

YOSHIIYA INTERNATIONAL CORPORATION LIMITED YOSHIIYA INTERNATIONAL CORPORATION LIMITED YOSHIIYA INTERNATIONAL CORPORATION LIMITED YOSHIIYA INTERNATIONAL CORPORATION LIMITED

1970 1971 1972 1973 1974 1975 1976 1977 1978 1979 1980 1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012



Y **慶** **SHIYA**

INTERNATIONAL CORPORATION, LIMITED
(慶屋國際有限公司)



Interim Report 2001/2002

CORPORATE INFORMATION

Board of Directors

YAO Hon Ching (Chief Executive Officer)

HUI Kwong Wai, Eric

CHAN Kei Kon

Masuo YOSHIMOCHI*

Hon Abraham SHEK Lai-him J.P.*

(Appointed on March 7, 2002)

YEUNG Kong Sang*

(Appointed on April 16, 2002)

* Independent Non-executive Director

Secretary

NG Chi Yeung, Simon

Solicitors

David Lo & Partners

Ng & Tse

Auditors

Deloitte Touche Tohmatsu

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited

Fortis Bank Asia Hong Kong

Bank of China (Hong Kong) Limited

Hang Seng Bank Limited

Liu Chong Hing Bank Limited

Registrars and Transfer Office

Central Registration Hong Kong Limited

17th Floor, Hopewell Centre

183 Queen's Road East, Hong Kong

Registered Office

Rooms 1902-3, 19/F, Far East Consortium Building

121 Des Voeux Road Central, Hong Kong

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED JANUARY 31, 2002

	Notes	Six months ended January 31,	
		2002 HK\$ (unaudited)	2001 HK\$ (unaudited)
Turnover	3	3,436,223	29,207,815
Cost of goods and trading securities sold		(3,029,292)	(18,855,439)
Direct cost on property rentals		(839,224)	(1,426,039)
Gross (loss) profit		(432,293)	8,926,337
Other revenue		50,068	818,181
Administrative expenses		(1,799,532)	(4,639,533)
Impairment loss recognised in respect of investment properties		-	(3,480,000)
Impairment loss recognised in respect of amount due from an investee company		-	(3,360,269)
Loss from operations	4	(2,181,757)	(1,735,284)
Finance costs		(129,033)	(4,025,701)
Share of results of associates		(118,531)	1,235,151
Loss before taxation		(2,429,321)	(4,525,834)
Taxation	5	-	(179,906)
Loss before minority interests		(2,429,321)	(4,705,740)
Minority interests		-	21,147
Net loss for the period		(2,429,321)	(4,684,593)
Loss per share – Basic	7	(0.50) cent	(1.04) cents

CONDENSED CONSOLIDATED BALANCE SHEET

AT JANUARY 31, 2002

	Notes	1.31.2002 HK\$ (unaudited)	7.31.2001 HK\$ (unaudited)
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	8	40,590,000	40,590,000
Interests in associates		10,550	129,081
Other securities		155,800	293,770
Amount due from an investee company	9	–	119,862,029
		40,756,350	160,874,880
Current assets			
Properties held for sale		31,027,687	33,267,967
Trade and other receivables	10	406,463	657,972
Balance of consideration receivable on disposal of other investment and the related loan advance	11	108,000,000	–
Trading securities listed in Hong Kong, at market value		7,007,676	240,138
Bank balances and cash		3,744,452	187,054
		150,186,278	34,353,131
Current liabilities			
Other payables		5,802,001	5,354,849
Balance of consideration payable on acquisition of an associate		–	12,000,000
Bank borrowings - due within one year	12	9,649,445	–
		15,451,446	17,354,849
Net current assets			
		134,734,832	16,998,282
Total assets less current liabilities			
		175,491,182	177,873,162
Non-current liabilities			
Bank borrowings - due after one year	12	2,287,621	–
NET ASSETS			
		173,203,561	177,873,162
CAPITAL AND RESERVES			
Share capital		192,959,821	192,959,821
Reserves	13	(19,756,260)	(15,086,659)
SHAREHOLDERS' FUNDS			
		173,203,561	177,873,162

