



## HK6 HOLDINGS LIMITED

駿陸控股有限公司\*

(incorporated in the Cayman Islands with limited liability)  
(Stock Code: 8206)

### ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST MARCH, 2004

#### CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK 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 Stock Exchange. 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 Stock 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 announcement, for which the directors (the “Directors”) of HK6 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, 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.*

\* For identification purpose only

## FINANCIAL HIGHLIGHTS

### Results

	For the year ended 31st March, 2004 HK\$	For the year ended 31st March, 2003 HK\$	For the year ended 31st March, 2002 HK\$	For the period from 4th October, 1999 to 31st March, 2001 HK\$
Turnover	<u>2,693,048</u>	<u>5,383,247</u>	<u>3,247,026</u>	<u>231,954</u>
Loss before taxation	<u>(3,338,619)</u>	<u>(1,203,046)</u>	<u>(2,765,516)</u>	<u>(6,347,585)</u>
Taxation	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Loss attributable to shareholders	<u>(3,338,619)</u>	<u>(1,203,046)</u>	<u>(2,765,516)</u>	<u>(6,347,585)</u>
Basic loss per share (HK cent)	<u>0.83</u>	<u>0.34</u>	<u>0.84</u>	<u>1.92</u>

### CHAIRMAN'S STATEMENT

On behalf of the board of the Directors (the "Board"), I am pleased to present the audited consolidated results of HK6 Holdings Limited (the "Company", together with its subsidiary companies, collectively the "Group") for the year ended 31st March, 2004.

#### Financial Performance

The Group reported the turnover of approximately HK\$2,693,000 in 2003/04, a decrease of 50.0% over the last year and the loss attributable to shareholders for the year ended 31st March, 2004 amounted to approximately HK\$3,339,000, representing an increase of approximately HK\$2,136,000 compared to the last year. Basic loss per share was HK0.83 cent, compared to HK0.34 cent in 2002/03.

The board of the Directors (the "Board") does not recommend the payment of a final dividend for the year ended 31st March, 2004.

#### Business Review

The Group is a multimedia financial information services provider offering a comprehensive range of financial information services which include the provision of (i) real-time financial news and up-to-date financial market commentaries and recommendations through multimedia; (ii) financial programme and video production services; and (iii) investor education within financial market in Hong Kong.

#### Provision of real-time financial information services

For the year ended 31st March, 2004, the revenue derived from the provision of real-time financial information services was approximately HK\$1,427,000, compared to approximately HK\$1,423,000 in last year. The revenue derived from this source is relatively stable.

## **Financial programme and video production services**

Apart from sourcing real-time financial information for distribution in multimedia channels, the Group also produces financial programmes and corporate videos for broadcasting through different media as well as for corporate public relations purposes.

For the year ended 31st March, 2004, revenue derived from the provision of financial programme and video production services dropped to approximately HK\$188,000, compared to approximately HK\$3,347,000 in the last year. The decrease in revenue was mainly attributable to the decrease in number of projects obtained during the year.

## **Investor education on financial market**

Capitalising on the Group's expertise in Hong Kong financial market, strong database of financial market information and relationship with celebrities, the Group is also engaged in organising seminars and courses focusing on investor education on financial market.

For the year ended 31st March, 2004, revenue derived from investor education on financial market was approximately HK\$1,078,000, compared to approximately HK\$613,000 in last year. The increase in revenue was attributable to the continuous efforts in the investor education by the Group's management to provide seminars and courses during the year.

## **Business Outlook**

The Group aims to become one of the leading and one of the most comprehensive multimedia financial information services providers in Hong Kong and to establish market presence in the financial information service market of the People's Republic of China (the "PRC"). The Group seeks to achieve these objectives by expanding its multimedia financial information provision business from Hong Kong to the PRC.

On 12th March, 2004, Sino Key International Ltd., a wholly-owned subsidiary of the Company, has entered into a joint venture agreement with China Navigation Communication Co., Ltd., a company established in the PRC, to establish a joint venture in the PRC, which will be engaged in the business of provision of information services. The Directors consider that the establishment of this joint venture in the PRC is a major strategic move to expand its business and enhance its market foothold in the PRC. The Group will continue to seek opportunities to form alliances with companies that already have a sufficient audience or viewership base and media channel partners both in Hong Kong and the PRC, in order to capture the viewership base and enhance the Group's distribution network.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Revenue and Profitability**

The Group recorded turnover of approximately HK\$2,693,000 (2003: approximately HK\$5,383,000) for the year ended 31st March, 2004, representing a decrease of approximately 50.0%, compared to last year. Approximately 7.0%, 53.0% and 40.0% (2003: approximately 62.2%, 26.4% and 11.4%) of turnover for the year ended 31st March, 2004 were attributable to income for the production of financial programmes and videos, provision of real-time financial information services and investor education on financial market respectively.

The Group's gross profit for the year ended 31st March, 2004 amounted to approximately HK\$2,206,000 (2003: approximately HK\$2,982,000), representing a decrease of 26.0% compared to last year whilst the Group's gross profit margin rose to 81.9% (2003: 55.4%), representing an increase of 26.5% compared to that in last year. The higher gross profit margin of the Group for the year ended 31st March, 2004 was mainly attributable to the increase in the proportion for the revenue derived from the provision of real-time financial information services, the gross profit margin was approximately 95.3% for the year ended 31st March, 2004.

Selling, administrative and other operating expenses for the year ended 31st March, 2004 increased by approximately 33.1% to approximately HK\$5,607,000 (2003: approximately HK\$4,212,000) from the last year. The increase was mainly attributable to increase in staff costs for the year.

