

Edgar Filing: ESOFTBANK COM INC - Form 10QSB/A

ESOFTBANK COM INC
Form 10QSB/A
November 16, 2001

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB/A

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2001
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____ .

Commission file number 1-12293

ESOFTBANK.COM INC.

(Exact name of small business issuer as specified in its charter)

Nevada

87-0394313

(State or Other Jurisdiction of
Incorporation or Organization)

(I.R.S. Employer Identification No.)

Block 2, Cybercity, South Hi-Tech Industrial Park
Shenzhen, PRC 518057

(Address of principal executive offices)

7 011-86-755-671-6644

(Issuer's Telephone Number, including Area Code)

Flat A, United Plaza, 5022 Binhe Main Street
Futian District Shenzhen, PRC 51802

(Former Name, Former Address and Former Fiscal Year, if Changed
Since Last Report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date.

Common Stock, \$.001 Par Value - 12,920,000 shares issued and outstanding as of Nov. 13, 2001.

Edgar Filing: ESOFTBANK COM INC - Form 10QSB/A

Index ESOFTBANK.COM, INC. and Subsidiaries

	Page No. -----
Part I. Financial Information	
Item 1. Financial Statements (Unaudited)	
Condensed consolidated balance sheets--September 30, 2001 and December 31, 2000	3
Condensed consolidated statements of operations--Three months ended September 30, 2001 and 2000	5
Condensed consolidated statements of operations--Nine months ended September 30, 2001 and 2000	6
Condensed consolidated statements of cash flows--Nine months ended September 30, 2001 and 2000	7
Notes to condensed consolidated financial statements--September 30, 2001	9
Item 2. Management's Discussion and Analysis of Financial Condition and Results Of Operations	10
Part II. Other Information	
Item 1. Legal Proceedings	14
Item 2. Changes in Securities	14
Item 3. Defaults Upon Senior Securities	15
Item 4. Submission of Matters to a Vote of Security Holders	15
Item 5. Other Information	15
Item 6. Exhibits and Reports on Form 8-K	15
Signatures	15

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ESOFTBANK.COM, INC. AND SUBSIDIARIES
Condensed CONSOLIDATED BALANCE SHEETS
September 30, 2001 and December 31, 2000
(Unaudited)

December 31, 2000 (Unaudited) Rmb -----	September 30, 2001 (Unaudited) Rmb US\$ -----
---	--

Edgar Filing: ESOFTBANK COM INC - Form 10QSB/A

ASSETS			
CURRENT ASSETS			
Cash	3,221,718	1,482,580	178,624
Accounts receivable	640,900	4,104,060	494,465
Deposits and other	1,000,271	739,124	89,051
Advances to employees	427,395	838,652	101,043
Costs and estimated earnings in excess of billings on uncompleted contracts	207,944	-	-
	-----	-----	-----
TOTAL CURRENT ASSETS	5,498,228	7,164,416	863,183
	-----	-----	-----
NONCURRENT ASSETS			
Long-term investment	2,800,000	2,800,000	337,349
Product development costs, net	852,995	804,156	96,886
Fixed assets	2,929,976	2,446,017	294,701
Other	265,068	--	--
	-----	-----	-----
TOTAL NONCURRENT ASSETS	6,848,039	6,050,173	728,936
	-----	-----	-----
TOTAL ASSETS	12,346,267	13,214,589	1,592,119
	=====	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term loan	16,000,000	16,000,000	1,927,711
Accounts payable	159,900	159,900	19,265
Accrued expenses	--	--	--
Salaries, wages and other compensation	669,171	466,846	56,246
Employee firings benefits	635,988	1,187,685	143,095
Taxes	355,713	110,662	13,333
Other	1,588,513	1,430,165	172,309
Customer deposits	41,000	2,133,989	257,107
	-----	-----	-----
TOTAL CURRENT LIABILITIES	21,824,583	26,617,677	3,206,949
	-----	-----	-----
MINORITY INTEREST	261,925	197,493	23,794
	-----	-----	-----
SHAREHOLDERS' EQUITY (DEFICIT)			
Common stock - Par value US\$.001; issued and outstanding - 12,920,000 shares	107,236	107,236	12,920
Additional paid-in capital	52,715,431	52,715,431	6,351,257
Reserve funds	347,148	347,148	41,825
Accumulated deficit	(62,910,056)	(66,770,396)	(8,044,626)
	-----	-----	-----
TOTAL SHAREHOLDERS' EQUITY (DEFICIT)	(9,740,241)	(13,600,581)	(1,638,624)
	-----	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	12,346,267	13,214,589	1,592,119
	=====	=====	=====

