



# FAR EAST TECHNOLOGY INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

Website: <http://www.fet.com>

## FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2000

### RESULTS

The Board of Directors of Far East Technology International Limited (the "Company") is pleased to announce that the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2000 together with the comparative figures for the corresponding period in 1999 are set out as follows:

### CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2000

	Year ended 31 December	
	2000	1999
	HK\$	HK\$
Turnover	181,934,880	94,690,954
Cost of sales	(138,909,822)	(66,245,658)
Gross profit	43,025,058	28,445,296
Other revenue	9,033,527	29,726,103
Distribution costs	(405,676)	(685,979)
Administrative expenses	(46,615,348)	(26,232,729)
Other operating expenses	(24,006,690)	(20,953,966)
(Loss) profit from operations	(18,969,129)	10,298,725
Provision for loss on the leisure-entertainment complex construction in progress	(60,476,789)	(93,100,000)
Finance costs	(16,949,985)	(13,163,317)
Share of results of associates	(840,326)	7,155
Share of results of a jointly controlled entity	(97,236,229)	(95,957,437)
Loss before taxation	844,331	424,235
Taxation	(98,080,560)	(96,381,672)
Loss before minority interests	5,336,898	7,980,136
Minority interests	(92,743,662)	(88,401,536)
Loss for the year	(29.6 cents)	(29.6 cents)
Loss per share		
- Basic		

### NOTES:

#### (1) Segmental information

The Group's turnover and contribution to loss from operations, analysed by principal activity are as follows:

	Contribution to (loss) profit from operation		Contribution to (loss) profit from operation	
	2000	2000	1999	1999
	Turnover	operation	Turnover	operation
	HK\$	HK\$	HK\$	HK\$
Sales of goods	60,324,903	(12,328,055)	32,007,777	(5,051,625)
Share investment	47,900,831	(6,816,756)	35,442,319	17,061,026
Construction income	27,096,205	297,689	-	-
Restaurant income	18,283,020	(1,275,720)	-	-
Gross rental income from properties investment	10,127,628	(238,074)	10,276,507	(5,732,352)
Golf-resort complex	6,976,510	(3,222,825)	8,411,126	(4,867,349)
Consultancy fee income	4,891,591	2,652,886	-	-
Sales of properties	4,491,104	2,126,457	4,706,599	8,962,095
Dividend income	827,784	827,784	2,131,248	2,131,248
Interest income	716,442	716,442	1,041,429	1,041,429
Amusement park	298,862	(1,708,957)	673,949	(3,245,747)
	181,934,880	(18,969,129)	94,690,954	10,298,725

A geographical analysis of the Group's turnover and contribution to loss from operations, by location of market, is as follows:

	Contribution to (loss) profit from operation		Contribution to (loss) profit from operation	
	2000	2000	1999	1999
	Turnover	operation	Turnover	operation
	HK\$	HK\$	HK\$	HK\$
Hong Kong	62,574,525	(7,640,127)	39,767,484	13,129,924
Singapore	53,272,484	(3,821,596)	8,600,229	1,674,731
Malaysia	11,742,558	(3,873,210)	13,471,187	(929,646)
PRC	18,401,777	(5,802,673)	32,852,054	(3,576,284)
Japan	35,943,536	2,168,477	-	-
	181,934,880	(18,969,129)	94,690,954	10,298,725

#### (2) Depreciation

	2000	1999
	HK\$	HK\$
Depreciation		
Owned assets	17,490,321	8,786,486
Assets held under finance lease	763,183	676,576
	18,253,504	9,463,062

#### (3) Finance costs

	2000	1999
	HK\$	HK\$
Interest on:		
Bank loans and overdrafts wholly repayable within five years	16,431,138	13,841,228
Finance leases	59,540	142,420
Other borrowings	459,307	533,777
	16,949,985	14,517,425
Total borrowing costs		
Less: Amount capitalised in properties under development for sale	-	(1,354,108)
	16,949,985	13,163,317

#### (4) Taxation

	2000	1999
	HK\$	HK\$
The charge comprises:		
The Company and Subsidiaries		
Profits tax for the year		
Hong Kong	-	128,283
Other jurisdictions	424,630	295,952
Prior years		
Hong Kong	582,125	-
Other jurisdictions	-	-
Deferred taxation		
Overprovision in prior year	(162,424)	-
	844,331	424,235

Hong Kong Profits Tax is calculated at 16% of the estimated assessable profits in 1999.

Overseas taxation is calculated at the rates prevailing in the relevant jurisdictions.

#### (5) Loss per share

The calculation of loss per share is based on the loss for the year of HK\$92,743,662 (1999: HK\$88,401,536) and on the weighted average number of 313,350,549 (1999: 298,568,905) ordinary shares in issue during the year. As there was no dilutive potential ordinary share, no diluted loss per share was presented.

### DIVIDENDS

No interim dividend was paid during the year and no final dividend was recommended by the Directors.

### FINANCIAL RESOURCES AND LIQUIDITY

#### Borrowings and Charge on Group Assets

The Group's total borrowings amount to approximately HK\$272 million as at 31 December 2000 (1999: HK\$252 million).

