TRADEEASY HOLDINGS LIMITED
(易貿通集團有限公司)*

(incorporated in the Cayman Islands with limited liability)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 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 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 the 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 Tradeeasy Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange for the purpose of giving information with regard to Tradeeasy Holdings Limited. 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 purposes only*

HIGHLIGHTS

- Turnover for the six months ended 30 September 2003 amounted to approximately HK$17.8 million, representing an increase of approximately 2.8% as compared to the turnover of approximately HK$17.3 million for the corresponding period in the previous financial year.

- Net loss attributable to shareholders for the six months ended 30 September 2003 amounted to approximately HK$2.8 million, representing a decrease of approximately 43.5% as compared to the net loss of approximately HK$5.0 million for the corresponding period in the previous financial year.

- Loss per share for the six months ended 30 September 2003 was approximately HK0.7 cents.

- As at 30 September 2003, the cash and cash equivalents amounted to approximately HK$8.0 million and there were no bank borrowings.

- The board of directors do not recommend payment of any interim dividend for the six months ended 30 September 2003.

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2003

The board of directors (the "Directors") of Tradeeasy Holdings Limited (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the "Group" or "Tradeeasy") for the three months and the six months ended 30 September 2003, together with the comparative unaudited figures for the corresponding periods in 2002 respectively, are as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited three months ended 30 September		**Unaudited six months ended 30 September**	
		2003	**2002**	**2003**	**2002**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
TURNOVER	3	8,765	8,154	17,780	17,301
Cost of sales		(5,667)	(6,291)	(11,172)	(11,858)
Gross profit		3,098	1,863	6,608	5,443
Other revenue		16	127	27	258
Selling and distribution costs		(439)	(787)	(848)	(1,625)
General and administrative expenses		(3,498)	(3,136)	(6,870)	(6,704)
Advertising and promotion expenses		(1,193)	(1,071)	(1,519)	(1,722)
Other operating expenses		(211)	(573)	(233)	(573)
LOSS FROM OPERATING ACTIVITIES	5	(2,227)	(3,577)	(2,835)	(4,923)
Finance costs		—	(51)	—	(99)
LOSS BEFORE TAX		(2,227)	(3,628)	(2,835)	(5,022)
Tax	6	—	—	—	—
NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		(2,227)	(3,628)	(2,835)	(5,022)
DIVIDEND		—	—	—	—
LOSS PER SHARE (HK cents)	7				
Basic		(0.56)	(0.91)	(0.71)	(1.26)
Diluted		N/A	N/A	N/A	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	Unaudited 30 September 2003 HK$'000	Audited 31 March 2003 HK$'000
NON-CURRENT ASSETS			
Fixed assets	8	3,695	4,509
Deferred development expenditure	9	17,992	20,684
		21,687	25,193
CURRENT ASSETS			
Trade receivables	10	1,324	1,599
Prepayments, deposits and other receivables		1,748	1,749
Cash and cash equivalents		8,040	7,590
		11,112	10,938
CURRENT LIABILITIES			
Trade payables	11	46	51
Deferred service fees received in advance		3,625	3,928
Accruals and other payables		2,140	2,329
		5,811	6,308
NET CURRENT ASSETS		5,301	4,630
		26,988	29,823
CAPITAL AND RESERVES			
Issued capital		4,000	4,000
Reserves	12	22,988	25,823
		26,988	29,823

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Share capital *HK$'000*	Share premium account *HK$'000*	Contributed surplus *HK$'000*	Exchange fluctuation reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*
At 1 April 2002	4,000	16,337	66,710	11	(48,708)	38,350
Net loss for the six months ended 30 September 2002	—	—	—	—	(5,022)	(5,022)
At 30 September 2002	4,000	16,337	66,710	11	(53,730)	33,328
At 1 April 2003	4,000	16,337	66,710	11	(57,235)	29,823
Net loss for the six months ended 30 September 2003	—	—	—	—	(2,835)	(2,835)
At 30 September 2003	4,000	16,337	66,710	11	(60,070)	26,988

