

TIGER TECH HOLDINGS LIMITED

老虎科技(控股)有限公司



TIGER TECH

GROWING REVENUE
THROUGH
DIVERSIFIED SOURCES

INTERIM REPORT

2004/2005

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 of the Stock Exchange 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 GEM website at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

This report, for which the directors of Tiger Tech Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) for the purpose of giving information with regard to Tiger Tech Holdings Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this report is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this report misleading; and (iii) all opinions expressed in this report have been arrived at after due and careful consideration and found bases and assumption that are fair and reasonable.

HIGHLIGHTS

- The Group recorded a turnover of approximately HK\$2.2 million for the six months ended 31 December 2004, representing a decrease of approximately HK\$10.5 million when compared with the same period in 2003.
- The Group recorded a loss attributable to shareholders of approximately HK\$7.3 million for the six months ended 31 December 2004.
- The Board of Directors does not recommend the payment of an interim dividend for the six months ended 31 December 2004.

FINANCIAL INFORMATION

Unaudited Consolidated Results

The Board (the "Board") of Directors (the "Directors") of Tiger Tech Holdings Limited (the "Company") is pleased to announce the unaudited consolidated financial results of the Company and its subsidiaries (together, the "Group") for the six months ended 31 December 2004 together with the comparative figures for the corresponding period ended in 2003 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2004

	Notes	For the three months ended 31 December		For the six months ended 31 December	
		2004 HK\$'000 (Unaudited)	2003 HK\$'000 (Unaudited) (Restated)	2004 HK\$'000 (Unaudited)	2003 HK\$'000 (Unaudited) (Restated)
Turnover	2	958	7,822	2,197	12,699
Other income		22	–	22	1,159
Changes in inventories		(1)	2,289	(266)	2,329
Purchase of merchandise		–	(8,025)	(714)	(10,716)
Employee benefits expense		(487)	(808)	(2,669)	(2,045)
Depreciation and amortisation		(319)	(512)	(541)	(1,024)
Other operating expenses		(2,348)	(3,841)	(5,355)	(6,450)
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Loss from ordinary activities					
before taxation	4	(2,175)	(3,075)	(7,326)	(4,048)
Taxation	5	–	–	–	–
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Loss for the period and attributable to equity holders of the parent		(2,175)	(3,075)	(7,326)	(4,048)
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Loss per share	6				
– Basic (HK cents)		(0.47)	(0.77)	(1.58)	(1.01)
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CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	31 December 2004 HK\$'000 (Unaudited)	30 June 2004 HK\$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		1,982	2,167
Intangible assets	8	-	-
Goodwill	9	-	-
Investment securities	10	-	-
Interests in jointly controlled entities		41	34
		2,023	2,201
Current assets			
Inventories		177	443
Trade and other receivables	11	2,527	4,225
Tax prepaid		2,225	1,322
Bank balances and cash		1,982	8,239
		6,911	14,229
Current liabilities			
Accrued charges and other creditors		1,729	1,899
		5,182	12,330
Net current assets			
		7,205	14,531
NET ASSETS			
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Issued capital		4,650	4,650
Reserves	12	2,555	9,881
		7,205	14,531

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2004

	Attributable to the equity holders of the parent				Total
	Issued capital	Share premium	Capital reserve	Accumulated (losses) profits	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2003, as previously reported	4,000	14,588	(595)	6,587	24,580
Effect of adopting Hong Kong Accounting Standard 1	-	12,012	-	(12,012)	-
Net loss for the period (restated)	-	-	-	(4,048)	(4,048)
At 31 December 2003	4,000	26,600	(595)	(9,473)	20,532
At 1 July 2004	4,650	36,850	(595)	(26,374)	14,531
Net loss for the period	-	-	-	(7,326)	(7,326)
At 31 December 2004	4,650	36,850	(595)	(33,700)	7,205

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	For the six months ended 31 December	
	2004 <i>HK\$'000</i> (Unaudited)	2003 <i>HK\$'000</i> (Unaudited) (Restated)
Net cash used in operating activities	(5,901)	(7,456)
Net cash (used in) from investing activities	(356)	4,102
Net cash from financing activities	-	3,500
(Decrease)/increase in cash and cash equivalents	(6,257)	146
Cash and cash equivalents at beginning of period	8,239	8,590
Cash and cash equivalents at end of period, represented by bank balances and cash	1,982	8,736

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2004

1. Group Reorganisation and Basis of Preparation

The Company was incorporated as an exempted company with limited liability in Bermuda on 9 September 2002 under the Company Act 1981 of Bermuda (as amended). Pursuant to a group reorganisation (the "Reorganisation") to rationalise the group structure in preparation for the listing of the Company's shares on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited ("GEM"), the Company became the holding company of the Group upon completion of the Reorganisation on 13 March 2003. The shares of the Company were listed on GEM on 16 April 2003.

