



TIGER TECH

TIGER TECH HOLDINGS LIMITED

老虎科技(控股)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8046)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2008

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. 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 Stock Exchange takes no responsibility for the contents of this announcement, 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 announcement.

This announcement, for which the directors of Tiger Tech Holdings Limited (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) 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 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.

* For identification purposes only

HIGHLIGHTS

- The Group recorded an unaudited turnover of approximately HK\$6.3 million for the three months ended 30 September 2008, representing a decrease of approximately 29.9% when compared with that of the same period in 2007.
- The Group recorded an unaudited loss attributable to equity holders of the Company of approximately HK\$9.3 million for the three months ended 30 September 2008.
- The acquisitions of Beijing Jinqiao Hengtai Technology Company Limited and Huzhou Maxium IC Design Co., Limited were completed shortly before the end of the quarter. The quarterly results had yet to reflect any significant contributions from these acquisitions.
- The Board does not recommend the payment of an interim dividend for the three months ended 30 September 2008.

RESULTS

The board of Directors (“the Board”) of Tiger Tech Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months ended 30 September 2008 together with the comparative unaudited figures for the corresponding period in 2007.

		Three months ended	
		30 September	
		2008	2007
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$'000	HK\$'000
Turnover	3	6,281	8,963
Cost of sales		(5,649)	(8,792)
Gross profit		632	171
Other income	3	4,722	497
Selling and marketing expenses		(146)	—
Other operating expenses		(12,630)	(1,636)
Loss from operations		(7,422)	(968)
Impairment loss on available-for-sale investments		(1,843)	—
Finance costs		—	—
Loss before income tax		(9,265)	(968)
Income tax	4	—	—
Loss for the period and attributable to equity holders of the Company		<u>(9,265)</u>	<u>(968)</u>
Attributable to:			
Equity holders of the Company		(9,265)	(968)
Minority interests		—	—
		<u>(9,265)</u>	<u>(968)</u>
Loss per share (expressed in HK cent per share)			
— basic	5	<u>(1.66)</u>	<u>(0.18)</u>
— diluted		<u>N/A</u>	<u>N/A</u>
Dividends	6	<u>—</u>	<u>—</u>

Notes:

1. General information

The Company was incorporated as an exempted company with limited liability in Bermuda on 9 September 2002 under the Companies Act 1981 of Bermuda (as amended). The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company is an investment holding company. The shares of the Company were listed on the GEM of the Stock Exchange on 16 April 2003.

2. Basis of preparation and accounting policies

The unaudited consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and comply with the applicable disclosure provisions of the GEM Listing Rules and the disclosure requirements of the Hong Kong Companies Ordinance.

The unaudited consolidated financial statements have been prepared on the historical cost basis except for the financial instruments, which are measured at fair value. The accounting policies and methods of computation used in the preparation of the unaudited consolidated financial statements are consistent with those used in the annual financial statements for the year ended 30 June 2008. These unaudited consolidated results should be read in conjunction with the Company's annual report for the year ended 30 June 2008.

The unaudited consolidated accounts have not been audited by the auditors of the Company, but have been reviewed by the Company's audit committee.

3. Turnover and revenue

Turnover and revenue recognised by category during the three months ended 30 September 2008 are as follows:

	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000
Turnover		
Sales of goods	<u>6,281</u>	<u>8,963</u>
	<u>6,281</u>	<u>8,963</u>
Other income		
Realised gain on disposal of available-for-sale investments	4,695	—
Bank interest income	<u>27</u>	<u>497</u>
	<u>4,722</u>	<u>497</u>

4. Income tax

Hong Kong profits tax has not been provided as the Company and its subsidiaries in Hong Kong have no assessable profits for the current and prior periods.

PRC foreign enterprise income tax has not been provided as the subsidiaries in PRC incurred losses for taxation purposes for the current and prior period.

5. Loss per share

Basic loss per share is calculated by dividing the loss attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Three months ended	
	30 September	
	2008	2007
	(Unaudited)	(Unaudited)
Loss attributable to the equity holders of the Company (HK\$'000)	<u>9,265</u>	<u>968</u>
Weighted average number of ordinary shares in issue (thousands)	<u>557,860</u>	<u>545,130</u>
Basic loss per share (HK cent per share)	<u><u>1.66</u></u>	<u><u>0.18</u></u>

No diluted loss per share has been presented for the three months ended 30 September 2008 because the only potential dilutive shares are those of the share options granted under the share option scheme of the Company but the conditions for the exercise of such options have not been met during the period. All share options were subsequently cancelled on 16 October 2008. There was no dilutive potential ordinary share during the three months ended 30 September 2007.