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited six months ended 30 September 2003 *HK$'000*	2002 *HK$'000* *(Restated)*
Net cash inflow/(outflow) from operating activities	1,190	(2,182)
Net cash outflow from investing activities	(740)	(5,502)
Net cash inflow from financing activities	—	3,173
Increase/(decrease) in cash and cash equivalents	450	(4,511)
Cash and cash equivalents brought forward	7,590	15,602
Cash and cash equivalents carried forward	8,040	11,091
Analysis of the balances of cash and cash equivalents:-		
Cash and bank balances	3,540	3,091
Non-pledged time deposits with original maturity of less than three months when acquired	4,500	8,000
	8,040	11,091

Notes: -

1. **Basis of preparation and consolidation**

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

The unaudited consolidated financial statements include the financial statements of the Company and its subsidiaries for the six months ended 30 September 2003. The results of subsidiaries acquired or disposed of during the period are consolidated from or to their effective dates of acquisition or disposal, respectively. The unaudited consolidated financial statements also comply with the disclosure requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

2. **Impact of the revised HKSSAPs**

The basis of preparation and principal accounting policies adopted for the preparation of these unaudited consolidated financial statements are consistent with those used in the preparation of the Group's audited financial statements for the year ended 31 March 2003, except that the Group has adopted SSAP 12 (Revised) "Income Taxes" which prescribes new accounting measurements and disclosure practices. The adoption of this SSAP 12 (Revised) during the financial period under review does not have any significant effect on the Group's unaudited consolidated results for the period and the prior period.

3. **Turnover**

Turnover represents the value of services rendered during the six-month period under review.

4. Segment information

An analysis of the Group's turnover and operating results for the periods by business and geographical segments is as follows: -

(a) Business segments

	Unaudited six months ended 30 September							
	Integrated marketing solution services		ASP services		Technical consultancy services		Consolidated	
	2003	2002	2003	2002	2003	2002	2003	2002
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue:								
Sales to external customers	2,279	4,117	9,199	6,391	6,302	6,793	17,780	17,301
Segment results	(638)	(1,441)	(2,577)	(2,238)	993	(492)	(2,222)	(4,171)
Interest income							20	65
Unallocated revenue							7	193
Unallocated expenses							(640)	(1,010)
Loss from operating activities							(2,835)	(4,923)
Finance costs							—	(99)
Loss before tax							(2,835)	(5,022)
Tax							—	—
Net loss from ordinary activities attributable to shareholders							(2,835)	(5,022)

(b) Geographical segments

	Unaudited six months ended 30 September					
	Hong Kong		Mainland China		Consolidated	
	2003	2002	2003	2002	2003	2002
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
		(Restated)		*(Restated)*		*(Restated)*
Segment revenue:						
Sales to external customers	11,478	10,508	6,302	6,793	17,780	17,301
Segment results	(3,215)	(3,679)	993	(492)	(2,222)	(4,171)

5. **Loss from operating activities**

The Group's loss from operating activities is arrived at after charging/(crediting): -

	Unaudited three months ended 30 September		Unaudited six months ended 30 September	
	2003	**2002**	**2003**	**2002**
	HK$'000	*HK$'000* *(Restated)*	*HK$'000*	*HK$'000* *(Restated)*
Staff costs (including directors' remuneration)				
Salaries and related staff costs	3,698	4,324	7,306	9,421
Pension scheme contributions	146	152	279	318
	3,844	4,476	7,585	9,739
Less: Amounts capitalised in deferred development expenditure	—	(349)	—	(1,501)
	3,844	4,127	7,585	8,238
Depreciation	489	1,154	1,556	2,302
Less: Amounts capitalised in deferred development expenditure	—	(230)	—	(459)
	489	924	1,556	1,843
Finance costs				
Interest on finance leases	—	51	—	99
Amortisation of deferred development expenditure*	1,346	780	2,692	1,560
Minimum lease payments under operating leases:				
Land and buildings	491	827	977	1,629
Office equipment	17	14	34	27
Loss on disposal of fixed assets	—	573	18	573
Provisions for bad and doubtful debts on trade receivables	184	—	206	—
Interest income	(9)	(29)	(20)	(65)

* The amortisation of deferred development expenditure for the period under review is included in "Cost of sales" on the face of the profit and loss account.

