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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)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2005

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.

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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 of the Group for the year ended 31 March 2005 was approximately HK\$24,160,000 (2004: HK\$14,674,000), representing an increase of 65% over the previous year.
- Loss attributable to shareholders for the year ended 31 March 2005 was approximately HK\$2,414,000 corresponding to a loss per share of approximately HK1.0 cent as compared to the loss attributable to shareholders and a loss per share of approximately HK\$9,729,000 and HK3.9 cents respectively reported in the previous year.

ANNUAL RESULTS

The audited consolidated results of CyberM International (Holdings) Limited and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2005 together with the comparatives for the corresponding year in 2004 are as follows:

	<i>Note</i>	2005 HK\$'000	2004 HK\$'000
Turnover	2	24,160	14,674
Other revenue	2	54	29
Raw materials and consumables used		(8,910)	(6,774)
Staff costs		(10,798)	(8,175)
Depreciation and impairment loss on fixed assets		(424)	(772)
Amortisation and impairment loss on intangible assets		(1,279)	(3,382)
Impairment loss on investments in securities		–	(250)
Provision for bad and doubtful debts		(507)	(694)
Other operating expenses		(4,438)	(4,345)
Operating loss		(2,142)	(9,689)
Finance costs		(272)	(263)
Loss before taxation		(2,414)	(9,952)
Taxation	3	–	–
Loss after taxation		(2,414)	(9,952)
Minority interests		–	223
Loss attributable to shareholders		<u>(2,414)</u>	<u>(9,729)</u>
Loss per share	4		
Basic		<u>(HK1.0 cent)</u>	<u>(HK3.9 cents)</u>
Diluted		<u>N/A</u>	<u>N/A</u>

1. Basis of preparation

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants (“HKSA”) and the disclosure requirements of the Hong Kong Companies Ordinance and the GEM listing rules. They have been prepared under the historical cost convention except that, as disclosed in the accounting policies below, an investment property is stated at fair value.

Recently issued accounting standards

The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards (“new HKFRSs”) which are effective for accounting periods beginning on or after 1 January 2005.

The Company has not early adopted these new HKFRSs in the financial statements for the year ended 31 March 2005.

The Company has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

2. Segment information

Primary reporting format – business segments

The Group is organised into five major business segments:

- (i) Sales of customised software and related computer equipment
- (ii) Sales and lease of packaged software
- (iii) Provision of technical support and maintenance services
- (iv) Lease of an investment property
- (v) Provision of beauty-salon services

There are no sales or other transactions between the business segments.

	2005					
	Customised software and related computer equipment <i>HK\$'000</i>	Packaged software <i>HK\$'000</i>	Technical support and maintenance <i>HK\$'000</i>	Lease of investment property <i>HK\$'000</i>	Beauty- salon <i>HK\$'000</i>	Group <i>HK\$'000</i>
Turnover	<u>17,198</u>	<u>2,313</u>	<u>4,627</u>	<u>22</u>	<u>-</u>	<u>24,160</u>
Segment results	<u>987</u>	<u>254</u>	<u>508</u>	<u>22</u>	<u>-</u>	1,771
Other revenue						54
Unallocated corporate expenses						<u>(3,967)</u>
Operating loss						(2,142)
Finance costs						(272)
Minority interests						<u>-</u>
Loss attribution to shareholders						<u>(2,414)</u>

	Customised software and related computer equipment <i>HK\$'000</i>	Packaged software <i>HK\$'000</i>	Technical support and maintenance <i>HK\$'000</i>	Lease of investment property <i>HK\$'000</i>	Beauty-salon <i>HK\$'000</i>	Group <i>HK\$'000</i>
Turnover	<u>6,156</u>	<u>3,936</u>	<u>4,326</u>	<u>133</u>	<u>123</u>	<u>14,674</u>
Segment results	<u>(2,370)</u>	<u>(4,895)</u>	<u>434</u>	<u>133</u>	<u>(185)</u>	<u>(6,883)</u>
Other revenue						29
Unallocated corporate expenses						(2,835)
Operating loss						(9,689)
Finance costs						(263)
Minority interests						223
Loss attribution to shareholders						<u>(9,729)</u>

Secondary reporting format – geographical segments

The Group mainly operates in Hong Kong and the PRC. In presenting information on the basis of geographical segments, segment turnover and segment results are based on the geographical location of customers.