6. Interim dividend

The Board does not recommend the payment of an interim dividend for the three months ended 30 September 2008 (2007: Nil).

7. Reserves

	Attributable to equity holders of the Company							Total HK\$'000
	Share premium HK\$'000	Warrant reserve HK\$'000	Capital reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Investment valuation reserve HK\$'000	Share options reserve HK\$'000 <i>(Note)</i>	Accumulated losses HK\$'000	
Balance at 1 July 2007	36,850	—	(595)	45	—	—	(39,018)	(2,718)
Warrants issued	—	7,440	—	—	—	—	—	7,440
Exercise of warrants	73,470	(7,440)	—	—	—	—	—	66,030
Loss for the period	—	—	—	—	—	—	(968)	(968)
Balance at 30 September 2007	<u>110,320</u>	<u>—</u>	<u>(595)</u>	<u>45</u>	<u>—</u>	<u>—</u>	<u>(39,986)</u>	<u>69,784</u>
Balance at 1 July 2008	110,320	—	(595)	45	5,834	—	(54,856)	60,748
Shares issued	186,162	—	—	—	—	—	—	186,162
Change in fair value of available-for-sale investment	—	—	—	—	(5,153)	—	—	(5,153)
Recognition of equity settled share-based payments	—	—	—	—	—	5,825	—	5,825
Loss for the period	—	—	—	—	—	—	(9,265)	(9,265)
Balance at 30 September 2008	<u>296,482</u>	<u>—</u>	<u>(595)</u>	<u>45</u>	<u>681</u>	<u>5,825</u>	<u>(64,121)</u>	<u>238,317</u>

Note:

On 16 July 2008, a total of 55,000,000 share options were granted at a cash consideration of HK\$1 per grantee to the Director and eligible participants under the share option scheme of the Company approved on 13 March 2003 (the “Share Option Scheme”). Each option gives the holder the right to subscribe for one ordinary share of HK\$0.01 each of the Company at an exercise price of HK\$1.07. These share options were fully cancelled on 16 October 2008.

MANAGEMENT DISCUSSIONS AND ANALYSIS

Financial review

For the three months ended 30 September 2008, the Group recorded a consolidated turnover of approximately HK\$6.3 million, compared to approximately HK\$9.0 million for the corresponding period in the last financial year, representing a decrease of approximately 29.9%. This was a result of the decreased turnover of the trading of computer parts. As the acquisitions of Beijing Jinqiao Hengtai Technology Company Limited and Huzhou Maxium IC Design Co., Limited (collectively the “Jinqiao Hengtai and Huzhou Maxium acquisitions”) were only completed a few days prior to the period end, significant contributions from these acquisitions have yet to be reflected in the Group’s results in the first quarterly results.

Other operating expenses increased from approximately HK\$1.6 million to approximately HK\$12.6 million for the three months ended 30 September 2008 as compared to the corresponding period last year. The increases were mainly due to (i) the inclusion in the accounts of share based payment of approximately HK\$5.8 million related to the grant of the share options under the share option scheme of the Company, such share options were cancelled in October 2008; (ii) the professional fees of approximately HK\$2.7 million in relation to the acquisitions of two subsidiaries in September; and (iii) increase in staff costs and other operating costs as a result of expansion of operations.

The loss attributable to equity holders amounted to approximately HK\$9.3 million for the three months ended 30 September 2008, compared to loss attributable to equity holders of approximately HK\$1.0 million in the previous financial year. Basic loss per share was approximately HK1.66 cent, compared to basic loss per share of approximately HK0.18 cent for the corresponding period of the last financial year.

On 23 September 2008, the Group issued convertible notes in the aggregate principal amount of HK\$185,307,480 at the initial conversion price of HK\$0.34 (the “Convertible Notes”) upon the completion of the acquisitions of entire equity interests in Star Hub Investments Limited and Sino Will Limited (the Jinqiao Hengtai and Huzhou Maxium acquisitions respectively). Subsequently on 29 September 2008, the Company approved conversion notices in relation to the exercise of the conversion rights attached to the Convertible Notes (the “Conversion”). As a result of the Conversion, an aggregate of 545,022,000 new shares were issued by the Company on 30 September 2008. Further details are set out in the circular of the Company dated 29 August 2008 and the announcement of the Company dated 30 September 2008.

