



CHINAINFO HOLDINGS LIMITED

神州資訊控股有限公司*

(formerly known as “HK6 Holdings Limited”, “駿陸控股有限公司”)

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8206)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31ST DECEMBER, 2004

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

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

HIGHLIGHTS

- Turnover of the Group for the nine months ended 31st December, 2004 was approximately HK\$3,640,000.
- Net loss attributable to shareholders was approximately HK\$2,338,000 for the nine months ended 31st December, 2004.
- Loss per share for the nine months ended 31st December, 2004 was approximately HK0.58 cent.
- The board of the Directors (the “Board”) does not recommend the payment of any dividend for the nine months ended 31st December, 2004.

The Directors are pleased to present the unaudited third quarterly results of the Company together with its subsidiaries (collectively the “Group”) for the nine months ended 31st December, 2004.

FINANCIAL PERFORMANCE

The Group recorded total turnover of approximately HK\$3,640,000 for the nine months ended 31st December, 2004, representing an increase of approximately 81.5%, as compared to approximately HK\$2,006,000 for the nine months ended 31st December, 2003. Approximately 18%, 28% and 54% of the turnover for the nine months ended 31st December, 2004 were attributable to the income derived from the production of financial programmes and videos, provision of real-time financial information services and investor education within the financial market respectively.

The Group incurred a net loss attributable to shareholders of approximately HK\$2,338,000 for the nine months ended 31st December, 2004 as compared to approximately HK\$2,407,000 for the corresponding period in 2003. No material change in net loss noted when compared with the corresponding period last year.

BUSINESS REVIEW

The Group is a multimedia financial information services provider offering a comprehensive range of financial information services which include the provision of (i) real-time financial news and up-to-date financial market commentaries and recommendations through multimedia; (ii) financial programme and video production services; and (iii) investor education within the financial markets in Hong Kong.

Provision of real-time financial information services

For the nine months ended 31st December, 2004, the revenue derived from the provision of real-time financial information services was approximately HK\$1,018,000, compared to approximately HK\$1,067,000 for the corresponding period in 2003. The revenue derived from this source is relatively stable.

Financial programme and video production services

Apart from sourcing real-time financial information for distribution in multimedia channels, the Group also produces financial programmes and corporate videos broadcasting through different media as well as for corporate public relation purposes.

For the nine months ended 31st December, 2004, revenue derived from the provision of financial programme and video production services increased to approximately HK\$654,000, compared to approximately HK\$188,000 for the corresponding period in 2003. The increase in revenue was mainly attributable to higher value project obtained during the period.

Investor education on financial market

Capitalising on the Group's expertise in Hong Kong financial market with its strong database of financial markets information and relationship with celebrities, the Group is also engaged in organising seminars and courses focusing on investor education within the financial markets.

For the nine months ended 31st December, 2004, revenue derived from investor education within the financial markets was increased to approximately HK\$1,968,000, compared to approximately HK\$751,000 for the corresponding period in 2003. The increase in revenue was attributable to the continuous efforts in the investor education by the Group's management to provide seminars and courses during the period.

BUSINESS OUTLOOK

The Group aims to become one of the leading and most comprehensive multimedia financial information services providers in Hong Kong and to establish market presence in the financial information service market of the People's Republic of China (the "PRC"). The Group seeks to achieve these objectives by expanding its multimedia financial information provision business from Hong Kong to the PRC.

As per disclosed in the interim report dated 10th November, 2004, the establishment of both China Star Navigation Communication Information (Bei Jing) Co., Ltd. (the "Associated Company") and the wholly-foreign owned enterprise in the PRC are strategic moves to expand its business and enhance its market foothold in the PRC. In view of the fact that the increasing prosperity of PRC economic environment and the coverage of the network operated by China Communication Co. Ltd. ("China Communication"), the Directors believe that the established Associated Company can provide a positive profit contribution effect on the performance of the Group in the future and the number of subscribers will grow significantly in the next few years.

