



CyberM International (Holdings) Limited

美域數碼國際（控股）有限公司

(Incorporated in Bermuda with limited liability)



THIRD QUARTERLY REPORT

2005

International



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 report, 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 report.

This report, 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 report 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 report misleading; and (3) all opinions expressed in this report 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 2005 was approximately HK\$32,254,000 as compared to HK\$20,667,000 for the corresponding period in 2004.
- Net profit of the Group for the nine months ended 31 December 2005 was approximately HK\$3,157,000 as compared to net profit of HK\$1,058,000 for the corresponding period in 2004.
- Earning per share of the Group was HK1.26 cents for the nine months ended 31 December 2005 as compared to profit per share of HK0.42 cents for the corresponding period in 2004.

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 2005 together with the comparatives for the corresponding periods in 2004 are as follows:

UNAUDITED CONSOLIDATED RESULTS

	Note	Nine months ended 31 December		Three months ended 31 December	
		2005 HK\$'000	2004 HK\$'000	2005 HK\$'000	2004 HK\$'000
Turnover	2	32,254	20,667	13,490	7,365
Material, equipment and sub-contracting charge		(15,336)	(5,782)	(6,999)	(2,857)
Staff costs		(9,789)	(7,784)	(3,242)	(2,722)
Depreciation of property, plant and equipment		(221)	(337)	(65)	(111)
Amortisation of development expenditures		(578)	(1,144)	-	(383)
Other operating expenses		(3,038)	(4,353)	(1,400)	(754)
Operating profit		3,292	1,267	1,784	538
Interest income		118	-	55	-
Interest expense		(253)	(209)	(92)	(65)
Profit before taxation		3,157	1,058	1,747	473
Taxation	3	-	-	-	-
Profit after taxation		3,157	1,058	1,747	473
Minority interests		-	-	-	-
Profit attributable to shareholders		<u>3,157</u>	<u>1,058</u>	<u>1,747</u>	<u>473</u>
Earning per share	4				
- Basic		<u>HK1.26 cents</u>	<u>HK0.42 cents</u>	<u>HK0.69 cents</u>	<u>HK0.19 cents</u>
- Diluted		<u>HK1.25 cents</u>	<u>N/A</u>	<u>HK0.69 cents</u>	<u>N/A</u>

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		Three months ended 31 December	
	2005 HK\$'000	2004 HK\$'000	2005 HK\$'000	2004 HK\$'000
Macau marketing services	13,380	-	8,283	-
Development of customised software and sales of related computer equipment	14,341	15,203	3,629	6,120
Sales and lease of packaged software	977	2,313	-	-
Provision of technical support and maintenance services	3,556	3,129	1,578	1,245
Lease of an investment property	-	22	-	-
	<u>32,254</u>	<u>20,667</u>	<u>13,490</u>	<u>7,365</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 2005. 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 2005.

4 Earning per share

The calculation of the basic earning per share is based on the Group's profit/(loss) attributable to shareholders for the nine months and three months ended 31 December 2005 of HK\$3,157,000 and HK\$1,747,000 respectively (profit attributable to shareholders for the nine months and three months ended 31 December 2004: HK\$1,058,000 and HK\$473,000 respectively) and on the weighted average number of 251,425,000 (2004: 250,060,000) ordinary shares in issue during the periods.

4 Earning per share (Continued)

Diluted earnings per share for the nine months and three months ended 31 December 2005 is based on the 251,425,000 and 252,684,000 ordinary shares which is the weighted average number of ordinary shares in issue during the nine months and three months ended 31 December 2005 plus the weighted average number of 312,000 and 255,000 ordinary shares deemed to be issued at no consideration if all outstanding options had been exercised.

No diluted earning per share is presented for the nine months and three months ended 31 December 2004 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 (2004: HK\$Nil).

6 Movements of reserves

The only movement of reserves for the nine month ended 31 December 2005 is the profit for that period HK\$3,157,000 (Movements of reserves in corresponding period in 2004 was the profit for that period HK\$1,058,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

The Group recorded a 56% increase in turnover for the nine months ended 31 December 2005 as compared with that for the same period in 2004 and achieved profit attributable to shareholders of HK\$3,157,000 as compared to profit of HK\$1,058,000 for the same period in 2004. 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 2006, 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.

From 1 August 2005 onward, the Group has engaged in providing marketing services for a VIP Lounge in Macau. The Group will continue solicit for opportunities to expand the Group's provision of marketing services to other VIP gaming lounges in Macau.