CONDENSED CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES

FOR THE SIX MONTHS ENDED JANUARY 31, 2002

	Six months ended January 31,	
	2002	2001
	HK\$	HK\$
	(unaudited)	(unaudited)
Revaluation surplus on other securities	-	1,062,240
Exchange loss arising on translation of financial statements of overseas operations	<u>(2,240,280)</u>	<u>(2,520,000)</u>
Net loss not recognised in the condensed consolidated income statement	<u>(2,240,280)</u>	<u>(1,457,760)</u>
Net loss for the period	<u>(2,429,321)</u>	<u>(4,684,593)</u>
Total recognised losses	<u><u>(4,669,601)</u></u>	<u><u>(6,142,353)</u></u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED JANUARY 31, 2002

	Six months ended	
	January 31,	
	2002	2001
	HK\$	HK\$
	(unaudited)	(unaudited)
NET CASH (OUTFLOW) INFLOW FROM OPERATING ACTIVITIES	(1,270,474)	3,101,778
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(125,356)	(3,495,235)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(6,983,838)	(29,844,907)
NET CASH OUTFLOW BEFORE FINANCING	(8,379,668)	(30,238,364)
NET CASH INFLOW FROM FINANCING	2,827,688	29,326,998
DECREASE IN CASH AND CASH EQUIVALENTS	(5,551,980)	(911,366)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	187,054	(21,416,885)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(5,364,926)	(22,328,251)
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	3,744,452	7,273,126
Bank overdrafts	(9,109,378)	(29,601,377)
	(5,364,926)	(22,328,251)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JANUARY 31, 2002

1. BASIS OF PREPARATION

The condensed financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Statement of Standard Accounting Practice ("SSAP") 25 "Interim financial reporting" issued by the Hong Kong Society of Accountants.

2. PRINCIPAL ACCOUNTING POLICIES

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

In the current period, the Group has adopted, for the first time, a number of new and revised SSAPs which does not have any effect on the current or previous periods' results. The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended July 31, 2001.

3. SEGMENT INFORMATION**Business Segments**

For management purposes, the Group is currently organised into three operating divisions - financial investment, property rental and property sale. These divisions are the basis on which the Group reports its primary segment information.

Segment information about these businesses is presented below:

Six months ended January 31, 2002

	Financial investment	Property rental	Property sale	Consolidated
	HK\$	HK\$	HK\$	HK\$
REVENUE				
External sales	<u>2,816,749</u>	<u>619,474</u>	<u>-</u>	<u>3,436,223</u>
SEGMENT RESULT AND				
LOSS FROM OPERATIONS	<u>(1,543,132)</u>	<u>(636,375)</u>	<u>(2,250)</u>	<u>(2,181,757)</u>

In prior periods, the Group has also involved in property maintenance, management and agency services business. That operation was disposed of on February 28, 2001 and discontinued thereafter. Details of the results of this discontinued operation for the corresponding six months ended January 31, 2001 are set out in the segment information below.

3. SEGMENT INFORMATION - Continued**Business Segments - continued****Six months ended January 31, 2001**

	Property maintenance, management and agency services	Financial investment	Property rental	Property sale	Consolidated
	HK\$	HK\$	HK\$	HK\$	HK\$
REVENUE					
External sales	<u>13,940,797</u>	<u>7,941,163</u>	<u>7,325,855</u>	<u>-</u>	<u>29,207,815</u>
SEGMENT RESULT	<u>1,703,835</u>	<u>793,421</u>	<u>2,644,675</u>	<u>(36,946)</u>	5,104,985
Impairment loss recognised in respect of investment properties					(3,480,000)
Impairment loss recognised in respect of amount due from an investee company					<u>(3,360,269)</u>
Loss from operations					<u>(1,735,284)</u>

Geographical Segments

The Group's current operations are located in Hong Kong and Japan, with financial investment and property rental businesses locate in Hong Kong and property sale division operates in Japan.

In prior periods, the property sale division was also operated in the People's Republic of China, other than Hong Kong (the "PRC") and property maintenance, management and agency services business located in Hong Kong.

