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**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 FOR  
THE THREE MONTHS ENDED 30 SEPTEMBER 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](http://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 found bases and assumption that are fair and reasonable.*

\* For identification purposes only

## HIGHLIGHTS

- The Group recorded a turnover of approximately HK\$2.4 million for the three months ended 30 September 2005, representing an increase of approximately HK\$1.1 million when compared with the same period in 2004.
- The Group recorded a loss attributable to shareholders of approximately HK\$0.7 million for the three months ended 30 September 2005.
- The Board of Directors does not recommend the payment of an interim dividend for the three months ended 30 September 2005.

## 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 three months ended 30 September 2005 together with the comparative figures for the corresponding period ended in 2004 as follows:

### CONDENSED CONSOLIDATED INCOME STATEMENT

*For the three months ended 30 September 2005*

		Three months ended	
		30 September	
		2005	2004
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
<b>Turnover</b>	2	<b>2,364</b>	1,239
Changes in inventories		–	(265)
Purchase of merchandise		<b>(1,286)</b>	(714)
Sub-contracting charges		<b>(467)</b>	–
Employee benefits expense		<b>(466)</b>	(2,182)
Depreciation		<b>(136)</b>	(222)
Other operating expenses		<b>(677)</b>	(3,007)
		<hr/>	<hr/>
<b>Loss before taxation</b>	3	<b>(668)</b>	(5,151)
Taxation	4	–	–
		<hr/>	<hr/>
<b>Loss for the period and attributable to equity holders of the parent</b>		<b><u>(668)</u></b>	<b><u>(5,151)</u></b>
		<hr/>	<hr/>
<b>Loss per share</b>	5		
– Basic (HK cents)		<b><u>(0.14)</u></b>	<b><u>(1.11)</u></b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 September 2005

### 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 2004. The shares of the Company were listed on GEM on 16 April 2004.

The Group’s unaudited consolidated results have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) (which also include Hong Kong Accounting Standards (“HKAS”) and interpretations) 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 GEM Listing Rules. The accounting policies adopted are consistent with those set out in the annual financial statements for the year ended 30 June 2005. The condensed consolidated financial statements for the three months ended 30 September 2005 should be read in conjunction with the 2005 annual report.

In 2004, the HKICPA issued a number of new or revised Hong Kong Accounting Standards and Hong Kong Financial Reporting Standards (herein collectively referred to as “new HKFRSs”) which are effective for accounting periods beginning on or after 1 January 2005. The Group has adopted the new HKFRSs in the preparation of accounts for the period from 1 July 2005 onwards. The adoption of the new HKFRSs had no material impact on the Group’s results of operations and financial position.

The accounts are unaudited but have been reviewed by the Company’s audit committee.

### 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:

	Three months ended 30 September	
	2005	2004
	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)
Enterprise Thin Client Solutions		
– Sales of goods	759	294
– Service income	220	–
– Royalty income	188	188
	<hr/>	<hr/>
	1,167	482
Cable Network Thin Client Solutions		
– Sales of goods	625	757
– Service income	572	–
	<hr/>	<hr/>
	1,197	757
	<hr/>	<hr/>
	<b>2,364</b>	<b>1,239</b>

### 3. Loss Before Taxation

<b>Three months ended</b>	
<b>30 September</b>	
<b>2005</b>	2004
<b>HK\$'000</b>	HK\$'000
<b>(Unaudited)</b>	(Unaudited)

This is stated after charging:

Contributions to defined contribution plan (included in employee benefits expense)	<b>14</b>	15
Research and development costs in respect of:		
Hardware and design fee	–	2,000
Operating lease charges on premises	<b>356</b>	<b>380</b>

### 4. Taxation

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

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

### 5. Loss Per Share

The calculation of basic loss per share for the three months ended 30 September 2005 is based on the Group's unaudited consolidated loss attributable to the equity holders of the parent for the three months ended 30 September 2005 of HK\$668,000 (2004: HK\$5,151,000) and weighted average number of 465,000,000 (2004: 465,000,000) ordinary shares in issue during the period.

No diluted loss per share has been presented for the three months ended 30 September 2005 as there were no potential ordinary shares.

