

Interim Report **2005**



eCyberChina Holdings Limited
光訊控股集團有限公司

(Incorporated in Hong Kong with limited liability)

RESULTS

The Board of Directors of eCyberChina Holdings Limited (the “Company”) hereby presents the unaudited consolidated interim financial report of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 31 December 2004.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2004

	Notes	For the six months ended 31 December	
		2004 (unaudited) HK\$'000	2003 (unaudited) HK\$'000
Turnover	3	2,520	5,387
Direct costs		(514)	(3,213)
Gross profit		2,006	2,174
Other operating income		960	175
Allowance for bad and doubtful debts		(274)	–
Administrative and operating expenses		(4,059)	(5,212)
Loss from operations	4	(1,367)	(2,863)
Finance costs		(4,441)	(3,812)
Loss attributable to shareholders		<u>(5,808)</u>	<u>(6,675)</u>
Loss per share			
Basic	7	<u>(HK\$0.002)</u>	<u>(HK\$0.002)</u>

The accompanying notes form part of this interim financial report.

CONDENSED CONSOLIDATED BALANCE SHEET*As at 31 December 2004*

	Notes	31.12.2004 (unaudited) HK\$'000	30.6.2004 (audited) HK\$'000
Non-Current Assets			
Investment properties	8	78,000	78,000
Property, plant and equipment		793	965
Deposit paid for the purchase of investment properties		–	–
Interests in associates		–	–
Interests in a jointly controlled entity		–	–
		78,793	78,965
Current Assets			
Inventories		394	300
Properties held for sale	9	71,500	71,500
Trade and other receivables	10	1,489	2,336
Bank balances and cash		526	440
		73,909	74,576
Current Liabilities			
Deposit received on disposal of properties held for sale	9	25,757	25,757
Deposit received in respect of a provisional convertible note agreement	11	2,500	–
Advance received in respect of a provisional convertible note agreement	11	1,736	–
Trade and other payables	12	33,020	31,521
Obligations under finance leases – due within one year		19	32
Bank and other borrowings – due within one year	13	48,717	48,596
		111,749	105,906
Net Current Liabilities		(37,840)	(31,330)
		40,953	47,635
Capital and Reserves			
Share capital	16	573,500	573,500
Reserves		(563,237)	(557,429)
		10,263	16,071
Minority interest			
		–	–
		10,263	16,071
Non-Current Liabilities			
Obligations under finance leases – due after one year		18	28
Bank and other borrowings – due after one year	13	30,672	31,536
		40,953	47,635

The accompanying notes form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*For the six months ended 31 December 2004*

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 July 2003	573,500	103,257	(51,688)	(603,785)	21,284
Loss attributable to shareholders	—	—	—	(6,675)	(6,675)
At 31 December 2003	573,500	103,257	(51,688)	(610,460)	14,609
Profit attributable to shareholders	—	—	—	1,462	1,462
At 30 June 2004	573,500	103,257	(51,688)	(608,998)	16,071
Loss attributable to shareholders	—	—	—	(5,808)	(5,808)
At 31 December 2004	573,500	103,257	(51,688)	(614,806)	10,263

CONDENSED CONSOLIDATED CASH FLOW STATEMENT*For the six months ended 31 December 2004*

	For the six months ended 31 December	
	2004	2003
	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash used in operating activities	(3,376)	(3,759)
Net cash (used in) from investing activities	(8)	1,222
Net cash from financing activities	3,470	5,542
Net increase in cash and cash equivalents	86	3,005
Cash and cash equivalents at 1 July	440	(1,957)
Cash and cash equivalents at 31 December	526	1,048

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2004

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Statement of Standard Accounting Practice 25 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). However, the trading of the Company's shares on the Stock Exchange has been suspended since 30 June 2003. On 11 August 2004, the Company has been placed in the third stage of delisting procedures pursuant to Practice Note 17 of the Rules Governing the Listing of Securities on the Stock Exchange. Subsequent to the balance sheet date, a proposal was submitted by an independent financial adviser of the Group to the Stock Exchange on 27 January 2005 for the resumption of trading in the Company's shares.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost convention as modified for the revaluation of investments properties.

In the opinion of the directors, the accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2004.

3. SEGMENT INFORMATION

Business segments

The Group is currently operating into two business segments, property investment and manufacturing and trading of equipment and accessories for broadband cable television.

