



CyberM International (Holdings) Limited

美域數碼國際(控股)有限公司

(Incorporated in Bermuda with limited liability)

Results Announcement For the year ended 31st March, 2001

Characteristics of the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Exchange”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Exchange. GEM listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Exchange takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement, for which the directors of CyberM International (Holdings) Limited (the

“Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

SUMMARY

- Turnover for the year ended 31st March, 2001 amounted to HK\$19,385,000.
- Loss attributable to shareholders amounted to HK\$3,148,000 corresponding to a basic loss per share of HK1.3 cents

CHAIRMAN’S STATEMENT

The successful listing of the Company on the GEM of the Exchange on 17th August, 2000 was a milestone, which certainly helped widen our shareholders base and increase transparency of the Company to the public. I hereby present the first annual report of the Company and its subsidiaries (the “Group”) for the year ended 31st March, 2001 to shareholders.

While the business world moves on towards the cyber age, business agility requires flexible technologies and the proliferation of computing power. As the e-business focus drives enterprises to externalise their systems, we find the market niche lies in the developing of a comprehensive mobile B2B eBusiness solutions service. The new generation of mobile and wireless networking will provide indoor and outdoor connectivity to the Internet globally.

Asia will see an unabated growth in the IT industry. The Greater China region will outstrip its neighbouring countries due to opportunities sustained by demands from an immense small and medium enterprises (“SMEs”) market and currently a low penetration rate. To capitalise on the growing trend, we will commit further resources to the Greater China region. Our ability to continually evolve and our commitment to deliver quality business application solutions to SMEs have determined our success. These are our competitive advantages as the Group has been already a step ahead.

RESULTS

The audited consolidated results of the Group for the year ended 31st March, 2001 together with the comparatives for the corresponding period in 2000 are as follows:

	<i>Note</i>	Year ended 31st March,	
		2001	2000
		HK\$'000	HK\$'000
Turnover	2	<u>19,385</u>	<u>18,720</u>
(Loss) / profit from operation		(2,422)	2,171
Provision for impairment in value of a long-term investment		(1,350)	-
Deficit on revaluation of an investment property		(50)	-
Interest income		771	14
Interest expense		<u>(156)</u>	<u>(256)</u>
(Loss) / profit before taxation		(3,207)	1,929
Taxation	3	<u>59</u>	<u>(387)</u>
(Loss) / profit attributable to shareholders		(3,148)	1,542
Accumulated deficit, beginning of year		(76)	(1,618)
Accumulated deficit, end of year		<u>(3,224)</u>	<u>(76)</u>
(Loss) / earnings per share	4		
- Basic		<u>(1.3 cents)</u>	<u>0.7 cents</u>
- Diluted		<u>N/A</u>	<u>N/A</u>

1 Basis of preparation

The Company was incorporated in Bermuda on 3rd March, 2000 as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended). The Company's shares were successfully listed on GEM on 17th August 2000. On 1st August 2000, pursuant to a group reorganisation (the "Reorganisation") in preparation for the listing of the Company's shares on GEM, the Company became the holding company of the Group.

The Reorganisation involved companies under common control, and the Company and its subsidiaries resulting from the Reorganisation are regarded as a continuing group. Accordingly, the Reorganisation has been accounted for on the basis of merger accounting, under which the consolidated results of operation have been prepared as if the Company had been the holding company of the other companies comprising the Group throughout the years ended 31st March, 2001 and 2000 rather than from the date on which the Reorganisation was completed.

2 Turnover

The consolidated turnover of the Group consisted of:

	Year ended 31st March,	
	2001	2000
	HK\$'000	HK\$'000
Fees for development of customised software and sales of related computer equipment	11,349	11,651
Sales and lease of packaged software	4,532	4,211
Fees for technical support and maintenance services	3,372	2,847
Rental income	132	11
	<u>19,385</u>	<u>18,720</u>

3 Taxation

Taxation consisted of:

	Year ended 31st March,	
	2001	2000
	HK\$'000	HK\$'000
Current Hong Kong profits tax		
- current year	-	(387)
- overprovision in prior year	59	-
	<u>59</u>	<u>(387)</u>

Hong Kong profits tax was provided at the rate of 16% (2000:16%) on the estimated assessable profits arising in or derived from Hong Kong.