Edgar Filing: ESOFBANK COM INC - Form 10QSB/A

See notes to condensed consolidated financial statements.

4

ESOFBANK.COM, INC. AND SUBSIDIARIES			
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS			
THREE MONTHS ENDED SEPTEMBER 30, 2001 AND 2000			
(Unaudited)			
	2000	2001	2001
	-----	-----	-----
	Rmb	Rmb	US\$
REVENUE	4,827,190	2,981,249	359,187
COST OF SALES	(3,156,820)	(2,075,994)	(250,120)
	-----	-----	-----
GROSS PROFIT (LOSS)	1,670,370	905,255	109,067
SELLING AND ADMINISTRATIVE EXPENSES	(3,323,143)	(2,080,698)	(250,687)
	-----	-----	-----
LOSS FROM OPERATIONS	(1,652,773)	(1,175,443)	(141,620)
	-----	-----	-----
OTHER INCOME (EXPENSE)			
INTEREST EXPENSE	(203,909)	(291,629)	(35,136)
OTHER INCOME, NET	(17,301)	(2,871)	(346)
	-----	-----	-----
TOTAL OTHER INCOME (EXPENSE), NET	(221,210)	(294,500)	(35,482)
	-----	-----	-----
LOSS BEFORE TAXES	(1,873,983)	(1,469,943)	(177,102)
TAXES	--	--	--
	-----	-----	-----
INCOME (LOSS) BEFORE MINORITY INTEREST	(1,873,983)	(1,469,943)	(177,102)
MINORITY INTEREST	310,213	110,151	13,272
	-----	-----	-----
NET LOSS	(1,563,770)	(1,359,792)	(163,830)
	=====	=====	=====
Basic and diluted net loss per share	(.12)	(.11)	(.01)
	=====	=====	=====
WEIGHTED AVERAGE SHARES OUTSTANDING	12,800,000	12,920,000	12,920,000
	=====	=====	=====

See notes to condensed consolidated financial statements.

5

ESOFBANK.COM, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Edgar Filing: ESOFTBANK COM INC - Form 10QSB/A

NINE MONTHS ENDED SEPTEMBER 30, 2001 AND 2000
(Unaudited)

	2000	2001	2001
	----- Rmb	----- Rmb	----- US\$
REVENUE	7,832,190	8,326,722	\$1,003,220
COST OF SALES	(4,782,285)	(6,067,244)	(730,994)
GROSS PROFIT (LOSS)	3,049,905	2,259,478	272,226
SELLING AND ADMINISTRATIVE EXPENSES	(10,920,980)	(6,479,758)	(780,693)
LOSS FROM OPERATIONS	(7,871,075)	(4,220,280)	(508,467)
OTHER INCOME (EXPENSE)			
INTEREST EXPENSE	(203,909)	(812,149)	(97,849)
OTHER INCOME, NET	(9,328)	1,107,657	133,452
TOTAL OTHER INCOME (EXPENSE), NET	(213,237)	295,508	35,603
LOSS BEFORE TAXES	(8,084,312)	(3,924,772)	(472,864)
TAXES	154,646	--	--
INCOME (LOSS) BEFORE MINORITY INTEREST	(8,238,958)	(3,924,772)	(472,864)
MINORITY INTEREST	1,606,981	64,432	7,763
NET LOSS	(6,631,977)	(3,860,340)	(465,101)
Basic and diluted net loss per share	(.52)	(.30)	\$ (.04)
WEIGHTED AVERAGE SHARES OUTSTANDING	12,800,000	12,920,000	12,920,000

See notes to condensed consolidated financial statements.