3. SEGMENT INFORMATION (continued)

Turnover of the Group represents net amounts received and receivable for goods sold by the Group to outside customers, less returns and allowances, and property rental income during the year. Segment information about these business is presented below:

Six months ended 31 December 2004

	Property Investment <i>HK\$'000</i>	Manufacturing and trading <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Turnover	<u>1,800</u>	<u>720</u>	<u>2,520</u>
RESULTS			
Segment results	<u>1,734</u>	<u>(86)</u>	1,648
Unallocated corporate income			34
Unallocated corporate expenses			<u>(3,049)</u>
LOSS FROM OPERATIONS			<u>(1,367)</u>

Six months ended 31 December 2003

	Property Investment <i>HK\$'000</i>	Manufacturing and trading <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Turnover	<u>1,641</u>	<u>3,746</u>	<u>5,387</u>
RESULTS			
Segment results	<u>1,587</u>	<u>(583)</u>	1,004
Unallocated corporate income			114
Unallocated corporate expenses			<u>(3,981)</u>
LOSS FROM OPERATIONS			<u>(2,863)</u>

3. SEGMENT INFORMATION (continued)

Geographical segment

The following table provides an analysis of the Group's turnover by geographical market irrespective of the origin of the services:

	For the six months ended 31 December	
	2004 HK\$'000	2003 HK\$'000
PRC, excluding Hong Kong	720	3,746
Hong Kong	1,800	1,641
	<u>2,520</u>	<u>5,387</u>

4. LOSS FROM OPERATIONS

	For the six months ended 31 December	
	2004 HK\$'000	2003 HK\$'000
Loss from operations has been arrived at after charging:		
Allowance for bad and doubtful debts	274	—
Staff costs, including directors' remuneration	580	601
Depreciation and amortisation of property, plant and Equipment	180	307
	<u>180</u>	<u>307</u>

5. TAXATION

No provision for Hong Kong Profits Tax has been made in the financial statements as the companies comprising the Group did not have any assessable profit for the current and the past periods.

The Group had no significant unprovided deferred taxation for the period or at the balance sheet date.

6. INTERIM DIVIDEND

The Board of Directors does not recommend to declare any interim dividend for the six months ended 31 December 2004 (2003: Nil)

7. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the period of approximately HK\$5,808,000 (2003: HK\$6,675,000) and on the weighted average number of 2,867,500,000 (2003: 2,867,500,000) shares in issue throughout the period.

No diluted loss per share has been presented because the trading of the Company's shares on the Stock Exchange has been suspended since 30 June 2003 and there is no market price of the Company's shares during the six months ended 31 December 2004 and 31 December 2003 and the Directors considered there is no appropriate basis to ascertain the fair value of the Company's shares.

8. MOVEMENTS IN INVESTMENT PROPERTIES

At 31 December 2004, the directors have considered the carrying amount of the Group's investment properties and have estimated that the carrying amount does not differ significantly from that would be determined using fair values at that date. Accordingly, the same valuation as at 30 June 2004 has been adopted by the directors for those properties and included in the interim financial report.

9. PROPERTIES HELD FOR SALE

THE GROUP
2004 & 2003
HK\$'000

Properties held for sale, at net realisable value in PRC	<u>71,500</u>
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On 21 October 1997, a sale and purchase agreement was entered between Welchem Development Limited ("Welchem"), a wholly-owned subsidiary of the Company and 中房集團華東置業股份有限公司 China Real Estate Development Group Huadong Properties Company Limited ("CRED Huadong"), a jointly-controlled entity of the Group, under which Welchem agreed to purchase certain properties under development (the "Properties") situated in the PRC at approximately HK\$113.8 million. The purchase consideration was fully settled by Welchem prior to its acquisition by the Group. According to the agreement, the legal title to the Properties will be transferred from CRED Huadong to the Group upon completion of the construction work. However, following certain disputes with CRED Huadong, the legal title to the Properties has not been transferred to the Group as at 31 December 2004.

The Group has entered into negotiations with CRED Huadong with a view to expediting the transfer of legal title of the Properties to the Group. Following such negotiations, the Group had obtained a confirmation from CRED Huadong that the Group was entitled to take two and a half floors instead of the three floors of the relevant building as stated in the original agreement.

9. PROPERTIES HELD FOR SALE (continued)

After seeking opinion from a PRC law firm, the Directors are of the view that the Group's right to these properties are legally enforceable and the Directors believe that the Group is entitled to the whole three floors and will further negotiate with the vendor in this respect. The Directors are also currently considering to take legal actions to enforce the Group's rights. Although the outcome of this matter cannot be determined with reasonable certainty as this time, the Directors remain confident that the Group will be able to obtain legal title to the Properties.