4 (Loss) / earnings per share

The calculation of basic (loss) / earnings per share is based on the loss attributable to the shareholders for the year ended 31st March, 2001 of approximately HK\$3,148,000 (year ended 31st March, 2000: profit attributable to shareholders of approximately HK\$1,542,000) and on the weighted average of approximately 235,956,000 shares (2000: 212,500,000 shares) deemed to be in issue during the year assuming the 212,500,000 shares issued pursuant to the Reorganisation described in Note 1 above had been outstanding throughout the years ended 31st March, 2001 and 2000.

No diluted loss per share is presented as the outstanding share options were anti-dilutive.

DIVIDEND

The Board of Directors does not recommend the payment of a dividend for the year ended 31st March, 2001 (year ended 31st March, 2000: Nil).

RESERVES

Movement of reserves for the year ended 31st March, 2001 are as follows:

	Share premium HK\$'000	Merger reserve HK\$'000	Cumulative translation adjustments HK\$'000	Total HK\$'000
Beginning of year	-	-	-	-
Premium on issue of shares	31,125	-	-	31,125
Share issuance expenses	(7,055)	-	-	(7,055)
Capitalisation of share premium	(18,522)	-	-	(18,522)
Exercise of share options	65	-	-	65
Merger reserve arising from the Reorganisation	-	(341)	-	(341)
Translation adjustments	-	-	(27)	(27)
End of year	<u>5,613</u>	<u>(341)</u>	<u>(27)</u>	<u>5,245</u>

YEAR IN REVIEW

For the year ended 31st March, 2001, The Group's turnover was HK\$19,385,000 (2000: HK\$18,720,000), representing an increase of 3.6 %. Net loss attributable to shareholders amounted to HK\$3,148,000 (2000: net profit HK\$1,542,000). Loss per share was HK1.3 cents per share (2000: earnings per share was HK0.7 cents per share). The loss for the year was attributable to the increase in resources allocated to research and development and expansion in the sales & marketing team. Further, we have established the regional headquarters in Guangzhou, and expanded the technical support and customer service center in Shenzhen. We have adopted a conservative approach in assessing the value of the long-term investments and recoverability of accounts receivable. In addition, the usage of the ASP approach is still in the initial stage, the revenue from ASP business is below our expectation. As we are one of the pioneers in providing internet-based B2B eBusiness and mobile and wireless computing solutions, we look forward to seeing promising return in the coming years and our market position strengthened.

Business Development

Despite that the ASP approach is a new idea in the Greater China region, CyberM Business Series and CyberM Mobile Series were successfully launched in the year under review. The market acceptance of CyberM Business Series under ASP approach was below our expectation. The CyberM Mobile Series was well recognised by the market. Recently, the Group has incorporated its CyberM Mobile Series in several reputable retail chain stores and trading companies. Encouraging feedback has been received from customers.

In response to technological advancement and emerging industry practices, CyberM Mobile Series has brought in value-added features to assist SMEs in conducting mobile e-commerce. Information or data can be synchronised from the personal digital assistants (“PDAs”) to mobile phones and ASP server. Users can proceed their daily work such as processing sales orders, making purchase requisitions, invoicing, stock-taking and delivery via their PDAs anytime and anywhere. Costs can be reduced while efficiency and productivity increased.

Supported by SMEloan Hong Kong, the Group has made special offers for SMEs using CyberM Accounting Series Version V3.0a, a module of CyberM Business Series. The package is well received and has paved the way for launching other modules in the future. In addition, the Group has been developing different versions of products to meet the specifications of various industries.

