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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2007

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE

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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 announcement, 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 announcement 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 announcement misleading; and iii. 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*

RESULTS

The board of Directors (the "Board") is pleased to announce the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 30 June 2007 together with the comparative figures for the corresponding year in 2006 as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	Notes	**2007** **HK$'000**	2006 HK$'000
Turnover	*2*	**16,101**	8,037
Other income		**1,149**	1,679
Change in inventories		**—**	(331)
Purchase of merchandise		**(11,632)**	(4,285)
Employee benefits expense		**(379)**	(1,216)
Depreciation and amortisation		**(1,156)**	(1,539)
Other operating expenses		**(7,078)**	(4,827)
Finance costs		**—**	—
Loss before taxation	*3*	**(2,995)**	(2,482)
Taxation	*4*	**—**	—
Loss for the year and attributable to equity holders		**(2,995)**	(2,482)
LOSS PER SHARE	*5*		
Basic		**(0.64 cents)**	(0.53 cents)
Diluted		**N/A**	N/A

CONSOLIDATED BALANCE SHEET
AT 30 JUNE 2007

	Notes	2007 HK$'000	2006 HK$'000
Non-currents assets			
Property, plant and equipment		**478**	68
Intangible assets	*7*	**—**	—
Available-for-sale investments	*8*	**—**	—
Interest in a jointly-controlled entity	*9*	**—**	—
		478	68
Current assets			
Trade receivables	*10*	**2,286**	2,624
Prepayments, deposits and other receivables		**294**	29
Cash and bank balances		**818**	2,453
		3,398	5,106
Current liabilities			
Trade payables		**188**	—
Other payables and accruals		**1,736**	292
Bank overdrafts		**20**	—
		1,944	292
Net current assets		**1,454**	4,814
Net assets		**1,932**	4,882
CAPITAL AND RESERVE			
Share capital		**4,650**	4,650
Reserves		**(2,718)**	232
		1,932	4,882

Notes:

1. Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under the historical cost basis except for the financial instruments, which are measured at fair value. The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

In the current year, the Group has applied, for the first time, a number of new standards, amendments and interpretations ("new HKFRSs"), issued by the HKICPA that are either effective for accounting periods beginning on or after 1 December 2005, 1 January 2006, 1 March 2006, 1 May 2006 or 1 June 2006. The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting years have been prepared and presented. Accordingly, no prior year adjustment has been required.

The Group has not early applied the following new standards, amendment or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these new standards, amendment or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Amendment)	Capital Disclosures[1]
HKFRS 7	Financial Instruments: Disclosures[1]
HKFRS 8	Operating Segments[2]
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment[3]
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions[4]
HK(IFRIC) – Int 12	Service Concession Arrangements[5]

[1] Effective for annual periods beginning on or after 1 January 2007
[2] Effective for annual periods beginning on or after 1 January 2009
[3] Effective for annual periods beginning on or after 1 November 2006
[4] Effective for annual periods beginning on or after 1 March 2007
[5] Effective for annual periods beginning on or after 1 January 2008

2. Turnover and segment information

Turnover and revenue recognised by category are as follows:

	2007	2006
	HK$'000	*HK$'000*
Turnover		
Service income	**4,100**	3,517
Sales of goods	**12,001**	4,176
Royalty income	**—**	344
	16,101	8,037

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.

Business segment

The Group comprises the following main business segments:

	Trading of computer parts		Enterprise Thin Client Solutions		Customised Thin Client Application Solutions		Cable Network Thin Client Solutions		Group	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue										
Segment turnover from external customers	**11,151**	—	**3,350**	6,840	**1,600**	—	**—**	1,197	**16,101**	8,037
Segment results	**175**	—	**(1,940)**	3,305	**(926)**	—	**—**	116	**(2,691)**	3,421
Unallocated income									**1**	154
Unallocated expenses									**(305)**	(6,057)
Loss from operations									**(2,995)**	(2,482)
Share of results of jointly controlled entities									**—**	—
Finance costs									**—**	—
Loss before taxation									**(2,995)**	(2,482)
Taxation									**—**	—
Loss for the year and attributable to equity holders									**(2,995)**	(2,482)
Assets										
Segment assets	**1,212**	—	**2,359**	2,194	**—**	—	**—**	1,234	**3,571**	3,428
Unallocated assets									**305**	1,746
Consolidated total assets									**3,876**	5,174
Liabilities										
Segment liabilities	**1,037**	—	**25**	—	**—**	—	**—**	—	**1,062**	—
Unallocated liabilities									**882**	292
Consolidated total liabilities									**1,944**	292
Other information										
Unallocated capital expenditure									**454**	33
Unallocated depreciation and amortisation									**1,156**	1,539

