



## **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 three months ended 30th June, 2003**

**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 three months ended 30th June, 2003 amounted to HK\$3,445,000.
- Profit attributable to shareholders amounted to HK\$85,000 corresponding to a basic profit per share of HK0.03 cent.

## **RESULTS**

The unaudited consolidated results of CyberM International (Holdings) Limited and its subsidiaries (the “Group”) for the three months ended 30th June, 2003 together with the comparatives for the corresponding period in 2002 are as follows:

		<b>Three months ended 30th June,</b>	
	<i>Note</i>	<b>2003</b>	<b>2002</b>
		HK\$'000	HK\$'000
Turnover	2	<u>3,445</u>	<u>2,379</u>
Profit (Loss) from operation		3	(1,936)
Interest income		14	21
Interest expense		(25)	(5)
Loss before taxation		<u>(8)</u>	<u>(1,920)</u>
Taxation	3	-	-
		<u>(8)</u>	<u>(1,920)</u>
Minority interests		93	-
Profit (Loss) attributable to shareholders		<u>85</u>	<u>(1,920)</u>
Dividend	4	<u>-</u>	<u>-</u>
Profit (Loss) per share	5		
- Basic		<u>0.03 cent</u>	<u>(0.77 cent)</u>
- Diluted		<u>N/A</u>	<u>N/A</u>

## 1 Basis of preparation

The Group's unaudited consolidated accounts have been prepared in accordance with the Statements of Standard Accounting Practice issued by the Hong Kong Society of Accountants, accounting principles generally accepted in Hong Kong, and the disclosure requirements of the Companies Ordinance of Hong Kong and the GEM Listing Rules.

## 2 Turnover

The unaudited consolidated turnover of the Group consisted of:

	Three months ended 30th June,	
	2003	2002
	HK\$'000	HK\$'000
Fees for development of customised software and sales of related computer equipment	664	759
Sales of packaged software	1,718	621
Fees for technical support and maintenance services	1,029	964
Rental income	34	35
	<u>3,445</u>	<u>2,379</u>

## 3 Taxation

No Hong Kong profits tax was provided for, as the Group has no assessable profits for the three months ended 30th June 2003.

## 4 Dividend

The Board of Directors does not recommend payment of a dividend for the three months ended 30th June, 2003 (three months ended 30th June, 2002: Nil).

## 5 Profit (Loss) per share

The calculation of basic profit (loss) per share is based on the profit attributable to the shareholders for the three months ended 30th June, 2003 of approximately HK\$85,000 (loss for the three months ended 30th June, 2002: HK\$1,920,000) and on the weighted average number of 250,060,000 shares in issue.

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

## MOVEMENT IN RESERVES

There were no movement in reserves for the three months ended 30th June, 2003 and 2002 except for the profit for the period amounted to HK\$85,000 (2002: loss for the period amounted to HK\$1,920,000).

## REVIEW

The Group's turnover and profit for the three months ended 30th June 2003 were respectively HK\$3,445,000 and HK\$85,000. This is the second quarter in a row in which the Group recorded a profit. There was also great improvement in sales revenue as compared to the corresponding period last year. This together with the management's costs consciousness help maintained the profitability.

The Group continued its business development in Changsha, the municipal city of Hunan Province, the PRC. On 14th July 2003, an associated company of the Group (in which the Group has 30% interest and Octopus Cards Limited has 40% interest), has entered into a joint venture agreement with 長沙市公共交通總公司(\*Changsha Public Bus Company) and 長沙市對外經濟貿易公司(\*Changsha City Foreign Economic Trade Company), both are directly owned and controlled by the Changsha municipal government, to set up an equity joint venture company in Changsha to bring in the contactless smart card system and related applications software to various sectors including the public transportation, wholesale and retail and education. The joint venture company is expected to be appointed the sole supplier of the mentioned systems in Changsha for 20 years. The Group expected that the project would bring good return to shareholders.

