

# INTERIM RESULTS

## FOR THE SIX MONTHS ENDED 30TH JUNE, 2000

The Board of Directors (the “Board”) of Far East Technology International Limited (the “Company”) announces that the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30th June, 2000 are as follows:

	<i>Notes</i>	<b>Six months ended 30th June, 2000 HK\$'000</b>	Six months ended 30th June, 1999 HK\$'000
Turnover	(1)	<b>66,939</b>	41,894
Cost of sales		<b>(51,228)</b>	(34,859)
Gross profit		<b>15,711</b>	7,035
Other revenue		<b>2,094</b>	15,863
Distribution cost		<b>(659)</b>	(442)
Administrative expenses		<b>(13,686)</b>	(13,025)
Profit from operations		<b>3,460</b>	9,431
Finance costs		<b>(8,752)</b>	(9,848)
Share of results of associates		<b>–</b>	–
Loss before taxation		<b>(5,292)</b>	(417)
Taxation	(2)	<b>(626)</b>	(253)
Loss after taxation		<b>(5,918)</b>	(670)
Minority interests		<b>2,039</b>	3,655
(Loss)/Profit for the period		<b>(3,879)</b>	2,985
Interim dividend		<b>–</b>	–
		<b>(3,879)</b>	2,985
(Loss)/Earnings per share	(3)		
Basic		<b>(1.30 cents)</b>	1.00 cent

*Notes:*

### (1) Turnover

Turnover comprises the aggregate of gross proceeds from sales of properties, merchandise and investments held for trading, dividend income, interest income, gross rental income, gross income from the operation of the golf resort complex and gross income from amusement park during the period.

### (2) Taxation

	<b>Six months ended 30th June, 2000 HK\$'000</b>	Six months ended 30th June, 1999 HK\$'000
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The charge comprises:

The Company and subsidiaries

Profits tax for the period

Hong Kong

Other jurisdictions

<b>–</b>	–
<b>(626)</b>	(253)
<b>(626)</b>	(253)

Hong Kong Profits Tax is calculated at the rate of 16% (1999 – 16%) on the estimated assessable profits for the period. Taxation in other jurisdictions is calculated at the rates prevailing in the relevant local jurisdictions. No provision for deferred tax has been made for the Company as the effect of timing differences is immaterial. No provision for deferred tax is required for subsidiaries as there are deferred tax debits which will be recognised only when they become crystallized.

### (3) (Loss)/Earnings per share

The calculation of loss per share is based on the loss for the period of HK\$3,879,000 (1999 – Profit of HK\$2,985,000) and on 298,568,905 (1999 – 298,568,905) ordinary shares in issue during the period. There were no dilutive potential ordinary shares for the period ended 30th June, 2000 (1999 – Nil).

### (4) Consolidated statement of recognised gains and losses

	Six months ended 30th June, 2000 HK\$'000	Six months ended 30th June, 1999 HK\$'000
Exchange difference arising on translation of financial statement of subsidiaries other than in Hong Kong	(7,713)	(3,315)
Net (loss)/profit for the period	(3,879)	2,985
Total recognised losses	<u>(11,592)</u>	<u>(330)</u>

## INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the period (1999: Nil).

## BUSINESS REVIEW AND PROSPECTS

### Corporate Results

Turnover for the six months ended 30th June, 2000 was HK\$66,939,000 as compared to HK\$41,894,000 in the corresponding period of 1999, an increase of 60%. Loss for the period was mainly due to the decrease of unrealised holding gain on investment in securities.

### Hong Kong

The rental income being derived from the investment properties in Hong Kong was somewhat affected by the continued consolidation of the property market. 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.

The investment in Tricom Cyberworld Holdings Limited (“Tricom”) was completed in July 2000. We expect a high growth in revenue income from Tricom and we believe the investment will provide a good contribution to the Group’s earnings.

We will continue our constant search for good investment opportunities in the technology sector in China and Hong Kong SAR.

### China

The Group’s joint venture garment factory in Jiangsu performed satisfactorily and continued to have profit contributions during the period under review. However, the ready-mix concrete factory in Suzhou has incurred a loss due to the severe competition and

general over-supply of concrete products in China. For the purpose of enhancing its competitive position, appropriate measures will be taken to improve its production capacity and to strengthen its costs control.

The performance of Lai Chi Kok Amusement Park in Haimen, Jiangsu was fair and the Group is confident that the park will soon operate profitably in view of the increasing number of visitors during the period.

With regard to the technology section, the joint venture with China National Computer Software and Technology Services Corporation is progressing well. It is anticipated that the success of the joint venture will have substantial contribution to our Group's earnings.

