



CyberM International (Holdings) Limited

美域數碼國際(控股)有限公司

(Incorporated in Bermuda with limited liability)

Stock Code : 8017

Results Announcement For the nine months ended 31 December 2004

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.

HIGHLIGHTS

- Turnover of the Group for the nine months ended 31 December 2004 was approximately HK\$20,667,000 as compared to HK\$16,543,000 for the corresponding period in 2003.
- Net profit of the Group for the nine months ended 31 December 2004 was approximately HK\$1,058,000 as compared to net loss of HK\$1,323,000 for the corresponding period in 2003.
- Earning per share of the Group was HK0.42 cents for the nine months ended 31 December 2004 as compared to loss per share of HK0.53 cents for the corresponding period in 2003.

THIRD QUARTERLY RESULTS

The unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the nine months and three months ended 31 December 2004 together with the comparatives for the corresponding periods in 2003 are as follows:

UNAUDITED CONSOLIDATED RESULTS

	Note	Nine months ended 31 December		Three months ended 31 December	
		2004 HK\$' 000	2003 HK\$' 000	2004 HK\$' 000	2003 HK\$' 000
Turnover	2	20,667	16,543	7,365	3,972
Material and equipment		(5,782)	(6,585)	(2,857)	(1,642)
Staff costs		(7,784)	(5,713)	(2,722)	(2,271)
Depreciation of property, plant and equipment		(337)	(468)	(111)	(126)
Amortisation of development expenditures		(1,144)	(699)	(383)	(412)
Other operating expenses		(4,353)	(3,123)	(754)	(944)
Operating profit / (loss)		1,267	(45)	538	(1,423)
Interest income		-	29	-	4
Interest expense		(209)	(179)	(65)	(97)
Profit / (Loss) before taxation		1,058	(195)	473	(1,516)
Taxation	3	-	-	-	-
Profit / (Loss) after taxation		1,058	(195)	473	(1,516)
Minority interests		-	(1,128)	-	29
Profit / (Loss) attributable to shareholders		1,058	(1,323)	473	(1,487)
Earning / (Loss) per share	4				
- Basic		HK0.42 cents	(HK0.53 cents)	HK0.19 cents	(HK0.59 cents)
- Diluted		N/A	N/A	N/A	N/A

NOTES:

1 Basis of preparation

The Group's unaudited consolidated results have been prepared in accordance with Statement of Standard Accounting Practice issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Companies Ordinances of Hong Kong and the GEM Listing Rules.

The unaudited consolidated results have been reviewed by the audit committee. The composition of the audit committee is discussed in subsequent section.

2 Turnover

An analysis of the Group's turnover is as follows:

	Nine months ended 31 December 2004		Three months ended 31 December 2004	
	HK\$' 000	2003 HK\$' 000	HK\$' 000	2003 HK\$' 000
Development of customised software and sales of related computer equipment	15,203	5,730	6,120	1,957
Sales and lease of packaged software	2,313	7,504	0	887
Provision of technical support and maintenance services	3,129	3,148	1,245	1,034
Provision of beauty-salon services	0	61	0	61
Lease of an investment property	22	100	0	33
	<u>20,667</u>	<u>16,543</u>	<u>7,365</u>	<u>3,972</u>

3 Taxation

No provision for Hong Kong profits tax has been made in the accounts as the Group could utilize the tax loss carried forward for the assessable profit arising in Hong Kong for the nine months ended 31 December 2004. No provision for enterprise income tax in the PRC has been made as all PRC subsidiaries were in a loss position during the nine months ended 31 December 2004.

4 Earning / (Loss) per share

The calculation of the basic earning / (loss) per share is based on the Group's profit / (loss) attributable to shareholders for the nine months and three months ended 31 December 2004 of HK\$1,058,000 and HK\$473,000 respectively (loss attributable to shareholders for the nine months and three months ended 31 December 2003: HK\$1,323,000 and

HK\$1,487,000 respectively) and on the weighted average number of 250,060,000 (2003: 250,060,000) ordinary shares in issue during the periods.

No diluted earning / (loss) per share is presented as the outstanding share options of the Company had anti-dilutive effects on the respective basic loss per share.

5 Dividend

No dividend had been paid or declared by the Company during the period (2003: HK\$Nil).