### **Net Loss Attributable to Shareholders**

The Group's net loss for the year ended 31st March, 2004 increased to approximately HK\$3,339,000 (2003: approximately HK\$1,203,000) compared to last year. The increase in net loss was attributable to the decrease in turnover and the increase in administrative expenses and other operating expenses.

### **Liquidity, Financial Resources and Capital Structure**

As at 31st March, 2004, the Group did not have any borrowings outstanding (as at 31st March, 2003: nil) and did not have any committed borrowing facilities and any significant capital commitments (as at 31st March, 2003: nil).

As at 31st March, 2004, the Group has net current assets approximately HK\$8,987,000 (as at 31st March, 2003: approximately HK\$17,056,000). The Group's current assets consisted of cash and cash equivalents of approximately HK\$9,487,000 (as at 31st March, 2003: approximately HK\$16,713,000), accounts receivable of approximately HK\$18,000 (as at 31st March, 2003: approximately HK\$228,000) and deposits and prepayment of approximately HK\$747,000 (as at 31st March, 2003: approximately HK\$557,000). The Group's current liabilities consisted of accounts payable of approximately HK\$7,000 (as at 31st March, 2003: approximately HK\$31,000), accrued expenses of approximately HK\$144,000 (as at 31st March, 2003: approximately HK\$174,000), receipts in advance and other payables of approximately HK\$1,114,000 (as at 31st March, 2003: approximately HK\$237,000).

The gearing ratio, defined as the ratio of total liabilities to total assets, was 8.4% as at 31st March, 2004, compared to 2.5% as at 31st March, 2003.

At present, the Group generally finances its operations and investing activities with internally generated cash flows. Excess cash held by the Group is generally placed in licensed banks in Hong Kong.

The shares of the Company was successfully listed on GEM on 15th November, 2002. There has been no change in the capital structure of the Company since that date.

### **Charge on Group Assets**

The Group did not have any charge on its assets during the years ended 31st March, 2004 and 2003.

### **Material Acquisitions and Disposals**

There were no material acquisitions or disposals of subsidiary companies and affiliated companies during the year ended 31st March, 2004.

## **Employees**

As at 31st March, 2004, the Group had 17 employees (as at 31st March, 2003: 20). The staff costs for the year ended 31st March, 2004 was approximately HK\$2,900,000 (for the year ended 31st March, 2003: approximately HK\$2,159,000). The Group's remuneration, bonus and share option scheme policies are granted based on the performance and experience of individual employees.

## **Material Investment or Capital Assets**

Save as disclosed in the section "Statement of Business Objectives" of the Prospectus, the Group has no plans for material investments or capital assets.

## **Foreign Currency Risk**

The income and expenditure of the Group are mainly in Hong Kong dollars and the assets and liabilities of the Group were denominated in Hong Kong dollars. The Group has no significant exposure to foreign exchange fluctuations.

## **Contingent Liabilities**

The Group did not have any significant contingent liabilities as at 31st March, 2003 and 2004.

## COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

### Business objectives as stated in the prospectus

### Actual business progress for the period from 1st April, 2003 to 30th September, 2003

#### *Development of strategic alliances and business partnerships in the PRC*

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>– Finalise terms of co-operations with television channels in the PRC</li><li>– Form strategic alliances with video production companies in the PRC</li><li>– Form strategic alliances with financial information providers in the PRC</li><li>– Set up offices in the PRC through strategic investment in PRC companies with similar nature of business as the Group in order to produce and market the Group's exclusive broadband multimedia content</li></ul> | <ul style="list-style-type: none"><li>– The Group has entered an agreement to co-operate with a financial information provider in the PRC.</li><li>– The Group has liaised with other potential partners in the PRC to form strategic alliances and business partnerships and further co-operative discussion is in progress.</li><li>– The Group is looking for PRC companies with similar nature of business for strategic investment.</li></ul> |
|---|--|

#### *Media channels development and enhancement in Hong Kong*

- |   |   |
|---|---|
| <ul style="list-style-type: none"><li>– Form strategic alliances with video production companies in Hong Kong</li><li>– Form strategic alliances with other media channels in Hong Kong</li></ul> | <ul style="list-style-type: none"><li>– The Group has liaised with potential partners and further co-operative discussion is in progress.</li></ul> |
|---|---|

**Business objectives as stated in the prospectus****Actual business progress for the period from  
1st April, 2003 to 30th September, 2003***Service development and enhancement*

- |   |   |
|---|---|
| – Continue to recruit reporters to enhance the content of the Group’s website                                   | – Recruitments have been made for replacements.   |
| – Launch simplified Chinese version of www.hk6.com  | – After performing the feasibility study during the period ended 31st March, 2003, the Group considered to postpone the launch of simplified Chinese version of www.hk6.com and continue to perform studies and researches for launching the service. |
| – Commence feasibility study on setting up an English version of www.hk6.com                                    | – Undergoing  |
| – Enhance computer equipments and software to improve the technological standard of the Group                   | – Undergoing  |
| – Explore alternative distribution networks for higher speed data transmission and capacity                     | – Undergoing  |
| – Produce financial programmes and broadcast on channels of the Group’s strategic alliances                     | – A financial programme broadcast on a channel in Hong Kong during the period   |
| – Commence feasibility study on setting up a video production team  | – Undergoing  |
| – Develop other value-added services to corporate clients to enhance their public exposure and market awareness | – Undergoing  |

**Business objectives as stated in the prospectus****Actual business progress for the period from  
1st April, 2003 to 30th September, 2003***Sales and marketing*