	2005		2004	
	Turnover <i>HK\$'000</i>	Segment results <i>HK\$'000</i>	Turnover <i>HK\$'000</i>	Segment results <i>HK\$'000</i>
Hong Kong	24,146	(1,966)	14,346	(8,229)
PRC	14	(230)	328	(1,489)
	<u>24,160</u>	<u>(2,196)</u>	<u>14,674</u>	<u>(9,718)</u>
Other revenue		54		29
Operating gain/(loss)		<u>(2,142)</u>		<u>(9,689)</u>

3. Taxation

No provision for Hong Kong profits tax has been made in the accounts as the Group does not have any assessable profit for the year (2004: Nil).

No provision for PRC enterprise income tax has been made in the accounts as all subsidiaries of the Company operating in the PRC are eligible for tax exemptions during the year ended 31 March 2005 (2004: Nil).

Deferred tax assets have not been recognised in respect of the tax losses incurred by the Group as they have arisen in companies that have been loss-making for some time.

4. Loss per share

The calculation of the basic loss per share is based on the Group's loss attributable to shareholders for the year of HK\$2,414,000 (2004: HK\$9,729,000) and on the weighted average number of 250,060,000 (2004: 250,060,000) ordinary shares in issue during the year.

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

5. Movement of reserves

	Share premium HK\$'000	Merger reserve HK\$'000	Exchange differences HK\$'000	Accumulated loss HK\$'000	Total HK\$'000
At 1 April 2004	5,613	(341)	(29)	(27,761)	(22,518)
Exchange differences	–	–	(30)	–	(30)
Loss for the year	–	–	–	(2,414)	(2,414)
At 31 March 2005	<u>5,613</u>	<u>(341)</u>	<u>(59)</u>	<u>(30,175)</u>	<u>(24,962)</u>
At 1 April 2003	5,613	(341)	(5)	(18,032)	(12,765)
Exchange differences	–	–	(24)	–	(24)
Loss for the year	–	–	–	(9,729)	(9,729)
At 31 March 2004	<u>5,613</u>	<u>(341)</u>	<u>(29)</u>	<u>(27,761)</u>	<u>(22,518)</u>

6. DIVIDEND

The board of directors of the Company does not recommend the payment of any dividend for the year ended 31 March 2005 (2004: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the year under review, the core business of the Group comprises (i) sales & implementation service of customized software (including ERP and POS solutions) and related computer equipments; (ii) sales of packaged software and (iii) provision of technical support and maintenance services on the systems implemented.

During the year under review, the Group focused on the marketing and sales of branded ERP solutions and related implementation services. The provision of these business solutions in Hong Kong had generated tremendous opportunities and boosted up revenues for the Group.

Financial Review

Turnover and loss attributable to shareholders

During the year under review, turnover was approximately HK\$24 million, representing a significant increase of 65% as compared to last year. Loss attributable to shareholders was HK\$2.4 million, being a significant drop of 75% as compared to that of last year. The loss was partially contributed by non-cash depreciation and amortization of HK\$1.7 million.

Segment performance

During the year under review, turnover contributed by sales of customised software and related computer equipment as the primary business segment of the Group is 71% (2004:42%). Due to shift of our strategic focus, the sales and lease of packaged software drops to 10% (2004: 27%). The support and maintenance service revenue maintains but the percentage reduces to 19% (2004: 29%) as the total revenue increased insignificantly.