6

ESOFTBANK.COM, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

NINE MONTHS ENDED SEPTEMBER 30, 2001 AND 2000
(Unaudited)

	2000	2001	2001
	----- Rmb	----- Rmb	----- US\$
Cash Flows from Operating Activities			
Net income (loss)	(6,631,977)	(3,860,340)	\$ (465,101)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation	202,470	490,063	59,044
Amortization of product dev costs	232,645	441,960	53,248

Edgar Filing: ESOFTBANK COM INC - Form 10QSB/A

Provision for losses on receivables			
- Customers	400	--	--
Minority interest	(1,606,983)	(64,432)	(7,763)
(Increase) decrease in			
Accounts receivable	117,950	(3,463,160)	(417,248)
Deposits and other	(1,100,575)	261,147	31,463
Costs and estimated earnings in excess of			
billings on uncompleted contracts	--	207,944	25,053
Other	--	265,068	31,936
Advances to employees	(85,602)	(411,257)	(49,549)
Increase (decrease) in			
Accounts payable and accrued exp	852,134	(54,027)	(6,509)
Customer deposits	18,678	2,092,989	252,167
Billings in excess of costs and estimated			
earnings on uncompleted contracts	--	554,562	66,815
	-----	-----	-----
Total Adjustments	(1,368,883)	320,857	38,657
	-----	-----	-----
Net Cash Provided by (Used in) Operating			
-Activities	(8,000,860)	(3,539,483)	(426,444)
	-----	-----	-----
	7		
Cash Flows from Investing Activities			
Capital expenditures	(2,067,993)	(6,104)	(735)
Capitalized expenditures for product			
development costs	(128,455)	(393,121)	(47,364)
Net repayments from SiTech Holding			
(Hainan) Company Ltd.	1,485,426	--	--
Advances to related parties	(4,436,611)	--	--
Initial Investment of minority shareholder	240,000	--	--
Investment	(2,800,000)	--	--
Other	(122,274)	--	--
	-----	-----	-----
Net Cash Provided by (Used In) Investing			
-Activities	(7,829,907)	(399,225)	(48,099)
	-----	-----	-----
Cash Flows from Financing Activities			
Proceeds from issuance of long term debt	16,000,000	--	--
Net short term borrowings	4,375,341	--	--
Net repayments to director	(260,494)	--	--
Capital contributions	160,985	--	--
Net borrowings from Sitech Holding	0	281,155	33,874
Net borrowings from directors	0	1,718,020	206,990
Net borrowings from related party	0	200,395	24,144
	-----	-----	-----
Net Cash Provided by Financing			
-Activities	20,275,832	2,199,570	265,008
	-----	-----	-----
Net Increase (Decrease) in Cash	4,445,065	(1,739,138)	(209,535)
	-----	-----	-----
Cash, Beginning of Period	629,351	3,221,718	388,159
	-----	-----	-----
Cash, End of Period	51,074,416	1,482,580	\$178,624
	=====	=====	=====

See notes to condensed consolidated financial statements.

ESOFTBANK.COM, INC. AND SUBSIDIARIES

NOTES TO Condensed CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
September 30, 2001

NOTE 1 - Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

The Company believes that the interim financial statements contain all adjustments necessary for a fair presentation of the results for such interim periods. All of these adjustments are normal recurring adjustments. The results of operations for interim periods do not necessarily predict the operating results for the full year. The consolidated balance sheet as of December 31, 2000 has been derived from audited financial statements but does not include all disclosures required by generally accepted accounting principles as permitted by interim reporting requirements. The information included in this report should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations, the audited financial statements and related notes included in the Company's 2000 Form 10-KSB.