6. **Tax**

(i) *Hong Kong Profits Tax*

No provision for Hong Kong profits tax has been made as the Group either had no assessable profits arising in Hong Kong, or had losses brought forward from the prior year to offset the assessable profits during the six months ended 30 September 2003 (2002: Nil).

(ii) *Mainland China Enterprise Income Tax*

Tradeeasy Information Technology (Guangzhou) Limited, a Sino-foreign co-operative joint venture company established and operating in Guangzhou, is subject to Mainland China enterprise income tax at a rate of 33%.

Tradeeasy Information Technology (Beijing) Limited, a wholly foreign-owned enterprise established and operating in Beijing, is subject to Mainland China enterprise income tax at a rate of 33%. Pursuant to a notice dated 8 January 2001 issued by 北京市海淀區國家稅務局, Tradeeasy Information Technology (Beijing) Limited has status as a High and New Technology Enterprise and hence the applicable enterprise income tax rate was reduced to 15%. The notice also stated that Tradeeasy Information Technology (Beijing) Limited is entitled to full exemption from Mainland China enterprise income tax for the years 2000 to 2002 to be followed by a 50% reduction in the enterprise income tax rate for the years 2003 to 2005.

No provision for Mainland China enterprise income tax has been made as the Group had losses brought forward from the prior year to offset the assessable profits during the six months ended 30 September 2003 (2002:Nil).

7. **Loss per share**

The calculation of basic loss per share for the three months and the six months ended 30 September 2003 and 2002 respectively, is based on the net loss from ordinary activities attributable to shareholders of approximately HK$2.2 million and HK$2.8 million (2002: net loss of approximately HK$3.6 million and HK$5.0 million) and on the weighted average of 400,000,000 ordinary shares in issue (2002: 400,000,000 ordinary shares) during those periods.

Diluted loss per share for the three months and the six months ended 30 September 2003 and 2002 respectively, have not been presented as the Company's share options outstanding during those periods had an anti-dilutive effect on the respective basic loss per share for the periods.

8. **Fixed assets**

	Leasehold improvements *HK$'000*	Furniture and fixtures *HK$'000*	Computer and office equipment *HK$'000*	Total *HK$'000*
Cost:				
At 1 April 2003	896	996	15,137	17,029
Additions	655	9	96	760
Disposals	—	—	(34)	(34)
At 30 September 2003	1,551	1,005	15,199	17,755
Accumulated depreciation:				
At 1 April 2003	216	554	11,750	12,520
Provided during the period	109	96	1,351	1,556
Write back on disposals	—	—	(16)	(16)
At 30 September 2003	325	650	13,085	14,060
Net book value:				
At 30 September 2003	1,226	355	2,114	3,695
At 31 March 2003	680	442	3,387	4,509

9. **Deferred development expenditure**

	HK$'000
Cost:	
At 1 April 2003	27,028
Additions	—
At 30 September 2003	27,028
Accumulated amortisation:	
At 1 April 2003	6,344
Provided during the period	2,692
At 30 September 2003	9,036
Net book value:	
At 30 September 2003	17,992
At 31 March 2003	20,684

10. **Trade receivables**

An aged analysis of the trade receivables as at the balance sheet date is as follows: -

	Unaudited 30 September 2003 *HK$'000*	**Audited 31 March 2003** *HK$'000*
Current to 30 days	226	389
31 to 60 days	350	309
61 to 90 days	235	174
Over 90 days	513	727
	1,324	1,599

The Group normally allows credit terms for established customers ranging from 14 to 45 days.

11. **Trade payables**

An aged analysis of the trade payables as at the balance sheet date is as follows: -

	Unaudited 30 September 2003 *HK$'000*	**Audited 31 March 2003** *HK$'000*
Current to 30 days	38	38
31 to 60 days	—	1
61 to 90 days	2	5
Over 90 days	6	7
	46	51

12. **Movement in reserves**

Save as disclosed in "Condensed Consolidated Statement of Changes in Equity", there was no other movement of reserves of the Group.