Financial resources, liquidity and gearing

As at 31 March 2005, the Group has cash and bank balances of approximately HK\$7.1 million (2004: HK\$6.8 million). The Group's current assets are approximately 0.9 times (2004: 0.9 times) over its current liabilities. For the year under review, the Group was financed by bank borrowings and its own working capital and the gearing ratio which represents long-term liabilities divided by shareholders' funds was 515% (2004: 30%).

In view of the Group's current liquidity position and the gradual improvement trend of profitability of the Group, the directors expect the Group will have sufficient funds to meet its operational and investment needs in the foreseeable future.

Charge of Group's assets

As at 31 March 2005, a fixed bank deposit of approximately HK\$5.6 million (2004: HK\$5.6 million) was pledged to a bank in Hong Kong to secure the general banking facilities granted to the Group.

Foreign currency exposure

Whilst the sales, expenditures, assets and liabilities were mainly denominated in Hong Kong dollars and Renminbi, the directors believe that the Group's exposure to foreign currency fluctuations is minimal and no hedging is considered necessary.

Provision

A provision has been made of HK\$900,000 in connection to a legal suitcase filed against one of the subsidiary in the Group at 22 July, 2004. The Group has engaged solicitors to handle this case and has filed counter-claim against that company. The Group is now in discussion with that company of out of court settlement. The provision made is simply for prudent reason.

Contingent liabilities

As at 31 March 2005, the directors expect that the Group had no significant contingent liabilities that would crystallise.

Employees

As at 31 March 2005, the Group has approximately 51 (2004: 49) employees in Hong Kong and the PRC. The total remuneration to employees, including the executive directors for the year under review amounted to approximately HK\$10.8 million (2004: H\$8.2 million). Employees in Hong Kong are also entitled to provident fund contributions, medical insurance and share options. For employees in the PRC, the Group is required to contribute to state-sponsored retirement plans at certain prescribed rates based on their basic salaries. In addition, the Group provided comprehensive on-the-job trainings to its employees and sponsored those participated in job-related training courses to ensure their qualifications always meet the changing market standards.

Future plan of capital investments

During the year under review, the Group has focused on developing ERP market and do not have any capital investments. In view of the booming economy of Macau through the rapid-growing tourism & gaming industry, the Group has started to explore the possibility of entering into Macau gaming business. Should it be materialize, the business of the Group would diversify.

Acquisition and disposal

There was no material acquisition and disposal during the year under review. As at 31 March 2005, the Group had no material investment held.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its holding companies or subsidiaries has purchased or sold any of the Company's shares during the year.

SHARE OPTION

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 March 2005 are as follows:

Name and category of eligible participants	Date of grant	Exercise price per share HK\$	Number of share options		As at 31.3.2005	Exercisable period	
			As at 1.4. 2004	Granted during the year			Lapsed during the year
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 (Note a)	4.9.2000 12.12.2003	1.18 0.20	1,000,000 220,000	0 0	1,000,000 220,000	0 0	
Wong Kit Mei (Note a)	4.9.2000 12.12.2003	1.18 0.20	1,000,000 220,000	0 0	1,000,000 220,000	0 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 12.12.2003	1.18 0.20	4,368,000 1,236,000	0 0	92,000 372,000	4,276,000 864,000	4.9.2000 to 3.9.2010 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.

The directors of the Company considered that it is not appropriate to value share options granted under the option scheme during the year as a number of factors critical for the valuation of the share options granted cannot be determined accurately. In the absence of readily available market value of the options under the option scheme, any valuation of the share options would be meaningless and could be misleading to shareholders.

Save as disclosed above, during the year ended 31 March 2005, none of the options being granted to the executive directors and chief executive 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.

DIRECTORS' SERVICE CONTRACTS

None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a director the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2005, the following directors and chief executive of the Company had or were deemed to have interests in the equity shares 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	Type of interest	Number of ordinary shares in the Company	Percentage of shareholding
<i>Directors</i>			
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
<i>Chief Executive</i>			
Ng Siu Lun	Beneficial ownership	2,244,000	0.90

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	3.33%
		<hr/>
		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.

