HK6 HOLDINGS LIMITED

駿陸控股有限公司*

(incorporated in the Cayman Islands with limited liability)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST MARCH, 2003

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 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 the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement, for which the directors (the "Directors") of HK6 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*

FINANCIAL HIGHLIGHTS

Results

	For the year ended 31st March, 2003 *HK$*	For the year ended 31st March, 2002 *HK$*	For the period from 4th October, 1999 to 31st March, 2001 *HK$*
Turnover	**5,383,247**	3,247,026	231,954
Loss attributable to shareholders	**(1,203,046)**	(2,765,516)	(6,347,585)
Basic loss per share (HK cent)	**0.34**	0.84	1.92

CHAIRMAN'S STATEMENT

On behalf of the board of the Directors (the "Board"), I am pleased to present the audited consolidated results of HK6 Holdings Limited (the "Company", together with its subsidiary companies, collectively the "Group") for the year ended 31st March, 2003.

Financial Performance

In 2002/03, the Group's turnover rose approximately 65.8% to approximately HK$5,383,000 and the loss attributable to shareholders for the year ended 31st March, 2003 narrowed significantly to approximately HK$1,203,000, representing a decrease of approximately HK$1,563,000 compared to last year. Basic loss per share was 0.34 HK cent, compared to 0.84 HK cent in 2001/02.

Business Review

The shares of the Company were listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 15th November, 2002. The Company raised net proceeds of approximately HK$16 million for its business expansion and development.

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 in the financial market of Hong Kong.

Provision of real-time financial information services

For the year ended 31st March, 2003, the revenue derived from the provision of real-time financial information services was approximately HK$1,423,000, compared to approximately HK$1,361,000 in last year. The increase in revenue was attributable to the management's continuous efforts in obtaining contracts from new customers and renewal of contracts with the existing customers.

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 for broadcasting through different media as well as for corporate public relations purposes.

For the year ended 31st March, 2003, revenue derived from the provision of financial programme and video production services increased approximately 97.0% to approximately HK$3,347,000, compared to approximately HK$1,699,000 in last year.

During the year, the Group co-operated with one of the financial market regulators in Hong Kong to produce and release of a 12-episode financial programme named "Invest with your heads up" (投投是道) through a multimedia on-board system in Hong Kong. Also, the Group entered into a contract with a jewellery company in Hong Kong to produce a 40-episode financial programme named "Uncle Six Golden Quotes" (陸陸無窮句句金) which was broadcasted on a television channel in Hong Kong during the period from May to June 2002. In addition, the Group entered into a contract with a listed company in Hong Kong for the production of a corporate video and a 8-episode television programme which was broadcasted on a television channel during the period from July to September 2002. In the third quarter, the Group produced a 12-episode financial programme which was broadcasted on a television channel in Hong Kong. In December 2002, the Group produced another financial programme named "Bring you Wealth" (衍生財富) which was broadcasted on a television channel in Hong Kong during the period from December 2002 to February 2003.

Investor education in financial market

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

For the year ended 31st March, 2003, revenue derived from investor education in financial markets was approximately HK$613,000, compared to approximately HK$91,000 in last year, rose 571.9%. The huge increase in revenue was due to a special focus on this area of the Group's management and the increase in number of seminars and courses organised during the year compared to prior year.

Business Outlook

The Group aims to become one of the leading and one of the 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 business from Hong Kong to the PRC.

The Directors will continue to seek to form alliances with companies that already have a sufficient audience or viewership base and media channel partners both in Hong Kong and the PRC in order to capture the viewership base and enhance the Group's distribution networks. The Group intends to setup joint ventures with media partners and to cooperate with educational institutions in the PRC as a step to expand its business and enhance its network in the PRC.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue and Profitability

The Group recorded turnover of approximately HK$5,383,000 (2002: approximately HK$3,247,000) for the year ended 31st March, 2003, representing an increase of approximately 65.8%, compared to last year. Approximately 62.2%, 26.4% and 11.4% (2002: approximately 52.3%, 41.9% and 2.8%) of turnover for the year ended 31st March, 2003 were attributable to income for the production of financial programmes and videos, provision of real-time financial information services and investor education on financial market respectively.

The Group's gross profit for the year ended 31st March, 2003 amounted to approximately HK$2,982,000 (2002: approximately HK$2,364,000), representing an increase of 26.1% compared to last year whilst the Group's gross profit margin dropped to 55.4% (2002: 72.8%), representing a decrease of 17.4% compared to that in previous year. The lower gross profit margin of the Group for the year ended 31st March, 2003 was mainly attributable to the reduction of gross profit margin for financial programme and video production services from approximately 54.8% for the last year to approximately 41.0% for the current year.