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 during the year**	
	2007	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**11,151**	1,068	**3,615**	2,927	**454**	33
Taiwan	**—**	565	**—**	—	**—**	—
USA	**—**	1,980	**—**	—	**—**	—
Singapore	**—**	115	**—**	—	**—**	—
PRC	**—**	3,683	**261**	2,062	**—**	—
Macau	**4,950**	626	**—**	185	**—**	—
	16,101	8,037	**3,876**	5,174	**454**	33

3. Loss before taxation

The Group's loss before tax is arrived at after charging/(crediting):

	2007	2006
	HK$'000	*HK$'000*
Cost of inventories sold	**11,632**	4,616
Amortisation *(note 7)*	**1,144**	1,525
Depreciation	**12**	14
Auditors' remuneration		
— provision for the year	**200**	280
— underprovision in last year	**–**	75
Staff costs *(including directors' remuneration)*		
— salaries and allowances	**369**	1,190
— provident fund contributions	**10**	26
Provision for doubtful debts	**2,847**	1,054
Loss on disposal of property, plant and equipment	**34**	832
Operating lease charges on premises	**141**	1,105
Reversal of impairment loss on intangible assets *(note 7)*	**(1,144)**	(1,525)

4. Taxation

Hong Kong Profits Tax has not been provided as the Group incurred a loss for taxation purposes for the year.

PRC foreign enterprise income tax has not been provided as the PRC subsidiary incurred a loss for taxation purposes for the year.

5. Loss per share

The calculation of basic loss per share is based on the consolidated loss attributable to the equity holders for the year of HK$2,995,000 (2006: HK$2,482,000) and weighted average number of 465,000,000 (2006: 465,000,000) ordinary shares in issue during the year.

No diluted loss per share has been presented as there were no potential ordinary shares.

6. Dividend

The Board of the Company does not recommend the payment of a final dividend for the year ended 30 June 2007.

7. Intangible assets

	Software license rights *HK$'000*
COST	
At 1 July 2005, 30 June 2006 and 30 June 2007	6,100
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSS	
At 1 July 2005	6,100
Charge for the year	1,525
Reversal of impairment during the year	(1,525)
At 30 June 2006	6,100
Charge for the year	1,144
Reversal of impairment during the year	(1,144)
At 30 June 2007	6,100
NET BOOK VALUE	
At 30 June 2007	—
At 30 June 2006	—

8. Available-For-Sale Investments

	THE GROUP AND THE COMPANY	
	2007	2006
	HK$'000	*HK$'000*
Unlisted shares, at cost	**—**	—
Less: Impairment loss	**—**	—
	—	—

On 23 May 2006, the Company entire 10% interest in the ordinary share capital of Mediacute Technology Limited, a company incorporated in Hong Kong was disposed of.

9. Interests in jointly controlled entities

	THE GROUP	
	2007	2006
	HK$'000	*HK$'000*
Unlisted shares, at cost	**195**	198
Less: Impairment loss	**(195)**	(198)
Shares of net assets	**—**	—
Due from a jointly controlled entity	**4**	41
Less: Provision for doubtful debts	**(4)**	(41)
	—	—

10. Trade receivables

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:

	2007	2006
	HK$'000	*HK$'000*
0 – 30 days	**–**	871
31 – 90 days	**–**	–
91 – 180 days	**177**	700
Over 180 days	**6,010**	2,107
	6,187	3,678
Less: Provision for doubtful debts	**(3,901)**	(1,054)
	2,286	2,624

11. Movement in share capital and reserves

	Attributable to equity holders of the Company					
	Share capital *HK$'000*	Share premium *HK$'000*	Capital reserve *HK$'000*	Exchange fluctuation reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*
At 1 July 2005	4,650	36,850	(595)	—	(33,541)	7,364
Net loss for the year	—	—	—	—	(2,482)	(2,482)
At 30 June 2006	4,650	36,850	(595)	—	(36,023)	4,882
Exchange realignment	—	—	—	45	–	45
Net loss for the year	—	—	—	—	(2,995)	(2,995)
At 30 June 2007	4,650	36,850	(595)	45	(39,018)	1,932

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

This year, the Group recorded a consolidated turnover of approximately HK$16 million, representing an increase of approximately HK$8 million as compared with the previous year.

Comments on segmental information

(i) Enterprise Thin Client Solutions

The income derived from the provision of enterprise thin client solutions decreased from approximately HK$6.84 million for the financial year of 2006 to approximately HK$3.35 million for the financial year of 2007. All this was secured in Macau.