6 Movements of reserves

The only movement of reserves for the nine month ended 31st December 2004 is the profit for that period HK\$1,058,000 (Movements of reserves in corresponding period in 2003 was the loss for that period HK\$1,323,000 and translation adjustment HK\$25,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

The Group recorded a 25% increase in turnover for the nine months ended 31 December 2004 as compared with that for the same period in 2003 and achieved profit attributable to shareholders of HK\$1,058,000 as compared to loss of HK\$ 1,323,000 for the same period in 2003. It is largely due to the Group's strategic focus in developing business in relation to Enterprise Resource Planning solutions.

Prospects

The Group has gain solid experience and competitive advantage in the market of ERP solutions. In 2005, the Group will expand its sales team to increase its market share on the one hand and tighten cost control on the other. Looking forward, improved operating results are anticipated in view of the continuous recovery of the local economy combined with the Group's strategy mentioned above.

Directors' and Chief Executives' Interest and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporations

As at 31 December, 2004, 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 5.46 to 5.68 of the GEM Listing Rules:

Name of Directors	Type of Interest	Number of ordinary shares in the Company	Percentage of shareholdings (%)
Lau Chiu Pui (Mr. Lau)	Discretionary trust (<i>Note</i>)	191,250,000	76.48%
Chan Pui Fong (Ms Chan)	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 (“Noble Class”), a company incorporated in the British Virgin Islands. Noble Class is in turn wholly held by Sunrise International (Holdings) Limited (“Sunrise”), a company incorporated in the Cayman Islands. 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, are held by Mr. Lau, Ms Chan (Mr. Lau’s spouse), Mr. Lai Shu Pui, Fergus (Mr. Lai), Mr. Wong Kit Mei (Mr. Wong), Mr. Fung Yiu Fai (Mr. Fung) and Mr. Yip Ho Pong (Mr. Yip). (Mr. Fung, Mr. Yip, Mr. Lai and Mr. Wong were executive directors of the Company whose respective resignation became effective on 18th July 2001, 7th August 2002, 30th April 2004 and 30th April 2004). The issued ordinary shares of Sunrise are held in the following proportions

Name of shareholders	Class of ordinary shares	Participating proportion
Pro Nes Genesis Anstalt (the “Anstalt”)*	A- Voting, non-participating	-
Mr. Lau	B – Non-voting, participating	86.68%
Mr. Yip	C – Non-voting, participating	3.33%
Mr. Lai	D – Non-voting, participating	3.33%
Mr. Wong	E – Non-voting, participating	3.33%
Mr. Fung	F – Non-voting, participating	<u>3.33%</u>
		100%

*The Anstalt is a corporate entity under Liechtenstein in which Mr. Lau has sole beneficial interest.

Mr. Lau and Ms. Chan (Mr. Lau’s spouse) are therefore taken to have a beneficial interest in the 191,250,000 ordinary shares owned by Noble Class under Part XV of the SFO.

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangement 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, 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 disclosable for the three months ended 31 December 2004.

Share option scheme

Following the amendments of Chapter 23 of the GEM Listing Rules on 1 September 2001, the share option scheme adopted by the Company on 1 August 2000 (the “Old Scheme”) has been terminated and replaced by a new share option scheme on 13 August 2003 (the “New Scheme”). Since then, no further option can be granted under the Old Scheme while all options granted prior to such termination continue to be valid and exercisable.

The principal terms of the New Scheme are summarised in a circular dated 30 June 2003.

Details of the share options granted and remain outstanding as at 31 December 2004 are as follows:

Name and category of eligible participants	Date of grant	Exercise price per share	Number of share options				Exercisable period
			As at 1.4. 2004	Granted during the period	Lapsed during the period	As at 31.12.2004	
		HK\$					
Executive Directors							
Lau Chiu Pui	4.9.2000	0.20	250,000	0	0	250,000	15.12.2003 to 13.6.2009
Lai Shu Pui, Fergus	4.9.2000	1.18	1,000,000	0	1,000,000	0	
(Note a)	12.12.2003	0.20	220,000	0	220,000	0	
Wong Kit Mei	4.9.2000	1.18	1,000,000	0	1,000,000	0	
(Note a)	12.12.2003	0.20	220,000	0	220,000	0	
Chief Executive							
Chan Oi Chu	12.12.2003	0.20	24,000	0	24,000	0	
Other Participants							
Full time employees	4.9.2000	1.18	4,368,000	0	92,000	4,276,000	4.9.2000 to 3.9.2010
	12.12.2003	0.20	1,236,000	0	372,000	864,000	14.6.2004 to 13.6.2009

Note a: Mr. Lai Shu Pui, Fergus and Mr. Wong Kit Mei resigned as directors at 30 April 2004.