INTERIM DIVIDEND

The Directors do not recommend payment of any interim dividend for the six months ended 30 September 2003 (2002: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business and operation review

The Group reported a turnover of approximately HK$17.8 million during the six-month period ended 30 September 2003, as compared to approximately HK$ 17.3 million for the same period in 2002. As the management continues to exercise stringent cost-control measures, the net loss attributable to the shareholders has been reduced from approximately HK$5.0 million to approximately HK$2.8 million compared to the same period last year.

The Group continued to focus its strategies towards increasing efficiency and streamlining operations. In the PRC, two more independent sales agents were appointed in April 2003 to replace the representative offices in order to achieve management goals of reducing the Group's overhead costs, increasing operational efficiency and reducing time required for managerial endeavours.

The Group had been placing strong emphasis on both upgrading its system and on applying new technology. An example was the introduction of the new version of e-IMS into the market in April 2003. This product was well received by the market, and the success was attributed to improvements on operational procedures and general user-friendliness. New features such as templates development and a reporting system were introduced in this new version, to the delight of many users.

With growing activities for the Group's B2B marketplace (tradeeasy.com) and increasing popularity of the Internet in the PRC, the Group has finished reviewing the structure of the existing B2B marketplace and will adopt the latest technology to construct a new tradeeasy.com with more functions and features so as to enhance both user-friendliness and accuracy in product search. At the same time, the Group will launch a Chinese version of the B2B platform so as to meet the increasing demand and to promote domestic trade in the PRC.

The Group also participated in various marketing events, among which, the trade shows of a range of industries proved extremely useful in enhancing the Group's buyer database. In addition, value-added services in the form of purchasing meetings were conducted with success. By inviting overseas buyers to meet with potential sellers face-to-face, the Group effectively played the role of a trade facilitator whereby the buyers were able to source products more efficiently and the sellers could make good use of these opportunities to market themselves and their products.

Prospect

The Group is optimistic towards the end of the second half year as the economy is on the rebound. The Group is proactively looking for alliances with strategic partners or agents to broaden its client base, to enlarge its product range and to provide the Group with recurring and increasing business opportunities. More important, the Group will devote to penetrating the PRC market.

As increasing numbers of overseas buyers are going directly to source products from PRC manufacturers, demand for assessment on factory quality and creditability check is becoming substantial. The Group has completed market evaluation and will consider to formulate factory audits, together with its alliances, as accreditation service for PRC manufacturers.

The Group has successfully recruited a number of B2C customers into the new e-IMS' user base, and the feedback has been positive. The management believes the demand for e-marketing solutions and e-CRM in the B2C market is as strong as in the B2B market. As a result, the Group will consider modifying the existing e-IMS to cater for the B2C market and explore another new stream of income.

Liquidity, financial resources and capital structure

The Group is principally financed by cash flows generated internally and from the proceeds of the listing of the Company on 7 March 2002. As at 30 September 2003, the Group's cash and cash equivalents amounted to approximately HK$8.0 million, of which approximately 67.5% was denominated in Hong Kong dollars. The Group adopts a conservative approach to its treasury policy. Cash is generally placed in non-pledged time deposits denominated in Hong Kong dollars with original maturity of less than three months.

As at 30 September 2003, the net assets value of the Group amounted to approximately HK$27 million, representing approximately HK6.7 cents per share. During the period under review and as at period end date, the Group had no other borrowings, banking facilities or assets pledged. The gearing ratio (i.e. total long-term external borrowings/total equity) of the Group as at 30 September 2003 was nil (2002: nil). As at 30 September 2003, the Group had total current assets of approximately HK$11.1 million and total current liabilities of approximately HK$5.8 million. The current ratio of the Group was approximately 1.9 as at 30 September 2003 as compared to approximately 1.7 of 31 March 2003.

There has been no change in the capital structure of the Company during the six months ended 30 September 2003.

Foreign currency exposure

The Group's reporting currency is in Hong Kong dollars. Most of the transactions, assets and liabilities of the Group are denominated in Hong Kong dollars and Renminbi. Since the exchange rate fluctuation between Hong Kong dollars and Renminbi is minimal, the Directors consider that the Group is not exposed to any significant exchange risk and accordingly, no hedging transaction was made during the period under review.