(ii) Cable Network Thin Client Solutions

The Group recorded no income for the provision of cable network thin client solutions this financial year, while the turnover recorded last financial year was approximately HK$1.2 million.

(iii) Customised Thin Client Application Solutions

The income derived from the provision of customised thin client application solutions was HK$1.6 million this year, and the Group recorded no income in the preceding financial year. All this was secured in Macau.

(iv) Trading

Turnover from trading computer parts for the year ended 30 June 2007 was approximately HK$11.1 million all of which was secured in Hong Kong.

Change in Inventories

Changes in inventories represented the changes in closing balances of merchandise between two fiscal years.

Purchase of Merchandise

Purchase of goods increased from approximately HK$4.3 million last financial year to approximately HK$11.6 million this financial year which was in line with the increase in turnover.

Employee Benefits Expense

Employee benefits expense for the year under review was approximately HK$0.38 million, while the amount was approximately HK$1.2 million the previous year, a decrease of 68%. The decrease in employee benefits expense was mainly attributable to payment waiving in remuneration to directors. This was due to the financial difficulty the Company faced during the first half of this financial year.

Depreciation and Amortisation

Depreciation charge decreased by 14% from HK$14,000 in the financial year of 2006 to HK$12,000 in the financial year of 2007. However, the amount of depreciation which is insignificant was mainly due to full depreciation being made against some of the assets and disposal of property, plant and equipment of the Group during the past two financial years. Hence, no further depreciation charge was provided for this financial year. Amortisation decreased by 25% from HK$1,525,000 in the financial year 2006 to HK$1,144,000 in the financial year 2007 because the intangible asset was fully amortised after nine months' amortisation charge this year in contrast to a full year's amortisation charge last year.

Other Operating Expenses

Other operating expenses were increased by 48% from HK$4.8 million in the financial year of 2006 to HK$7.1 million in the financial year of 2007. During the year under review, the Group has made an effort to save cost such as reducing its office rental. The Directors of the Company have waived their directors' fees in order to meet company objectives. However, there has been an increase in the provision for doubtful debts, an increase in some other operating expenses such as traveling and project development expenses which occurred from the exploration of new markets for the Group.

Overall, the Group's turnover increased, but the loss attributable to shareholders of the Company was increased from HK$2.5 million last financial year to HK$3.0 million this financial year due to fierce competition in the IT arena in 2007.

BUSINESS REVIEW AND FUTURE PROSPECTS

During the period under review, the Group has continued to supply its customers with thin client solutions by offering them a one stop solution which includes the design of thin client network architecture, development and provision of operating and application software and hardware, system integration as well as consultation services. Although the Group engaged in the research, development, sales and implementation of Enterprise Thin Client Solutions, Customised Thin Client Application Solutions and Cable Network Thin Client Solutions providing first rate services to its clients, it has faced some challenges during the past year.

Due to fierce competition in the IT industry, the turnover this year derived from the provision of Enterprise Thin Client Solution, Cable Network Thin Client Solutions and Customised Thin Client Application Solutions for the Group decreased by approximately HK$3.0 million compared with the previous financial year.

The Group has adopted a number of positive measures to regain its competitive advantage by diligently exploring new markets, seeking and expanding its customer base in different countries. It is actively looking for possible investment opportunities and / or cooperation with partners in order to expand its income base. At the beginning of year 2007, the Group has also started trading business with computer parts to further enlarge its income base. The amount of progress the Group has made at this stage however, has not yet met expectations.

In order to have more flexibility financially and to be able to respond quickly to possible investment opportunities, on 14 June 2007, the Company entered into a placing agreement with respect to the issue of 93,000,000 unlisted Warrants to raise approximately HK$7.191 million for the general working capital of the Company. The issuing of 93,000,000 unlisted Warrants were fully exercised for the period 12 July 2007 to 16 July 2007 and HK$66.96 million was raised. The Group is now in a position to improve its existing products so that they become more value-adding as well as being able to capture investment opportunities which may arise at any time and require prompt investment decision by the Group. It is expected that a number of promising businesses may be introduced in the near future. The Board believes that the coming year will be full of competitive challenges as well as opportunities for the Group.

CHANGE OF CONTROLLING SHAREHOLDER

We would like to mention that the controlling shareholder of the Company changed during the year. On 1 March 2007, Orient State Limited ("Orient State", which is wholly and beneficially owned by Mr. Lam Shu Chung, an executive director of the Company who was appointed on 1 June 2007) being the Purchaser, entered into the Sale and Purchase of the Sale Shares Agreement ("S&P Agreement") with Precision Assets Limited ("Precision") and Timepiece Associates Limited ("Timepiece"), being the Vendors (both of which are wholly and beneficially owned by Mr. Tony Hoo, an Executive Director of the Company who resigned on 5 June 2007), pursuant to which the Purchaser conditionally agreed to purchase and the Vendors conditionally agreed to sell an aggregate of 143,000,000 shares (43,000,000 shares from Precision and 100,000,000 shares from Timepiece) at a total consideration of HK$3,800,000 (equivalent to approximately HK$0.0266 per share).