On 31 October 2001, an agreement was entered into between Welchem and an independent third party (the "Purchaser") for the disposal of the Properties for a consideration of RMB88,000,000 (equivalent to approximately HK\$83,000,000). Subject to the fulfilment of certain conditions as stated in the supplemental agreement dated 30 November 2001, including the completion of due diligence exercise, the transaction was expected to be completed on or before 7 February 2003. On 11 January 2003, an extension agreement was entered into between Welchem and the Purchaser to further extend the long stop date for the satisfaction of the conditions of the transaction to 28 February 2003. A deposit of RMB27,350,000 (equivalent to approximately HK\$25,757,000) was received from the Purchaser during the year ended 30 June 2002 for the disposal of the Properties. Up to the balance sheet date, the transaction had not yet been completed. On 2 August 2004, Welchem and the Purchaser signed a letter of intent to further extend the completion date to 31 March 2005.

10. TRADE RECEIVABLES

The Group allows an average credit period of 30 days to 90 days to its trade customers. For rental income, payment in advance is normally required.

The aged analysis of trade receivable is stated as follows:

	31.12.2004 (unaudited) HK\$'000	30.6.2004 (audited) HK\$'000
0 to 60 days	97	288
61 to 90 days	28	85
Over 90 days	3,567	5,131
	3,692	5,504
Less: Allowance for bad and doubtful debts	(3,567)	(4,163)
	125	1,341

11. DEPOSIT RECEIVED IN RESPECT OF A PROVISIONAL CONVERTIBLE NOTE AGREEMENT

A provisional agreement has been entered into between the Company and an independent third party (the "Potential Investor") under which that party has agreed to subscribe for a convertible note in the principal amount of HK\$30 million to be issued by the Company. The convertible note gives the holder thereof the right to convert the principal amount into approximately 75% of the issued share capital of the Company following a proposed capital reduction exercise of the Company. On 26 August 2004, the Potential Investor paid a refundable deposit of HK\$2.5 million to the Company in connection with the above proposed subscription. Another HK\$2.5 million deposit will be paid upon signing of the formal agreement. The above agreement is conditional upon, among other things, the relevant approvals being obtained from the High Court of Hong Kong, the relevant Hong Kong regulatory authorities and the Company's shareholders.

Subsequent to the balance sheet date, a proposal (the "Resumption Proposal") was submitted by an independent financial adviser of the Group to the Stock Exchange on 27 January 2005 for the resumption of trading in the Company's shares. According to the Resumption Proposal, the Potential Investor would subscribe up to HK\$45 million for share capital of the Company, and upon the resumption of trading of shares the Potential Investor would hold about 50.3 per cent of the then issued share capital after capital reorganisation of the Company.

Since November 2004, the Potential Investor mentioned above has provided approximately HK\$1.7 million interest-free advances to the Group up to the balance sheet date for working capital purposes.

12. TRADE PAYABLES

The aged analysis of trade payables is as follows:

	31.12.2004 (unaudited) HK\$'000	30.6.2004 (audited) HK\$'000
0 to 60 days	30	71
61 to 90 days	11	47
Over 90 days	429	799
	<hr/> 470 <hr/>	<hr/> 917 <hr/>

13. BANK AND OTHER BORROWING

During the period, the Group obtained new bank and other loans in the amount of approximately HK\$0.76 million for operating costs and repaid approximately HK\$1.5 million in respect of a mortgaged property. The new loans bear interest at prevailing market rates and repayable within one and three years respectively.

14. CONTINGENT LIABILITIES

Guarantees given to banks and a third party by the holding company in respect of facilities granted to subsidiaries amounting to approximately HK\$60,000,000 (2003: HK\$30,000,000).

A leasing facility amounting to approximately HK\$4,610,000 (2003: HK\$4,610,000) granted by a leasing company to a former related company is secured by a corporate guarantee provided by the Company. In December 2004, a claim against the Company as a guarantor was received for the outstanding principal together with the accrued interest of approximately HK\$5 million due by the former related company up to 31 December 2004. Although a counter-indemnity from that former related company was obtained by the Company, it is not certain whether the counter-indemnity will be honoured. Accordingly, the full amount of claim has been accrued and included in trade and other payables at the balance sheet date.