Contingent liabilities

The Group has a contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance, with a maximum possible amount of approximately HK$529,000 as at 30 September 2003. The contingent liability has arisen because, at the balance sheet date, a number of current employees have achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. A provision has not been recognized in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group. Save for the above, the Group had no significant contingent liability as at 30 September 2003.

Future plans for investment or capital assets

The Group's future plans for investment or capital assets will be in line with the section headed "Statement of business objectives" in the prospectus of the Company dated 26 February 2002 (the "Prospectus"). The source of funding will come from the proceeds of the listing of the shares of the Company and cash flows generated internally.

Acquisition and disposal of subsidiaries and affiliated companies

During the six months ended 30 September 2003 and 2002, the Group had no material acquisitions and disposals of subsidiaries and affiliated companies.

Significant investments

During the six months ended 30 September 2003 and 2002, the Group did not hold any significant investments.

Employee information

As at 30 September 2003, the Group employed 68 staff in Hong Kong (2002: 72) and 139 staff in the PRC (2002: 223). Total staff costs (including directors' remuneration) of the Group were approximately HK$7.6 million (2002: HK$9.7 million). In the same period of previous year, the Group engaged more staff to build up the customer database as well as the operating structure of the Group. After the expansion, less staff were required to maintain the current business operation during the period under review. Staff are remunerated according to their performance and working experience. In addition to the basic salaries and participation in the mandatory provident fund scheme, staff benefits include share options scheme.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS OPERATION

The following is a comparison of the actual business progress in the period from 1 April 2003 to 30 September 2003 ("Review Period") and the business objectives as set out on pages 101 to 105 of the Prospectus. To attain our long-term business goals, the Group reviews its business objectives and strategies on an ongoing basis and makes adjustments as necessary.

Business objectives for the Review Period as set out in the Prospectus	***Actual business progress in the Review Period***
BUSINESS DEVELOPMENT	
The PRC	
• Study and evaluate potential independent service providers as agents in the PRC.	• 2 more agents were successfully appointed, evaluation continues.
• Appoint at least two independent service providers as agents to enhance the penetration of TRADEeasy in Hubei and/or Yunnan in the PRC.	• Instead, 2 agents were appointed in Shenzhen and Fuzhou. No agent was finally appointed in Hubei and Yunnan as the group's market research indicated that both areas were not ready for ASP products.

Taiwan

• Establish a representative office in Kaohsiung.	• The Group believes that it is not cost effective to set up a representative office in Taiwan at this stage.
• Appoint at least one independent service provider as agent to enhance the penetration of TRADEeasy in Taiwan.	• As Taiwan manufacturers are moving their manufacturing bases to the PRC, the Group is now recruiting these manufacturers as our customers in the PRC to replace the need of appointment of agents in Taiwan.

Other parts of Asia

• Appoint at least one independent service provider as agent in India, Singapore or South Korea to enhance the penetration of TRADEeasy in Asia.	• Due to the rapid growth of the PRC export market, the Group will focus its market expansion effort first in the PRC. The Group may resume its expansion into other Asian markets when the economic environment improves.
• Revise and evaluate the performance of an agency plan.	• The Group continues to revise the elements of agency plan in order to improve both competitiveness and operational efficiency of the Group.

Strategic alliance

• Evaluate potential strategic alliance with companies providing logistic services, payment solutions, inspection services, trade finance services, technology services and/or content providers.	• The Group has established an alliance with a technology company to modify the existing e-IMS system for B2C market. • In alliance with an international company, the Group is considering to provide accreditation services to PRC manufacturers.

PRODUCT ENRICHMENT AND ENHANCEMENT

e-Marketplace

• Continue to increase the depth of the content and variety of features on tradeeasy.com in relation to China domestic trade, China import and export trade.	• The group is constructing a new tradeeasy.com with Chinese version to promote domestic trade in the PRC.

Management automation services

• Roll out MRP system.	• The market sentiment is not appropriate for providing MRP system to the SME's , and therefore the Group will focus in e-marketing and e-CRM.
• Enrich product width to Supply Chain Management ("SCM").	• New services, "Purchasing Meetings", is introduced to allow sellers to meet with buyers face-to-face. • The Group is considering to provide "Factory Audit" services to enhance "SCM".

