OVERALL BUSINESS OBJECTIVE

The Group's overall business objective is to establish itself as a leading mobile B2B eBusiness solutions provider using ASP approach for the SMEs in the Greater China Region. With the increasing adoption of IT in the global business environment, effective use of IT becomes a key factor to success and it is important for the SMEs in the Greater China Region to invest in IT application so as to increase their competitive advantages. As mentioned in the section headed "Industry Overview" in this prospectus, the Directors expect that SMEs will be a potential market for growth. The Group aims to develop and promote comprehensive mobile B2B eBusiness solutions for business enterprises, especially for SMEs in light of the evolutionary changes of business landscape brought by the global emergence of e-commerce and mobile and wireless computing technologies. With the Group's established R & D capability, in-depth experience in the Hong Kong SME market, vision focus and forward thinking attitude, and the cost competitiveness of its products, the Directors believe that the Group will be in a strong position to capture the SME market in the Greater China Region.

BUSINESS STRATEGIES

Target Customer - SMEs

- With the rising trend in Internet-based B2B e-commerce activities worldwide, the e-world has opened up endless opportunities for SMEs. The Group has focused and will continue to focus on the development of business application solutions that will meet the needs of SMEs and will place great emphasis on its customer services by providing training, maintenance services and technical support to them.

Solution Focus - a one-stop all-in-one solution

- The Group aims to develop comprehensive mobile B2B eBusiness solutions for the SMEs in the Greater China Region and a B2B enterprise portal with enriched contents serving as an one-stop information centre, which allows users to do business wirelessly anywhere and anytime. The B2B enterprise portal will serve as an entry gateway or on-line directory for the users of the Group's CyberM Business Series to access business and enterprise information relating to SMEs from the Internet, with value-added services and features provided. Subject to the prevailing market conditions, the Group will not charge its users any membership fees or service fees at the initial stage of services. As e-commerce is expected to be the global trend of development, the Group will devote considerable resources in developing Internet-based CyberM Business Series integrated with mobile and wireless computing technologies to enable users to access on-line their own back-office/logistic system anywhere around the world and to transact their business in the cyberspace.

Vision Focus - mobile B2B eBusiness

- The Group has responded to the rapid technological changes in a timely manner. With the rapid advancement in technology, B2B eBusiness solutions accessed over the Internet has become feasible and the Directors believe that the traditional in-house software application would gradually become obsolete and unmarketable. To meet the future changes, the Group has well in advance started to develop its Internet-based B2B eBusiness solutions and positioned itself as a mobile B2B eBusiness solutions provider using ASP approach to take advantage of the imminent boom of the ASP market. The Group will continue to respond to technological changes and changing market conditions in a timely manner to maintain and to increase its market share.

STATEMENT OF BUSINESS OBJECTIVES

Focus on High-Potential Growth Market - specific plan in the development of new markets

- The Group has selected specific areas with high growth potentials to market its products. The products will be first developed and marketed in Hong Kong, and, with the further development of customised features for each individual market, will be marketed in other markets in the Greater China Region. The Group plans to line up with ASPs in the PRC and Taiwan to host the Group's products and to assist in the marketing and promotion work. The Directors believe that the Group is able to explore the PRC and Taiwan markets based on following reasons:

  - the Group's products can be customised to meet specific requirements of SMEs in the PRC and Taiwan;

  - the Group has experience in handling customers from SMEs; and

  - the Group has experience in forming business alliance with ASPs and multi-international IT company. Such experience would help the Group to form business alliance with local technology companies in Taiwan and the PRC.

Expand through Organic Growth and Business Alliances

- The Group will continue to form strategic and business alliances with leading IT companies and business partners. Apart from its gradual expansion, the Group has teamed up with Sybase HK to jointly develop and promote CyberM Business Series applying mobile and wireless computing technologies, and a B2B enterprise portal. The Directors believe that business and strategic alliances will enhance its R & D capabilities, expand the sales channel of the Group and enable the Group to establish itself in the new markets. The Group will also look for local partners in different countries.