### 6. Dividend

The Directors do not recommend the payment of a dividend for the three months ended 30 September 2005 (2004: Nil).

### 7. Reserves

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

	<b>Share premium</b>	<b>Capital reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 July 2004	36,850	(595)	(26,374)	9,881
Net loss for the period	–	–	(5,151)	(5,151)
	<u>36,850</u>	<u>(595)</u>	<u>(31,525)</u>	<u>4,730</u>
At 30 September 2004	36,850	(595)	(31,525)	4,730
At 1 July 2005	36,850	(595)	(33,541)	2,714
Net loss for the period	–	–	(668)	(668)
	<u>36,850</u>	<u>(595)</u>	<u>(34,209)</u>	<u>2,046</u>
<b>At 30 September 2005</b>	<b>36,850</b>	<b>(595)</b>	<b>(34,209)</b>	<b>2,046</b>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Financial Review**

For the three months ended 30 September 2005, the Group recorded a total turnover of approximately HK\$2.4 million, which represented an increase of approximately 90.8% over the previous corresponding period. The income for the period was mainly derived from the sales of hardware and software products and the consultancy services in respect of enterprise thin client solutions and cable network thin client solutions provided to the local and the PRC customers. The increase in revenue was mainly attributable from the services income generated by the Group. No such income was recorded by the Group in the previous corresponding period.

For the period under review, the Group continued to implement a stringent cost control measures. As a result, employee benefits expense was reduced from approximately HK\$2.2 million to approximately HK\$0.5 million and other operating expenses were reduced from approximately HK\$3 million to approximately HK\$0.7 million.

Overall, net loss attributable to shareholders for the three months ended 30 September 2005 was approximately HK\$0.7 million, while net loss attributable to shareholders for last corresponding period was approximately HK\$5.2 million, representing a decrease of approximately HK\$4.5 million.

### **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 solution 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.

The first quarter of this fiscal year definitely marked a period of encouragement for the Group. First of all, trading in the shares of the Company on GEM has resumed since 24 October 2005, which brought the restoration of shareholders' value.

Secondly, although the Group recorded a HK\$0.7 million net loss for the period under review, this nevertheless representing the loss decreased by HK\$4.5 million compared to the same period last year. The Group had a good start in financial year 2006 by achieving an improved result in the first quarter. Management expects that the Group will be able to further improve its performance in the coming quarters.

Going forward, the Directors anticipate that fierce competition in IT industry will have adverse impact to the future earnings and prospects of the Group. In order to improve its operating results, the Group will actively broaden its income base, either by forming strategic alliance with other partners or through merger and acquisition, so as to strengthen the profitability and minimise the performance risk of the Group.

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

As at 30 September 2005, 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 Rule 5.46 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:*

<b>Director</b>	<b>Personal interest</b>	<b>Family interests</b>	<b>Corporate interests</b>	<b>Total interests</b>	<b>Total interests as % of the issued share capital</b>
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 30 September 2005, 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 Rule 5.46 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 30 September 2005, 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:*

<b>Name</b>	<b>Capacity</b>	<b>Number of shares</b>	<b>Percentage shareholding</b>
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 30 September 2005, 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 issued by the Company dated 31 March 2003. As at 30 September 2005, none of the options is granted under the Share Option Scheme.

## **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 three months ended 30 September 2005.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company is in the process of reviewing its corporate governance practices and will report in its half-year financial announcement on the compliance of the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules.

## **CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the code for securities transactions by Directors set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding securities transactions by Directors. The Company confirmed that, having made specific enquiry from all Directors, the Directors have complied with the required standard of dealings and its code of conduct regarding securities transactions by Directors for the three months ended 30 September 2005.

## **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 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 three months ended 30 September 2005 and has provided advice and comment thereon.

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

Hong Kong, 9 November 2005

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

*Executive directors: Mr. Lee Hai Chu (Chairman), Mr. Tony Hoo, Mr. Tang Tsz Hoo, Anthony and Mr. Chow Kwok Keung;*

*Independent non-executive directors: Mr. Kwok Ming Fai, Mr. Lam Din Kan and Mr. Chai Chi Keung.*

*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.*