Others

- Launch overseas advertisement placement services for TRADEeasy's customers in overseas international trade magazine.
- Such services were launched.

MARKETING AND PROMOTION

- Continue to advertise and promote the brand name of TRADEeasy via multimedia and by attending or organising at least six conferences and seminars in the PRC and Hong Kong.
- More than 6 purchasing conferences and product seminars were held in the PRC during the period under review.

- Diversify publicity works to overseas market through e-mail campaigns, distribution of te-Link and participating in at least six trade shows in US, Europe, the PRC and Hong Kong.
- The Group has participated in 3 overseas tradeshows in the U.S. and Europe to promote the Group's products and services.

- Modify the sales cycle in order to enhance the overall efficiency and success rate on obtaining new customers through the development and enhancement of the internal sales and customer services automation system.
- Internal sales and customer services automation systems were constantly reviewed and enhanced in order to increase the overall efficiency and success rate on obtaining new customers.

TECHNOLOGY MAINTENANCE

- Evaluate the effectiveness, fault-tolerance of existing computer hardware and software applications and upgrade them if necessary.
- Review on the computer hardware and software continues. Certain fine-tuning and upgrading on the existing software applications were conducted to improve the execution efficiency and functionality.

USE OF PROCEEDS

The placement of shares of the Company in the initial public offering has raised net proceeds of approximately HK$20 million. The Group utilized the net proceeds as follows: -

Business objectives	**Planned use of proceeds as stated in the Prospectus from 1 April 2003 to 30 September 2003**	**Actual amounts utilized from 1 April 2003 to 30 September 2003**
	HK$'000	*HK$'000*
Business development	1,755	1,369
Product enrichment and enhancement	600	600
Marketing and promotion	1,050	1,201
Technology maintenance	250	245
	3,655	3,415

In order to enhance the foothold in the competitive market, the Group has accelerated the modification and enhancement of the e-marketing module in e-IMS. More resources were allocated to promotional activities in this period so as to meet with the schedule for overseas trade shows. The Group estimated the total expenditure to achieve the Group's business objectives will be in line with the amounts disclosed in the paragraph "Statement of business objectives" in the section headed "Business objectives" in the Prospectus. The Group has placed the unused balance of proceeds of approximately HK$2,769,000 from the initial public offering with authorized financial institutions in Hong Kong as non-pledged time deposits with original maturity of less than three months.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS OR SHORT POSITIONS IN SHARES AND OPTIONS

As at 30 September 2003, the interests or short positions of the directors and the chief executives of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Rules 5.40 to 5.58 of the GEM Listing Rules, were as follows:

Name of director	Number of shares held and nature of interests Personal	Family	Aggregate interests	Percentage of the Company's issued share capital
Yu Lup Fat, Joseph	5,301,927	—	5,301,927	1.33%
Yip Kwok Cheung (*Note*)	23,610,662	518,411	24,129,073	6.03%
Wong Kai Yin, Paul	23,468,415	—	23,468,415	5.87%
To Man Yau, Alex	10,994,162	—	10,994,162	2.75%

Note: The family interests of Mr. Yip Kwok Cheung in the shares of the Company is held by his wife, Ms. Choy Ching Yee, Ruby, for 518,411 shares.

Save as disclosed above, none of the directors or their associates as well as the chief executives of the Company as at 30 September 2003 had any direct/indirect interests or short positions in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealing by the directors as referred to in Rules 5.40 to 5.58 of the GEM Listing Rules. During the period under review, there was no debt securities issued by the Group at any time.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the paragraphs headed "Directors' and Chief Executives' Interests or Short Positions in Shares and Options" above and "Share Option Scheme" below, at no time during the period under review were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company 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, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

On 20 February 2002, the Share Option Scheme (as defined in the Prospectus) was approved by a written resolution of the sole shareholder of the Company.

The Share Option Scheme became effective on 7 March 2002 and shall be valid and effective for a period of ten years from that date, subject to earlier termination by the Company in a general meeting or by the board of directors.