The unaudited condensed consolidated financial statements of the Group have been prepared in accordance with Statement of Standard Accounting Practice No. 25 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements set out in Chapter 18 of the Rules Governing the Listing of Securities on GEM. The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2004. The condensed consolidated financial statements for the six months ended 31 December 2004 should be read in conjunction with the 2004 annual report.

2. Turnover and Revenue

The Company is an investment holding company. The Group is principally engaged in the provision of Enterprise Thin Client Solutions, Customised Thin Client Application Solutions and Cable Network Thin Client Solutions.

Turnover and revenue recognized by category are as follows:

	For the three months ended 31 December		For the six months ended 31 December	
	2004 HK\$'000 (Unaudited)	2003 HK\$'000 (Unaudited) (Restated)	2004 HK\$'000 (Unaudited)	2003 HK\$'000 (Unaudited) (Restated)
Enterprise Thin Client Solutions				
– Sales of goods	2	7,041	296	10,476
– Royalty income	187	63	375	63
– Service income	-	15	-	15
	189	7,119	671	10,554
Cable Network Thin Client Solutions				
– Sales of goods	-	-	757	-
– Service income	769	-	769	-
	769	-	1,526	-
Customised Thin Client Application Solutions				
– Software license fee	-	703	-	2,145
	958	7,822	2,197	12,699

3. Segment Information

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

(a) Business segment

The Group comprises the following main business segments:

	Enterprise Thin Client Solutions		Customised Thin Client Application Solutions		Cable Network Thin Client Solutions		Group	
	For the six months ended		For the six months ended		For the six months ended		For the six months ended	
	31 December		31 December		31 December		31 December	
	2004 HK\$'000 (Unaudited)	2003 HK\$'000 (Unaudited)	2004 HK\$'000 (Unaudited)	2003 HK\$'000 (Unaudited)	2004 HK\$'000 (Unaudited)	2003 HK\$'000 (Unaudited)	2004 HK\$'000 (Unaudited)	2003 HK\$'000 (Restated)
Segment turnover from external customers	671	10,554	-	2,145	1,526	-	2,197	12,699
Segment results	(1,995)	1,847	-	3,094	512	-	(1,483)	4,941
Unallocated income							22	-
Unallocated expenses							(5,865)	(8,989)
Loss from ordinary activities before taxation							(7,326)	(4,048)
Taxation							-	-
Loss for the period and attributable to equity holders of the parent							(7,326)	(4,048)

3. Segment Information (Continued)

(a) Business segment (Continued)

	Enterprise Thin Client Solutions		Customised Thin Client Application Solutions		Cable Network Thin Client Solutions		Group	
	31 December 2004 HK'000 (Unaudited)	30 June 2004 HK'000 (Audited)	31 December 2004 HK'000 (Unaudited)	30 June 2004 HK'000 (Audited)	31 December 2004 HK'000 (Unaudited)	30 June 2004 HK'000 (Audited)	31 December 2004 HK'000 (Unaudited)	30 June 2004 HK'000 (Audited)
Assets								
Segment assets	469	1,734	-	-	1,612	2,205	2,081	3,939
Unallocated assets							6,853	12,491
Consolidated total assets							8,934	16,430
Liabilities								
Segment liabilities	569	365	-	-	40	-	609	365
Unallocated liabilities							1,120	1,534
Consolidated total liabilities							1,729	1,899

3. Segment Information (Continued)

(b) Geographical segment

In presenting information on the basis of geographical segment, segment revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the assets.

