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HK6 HOLDINGS LIMITED

駿陸控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8206)

CONTINUING CONNECTED TRANSACTION

The Board announce that, on 23rd September, 2004, the Joint Venture, a sino-foreign equity joint venture established in the PRC by Sino Key and China Communication, has entered into the Agreement with China Communication, under which, the Joint Venture and China Communication will establish the Platform which will provide financial information and general information services to telephone users, mobile phone users, internet users and cable television users through the Network operated by China Communication.

China Communication is a company established in the PRC engaged in the application of network technology in information and telecommunication systems and the design, operation and software development of application systems of global positioning system, a radio navigation system that allows land, sea, and airborne users to determine their exact location, velocity, and time 24 hours a day, in all weather conditions, anywhere in the world.

China Communication is owned as to 8% by 北京龍騰興達導航定位技術有限公司 (Beijing LongTengstar Navigation Technology Co., Ltd), 62% by 黑龍江天地數碼科技有限公司 (Heilongjiang TianDi Digital Science & Technology Co., Ltd) and 30% by 中國海外貿易投資有限公司 (China National Overseas Trading Investment Co., Ltd). As China Communication is a controlling shareholder holding 51% interests in the Joint Venture, therefore it is a connected person according to the GEM Listing Rules. Transactions contemplated under the Agreement constitute continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

As the maximum amount of the annual consideration for each of the three years ending 31st March, 2007 under the Agreement is expected to be less than HK\$10,000,000 and is less than 25% of the applicable percentage ratios of the Company. Under rule 20.34 of the GEM Listing Rules, the transaction is therefore subject to the reporting and announcement requirements set out in rules 20.45 to 20.47 of the GEM Listing Rules and is exempt from the independent shareholders' approval requirements. The Company is required to publish this announcement and include the details of the Agreement in the next published annual report and accounts of the Company. The Company will make further announcements if necessary on future developments in relation to Agreement and will continue to comply with requirements of the GEM Listing Rules.

* For identification purpose only

THE AGREEMENT

Date of the Agreement

23rd September, 2004

Parties

1. China Communication; and
2. the Joint Venture

Scope of the Agreement

Pursuant to the Agreement, the Joint Venture and China Communication will establish an information platform (the “Platform”). Leverage on China Communication’s network resources and its telecommunication operator status, the Platform will aggregate financial information and other information which will be sourced from different content providers and dispatched to fixed line users, mobile phone users, internet users and cable television users through the Communications Network (公眾通信專網) (the “Network”) operated by China Communication.

The Network, after its completion in 2008, will be a nationwide and advances broadband optical fiber transmission network. It will integrate and connect with six main telecommunication networks, including China Telecom Corporation, China Mobile Communications Corporation, China Unicom Limited, China Satellite Communications Corporation, China Tietong Telecommunications Corporation, China Netcom International Corporation Ltd as well as China Broadcast and Television Network (中國廣播電視網絡). Through this Network, the information can be sent to the end users of mobile communications, fixed line communications, personal handy-phone system (“PHS”), data network and internet.

The Network is the asset of China Communication. China Communication will be solely responsible for the Network construction. As there is no investment cost for the Joint Venture in the construction of the Network, the Directors consider that if the contract is not renewed after Sep 2007, the impact on the Company and its shareholders will be only on the expected revenue stream of the Company under this Agreement.

As at the date of this announcement, the Network has already covered several main PRC cities, including, Beijing, Tianjin, Shanghai, Shenzhen, Guangzhou, Ha Erbin, Qiqi Haer, Da Lian, Chang Chun, Hai Kou, Xi An, Chung Qing, Shen Yang and Wu Han, etc.

Term of the Agreement

Under the Agreement, the Joint Venture will be responsible for providing financial and securities information, integrated consultancy services and technical support to the Platform. China Communication will be responsible for content management and distribution, membership and customer service as well as payment collection.

Any service fee from the Platform, after deduction of any third parties cost such as charges from content providers or telecommunication operators will be shared by China Communication and the Joint Venture with the ratio of 70%:30%. The ratio is determined on the general market practice in the telecommunication industry and based on the similar arrangement entered into between the Group and one of the PRC telecommunication network operators previously, as well as the responsibilities of both parties under this agreement. The Directors believe that the transaction contemplated under the Agreement is in the normal course of business of the Group and the terms of the Agreement were negotiated on an arm's length basis between China Communication and the Joint Venture, which the Directors consider to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Agreement commenced on 23rd September, 2004 and will expire on 22nd September, 2007. Upon expiry of the Agreement, the parties will use their best efforts to renew the Agreement or enter into a new agreement with each other on terms to be mutually agreed, subject to compliance with all applicable laws and regulatory rules.

