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eCyberChina Holdings Limited

光訊控股集團有限公司

(incorporated in Hong Kong with limited liability)

Discloseable and Share Transaction



CAN DO HOLDINGS LIMITED

(incorporated in Hong Kong with limited liability)

Discloseable Transaction

**Deloitte & Touche
Corporate Finance Ltd**

德勤企業財務顧問有限公司

Financial Adviser to the Can Do Holdings Limited

THE AGREEMENT

On 12 August 2002, the Agreement was entered into between the Vendor, eCyber and the Purchaser pursuant to which, inter alia, the Vendor agreed to sell, eCyber agreed to procure the purchase of and the Purchaser agreed to purchase 24,500 shares of US\$1.00 each in Masterful Resources, representing 49% of the issued share capital of Masterful Resources, for a consideration of HK\$56,800,000, which is to be satisfied by the issue of and allotment of an aggregate of 284,000,000 Consideration Shares, credited as fully paid at HK\$0.20 each, to the Vendor or nominee(s) as they may direct on Completion. Based on the price of the eCyber Shares of HK\$0.018 immediately prior to the suspension in trading on 31 July 2002, the market value of the Consideration Shares is approximately HK\$5,112,000, representing a discount of approximately 91% of the consideration of HK\$56,800,000.

The Consideration Shares represent approximately 10.99% and 9.90% of the existing issued and enlarged share capital of eCyber respectively.

The Consideration Shares will be issued and allotted under the general mandate granted to the directors of eCyber at the extraordinary general meeting of eCyber held on 22 December 2001.

The Agreement constitutes a discloseable and share transaction for eCyber and a discloseable transaction for Can Do under Chapter 14 of the Listing Rules.

Trading in the Can Do Shares has been suspended with effect from 10:00 a.m. on 13 August 2002 upon request of Can Do pending the release of this announcement. An application has been made for resumption of trading of the Can Do Shares with effect from 9:30 a.m. on 23 August 2002.

SUSPENSION IN THE TRADING OF ECYBER SHARES

Trading in the eCyber Shares has been suspended since 10:47 a.m., 31 July 2002 at the request of eCyber. Trading in the eCyber Shares shall remain suspended pending the release of another announcement with regards to the price-sensitive information of its shareholder.

Following the suspension, enquiries have been made by the directors of eCyber to the shareholders as shown on the register of substantial shareholders of eCyber for any changes in their respective shareholdings in eCyber and whether they are aware of any other information that may result in the fluctuation in the prices of eCyber Shares.

At present, eCyber has not yet obtained the necessary information and confirmation from its substantial shareholders. Further announcement shall be made by eCyber once available.

eCyber is in the process of preliminary negotiation with an independent third party of a possible disposal of an asset of eCyber, which may or may not constitute a notifiable transaction under the Listing Rules. As at the date of this announcement, the negotiation is still in a very preliminary stage and no agreement has been reached. The aforesaid transaction may or may not materialise and further announcement will be made as and when appropriate.

Save as disclosed in this announcement, the directors of eCyber also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, neither is the board of directors of eCyber aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

THE AGREEMENT

Date: 12 August 2002

Parties: Max Cyber as Vendor;
eCyber as guarantor; and
Prospect Technology Limited as Purchaser

Terms: The Vendor agreed to sell, eCyber agreed to procure the purchase of and the Purchaser agreed to purchase 24,500 shares of US\$1.00 each in the capital of Masterful Resources, representing 49% of the issued share capital of Masterful Resources.

Consideration: HK\$56,800,000

The consideration is to be satisfied by the issue and allotment of 284,000,000 eCyber Shares (“Consideration Shares”), credited as fully paid at HK\$0.2 each, which is the par value of eCyber Shares, (representing a premium of approximately 53.85% over the average closing price of the Shares of HK\$0.130 from 18 July 2002 to 31 July 2002, being the 10 trading days prior to the suspension in trading of the eCyber Shares on 31 July 2002 and a premium of 1011.11% over the price of the eCyber Shares of HK\$0.018 immediately prior to the suspension in trading on 31 July 2002) to the Vendor or

nominee(s) as they may direct on Completion. Based on the price of the eCyber Shares of HK\$0.018 immediately prior to the suspension in trading of the eCyber Shares on 31 July 2002, the market value of the Consideration Shares is approximately HK\$5,112,000, representing a discount of approximately 91% of the consideration of HK\$56,800,000. The directors of Can Do do not consider the subscription price of the Consideration Shares is too high as it represents 53.85% premium over the average closing price of eCyber Shares for the last 10 trading days prior to the suspension in trading on 31 July 2002. The directors of Can Do consider that the closing price of eCyber Shares on 31 July 2002 should not be a reference when determining the subscription price of the Consideration Shares as such share price is a result of exceptional movement on that day.