Selling, administrative and other operating expenses for the year ended 31st March, 2003 decreased by approximately 17.0% to approximately HK$4,212,000 (2002: approximately HK$5,076,000) from last year. The decrease was mainly attributable to more effective cost control by management.

Net Loss Attributable to Shareholders

The Group's net loss for the year ended 31st March, 2003 decreased to approximately HK$1,203,000 (2002: approximately HK$2,766,000) compared to last year. The improvement in the results was attributable to the increase in turnover and effective cost control by management.

Liquidity, Financial Resources and Capital Structure

On 10th June, 2002, a total of 207 shares of HK$1.00 each in the share capital of Smart Talent Holdings Limited, a wholly-owned subsidiary company of the Company, were allotted and issued to the convertible bondholders credited as fully paid at an aggregate consideration of HK$3,000,000 upon these bondholders' exercise of the conversion rights under the convertible bonds issued by Smart Talent Holdings Limited in 2000.

As at 31st March, 2003, the Group did not have any borrowings outstanding (2002: approximately HK$3,112,000 of convertible bonds and interest payables issued by Smart Talent Holdings Limited, a wholly-owned subsidiary company of the Company, comprising non-current portion of approximately HK$2,071,000 and current portion of approximately HK$1,041,000. The interest rate of the bonds was 2% per annum.) and did not have any committed borrowing facilities and any significant capital commitments (2002: nil).

As at 31st March, 2003, the Group has net current assets approximately HK$17,056,000 (2002: approximately HK$1,059,000). The Group's current assets consisted of cash and cash equivalents of approximately HK$16,713,000 (2002: approximately HK$1,918,000), accounts receivable of approximately HK$228,000 (2002: approximately HK$372,000) and deposits and prepayments of approximately HK$557,000 (2002: approximately HK$957,000). The Group's current liabilities consisted of accounts payable of approximately HK$31,000 (2002: approximately HK$18,000), accrued expenses of approximately HK$174,000 (2002: approximately HK$413,000), receipts in advance of approximately HK$237,000 (2002: approximately HK$716,000) and there were no convertible bonds and interest payables to be matured within one year (2002: approximately HK$1,041,000).

The gearing ratio, expressed in terms of total liabilities over total assets, was 2.5% as at 31st March, 2003, compared to 113.3% as at 31st March, 2002. The improvement in the gearing ratio was mainly attributed to the conversion of convertible bonds to the share capital of Smart Talent Holdings Limited on 10th June, 2002 and the issuance of the shares of the Company in November 2002.

At present, the Group generally finances its operations and investing activities with internally generated cash flows. Excess cash held by the Group is generally deposited in banks in Hong Kong.

The shares of the Company were successfully listed on GEM on 15th November, 2002. There has been no change in the capital structure of the Company since that date.

Charge on Group Assets

The Group did not have any charge on its assets during the years ended 31st March, 2002 and 2003.

Material Acquisitions and Disposals

On 28th October, 2002, pursuant to the group reorganisation (the "Reorganisation") in preparation for the listing of the shares of the Company on GEM, the Company became the holding company of HK6 Investment Limited, Smart Talent Holdings Limited, hk6.com Limited and HK6 Media Limited. Details of the Reorganisation are set out in the prospectus of the Company dated 31st October, 2002 (the "Prospectus"). There were no material acquisitions or disposals of subsidiary companies and affiliated companies after the Reorganisation. However, the Company has established three subsidiary companies after the Reorganisation.

Employees

As at 31st March, 2003, the Group had 20 employees (2002: 18). The staff costs for the year ended 31st March, 2003 was approximately HK$2,159,000 (2002: approximately HK$2,749,000). The Group's remuneration, bonus and share option scheme policies are granted based on the performance of individual employees.

Material Investment or Capital Assets

Save as disclosed in the section "Statement of Business Objectives" of the Prospectus, the Group has no plans for material investments or capital assets.