- |  |   |
|--|---|
| – Participate in exhibitions to increase public awareness  | – Due to the outbreak of Severe Acute Respiratory Syndrome (“SARS”), the Group postponed the promotion through participation in exhibitions.  |
| – Continue to recruit marketing executives to develop the Marketing and Communications Department of the Group                                     | – Recruitment has been made for replacement.  |
| – Organise seminars and courses to the public to increase their knowledge on financial markets and to build up the public awareness of www.hk6.com | – The Group has organised a course with a university in Hong Kong and confirmed to organise the second course with the university. In May 2003, the Group has finalised the terms to co-operate with another university in Hong Kong to provide courses in relation to financial market in Hong Kong.   |
| – Attract new www.hk6.com members through media channels such as television, newspaper, seminars and courses                                       | – Electronic newsletters were published during the period and distributed to the members of the Group’s website every week. During the period, the Group advertised through newspapers and the Group’s website and organised courses and seminars to the public in order to strengthen the public awareness of its brand name “HK6” and services. |
| – Explore potential customers in the PRC through strategic alliances   | – Undergoing  |
| – Explore potential clients such as listed companies and other entities seeking for listing status for value-added services                        | – Undergoing  |
| – Co-operate with the Group’s media channels partners to organise joint marketing programs   | – Undergoing  |

## **Business objectives as stated in the prospectus**

## **Actual business progress for the period from 1st October, 2003 to 31st March, 2004**

### *Development of strategic alliances and business partnerships in the PRC*

- Form strategic alliances with newspapers and other media channels in major cities in the PRC

- Continue producing television programmes and broadcasting on channels in the PRC

### *Media channels development and enhancement in Hong Kong*

- Continue to seek strategic alliances with other media channels in Hong Kong to broaden the networks of distributing multimedia financial information services

- On 12th March, 2004, Sino Key International Ltd., a wholly-owned subsidiary of the Company, has entered into a joint venture agreement with China Navigation Communication Co., Ltd., a company established in the PRC, to establish a joint venture in the PRC, which will be engaged in the business of provision of information services.

- The Group has also liaised with other potential partners in the PRC to form strategic alliances and business partnerships and further cooperative discussion is in progress.

- The Group has liaised with potential media channels in the PRC and further cooperative discussion is in progress.

- The Group has entered into agreements with several media channels in Hong Kong to broaden the networks of distributing the financial information.

- The Group has also liaised with other potential partners and further cooperative discussion is in progress.

**Business objectives as stated in the prospectus****Actual business progress for the period from 1st October, 2003 to 31st March, 2004***Service development and enhancement*

- |   |  |
|---|--|
| – Continue to recruit reporters to enhance the content of the Group’s website                                       | – Recruitments have been made for replacements.  |
| – Provide the China B Shares information on the Group’s website   | – The Group started to provide the financial news in the PRC on the Group website.   |
| – Launch English version of www.hk6.com   | – After performing the feasibility study during the period ended 30th September, 2003, the Group considered to postpone the launch of English version of www.hk6.com and continue to perform studies and researches for launching the service. |
| – Develop new web technologies for content management and distribution in order to support new features and content | – The Group has commenced the studies on the development of new web technologies for content management and distribution to cope with the change in the market.  |
| – Recruit a professional video production team to expand the video production business of the Group                 | – After performing the feasibility study during the period ended 30th September, 2003, the Group considered to postpone the setting up of a video production team.   |

*Sales and marketing*

- |   |   |
|---|---|
| – Continue to organise seminars and courses to build up public awareness  | – The Group has organised several courses in relation to the financial market in Hong Kong with a university in Hong Kong and will continue to organise courses with the university. The organisation of courses to public can strengthen the public awareness of its brand name “HK6”. |
| – Explore potential customers in the PRC through strategic alliances  | – Undergoing  |
| – Continue to explore potential clients such as listed companies and other entities seeking for listing status for value-added services | – Undergoing  |

## USE OF PROCEEDS

As at 31st March, 2004, the Group has incurred the following amounts to achieve the business objectives as set out in the Prospectus:

	<b>As stated in the Prospectus</b> <i>HK\$'000</i>	<b>Actual (from 15th November, 2002 to 31st March, 2004)</b> <i>HK\$'000</i>
Development of strategic alliances and business partnerships in the PRC	4,600	4,623
Media channels development and enhancement in Hong Kong	2,600	0
Service development and enhancement	6,100	777
Sales and marketing	1,600	653
General working capital	2,000	1,587
Net fund raised/used	<u>16,900</u>	<u>7,640</u>

The remaining net proceeds have been placed in licensed banks in Hong Kong as short-term deposits.

## DIRECTORS' SERVICE CONTRACTS

Each of the executive directors has entered into a service contract with the Company. The employment of each executive director under his or her service contract shall be continuous subject to termination by either party to the contract serving written notice to the other to terminate such employment to take effect three months from the date of service of such notice.

Save as disclosed above, none of the directors being proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company or any of its subsidiary companies which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

## DIRECTORS' INTERESTS IN CONTRACTS

Apart from the directors' service contracts disclosed above, no directors had a significant beneficial interest, whether directly or indirectly, in any contracts of significance to the business of the Group to which the Company or any of its subsidiary companies were a party at the end of the year or any time during the year.

## Interests and Short Positions of Directors and Chief Executives in Shares and Underlying Shares and Debentures

As at 31st March, 2004, the interests and short positions of the Directors and the chief executives in the shares and underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the “SFO”)) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules were as follows:

Name of Director	Number of shares held					Number of underlying shares			Approximate percentage of the issued share capital of the Company
	Personal interests	Corporate interests	Family interests	Other interests	Total interests in shares	Pre-IPO Share Option Scheme	Share Option Scheme	Aggregate interests	
	<i>(Note)</i>								
Chan Tan Lui, Danielle	240,000	107,079,195	-	-	107,319,195	2,500,000	4,000,000	113,819,195	28.45%
Wu Wing Kin (resigned on 8th June, 2004)	-	-	-	-	-	3,500,000	400,000	3,900,000	0.98%
Kwok Chi Kin (resigned on 18th May, 2004)	-	-	-	-	-	1,500,000	3,000,000	4,500,000	1.13%
Yip Tai Him	-	-	-	-	-	-	400,000	400,000	0.10%
Guo Qi	-	-	-	-	-	-	400,000	400,000	0.10%

*Note:* These shares are held by Superhero Limited, which is wholly-owned by Ms. Chan Tan Lui, Danielle.