The Directors will continue to seek opportunities to form alliances with companies with strong audience or viewership base in Hong Kong and the PRC to strengthen the Group's distribution networks. In addition, the Directors will continue to do their best to deploy their strengths and capabilities to expand the revenue base of the Group and capture the new opportunities offered by prosperity of PRC market.

QUARTERLY RESULTS FOR THE THREE MONTHS AND NINE MONTHS ENDED 31ST DECEMBER, 2004

The unaudited consolidated results of the Group for the three months and nine months ended 31st December, 2004, together with the comparative unaudited figures for the corresponding period in 2003 are as follows:

		Three months ended 31st December,		Nine months ended 31st December,	
		2004	2003	2004	2003
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Notes	HK\$	HK\$	HK\$	HK\$
Turnover	2	1,171,630	723,578	3,640,318	2,006,115
Cost of sales		<u>(283,693)</u>	<u>(106,971)</u>	<u>(1,260,218)</u>	<u>(436,716)</u>
Gross profit		887,937	616,607	2,380,100	1,569,399
Other revenue		4,970	9,895	5,117	62,571
Selling expenses		(79,680)	(61,990)	(267,226)	(174,766)
Administrative expenses		(1,146,782)	(845,147)	(2,970,109)	(2,495,991)
Other operating expenses		<u>(494,919)</u>	<u>(458,290)</u>	<u>(1,250,270)</u>	<u>(1,368,041)</u>
Operating loss		(828,474)	(738,925)	(2,102,388)	(2,406,828)
Finance costs		–	–	–	–
Share of losses of associated company		<u>(235,283)</u>	<u>–</u>	<u>(235,283)</u>	<u>–</u>
Loss before taxation		(1,063,757)	(738,925)	(2,337,671)	(2,406,828)
Taxation	3	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Loss attributable to shareholders		<u>(1,063,757)</u>	<u>(738,925)</u>	<u>(2,337,671)</u>	<u>(2,406,828)</u>
Loss per share					
– basic	5	<u>HK0.27 cent</u>	<u>HK0.18 cent</u>	<u>HK0.58 cent</u>	<u>HK0.60 cent</u>
– diluted	5	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

NOTES ON THE UNAUDITED QUARTERLY RESULTS

1. BASIS OF PREPARATION

The consolidated results have been prepared under historical cost convention in accordance with accounting principles generally accepted in Hong Kong, Statements of Standard Accounting Practice issued by the Hong Kong Institute of Certified Public Accountants, the disclosure requirements of Hong Kong Companies Ordinance and the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the unaudited consolidated results are consistent with those used in the annual accounts for the year ended 31st March, 2004.

All significant inter-company transactions between group companies have been eliminated on consolidation.

2. TURNOVER

	Three months ended 31st December,		Nine months ended 31st December,	
	2004	2003	2004	2003
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$	HK\$	HK\$	HK\$
Provision of financial information	334,017	365,060	1,018,105	1,067,479
Production of financial programmes and videos	–	–	653,400	188,000
Seminars and courses	837,613	358,518	1,968,813	750,636
	<u>1,171,630</u>	<u>723,578</u>	<u>3,640,318</u>	<u>2,006,115</u>

The Group is principally engaged in the operation of financial website, production of financial programmes and videos and the provision of financial information and investor education.

3. TAXATION

The Group's business is operated in Hong Kong and is subject to Hong Kong profits tax at the rate of 17.5% (for the nine months ended 31st December, 2003: 17.5%). No provision for Hong Kong profits tax has been made, as the Group has no estimated assessable profits for the nine months ended 31st December, 2004 (for the nine months ended 31st December, 2003: Nil).

No provision for deferred taxation has been recognized in respect of the tax losses as this has not yet been agreed with the Inland Revenue and it is not certain that they can be utilised in the foreseeable future.

4. DIVIDENDS

The Board does not recommend the payment of any dividends for the nine months ended 31st December, 2004 (for the nine months ended 31st December, 2003: Nil).

