary

On 26th October, 2001, the Group acquired 100% of the issued share capital of Cyberlink Management Limited (“Cyberlink”) together with a shareholder's loan amounted to US\$200,000 at a consideration of approximately HK\$6 million. 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.

#### 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 have been used for investment.

#### Future Prospects

A few ASEAN countries and regions such as South Korea and Taiwan have already pulled the pendulum of the regional economic growth, even though the Directors believes Hong Kong will be lagged behind in the arena as the undergoing fundamental restructuring has yet to finale. The sustainable economic growth and the continuation of proactive financial market reforms in the PRC, nevertheless, will be a pain-reliever to Hong Kong capital market at least in the near term. Market consensus agrees there is a good chance for Hong Kong economy to begin to turn positive by the third quarter of 2002. The consolidation of the Group's investment portfolio over the reported period has strengthened the Group's investment capability and that enables the Group to seize any investments arise in either Greater China or Asia Pacific regions. The Group will continue to take an active role in formulating its investment strategy to the upfront challenges in order to maximize the shareholders' returns.

#### EMPLOYEES

As at 31st March, 2002, the Group has employed 5 employees and the total remuneration paid to staff was approximately HK\$349,000 during the period under review. The employees were remunerated based on their responsibilities and performance.

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

Neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed shares during the year.

#### CORPORATE GOVERNANCE

Save that the non-executive directors of the Company are not appointed for a specific term and 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, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the year ended 31st March, 2002.

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

All the financial and other related information of the Company as required by paragraphs 45(1) to 45(3) of Appendix 16 of the Listing Rules will be published on the Stock Exchange's website (<http://www.hkex.com.hk>) in due course.

By Order of the Board  
**Tai Chi Ching**  
Director

Hong Kong, 19th July, 2002

\* For identification purposes only

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2002 Annual General Meeting of the Company will be held at Unit 1010, 10/F., Tower Two, Lippo Centre, 89 Queensway, Hong Kong on Thursday, 22nd August, 2002 at 11:00 a.m. for the following purposes:

- To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31st March, 2002.
- To re-elect the retiring directors and to authorise the Board of Directors to fix the directors' remuneration.
- To re-appoint auditors and to authorise the Board of Directors to fix their remuneration.
- As special business, to consider and if thought fit, pass the following resolutions as Ordinary Resolutions:

#### A. “THAT

- subject to paragraph A(b) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase its own shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time) or of any other stock exchange, be and is hereby generally and unconditionally approved and authorised;
- the aggregate nominal amount of the shares of the Company to be purchased by the Company pursuant to the approval in paragraph A(a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution and the approval pursuant to paragraph A(a) shall be limited accordingly; and
- for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
  - the conclusion of the next annual general meeting of the Company;
  - the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
  - the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

#### B. “THAT

- subject to paragraph B(b) below, a general mandate be and is hereby unconditionally given to the directors of the Company (the “Directors”) to exercise all the powers of the Company during the Relevant Period (as hereinafter defined) to allot, issue and deal with the new shares in the capital of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for any shares, and to make and grant offers, agreements and options which would or might require the exercise of such powers, whether during the continuance of the Relevant Period or thereafter;
- the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted or dealt with pursuant to the approval in paragraph B(a) above during the Relevant Period, otherwise than pursuant to the following, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution and the said approval shall be limited accordingly;

- a rights issue where shares are offered for a period fixed by the Directors to shareholders on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard, as appropriate, to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or stock exchange in Hong Kong or in any territory applicable to the Company);
  - an issue of shares under any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company and approved by The Stock Exchange of Hong Kong Limited;
  - any issue of shares in the Company upon the exercise of subscription rights attaching to any warrants of the Company; or
  - any scrip dividend scheme or similar arrangement implemented in accordance with the articles of association of the Company; and
- for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
    - the conclusion of the next annual general meeting of the Company;
    - the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
    - the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

- “THAT conditional upon Resolutions 4A and 4B being passed, the general mandate granted to the directors of the Company pursuant to Resolution 4B to exercise the powers of the Company to allot shares in the capital of the Company be and is hereby extended by the addition to the aggregate nominal amount of the share capital which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to such general mandate an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution 4A, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution.”

By Order of the Board  
**Chan Wai Fat**  
Company Secretary

Hong Kong, 19th July, 2002

#### Notes:

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited with the Company's Branch Share Registrars in Hong Kong, Standard Registrars Limited, 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong together with any power of attorney or other authority, under which it is signed, or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the meeting.
- The register of members of the Company will be closed from Monday, 19th August, 2002 to Thursday, 22nd August, 2002, both days inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars in Hong Kong, Standard Registrars Limited, 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong for registration no later than 4:00 p.m. on Friday, 16th August, 2002.