Foreign Currency Risk

The income and expenditure of the Group are mainly in Hong Kong dollars and the assets and liabilities of the Group were denominated in Hong Kong dollars. Accordingly, the Directors do not consider the Group is significantly exposed to any foreign currency exchange risk.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 31st March, 2002 and 2003.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

Business objectives as stated in the Prospectus	Actual business progress from the Listing Date to 31st March, 2003
Development of strategic alliances and business partnerships in the PRC	
– Form strategic alliances with television channels in major cities in the PRC such as Beijing and Shanghai – Form strategic alliances with Global Positioning System providers in major cities and regions in the PRC such as Shenzhen, Shanghai, Beijing or Heilongjiang – Seek to form strategic alliances with other financial information providers in the PRC to broaden the range of services available to customers	– The Group has liaised with potential partners of television channels in the PRC, Global Positioning System providers and other financial information providers to form strategic alliances and business partnerships and further cooperative discussion is in progress. No agreement has been signed yet and no fixed terms have been agreed.
Media channels development and enhancement in Hong Kong	
– Finalise terms of co-operations with a professional body for securities and finance practitioners in Hong Kong	– The Group has assisted the professional body to organise a continuing professional training course in November 2002 and has liased with such professional body for future co-operations. No agreement has been signed yet and no fixed terms have been agreed.
– Seek to form strategic alliances with other media channels in Hong Kong to broaden the networks of distributing multimedia financial information services	– The Group has liaised with potential partners and further cooperative discussion is in progress. No agreement has been signed yet and no fixed terms have been agreed.

Business objectives as stated in the Prospectus	Actual business progress from the Listing Date to 31st March, 2003
Service development and enhancement	
– Commence feasibility study on setting up a simplified Chinese version of www.hk6.com	– Undergoing
– Provide links to information related to the PRC financial market in the Group's website	– As the cooperative arrangements with the potential partners are not yet finalized, no links to information related to the PRC financial market in the Group's website can be provided at the moment.
– Recruit reporters to enhance the content of the Group's website	– Evaluation of candidates is undergoing.
– Continue developing new digital video technologies for improving the quality of multimedia content	– Undergoing
– Produce at least two financial programmes and broadcast them on television channels in Hong Kong	– Two financial programmes have been produced in the second half of the financial year.
– Broadcast at least two investor education programmes on the Group's website www.hk6.com	– The links for the above mentioned programmes have been established on the Group's website.

Business objectives as stated in the Prospectus	Actual business progress from the Listing Date to 31st March, 2003
Sales and marketing	
– Recruit marketing executives to develop to the Marketing and Communication Department of the Group	– Evaluation of candidates is undergoing.
– Organise seminars and courses in relation to financial market education to build up public awareness of the Group's brand name	– The Group has assisted a professional body for securities and finance practitioners in Hong Kong to organise a continuing professional training course in November 2002. In March 2003, the Group has finalised the terms to cooperate with a university in Hong Kong to provide courses in relation to financial market in Hong Kong.
– Exchange banners on websites with strategic alliances	– The Group has liaised with potential partners and further cooperative discussion is in progress.
– Launch the electronic newsletter delivery service to members of www.hk6.com and strategic alliances by email	– Electronic newsletters have been published during the period and distributed to the members of the Group's website every week.
– Advertise through multimedia channels such as television, newspaper or participating in exhibitions	– The Group has advertised through newspapers and the Group's website and organised courses and seminars to public in order to strengthen the public awareness of its brand name "HK6" and services.
– Attract people to register as www.hk6.com members through seminars and courses to build up public awareness	– It is the Group's strategy to attract public to register as the members of the Group's website through seminars and courses in order to build up the public awareness of the Group and its brand name.
– Explore potential clients such as listed companies for production of corporate videos	– Undergoing

USE OF PROCEEDS

At 31st March, 2003, the Group has incurred the following amounts to achieve the business objectives as set out in the Prospectus:

	As stated in the Prospectus *HK$'000*	Actual *HK$'000*
Development of strategic alliances and business partnerships in the PRC	4,600	–
Media channels development and enhancement in Hong Kong	2,600	–
Service development and enhancement	6,100	92
Sales and marketing	1,600	191
General working capital	2,000	130
Net fund raised/used	16,900	413

The remaining net proceeds have been deposited in the banks in Hong Kong.

DIRECTORS' INTERESTS IN SHARES

At 31st March, 2003, the interests in the shares of the directors and its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance")), as required to be recorded in the register maintained by the Company under Section 29 of the SDI Ordinance were as follows:

Ordinary shares of HK$0.01 each in the Company

	Number of shares				
Name of Director	**Personal interests**	**Corporate interests** *(Note)*	**Family interests**	**Other interests**	**Total shareholding**
Chan Tan Lui, Danielle	–	107,079,195	–	–	107,079,195
Tang Sing Hing, Kenny	27,714,613	–	–	–	27,714,613

Note: These shares are held by Superhero Limited, which is wholly owned by Ms. Chan Tan Lui, Danielle and she is therefore deemed to be interested in these shares (by virtue of the SDI Ordinance).