In addition, pursuant to an agreement entered by the Company, two of its subsidiaries and two independent third parties in February 2003, the Group had disposed of a subsidiary, World Giant Limited ("World Giant"), a company engaged in property investment in the PRC. In this connection, the Company has undertaken to indemnify World Giant for, among others, any increase in the liabilities of World Giant as a result of any claim for taxation arising from any transactions effected on or before the completion date of the above disposal. In October 2004, World Giant received a payment request from the PRC tax authority in respect of PRC property taxes relating to the property held by World Giant in the aggregate amount of approximately HK\$8,000,000, including the late payment surcharge levied by the tax authorities, of which approximately HK\$5,800,000 was in respect of transactions on or before the completion date. The existing management of World Giant has indicated to the Directors that the amount in respect of transactions on or before the completion date should be paid by the Company. In January 2005, World Giant lodged a claim against the subsidiary of the Company demanding the payment of approximately HK\$5,800,000. However, such amounts are fully covered by the amount accrued in the accounts of World Giant at the time of disposal. Accordingly, in the opinion of the Directors and having obtained an opinion from the Company's lawyer, the Group or the Company has no obligation to pay the above taxes.

15. PLEDGE OF ASSETS

At the balance sheet date, certain assets of the Group with the following carrying values have been pledged to banks and certain other third parties in order to secure borrowings granted to the Group:

	31.12.2004 (unaudited) HK\$'000	30.6.2004 (audited) HK\$'000
Investment properties	78,000	78,000
Leasehold land and buildings	460	507
	78,460	78,507

16. SHARE CAPITAL

	Number of ordinary shares '000	Amount HK\$'000
Authorised:		
At 1 July 2003, 31 December 2003, 30 June 2004, and 31 December 2004.	<u>4,000,000</u>	<u>800,000</u>
Issued and fully paid:		
At 1 July 2003, 31 December 2003, 30 June 2004, and 31 December 2004.	<u>2,867,500</u>	<u>573,500</u>

17. SHARE OPTION SCHEME

Share option scheme adopted in 1999

Pursuant to the share option scheme (the "1999 Scheme") adopted by the Company on 19 July 1999, the board of directors of the Company may grant options to any directors, officers or employees of the Company or of any of its subsidiaries (the "Participants") to subscribe for shares in the Company at any price which is not less than the nominal value of the shares nor 80% of the average closing price of the shares of the Company on the Stock Exchange for the five trading days immediately preceding the date of the grant of the options. The maximum number of shares in respect of which options may be granted under the 1999 Scheme shall not exceed 10% of the issued share capital of the Company from time to time.

17. SHARE OPTION SCHEME (continued)

Share option scheme adopted in 2002

On 25 July 2002, the share option scheme adopted by the Company on 19 July 1999 was terminated and replaced by a new share option scheme (the "2002 Scheme") pursuant to an ordinary resolution passed at an extraordinary general meeting of the Company held on the same day. In accordance with the 2002 Scheme, the board of directors of the Company may grant options to any employees, directors, shareholders, suppliers, customers of the Group and any other person or company who has contributed or may contribute to the development and growth of the Group to subscribe for shares in the Company at any price which is at least the highest of (i) of the closing price of the shares of the Company on the date of the grant of the options; (ii) the average closing price of the shares of the Company on the Stock Exchange for the five trading days immediately preceding the date of the grant of the options; and (iii) the nominal value of the shares of the Company. The maximum number of shares in respect of which options may be granted under the 2002 Scheme shall not exceed 10% of the shares in issue as at the adoption date of the 2002 Scheme or the date of approval by the shareholders in general meeting where the limit is refreshed. The total number of shares issued and to be issued upon exercise of the options granted to each eligible person under the 2002 Scheme in any twelve months period must not exceed 1% of the shares in issue at the date of such grant unless approved by the shareholders in general meeting.

No option has been granted since the adoption of the 2002 Scheme.

Details of the movements of the options under the 1999 Scheme during the period under review and the outstanding options at 31 December 2004 are as follows:

Exercise Price HK\$	Month of grant	Number of options					
		Outstanding as at 1 July 2002	Granted during the year ended 30 June 2003	Surrendered by Option holders during the year ended 30 June 2003	Outstanding as at 30 June 2003	Surrendered by Option holders during the year ended 30 June 2004	Outstanding as at 30 June 2004 and 31 December 2004
0.200	June 2001	86,300,000	-	(86,150,000)	150,000	(150,000)	-
0.200	July 2001	36,225,000	-	(36,125,000)	100,000	-	100,000
0.202	May 2002	76,505,000	-	(50,670,000)	25,835,000	-	25,835,000
0.200	July 2002	-	15,520,000	(15,520,000)	-	-	-
		<u>199,030,000</u>	<u>15,520,000</u>	<u>(188,465,000)</u>	<u>26,085,000</u>	<u>(150,000)</u>	<u>25,935,000</u>

There was no exercise, nor surrender of share options during the period under review.