The Consideration Shares represent approximately 10.99% of the existing issued share capital of eCyber as at the date hereof and 9.90% of the issued share capital of eCyber, as enlarged by the issue of the Consideration Shares.

The consideration (including the determination of the issue price of HK\$56,800,000 of the Consideration Shares) was determined based on arms-length commercial negotiations between the parties with reference to a preliminary value of HK\$116,000,000 as determined by an independent valuation on Masterful Resources by an independent professional valuer as at 9 August 2002 as described in the section headed "Information on Masterful Resources" below.

The Consideration Shares will be issued and allotted under the general mandate granted to the directors of eCyber at the extraordinary general meeting of eCyber held on 22 December 2001.

CONDITIONS

Completion of the Agreement is conditional upon the satisfaction of the following conditions ("Conditions"):-

- (i) a legal and financial due diligence review to be carried out on Masterful Resources having been completed to the satisfaction of the Purchaser; and
- (ii) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Consideration Shares.

If the Conditions have not been satisfied or waived (condition (i) only) by the parties on or before 2 September 2002 (or such later date as the parties may agree), the Agreement shall terminate. There will not be a long-stop date.

COMPLETION

Completion is expected to take place on the third business day after the satisfaction of the Conditions (or such later date as the parties may agree).

CHANGES IN SHAREHOLDING STRUCTURE OF ECYBER

Name of shareholder	Before Completion		After Completion	
	Total no. of shares held	%	Total no. of shares held	%
East Marton Group Limited (note 1)	275,928,500	10.68	275,928,500	9.62
Absolute Rich Assets Limited (note 2)	99,830,000	3.86	99,830,000	3.48
Precise Time International Limited (note 2)	61,880,000	2.40	61,880,000	2.16
Success Pacific Enterprises Limited (note 2)	99,830,000	3.86	99,830,000	3.48
Ventures Victory Limited (note 3)	384,715,000	14.89	384,715,000	13.42
the Vendor or its nominee(s)	–	–	284,000,000	9.90
Public	1,661,316,500	64.30	1,661,316,500	57.94
	<u>2,583,500,000</u>	<u>100.00</u>	<u>2,867,500,000</u>	<u>100.00</u>

Notes:

1. East Marton Group Limited is beneficially owned by Madam Tsui Hung.
2. Absolute Rich Assets Limited, Precise Time International Limited and Success Pacific Enterprises Limited are all beneficially owned by Mr Li Jian Min.
3. Ventures Victory Limited is 51% and 49% beneficially owned by Mr Chen Wei and Mr Zhan Jin Min respectively.
4. Mr Li Jian Min is a director of CROFIT (as defined below), which is a 52% indirectly-owned subsidiary of eCyber. Mr Chen Wei is an executive director of eCyber.

REASONS AND BENEFITS

The reasons for eCyber in entering into the Agreement is to widen the investment in high technology logistics business as the directors of eCyber believe that there is high potential in the logistics industry in the Greater China region. The benefits which are expected to accrue to eCyber as a result of the entering into of the Agreement is the expanded shareholder base by the joining of Can Do, a listed company with similar business portfolio in terms of property investment and PRC high technology investment, as a strategic business partner. The directors of eCyber expected that the Agreement would bring in anticipated broadening of its income stream as may be derived from the development of value-added services under potential related businesses with Masterful Resources such as transportation and smart home businesses, which eCyber considers as valuable business opportunities following the PRC's concession to World Trade Organisation ("WTO"). eCyber has been engaged in the development of pay phone projects along the railway network in the PRC through its sino-foreign co-operative joint venture, China Railway Optical Fiber Information & Development Co., Ltd. (中鐵光通信息技術發展有限公司) ("CROFIT"). The directors of eCyber consider that it will be a good opportunity for eCyber to integrate Masterful Resources into the provision of internet multi-media services currently under development by CROFIT. Furthermore, eCyber is involved in the development of "Digital Community" projects in the PRC which

aims at the provision of modern smart home services for the residential household in the PRC. Shipping-Info.com conducted by Masterful Resources is considered to be one of the proposed on-line information database to be provided for the “Digital Community” projects. eCyber is well experienced in the development of high technology businesses. The directors of eCyber are confident for the management and operation of Masterful Resources.