DIRECTORS' SERVICE CONTRACTS

Each of the executive directors has entered into a service contract with the Company. The employment of each executive director under his or her service contract shall commence from 15th November, 2002 and shall be continuous subject to termination by either party to the contract serving written notice to the other to terminate such employment to take effect three months from the date of service of such notice.

Save as disclosed above, none of the directors being proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company or any of its subsidiary companies which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Apart from the directors' service contracts disclosed above, no contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

SUBSTANTIAL SHAREHOLDERS

At 31st March, 2003, the register of substantial shareholders maintained by the Company pursuant to Section 16(1) of the SDI Ordinance showed that the Company has been notified of the following interests, being 10% or more of the issued share capital of the Company:

Name	Number of shares held	Approximate percentage of shareholding
Superhero Limited *(Note 1)*	107,079,195	26.77%
U six Group Limited *(Note 2)*	97,001,144	24.25%

Notes:

(1) These entire issued shares of Superhero Limited is wholly owned by Ms. Chan Tan Lui, Danielle and she is therefore deemed to be interested in these shares (by virtue of the SDI Ordinance).

(2) These entire issued shares of U six Group Limited is wholly owned by Mr. Chan Wing Luk and he is therefore deemed to be interested in these shares (by virtue of the SDI Ordinance).

Save as disclosed above, no person was recorded in the register as having an interest amounting to 10% or more of the issued share capital of the Company as at 31st March, 2003.

SHARE OPTION SCHEMES

Prior to the listing of the Company's shares on GEM, the board of directors (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 the date of this report, under the terms of the pre-IPO share option scheme on 28th October, 2002 (the "Pre-IPO Share Option 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.

The purpose of the Pre-IPO Share Option Scheme is to recognise the contribution of certain directors, consultant, management shareholder and certain employees of the Group to the business and growth of the Group.

The maximum number of shares which can be granted under the Pre-IPO Share Option Scheme has been fixed at 40,000,000 shares of the Company, representing 10% of the shares of the Company in issue as at the date of this report.

Save for the options which have been granted under the Pre-IPO Share Option Scheme (see below) on or before 28th October, 2002, no further options may be offered, accepted or granted thereunder after 28th October, 2002.

The options granted under the Pre-IPO Share Option Scheme were granted to the relevant grantees subject to the receipt by the Company of the sum of HK$1.00 by way of consideration for the grant thereof to such grantee.

Particulars of the Pre-IPO Share Option Scheme of the Company are disclosed as follows:

				Number of share options				
Name or category of participant	**Date of grant**	**Exercisable period**	**Exercise price per share** *HK$*	**At 1st April, 2002**	**Options granted during the year**	**Options exercised during the year**	**Options cancelled during the year**	**At 31st March, 2003**
Directors								
Chan Tan Lui, Danielle	28th October, 2002	15th November, 2003 to 14th November, 2005 [1]	0.21	–	2,500,000	–	–	2,500,000
Wu Wing Kin	28th October, 2002	15th November, 2003 to 14th November, 2005 [1]	0.21	–	3,500,000	–	–	3,500,000
Tang Sing Hing, Kenny	28th October, 2002	15th November, 2003 to 14th November, 2005 [1]	0.21	–	1,500,000	–	–	1,500,000
Kwok Chi Kin	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
Management Shareholder								
Cheng Kin Sang	28th October, 2002	15th November, 2003 to 14th November, 2005 [1]	0.21	–	500,000	–	–	500,000
Other employees								
In aggregate	28th October, 2002	15th November, 2003 to 14th November, 2005 [1]	0.21	–	8,000,000	–	–	8,000,000
				–	20,000,000	–	–	20,000,000

(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 (the "Listing Date")	*50%*
The date falling 18 months after the Listing Date	*25%*
The date falling 24 months after the Listing Date	*25%*

(2) Among the grantees in this grant of options, 4 executive directors for an aggregate of 9,000,000 shares were granted to them; a consultant of the Group for 2,500,000 shares were granted; a management shareholder of the Group for 500,000 shares and 12 full-time employees of the Group for an aggregate of 8,000,000 shares were granted.

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 Company or its subsidiary companies and any suppliers, independent contractors, consultants, agents and/or advisers who, in the absolute determination of the directors of the Company, will contribute or have contributed to the Company and/or its subsidiary companies (the "Eligible Participants") 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 are as follows:

(a) Maximum number of shares

The maximum number of shares of the Company which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company must not exceed 10% of the shares of the Company in issue immediately prior to the commencement of trading of the shares of the Company on GEM, which is equivalent to 40,000,000 shares. Shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of such share option scheme(s) will not be counted for the purpose of the 10% limit.

Subject to the issue of a circular by the Company and the approval of the shareholders of the Company (the "Shareholders") in general meeting and/or such other requirements prescribed under the GEM Listing Rules from time to time, the Board may:

(i) refresh this limit at any time to 10% of the shares of the Company in issue as at the date of the approval by the Shareholders in general meeting (options previously granted under any share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with such schemes or exercised options) will not be counted for the purpose of calculating the limit as refreshed).

(ii) grant options beyond the 10% limit to Eligible Participants specifically identified by the Board whereupon the Company shall send a circular to the Shareholders containing, amongst others, a generic description of the specified participants who may be granted such options, the number and terms of the options to be granted and the purpose of granting options to the specified participants with an explanation as to how the options serve such purpose.

(iii) notwithstanding the foregoing, the shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company at any time shall not exceed 30% of the shares of the Company in issue from time to time. No options shall be granted under any scheme(s) of the Company or any of its subsidiary companies if this will result in the 30% limit being exceeded.

(b) Maximum number of options to any one individual

The total number of shares of the Company issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme(s) of the Company (including exercised, cancelled and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the shares of the Company in issue as at the date of grant.

Any further grant of options in excess of this 1% limit shall be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting with such Eligible Participant and his associates (as defined in the GEM Listing Rules) abstaining from voting and/or other requirements prescribed under the GEM Listing Rules from time to time.

(c) Price of shares

The subscription price for a share of the Company in respect of any particular option granted under the Share Option Scheme (which shall be payable upon exercise of the option) shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of (a) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day (and for this purpose shall be taken to be the date of the Board meeting at which the Board proposes to grant the options); (b) the average of the closing prices of the shares of the Company as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; and (c) the nominal value of a share of the Company.

(d) Granting options to connected persons

Any grant of options to a director, chief executive or management shareholder or substantial shareholder of the Company or any of their respective associates (as defined in the GEM Listing Rules) is required to be approved by the independent non-executive directors (excluding the independent non-executive director who is the grantee of the options).

If the Company proposes to grant options to a substantial shareholder (as defined in the GEM Listing Rules) of the Company or any independent non-executive director or their respective associates (as defined in the GEM Listing Rules) which will result in the number of shares of the Company issued and to be issued upon exercise of options granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of the offer of such grant:

(i) representing in aggregate over 0.1% of the shares of the Company in issue on the date of the offer; and

(ii) having an aggregate value in excess of HK$5 million, based on the closing price of the shares of the Company at the date of each offer,

such further grant of options will be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting on a poll at which all connected persons (as defined in the GEM Listing Rules) of the Company shall abstain from voting, and/or such other requirements prescribed under the GEM Listing Rules from time to time. A connected person (as defined in the GEM Listing Rules) of the Company will be permitted to vote against the grant only if his intention to do so has been stated in the circular.

(e) Time of exercise of option

There is no general requirement that an option must be held for any minimum period before it can be exercised but the Board is empowered to impose at its discretion any such minimum period at the time of grant of any particular option. The date of grant of any particular option is the date when the duplicate offer document constituting acceptance of the option duly signed by the grantee, together with a remittance in favour of the Company of HK$1.00 by way of consideration is received by the Company, such date must be on or before the 30th day after the option is offered to the relevant grantee. The period during which an option may be exercised will be determined by the Board at its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the Share Option Scheme. Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years after the date of adoption of the Share Option Scheme by Shareholders by resolution at a general meeting.

At 31st March, 2003, no share options were granted or agreed to be granted by the Company under the Share Option Scheme.

As the Company's shares have only been listed on the GEM since 15th November, 2002, the directors do not consider it appropriate to disclose a theoretical value of the share options granted during the period because there would not be sufficient historical price performance data to produce reasonable valuations using commonly used methodologies.

COMPETING INTERESTS

Mr. Tang Sing Hing, Kenny, executive director and management shareholder of the Company, is a well-known celebrity in financial industry and is from time to time being invited by different media such as television and radio channels as speaker or host of various financial programmes and seminars. He also contributes articles and journals to certain newspapers in Hong Kong.