Interest rates were in line with the best lending rates either at prime or based on the Hong Kong Inter-bank Offer Rate.

#### Gearing Ratio

The gearing ratio (total bank borrowings to shareholders' equity) as at 31 December 2000 was 70% (1999: 57%).

#### Current Ratio

The current ratio as at 31 December 2000 was 0.72 (1999: 0.46). The Group has maintained sufficient liquid assets to finance its daily operations.

### BUSINESS REVIEW AND PROSPECTS

#### Technology Division

The joint venture with China National Computer Software and Technology Services Corporation ("CS&S"), the largest software company in the People's Republic of China, is progressing well and has contributed satisfactory profits to the Group.

The joint venture company, ChinaSoft FE International Information Technology Limited, will carry on several businesses. Firstly, it will continue to act as a system integrator and an e-solution provider in China. The companies that CS&S injected into our joint venture company include CS&S Cyber Chinese Information Technology Limited which is specialised in system integration and providing e-commerce solutions in China for various industries and is a leading e-commerce solution partner with IBM and other leading technology companies in China.

CS&S Training Centre is another company injected by CS&S into the joint venture company. CS&S Training Centre is the earliest computer skills related training school in China established in 1981. It has trained more than 400,000 people since its establishment and now offers wide range of courses like MCSE, JAVA and Oracle 8, etc. in China. Effort is being made to enhance the training environment and upgrade the current portal to a more web-enabled and interactive environment which can accommodate larger number of students online simultaneously.

In view of the market down trend in the technology industry, the Board will take a more cautious approach in future IT investments. The Company is reviewing its investment in Tricom Cyberworld Holdings Limited but will continue with CS&S to pursue for further development opportunity. It is anticipated that the success of the joint venture with CS&S will have substantial contribution to the Group's earnings.

#### Property Division

In Hong Kong, the rental income continued to contribute a steady cashflow to the Group. We have converted the Golden Dragon Theatre, Waldorf Theatre and Warwick Theatre into commercial usage and continued to study the feasibility of other modification of the cinemas within the Group.

In Malaysia, the sale of high-end bungalow in Tuanku Jaafar Golf & Country Resort has been promising. Other property launches will be carried out to meet the market demands at the appropriate time. We believe that the improved market sentiment would help us gradually in getting the return on our investment in Malaysia.

In Singapore, our investment property Parkway Centre, has continued to generate steady rental income and we are looking at the right opportunity to further launch the sale of office units.

#### Industry Division

The Group's joint venture garment factory in Jiangsu, Jiangsu Bang Bang Silky Fashion Manufacturer Company Limited is performing well and has contributed satisfactory profits to the Group.

#### Leisure and Entertainment Division

The operation of our first Rainforest Cafe in Singapore is satisfactory. The Golf operation in Malaysia is also improving steadily.

As announced in the press on 12 April 2001, the Company entered into a conditional agreement with independent third parties for the disposal of the Company's 95% owned subsidiary in Singapore, Tang Dynasty City Pte. Ltd. in exchange for the acquisition of 49% interest in Asian Mark Limited. The Company will continue to dispose of its non-core assets when opportunities so arise.

The Group will further consolidate its business activities and continue to pursue new investment opportunities, especially with better growth potential in China.

### EMPLOYEE AND REMUNERATION POLICIES

The number of employee as at 31 December 2000 was approximately 600. Employees are remunerated according to nature of the job and market conditions.

### PURCHASE, SALE OR REDEMPTION OF LISTING SECURITIES

During the year under review, the Company and its subsidiaries have not purchased, sold or redeemed any of the securities in the Company.

### PUBLICATION OF ANNUAL RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED

A detailed annual results containing the information required by paragraphs 45(1) to 45(3) of Appendix 16 of the Listing Rules will be released on the website of The Stock Exchange of Hong Kong Limited in due course.

On behalf of the Board

**DUNCAN CHIU**

Deputy Managing Director

Hong Kong, 26 April 2001

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Far East Technology International Limited (the "Company") will be held at the Penthouse, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong on Monday, 28 May, 2001 at 3:00 p.m. for the following purposes:

- To receive and consider the audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31 December 2000.
- To re-elect Directors and to fix their remuneration.
- To re-appoint Auditors and to authorise the Directors to fix their remuneration.
- To consider and, if thought fit, pass with or without modification, the following resolution as an Ordinary Resolution:

#### "THAT:

- subject to paragraph (c) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$1.00 each in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- the approval in paragraph (a) of this Resolution shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to a Rights Issue (as hereinafter defined), shall not in aggregate exceed 20% of the aggregate nominal amount of share capital of the Company in issue as at the date of passing this Resolution; 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 members of the Company in general meeting.

"Rights Issue" means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong)."

By Order of the Board

**Chow Kwok Wor**

Company Secretary

Hong Kong, 26 April, 2001

#### Notes:

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company.
- In order to be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the registered office of the Company at 16th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof.