

**PROSPER e-VISION LTD :
IS THERE A PROBLEM, HERE ? OR IS IT BUILDING UP TO A PROBLEM ?**

For minority shareholders of publicly listed Prosper eVision Ltd (Code: 979, Main Board, The Stock Exchange of Hongkong Ltd), it must be extremely difficult to know, exactly, what is happening in their company.

While the latest event would appear, under normal conditions, to be but a flea's bite, when weighed against the most recent evidence, one has to wonder, very seriously.

According to TARGET's information, Deluxe Blind Engineering Ltd has had to threaten a wholly owned subsidiary of Prosper eVision for a claim, amounting to about \$HK104,000.

The subsidiary, being threatened, is Prosperity Construction and Decoration Ltd, which was formerly known as OLS International Ltd.

It would appear, according to officials of Deluxe Blind, that it was commissioned by Prosperity Construction to supply and install solar blinds at a site on which Prosperity Construction had won the main contract.

By a purported agreement, dated May 25, 1998, Deluxe Blind became a sub-contractor of Prosperity Construction, but it has never been fully paid and it is claiming that it is still owed about \$HK104,000 for its work.

Again, such a small sum of money makes one wonder what, exactly, is going on in Prosper eVision because, according to the latest official report from the Company, everything appears (or appeared, as at June 30, 2001) to be moving along, almost normally for the Company.

According to TOLFIN (TARGET's Computerised Online Information System), as at the halfway mark, to June 30, 2001, the Company had logged in a Net Profit Attributable to Shareholders of about \$HK2.31 million on a Turnover of about \$HK26.75 million.

Cash and bank balances were said to be about \$HK7.28 million, as at that date, but there was the small matter of some arbitration proceedings, which were described in the Interim Report, thusly:

'A subsidiary of the Company is undergoing an arbitration with various sub-contractors in relation to certain disputes over the value of construction works performed by these sub-contractors in the previous years. The total amount of claims by these sub-contractors is approximately \$(HK)9,559,000. As the outcome of the arbitration cannot be reliably estimated, no provision for contingent losses has been made in the financial statements of the Group as at June 30, 2001.'

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