Segment information about these geographic markets is presented below:

Six months ended January 31, 2002

	Hong Kong	Japan Consolidated	
	HK\$	HK\$	HK\$
REVENUE			
External sales	<u>3,436,223</u>	<u>-</u>	<u>3,436,223</u>
SEGMENT RESULT AND LOSS FROM OPERATIONS	<u>(2,179,507)</u>	<u>(2,250)</u>	<u>(2,181,757)</u>

3. SEGMENT INFORMATION - Continued**Geographical Segments - continued****Six months ended January 31, 2001**

	Hong Kong HK\$	PRC HK\$	Japan HK\$	Consolidated HK\$
REVENUE				
External sales	<u>29,207,815</u>	<u>-</u>	<u>-</u>	<u>29,207,815</u>
SEGMENT RESULT	<u>5,141,932</u>	<u>(26,551)</u>	<u>(10,396)</u>	5,104,985
Impairment loss recognised in respect of investment properties				(3,480,000)
Impairment loss recognised in respect of amount due from an investee company				<u>(3,360,269)</u>
Loss from operations				<u>(1,735,284)</u>

4. LOSS FROM OPERATIONS

Loss from operations for the six months ended January 31, 2001 has been arrived at after charging depreciation and amortisation of approximately HK\$548,000 (six months ended January 31, 2002: Nil) in respect of the Group's property, plant and equipment.

The Group did not have any property, plant and equipment during the six months ended January 31, 2002 other than investment properties.

5. TAXATION

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group has no assessable profit for both periods. The taxation for the six months ended January 31, 2001 represented the share of taxation on results of associates for that period.

6. DIVIDEND

The directors resolved not to declare an interim dividend for the six months ended January 31, 2002 (six months ended January 31, 2001: Nil).

7. LOSS PER SHARE

The calculation of basic loss per share is based on the net loss for the period of HK\$2,429,321 (six months ended January 31, 2001: HK\$4,684,593) and on 482,399,556 (six months ended January 31, 2001: weighted average number of 451,375,672) shares in issue during the period.

No disclosure of diluted loss per share for the six months ended January 31, 2002 and 2001 is shown as the effect of the potential ordinary shares in issue would result in a decrease in net loss per share from continuing ordinary operations for both periods.

8. INVESTMENT PROPERTIES

The investment properties of the Group are held for rental purposes under operating leases and were revalued at July 31, 2001 on an open market value basis by CS Surveyors Limited, an independent firm of professional valuers.

At January 31, 2002, the directors have considered the carrying amount of the Group's investment properties and have estimated that the carrying amount does not differ significantly from that would be determined using fair values at that date. Accordingly, the same revaluation at July 31, 2001 has been adopted by the directors for those properties and included in the interim financial report.

9. AMOUNT DUE FROM AN INVESTEE COMPANY

On December 6, 2000, the Company entered into a conditional sale and purchase agreement (as supplemented by supplemental agreements dated December 12, 2000 and March 27, 2001 and an extension letter dated January 19, 2001) with E-Cash Venture Limited ("E-Cash"), a company incorporated in the British Virgin Islands and wholly owned by Far East Consortium International Limited ("FECIL") which in turn holds a 8.6% interest in the issued capital of the Company, to dispose of its entire 15.33% interest in Mutual Luck Investment Limited ("Mutual Luck"), an investee company, together with the amount due from Mutual Luck of HK\$123,222,298 for a cash consideration of HK\$120,000,000. As a result of the foregoing, an impairment loss of HK\$3,360,269 was recognised in the income statement for the six months ended January 31, 2001 to state the amount due from Mutual Luck at its estimated recoverable amount. The transaction was completed on November 30, 2001.

10. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period of 30 days to its trade customers. An ageing analysis of trade receivables prepared on the basis of sales invoice date is as follows:

	1.31.2002	7.31.2001
	HK\$	HK\$
0 to 60 days	–	207,274
61 to 90 days	2,000	104,637
91 days or above	243,018	129,845
	<hr/>	<hr/>
Total trade receivables	245,018	441,756
Other receivables	161,445	216,216
	<hr/>	<hr/>
	406,463	657,972
	<hr/> <hr/>	<hr/> <hr/>

11. BALANCE OF CONSIDERATION RECEIVABLE ON DISPOSAL OF OTHER INVESTMENT AND THE RELATED LOAN ADVANCE

The amount represents the aggregate of the second and third instalments of consideration receivable in respect of the disposal of the Group's entire interest in, and amount due from, Mutual Luck ("Consideration Receivable") which would be due on February 28, 2002 and May 31, 2002, respectively.