	Revenue from external customers		Segment assets		Capital expenditure incurred	
	For the six months ended 31 December		31 December	30 June	For the six months ended 31 December	
	2004 HK\$'000 (Unaudited)	2003 HK\$'000 (Unaudited) (Restated)	2004 HK\$'000 (Unaudited)	2004 HK\$'000 (Audited)	2004 HK\$'000 (Unaudited)	2003 HK\$'000 (Unaudited)
Hong Kong	296	8,754	4,449	12,918	-	-
Taiwan	-	1,347	-	-	-	-
USA	250	2,577	-	271	-	-
Singapore	125	21	-	-	-	-
PRC	1,526	-	4,485	3,241	356	-
	2,197	12,699	8,934	16,430	356	-

4. Loss from Ordinary Activities before Taxation

	For the six months ended 31 December	
	2004 HK\$'000 (Unaudited)	2003 HK\$'000 (Unaudited)
This is stated after charging:		
Contributions to defined contribution plan (included in employee benefits expense)	30	50
Research and development costs in respect of:		
Hardware and design fee	2,400	1,335
Employee benefits expense	-	231
Operating lease charges on premises	716	173
and after crediting:		
Write-back of provision for doubtful debts	-	(1,159)

5. Taxation

No provision for Hong Kong and the PRC profits tax has been made as the Group had no assessable profit for the six months ended 31 December 2004 (2003: Nil).

6. Loss per Share

The calculation of basic loss per share for the six months ended 31 December 2004 is based on the Group's unaudited consolidated loss attributable to the equity holders of the parent for the six months ended 31 December 2004 of HK\$7,326,000 (2003: HK\$4,048,000) and weighted average number of 465,000,000 (2003: 400,000,000) ordinary shares in issue during the period.

No diluted loss per share has been presented for the six months ended 31 December 2004 as there were no potential ordinary shares. No diluted loss per share has been presented for the six months ended 31 December 2003 because the exercise of the outstanding potential ordinary shares would have been anti-dilutive.

7. Dividend

The Directors do not recommend the payment of a dividend for the six months ended 31 December 2004 (2003: Nil).

8. Intangible Assets

The movements of intangible assets were:

	31 December 2004 HK\$'000 (Unaudited)	30 June 2004 HK\$'000 (Audited)
Carrying amount, beginning of period/year	-	5,719
Amortisation	-	(1,525)
Impairment recognised in the income statement	-	(4,194)
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Carrying amount, end of period/year	-	-
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9. Goodwill

The movements of goodwill were:

	31 December 2004 HK\$'000 (Unaudited)	30 June 2004 HK\$'000 (Audited)
Carrying amount, beginning of period/year	-	-
Additions	-	1,407
Amortisation	-	(468)
Impairment recognised in the income statement	-	(939)
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Carrying amount, end of period/year	-	-
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10. Investment Securities

The movements of investment securities were:

	31 December 2004 HK\$'000 (Unaudited)	30 June 2004 HK\$'000 (Audited)
Carrying amount, beginning of period/year	-	-
Additions of unlisted shares	-	2,590
Impairment recognised in the income statement	-	(2,590)
	<hr/>	<hr/>
Carrying amount, end of period/year	-	-
	<hr/> <hr/>	<hr/> <hr/>

11. Trade and Other Receivables

	31 December 2004 HK\$'000 (Unaudited)	30 June 2004 HK\$'000 (Audited)
Trade receivables		
From third parties	1,904	2,696
Other receivables		
Deposits, prepayments and other debtors	623	1,529
	<hr/>	<hr/>
	2,527	4,225
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The Group has no specific credit policy. However, the Group normally allows one to six months repayment period to its customers. Aging analysis of trade receivables is as follows:

	31 December 2004 HK\$'000 (Unaudited)	30 June 2004 HK\$'000 (Audited)
0 - 30 days	809	2
31 - 90 days	-	203
91 - 180 days	1,095	2,220
Over 180 days	4	271
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	1,908	2,696
Provision for doubtful debts	(4)	-
	<hr/>	<hr/>
	1,904	2,696
	<hr/> <hr/>	<hr/> <hr/>

12. Reserves

The movements in the reserves of the Group are as follows:

	Share premium <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Accumulated (losses) profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 July 2003, as previously reported	14,588	(595)	6,587	20,580
Effect of adopting Hong Kong Accounting Standard 1	12,012	-	(12,012)	-
Net loss for the period (restated)	-	-	(4,048)	(4,048)
At 31 December 2003	26,600	(595)	(9,473)	16,532
Issued of shares for acquisition of investment securities	2,450	-	-	2,450
Issue of shares	7,800	-	-	7,800
Net loss for the period	-	-	(16,901)	(16,901)
At 30 June 2004	36,850	(595)	(26,374)	9,881
Net loss for the period	-	-	(7,326)	(7,326)
At 31 December 2004	36,850	(595)	(33,700)	2,555