NOTE 2 - LONG-TERM DEBT

On May 29, 2000 the Company entered into a one-year credit facility with Shenzhen Commercial Bank for RMB 16 million at 5.3125%. The credit facility is secured by shares in the Company owned by Dr. Lan, director and shareholder of the Company.

On Aug. 25, 2001, the one-year credit facility was extended to Aug. 25, 2002 at 5.3125%.

NOTE 3 - FOREIGN CURRENCY CONVERSION

The Company's financial information is presented in U.S. dollars. Reminbi, the functional currency of the Company has been converted into U.S. dollars at the exchange rate of 8.3 to 1.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS of Financial Condition and Results of Operations

Forward-Looking Statements

The following presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements are based on our current expectations and relate to anticipated future events that are not historical facts, such as our business strategies and their intended

Edgar Filing: ESOFTBANK COM INC - Form 10QSB/A

results. Our actual results could differ materially from those set forth in the forward-looking statements as a result of (i) changes in general economic conditions, (ii) changes in the assumptions used in making these statements, (iii) our lack of a long-term operating history, (iv) competition generally, and in the technology sector in particular, (v) our ability to attract, hire, train and retain competent personnel in a variety of functions, (vi) our ability to raise sufficient capital to fund our expansion, and (vii) our ability to attract sub-contractors, software engineers, development teams to our website, and setup a nation-wide collaborative platform for software outsourcing in China.

Overview

ESOFTBANK.COM, Inc., is a Chinese software development and sub-contracting services provider. We offer a wide range of value-added services including IT consulting, project outsourcing, quality control and software releasing. Our focus is on various e-commerce, network management and resource control systems for business and government enterprises. Our website, [HTTP://www.eSoftBank.com](http://www.eSoftBank.com), is a registry for Chinese web page designers and e-commerce developers, as well as institutions requiring the services of these people, on which we provide a cost-efficient platform for job exchanges and assignments. It is an interactive and integrated virtual software community offering technical databank, knowledge exchange, job-subcontracting, software-testing and support services. Through our website, we offer independent software engineers a source of business opportunities and web space, while companies are able to select from a variety of software engineers and software companies. Our revenues are derived from commissions on transaction volume on the platform, as well as handling fees and service charges for software engineering and technical support services. Our headquarters are in Shenzhen, China.

We changed our company's name from Natural Way Technologies Inc. to ESOFTBANK.COM, Inc. on March 31, 2000 when we acquired (the "Acquisition") all of the issued and outstanding shares of World Concept Development Limited ("WCD"). WCD owns the software development and Internet-based software subcontracting platform operations conducted in China under the name of ESOFTBANK.COM. In November, 2001, we are changing our name again to BroadenGate Systems, Inc. to more accurately reflect our core business.

The Acquisition has been accounted for using the purchase method of accounting as a reverse acquisition, whereby the company issuing its shares to effect a business combination is determined to be the acquiree in the business combination. This occurs when the shareholders of the issuer have less than a majority of voting control of the combined entity. The company whose shareholders retain the majority voting interest in the combined entity is presumed the acquirer. In the Acquisition, the then-existing shareholders of Natural Way retained a 27% voting interest in the combined entity on completion of the Acquisition. Accordingly, WCD is deemed to be the acquirer and the assets of Natural Way are required to be fair valued at acquisition. As Natural Way had no assets (other than obligations due from a shareholder) or operations during 1999 and 2000 (prior to March 31st), no fair value adjustments were required and there are no changes to the WCD financial statements that would require a pro forma analysis. Additionally, because WCD is deemed to be the acquirer, the historical financial statements of Natural Way (now ESOFTBANK.COM Inc.) have been restated, and now reflect the historical operations of WCD and its subsidiaries.