The Board proposes to change the name of the Company from "CyberM International (Holdings) Limited" to "Long Success International (Holdings) Limited" and upon the name change becoming effective, the new Chinese name "百齡國際(控股)有限公司" will be adopted to replace "美域數碼國際(控股)有限公司" for identification purposes. The Board believes that the change of company name would benefit its future business development as the current name seems to represent the Company's business is solely technology related, which is not the case, given the recent diversification of the Company's business into the gaming sector.

The proposed change of the Company's name will be subject to the passing of the special resolution by the Shareholders at a special general meeting to approve the change of the Company's name. The special general meeting will be held on Friday, 3 March 2006 at 11:00 am at Room 2007-9, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

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 2005, 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 (%)
Wong Kam Leong ("Mr. Wong")	Corporate interest (Note 1)	177,500,000	70.25%
Lau Chiu Pui ("Mr. Lau")	Discretionary trust (Note 2)	13,750,000	5.44%
Chan Pui Fong ("Ms. Chan")	Discretionary trust (Note 2)	13,750,000	5.44%

Notes:

- The 177,500,000 shares in the Company are beneficially owned by and registered in the name of Wide Fine International Limited ("Wide Fine"), a company incorporated in Hong Kong with limited liability and is wholly-owned by Mr. Wong.

2. The 13,750,000 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 and Ms. Chan (Mr. Lau's spouse). 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	86.67%
	G – Non-voting, participating	13.33%
		<u>100%</u>

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

Mr. Lau and Ms. Chan are therefore taken to have a beneficial interest in the 13,750,000 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 discloseable for the nine months ended 31 December 2005.

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 2005 are as follows:

Name and category of eligible participants	Date of grant	Exercise price per share HK\$	As at 1.4.2005	Number of share options			As at 31.12.2005	Exercisable period
				Granted during the period	Lapsed during the period	Exercised during the period		
Executive Directors								
Lau Chiu Pui	12.12.2003	0.20	250,000	0	0	0	250,000	15.12.2003 to 13.6.2009
Other Participants								
Full time employees	4.9.2000	1.18	4,276,000	0	0	2,000,000	2,276,000	4.9.2000 to 3.9.2010
	12.12.2003	0.20	864,000	0	0	624,000	240,000	14.6.2004 to 13.6.2009

Save as disclosed above, during the nine months ended 31 December 2005, 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 2005, 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 (%)
Wide Fine International Limited	177,500,000	70.25%**
Noble Class Group Limited	13,750,000	5.44%*
Sunrise International (Holdings) Limited	13,750,000	5.44%*
Pro Nes Genesis Anstalt (the "Anstalt")	13,750,000	5.44%*

* Duplication, all shareholdings are beneficially held as stated above.

** On 25 July 2005 and 29 September 2005 Wide Fine had exercised the option in full to acquire shares from Noble Class. Following the completion of the exercise of the balance of the Option on 30 September 2005, Wide Fine and parties acting in concert with it own an aggregate of 177,500,000 Shares, representing approximately 70.25% of the issued share capital of the Company as at the date of this announcement and are required to make a mandatory unconditional cash offer for all the outstanding Shares and for the cancellation of all outstanding Share Options (the "Offer") (other than those already acquired by Wide Fine and parties acting in concert with it) pursuant to Rules 26.1 and 13 of the Takeovers Code. The Offer has closed on 20 December 2005. No valid acceptance has received by Wide Fine.

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 2005.

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 5.28 of the GEM Listing Rules requires every listed issuer to establish an audit committee comprising at least three non-executive directors.

With effect from 3 January 2006, the Board of Directors of the Company comprises four Executive Directors, namely, Mr. Wong Kam Leong, Mr. Lai Cho Wai, Mr. Ma Chon and Mr. Lau Chiu Pui and two Independent Non-executive Directors ("INEDs"), namely, Mr. Ng Kwok Chu, Winfield and Mr. Ng Chau Tung, Robert. The Audit Committee of the Company comprises of these two INEDs.

The Company currently has two INEDs and two audit committee members (Mr. Ng Kwok Chu, Winfield and Mr. Ng Chau Tung, Robert). The number of INEDs and audit committee is less than three respectively as required by the GEM Listing Rules. The Company has been seeking and will use its best endeavours to appoint the third INED as soon as practicable in accordance with Rules 5.05(1) and 5.28 respectively of the GEM Listing Rules.

The Group's unaudited results for the nine months ended 31 December, 2005 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 2005, 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 2005, 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
Wong Kam Leong
Chairman

14 February 2006, Hong Kong