13. Comparative Figures

Certain comparative figures have been reclassified and restated to conform to the presentation of the 2004 annual report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Turnover of the Group for the six months ended 31 December 2004 was approximately HK\$2.2 million, compared to the turnover of approximately HK\$12.7 million recorded in the first six months of last year, representing a decrease of HK\$10.5 million. The income for the period was mainly attributable from the sales of hardware and software products and the consultancy services provided to the customers in the PRC. During the period under review, the Group recorded no income for the provision of customised thin client application solutions as there was no renewal of the licensing agreement obtained after the expiration of contract with the two data providers in March 2004 and no new customer was secured since then. Net loss attributable to shareholders for this period was approximately HK\$7.3 million, increased by approximately HK\$3.3 million when compared to the last corresponding period, mainly due to the decrease in turnover recorded in this period.

BUSINESS REVIEW AND OUTLOOK

During the period under review, the Group continued to engage in the research, development, sales and implementation of Enterprise Thin Client Solutions, Customised Thin Client Application Solutions and Cable Network Thin Client Solutions. The Group provides its customers with thin client solutions by offering them a one stop solutions which include the design of thin client network architecture, development and provision of operating and application software and hardware, system integration as well as consultation services.

Owing to keen competition for the IT industry, turnover decreased substantially as compared to last corresponding period. Also, due to the suspension of trading of the Company's shares, the Company diverted more management time and resources in handling enquiries from different parties. As a result, the Group was not able to achieve a satisfactory result during the period under review.

Looking forward ahead, the management considers the global environment remains challenging. While the Group will continue to explore new business opportunities, the management will also implement rational cost control measures to improve the operating results of the Group in the coming quarters.

LIQUIDITY AND FINANCIAL RESOURCES

The Group primarily relies on the internal resources and the net proceeds from placing of the Company's shares as sources of funding for its operations. As at 31 December 2004, the Group's bank balances was approximately HK\$2 million (as at 30 June 2004: HK\$8.2 million). The Group had no credit facilities and bank borrowing as at 31 December 2004.

CAPITAL STRUCTURE

As at 31 December 2004, the Company's outstanding issued shares were 465,000,000. There has not been any change to the capital structure of the Company during the reporting period.

GEARING RATIO

As at 31 December 2004, the gearing ratio of the Group based on total liabilities over total assets was approximately 0.19 (as at 30 June 2004: approximately 0.12).

FOREIGN EXCHANGE EXPOSURE

During the period under review, the Group earned revenue and incurred costs and expenses mainly in Hong Kong dollars or United States dollars. As the exchange rate of United States dollars is officially pegged, no hedging or other alternatives have been implemented by the Group.

CHARGES ON GROUP ASSETS

As at 31 December 2004, none of the Group's assets were pledged to secure any banking facilities.

CONTINGENT LIABILITIES

As at 31 December 2004, the Group had no significant contingent liabilities.

ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT

Neither the Company, nor any of its subsidiaries had any significant acquisitions, disposals and investment during the period.

FUTURE PLANS FOR INVESTMENTS OR CAPITAL ASSETS AND SOURCES OF FUNDING

As at 31 December 2004, the Group had no future plans for material investments or capital assets.

EMPLOYEE INFORMATION

As at 31 December 2004, the Group had 12 employees. The total employees' remuneration for the six months ended 31 December 2004, including that of the Directors, amounted to approximately HK\$2.7 million (2003: HK\$2 million). The Group continues to provide remuneration package to employees according to market practices, their experience and performance. Other benefits include contribution of statutory mandatory provident fund for the employees and medical scheme. There has no major change on staff remuneration policies during the period.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The following is the comparison of the implementation plan of the Group's business objectives for the period from 1 July 2004 to 31 December 2004 and its actual progress. The Directors consider that the Group has followed its implementation plan as disclosed in the Prospectus. Nevertheless, in order to attain long-term business goals, the Group will review its business objectives and strategies on an on-going basis and makes adjustments as necessary.