Expected annual cap

The Directors believe that the amount of fees received by the Joint Venture under the Agreement will not exceed the following cap amount (the "Annual Cap") for each of the three years 31st March, 2007:

	For the year ended 31st March, 2005	For the year ended 31st March, 2006	For the year ended 31st March, 2007
Annual Cap	HK\$135,000	HK\$540,000	HK\$630,000

The Annual Cap has been determined by the directors of the Joint Venture with reference to an estimation of prospective users of China Communication in which the Joint Venture will receive a service fee which is with a price ranged from HK\$0.05 to HK\$0.15 per user per month. The estimation of the service fee is based on the historical service fee and market price of the existing similar value-added service provided in the PRC telecommunication industry and it will be adjusted according to the market situation.

As the Network is connected to the six main telecommunication networks, the users of these telecommunication networks are also the potential users of the Platform. Currently, the total number of the telecommunication users in China (including the users of GSM, CDMA and PHS) has exceed 200 million. At this moment, the Network can reach around 40 million potential users as the Network construction has not yet fully completed. Although there is a large number of potential users, according to a similar arrangement entered into between the Group and one of the PRC telecommunication network operators, an independent third party, only a small proportion of telecommunication users subscribed this type of value-added service at the initial stage of operation. The Director therefore estimated the number of users who subscribe the information services would be around 150,000 for the first year, which is about 0.3% of our total potential telecommunication users and the number of subscribers is expected to increase steadily and up to around 300,000 and 350,000 for the year 2006 and 2007 respectively.

In determining the projections, the directors of the Joint Venture has also taken into account the following factors which are expected to result in the projected increase of consideration:

1. expected increase in public awareness of the Platform; and
2. expected increase in the need of financial information by the public

The Directors believe that with the economic development and the open market policy in the PRC, there will be an increase in demand of financial news and information. By leverage on the expansion of the communications network of China communication in the next few years, the Directors believe that there will be an increase in public awareness of the Platform and the number of users of the Platform is expected to increase steadily.

INFORMATION ON THE GROUP

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 the financial market in Hong Kong.

INFORMATION ON CHINA COMMUNICATION

China Communication is a company established in the PRC engaged in the application of network technology in information and telecommunication systems and the design, operation and software development of application systems of global positioning system, a radio navigation system that allows land, sea, and airborne users to determine their exact location, velocity, and time 24 hours a day, in all weather conditions, anywhere in the world.

INFORMATION ON THE JOINT VENTURE

The Joint Venture was established on 29th January, 2004 in Beijing. The Group has made an announcement and has sent circular to its shareholders regarding its establishment on 1st December, 2003 and 18th December, 2003 respectively. The Joint Venture is mainly engaged on (i) development of media channels in the PRC for provision of information services; (ii) investing in the construction and operation of the Joint Venture website as a media channel for provision of information services; (iii) investing in the development of media channels for provision of information service with the cellular telephone networks in the PRC; (iv) providing information services relating to Hong Kong and global through the media channels in the PRC; (v) providing localised PRC information services through the media channels in the PRC; and (vi) providing localised PRC information services through the media channels in Hong Kong.

REASONS FOR AND BENEFITS ARISING FROM THE AGREEMENT

The Directors consider that by cooperate with China Communication, the company can leverage on the well established communications network operated by China Communication and can extend its operation coverage not only geographically but also into different type of end users. In line with the expansion of the network coverage of China Communications, the Directors believe the number of users will grow steadily and the Platform will have great prospects in the future.

GENERAL

As China Communication is a controlling shareholder holding 51% interests in the Joint Venture, therefore it is a connected person according to the GEM Listing Rules. Transactions contemplated under the Agreement constitute continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules. As required under rule 20.34 of the GEM Listing Rules, the Agreement is subject to the reporting and announcement requirements set out in rules 20.45 to 20.47 of the GEM Listing Rules only as the aggregate annual consideration received is less than HK\$10,000,000 and 25% of applicable percentage ratio of the Company. The Company will make further announcements if the Annual Cap are exceeded or when the Agreement is renewed or there is a material change to the terms of the Agreement and will continue to strictly comply with the requirements of the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Agreement”	an agreement entered into between the Joint Venture and China Communication on 23rd September, 2004
“Board”	the board of the Directors
“China Communication”	神州通信有限公司 (前稱神州導航通信技術應用有限公司) (China Communication Co., Ltd., previously known as China Navigation Communication Co., Ltd.) (<i>Note 1</i>), a company established in the PRC, which holds 51% interests of the Joint Venture
“Company”	HK6 Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on GEM
“Director(s)”	the directors 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

“Joint Venture”	神州速達導航通信資訊(北京)有限公司, a sino-foreign equity joint venture established in the PRC by Sino Key and China Communication
“PRC”	the People’s Republic of China
“Sino Key”	Sino Key International Limited (駿陸中國有限公司) (<i>Note 2</i>), 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

Notes:

- (1) The English name of the company is only translation of its respective official Chinese name
- (2) For identification purpose only

By Order of the Board
Chan Tan Lui, Danielle
Chairman

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*)
 Mr. Chiu Kwok Ching (*Independent non-executive director*)

Hong Kong, 30th September, 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.