On February 28, 2002, FECIL and E-Cash entered into a deed of release pursuant to which, FECIL agreed to issue transferable loan notes amounting to HK\$108,000,000 ("2002 Notes") in favour of the Company in total satisfaction and settlement of the Consideration Receivable. The Company, then agreed, among other things, to discharge FECIL and E-Cash from the payment of all or any balance of the Consideration Receivable and all claims and demands for or in respect of the same or in anyway arising therefrom or relating thereto. The 2002 Notes, which carry interest at 5% per annum and mature on May 30, 2005, were issued to the Company on February 28, 2002.

12. BANK BORROWINGS

During the period, the Group obtained a bank loan amounting to HK\$3,000,000 and utilised overdraft facilities amounting to HK\$9,109,378 at January 31, 2002. The loan bears interest at prevailing market rates and is repayable in instalments over a period of 5 years. The proceeds were used for general working capital purposes.

13. RESERVES

	Share premium HK\$	Capital reserve HK\$	Special capital reserve HK\$	Investment revaluation reserve HK\$	Property revaluation reserve HK\$	Currency translation reserve HK\$	Capital redemption reserve HK\$	Deficit HK\$	Total HK\$
THE GROUP									
Balance at August 1, 2000	251,388,544	152,571	9,278,080	(11,370,425)	4,152,106	(14,537,628)	268,000	(97,587,823)	141,743,425
Eliminated on disposal of subsidiaries	-	4,105	-	3,649,500	(4,152,106)	(1,265,278)	-	-	(1,763,779)
Realised on disposal of other securities	-	-	-	7,720,925	-	-	-	-	7,720,925
Exchange difference arising on consolidation	-	-	-	-	-	(5,162,640)	-	-	(5,162,640)
Expenses incurred in connection with issue of shares	(436,725)	-	-	-	-	-	-	-	(436,725)
Transfer for the year	-	-	(9,278,080)	-	-	-	-	9,278,080	-
Net loss for the year	-	-	-	-	-	-	-	(157,187,865)	(157,187,865)
Balance at July 31, 2001	250,951,819	156,676	-	-	-	(20,965,546)	268,000	(245,497,608)	(15,086,659)
Exchange difference arising on consolidation	-	-	-	-	-	(2,240,280)	-	-	(2,240,280)
Net loss for the period	-	-	-	-	-	-	-	(2,429,321)	(2,429,321)
Balance at January 31, 2002	<u>250,951,819</u>	<u>156,676</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,205,826)</u>	<u>268,000</u>	<u>(247,926,929)</u>	<u>(19,756,260)</u>

14. PLEDGE OF ASSETS

At the balance sheet date, certain assets of the Group with the following carrying values have been pledged to banks to secure banking facilities granted to the Group:

	1.31.2002	7.31.2001
	HK\$	HK\$
Investment properties	40,260,000	-
Trading securities listed in Hong Kong	6,850,000	-
	<u>47,110,000</u>	<u>-</u>

INTERIM DIVIDEND

The Board of Directors has resolved not to declare an interim dividend for the six months ended January 31, 2002 (six months ended January 31, 2001: Nil).

FINANCIAL REVIEW

Results for the period

During the first half of the financial year, the Group's turnover decreased by 88%, compared with corresponding period of last year. The decrease was mainly due to the Group's disposal of its subsidiaries engaged in the provision of property maintenance, management and agency services and partial investment properties.

The Group recorded a loss attributable to shareholders of approximately HK\$2.4 million for the six months ended January 31, 2002 (six months ended January 31, 2001: HK\$4.7 million). The losses incurred in the period were mainly from normal operating activities and the loss per share was HK0.5 cent (six months ended January 31, 2001: HK1.04 cents).

Financial Resources and Liquidity

At January 31, 2002, the Group had total bank borrowings of approximately HK\$11.9 million (July 31, 2001: Nil), all of which were secured by the Group's investment properties and certain listed shares purchased for investment purposes. The gearing ratio, calculated as the total borrowings of the Group divided by shareholders' funds, stood healthily at 0.07. The current ratio also increased from 2.0 to 9.7.

Exchange Rate Exposure

Except for certain properties held for sale and development in Japan, all assets, liabilities and transactions of the Group are denominated in Hong Kong dollars. The Group was not exposed to material exchange risk during the period.