Dedicated to R & D

- The Group will continue to strengthen its R & D capability. The Group believes that ongoing R & D in new products and technologies will enable it to keep abreast of market development which is critical to maintaining a leadership position in the changing marketplace. The Group will continue to enhance its capability in product and application development. In addition to the co-operation with international IT companies, the Group will continue to co-operate with HKPC in the R & D and the application of new technologies such as mobile and wireless computer technologies to meet the needs of SMEs and in the promotion of IT application to them. The Group will continue to recruit software engineers to enhance its R & D capability.

More Value-Added Features

- The Group develops and provides value-added features to its customers on a regular basis. In addition to the application of the latest technology to the Group's business application solutions, the Group will continue to establish alliances with banks and shipping companies to provide interfaces to its CyberM Business Series. The Directors believes that only continuous enhancement of its products, which meets the needs of changing business environment, can bring success to the Group. The Group will keep upgrading its products.

Well-Defined Marketing Strategies

● The Group, while focusing in the local SME market, will gradually branch out to the SME markets in the Greater China Region. In addition to the formation of strategic and business alliances to establish foothold in new markets, the Group will promote its solutions in Asia through the Asian Solutions Centre. The Group will continue to promote its corporate image and brand name to increase the general awareness of its products by participation in international computer exhibitions, tradeshows, seminars and professional conferences on IT both in Hong Kong and overseas.

COMPETITIVE ADVANTAGES

The Directors believe that the Group is well-positioned to benefit from the evolutionary changes brought by e-commerce and mobile and wireless computing technologies and to fulfil the needs of SMEs in their quest for automation.

New products based on latest technologies

The management team keeps a close watch on the IT development and has been able to respond efficiently and effectively to the changing technologies and business environment by developing or upgrading the products of the Group to meet the technological changes and different demands of the Group's customers. The Group's customised business application solutions were upgraded onto Windows-based platform from the early DOS platform in as early as 1997 and the Group started to develop Internet-based CyberM Business Series in 1998. The Directors believe that Internet-based CyberM Business Series is one of the first Internet-based B2B eBusiness solutions designed for the SMEs in the Greater China Region.

Experienced management and professional personnel

The Directors believe that the success of the Group is largely attributable to the vision and the experience of its senior management team. Mr. Lau has over 20 years of experience in the IT industry and is a co-founder of Information and Software Industry Association in Hong Kong. His extensive knowledge in the industry and business connections with international IT companies have proven to be a valuable asset to the Group.

Established R & D team

The Group places great emphasis on the R & D and about half of its staff engage in the R & D. Its established R & D team is able to respond swiftly to changing customers' needs and new technological development. The team has strong R & D capabilities to develop B2B eBusiness solutions and provide customised business application solutions. Generally, the R & D staff are creative and energetic and headed by experienced management.

For each of the two financial years ended 31 March, 2000, the R & D expenses amounted to about HK$2,960,000 and HK$3,020,000, representing 40.9% and 36.9% of the operating expenses before the provision for bad and doubtful debts respectively.

Technical alliances with international IT company and HKPC

To further enhance its R & D capability and to provide comprehensive mobile B2B eBusiness solutions to its customers, the Group has formed strategic partnership with Sybase HK for the development and promotion of CyberM Business Series and mobile and wireless solutions, and a B2B enterprise portal. The Group is also working with HKPC to develop applications of mobile and wireless computing technologies.

In-depth knowledge of local market and customer-oriented

The Group has developed valuable insight of the local market. Its packaged software are specifically developed to meet the needs of the local SMEs in Hong Kong and are reasonably priced and user-friendly enough to give the Group an edge over its competitors.

Market recognition - established customer base in the SME market

The Group has been established for over 9 years. The Directors believe that the Group is one of the first Hong Kong-based software companies being awarded the ISO9001 certification on its products. The Group is well known in the local software industry.