The directors of Can Do have been considering making investments with earnings potentials and that are beneficial to the shareholders of Can Do as a whole. eCyber is a company engaged in information technology-related businesses and property investments in Hong Kong and the PRC, which the directors of Can Do are considered to be of considerable earnings potential. By investing in the shares of eCyber, which is listed on the Stock Exchange, would not only provide an opportunity for Can Do to capture the earning potentials of the information technology related businesses, but also to increase the liquidity of Can Do’s investments. Despite that the directors of Can Do are still confident on the prospect of Masterful Resources, they believe that the sale of its stake in Masterful Resources, which is a privately-owned company with single line of business, in exchange for interests in eCyber, which is a listed company with diversified income, would provide more flexibility and diversification to Can Do. At the same time, Can Do will continue to enjoy the future growth potential of Masterful Resources through its stake in eCyber. As such, the directors of Can Do considered that this transaction is in the interests of Can Do and its shareholders as a whole.

As disclosed in the annual report of Can Do for the year ended 31 March 2002, an impairment loss of approximately HK\$78,400,000 was provided for Can Do’s 49% interest in Masterful Resources based on the recoverable amount of the goodwill, which represents the valuation of Masterful Resources as at the time of acquisition. In the opinion of the directors of Can Do, such an impairment loss has arisen from the prevailing unfavourable economic environment which has led to dissatisfactory operation of Shipping-Info.com. As such, Can Do’s interest in Masterful Resources currently has no carrying value. Upon completion of the Agreement, the directors of Can Do expect that Can Do will record an exceptional gain of approximately HK\$56,800,000 on disposal of 49% interest in Masterful Resources.

Despite the current carrying value of Masterful Resources in the books of Can Do, the directors of eCyber consider that the acquisition of 49% interest in Masterful Resources is a strategic investment of eCyber which involves nil cash consideration while may enhance future co-operation with Can Do to develop the “Digital Community” projects in joint force. Masterful Resources is still in its preliminary stage of development. eCyber is going to carry out the due diligence exercise on Masterful Resources, as one of the Conditions, and shall assess any further business potentials of Masterful Resources which may arise in depth.

INFORMATION ON MASTERFUL RESOURCES

Masterful Resources is a company incorporated in the British Virgin Islands on 2 January 2001. It is engaged in the development of Shipping-Info.com, a business-to-business web portal under development which aims to serve the shippers, forwarders, agents and carriers through the provision of network based services, via the internet, to the participants in the shipping and logistics industry in Hong Kong, Shanghai and Tianjin of the PRC. Shipping-Info.com was launched in May 2002 and is currently operating at its preliminary stage. Masterful Resources is currently performing sales and marketing activities to promote Shipping-Info.com and to look for subscribers in Hong Kong. Masterful Resources expects to further expand its market coverage to the PRC over the next few years. It is the long term business objective of Masterful Resources to create an online shipping information network to serve the shipping community of Hong Kong and the Greater China.

The Vendor, Can Do and the other beneficial owner of Masterful Resources are independent third parties not connected to the directors, chief executives or substantial shareholders of eCyber or its subsidiaries or any of their respective associates as defined under the Listing Rules.

The Purchaser, eCyber and the other beneficial owner of Masterful Resources are independent third parties not connected to the directors, chief executive or substantial shareholders of Can Do or its subsidiaries or any of their respective associates as defined under the Listing Rules.

The preliminary value of Masterful Resources is HK\$116,000,000 based on an independent valuation conducted by LCH (Asia-Pacific) Surveyors Limited, an independent valuer, on the business conducted by Masterful Resources as at 9 August 2002. The valuation is based on discounted cash flow method of the income approach.

Based on the management account of Masterful Resources as at 31 May 2002, it recorded a net loss of approximately HK\$53,000 for the period since 2 January 2001, being the date of incorporation, up to 31 May 2002 and a net assets value of approximately HK\$337,000 as at 31 May 2002. As at 31 May 2002, Masterful Resources did not have any outstanding shareholders' loan.