Save as disclosed above, during the nine months ended 31 December 2004, none of the options being granted to the Executive Directors have been exercised or cancelled.

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.

Substantial shareholders

The register of substantial shareholders maintained under section 336 of the SFO shows that as at 31 December, 2004, the Company had been notified of the following substantial shareholders’ interests, being 5 percent or more of the Company’s issued share capital. These interests are in addition to those disclosed above in respect of the directors and chief executive.

Name	Number of shares held	Percentage of shareholdings (%)
Noble Class Group Limited	191,250,000	76.48%*
Sunrise International (Holdings) Limited	191,250,000	76.48%*
Pro Nes Genesis Anstalt (the "Anstalt")	191,250,000	76.48%*
Fung Yiu Fai	191,250,000	76.48%*
Yip Ho Pong	191,250,000	76.48%*
Lai Shu Pui	191,250,000	76.48%*
Wong Kit Mei	191,250,000	76.48%*

* Duplication, all shareholdings are beneficially held 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 31 December, 2004.

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, Board of Directors and Independent Non-executive Director

Rule 5.05(1) of the GEM Listing Rules requires every board of directors of an issuer include at least 3 independent non-executive directors. Rule 5.05(2) of the GEM Listing Rules requires at least one of the independent non-executive directors of a listed issuer ("INED") to have appropriate professional qualifications or accounting or related financial management expertise. Rule 5.28 of the GEM Listing Rules requires every listed issuer to establish an audit committee comprising at least three non-executive directors, at least one of whom should be an INED who can meet the requirement of Rule 5.05(2) of the GEM Listing Rules. These requirements have taken effect from 31 March, 2004 and every listed issuer must fulfill these requirements by 30 September, 2004.

Before 1 February 2005, the board of directors of the Company comprises two Executive Directors, one Non-Executive Director and two INEDs. The Audit Committee of the Company comprises of these two INEDs.

The Company had endeavored to identify an appropriate candidate for appointment as an INED and a member of the Audit Committee to meet the requirements of Rules 5.05(1), 5.05(2) and 5.28 respectively of the GEM Listing Rules. Mr Cheong Ngai Ming David (Mr Cheong) had been appointed as an independent non-executive director ("INED") and the member of the audit committee of the Company with effect from 1st February 2005. Mr. Cheong, aged 31, holds a BBA (Hon) Degree in Accounting from Hong Kong Baptist University and is an associate member of the ACCA. Mr. Cheong is currently an auditor of a medium sized CPA firm with over 6 years' experience in auditing and taxation.

With effect from 1 February 2005, the Company has three independent non-executive directors; one of them has appropriate qualification as required under Rule 5.05(2) of the GEM Listing Rule and these three INEDs are also the members of the audit committee.

With effect from 1 February 2005, the Board comprises Mr. Lau Chiu Pui and Ms. Chan Pui Fong, Trish as the executive directors, Mr. Chiu Raymond Yim as the non-executive director and Mr. Chan Wai Choi, Glenn, Ms. Kwan Ngan Hing, Edith and Mr Cheong Ngai Ming David as the independent non-executive directors and the Company is in compliance with Rules 5.05 and 5.28 of the GEM Listing Rule.

Save as disclosed above, the Company established an audit committee with written terms of reference in compliance with the requirements as set out in Rules 5.28 to 5.33 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 now comprises the three independent non-executive directors (Mr. Chan Wai Choi, Glenn, Ms. Kwan Ngan Hing, Edith and Mr Cheong Ngai Ming David). The Group's unaudited results for the nine months ended 31 December, 2004 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

Save as disclosed above, throughout the nine months ended 31 December 2004, the Company has complied with rules 5.34 to 5.45 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 nine months ended 31 December 2004, 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

12 February 2005, Hong Kong

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