Business objectives stated in the Prospectus	Actual progress as at 31 December 2004
Development and enhancement of thin client solutions	
<ul style="list-style-type: none"> - Continue its efforts on the development of wireless thin client - Promote leasing of Thin Client Terminals in other regions through channel distributors - Implement ASP model with Windows XP Embedded Enterprise Thin Client Solutions 	<ul style="list-style-type: none"> - Enhanced compatibility and stability of wireless thin client terminal - As price drop and relatively undersized of market demand for the leasing program, the Group has discontinued promoting the related services - One of the stock information providers has implemented our Windows XP Embedded Enterprise Thin Client Solutions with their ASP operation model

Business objectives stated in the Prospectus

Actual progress as at 31 December 2004

Development and enhancement of thin client solutions

- Alliances with ISP and telecommunication companies in different countries

- Searching for a telecommunication company as our business partner that will collaborate with the Group and increase the Group's result is still underway

Development of Cable Network Thin Client Solutions and Customised Thin Client Application Solutions

- Enhance version embedded operating system for cable Set Top Box and launch value-added services for Cable Network Thin Client Solutions
- Establish joint marketing program with distributors for Cable TV-headend equipment and accessories

- Further enriched the content of thin client Video-On-Demand system
- The Group concentrated to develop sales alliances, expand its market share and will continue to identify partners that will complement and enhance the Group's businesses

Business objectives stated in the Prospectus**Actual progress as at 31 December 2004****Distribution and Marketing Strategies**

(1) Recruit channel partners to increase sales penetration for thin client products:

- | | |
|--|--|
| - Expand sales force in the PRC | - The Group has established sales force in Beijing |
| - Sell payment gateway via DVB-C to banks | - The Group continued to promote payment gateway services |
| - Liaise with retailers for Cable Network Thin Client Solutions home shopping features | - Due to current inadequate demand for online home shopping, this project has been suspended |
| - With sizable household penetration, promote service to media | - Under current cost control campaign, the Directors consider that placing of television commercials in the PRC is too costly at this business development stage |

Business objectives stated in the Prospectus

Actual progress as at 31 December 2004

Distribution and Marketing Strategies

- Form alliances with advertising agencies for the promotion of data-on-cable services with use of the Group's on line push advertising and customer and data management software. On line push advertising software enables advertisements to be aired to a specific segment of Cable TV programmes viewers and at a specific time frame after conducting customer data research via customer and data management software

- Since the related on line push advertising campaign is under suspension, the promotion strategy is therefore postponed

(2) Brand recognition:

- Continue efforts in brand building through comprehensive marketing campaigns
- Participate in exhibitions and expos

- The Group has focused its marketing campaigns in Beijing
- The Directors concluded that participating in exhibitions could not achieve cost effectiveness at this stage

Business objectives stated in the Prospectus**Actual progress as at 31 December 2004****R & D**

- Enhance new version of all software products
 - Develop internet trading for commodities in the PRC
 - Expand thin client leasing models globally should such model prove successful locally
 - Start to develop online push advertising and customer and data management software for Cable Network Thin Client Solutions
- The Group is researching for the value-added services which can apply to each product and operation platforms.
 - After careful evaluation, the Directors consider such feature will be too costly to integrate into the PRC commodities Internet trading platform. The Directors may evaluate the situation in due course.
 - The Group continued to examine and improve the leasing models in order to launch a more cost-effective leasing program in the future
 - Since the market motivation of investing in Internet advertisement is over-estimated, this plan was not in the right time for execution.

USE OF PROCEEDS

Up to 31 December 2004, the net proceeds from the initial placing of the Company on 16 April 2003 had been utilised in line with the terms stipulated in the prospectus issued by the Company dated 31 March 2003 (the "Prospectus"), particulars of which are set out as follows:

	Proposed amount to be used up to 31 December 2004 as per prospectus HK\$'000	Actual amount used up to 31 December 2004 HK\$'000
Brand building		
– Marketing events in Asia	1,060	1,444
Marketing and promotion – Organise and conduct joint marketing activities with product suppliers and distributors	2,600	1,839
Sales – Setting up sales distribution channels and offices	3,900	2,556
Research and development	5,400	6,518
Inventory financing	2,500	714
General working capital	2,000	3,160
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Total	17,460	16,231
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The Directors consider that the amount of use of proceeds is only slightly different from those as planned in the prospectus under the actual course of business.

The remaining proceeds were placed with licensed banks and financial institutions in Hong Kong.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES OR SHORT POSITION IN SHARES AND UNDERLYING SHARES

As at 31 December 2004, the interests of the director or chief executives of the Company or their respective associates in shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or which are required, pursuant to Rules 5.46 to 5.66 of the GEM Listing Rules relating to securities transactions by directors, to be notified to the Company and the Stock Exchange were as follows:

Long position in shares of the Company:

Director	Personal interest	Family interests	Corporate interests	Total interests	Total interests as % of the issued share capital
Mr. Tony Hoo	4,000,000	–	242,832,000 <i>(Note)</i>	246,832,000	53.08%
Mr. Tang Tsz Hoo, Anthony	2,000,000	–	–	2,000,000	0.4%
Mr. Chow Kwok Keung	2,000,000	–	–	2,000,000	0.4%

