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HK6 HOLDINGS LIMITED

駿陸控股有限公司*

(incorporated in the Cayman Islands with limited liability)

UPDATE ON DISCLOSEABLE TRANSACTION

Entering into a legally binding Co-operation Agreement for setting up a joint venture in the PRC

Further to the Announcement and the Circular, the Board is pleased to announce that on 12th March, 2004, Sino Key, a wholly-owned subsidiary of the Company, has entered into the Joint Venture Agreement with China Navigation, an Independent Third Party, under which, inter alia, each of Sino Key and China Navigation has agreed to establish the Joint Venture in the PRC, which will be engaged in the business of provision of information services. The registered capital of the Joint Venture will be owned as to 49% by Sino Key and as to 51% by China Navigation.

The registered capital of the Joint Venture is RMB10,000,000 (equivalent to approximately HK\$9,433,962), of which (i) RMB4,900,000 (equivalent to approximately HK\$4,622,641) will be contributed in cash by Sino Key as part of the registered capital of the Joint Venture; and (ii) RMB5,100,000 (equivalent to approximately HK\$4,811,321) will be contributed in kind by China Navigation as part of the registered capital of the Joint Venture.

Reference is made to the Announcement and the Circular in respect of a discloseable transaction of the entering into of the Co-operation Agreement for setting up a joint venture in the PRC. Unless otherwise defined, terms used herein shall have the same meanings as defined in the Circular.

BACKGROUND

It was announced in the Announcement and the Circular that Sino Key, a wholly-owned subsidiary of the Company, has entered into the Co-operation Agreement with China Navigation, an Independent Third Party, under which, inter alia, each of Sino Key and China Navigation has agreed to establish the Joint Venture in the PRC, which will be engaged in the business of provision of information services. The registered capital of the Joint Venture will be owned as to 49% by Sino Key and as to 51% by China Navigation.

As referred to in the Announcement, it was intended that a joint venture agreement would be entered into between Sino Key and China Navigation.

* For identification purpose only

The Board is pleased to announce that on 12th March, 2004, Sino Key has entered into the Joint Venture Agreement with China Navigation in respect to the establishment of the Joint Venture in the PRC.

THE JOINT VENTURE AGREEMENT

Date of the Joint Venture Agreement

12th March, 2004

Name of the Joint Venture

神州速達導航通信資訊（北京）有限公司 (China Star Navigation Communication Information (Bei Jing) Co., Ltd.)

(previously proposed name: 神州導航通信資訊有限公司 (China Navigation Communication Information Co., Ltd.))

Parties

1. Sino Key, a wholly-owned subsidiary of the Company
2. China Navigation, a company established in the PRC with limited liability and an Independent Third Party

Establishment of the Joint Venture

Pursuant to the Joint Venture Agreement, each of Sino Key and China Navigation has agreed to establish the Joint Venture in the PRC. The registered capital of the Joint Venture will be owned as to 49% by Sino Key and as to 51% by China Navigation. The profit of the Joint Venture will be shared in accordance with their respective interest in the registered capital in the Joint Venture.

Capital Contribution

Registered capital: RMB10,000,000 (equivalent to approximately HK\$9,433,962), of which

- (i) RMB4,900,000 (equivalent to approximately HK\$4,622,641) will be contributed in cash by Sino Key as part of the registered capital of the Joint Venture; and
- (ii) RMB5,100,000 (equivalent to approximately HK\$4,811,321) will be contributed in kind by China Navigation as part of the registered capital of the Joint Venture.

The in kind capital contribution by China Navigation will include the following assets:

- (i) the injection of equipments; and
- (ii) the transfer of technology on networking.

The capital contribution of Sino Key of RMB4,900,000 (equivalent to approximately HK\$4,622,641) for the establishment of the Joint Venture will be financed by the Company's net proceeds raised from the initial public offering, which is in line with the intended use of proceeds as disclosed in the listing prospectus of the Company dated 31st October, 2002.

Term of the Joint Venture

30 years from the date of issue of business licence of the Joint Venture.

Management of the Joint Venture

The board of directors of the Joint Venture will comprise five members, three of them will be appointed by China Navigation and two of them will be appointed by Sino Key. China Navigation will appoint a director as the chairman of the board among the five directors and Sino Key will appoint the other one among the remaining four directors as deputy chairman of the board.

GENERAL

The reasons for setting up the Joint Venture were already set out in the Announcement and the Circular. The Directors consider that the Joint Venture Agreement is entered into on normal commercial terms in the ordinary and usual course of business of the Group and the terms of the Joint Venture Agreement are fair and reasonable and in the interests of the Shareholders.

DEFINITIONS

“Announcement”	the announcement dated 1st December, 2003 in respect of a discloseable transaction of the entering into of the Co-operation Agreement for setting up a joint venture in the PRC
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of the Directors
“China Navigation”	神州導航通信技術應用有限公司 (China Navigation Communication Co., Ltd.), a company established in the PRC, which is an Independent Third Party
“Circular”	the circular dated 18th December, 2003 in respect of a discloseable transaction of the entering into of the Co-operation Agreement for setting up a joint venture in the PRC
“Company”	HK6 Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on GEM
“Co-operation Agreement”	the co-operation agreement entered into between Sino Key and China Navigation for the proposed establishment of the Joint Venture dated 24th November, 2003
“Director(s)”	the director(s) of the Company

“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	Party(ies) which is/are independent of and not connected with the directors, chief executives, substantial shareholders or management shareholders of the Company or any of its respective associates
“Joint Venture”	a sino-foreign equity joint venture to be established in the PRC by Sino Key and China Navigation pursuant to the Joint Venture Agreement
“Joint Venture Agreement”	the joint venture agreement entered into between Sino Key and China Navigation for the establishment of the Joint Venture dated 12th March, 2004
“PRC”	the People’s Republic of China
“Share(s)”	share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Sino Key”	Sino Key International Ltd., a company incorporated in the British Virgin Islands with limited liability and being a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

For the purpose of this announcement only and unless otherwise stated, amounts denominated in RMB have been translated into HK\$ at a rate of HK\$1.00 = RMB1.06. Such translation should not be construed as a representation that the amounts in question have, could have been or could be converted at any particular rate at all.

By the order of the Board
Chan Tan Lui, Danielle
Chairman

Hong Kong, 12th March, 2004

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:- (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain at www.hkgem.com on the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting and on the website of the Group at www.hk6.com.