Over 4,000 user licences of the Group's solutions have been sold to its customers, including both larger enterprises and SMEs. The Directors believe that the established customer base of the Group will serve as a base for the marketing of its mobile B2B eBusiness solutions, and the B2B enterprise portal to be developed.

Quality customer services

The Group places great emphasis on the provision of timely and quality maintenance services and technical support to its customers. Apart from the enquiry hotline and technical assistance during usual business hours, for those customers purchasing customised business application solutions, the Group also maintains a contingency plan on a 24-hour basis to provide technical support to them in case of emergency. The Group is well-prepared for the technical support requirement brought by the launch of Internet-based CyberM Business Series and CyberM Mobile Series. The Group endeavours to provide timely response to its customers.

BASES AND ASSUMPTIONS

The Directors have assessed the potential of the market as identified in the Group's statement of active business pursuits during the Forward Looking Period and formulated the proposed strategies to achieve the Group's business objectives on the basis of past industry trend, as well as anticipated future growth and expected demand based on the Directors' past experience, and the Directors have made the following principal assumptions in making such assessment and formulation.

1. The Group is not adversely affected by any of the risk factors set out under the section headed "Risk Factors".

2. The business objectives for any of the specified periods have been stated on the basis that they may have to be revised or adjusted by the Group from time to time in the light of factors such as changes in market conditions, market response to particular products and

whether the Group has successfully achieved its stated business objectives in the preceding period or periods. It has also been assumed that the Group does not experience any significant delay in achieving its stated business objectives in any of the specified periods.

3. The Group does not encounter any significant difficulty in the R & D of any of its new products.

4. The Group is not materially adversely affected by any change in political, legal, fiscal or economic conditions in the Greater China Region.

5. The Group is not materially adversely affected by any change in legislation, rules or regulations in the Greater China Region or Bermuda where the Company is established.

6. The business to be carried out by the Group in the PRC is not prohibited or restricted by the PRC Internet Laws or any other relevant laws or regulations. Should the Group's business in the PRC be prohibited or restricted in any respect, the Group may not be able to carry out the business objectives as herein stated.

STATEMENT OF BUSINESS OBJECTIVES

The Group's specific business objectives during the Forward Looking Period are (i) to adopt the ASP approach, (ii) to further develop and refine its Internet-based B2B eBusiness solutions, (iii) to jointly develop with Sybase HK the mobile and wireless solutions, (iv) to establish a B2B enterprise portal, and (v) to expand the sales of its products into the Greater China Region.

It should be noted that as the Group operates in a fast-growing and changing IT market, the following implementation plans have been formulated on the basis of the Directors' best estimate of market trend and demand and may be subject to changes should any material changes in market conditions arise. Furthermore, the expansion into the PRC and Taiwan markets is subject to the relevant regulatory approvals being granted. As a result, the following implementation plans should be read with caution.

PERIOD 1: SIX MONTHS ENDING 30TH SEPTEMBER, 2000

Revenue and Business Development

- study and research the development of the IT industry and the SME market for strategic planning purpose

Hong Kong

- provide CyberM Business Series on an ASP approach

- promote CyberM Business Series and CyberM Mobile Series through the Asian Solutions Centre and conduct marketing campaigns

- expand the sales and marketing department

- strengthen customer service functions in Hong Kong

Taiwan

- study and research the market, the business environment and the relevant legal framework

- formulate the marketing strategies for the Taiwan market and identify potential marketing channels

The PRC

- study and research the market, the business environment and the relevant legal framework

- formulate the marketing strategies and identify potential marketing channels in Southern China

Products and Services

- formally launch CyberM Business Series first, and then CyberM Mobile Series in Hong Kong

- develop interfaces with banks, shipping companies and/or freight forwarders in Hong Kong

- continue to monitor and analyse the latest market trends and feedback from the users on the business application solutions