Save as disclosed above, none of the Directors or the chief executives has any interests or short positions in the shares and underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules as at 31st March, 2004.

## Interests and Short Positions of Shareholders in Shares and Underlying Shares

As at 31st March, 2004, the interests and short positions of shareholders (other than the Directors and chief executives of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name of Shareholder	Capacity	Number of shares held		Number of underlying shares		Approximate percentage of the issued share capital of the Company
		Interests in shares	Pre-IPO Share Option Scheme	Share Option Scheme	Aggregate interests	
Superhero Limited ( <i>Note</i> )	Beneficial owner	107,079,195	–	–	107,079,195	26.77%
Chan Tan Lui, Danielle ( <i>Note</i> )	Beneficial owner & interest of a controlled corporation	107,319,195	2,500,000	4,000,000	113,819,195	28.45%
Fu Shing Ki	Beneficial owner	97,001,144	–	–	97,001,144	24.25%
Chan Wong Kam Fung, Cecilia	Beneficial owner	71,265,798	–	–	71,265,798	17.82%

*Note:* Superhero Limited is a company wholly-owned by Ms. Chan Tan Lui, Danielle. By virtue of the SFO, Ms. Chan Tan Lui, Danielle, is deemed to have interest of 107,079,195 shares in the Company held by Superhero Limited in addition to 240,000 shares of the Company held by herself.

Save as disclosed above, as at 31st March, 2004, the Company had not been notified of any shareholders' interests or short position, being 5% or more of the issued share capital of the Company, other than those of the Directors and chief executives of the Company.

### Share Option Schemes

Prior to the listing of the Company's shares on GEM, the Board was authorised to grant options to certain directors, a consultant, a management shareholder and certain employees of the Group to subscribe for an aggregate of 20,000,000 ordinary shares in the Company, representing 5% of the shares of the Company in issue as at 31st March, 2004, under the terms of the pre-IPO share option scheme on 28th October, 2002 (the "Pre-IPO Share Options Scheme") and the price payable for each share on exercise of such options granted is HK\$0.21, representing 70% of the offer price per share of the Company to the public.

The purpose of the Pre-IPO Share Option Scheme is to recognise the contribution of certain directors, consultant, management shareholder and certain employees of the Group to the business and growth of the Group.

Save for the options which have been granted under the Pre-IPO Share Option Scheme (see below) on or before 28th October, 2002, no further options may be offered, accepted or granted thereunder after 28th October, 2002.

The options granted under the Pre-IPO Share Option Scheme were granted to the relevant grantees subject to the receipt by the Company of the sum of HK\$1.00 by way of consideration for grant thereof to such grantee.

Particulars of the outstanding options which have been granted under the Pre-IPO Share Option Scheme as at 31st March, 2004 were as follows:

Name or category of participant	Date of grant	Exercisable period	Exercise price per share	At 1st April, 2003	Number of share options				At 31st March, 2004
					Options granted during the year	Options exercised during the year	Options lapsed during the year <sup>(2)</sup>	Options cancelled during the year	
<i>Directors</i>									
Chan Tan Lui, Danielle	28th October, 2002	15th November, 2003 to 14th November, 2005 <sup>(1)</sup>	0.21	2,500,000	-	-	-	-	2,500,000
Wu Wing Kin (resigned on 8th June, 2004)	28th October, 2002	15th November, 2003 to 14th November, 2005 <sup>(1)</sup>	0.21	3,500,000	-	-	-	-	3,500,000
Kwok Chi Kin (resigned on 18th May, 2004)	28th October, 2002	15th November, 2003 to 14th November, 2005 <sup>(1)</sup>	0.21	1,500,000	-	-	-	-	1,500,000
Tang Sing Hing, Kenny (resigned on 18th March, 2004)	28th October, 2002	15th November, 2003 to 14th November, 2005 <sup>(1)</sup>	0.21	1,500,000	-	-	-	-	1,500,000
<i>Consultant</i>									
Chan Wing Luk	28th October, 2002	15th November, 2003 to 14th November, 2005 <sup>(1)</sup>	0.21	2,500,000	-	-	-	-	2,500,000
<i>Management Shareholder</i>									
Cheng Kin Sang <sup>(3)</sup>	28th October, 2002	15th November, 2003 to 14th November, 2005 <sup>(1)</sup>	0.21	500,000	-	-	-	-	500,000
<i>Other employees</i>									
In aggregate	28th October, 2002	15th November, 2003 to 14th November, 2005 <sup>(1)</sup>	0.21	8,000,000	-	-	(2,100,000)	-	5,900,000
				20,000,000	-	-	(2,100,000)	-	17,900,000

(1) Under the terms of the options granted under the Pre-IPO Share Option Scheme, these options can only be exercised by the grantees in the following manner:

<i>Commencement date when the options become exercisable</i>	<i>Proportion of options granted under the Pre-IPO Share Option Scheme that can be exercised</i>
<i>the date falling 12 months after 15th November, 2002</i>	50%
<i>the date falling 18 months after 15th November, 2002</i>	25%
<i>the date falling 24 months after 15th November, 2002</i>	25%

(2) During the year, 2,100,000 share options were lapsed upon the resignation of several employees.

(3) Mr. Cheng Kin Sang sold his interest in the shares of the Company during the year and resigned as the director of hk6.com Limited on 11th May, 2004.