The Purchaser intends to appoint a director to the board of Masterful Resources in replacement of the existing director who is appointed by the Vendor after completion of the Agreement. The board of directors of Masterful Resources is and will be responsible for the day-to-day management and operation of Masterful Resources. Masterful Resources currently has two directors. eCyber does not have any present intention to acquire further interest in Masterful Resources.

GENERAL

There is no present intention for the Vendor or Can Do to have representation on the board of directors of eCyber.

The Agreement constitutes a discloseable and share transaction for eCyber under Chapter 14 of the Listing Rules. The Agreement constitutes a discloseable transaction for Can Do under Chapter 14 of the Listing Rules. A circular containing details of the Agreement will be despatched to shareholders of eCyber and Can Do separately as soon as practicable.

Application will be made by eCyber to the Stock Exchange for listing of and permission to deal in the Consideration Shares.

The principal activity of eCyber is investment holding and its subsidiaries are engaged in the information technology-related businesses and property investments in Hong Kong and the PRC.

The principal activity of Can Do is property development and investment in Hong Kong. It has strategy investment in information technology and logistics businesses and in natural gas business in the PRC.

Trading in the Can Do Shares has been suspended with effect from 10:00 a.m. on 13 August 2002 upon request of Can Do pending the release of this announcement. An application has been made for resumption of trading of the Can Do Shares with effect from 9:30 a.m. on 23 August 2002.

SUSPENSION IN THE TRADING OF ECYBER SHARES

The directors of eCyber noted the decrease in the price of the eCyber Shares on 31 July 2002 and wishes to state that they are not aware of any reason for such decrease. Trading in the eCyber Shares has been suspended since 10:47 a.m., 31 July 2002 at the request of eCyber. Trading in the eCyber Shares shall remain suspended pending the release of another announcement with regards to the price sensitive information of its shareholder.

Meanwhile, the directors of eCyber have been following up with its substantial shareholders closely to ascertain any price sensitive information. Following the suspension, enquiries have been by the directors of eCyber to the following shareholders as shown on the register of substantial shareholders of eCyber for any changes in their respective shareholding in eCyber and whether they are aware of any other information that may result in the fluctuation in the prices of eCyber Shares:–

1. East Marton Group Limited;
2. Absolute Rich Assets Limited;
3. Precise Time International Limited;
4. Success Pacific Enterprises Limited; and
5. Ventures Victory Limited

At present, eCyber has not yet obtained the necessary information and confirmation from the aforesaid substantial shareholders. Further announcement shall be made by eCyber once available.

eCyber is in the process of preliminary negotiation with an independent third party of a transaction, which may or may not constitute a notifiable transaction under the Listing Rules. The transaction involves a possible disposal of an asset of eCyber. As at the date of this announcement, the negotiation is still in a very preliminary stage and no agreement has been reached. The aforesaid transaction may or may not materialise and further announcement will be made as when and appropriate.

Save as disclosed above, the directors of eCyber also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, neither is the board of directors of eCyber aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

DEFINITIONS

“Agreement”	the agreement described under the second headed “Agreement” in this announcement;
“Can Do”	Can Do Holdings Limited, a company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange;
“Can Do Shares”	ordinary shares of HK\$0.25 each in the capital of Can Do;
“eCyber”	eCyberChina Holdings Limited, a company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange;

“eCyber Shares”	ordinary shares of HK\$0.20 each in the capital of eCyber;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Masterful Resources”	Masterful Resources Limited, a company incorporated in the British Virgin Islands and is 51% beneficially owned by Mr Cheung Chung Leung Richard and 49% owned by Max Cyber, a wholly-owned subsidiary of Can Do;
“Purchaser”	Prospect Technology Limited, a company incorporated in the British Virgin Islands and is wholly owned by eCyber;
“PRC”	People’s Republic of China;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor” or “Max Cyber”	Max Cyber Development Inc., the wholly-owned subsidiary of Can Do;
“HK\$”	Hong Kong dollars; and
“US\$”	United States dollars.

By Order of the board of
eCyberChina Holdings Limited
Tsang Kar Tong
Director

By Order of the board of
Can Do Holdings Limited
Yeung Sau Chung
Director

Hong Kong, 22 August 2002

“Please also refer to the published version of this announcement in The Standard”.