18. POST BALANCE SHEET EVENTS

The following significant events occurred (in addition to other significant events as disclosed in notes 1, 11 and 14) subsequent to the balance sheet date:

- (a) In January 2005, an Amended Writ of Summons (note) was served on the Company by the lender of the Group (“the 2nd Plaintiff”) and had clarified that the individual third party was acted as an agent of the 2nd Plaintiff. The Directors are negotiating with the lawyer of the Company to handle this matter. The loan advanced by the 2nd Plaintiff has been fully accrued in these financial statements.

Note: In September 2004, a Writ of Summons was served on the Company by an individual third party demanding immediate repayment of borrowings approximately HK\$1.6 million together with the interest thereon. As the Company has never borrowed money from that individual third party, the Directors are of the opinion that the Company has no obligations to pay the demanded amount.

- (b) On 24 March 2005, a summary judgment has been made in the High Court of Hong Kong Special Administrative Region regarding a Writ of Summons served on the Company in August 2004 by an independent company for repayment of outstanding consultancy fee in the amount of approximately HK\$2.2 million together with interest thereon. It was concluded that unconditional leave was granted to the Company.
- (c) On 30 March 2005, a mortgage agreement of HK\$5 million was entered into between the Company and an independent third party. An investment property of the Company has been pledged to secure this mortgage.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial and Operation Review

The Group had the turnover of approximately HK\$2.5 million for the six months ended 31 December 2004 (2003: HK\$5.4 million), which was mainly attributable to the rental incomes from the investment properties.

Turnover from operations in manufacturing and trading of state-of-art technology products in the People’s Republic of China (the “PRC”) has declined during the period under review.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Liquidity, Financial Resources and Capital Structure

As at 31 December 2004, the gearing ratio of the Group increased to 746% (30 June 2004: 481%). It was computed on the base of the aggregate interests bearing loans, which comprise of bank borrowings, loans, overdraft, other borrowings and obligations under hire purchase contracts and finance lease, divided by the amount of shareholders' equity.

As at 31 December 2004, the Group had short-term loans and overdraft facilities with banks and financial institutions approximately amounting to HK\$49 million (30 June 2004: HK\$49 million) and long-term borrowings approximately amounted to HK\$31 million (30 June 2004: HK\$32 million). The loans were at interests of prevailing commercial lending rates.

All of the Group's bank balances and borrowings were denominated in Hong Kong dollars and Renminbi, risk in exchange rate fluctuation would be immaterial. Thus, the Group does not use any hedges.

Other matters

There were no significant changes in the Group's employee remuneration and benefit policies, future plans, significant investment held, or charges on the Group's assets since the most recent published annual report. The management is not aware of any seasonal or cyclical factors that affect the interim results of the Group.

Prospects

In the local property market, the demand and rental value of office space has increased in views of the improving economy. The management is optimistic that the Group's rental incomes from the investment property would be going up gradually.

The Group will continuously adopt stringent cost control measures and strive to enhance the market penetration of the high technology products to generate plausible stable and recurring incomes to the Group.

DIRECTORS' INTERESTS IN SECURITIES

Details of the Company's share option scheme are set out in Note 17 to the Condensed Consolidated Financial Statements.

As at 31 December 2004, the following directors of the Company had personal interests in share options granted under the 1999 Scheme to subscribe for shares in the Company as follows:

Name of director	Number of Share Options Outstanding at 1 July 2004	Exercisable period	Exercisable price per share HK\$	Number of Share Options Outstanding at 31 December 2004
Mr. Lu Liang	25,835,000	24 May 2002 to 23 May 2012	0.202	25,835,000

DIRECTORS' INTERESTS IN SECURITIES (continued)

No share option was granted to, exercised or surrendered by the directors of the Company during the six months ended 31 December 2004.

Mr. Lu Liang, a director of the Company, holds 50% equity interest in Etrade Century Limited, a de-registered associate company of the Group.

