

**HK6 HOLDINGS LTD:  
IT'S JUST A GAME**

Since going public in October last year, HK6 Holdings Ltd (Code: 8206, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd) has managed only to see about half of its Offer Price of 30 cents per Share eroded by investors.

Considering that this Company is yet another loss-maker, this is quite surprising – because one would have thought that the correct price for the shares of this Company, on the open market, should be a penny, at most.

The Company put out an announcement on November 20, 2002, stating that, for the 6 months, ended September 30, 2002, on a Turnover of about \$HK2.27 million, it enjoyed a Net Loss Attributable to Shareholders of about \$HK595,394.

For the comparable period, ended September 30, 2001, the Company reported a Loss Attributable to Shareholders of about \$HK1.23 million on a Turnover of about \$HK1.80 million.

According to the Prospectus, dated October 31, 2002, HK6 claimed, at Page 145, that it had logged in a 'Combined Loss from Ordinary Activities Attributable to Shareholders' up to August 31, 2002, of about \$HK679,000.

Therefore, for the one month between August 31, 2002 and September 30, 2002, the Company must have shaved down its losses by about \$HK83,606.

This could have been due to a reduction in the short-term, interest requirements, following the successful launch of the HK6 on The GEM.

This Company describes itself in its Prospectus as being '*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 on financial market in Hong Kong.*'

All good stuff and, as far as **TARGET** can ascertain, all the good stuff, which is likely to make a loss in the fullness of time.

In fact, it is surprising to **TARGET** that the Company has not made a larger loss than that which has, already, been admitted.

**The Flotation**

When HK6 went public on The GEM, it Offered 70 million, one-cent Shares at a Premium of 29 cents per Share.

The investing public was Offered 10 million New, one-cent Shares and 30 million Sales Shares were flogged by holders of former Convertible Bond Holders.

When the dust had cleared, HK6 was left with \$HK16.90 million, net of expenses, that amount of money, said to be earmarked for the following purposes:

1. \$HK4.60 million for the development of strategic alliances and business partnerships in the People's Republic of China (PRC), proper;
2. \$HK2.60 million for the development of media channels in the Hongkong Special Administrative Region (HKSAR) of the PRC;
3. \$HK6.10 million for service development;
4. \$HK1.60 million for sales and marketing; and,
5. \$HK2 million to be used as General Working Capital.

HK6 was founded in January 2000 by Ms Danielle Chan Tan Lui, the current, 33-year-old Chairlady.

Ms Chan was a former, well-known table-tennis (ping-pong) player in Beijing.

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