## Singapore

During the period, the Parkway Centre continued to generate steady rental income, and we are trying to launch the sale of office units to the market.

The Rainforest Café, our Group's first theme restaurant in Singapore, commenced operation on 18th April, 2000. It is expected that the restaurant would soon be contributing earnings to our Group.

## Malaysia

The Malaysian property market has improved steadily during the period. The sale of high-end bungalows has been promising. It is expected that the improved market sentiment would help us significantly in getting the return on our investment in Malaysia.

## DIRECTORS' INTERESTS IN SHARES

As at 30th June, 2000, the interests of Directors and their associates in the share capital of the Company and associated corporations as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") were as follows:

Name of Director	Number of ordinary shares held			Total
	Personal Interests	Family Interests	Corporate Interests	
Deacon Te Ken Chiu				
The Company	5,048,000	6,110,000	99,768,800*	110,926,800
Dennis Chiu				
The Company	16,610,200	–	30,400,000#	47,010,200
Tang City Properties Pte. Ltd.	10,000	–	–	–
Tang Dynasty City Pte. Ltd.	1,250,000	–	–	–
Daniel Tat Jung Chiu				
The Company	11,000,000	–	30,400,000#	41,400,000
Derek Chiu				
The Company	201,000	–	–	201,000
Margaret Chiu				
The Company	5,000,000	–	–	5,000,000
Duncan Chiu				
The Company	18,836,211	–	–	18,836,211

- \* Of the 99,768,800 shares, 93,540,200 shares are beneficially held by Far East Consortium International Limited.
- # The 30,400,000 shares are held by Cape York Investments Limited, a company owned by Mr. Dennis Chiu and Mr. Daniel Tat Jung Chiu.

Save as disclosed above and other than certain shares in subsidiaries held solely in a non-beneficial capacity by Directors for the Company or its subsidiaries, none of the Directors or Chief Executives, or their associates, had any interest in the securities of the Company or its associated corporations as defined in the SDI Ordinance and none of the Directors or Chief Executive, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the period.

## SUBSTANTIAL SHAREHOLDERS

As at 30th June, 2000, the register of substantial shareholders maintained under Section 16 (1) of the SDI Ordinance shows that, other than the interest disclosed above in respect of the certain Directors, the following shareholders have an interest of 10% or more in the share capital of the Company

Name of Shareholder	Number of ordinary shares held	%
Far East Consortium International Limited ("FECIL") (Note 1)	93,540,200	31.3
Far East Consortium (BVI) Limited ("FECBVIL") (Note 2)	93,540,200	31.3
Far East Consortium Limited ("FECL") (Note 3)	65,208,200	21.8
Cape York Investments Limited (Note 4)	30,400,000	10.2

### Notes:

1. FECIL was deemed to be interested in those shares by virtue of its 100% shareholding in FECBVIL. The shareholding beneficially held by FECIL is entirely duplicated or included in the shareholding stated in the corporate interest of Mr. Deacon Te Ken Chiu, the Chairman of the Company, as mentioned in the section headed "DIRECTORS' INTERESTS IN SHARES" above.
2. FECBVIL was deemed to be interested in those shares by virtue of its controlling shareholding in FECL and its 100% shareholding in a company which directly held 28,332,000 shares in the Company.
3. FECL was deemed to be interested in those shares by virtue of its direct shareholding of 29,327,000 shares in the Company and its 100% shareholding in three companies which directly held 35,881,200 shares in the Company in aggregate.
4. Cape York Investments Limited is a company owned by Mr. Dennis Chiu and Mr. Daniel Tat Jung Chiu, who are directors of the Company.

Save as disclosed above, the Company has not been notified of any other interest representing 10% or more of the Company's issued share capital as at 30th June, 2000.

## CODE OF BEST PRACTICE

None of the Directors is aware of information that would reasonably indicate that the Company is not, or was not for any part of the six months period ended 30th June, 2000, in compliance with The Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## **YEAR 2000 COMPLIANCE**

The Group has stated its definition and approach to the Year 2000 problem and reported the status in the previous interim report and annual report.

During the six months ended 30th June, 2000, no Year 2000 related problems were found that would have a material adverse effect on the business. The Board of the Company will continue to closely monitor the Year 2000 problem to ensure that the Group's operations are not adversely affected.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

During the period under review, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

On behalf of the Board  
**Duncan Chiu**  
*Deputy Managing Director*

Hong Kong, 25th September, 2000

(Website: <http://www.irasia.com/listco/hk/fareasttech>)