

The Stock Exchange of Hong Kong Limited 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.



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 2004**

**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 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\$1.2 million for the three months ended 30 September 2004, representing a decrease of approximately HK\$3.6 million when compared with the same period in 2003.
- The Group recorded a loss attributable to shareholders of approximately HK\$5.2 million for the three months ended 30 September 2004.
- The Board of Directors does not recommend the payment of an interim dividend for the three months ended 30 September 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 three months ended 30 September 2004 together with the comparative figures for the corresponding period ended in 2003 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months ended 30 September 2004

		Three months ended 30 September	
	Notes	2004 HK\$'000 (Unaudited)	2003 HK\$'000 (Unaudited)
Turnover	2	1,239	4,877
Other income		–	1,159
Changes in inventories		(265)	40
Purchase of merchandise		(714)	(2,691)
Employee benefits expense		(2,182)	(1,237)
Depreciation and amortisation		(222)	(512)
Other operating expenses		<u>(3,007)</u>	<u>(2,609)</u>
Loss from ordinary activities before taxation		(5,151)	(973)
Taxation	3	<u>–</u>	<u>–</u>
Loss for the period and attributable to equity holders of the parent		<u>(5,151)</u>	<u>(973)</u>
Loss per share	4		
– Basic (HK cents)		<u>(1.11)</u>	<u>(0.24)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 September 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 Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange. 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 three months ended 30 September 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:

	Three months ended 30 September	
	2004	2003
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Enterprise Thin Client Solutions		
– Sales of goods	294	3,435
– Royalty income	188	–
	<u>482</u>	<u>3,435</u>
Cable Network Thin Client Solutions		
– Sales of goods	757	–
Customised Thin Client Application Solutions		
– Software license fee	–	1,442
	<u>1,239</u>	<u>4,877</u>

3. Taxation

No provision for Hong Kong and the PRC profits tax has been made as the Group had no assessable profit for the three months ended 30 September 2004 (2003: Nil).

4. Loss Per Share

The calculation of basic loss per share for the three months ended 30 September 2004 is based on the Group's unaudited consolidated loss attributable to the equity holders of the parent for the three months ended 30 September 2004 of HK\$5,151,000 (2003: HK\$973,000) 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 three months ended 30 September 2004 as there were no potential ordinary shares. No diluted loss per share has been presented for the three months ended 30 September 2003 because the exercise of the outstanding potential ordinary shares would have been anti-dilutive.

5. Dividend

The Directors do not recommend the payment of a dividend for the three months ended 30 September 2004 (2003: Nil).

6. 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	–	–	(973)	(973)
	<u>26,600</u>	<u>(595)</u>	<u>(6,398)</u>	<u>19,607</u>
At 30 September 2003 (restated)				
	26,600	(595)	(6,398)	19,607
	<u>26,600</u>	<u>(595)</u>	<u>(6,398)</u>	<u>19,607</u>
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	<u>36,850</u>	<u>(595)</u>	<u>(31,525)</u>	<u>4,730</u>

7. Comparative Figures

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Turnover of the Group for the three months ended 30 September 2004 was approximately HK\$1.2 million in comparison with approximately HK\$4.8 million for the corresponding period in 2003, representing a decrease of approximately 75%. Turnover recorded for the period under review was mainly attributable from the sales of hardware and software products. Decrease in turnover was mainly due to the general worsening of business climate for IT business. Due to keen competition, there was no renewal of contract obtained after the expiration of contract with the two data providers in March 2004 and no new customer was secured up to date of this announcement. As a result, the Group recorded no income for the provision of customized thin client application solutions. Net loss attributable to shareholders for the period under review was approximately HK\$5.2 million, increased by approximately HK\$4.2 million when compared to the last corresponding period, mainly due to decrease in turnover and increase in operating expenses for employee benefits and research and development for thin client solutions.

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.

For the period under review, the Group was unable to avoid making a loss. Although the relaxation of mainland travelers to visit Hong Kong helps stimulate the recovery of Hong Kong property market, it does not add any momentum to the IT business environment. In fact, the recent rising property prices shift investors' cash flow into the property market, resulted in less investment and spending in information technology.

Looking forward, the Group will continue to focus its business in the Greater China region. In view of the high growth potential of the IT market in the PRC, the Group has set up an office in Beijing in August 2004 to expedite its business expansion. The Group will continue to form alliances and joint ventures with other PRC companies. By employing their products and skills, some costs may be reduced. Also, the Group will continue to conduct the marketing activities in order to capture additional market share.

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

As at 30 September 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 (Note)	246,832,000	53.08%
Mr. Lee Hai Chu	20,000,000	–	–	20,000,000	4.3%
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 the companies.

Save as disclosed above, as at 30 September 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 30 September 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 the companies.

Saved as disclosed above, as at 30 September 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 30 September 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 announcement, 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 three months ended 30 September 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 three months ended 30 September 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 three months ended 30 September 2004.

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

Hong Kong, 10 November 2004

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.

At the request of the Company, trading in the shares of the Company was suspended on The Stock Exchange of Hong Kong Limited from 10:06 a.m. on Thursday, 10 June 2004. The trading of the shares of the Company will remain suspended until further announcement for the result of the judgement of the Court in regards to an alleged breach of verbal contract by Mr. Tony Hoo, the executive director and the substantial shareholder of the Company, to dispose of his interest in the Company.

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.