The directors consider that the services carried out by Mr. Tang Sing Hing, Kenny in relation to the financial programmes and seminars hosting and financial journals writing in his personal capacity will not constitute any competition for the Group on the ground that such activities are carried out by Mr. Tang Sing Hing, Kenny as an individual talent and the scope of which is less comprehensive and the business model is different from that of the Group.

Save as disclosed above, 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, Tai Fook Capital Limited (the "Sponsor"), as at 31st March, 2003, 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 30th October, 2002 entered into between the Company and the Sponsor, the Sponsor will receive a fee for acting as the Company's retained sponsor for the period from the Listing Date to the earlier of 31st March, 2005 or the date on which the agreement is terminated upon the terms and conditions as set out therein the agreement.

SUBSEQUENT EVENTS

The directors are not aware of any material subsequent events.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year, the Company or any of its subsidiary companies did not purchase, sell or redeem any of the shares of the Company.

AUDIT COMMITTEE

The Company established an audit committee in compliance with the Code of Best Practice as set out in Rule 5.23 of the GEM Listing Rules on 28th October, 2002 with written terms of reference based on the guidelines of the Hong Kong Society of Accountants. It comprises an executive director, namely, Ms. Chan Tan Lui, Danielle and two independent non-executive directors, namely Ms. Luk Wai Wun, Vivien and Mr. Yip Tai Him. 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 advice and comments thereon to the Board. In addition, the audit committee will consider any significant and unusual items that are, or may need to be, reflected in such reports and accounts and must give due consideration to any matters that have been raised by the Company's qualified accountant, compliance officer and auditors. The audit committee will also be responsible for reviewing and supervising the financial reporting process and the Group's internal control system.

The audit committee has met three times, reviewing with management the accounting principles and practices adopted by the Company, and discussed internal controls and financial reporting matters including a review of the Company's annual report with the directors.

BOARD PRACTICES AND PROCEDURES

The Company has complied with the board practices and procedures as set out in Rules 5.28 to 5.39 of the GEM Listing Rules since the listing of the Company's shares on GEM on 15th November, 2002.

The audited consolidated results of the Group for the year ended 31st March, 2003 together with the comparative figures for the year ended 31st March, 2002 are as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March, 2003

	Note	**2003** *HK$*	2002 *HK$*
Turnover	*4*	**5,383,247**	3,247,026
Cost of sales		**(2,401,503)**	(883,294)
Gross profit		**2,981,744**	2,363,732
Other revenue		**38,610**	6,597
Selling expenses		**(112,097)**	(571,252)
Administrative expenses		**(2,470,130)**	(3,027,735)
Other operating expenses		**(1,629,502)**	(1,476,834)
Operating loss	*5*	**(1,191,375)**	(2,705,492)
Finance costs	*6*	**(11,671)**	(60,024)
Loss before taxation		**(1,203,046)**	(2,765,516)
Taxation	*7*	**–**	–
Loss attributable to shareholders		**(1,203,046)**	(2,765,516)
Loss per share – basic	*8*	**HK$0.34 cent**	HK$0.84 cent
Loss per share – diluted	*8*	**N/A**	N/A

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2003

	Note	Share capital HK$	Share premium HK$	Merger Reserve HK$	Accumulated losses HK$	Total HK$
Balance as at 1st April, 2001		1,000	–	7,662,333	(6,347,585)	1,315,748
Issue of shares and its premium by Smart Talent Holdings Limited		100	–	949,900	–	950,000
Loss for the year		–	–	–	(2,765,516)	(2,765,516)
Balance as at 31st March, 2002		1,100	–	8,612,233	(9,113,101)	(499,768)
Issue of shares and its premium by Smart Talent Holdings Limited as a result of the conversion of bonds	*10(a)*	207	–	2,999,793	–	3,000,000
Issue of shares by HK6 Investment Limited to acquire Smart Talent Holdings Limited and hk6.com Limited	*10(b)*	20,389	–	(20,389)	–	–
Transfer share capital of Smart Talent Holdings Limited to merger reserve	*10(b)*	(1,307)	–	1,307	–	–
Issue of shares by HK6 Holdings Limited to acquire HK6 Investment Limited	*10(c)*	3,293,000	–	(3,293,000)	–	–
Transfer share capital of HK6 Investment Limited to merger reserve	*10(c)*	(20,389)	–	20,389	–	–
Issue of shares to a company for the advisory and consultancy services rendered	*10(d)*	7,000	–	–	–	7,000
Issue of shares and its premium by HK6 Holdings Limited at premium	*10(e)*	700,000	20,300,000	–	–	21,000,000
Share issue expenses	*10(f)*	–	(5,104,513)	–	–	(5,104,513)
Loss for the year		–	–	–	(1,203,046)	(1,203,046)
Balance as at 31st March, 2003		**4,000,000**	**15,195,487**	**8,320,333**	**(10,316,147)**	**17,199,673**