SiTech Hainan Ltd. (Haikou) is the only company that existed prior to 2000 that is reflected in our consolidated financial statements. WCD, ESOFTBANK Shenzhen and Beijing were formed in the fourth quarter of 1999 and only became operational in the first quarter of 2000. In the first quarter of 2001, WCD and

Edgar Filing: ESOFTBANK COM INC - Form 10QSB/A

ESOFTBANK Shenzhen, Beijing, Haikou had operating revenues.

Results of Operations

Three-months ended September 30, 2001 Compared with Three-months ended September 30, 2000

Total revenues decreased by \$222,402 to \$359,187 for the quarter ended September 30, 2001 from \$581,589 for the quarter ended September 30, 2000, primarily due to the under utilization of our engineers trained for Japanese projects and the utilization of certain of our personal in R&D.

Cost of sales decreased \$130,219 to \$250,120 for the quarter ended September 30, 2001 from \$380,339 for the same period in 2000. The decrease is attributable to the reduction in revenues. Our gross profit margin was 30.3 % in the quarter ended Sep 30, 2001. This compares with 34.6% for the corresponding period of the prior year.

Selling and administrative expenses ("SGA") decreased by \$149,692 to \$250,687 for the quarter ended September 30, 2001, from \$400,379 for the same period in 2000. This decrease reflects operational improvements and cost controls such as imposing stricter controls on advertising expenses. We anticipate that these controls will continue decreasing SGA expenses in the future as we work to make our distribution system more efficient. We have also established more strategic alliances with established companies (such as Huawei, Oracle China, etc.) that will assist us in distributing our services at lower costs.

We incurred interest expense of \$35,136 for the third quarter of 2001 compared with \$24,567 for the third quarter of 2000 due to an increase in our short-term loan from the Bank.

We have no income tax liability for the third quarter of either 2001 or 2000. We may incur income tax expenses in the future, even though we have an operating loss because income taxes in the People's Republic of China are a function of gross sales and not of net income.

11

The minority interest represents the 20% interest in eSoftBank (Beijing) Software Systems Co. Ltd. and the 47.6% of SiTech Hainan Ltd. not owned by the Company.

The net loss decreased by approximately 13% for the third quarter of 2001, to \$163,830 from \$188,406 for the same period in 2000. The decreased operating losses in the third quarter of 2001 over the third quarter of 2000 was due to reduced SGA expenses which were partially offset by reduced gross profit. We believe that these trends will continue as our revenues increase and our expenses decrease. We also expect that our operations from being a software outsourcing services provider and subcontracting platform will produce additional revenues and, profitability in near future. However, there is no assurance that we will ever become profitable.

Nine Months ended September 30, 2001 Compared with Nine Months ended September 30, 2000

Total revenues increased by \$59,582 to \$1,003,220 for the nine months ended September 30, 2001 from \$943,638 for the corresponding period of the prior year. This increase resulted because we had no revenues for the first calendar quarter of 2000.

Cost of sales increased by \$154,815 to \$730,994 for the nine months

Edgar Filing: ESOFTBANK COM INC - Form 10QSB/A

ended September 30, 2001 from \$576,179 for the corresponding period of 2000. This increase is attributable to costs incurred in the continued development of our platform. Gross margins were 27.1% for the nine months ended September 30, 2001 compared to 38.9% for the same period of 2000.

Selling and administrative expenses ("SGA") decreased by \$535,088 to \$780,693 for the nine months ended September 30, 2001 from \$1,315,781 for the corresponding period of the prior year. This decrease is attributable to the imposition of cost controls, reduced advertising and the formation of strategic alliances to reduce marketing costs.

Interest expense increased by \$73,282 to \$97,849 for the nine months ended September 30, 2001 from \$24,567 for the corresponding period of 2000. This increase reflects increased borrowings.

Other income, net reflects a reversal of a salary accrual from the prior year.

We have no income tax liability for the first nine months of calendar year 2001. In the same period of calendar year 2000, we incurred a tax liability of \$18,632. We may incur income tax in future periods, even if we have a net operating loss, because income taxes in the People's Republic of China are a function of gross sales and not necessarily of net income.