5. LOSS PER SHARE

The calculation of the basic loss per share for the three months and nine months ended 31st December, 2004 are based on the unaudited consolidated net loss attributable to shareholders of HK\$1,063,757 and HK\$2,337,671 respectively (for the three months and nine months ended 31st December, 2003: HK\$738,925 and HK\$2,406,828 respectively) and on the 400,000,000 shares in issue for the three months and nine months ended 31st December, 2004 (for the three months and nine months ended 31st December, 2003: 400,000,000 shares).

No diluted loss per share for the three months and nine months ended 31st December, 2004 (for the three months and nine months ended 31st December, 2003: Nil) have been presented as the Company has no dilutive potential shares.

6. MOVEMENT OF RESERVES

	Share premium (Unaudited) HK\$	Merger reserve (Unaudited) HK\$	Capital surplus (Unaudited) HK\$	Accumulated losses (Unaudited) HK\$	Total (Unaudited) HK\$
The Group					
Balance as at 1st April, 2003	15,195,487	8,320,333	–	(10,316,147)	13,199,673
Loss for the period	–	–	–	(2,406,828)	(2,406,828)
Balance as at 31st December, 2003	<u>15,195,487</u>	<u>8,320,333</u>	<u>–</u>	<u>(12,722,975)</u>	<u>10,792,845</u>
Balance as at 1st April, 2004	15,195,487	8,320,333	–	(13,654,766)	9,861,054
Loss for the period	–	–	–	(2,337,671)	(2,337,671)
Excess amount contributed by the major investor of the Associated Company	–	–	1,498,659	–	1,498,659
Balance as at 31st December, 2004	<u>15,195,487</u>	<u>8,320,333</u>	<u>1,498,659</u>	<u>(15,992,437)</u>	<u>9,022,042</u>

During the period, the major investor of the Associated Company, China Communication, made capital contribution with assets totaling HK\$7,869,809 (RMB8,341,998 equivalent), for 51% equity interests, amounting to RMB5,100,000 (HK\$4,811,321 equivalent), in the Associated Company. The excess amount of HK\$3,058,488 (RMB3,241,998 equivalent) over the nominal paid in capital is recorded in the capital surplus account of the Associated Company. The balance in the capital surplus of the Group represents the 49% share of the excess amount contributed by China Communication.

OTHER INFORMATION

Interests and Short Positions of Directors and Chief Executives in Shares and Underlying Shares and Debentures

As at 31st December, 2004, the interests and short positions of the Directors and the chief executives in the shares and underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Director is taken or deemed to have under such provisions of the SFO); or (b) were required pursuant to Section 352 of the SFO to be entered in the register referred therein; or (c) were required to be notified to the Company and the Stock Exchange, pursuant to the rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Name of Director	Number of shares held					Number of underlying shares		Aggregate interests	Approximate percentage of the issued share capital of the Company
	Personal interests	Corporate interests	Family interests	Other interests	Total interests in shares	Pre-IPO Share Option Scheme	Share Option Scheme		
	<i>(Note)</i>								
Chan Tan Lui, Danielle	240,000	107,079,195	–	–	107,319,195	2,500,000	4,000,000	113,819,195	28.45%
Choo Kwok How	–	–	100,000	–	100,000	1,500,000	2,000,000	3,600,000	0.90%
Yip Tai Him	–	–	–	–	–	–	400,000	400,000	0.10%
Guo Qi	–	–	–	–	–	–	400,000	400,000	0.10%

Note: These shares are held by Superhero Limited, which is wholly-owned by Ms. Chan Tan Lui, Danielle.

Save as disclosed above, none of the Directors or the chief executives has any interests or short positions in the shares and underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO, (including interests and short positions which the Director is taken or deemed to have under such provisions of the SFO); or (b) were required pursuant to Section 352 of the SFO to be entered in the register referred therein; or (c) were required to be notified to the Company and the Stock Exchange, pursuant to the rules 5.46 to 5.67 of the GEM Listing Rules as at 31st December, 2004.