NOTES

1. GROUP REORGANISATION

HK6 Holdings Limited (the "Company") was incorporated in the Cayman Islands on 23rd May, 2002 as a company with limited liability under the Companies Law (2001 Second Revision) of the Cayman Islands. Pursuant to the Group reorganisation (the "Reorganisation") implemented on 28th October, 2002, to rationalise the structure of the Group in preparation for the listing of the Company's shares on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited, the Company became the holding company of HK6 Investment Limited, Smart Talent Holdings Limited, hk6.com Limited and HK6 Media Limited. This was accomplished by the Company acquiring the entire issued share capital of HK6 Investment Limited in consideration for the allotment and issue of 329,299,990 shares of HK$0.01 each in the share capital of the Company, credited as fully paid, to the former shareholders of HK6 Investment Limited. Further details of the Reorganisation are set out in note 10 and in the Company's prospectus dated 31st October, 2002.

The shares of the Company were listed on GEM on 15th November, 2002.

The principal activities of the Company is investment holding. During the year, the Group was principally engaged in the operation of financial website, production of financial programmes and videos and the provision of financial information and investor education.

2. ADOPTION OF NEW STATEMENTS OF STANDARD ACCOUNTING PRACTICE

In the current year, the Group adopted the following Statements of Accounting Practice ("SSAP(s)") issued by the Hong Kong Society of Accountants, which are effective for accounting periods commencing on or after 1st January, 2002:

SSAP 1 (revised):	Presentation of financial statements
SSAP11 (revised):	Foreign currency translation
SSAP15 (revised):	Cash flow statements
SSAP34 (revised):	Employee benefits

The adoption of these SSAPs has no material effect on the results for the current or prior accounting periods, no prior period adjustment is required.

3. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Statements of Standard Accounting Practice, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These have been prepared under the historical cost convention.

(b) Basis of presentation and consolidation

The consolidated financial statements have been prepared using the merger basis of accounting as a result of the Reorganisation. Under this basis, the Company has been treated as the holding company of its subsidiary companies for the financial years presented rather than from the date of their acquisition. Accordingly, the consolidated/combined results of the Group for the years ended 31st March, 2002 and 2003 include the results of the Company and its subsidiary companies with effect from 1st April, 2001 or since their respective dates of incorporation, where this is a shorter period.

In the opinion of the directors, the consolidated/combined financial statements prepared on the above basis present more fairly the results and the state of affairs of the Group as a whole.

All significant intercompany transactions and balances within the Group are eliminated in the preparation of the consolidated financial statements.

4. SEGMENT INFORMATION

The Group is principally engaged in providing real-time financial news and up-to-date financial market commentaries and recommendations through multimedia, financial programme and video production services, and financial seminars and courses. In accordance with the Group's operating activities, the primary segment reporting is by business segments. No analysis by geographical segment is presented as the Group's turnover and results are substantially derived from Hong Kong.

The following tables present revenue, results and certain assets, liabilities and expenditure information for the Group's business segments.

Segment revenue and results for the years ended 31st March, 2003 and 31st March, 2002:

	Financial information		**Financial programme and video production**		**Financial seminars and courses**		**Others**		**Total**	
	2003	2002	**2003**	2002	**2003**	2002	**2003**	2002	**2003**	2002
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
Turnover	**1,423,404**	1,360,795	**3,347,000**	1,699,100	**612,843**	91,209	**–**	95,922	**5,383,247**	3,247,026
Segment results	**1,373,688**	1,350,602	**1,373,110**	930,300	**234,946**	48,458	**–**	34,372	**2,981,744**	2,363,732
Other revenue									**38,610**	6,597
Unallocated costs									**(4,211,729)**	(5,075,821)
Operating loss									**(1,191,375)**	(2,705,492)
Finance costs									**(11,671)**	(60,024)
Loss before taxation									**(1,203,046)**	(2,765,516)
Taxation									**–**	–
Loss attributable to shareholders									**(1,203,046)**	(2,765,516)

There are no significant sales or other transactions between the business segments.