Research and Development

The Group will continue the R&D on the application of mobile and wireless computing technologies to upgrade the capability of CyberM Mobile Series. The solutions are expected to be interactive with Internet-based B2B eBusiness solutions. Apart from supporting the PDAs, they will also support mobile computing devices like Window CE and WAP phones. In order to provide more valued-added features to the customers, the Group keeps abreast of the hectic development in Bluetooth technology and 3G mobile communication. Another direction of the Group is to exploit the “e-money” market which will bring more convenience to people’s daily life.

Business Alliance

In May 2000, the Group signed a collaboration agreement with Sybase Hong Kong Limited for the application of mobile and wireless computing technologies to the Group’s Internet-based B2B eBusiness solutions. The strategic alliance has greatly enhanced its R&D capabilities. Besides, the Group is one of the partners of the Asian Solutions Centre (“ASC”) which was established by Hong Kong Productivity Council (“HKPC”). Through ASC’s network, the Group’s product solutions can be promoted both in local and Asian markets. The Group will continue to seek appropriate business and technical alliance with established international IT companies and local business partners.

Sales and Marketing

Apart from the marketing channel of ASC, the Group promotes its corporate image and brand name by participation in IT Expo, seminars and tradeshow both locally and abroad. The Hong Kong Wireless Technology Industry Association (“HKWTIA”) was co-founded by the Group in May 2001. HKWTIA can not only create a unifying effect in the industry, but also arouse public awareness in mobile and wireless technologies.

To strengthen the market presence in the Greater China region, the Group opened the first PRC office in Shenzhen in December 2000. The Group has also set up an office in Guangzhou to extend its market coverage in the PRC.

Accreditation

CyberM has devoted resources to the development of IT capabilities which have elevated its market recognition. During the year, the Group was granted Sybase Innovation Award, New World Mobility – Most Opportunity Award and Software Quality Assurance Certificate of Quality by HKPC. These awards underscore the Group’s on-going innovative spirits. The Group has made great effort to deliver top quality solutions and will continue to maintain the highest standard.

PROSPECTS

Parallel to the global development in e-commerce, opportunities have risen for enterprises to access business information through Internet-based system. CyberM has clearly directed its focus on the high growth SMEs market. The Group has positioned itself as a mobile B2B eBusiness solutions provider, and at the same time, placed great emphasis on customer services by providing training, maintenance and technical support.

Recognising the potentials of the vast Greater China market, the Group has formulated a forward-looking expansion plan to establish footholds in the PRC. This includes implementing enhancement work to respond to technological changes and formation of business alliance to enlarge market influence. The Group anticipates that the impending opening of the Internet industry following the PRC’s accession to the World Trade Organisation will bring ample business opportunities to the Group. That will ultimately help boosting the Group’s growth in the years to come.

APPRECIATION

On behalf of the board of directors, I would like to take this opportunity to express my sincere thanks to the staff for their dedication and the shareholders for their support. Our passion for innovation will bring the best benefits to our shareholders.

COMPARISON OF ACTUAL BUSINESS PROGRESS TO BUSINESS OBJECTIVES

Key business objectives for the six months ended 31st March, 2001

Revenue and Business Development

Continue the business development activities from the previous six months ended 30th September, 2000.

Study the framework for the development of the B2B enterprise portal.

Products and services

Continue the products and services activities from the previous six months ended 30th September, 2000.

Launch CyberM Mobile Series supporting mobile computing devices including Windows CE.

Research and develop interface with banks, shipping companies and/or

Actual business progress

Hong Kong

One additional staff has been recruited to strengthen the Group's Sales & Marketing and Business Development team. More sales channels were sought to promote CyberM Business Series and CyberM Mobile Series. The Group focuses on building corporate brandname to increase publicity of the Group's products.

Taiwan

Feasibility study of Taiwan market is still in progress.

The PRC

The regional headquarters has been set up in Guangzhou. The R & D and customer service centre in Shenzhen is in full operation.

A B2B enterprise portal prototype for the educational sector has been developed. The pilot run will be launched before September 2001.

The Group is seeking to develop new series of CyberM products specifically tailored to meet the needs of particular industries such as food and beverage and educational sectors.