On 29 September 2008, the Group entered into a subscription agreement with King Castle Enterprises Limited, pursuant to which the Group was nominated to subscribe for the convertible bonds issued by China Sciences Conservational Power Limited in the principal amount of HK\$10,000,000. The convertible bonds have been issued to the Group on 30 September 2008. Details of the transactions are set out in the circular of the Company dated 29 October 2008.

As at 30 September 2008, the cash and bank balances of the Group amounted to approximately HK\$19.2 million. The gearing ratio of the Group, calculated as total borrowings to shareholders’ funds, was approximately 0.04 (2007: Nil).

Business review and prospects

The Group was principally engaged in the trading of computer parts in Hong Kong during the three months ended 30 September 2008. Following the completion of the Jinqiao Hengtai and Huzhou Maxium acquisitions on 23 September 2008, the Group's core business is augmented to include research, development on and manufacturing of software products, radio frequency identification ("RFID") chips and related systems, coal mine safety monitoring integrated system and coal mine surveillance and disaster alerting systems. The Group is also engaging in developing electronic message security products and designing on integrated circuits and research on integrated circuit techniques and the design, application, development, manufacturing and sale of the integrated circuit solutions and the related services. The full results of the two new subsidiaries will be consolidated into the Group's results starting from the next quarter.

The management believes that the acquisitions allow the Group to establish a valuable foothold in the PRC. Further, the management anticipates that the expanded businesses will be the principal revenue driver of the Group and make significant contribution to the Group's profitability in the future.

To better reflect the business diversity of the Group and to establish an identity presence in the region, the Company announced on 15 October 2008 that the name of the Company was proposed to change from "Tiger Tech Holdings Limited" to "Heng Xin China Holdings Limited" and the Chinese name is proposed to change correspondingly from "老虎科技(控股)有限公司" to "恒芯中國控股有限公司". The proposed name change is subject to the passing of a special resolution by the shareholders of the Company at the annual general meeting of the Company to be held on 24 November 2008; and the approval of the Registrar of Companies in Bermuda. Further details are set out in the circular of the Company dated 28 October 2008.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2008, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Interests in the shares of the Company

Name of Director	Number of underlying shares held	Type of interests	Approximate percentage of interests
Yu Sau Lai (<i>Note</i>)	2,000,000	Beneficial owner	0.18%

Note:

On 16 July 2008, Ms. Yu Sau Lai was granted share options pursuant to the Share Option Scheme to subscribe for a total of 2,000,000 shares at an exercise price of HK\$1.07 per share. Such share options were cancelled by the Board on 16 October 2008.

Save as disclosed above, as at 30 September 2008, none of the Directors, chief executive of the Company or their respective associates (as defined in the GEM Listing Rules) was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or which, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange.

Save as disclosed above, at no time during the three months ended 30 September 2008 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or its associated corporation.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 30 September 2008, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital:

Interests in the shares of the Company

Name of shareholder	Number or attributable number of shares or underlying shares held	Type of interests	Approximate percentage of interests
Choi Chung Lam (<i>Note 1</i>)	851,176,706 (L)	Interest in controlled corporation	77.17%
Team Effort Investments Limited (<i>Note 1</i>)	851,176,706 (L)	Interest in controlled corporation	77.17%
Mind Smart Group Limited (<i>Note 1</i>)	610,618,000 (L)	Beneficial owner	55.36%
Li Haoping (<i>Note 2</i>)	573,676,353 (L)	Interest in controlled corporation	52.01%
Lomond Group Limited (<i>Note 2</i>)	573,676,353 (L)	Interest in controlled corporation	52.01%
Easy Mount Enterprises Limited (<i>Note 2</i>)	401,566,000 (L)	Beneficial owner	36.41%
Lam Shu Chung (<i>Note 3</i>)	124,920,000 (L)	Interest in controlled corporation	11.33%
Orient State Limited (<i>Note 3</i>)	124,920,000 (L)	Beneficial owner	11.33%

L: Long Position

Notes:

1. The entire issued share capital of Mind Smart Group Limited is owned as to 85% by Team Effort Investments Limited and 15% by Mr. Lu Xing. Team Effort Investments Limited is wholly owned by Mr. Choi Chung Lam. Team Effort Investments Limited and Mr. Choi Chung Lam are deemed to be interested in the 610,618,000 shares to be issued upon the exercising of the conversion rights attaching to convertible notes. Mr. Choi Chung Lam is also deemed to be interested in the 240,558,706 shares held by Team Effort Investments Limited.
2. The entire issued share capital of Easy Mount Enterprises Limited is owned as to 85% by Lomond Group Limited and 15% by Mr. Ho Wai Jung. Lomond Group Limited is wholly owned by Mr. Li Haoping. Lomond Group Limited and Mr. Li Haoping are deemed to be interested in the 401,566,000 shares to be issued upon the exercising of the conversion rights attaching to convertible notes. Mr. Li Haoping is also deemed to be interested in the 172,110,353 shares held by Lomond Group Limited.
3. The entire issued share capital of Orient State Limited is directly owned by Mr. Lam Shu Chung. Mr. Lam Shu Chung is deemed to be interested in the 124,920,000 shares held by Orient State Limited.

Save as disclosed above, as at 30 September 2008, the Directors or chief executives of the Company were not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares or underlying shares of the Company under Section 336 of the SFO.

LITIGATION

The Company was served on 20 December 2007 a writ of summons (the “Writ”) whereby Mr. Chan Hak Kim, the plaintiff (the “Plaintiff”) is claimed against Precision Assets Limited, being the first defendant, Mr. Tony Hoo, being the second defendant (the “2nd Defendant”) and the Company, being the third defendant (together called the “Defendants”). The Plaintiff claims against the Company under a forbearance agreement which was allegedly made partly orally and partly in writing between the Plaintiff and the 2nd Defendant for and on behalf of the Defendants.

The Plaintiff claims (the “Claim”) against (1) the Company in the total sum of HK\$5,000,000 by way of two cheques of the Company each being in the amount of HK\$2,500,000 respectively dated 30 June 2007 and 31 October 2007 which were dishonoured together with interest and cost; and (2) against the Defendants jointly and severally damages in the sum of HK\$25,000,000 and further or in the alternative, the total sum of HK\$5,000,000 due under the afore-mentioned cheques together with interest and costs.

The Company has been advised by its legal adviser that the Plaintiff had no grounds for the Claim and the Company filed its defence on 28 March 2008. The Company will keep shareholders of the Company and potential investors informed of any further significant developments.

Save as disclosed above, the Group was not engaged in any litigation or arbitration or claims of material importance which is known to the Directors to be pending or threatened by or against the Group as at 30 September 2008.

DIRECTORS’ INTEREST IN COMPETING BUSINESS

None of the Directors or the management shareholders of the Company (as defined in the GEM Listing Rules) have any interest in a business, which competes or may compete with the business of the Group or had any other conflict of interests with the Group.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The audit committee comprises four independent non-executive Directors, namely, Mr. Lum Pak Sum, Mr. Kwok Chung Yin, Mr. Wang Chin Mong and Mr. Chan Wai Dune. The audit committee is chaired by Mr. Lum Pak Sum. The duties of the audit committee include reviewing the Group's annual reports and accounts, half-year reports and quarterly reports and providing advice and comments thereon to the Board. The audit committee is also responsible for reviewing and supervising the financial reporting process and internal control procedures of the Company, and to review the appointment of external auditors on an annual basis as well as to ensure independence of the continuing auditor. This announcement was reviewed by the audit committee before release.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the three months ended 30 September 2008.

By Order of the Board
TIGER TECH HOLDINGS LIMITED
Xiao Yan
Executive Director

Hong Kong, 14 November 2008

As at the date of this announcement, the Board comprises Ms. Yu Sau Lai, Ms. Yeung Sau Han Agnes, Mr. Li Tao and Mr. Xiao Yan as executive directors; Mr. Cheung Siu Chung Cheever as non-executive director; Mr. Lum Pak Sum, Mr. Kwok Chung Yin, Mr. Wang Chin Mong, Mr. Chan Wai Dune and Mr. Dong Shi as independent non-executive directors.

This announcement will remain on the GEM website on the "Latest Company Announcement" page for at least 7 days from the date of its posting and on the website of the Company at www.tigertechcorp.com.hk