R & D

- enhance CyberM Business Series to provide a one-stop solution to its customers in Hong Kong and research and study the customisation of CyberM Business Series according to the local business requirements and regulations for the Southern China market and the Taiwan market

- continue to research and further develop CyberM Mobile Series and other mobile business application solutions

- continue to research the Internet and mobile and wireless technologies to enhance the performance, capability and security of CyberM Business Series and CyberM Mobile Series and the B2B enterprise portal to be developed

Expansion and Business Alliance

- contemplate alliance with ASP(s) to host and promote CyberM Business Series to their enterprise customers in Hong Kong

- explore alliance opportunities with local bodies and organisations in Hong Kong to promote CyberM Business Series

- seek alliance with potential PRC local business partner(s) to host CyberM Business Series

- continue the negotiation with local business partners in Taiwan

- continue to look for alliances and/or joint venture opportunities in the Greater China Region

PERIOD 2: SIX MONTHS ENDING 31ST MARCH, 2001

Revenue and Business Development

- continue the business development activities from the previous period

- study the framework for the development of the B2B enterprise portal

Products and Services

- continue the products and services activities from the previous period

- launch CyberM Mobile Series supporting mobile computing devices including Windows CE

- research and develop interface with banks, shipping companies and/or freight forwarders in Taiwan and Southern China

R & D

- continue the R & D activities from the previous period

- carry out product version upgrade and further enhancement of CyberM Business Series and CyberM Mobile Series

- research and study the customisation of CyberM Business Series for the Taiwan Market and the Southern China market

- research and study the B2B enterprise portal interface with CyberM Business Series and CyberM Mobile Series

Expansion and Business Alliance

- continue the expansion and business alliance activities from the previous period

- explore the possibility of setting up a joint venture and/or a local sales, marketing and customer services team in Taiwan

- subject to the setting up of the relevant joint venture(s) in China, establish local customer services team(s) and sales office(s) in Southern China and a regional headquarter in Guangzhou

PERIOD 3: SIX MONTHS ENDING 30TH SEPTEMBER, 2001

Revenue and Business Development

- continue the business development activities from the previous period

- subject to the expansion needs, set up a new office at the Cyber-Port in Hong Kong

- evaluate the feasibility of developing an industry-specific vertical B2B enterprise portal, which purpose is to provide information for users from a particular industry

- subject to the setting up of a business partnership in Taiwan, establish a customer service centre in Taiwan

- subject to the feasibility studies of the Southern China market and the setting up of the relevant joint venture(s), establish a customer service centre in Southern China

- subject to the setting up of the relevant partnership(s)/joint venture(s), conduct marketing campaigns in Taiwan and Southern China

- research and study the market situation and business environment in Eastern China

- formulate the marketing strategies and identify potential marketing channels in Eastern China

Products and Services

- continue the product and services activities from the previous period

- launch CyberM Mobile Series supporting mobile computing devices including WAP phone

- subject to the setting up of the relevant partnership(s)/joint venture(s), launch CyberM Business Series and CyberM Mobile Series in Taiwan and Southern China

R & D

- continue the R & D activities from the previous period

- continue to enhance CyberM Business Series

- research the customisation of CyberM Business Series according to the local business requirements and regulations of the Eastern China market

- commence the development of the B2B enterprise portal with specifications for the Greater China Region environment

- research and upgrade the Windows-based Magic Retail System onto Internet-based CyberM Retail Series

Expansion and Business Alliance

- continue the expansion and business alliance activities from the previous period

- establish new alliance(s) with ASP(s) to host and promote CyberM Business Series and CyberM Mobile Series in Taiwan and Southern China

- explore alliance opportunities with local bodies and organisations in Southern China and Taiwan to promote CyberM Business Series and CyberM Mobile Series

- explore the possibilities of forming alliances with local partners in Eastern China

- explore the possibilities of forming alliances and partnerships with network operators, distributors and mobile phone manufacturers to promote CyberM Mobile Series

PERIOD 4: SIX MONTHS ENDING 31ST MARCH, 2002

Revenue and Business Development

- continue the business development activities from the previous period

- conduct marketing campaigns to promote the B2B enterprise portal along with CyberM Business Series and CyberM Mobile Series in the Greater China Region

- study the market condition and business environment of the potential Northern China market and formulate the marketing strategies and identify the marketing channels.