On 22 April 2003, the Company under the Share Option Scheme granted certain participants, other than the Company's directors and chief executives, a total of 32,000,000 share options to subscribe for shares of HK$0.01 each in the capital of the Company, exercisable at any time from 23 June 2003 to 22 June 2008 at an exercisable price of HK$0.037 per share. The closing market price of the shares of the Company immediately before the date of grant was HK$0.037 per share. As at 30 September 2003, all of the options remained outstanding. A summary of the Terms of the Share Option Scheme has been set out in Appendix V of the Prospectus under the section headed "Share Option Scheme". Share options do not confer on the holders to dividends or to vote at shareholders' meetings.

The Directors do not consider it appropriate to disclose a theoretical value of the options granted 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.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2003, the following entities (other than the directors or the chief executives of the Company) had an interest or short position in the shares and underlying shares of the Company, which were notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, and required to be entered in the register kept by the Company pursuant to Section 336 of the SFO, and/or were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group pursuant to Part XV of the SFO:

Name of shareholder	Number of shares held	Percentage of the Company's issued share capital
Manistar Enterprises Limited	93,364,070	23.34%
CCT Telecom Holdings Limited (*Note*)	93,364,070	23.34%
Ng Tung Ming	27,511,187	6.88%

Note: The interests disclosed comprises 93,364,070 shares beneficially owned by Manistar Enterprises Limited, which is a wholly-owned subsidiary of CCT Telecom Holdings Limited.

Save as disclosed in the paragraphs headed "Substantial Shareholders" and "Directors' and Chief Executives' Interests or Short Positions in Shares and Options" above, as at 30 September 2003, the Directors are not aware of any person (other than the directors or the chief executives of the Company) who had an interest or short position in the shares and underlying shares of the Company, which were notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, and required to be entered in the register pursuant to Section 336 of the SFO, and/or were directly or indirectly interested in 5% or more in the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group pursuant to Part XV of the SFO.

SPONSOR'S INTERESTS

Pursuant to the agreement dated 26 February 2002 between the Company and the Sponsor, the Sponsor is entitled to receive a fee for acting as the Company's sponsor for the period from 7 March 2002 to 31 March 2004.

As at 30 September 2003, neither Hantec Capital Limited (the "Sponsor") nor any of its respective directors or employees or associates (as referred in Note 3 to Rule 6.35 of the GEM Listing Rules) had any interest in the share capital of the Company or of any members of the Group, or had any right to subscribe for or to nominate persons to subscribe for the share capital of the Company or of any members of the Group.

Save as disclosed above, the Sponsor had no other interests in the Company as at 30 September 2003.

COMPETING INTERESTS

During the period under review, none of the directors or the management shareholders (as defined under the GEM Listing Rules) of the Company or their respective associates had any interests in a business that competed or might compete with the business of the Group either directly or indirectly.

PURCHASE, REDEMPTION OR SALE OF LISTED SHARES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed shares during the period under review.

COMPLIANCE WITH RULES 5.28 TO 5.39 OF THE GEM LISTING RULES

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 the GEM on 7 March 2002.

AUDIT COMMITTEE

The Company established an audit committee on 26 September 2001 with written terms of reference in compliance with Rules 5.23 to 5.27 of the GEM Listing Rules. The primary duties of the audit committee are to review the Company's annual reports and accounts, half-year reports and quarterly reports and to provide advices and comments thereon to the Directors. The audit committee is also responsible for reviewing and supervising the Company's financial reporting process and internal control system. The audit committee has three members comprising two independent non-executive directors, Mr. Lau Chi Yiu and Mr. Wu Yao Hua, Terence and one non-executive director, Mr. Tam Ngai Hung. The audit committee has reviewed the Group's unaudited consolidated interim results for the six months ended 30 September 2003, and confirmed that the preparation of such results complied with applicable accounting standards, the Stock Exchange and legal requirements and that adequate disclosures had been made.

By order of the Board
Tradeeasy Holdings Limited
YU LUP FAT, JOSEPH
Chairman

Hong Kong, 12 November 2003

This announcement will appear on the GEM website at www.hkgem.com for at least 7 days from the date of this posting and on the website of Tradeeasy at www.tradeeasy.com.