Three modules of CyberM Mobile Series have been launched. Two new modules are in the prototype development stage.

The Group has commenced the development of interfaces with several retail industries in

freight forwarders in Taiwan and Southern China.

southern China. The Group is looking for appropriate partners in shipping and freight forwarding industries in Taiwan and southern China.

Research and Development

Continue the R&D activities from the previous six months ended 30th September, 2000.

The Group is doing research on applying some new advance technologies like Bluetooth and 3G mobile communications to the products.

Carry out product version upgrade and further enhancement of CyberM Business Series and CyberM Mobile Series.

11 additional talented local and overseas IT professionals have been recruited to upgrade and enhance features of CyberM Business Series and CyberM Mobile Series such as electronic payment interface.

Research and study the customisation of CyberM Business Series for the Taiwan Market and the southern China market.

Several customised CyberM Business Series solutions have been implemented in southern China. The Group is negotiating with some potential customers in Taiwan.

Research and study the B2B enterprise portal interface with CyberM Business Series and CyberM Mobile Series.

A B2B enterprise portal prototype for the educational sector has been developed. The pilot run will be launched before September 2001.

Expansion and business alliance

Continue the expansion and business alliance activities from the previous six months ended 30th September, 2000.

Memoranda of understanding and partnership agreements for enhancing the technical features of the Group's products have been entered into with business partners specialised in e-commerce, mobile and wireless technologies and data management.

Explore the possibility of setting up a joint venture and/or a local sales, marketing and customers services team in Taiwan.

At the initial stage of negotiation with several ISPs and customers in Taiwan for the distribution of CyberM Business Series and CyberM Mobile Series.

Subject to the setting up of the relevant joint venture(s) in China, establish local customer service team(s) and sales office(s) in southern China and a regional headquarters in Guangzhou.

The Group's regional headquarters in Southern China has been established in Guangzhou. The Group's technical center and customer service team in Shenzhen are in full operation.

USE OF PROCEEDS

The net proceeds from the public listing had been applied in the following areas:

For the six months ended 31st March, 2001	Budgeted HK\$ million	Actual HK\$ million
R&D in the technology, new functions and customisation of B2B eBusiness solutions (note 1)	0.32	0.90
Promotion of CyberM Business Series (note 2)	0.80	0.62
R&D in the new functions and customisation of mobile and wireless mobile computing technologies (note 3)	0.68	0.30
Promotion of CyberM Mobile Series (note 2)	0.80	0.26
Expand into the Greater China Region (note 4)	0.40	0.90
	<u>3.00</u>	<u>2.98</u>

Notes : The variances from budgeted use of proceeds are due to:

- 1 Acceleration of development of CyberM Business series applied to educational sector and incorporation of electronic payment interface to CyberM Business Series.
- 2 Delayed in launching promotion campaigns after reassessing market conditions and redefining marketing strategies.
- 3 Early completion of planned product developments leading to resources shifted to development of CyberM Business series.
- 4 More fundings injected to the Group's offices in Guangzhou and Shenzhen to meet the needs of the expanding markets.

DIRECTORS' AND CHIEF EXECUTIVES' INTEREST IN SECURITIES

As at 31st March, 2001, the following Directors of the Company had or were deemed to have interests in the equity securities of the Company within the meaning of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), as recorded in the register kept by the Company pursuant to Section 29 of the SDI Ordinance or otherwise notified to the Company pursuant to the minimum standards of dealings by the Directors as referred to in Rules 5.40 to 5.59 of the Rules governing the Listing of Securities on GEM (the "GEM Listing Rules"):

Name of Directors	Type of Interest	Number of shares	Percentage of shareholdings (%)
Lau Chiu Pui (Mr. Lau)	Discretionary trust (<i>Note</i>)	191,250,000	76.48%
Yip Ho Pong (Mr. Yip)	Discretionary trust (<i>Note</i>)	191,250,000	76.48%
Lai Shu Pui, Fergus (Mr. Lai)	Discretionary trust (<i>Note</i>)	191,250,000	76.48%
Wong Kit Mei (Mr. Wong)	Discretionary trust (<i>Note</i>)	191,250,000	76.48%
Fung Yiu Fai (Mr. Fung)	Discretionary trust (<i>Note</i>)	191,250,000	76.48%