The minority interest represents the 20% interest in eSoftBank (Beijing) Software Systems Co. Ltd. and the 47.6% of SiTech Hainan Ltd. not owned by the Company.

Our net loss decreased by \$333,932 to \$465,101 for the nine months ended September 30, 2001 from \$799,033 for the corresponding period of 2000. This decrease reflects the reduction in SGA which was partially offset by reduced gross profit and increased interest.

12

Outlook

General

We believe that we are well positioned for growth in the developing information technology ("IT") industry in China and internationally. With China joining the WTO and the Beijing's 2008 Olympics, demand should increase IT in China during the next several years.

Since its inception in 1996, the company has built a strong position in the Chinese domestic IT industry. eSoftBank is leveraging its domestic expertise to enter the global outsourcing market, and to cooperate with leading multinational software vendors in the Chinese market. Building on the synergy between the Chinese and global markets, eSoftBank hopes to continue to increase its market share at home and win high-margin contracts abroad.

Over the past year the company has already taken the first steps in realizing this strategy by forming close partnerships with some of the top players in China, including IBM, Oracle, and Huawei Technology, China's largest manufacturer of telecommunications equipment. With Oracle, we will soon be implementing several sections of a large accounting system for China Mobile Hong Kong, the largest mobile telecommunications service provider in the world.

The next step is to build our position in the United States IT outsourcing market. In the near-term, business growth will come from utilizing our strategic partnerships with companies such as ACenturyOne, a high-profile startup specializing in outsourcing projects from Fortune 250 companies to Chinese

Edgar Filing: ESOFTBANK COM INC - Form 10QSB/A

software developers. Looking to the longer term, however, it is critical to capitalize on our momentum and establish a physical presence in the US.

Recent Developments

We believe that the recent developments described below will have a positive impact on our future results of operations. However, there is no assurance that these benefits will be realized or that, if realized, these benefits will reach the levels we anticipated.

13

1. We won the bidding for Electric Funding provided by China Information Industry Department, and should be granted 4 million RMB in funding from government in next 3 months.

2. We reached a strategic agreement with ACenturyOne, to obtain stable software outsourcing projects from US.

Liquidity and Capital Resources

At the end of the third quarter of 2001, we had cash of \$178,624 and a deficit in working capital of \$1,638,624. This compares cash of \$388,159 for Dec.31, 2000 and a deficit in working capital of \$902,602 as of September 30, 2000.

Cash used in operating activities decreased by \$537,514 to \$426,444 for the nine-month period ended September 30, 2001, from \$963,958 in the same period in 2000. This change is attributable to a reduced net operating loss which was partially offset by changes in working capital.

Net cash used in investing activities decreased to \$48,099 for the nine-month period ended September 30, 2001 from \$943,362 for the corresponding period of 2000. This decrease resulted from reduced capital expenditures, loan repayments, advances and investments.

Net cash provided by financing activities decreased to \$265,008 for the nine-month period ended September 30, 2001 compared to \$2,442,891 for the corresponding period of 2000. This reduction resulted from reduced borrowings during the current year.

Our business is now generating more revenues from our project management centers. Management is also seeking to raise additional capital from investors both in China and other countries, and believes that this funding will enable us to develop our business and meet some of our operating cash needs. However, based on the current level of expenditures, without such funding, we will be unable to fully implement our business plan.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

None

Item 2. Changes in Securities and Use of Proceeds.

None

14

Edgar Filing: ESOFTBANK COM INC - Form 10QSB/A

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

None

Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-K.

Exhibits

None

Reports on Form 8-K

None.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

eSoftBank.com, Inc.

Dated: Nov. 13, 2001

By: /s/ Dr. Hongbing Lan

Dr. Hongbing Lan
Chief Executive Officer

Dated: Nov.13, 2001

By: /s/ Hongyu Lan

Hongyu Lan
Principal Accounting Officer