Share options are granted to directors and chief executive under the share option scheme approved on 18 August 2003. Details are stated under Share Options Section.

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 and chief executive (including their spouse and children under the age of 18) had any interest in, or had been granted, or exercised, any right to subscribe for the shares of the Company and its associated corporations (within the meaning of the SFO).

Save as disclosed above, none of the directors, chief executive or their associates had any interests in the securities of the Company or any of its associated corporations as defined in Part XV of the SFO which was discloseable for the year ended 31 March 2005.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders maintained under section 336 of the SFO shows that as at 31 March 2005, the Company had been notified of the following substantial shareholders' interests, being 5% 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 ordinary shares held	Percentage of shareholding
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 by the Anstalt, Mr. Lau, Mr. Yip, Mr. Lai, Mr. Wong and Mr. Fung as stated above.

Noble Class Group Limited ("Noble Class") had, on 8 April 2005, entered into an option agreement with Wide Fine International Limited ("Wide Fine"), a company wholly owned by Mr. Wong Kam Leong, a third party who does not currently hold shares in the Company and is an independent third party which is not a connected person to the Company (as that term is defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) whereby Noble Class granted Wide Fine the right to acquire up to 177,500,000 existing shares in the Company from Noble Class (the "Option"), at a price of HK\$0.0676 per share within a period of 9 months from the date of the Option being 8th April, 2005. The right may be exercised by Wide Fine in whole or in part.

The exercise in full of the Option by Wide Fine may result in a change in control of the Company and a general offer being made for the remaining issued shares of the Company under Rule 26.1 of The Code on Takeovers and Mergers and Share Repurchases. The shares in the Company to be acquired as a result of the exercise in full of the Option represents approximately 70.98% of the entire issued share capital of the Company as at date of format.

Upon the exercise in full of the Option by Wide Fine and assuming no change in the share capital of the Company from the date of grant to the date of exercise in full of the Option, the shareholding of the Company would be as follows:

Shareholder	Prior to exercise of any of the Option		After the exercise in full of the Option	
	No. of shares	approximate %	No. of shares	approximate %
Noble Class	191,250,000	76.48	13,750,000	5.50
Wide Fine	0	0	177,500,000	70.98
Public	58,810,000	23.52	58,810,000	23.52

Save as disclosed above, no other person was recorded in the register pursuant to Part XV of the SFO as having an interest being 5 per cent or more of the issued share capital of the Company as at 31 March 2005.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 March 2005, the directors are not aware of any business or interest of each director, management shareholder and the respective associates of each that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with 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 1 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. Under the service contract, Mr CHEONG Ngai Ming, David, independent non-executive director, is entitled to receive an annual remuneration of HK\$60,000. Save as disclosed above, none of the independent non-executive directors have been paid any fees or other reimbursements or emoluments during the period. On 22 June 2005, Mr Lai Cho Wai has been appointed as executive director.

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 audited results for the year ended 31 March, 2005 have been reviewed by the audit committee at its meeting held on 25 June 2005. 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 year ended 31 March 2005, the Company has complied with rules 5.34 to 5.45 of the GEM Listing Rules concerning board practices and procedures.

AUDITORS

The accounts have been audited by Charles Chan, Ip & Fung CPA Ltd. who retire and, being eligible, offer themselves for re-appointment.

By the order of the Board
Lau Chiu Pui
Chairman

Hong Kong, 27 June 2005

As at the date hereof, the executive Directors are Mr. Lau Chiu Pui, Ms. Chan Pui Fong, Trish and Mr. Lai Cho Wai; the non-executive Director is Mr. Chiu Raymond Yim; and the independent non-executive directors are Mr. Chan Wai Choi, Glenn, Ms. Kwan Ngan Hing, Edith and Mr. Cheong Ngai Ming David.

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.