On 28th October, 2002, the Company conditionally adopted a further share option scheme (the “Share Option Scheme”). The Share Option Scheme became unconditional upon the listing of the Company’s shares on GEM on 15th November, 2002. Summary of the Share Option Scheme is as follows:

**(a) Purpose and Participants of the Share Option Scheme**

The purpose of the Share Option Scheme is to enable the Company to grant options to full-time employees, executive or officers, directors of the Group and any suppliers, contractors, consultants, agents and/or advisers who, in the absolute determination of the Directors, will contribute or have contributed to the Group (the “Eligible Participant”).

**(b) Maximum number of shares**

The maximum number of shares of the Company which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company must not exceed 10% of the the shares of the Company in issue immediately prior to the commencement of trading of the shares of the Company on GEM, which is equivalent to 40,000,000 shares. Shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of such share option scheme(s) will not be counted for the purpose of the 10% limit.

Subject to the issue of a circular by the Company and the approval of the shareholders of the Company (the “Shareholders”) in general meeting and/or such other requirements prescribed under the GEM Listing Rules from time to time, the Board may:

- (i) refresh this limit at any time to 10% of the shares of the Company in issue as at the date of the approval by the Shareholders in general meeting (options previously granted under any share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with such schemes or exercised options) will not be counted for the purpose of calculating the limit as refreshed).
- (ii) grant options beyond the 10% limit to Eligible Participants specifically identified by the Board whereupon the Company shall send a circular to the Shareholders containing, amongst others, a generic description of the specified participants who may be granted such options, the number and terms of the options to be granted and the purpose of granting options to the specified participants with an explanation as to how the options serve such purpose.
- (iii) notwithstanding the foregoing, the shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company at any time shall not exceed 30% of the shares of the Company in issue from time to time. No options shall be granted under any scheme(s) of the Company or any of its subsidiary companies if this will result in the 30% limit being exceeded.

**(c) Maximum number of options to any one individual**

The total number of shares of the Company issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme(s) of the Company (including exercised, cancelled and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the shares of the Company in issue as at the date of grant.

Any further grant of options in excess of this 1% limit shall be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting with such Eligible Participant and his associates (as defined in the GEM Listing Rules) abstaining from voting and/or other requirements prescribed under the GEM Listing Rules from time to time.

**(d) Price of shares**

The subscription price for a share of the Company in respect of any particular option granted under the Share Option Scheme (which shall be payable upon exercise of the option) shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of (a) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day (and for this purpose shall be taken to be the date of the Board meeting at which the Board proposes to grant the options); (b) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; and (c) the nominal value of a Share.

**(e) Granting options to connected persons**

Any grant of options to a director, chief executive or management shareholder or substantial shareholder of the Company or any of their respective associates (as defined in the GEM Listing Rules) is required to be approved by the independent non-executive Directors (excluding the independent non-executive Director who is the grantee of the options).

If the Company proposes to grant options to a substantial shareholder (as defined in the GEM Listing Rules) of the Company or any independent non-executive Director or their respective associates (as defined in the GEM Listing Rules) which will result in the number of shares of the Company issued and to be issued upon exercise of options granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of the offer of such grant:

- (i) representing in aggregate over 0.1% of the shares of the Company in issue on the date of the offer; and
- (ii) having an aggregate value in excess of HK\$5 million, based on the closing price of the shares of the Company at the date of each offer,

such further grant of options will be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting on a poll at which all connected persons (as defined in the GEM Listing Rules) of the Company shall abstain from voting, and/or such other requirements prescribed under the GEM Listing Rules from time to time. A connected person (as defined in the GEM Listing Rules) of the Company will be permitted to vote against the grant only if his intention to do so has been stated in the circular.

**(f) Time of exercise of option**

There is no general requirement that an option must be held for any minimum period before it can be exercised but the Board is empowered to impose at its discretion any such minimum period at the time of grant of any particular option. The date of grant of any particular option is the date when the duplicate offer document constituting acceptance of the option duly signed by the grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration is received by the Company, such date must be on or before the 30th day after the option is offered to the relevant grantee. The period during which an option may be exercised will be determined by the Board at its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the Share Option Scheme. Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years after the date of adoption of the Share Option Scheme by Shareholders by resolution at a general meeting.

Particulars of the outstanding options which have been granted under the Share Option Scheme as at 31st March, 2004 were as follows:

Name or category of participant	Date of grant	Exercisable period	Exercise price per share	At 1st April, 2003	Number of share options				At 31st March, 2004
					Options granted during the year	Options exercised during the year	Options lapsed during the year	Options cancelled during the year	
<i>Directors</i>									
Chan Tan Lui, Danielle	17th March, 2004 <sup>(1)</sup>	17th September, 2004 to 16th March, 2014	0.047	-	4,000,000	-	-	-	4,000,000
Wu Wing Kin (resigned on 8th June, 2004)	17th March, 2004 <sup>(1)</sup>	17th September, 2004 to 16th March, 2014	0.047	-	400,000	-	-	-	400,000
Kwok Chi Kin (resigned on 18th May, 2004)	17th March, 2004 <sup>(1)</sup>	17th September, 2004 to 16th March, 2014	0.047	-	3,000,000	-	-	-	3,000,000
Guo Qi	17th March, 2004 <sup>(1)</sup>	17th September, 2004 to 16th March, 2014	0.047	-	400,000	-	-	-	400,000
Yip Tai Him	17th March, 2004 <sup>(1)</sup>	17th September, 2004 to 16th March, 2014	0.047	-	400,000	-	-	-	400,000
<i>Other employees</i>									
In aggregate	17th March, 2004 <sup>(1)</sup>	17th March, 2005 to 16th March, 2014	0.047	-	13,300,000	-	-	-	13,300,000
<i>Other Eligible Participants</i>									
In aggregate	17th March, 2004 <sup>(1)</sup>	17th March, 2005 to 16th March, 2014	0.047	-	600,000	-	-	-	600,000
				-	22,100,000	-	-	-	22,100,000

(1) The closing price immediately before the date on which the option was granted was HK\$0.042.