CONNECTED TRANSACTION

As announced previously, on December 6, 2000, the Company entered into a conditional sale and purchase agreement (as supplemented by supplemental agreements dated December 12, 2000 and March 27, 2001 and an extension letter dated January 19, 2001) with E-Cash Venture Limited ("E-Cash"), a wholly owned subsidiary of FECIL which in turn holds a 8.6% interest in the issued capital of the Company, to dispose of its entire 15.33% interest in Mutual Luck Investment Limited ("Mutual Luck") to E-Cash for a consideration of HK\$120 million ("Mutual Luck Transaction"). The completion minutes for the transaction was received on November 26, 2001 and completion took place on November 30, 2001.

BUSINESS REVIEW

Following readjustment of the Company's investment policy to reflect the adverse market sentiment on internet industry generally, the Group has re-focused its investment directions and consolidated its resources to cater for future investment opportunities.

EMPLOYEE

As at January 31, 2002 the number of staff was 6 with their remuneration normally reviewed annually. The Group also provides its staff with other benefits including year-end double-pay, discretionary bonus, contributory provident fund and share options.

OUTLOOK

The Board of Directors assumes that the economy of Hong Kong will still be under stagnancy and will last for years. The Group will maintain a sound financial status and cautiously seek for higher return investment opportunities in Hong Kong and elsewhere.

DIRECTORS' INTERESTS IN SHARES OR SHARE OPTIONS

As at January 31, 2002, the interests of the directors and associates in the share capital of the Company as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

1. Shares

Name of director	Number of shares held	Nature of interest
Liu Ngai Wing (Resigned as Non-executive director on April 2, 2002)	3,000,000	Personal interest
Wong Chui Kay (Resigned as Independent Non-executive director on April 10, 2002)	160,000	Personal interest

2. Share Options

Name of director	Name of options outstanding	Subscription price per share	Exercisable period
Liu Ngai Wing	3,000,000	HK\$0.5712	April 8, 1997 to March 6, 2007

Other than as disclosed above and certain nominee shares in subsidiaries held by directors in trust for the Company, at January 31, 2002 none of the directors or their associates had any interests in any securities of the Company or any of its associated corporations as defined in the SDI ordinance, and none of the directors or chief executives or their spouses or children under the age of 18 had any right to subscribe for securities of the Company or had exercised any such right during the period.

SUBSTANTIAL SHAREHOLDER

As at January 31, 2002, the register of substantial shareholder maintained by the Company under Section 16(1) of the SDI Ordinance showed that the following shareholder had an interest of 10% or more in the Company's issued share capital:

Name of Shareholder	Number of Shares Held	%
Rocket High Investment Limited	80,399,926 (note)	16.7

Note: As disclosed in the circular dated September 8, 2000, Rocket High Investment Limited is beneficially and wholly-owned by Mr. David Chiu ("Mr. Chiu"). At present, FECIL is interested in 41,623,666 shares. Mr. Chiu together with his family members and associates are controlling shareholders of FECIL. Tokai Kanko Co., Ltd., a company in which Mr. Chiu holds a 40% interest, is holding 27,372,000 shares. Accordingly, Mr. Chiu and his associates are interested in 149,395,592 shares (approximately 31% of the issued share capital of the Company).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended January 31, 2002, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

DISCLOSURE UNDER PRACTICE NOTE 19 OF LISTING RULES

As disclosed previously, the Company had an advance of approximately HK\$123,222,000 to Mutual Luck before the completion of the Mutual Luck Transaction on November 30, 2001. As of January 31, 2002, HK\$108 million of the purchase consideration due February 28, 2002 through May 31, 2002 was outstanding from E-Cash. Following the issuance of unsecured transferable loan notes to the Company for a total value of HK\$108 million by FECIL on February 28, 2002, all payment obligations under the Mutual Luck Transaction has been fully satisfied. Save for the aforesaid, there has been no other changes to the circumstances.

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the six months ended January 31, 2002, in compliance with the "Code of Best Practice" as set out in Appendix 14 of the Listing Rules.

The term of office for the non-executive directors of the Company is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association of the Company.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the unaudited interim financial statements.

By order of the Board

NG CHI YEUNG, SIMON

Company Secretary

Hong Kong, April 24, 2002