Interests and Short Positions of Shareholders in Shares and Underlying Shares

As at 31st December, 2004, so far as is known to, or can be ascertained after reasonable enquiry by, the Directors, the following persons (other than the Directors or chief executives of the Company) had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO and Section 336 of the SFO or, who were or were expected, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name of Shareholder	Capacity	Number of shares held	Number of underlying shares		Aggregate interests	Approximate percentage of the issued share capital of the Company
		Interests in shares	Pre-IPO Share Option Scheme	Share Option Scheme		
Superhero Limited (<i>Note</i>)	Beneficial owner	107,079,195	–	–	107,079,195	26.77%
Chan Tan Lui, Danielle (<i>Note</i>)	Beneficial owner & interest of a controlled corporation	107,319,195	2,500,000	4,000,000	113,819,195	28.45%
Fu Shing Ki	Beneficial owner	97,001,144	–	–	97,001,144	24.25%
Chan Wong Kam Fung, Cecilia	Beneficial owner	71,265,798	–	–	71,265,798	17.82%

Note: Superhero Limited is a company wholly and beneficially owned by Ms. Chan Tan Lui, Danielle. By virtue of the SFO, Ms. Chan Tan Lui, Danielle, is deemed to have interest of 107,079,195 shares held by Superhero Limited in addition to 240,000 shares held by herself.

Save as disclosed above, as at 31st December, 2004, so far as is known to, or can be ascertained after reasonable enquiry by the Directors, no other person (other than the Directors or chief executives of the Company) had an interest or short position in the shares or underlying shares of the Company which fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO and Section 336 of the SFO or, who were or were expected, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

Share Option Schemes

Prior to the listing of the Company's shares on GEM, the Board was authorised to grant options to certain directors, a consultant, a management shareholder and certain employees of the Group to subscribe for an aggregate of 20,000,000 ordinary shares in the Company, representing 5% of the shares of the Company in issue as at 31st December, 2004, under the terms of the pre-IPO share option scheme on 28th October, 2002 (the "Pre-IPO Share Options Scheme") and the price payable for each share on exercise of such options granted is HK\$0.21, representing 70% of the offer price per share of the Company to the public.

Particulars of the outstanding options which have been granted under the Pre-IPO Share Option Scheme as at 31st December, 2004 were as follows:

				Number of share options					
Name or category of participant	Date of grant	Exercisable period	Exercise price per share	At 1st April, 2004	Options granted during the period	Options exercised during the period	Options lapsed during the period ⁽²⁾	Options cancelled during the period	At 31st December, 2004
HK\$									
Directors									
Chan Tan Lui, Danielle	28th October, 2002	15th November, 2003 to 14th November, 2005 ⁽¹⁾	0.21	2,500,000	–	–	–	–	2,500,000
Choo Kwok How	28th October, 2002	15th November, 2003 to 14th November, 2005 ⁽¹⁾	0.21	1,500,000	–	–	–	–	1,500,000
Consultant									
Chan Wing Luk	28th October, 2002	15th November, 2003 to 14th November, 2005 ⁽¹⁾	0.21	2,500,000	–	–	–	–	2,500,000
Other employees									
In aggregate	28th October, 2002	15th November, 2003 to 14th November, 2005 ⁽¹⁾	0.21	4,400,000	–	–	(2,800,000)	–	1,600,000
Other Eligible Participants									
In aggregate ⁽³⁾	28th October, 2002	15th November, 2003 to 14th November, 2005 ⁽¹⁾	0.21	7,000,000	–	–	(7,000,000)	–	–
				17,900,000	–	–	(9,800,000)	–	8,100,000

- (1) Under the terms of the options granted under the Pre-IPO Share Option Scheme, these options can only be exercised by the grantees in the following manner:

Commencement date when the options become exercisable	Proportion of options granted under the Pre-IPO Share Option Scheme that can be exercised
the date falling 12 months after 15th November, 2002	50%
the date falling 18 months after 15th November, 2002	25%
the date falling 24 months after 15th November, 2002	25%

- (2) In accordance with the Pre-IPO Share Option Scheme, the grantee of an option ceases to be an Eligible Participant due to termination of relationship with the Company or its Subsidiaries. The grantee may exercise the option up to his entitlement at the date of cessation of his relationship within the period of three months following the date of such cessation.