*\* The English translation is for reference only.*

## DIRECTORS' AND CHIEF EXECUTIVES' INTEREST IN SECURITIES

As at 30th June, 2003, the following Directors of the Company had or were deemed to have interests in the equity securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register kept by the Company pursuant to Part XV of the SFO or otherwise notified to the Company pursuant to the minimum standards of dealings by the Directors as referred to in Rules 5.40 to 5.58 of the GEM Listing Rules:

<b>Name of Directors</b>	<b>Type of Interest</b>	<b>Number of shares ordinary shares in the Company</b>	<b>Percentage of shareholdings (%)</b>
Lau Chiu Pui (Mr. Lau)	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%

*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 the Cayman Islands. Mr. Lau and his spouse, Mr. Lai, Mr. Wong, Mr. Fung Yiu Fai (Mr. Fung) and Mr. Yip Ho Pong (Mr. Yip) (both Mr. Fung and Mr. Yip were executive directors of the Company whose respective resignation became effective on 18th July 2001 and 7th August 2002), 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:*

<b><i>Discretionary objects</i></b>	<b><i>Proportion</i></b>
<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. Lai and Mr. Wong is therefore taken to have an interest in the 191,250,000 shares held by Noble Class Group Limited under Part XV of the SFO.*

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 Part XV of the SFO which was discloseable for the three months ended 30th June, 2003.

## **SHARE OPTION SCHEME**

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 30th June, 2003, certain options had been granted to the following executive Directors and full-time employees:

<b>Grantee</b>	<b>Date of grant</b>	<b>Exercise price HK\$</b>	<b>Exercise period</b>	<b>No. of ordinary shares eligible for subscription under the share options</b>	<b>Type of interest</b>
<u>Executive Directors</u>					
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	Personal
<u>Other participants</u>					
Full time employees	4th September, 2000	1.18	4th September, 2000 to 3rd September, 2010	6,416,000	

During the three months ended 30th June, 2003, options to subscribe for 1,184,000 shares in the Company granted to certain full time employees have lapsed upon their resignation. As at 30th June, 2003, options to subscribe for 6,416,000 shares in the Company granted to the full-time employees of the Company remained outstanding.

Save as disclosed above, during the three months ended 30th June, 2003, none of the options being granted to the executive Directors have been exercised or cancelled.

Save as disclosed above, at no time during the period 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.

Save 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.

At the forthcoming annual general meeting to be held on 18th August, 2003, an ordinary resolutions will be proposed to terminate the existing share option scheme and to adopt a new option scheme. This is to bring the Company's share option scheme in line with the new requirements of Chapter 23 of the GEM Listing Rules which took effect on 1st October, 2001. The Board has no intention to grant any more options under the existing share option scheme to any full-time employees of the Group. Should the said resolution is passed and the existing share option scheme be terminated, no further options shall be offered or granted thereunder, but the provisions of the existing scheme shall remain in full force in all other aspects and the subsisting options granted prior to the termination shall remain valid and exercisable in accordance with its terms.

## **SUBSTANTIAL SHAREHOLDERS**

Other than the interests as disclosed above in respect of the Directors and their associates, as at 30th June, 2003, the register of substantial shareholders maintained under Part XV of the SFO shows that the Company had been notified of the following substantial shareholders' interests, being 5 percent or more of the Company's issued share capital.

<b>Name</b>	<b>Number of shares held</b>	<b>Percentage of shareholdings (%)</b>
Noble Class Group Limited	191,250,000	76.48%*
Sunrise International (Holdings) Limited	191,250,000	76.48%*
Arawak Trust Company Limited	191,250,000	76.48%*
Fung Yiu Fai	191,250,000	76.48%*
Yip Ho Pong	191,250,000	76.48%*

\* Duplication, all shareholdings are under a discretionary trust as stated above.

Save as disclosed above, no other person was recorded in the register pursuant to Part XV of the SFO as having an interest in 5 per cent or more of the issued share capital of the Company as at 30th June, 2003.

## **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.

## **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 Wai Choi, Glenn and Ms. Kwan Ngain Hing, Edith) and an executive director (Mr. Wong Kit Mei). The Group's unaudited results for the three months ended 30th June, 2003 have been reviewed by the audit committee. Members of the committee 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.

## **BOARD PRACTICES AND PROCEDURES**

Throughout the three months ended 30th June, 2003, the Company has complied with rules 5.28 to 5.39 of the GEM Listing Rules concerning board practices and procedures. None of the independent non-executive directors have been paid any fees or other reimbursements or emoluments during the period.

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

During the three months ended 30th June, 2003, 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 Chiu Pui  
*Chairman*

13th August, 2003, Hong Kong

*This announcement will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the 'Latest Company Announcement' page for seven days from the day of its posting.*