Note: The 191,250,000 shares in the Company are beneficially owned by and registered in the name of Noble Class Group Limited. The entire issued share capital in Noble Class Group Limited is in turn held by Sunrise International (Holdings) Limited (“Sunrise”), a company incorporated in Cayman Islands. Mr. Lau and his spouse, Mr. Yip, Mr. Lai, Mr. Wong and Mr. Fung are the holders of all the issued non-voting redeemable and retractable preferred shares of Sunrise with the rights to a fixed 5% cumulative dividend and redemption at fixed redemption prices in the aggregate amount of HK\$9 million only. All the issued ordinary shares of Sunrise are held by Arawak Trust Company Limited, a corporate trustee of a discretionary trust, the discretionary objects of which include:

- (i) Prophecy Associates Limited **
- (ii) Mr. Yip, his spouse, their issue and spouses of their issue ***
- (iii) Mr. Lai, his spouse, their issue and spouses of their issue ***
- (iv) Mr. Wong, his spouse, their issue and spouses of their issue ***
- (v) Mr. Fung, his spouse, their issue and the spouses of their issue ***
- (vi) Mr. Chan Wing Fuk, his spouse, their issue and the spouses of their issue ***

The discretionary trust described above is subject to a non-binding arrangement that any distribution of trust funds will be in the following proportions:

Discretionary objects	Proportion
<i>Prophecy Associates Limited *</i>	<i>86.68%</i>
<i>Mr. Yip (upon his death, his spouse, and upon the death of Mr. Yip and his spouse, their children)</i>	<i>3.33%</i>
<i>Mr. Lai (upon his death, his spouse, and upon the death of Mr. Lai and his spouse, their children)</i>	<i>3.33%</i>
<i>Mr. Wong (upon his death, his spouse, and upon the death of Mr. Wong and his spouse, their children)</i>	<i>3.33%</i>
<i>Mr. Fung (upon his death, his spouse, and upon the death of Mr. Fung and his spouse, their children)</i>	<i>3.33%</i>

- * *All the issued ordinary shares of Prophecy Associates Limited are held by AMS Trustees Limited, a corporate trustee of a discretionary trust, the discretionary objects of which are the lineal descendants of the paternal and maternal grandfathers of Mr. Lau and his spouse but exclude, inter alia, residents of Canada.*

- ** *The families of Mr. Lau, Mr. Yip, Mr. Lai, Mr. Wong, Mr. Fung and Mr. Chan Wing Fuk as described above are not relatives of each other. Mr. Chan Wing Fuk is the godfather of Mr. Lau's spouse.*

Each of Mr. Lau, Mr. Yip, Mr. Lai, Mr. Wong and Mr. Fung is therefore taken to have an interest in the 191,250,000 shares held by Noble Class Group Limited under the SDI Ordinance.

Save as disclosed above, none of the Directors, chief executives or their associates had any interests in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance.

DIRECTORS RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES AND OPTIONS GRANTED

The Company adopted a share option scheme on 1st August, 2000, pursuant to which it may grant options to full-time employees of the Group and including executive Directors of the Company to subscribe for shares in the Company. As at 31st March, 2001, certain options had been granted to the following executive Directors and full-time employees:

Grantee	Date of grant	Exercise price HK\$	Exercise period	No. of ordinary shares eligible for subscription under the share options	Type of interest
<u>Executive Directors</u>					
Yip Ho Pong	4th September, 2000	1.18	4th September, 2000 to 3rd September, 2010	1,000,000 60,000	Personal Family ***
Lai Shu Pui, Fergus	4th September, 2000	1.18	4th September, 2000 to 3rd September, 2010	1,000,000	Personal
Wong Kit Mei	4th September, 2000	1.18	4th September, 2000 to 3rd September, 2010	1,000,000 44,000	Personal Family ***
Fung Yiu Fai	4th September, 2000	1.18	4th September, 2000 to 3rd September, 2010	1,000,000	Personal
<u>Other participants</u>					
Full time employees	4th September, 2000	1.18	4th September, 2000 to 3rd September, 2010	15,776,000	

*** Represent options granted to their spouses who are employees of the Company.

As at 31st March, 2001, none of the options being granted to the executive Directors have been exercised or cancelled

During the year ended 31st March, 2001, 60,000 shares of HK\$0.1 each of the Company were issued at a price of HK\$1.18 per share to a full-time employee on the exercise of share options at a total cash consideration of HK\$70,800. The closing price of the Company's shares immediately before the date on which the options were exercised was HK\$1.32. In addition, during the year, options to subscribe for 6,972,000 shares in the Company granted to certain full time employees have lapsed upon their resignation. As at 31st March, 2001, options to subscribe for 8,744,000 shares in the Company granted to the full-time employees of the Company remained outstanding.

Saved as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable any of the Company's Directors or members of its management to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate.

Saved as disclosed above, none of the Directors 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.

SUBSTANTIAL SHAREHOLDERS

Other than the interests as disclosed above in respect of the Directors and their associates, as at 31st March, 2001, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance shows that the Company had been notified of the following substantial shareholders' interests, being 10 percent or more of the Company's issued share capital.

Name	Number of shares held	Percentage of shareholdings (%)
Noble Class Group Limited (<i>see Note above</i>)	191,250,000	76.48%
Sunrise International (Holdings) Limited (<i>see Note Above</i>)	191,250,000	76.48%
Arawak Trust Company Limited (<i>see Note above</i>)	191,250,000	76.48%

Save as disclosed above, no other person was recorded in the register pursuant to Section 16(1) of the SID Ordinance as having an interest in ten per cent or more of the issued share capital of the Company as at 31st March, 2001.

COMPETING INTERESTS

None of the Directors or the management shareholders of the Company (as defined under the GEM Listing Rules) had any interest in a business which competes or may compete with the business of the Group.

SPONSOR'S INTEREST

As updated and notified by the Company's sponsor, Core Pacific – Yamaichi Capital Limited (“Core Pacific – Yamaichi”), neither Core Pacific - Yamaichi nor its directors, employees or associates had any interest in the share capital of the Company as at 31st March, 2001 pursuant to Rules 6.35 and 18.63 of the GEM Listing Rules.

Pursuant to the agreement dated 11th August, 2000 entered into between the Company and Core Pacific - Yamaichi, Core Pacific - Yamaichi has received and will receive a fee for acting as the Company's retained sponsor for the period from 17th August, 2000 to 31st March, 2003 or until the sponsor agreement is terminated upon the terms and conditions set out therein.

AUDIT COMMITTEE

The Company established an audit committee on 1st August 2000 with written terms of reference in compliance with the requirements as set out in Rules 5.23 and 5.24 of the GEM Listing Rules. The primary duties of the audit committee are to review and to provide supervision over the financial reporting process and internal control system of the Group. The audit committee comprises the two independent non-executive directors, Mr. Chan Siu Yeung and Ms. Kwan Ngan Hing, Edith and an executive director, Mr. Yip Ho Pong. The Group's audited results for the year ended 31st March, 2001 have been reviewed by the audit committee, who were of the opinion that the preparation of such results complied with applicable accounting standards, the Exchange and legal requirements and that adequate disclosures had been made.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year ended 31st March, 2001, neither the Company nor any of its holding companies or subsidiaries purchased, sold or redeemed any listed securities of the Company.

On behalf of the Board
Lau Chui Pui
Chairman

26th June, 2001, Hong Kong

This announcement will remain on the GEM website at www.hkgem.com on the 'Latest Company Announcement' page for seven days from the day of its posting.