During the period, 9,800,000 share options were lapsed upon the resignation of employee and eligible participants.

(3) The balance includes options granted to the following persons:

- Mr. Wu Wing Kin, Mr. Kwok Chi Kin, and Mr. Tang Sing Hing, Kenny, who were executive directors of the Company and resigned on 8th June, 2004, 18th May, 2004 and 18th March, 2004 respectively.
- Mr. Cheng Kin Sang, who was the management shareholder of the Company, sold his interest in the shares of the Company and resigned as the director of hk6.com Limited on 11th May, 2004.

On 28th October, 2002, the Company conditionally adopted a further share option scheme (the “Share Option Scheme”) whereby full-time employees, executive or officers, directors of the Group and any suppliers, contractors, consultants, agents and/or advisers who, in the absolute determination of the Directors, will contribute or have contributed to the Group may be granted options to subscribe for shares of the Company. The Share Option Scheme became unconditional upon the listing of the Company’s shares on GEM on 15th November, 2002. Details of the Share Option Scheme have been set out in the annual report of the Company dated 21st June, 2004.

Particulars of the outstanding options which have been granted under the Share Option Scheme as at 31st December, 2004 were as follows:

				Number of share options					
Name or category of participant	Date of grant	Exercisable period	Exercise price per share	At 1st April, 2004	Options granted during the period	Options exercised during the period	Options lapsed during the period ⁽¹⁾	Options cancelled during the period	At 31st December, 2004
HK\$									
Directors									
Chan Tan Lui, Danielle	17th March, 2004	17th September, 2004 to 16th March, 2014	0.047	4,000,000	–	–	–	–	4,000,000
Choo Kwok How	17th March, 2004	17th March, 2005 to 16th March, 2014	0.047	2,000,000	–	–	–	–	2,000,000
Guo Qi	17th March, 2004	17th September, 2004 to 16th March, 2014	0.047	400,000	–	–	–	–	400,000
Yip Tai Him	17th March, 2004	17th September, 2004 to 16th March, 2014	0.047	400,000	–	–	–	–	400,000
Other employees									
In aggregate	17th March, 2004	17th March, 2005 to 16th March, 2014	0.047	11,300,000	–	–	(1,300,000)	–	10,000,000
Other Eligible Participants									
In aggregate	17th March, 2004	17th March, 2005 to 16th March, 2014	0.047	600,000	–	–	–	–	600,000
In aggregate ⁽²⁾	17th March, 2004	17th September, 2004 to 16th March, 2014	0.047	3,400,000	–	–	(3,400,000)	–	–
				22,100,000	–	–	(4,700,000)	–	17,400,000

- (1) In accordance with the Share Option Scheme, the grantee of an option ceases to be an Eligible Participant due to termination of relationship with the Company or its Subsidiaries. The grantee may exercise the option up to his entitlement at the date of cessation of his relationship within the period of three months following the date of such cessation.

During the period, 4,700,000 share options were lapsed upon the resignation of employees and eligible participants.

- (2) The balance includes options granted to Mr. Wu Wing Kin and Mr. Kwok Chi Kin, who were executive directors of the Company and resigned on 8th June, 2004 and 18th May, 2004 respectively.

The options granted are not recognised in the financial statements until they are exercised. The Directors consider that it is not appropriate to state the value of the share options granted during the period on the ground that a number of variables which are crucial for the valuation of the option value cannot be reasonably determined. Accordingly, the Directors believe that any valuation of the share options based on a great number of speculative assumptions would not be meaningful and may be misleading to the shareholders of the Company.