Products and Services

- continue the products and services activities from the previous period

- launch the B2B enterprise portal in the Greater China Region

- subject to the setting up of the relevant joint venture(s), research and develop interface with banks, shipping companies and/or freight forwarders in Eastern China

- continue the development of Internet-based CyberM Retail Series

R & D

- continue the R & D activities from the previous period

- study and research the customisation of CyberM Business Series to cater for individual market segments in the PRC

Expansion and Business Alliance

- continue the expansion and business alliance activities from the previous period

- subject to the setting up of the relevant joint venture(s), establish local customer services team(s) and sales office(s) in Eastern China

- subject to the setting up of the relevant joint venture(s), establish a regional headquarter of Eastern China in Shanghai

- explore the possibility of forming alliances with local partners in Northern China

STATEMENT OF BUSINESS OBJECTIVES

PERIOD 5: SIX MONTHS ENDING 30TH SEPTEMBER, 2002

Revenue and Business Development

- continue the business development activities from the previous period

- subject to the setting up of the relevant joint venture(s), conduct marketing campaign in Eastern China on its CyberM Business Series and CyberM Mobile Series, Internet-based CyberM Retail System and the B2B enterprise portal

- subject to the feasiblity studies of the Eastern China market and the setting up of the relevant joint venture(s), establish a customer service system in Eastern China

Products and Services

- continue the products and services activities from the previous period

- subject to the setting up of the relevant joint venture(s), launch CyberM Business Series and CyberM Mobile Series in Eastern China

- subject to the setting up of the relevant joint venture(s), research and develop interface with banks, shipping companies and/or freight forwarders in Northern China

- launch Internet-based CyberM Retail System in Hong Kong

R & D

- continue the R & D activities from the previous period

- carry out research on the feasibility of the development of industry-specific vertical B2B eBusiness solutions on an ASP approach for selected industries in the Greater China Region

Expansion and Business Alliance

- continue the expansion and business alliance activities from the previous period

- subject to the setting up of the relevant joint venture(s), establish an office in Beijing as the regional headquarter in Northern China

- establish new alliances with ASP(s) to host and promote CyberM Business Series and CyberM Mobile Series in Eastern China

- subject to the setting up of the relevant joint venture(s), explore alliance opportunities with local bodies and organisations in Eastern China to promote CyberM Business Series and CyberM Mobile Series

- subject to the setting up of the relevant joint venture(s), establish local customer services team(s) and sales office(s) in Northern China

STATEMENT OF BUSINESS OBJECTIVES

PERIOD 6: SIX MONTHS ENDING 31ST MARCH, 2003

Revenue and Business Development

- continue the business development activities from the previous period

- subject to the setting up of the relevant joint venture(s), conduct marketing activities in Northern China

- subject to the feasibility studies of the Northern China market and the setting up of the relevant joint venture(s), establish a customer service system in Northern China

Products and Services

- continue the product and services activities from the pervious period

- subject to the setting up of the relevant joint venture(s), launch CyberM Business Series and CyberM Mobile Series in Northern China

R & D

- continue the R & D activities from the previous period

- subject to the result of the feasibility studies, carry out the R & D in the development of vertical B2B eBusiness solutions on an ASP approach for selected industries in the Greater China Region

Expansion and Business Alliance

- continue the expansion and business alliance activities from the previous period

- establish new alliances with ASP(s) to host and promote CyberM Business Series and CyberM Mobile Series in Northern China

- explore alliance opportunities with local bodies and organisations in Northern China to promote CyberM Business Series and CyberM Mobile Series