Segment assets and liabilities as at 31st March, 2003 and 31st March, 2002:

	Financial information		Financial programme and video production		Financial seminars and courses		Others		Total	
	2003	2002	**2003**	2002	**2003**	2002	**2003**	2002	**2003**	2002
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
Segment assets	**114,852**	153,094	**224,500**	358,500	**26,010**	30,525	**–**	–	**365,362**	542,119
Unallocated assets									**17,276,621**	3,217,059
Total assets									**17,641,983**	3,759,178
Segment liabilities	**26,930**	40,656	**219,000**	694,000	**26,910**	–	**–**	–	**272,840**	734,656
Unallocated liabilities									**169,470**	3,524,290
Total liabilities									**442,310**	4,258,946
Other information:										
Unallocated capital expenditure									**34,230**	145,394
Depreciation									**403,040**	825,813

5. OPERATING LOSS

Operating loss is stated after crediting and charging the following:

	2003	2002
	HK$	*HK$*
Crediting:		
Interest income	**38,610**	6,597
Charging:		
Auditors' remuneration	**90,000**	70,000
Provision for doubtful debts	**35,794**	–
Depreciation	**403,040**	825,813
Operating leases in land and buildings	**175,968**	175,968
Retirement benefit costs	**90,465**	92,933
Staff costs (including directors' remuneration but excluding retirement benefit costs)	**2,069,003**	2,656,067

6. FINANCE COSTS

	2003	2002
	HK$	*HK$*
Interest expenses on:		
– bank overdrafts	**–**	24
– convertible bonds	**11,671**	60,000
	11,671	60,024

7. TAXATION

The Group's business is operated in Hong Kong and is subject to Hong Kong profits tax at the rate of 16%. No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits for the year.

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

	2003	2002
	HK$	*HK$*
Tax losses	**9,701,000**	9,442,000

8. LOSS PER SHARE

The calculation of the basic loss per share for the year ended 31st March, 2003 is based on the consolidated net loss attributable to shareholders of HK$1,203,046 (2002: HK$2,765,516) and the weighted average number of 356,250,000 (2002: 330,000,000) ordinary shares in issue during the year.

No diluted loss per share has been presented as the Company has no dilutive potential shares.

9. DIVIDENDS

No dividends have been paid or declared by the Company during the year (2002: Nil).

10. NOTES TO THE STATEMENT OF CHANGES IN EQUITY

The Reorganisation, which altered the compositions of the equity, was executed and was detailed as follows:

(a) On 10th June, 2002, a total of 207 shares of HK$1.00 each in the share capital of Smart Talent Holdings Limited were allotted and issued to the bondholders credited as fully paid at an aggregate consideration of HK$3,000,000 upon these bondholders' exercise of the conversion rights under the bonds issued by Smart Talent Holdings Limited in 2000.

(b) On 27th August, 2002, HK6 Investment Limited acquired the entire issued share capital of hk6.com Limited from Smart Talent Holdings Limited by allotting and issuing 1,305 shares of US$1.00 each to the shareholders of Smart Talent Holdings Limited. On 29th August, 2002, HK6 Investment Limited acquired the entire issued share capital of Smart Talent Holdings Limited from its shareholders through the issuance of 1,307 shares of US$1.00 each in HK6 Investment Limited. As such, HK6 Investment Limited became the holding company of the Group.

(c) On 28th October, 2002, HK6 Holdings Limited acquired the entire issued share capital of HK6 Investment Limited from its shareholders and 329,299,990 shares were allotted and issued as consideration for the acquisition, all credited as fully paid at par. HK6 Holdings Limited became the holding company of HK6 Investment Limited, Smart Talent Holdings Limited, hk6.com Limited and HK6 Media Limited since 28th October, 2002.

(d) On 28th October, 2002, the Company issued 700,000 new shares to a company in satisfaction of HK$210,000 being the service fee for the public relations advisory and consultancy services rendered in connection to the preparation of listing of the shares in the capital of the Company on GEM of The Stock Exchange of Hong Kong Limited.

(e) On 15th November, 2002, 70,000,000 shares of HK$0.01 each were issued to the public at HK$0.30 each for cash consideration of HK$21,000,000.

(f) The amount of share issuance expenses of HK$5,104,513 were offset against the share premium from the public offer of the Company's share capital.

On behalf of the Board
Chan Tan Lui, Danielle
Chairman

Hong Kong, 16th June, 2003

This announcement will remain at www.hkgem.com on the "Latest company announcements" page of the GEM website for at least 7 days from the date of its posting and on the website of the Group at www.hk6.com.