## **Value of Share Options**

The options granted are not recognised in the financial statements until they are exercised. The directors consider that it is not appropriate to state the value of the share options granted during the year on the ground that a number of variables which are crucial for the valuation of the option value cannot be reasonably determined. Accordingly, the directors believe that any valuation of the share options based on a great number of speculative assumptions would not be meaningful and may be misleading to the shareholders.

## **SPONSOR'S INTERESTS**

As updated and notified by the Company's sponsor, Tai Fook Capital Limited (the "Sponsor"), as at 31st March, 2004, neither the Sponsor nor any of its respective directors, employees or associates (as referred to in note 3 to Rule 6.35 of the GEM Listing Rules) had any interests in the Company's shares.

Pursuant to the agreement dated 30th October, 2002 entered into between the Company and the Sponsor, the Sponsor has received and will receive a fee for acting as the Company's retained sponsor for the period from 15th November, 2002 to the earlier of 31st March, 2005 or the date on which the agreement is terminated upon the terms and conditions as set out therein the agreement.

## **COMPETING INTERESTS**

Mr. Tang Sing Hing, Kenny, who resigned as the executive director of the Company on 18th March, 2004 and sold his entire interest in shares of the Company during the year, is a well-known celebrity in financial industry and is from time to time being invited by different media such as television and radio channels as speaker or host of various financial programmes and seminars. He also contributes articles and journals to certain newspapers in Hong Kong.

The directors consider that the services carried out by Mr. Tang Sing Hing, Kenny in relation to the financial programmes and seminars hosting and financial journals writing in his personal capacity will not constitute any competition for the Group on the ground that such activities are carried out by Mr. Tang Sing Hing, Kenny as an individual talent and the scope of which is less comprehensive and the business model is different from that of the Group.

Save as disclosed above, 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 businesses of the Group.

## **SUBSEQUENT EVENTS**

No material subsequent events took place after 31st March, 2004.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

During the year ended 31st March, 2004, the Company or any of its subsidiary companies did not purchase, sell or redeem any of the shares of the Company.

## **AUDIT COMMITTEE**

The Company has established an audit committee on 28th October, 2002 with written terms of reference based on the guidelines set out in “A Guide for the Formation of an Audit Committee” of the Hong Kong Society of Accountants. It comprises an executive director, namely, Ms. Chan Tan Lui, Danielle and two independent non-executive directors, namely Mr. Yip Tai Him and Ms. Guo Qi. The primary duties of the audit committee are to review the Company’s annual report and accounts, half-yearly reports and quarterly reports and to provide advices and comments thereon to the Board. In addition, the audit committee considers any significant and unusual items that are, or may need to be, reflected in such reports and accounts and gives due consideration to any matters that have been raised by the Company’s qualified accountant, compliance officer and auditors. The audit committee is also responsible for reviewing and supervising the financial reporting process and the Group’s internal control system.

The audit committee has met four times during the year, reviewing the accounting principles and practices adopted by the Company and discussing internal controls and financial reporting matters including a review of the annual report for the year ended 31st March, 2004.

## **BOARD PRACTICES AND PROCEDURES**

During the year ended 31st March, 2004, the Company has complied with the Board Practices and Procedures as set out in Rules 5.34 to 5.45 of the GEM Listing Rules (if applicable).

The audited consolidated results of the Group for the year ended 31st March, 2004 together with the comparative figures for the year ended 31st March, 2003 are as follows:

## CONSOLIDATED INCOME STATEMENT

For the year ended 31st March, 2004

	<i>Note</i>	<b>2004</b> <b>HK\$</b>	2003 <i>HK\$</i>
<b>Turnover</b>	4	<b>2,693,048</b>	5,383,247
Cost of sales		<u>(487,022)</u>	<u>(2,401,503)</u>
Gross profit		<b>2,206,026</b>	2,981,744
Other revenue		<b>62,594</b>	38,610
Selling expenses		<b>(245,119)</b>	(112,097)
Administrative expenses		<b>(3,575,242)</b>	(2,470,130)
Other operating expenses		<u>(1,786,878)</u>	<u>(1,629,502)</u>
<b>Operating loss</b>	5	<b>(3,338,619)</b>	(1,191,375)
Finance costs		<u>–</u>	<u>(11,671)</u>
<b>Loss before taxation</b>		<b>(3,338,619)</b>	(1,203,046)
Taxation	6	<u>–</u>	<u>–</u>
<b>Loss attributable to shareholders</b>		<u><b>(3,338,619)</b></u>	<u>(1,203,046)</u>
<b>Loss per share – basic</b>	7	<u><b>HK0.83 cent</b></u>	<u>HK0.34 cent</u>
<b>Loss per share – diluted</b>	7	<u><b>N/A</b></u>	<u>N/A</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2004