Upon the above transaction, Orient State was interested in 30.75% of the issue share capital of 465,000,000 shares of the Company as at 30 June 2007.

LIQUIDITY AND FINANCIAL RESOURCES

The Group primarily relies on the internal resources and net proceeds from the placing of the Company's shares as sources of funding for its operations. As at 30 June 2007, the Group's cash and bank balances were approximately HK$0.8 million (2006: HK$2.5 million). The Group had no credit facilities and had no bank borrowing as at 30 June 2007. The net current assets of the Group were approximately HK$1.5 million (2006: HK$4.8 million). The Directors consider that the Group has sufficient financial resources to meet its liabilities and commitments.

CAPITAL STRUCTURE

As at 30 June 2007, 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 30 June 2007, the gearing ratio of the Group based on total liabilities over total assets was 0.50 (2006: 0.06)

FOREIGN EXCHANGE EXPOSURE

During the year ended 30 June 2007, the majority of the Group's income and expenses were denominated in Hong Kong dollars with part of their expenses denominated in Renminbi, while an insignificant portion of expenses were denominated in the United States dollars. Up to 30 June 2007, the management of the Company is of the opinion that the Group has insignificant exposure to foreign exchange risk. As a result, the Group did not use any financial instruments for hedging against fluctuation in foreign exchange for the year ended 30 June 2007. Nevertheless, the management of the Company will closely monitor and from time to time reassess the exchange risk exposures of the Group and enter into non-speculative hedging arrangements if considered necessary.

CHARGES ON GROUP ASSETS

As at 30 June 2007, none of the Group's assets were pledged to secure any bank facilities.

CONTINGENT LIABILITIES

As at 30 June 2007, 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 year.

FUTURE PLANS FOR INVESEMENT OR CAPITAL ASSETS AND SOURCES OF FUNDING

On 14 June 2007, the Company entered into a placing agreement in respect of the issue of 93,000,000 unlisted Warrants to raise approximately HK$7.191 million for general working capital of the Company. The issue of 93,000,000 unlisted Warrants were fully exercised and HK$66.96 million was raised.

As at 30 June 2007, the group had no future plans for material investment or capital assets.

EMPLOYEE INFORMATION

As at 30 June 2007, the Group had 8 employees in Hong Kong. (2006: 9). The total employees' remuneration, including that of the Directors, amounted to approximately HK$0.38 million (2006: HK$1.2 million).

The Group continues to provide remuneration packages to employees according to market practices, their experience and performance. Remuneration policy is basically determined with reference to individual performance as well as the financial results of the Group which will be revised from time to time when performances of staff are warranted. Other benefits include contribution of statutory mandatory provident fund for the employees. There has been no major change in staff remuneration policies during the year.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company Bye-Laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASES, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the year ended 30 June 2007, the Company had adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry with all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors.

AUDIT COMMITTEE

The Group 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 three Independent Non-Executive Directors, namely, Mr. Lum Pak Sum, Mr. Lam Nai Hung, and Mr. Kwok Chung Yin. 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 of Directors. The Audit Committee is also responsible for reviewing and supervising the financial reporting process and internal control system of the Group, and to review the appointment of external auditors on an annual basis as well as to ensure independence of the continuing auditor. During the year and up to the date of this report, the Audit Committee had held seven meetings to review the 2006 annual report, the first quarterly report, the interim report, the third quarterly report and the 2007 annual report, and to discuss the operation, internal control and resumption proposal of the Group.

COMPETING INTERESTS

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

By order of the Board
Tiger Tech Holdings Limited
Law Fei Shing
Executive Director

Hong Kong, 27 September 2007

As at the date of this announcement, the Directors are as follows:

Executive Directors: Mr. Lam Shu Chung, Mr. Law Fei Shing, Mr. Yau Hoi Kin, Mr. Kwong Wai Ho Richard, Ms. Yu Sau Lai and Ms. Yeung Sau Han Agnes.

Non-Executive Director: Mr. Cheung Siu Chung Cheever

Independent Non-Executive Directors: Mr. Lam Nai Hung, Mr. Lum Pak Sum and Mr. Kwok Chung Yin.

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 on the GEM website on the "Latest Company Announcement" page for at least 7 days from the date of its posting.