Save as disclosed above, none of directors, chief executives nor their associates, had any interests or short positions in any shares, underlying shares or rights to subscribe for the securities of the Company as at 31 December 2004.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Other than the interests disclosed above in respect of the directors of the Company, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the Company's directors, their respective spouse or children under the age of eighteen, to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

At 31 December 2004, the register of substantial shareholders maintained by the Company under Part XV of the Securities and Futures Ordinance showed that the following persons had an interest of 5% or more in the Company's issued share capital:

Name of shareholder	Note	Number of ordinary shares of the Company held		Percentage of shareholding
		Direct interest	Deemed interest	
Ventures Victory Limited		227,325,000		7.93%
East Marton Group Limited		275,928,500		9.62%
KG Investments Holdings Limited	1	275,928,500		9.62%
Absolute Rich Assets Limited ("Absolute Rich")	2	99,830,000		3.48%
Precise Time International Limited ("Precise Time")	2	61,880,000		2.16%
Success Pacific Enterprises Limited ("Success")	2	99,830,000		3.48%
Mr. Li Jian Min	2		261,540,000	9.12%
Ambang Jaya Sdn. Bhd. ("Ambang")	3	166,615,000		5.81%
Angkasa Marketing (Singapore) Pte Limited ("Angkasa")	3	75,000,000		2.62%
Amsteel Corporation Berhad ("Amsteel")	3		241,615,000	8.43%
Mr. Cheng Heng Jem	4		241,615,000	8.43%
ATNT Global Investments Co. Limited ("ATNT Global")	5	180,030,000		6.28%
Asia Tele-net and Technology Corporation Limited ("Asia Tele-net")	5		180,030,000	6.28%
Cyber Relationship Limited ("Cyber")	6	175,000,000		6.10%
China National Real Estate Development Group Company	6		175,000,000	6.10%
Kargill High Growth Fund		165,000,000		5.75%

SUBSTANTIAL SHAREHOLDERS (continued)*Note:*

1. KG Investments Holdings Limited is deemed to be interested in the Company's shares held by Global Treasure Investments Limited, its indirect subsidiary, by means of holding indirect and direct controlling interests in KGI International Holdings Limited and KGI Limited.
2. Mr. Li Jian Min is deemed to be interested in the Company's shares in which Absolute Rich, Precise Time and Success are interested.
3. Ambang and Angkasa are wholly-owned subsidiaries of Amsteel which is deemed to be interested in those shares of the Company beneficially owned by Ambang and Angkasa respectively.
4. Mr. Cheng Heng Jem is deemed to be interested in the Company's shares in which Amsteel is interested.
5. ATNT Global is a wholly-owned subsidiary of Asia Tele-net which is deemed to be interested in those shares of the Company beneficially owned by ATNT Global.
6. Cyber is a wholly-owned subsidiary of China National Real Estate Development Group Company which is deemed to be interested in those shares of the Company beneficially owned by Cyber.

Save as disclosed above, the Company has not been notified of any other interests representing 5% or more of the issued share capital of the Company at 31 December 2004.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption by the Company or its subsidiaries, of the Company's listed securities during the six months ended 31 December 2004.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not or was not in compliance with the Code of Best Practice as set out in Appendix 14 of The Rules Governing The Listing of Securities on the Stock Exchange for any part of the six months ended 31 December 2004 except the delay in publishing the results.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting policies and practices adopted by the Group and discussed auditing, internal controls and financial report matters including a review of the unaudited interim accounts for the six months ended 31 December 2004.

By Order of the Board
eCyberChina Holdings Limited
LU LIANG
Director

Hong Kong, 21 April 2005

As at the date of this report, the Board of Directors of the Company comprises five Executive Directors, namely Mr. Lu Liang, Mr. Ng Yan, Mr. Tao Wei Ming, Mr. Ho Chi Wing and Mr. Tsang Kar Tong, and three Independent Non-executive Directors, namely Mr. Cheng Sheung Hing, Mr. Cheng Kwong Choi, Alexander and Mr. Law Tai Yan.

CORPORATE INFORMATION**DIRECTORS**

LU Liang
NG Yan
TAO Wei Ming
HO Chi Wing
TSANG Kar Tong
CHENG Kwong Choi, Alexander*
CHENG Sheung Hing*
LAW Tai Yan*

* *Independent Non-executive Directors*

SECRETARY

NG Yi Wa

REGISTERED OFFICE

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SOLICITORS

Hau, Lau, Li & Yeung,
Solicitors & Notaries
Sidley Austin Brown & Wood

PRINCIPAL BANKERS

Jian Sing Bank Limited
Wing Lung Bank Limited

SHARE REGISTRARS

Abacus Share Registrars Limited
Ground Floor, BEA Harbour View
Centre
56 Gloucester Road
Wanchai
Hong Kong