	Note	Share capital HK\$	Share premium HK\$	Merger Reserve HK\$	Accumulated losses HK\$	Total HK\$
Balance as at 1st April, 2002		1,100	–	8,612,233	(9,113,101)	(499,768)
Issue of shares and its premium by Hong Kong Financial Institute Limited (formerly known as “Smart Talent Holdings Limited”) as a result of the conversion of bonds	9(a)	207	–	2,999,793	–	3,000,000
Issue of shares by HK6 Investment Limited to acquire Hong Kong Financial Institute Limited (formerly known as “Smart Talent Holdings Limited”) and hk6.com Limited	9(b)	20,389	–	(20,389)	–	–
Transfer share capital of Hong Kong Financial Institute Limited (formerly known as “Smart Talent Holdings Limited”) to merger reserve	9(b)	(1,307)	–	1,307	–	–
Issue of shares by HK6 Holdings Limited to acquire HK6 Investment Limited	9(c)	3,293,000	–	(3,293,000)	–	–
Transfer share capital of HK6 Investment Limited to merger reserve	9(c)	(20,389)	–	20,389	–	–
Issue of shares to a company for the advisory and consultancy services rendered	9(d)	7,000	–	–	–	7,000
Issue of shares and its premium by HK6 Holdings Limited at premium	9(e)	700,000	20,300,000	–	–	21,000,000
Share issue expenses	9(f)	–	(5,104,513)	–	–	(5,104,513)
Loss for the year		–	–	–	(1,203,046)	(1,203,046)
Balance as at 31st March, 2003		4,000,000	15,195,487	8,320,333	(10,316,147)	17,199,673
Loss for the year		–	–	–	(3,338,619)	(3,338,619)
<b>Balance as at 31st March, 2004</b>		<b>4,000,000</b>	<b>15,195,487</b>	<b>8,320,333</b>	<b>(13,654,766)</b>	<b>13,861,054</b>

## NOTES

### 1. GROUP REORGANISATION

HK6 Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 23rd May, 2002 as a company with limited liability under the Companies Law (2001 Second Revision) of the Cayman Islands. Pursuant to the Group reorganisation (the “Reorganisation”) implemented on 28th October, 2002, to rationalise the structure of the Group in preparation for the listing of the Company’s shares on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited, the Company became the holding company of HK6 Investment Limited, Hong Kong Financial Institute Limited (formerly known as “Smart Talent Holdings Limited”), hk6.com Limited and HK6 Media Limited. This was accomplished by the Company acquiring the entire issued share capital of HK6 Investment Limited, in consideration for the allotment and issue of 329,299,990 shares of HK\$0.01 each in the share capital of the Company, credited as fully paid, to the former shareholders of HK6 Investment Limited. Further details of the Reorganisation are set out in note 18 to the financial statements and in the Company’s prospectus dated 31st October, 2002.

The shares of the Company were listed on GEM on 15th November, 2002.

The principal activities of the Company is investment holding. During the year, the Group was principally engaged in the operation of financial website, production of financial programmes and videos and the provision of financial information and investor education.

### 2. ADOPTION OF NEW STATEMENTS OF STANDARD ACCOUNTING PRACTICE

In the current year, the Group has adopted the revised Statement of Standard Accounting Practice (“SSAP”) 12 issued by the Hong Kong Society of Accountants.

The revision to SSAP 12 (Revised) “Income taxes” has introduced a new basis of accounting for income taxes (including both current taxation and deferred taxation). The principal effect of the implementation of SSAP 12 (Revised) relates to deferred taxation. On adoption of the revised SSAP 12, deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. As the adoption of SSAP 12 (Revised) has no material effect on the results for the current or prior accounting periods, no prior period adjustment is required.

### 3. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES

#### (a) *Basis of preparation*

These financial statements have been prepared in accordance with Hong Kong Statements of Standard Accounting Practice, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These have been prepared under the historical cost convention.

#### (b) *Basis of presentation and consolidation*

The consolidated financial statements have been prepared using the merger basis of accounting as a result of the Reorganisation. Under this basis, the Company has been treated as the holding company of its subsidiary companies for the financial years presented rather than from the date of their acquisition. Accordingly, the consolidated results of the Group for the years ended 31st March, 2003 and 2004 include the results of the Company and its subsidiary companies with effect from 1st April 2002 or since their respective dates of incorporation, where this is a shorter period.

In the opinion of the directors, the consolidated financial statements prepared on the above basis present more fairly the results and the state of affairs of the Group as a whole.

All significant intercompany transactions and balances within the Group are eliminated in the preparation of the consolidated financial statements.

#### 4. SEGMENT INFORMATION

The Group is principally engaged in providing real-time financial news and up-to-date financial market commentaries and recommendations through multimedia, financial programme and video production services, and financial seminars and courses. In accordance with the Group's operating activities, the primary segment reporting is by business segments. No analysis by geographical segment is presented as the Group's turnover and results are substantially derived from Hong Kong.

The following tables present revenue, results and certain assets, liabilities and expenditure information for the Group's business segments.

Segment revenue and results for the years ended 31st March, 2004 and 31st March, 2003:

	Financial information		Financial programme and video production		Financial seminars and courses		Total	
	2004 HK\$	2003 HK\$	2004 HK\$	2003 HK\$	2004 HK\$	2003 HK\$	2004 HK\$	2003 HK\$
Turnover	<u>1,426,972</u>	1,423,404	<u>188,000</u>	3,347,000	<u>1,078,076</u>	612,843	<u>2,693,048</u>	<u>5,383,247</u>
Segment results	<u>1,359,597</u>	<u>1,373,688</u>	<u>14,300</u>	1,373,110	<u>832,129</u>	234,946	<u>2,206,026</u>	2,981,744
Other revenue							<u>62,594</u>	38,610
Unallocated costs							<u>(5,607,239)</u>	<u>(4,211,729)</u>
Operating loss							<u>(3,338,619)</u>	(1,191,375)
Finance costs							<u>-</u>	<u>(11,671)</u>
Loss before taxation							<u>(3,338,619)</u>	(1,203,046)
Taxation							<u>-</u>	<u>-</u>
Loss attributable to shareholders							<u>(3,338,619)</u>	<u>(1,203,046)</u>

There are no significant sales or other transactions between the business segments.