Note: These shares were held as to 42,832,000 shares by Bestmind Associates Limited, a company incorporated in the British Virgin Islands, as to 100,000,000 shares by Precision Assets Limited, a company incorporated in the British Virgin Islands, and as to 100,000,000 shares by Timepiece Associates Limited, a company incorporated in the British Virgin Islands. The entire issued share capital of each of Bestmind Associates Limited, Precision Assets Limited and Timepiece Associates Limited is directly wholly owned by Mr. Tony Hoo, who is also the sole director of each of these companies.

Save as disclosed above, as at 31 December 2004, none of the directors or chief executives or their respective associates had any personal, family, corporate or other interests or short position in the shares, underlying shares and debentures of the Company or any of its associated corporation as defined in Part XV of the SFO or which, pursuant to Rules 5.46 to 5.66 of the GEM Listing Rules, are required to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the heading "Directors' and chief executives' interests in shares or short positions in shares and underlying shares" above, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them, or was the Company or any of its subsidiaries a party to any arrangement to enable the directors, their spouse or children under 18 years of age to acquire such rights in any other body corporate.

INTEREST OR SHORT POSITION DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

As at 31 December 2004, so far as was known to any directors or chief executives, the following interests of which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who were deemed to be directly or indirectly interested in 5% or more of the issued share capital of the Company, or which were recorded in register of interests required to be kept under Section 336 of the SFO or have otherwise notified to the Company were as follows:

Long position in shares of the Company:

Name	Capacity	Number of shares	Percentage shareholding
Bestmind Associates Limited (<i>Note</i>)	Beneficial owner	42,832,000	9.21%
Precision Assets Limited (<i>Note</i>)	Beneficial owner	100,000,000	21.51%
Timepiece Associates Limited (<i>Note</i>)	Beneficial owner	100,000,000	21.51%

Note: Bestmind Associates Limited, Precision Assets Limited and Timepiece Associates Limited are companies incorporated in the British Virgin Islands with limited liability. The entire issued share capital of each of Bestmind Associates Limited, Precision Assets Limited and Timepiece Associates Limited is directly wholly owned by Mr. Tony Hoo, who is also the sole director of each of these companies.

Saved as disclosed above, as at 31 December 2004, no person, other than the directors of the Company and chief executive of the Group, whose interests are set out in the section “Directors’ and chief executives’ interests in shares or short position in shares and underlying shares” above, had registered an interest or short position in the share capital, underlying shares and debentures of the Company that was required to be recorded pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

The Company has adopted a Share Option Scheme. The principle terms and conditions of the Share Option Scheme are set out in the section “Summary of the terms of the Share Option Scheme” in Appendix IV of the Prospectus. As at 31 December 2004, none of the options is granted under the Share Option Scheme.

SPONSOR’S INTEREST

Pursuant to a sponsor’s agreement dated 31 March 2003 entered into between the Company and CSC Asia Limited, CSC Asia Limited will receive a fee for acting as the Group’s sponsor for the period from 16 April 2003 to 30 June 2005.

At the date of this report, none of CSC Asia Limited, its directors, employees or associates have any interest in the shares of the Company, or any right to subscribe for or to nominate persons to subscribe for any share of the Company.

COMPETING INTERESTS

None of the Directors, substantial shareholders, management shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) is engaged in any business which competes or is likely to compete with the business of the Group and none of them has other conflicts of interests with the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the six months ended 31 December 2004.

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference in compliance with Rules 5.28 to 5.30 of the GEM Listing Rules. The Audit Committee comprises three independent non-executive directors, namely Mr. Kwok Ming Fai, Mr. Lam Din Kan and Mr. Chai Chi Keung. The Audited Committee is chaired by Mr. Kwok Ming Fai. The primary duties of the Audit Committee are to supervise the financial reporting process and internal control of the Company. The Audit Committee has reviewed the unaudited results of the Group for the six months ended 31 December 2004 and has provided advice and comment thereon.

BOARD PRACTICES AND PROCEDURES

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 for the six months ended 31 December 2004.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 31 December 2004, the Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has also made specific enquiry of all the Directors and the Company was not aware of any noncompliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors.

By Order of the Board
Tiger Tech Holdings Limited
Tony Hoo
Executive Director

Hong Kong, 4 February 2005