Competing Interests

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

Sponsor's Interests

As updated and notified by the Company's sponsor, Hantec Capital Limited (the "Sponsor"), as at 31st December, 2004, neither the Sponsor nor any of its respective directors, employees or associates (as referred to in note 3 to Rule 6.35 of the GEM Listing Rules) had any interests in the Company's shares.

Pursuant to the agreement dated 27th August, 2004 entered into between the Company and the Sponsor, the Sponsor has received and will receive a fee for acting as the Company's retained sponsor for the period from 31st August, 2004 to 31st March, 2005 or the date on which the agreement is terminated upon the terms and conditions as set out therein the agreement.

Advances to an entity

The aggregate advances made by the Group to the Associated Company amounted to RMB1,960,000 (equivalent to approximately HK\$1,849,057), as at 5th November, 2004 representing approximately 12.2% of the total assets of the Group as at 31st March, 2004. Details of such advances are disclosed under the paragraph headed "Financial assistance to the Associated Company" below.

Financial assistance to the Associated Company

As at 31st December, 2004, the aggregate advances and financial assistance provided by the Group to the Associated Company amounted to RMB1,960,000 (equivalent to approximately HK\$1,849,057), representing approximately 12.2% of the total assets of the Group as at 31st March, 2004. Details of which are as follows:

Name	Advance
The Associated Company	RMB1,960,000 (equivalent to approximately HK\$1,849,057)

The advance to the Associated Company was made on 5th November, 2004 and is unsecured, bearing interest at the rate of 5% per annum and repayable on 4th November, 2005.

The above advance was funded by internal resources of the Group and was made for the purpose of providing general working capital to the Associated Company.

The condensed unaudited balance sheet of the Associated Company as at 31st December, 2004 is set out as follows:

	<i>HK\$'000</i>
Non-current assets	7,756
Current assets	7,369
Current liabilities	(3,113)
Net assets	12,012
The Group's share of net assets	5,886

Audit Committee

The Company has established an audit committee on 28th October, 2002 with written terms of reference based on the guidelines set out in "A Guide for the Formation of an Audit Committee" of the Hong Kong Institute of Certified Public Accountants. It comprises three independent non-executive directors, namely Mr. Yip Tai Him, Mr. Chiu Kwok Ching and Ms. Guo Qi. The primary duties of the audit committee are to review the Company's annual report and accounts, half-yearly reports and quarterly reports and to provide advices and comments thereon to the Board. In addition, the audit committee considers any significant and unusual items that are, or may need to be, reflected in such reports and accounts and gives due consideration to any matters that have been raised by the Company's qualified accountant, compliance officer and auditors. The audit committee is also responsible for reviewing and supervising the financial reporting process and the Group's internal control system.

The audit committee has reviewed the accounting principles and practices adopted by the Company and discussed internal controls and financial reporting matters including a review of the unaudited third quarterly report for the nine months ended 31st December, 2004.

Board Practice and Procedures

During the nine months ended 31st December, 2004, 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 (if applicable).

Code of Conduct Regarding Securities Transactions by Directors

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exactly than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the nine months ended 31st December, 2004. The Company also had made specific enquiry of all the 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 the Directors.

Purchase, Sale or Redemption of Shares

During the nine months ended 31st December, 2004, the Company or any of its subsidiary companies did not purchase, sell or redeem any of the shares of the Company.

By Order of the Board
Chan Tan Lui, Danielle
Chairman

As at the date of this announcement, the Board comprises of:

Ms. Chan Tan Lui, Danielle (*Executive director and Chairman*)

Mr. Choo Kwok How (*Executive director*)

Ms. Guo Qi (*Independent non-executive director*)

Mr. Yip Tai Him (*Independent non-executive director*)

Mr. Chiu Kwok Ching (*Independent non-executive director*)

Hong Kong, 3rd February, 2005

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