Segment assets and liabilities as at 31st March, 2004 and 31st March, 2003:

	Financial information		Financial programme and video production		Financial seminars and courses		Total	
	2004	2003	2004	2003	2004	2003	2004	2003
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Segment assets	<u>18,440</u>	114,852	<u>534,369</u>	224,500	–	26,010	<u>552,809</u>	365,362
Unallocated assets							<u>14,572,847</u>	17,276,621
Total assets							<u>15,125,656</u>	<u>17,641,983</u>
Segment liabilities	<u>88,295</u>	26,930	<u>653,400</u>	219,000	<u>375,920</u>	26,910	<u>1,117,615</u>	272,840
Unallocated liabilities							<u>146,987</u>	169,470
Total liabilities							<u>1,264,602</u>	<u>442,310</u>
Other information:								
Unallocated capital expenditure							<u>382,985</u>	34,230
Depreciation							<u>275,258</u>	<u>403,040</u>

## 5. OPERATING LOSS

Operating loss is stated after crediting and charging the following:

	2004	2003
	HK\$	HK\$
<b>Crediting:</b>		
Interest income	62,594	38,610
Bad debts recovered	3,720	–
<b>Charging:</b>		
Auditors' remuneration	90,000	90,000
Provision for doubtful debts	–	35,794
Depreciation	275,258	403,040
Operating leases in land and buildings	446,664	175,968
Retirement benefit costs	101,223	90,465
Staff costs (including directors' remuneration but excluding retirement benefit costs)	<u>2,798,446</u>	<u>2,069,003</u>

## 6. TAXATION

The Group's business is operated in Hong Kong and is subject to Hong Kong profits tax at the rate of 17.5% (2003: 16%). No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits for the year.

The nil provision for the year can be reconciled from taxation based on the loss per income statement as follows:–

	<b>2004</b> <i>HK\$</i>	2003 <i>HK\$</i>
Loss before taxation	<b><u>(3,338,619)</u></b>	<u>(1,203,046)</u>
Tax at the domestic tax rate of 17.5% (2003: 16%)	<b>(584,258)</b>	(192,487)
Tax effect of non-deductible expenses	<b>52,449</b>	78,307
Tax effect of non-taxable revenue	<b>(860)</b>	(1,130)
Tax effect of prior year's tax losses utilized this year	<b>(37,147)</b>	(29,618)
Tax effect of unused tax losses not recognised	<b>591,882</b>	151,408
Others	<b><u>(22,066)</u></b>	<u>(6,480)</u>
Tax charge for the year	<b><u>–</u></b>	<u>–</u>

## 7. LOSS PER SHARE

The calculation of the basic loss per share for the year ended 31st March, 2004 is based on the consolidated net loss attributable to shareholders of HK\$3,338,619 (2003: HK\$1,203,046) and the weighted average number of 400,000,000 (2003: 356,250,000) ordinary shares in issue during the year.

No diluted loss per share has been presented as the Company has no dilutive potential shares.

## 8. DIVIDENDS

No dividends have been paid or declared by the Company during the year (2003: Nil).

## 9. NOTES TO THE STATEMENT OF CHANGES IN EQUITY

The Reorganisation, which altered the compositions of the equity, was executed and was detailed as follows:

- (a) On 10th June, 2002, a total of 207 shares of HK\$1.00 each in the share capital of Hong Kong Financial Institute Limited (formerly known as "Smart Talent Holdings Limited") were allotted and issued to the bondholders credited as fully paid at an aggregate consideration of HK\$3,000,000 upon these bondholders' exercise of the conversion rights under the bonds issued by Hong Kong Financial Institute Limited (formerly known as "Smart Talent Holdings Limited") in 2000.
- (b) On 27th August, 2002, HK6 Investment Limited acquired the entire issued share capital of hk6.com Limited from Hong Kong Financial Institute Limited (formerly known as "Smart Talent Holdings Limited") by allotting and issuing 1,305 shares of US\$1.00 each to the shareholders of Hong Kong Financial Institute Limited (formerly known as "Smart Talent Holdings Limited"). On 29th August, 2002, HK6 Investment Limited acquired the entire issued share capital of Hong Kong Financial Institute Limited (formerly known as "Smart Talent Holdings Limited") from its shareholders through the issuance of 1,307 shares of US\$1.00 each in HK6 Investment Limited. As such, HK6 Investment Limited became the holding company of the Group.

- (c) On 28th October, 2002, HK6 Holdings Limited acquired the entire issued share capital of HK6 Investment Limited from its shareholders and 329,299,990 shares were allotted and issued as consideration for the acquisition, all credited as fully paid at par. HK6 Holdings Limited became the holding company of HK6 Investment Limited, Hong Kong Financial Institute Limited (formerly known as “Smart Talent Holdings Limited”), hk6.com Limited and HK6 Media Limited since 28th October, 2002.
- (d) On 28th October, 2002, the Company issued 700,000 new shares to a company in satisfaction of HK\$210,000 being the service fee for the public relations advisory and consultancy services rendered in connection to the preparation of listing of the shares in the capital of the Company on GEM of The Stock Exchange of Hong Kong Limited.
- (e) On 15th November, 2002, 70,000,000 shares of HK\$0.01 each were issued to the public at HK\$0.30 each for cash consideration of HK\$21,000,000.
- (f) The amount of share issuance expenses of HK\$5,104,513 were offset against the share premium from the public offer of the Company’s share capital.

The Board comprises of:

Ms. Chan Tan Lui, Danielle (*Executive Director and Chairman*)

Mr. Choo Kwok How (*Executive Director*)

Ms. Guo Qi (*Independent Non-executive Director*)

Mr. Yip Tai Him (*Independent Non-executive Director*)

On behalf of the Board  
**Chan Tan Lui, Danielle**  
*Chairman*

Hong Kong, 21st June, 2004

*This announcement will remain at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting.*