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SKY HAWK COMPUTER GROUP HOLDINGS LIMITED

天鷹電腦集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT OF UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2002, POSTPONEMENT OF RELEASE OF THE AUDITED FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2002 AND DESPATCH OF 2002 ANNUAL REPORT AND FINANCIAL STATEMENTS

The meeting of the board of directors of the Company to approve the release of the audited final results of the Company and its subsidiaries for the year ended 31 December 2002 originally scheduled for 25 April 2003 has been postponed to on or before 22 May 2003.

The announcement of the audited final results of the Group for the year ended 31 December 2002 and the despatch of the 2002 annual report, including the audited financial statements of the Company will be postponed to on or before 23 May 2003 and 30 May 2003 respectively.

The delay in publication of the audited annual results of the Company and its subsidiaries and the despatch of the 2002 annual report including the audited financial statements constitute breaches of paragraphs 11(1) and 8(1) of the Listing Agreement respectively. The Stock Exchange of Hong Kong Limited reserves its right to take appropriate action against the Company and/or its directors regarding the breaches.

The Company advises its shareholders and potential investors to exercise extreme caution when dealing in the shares of the Company.

POSTPONEMENT OF RELEASE OF THE AUDITED FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2002 AND DESPATCH OF 2002 ANNUAL REPORT AND FINANCIAL STATEMENTS

The board of directors (“**Directors**”) of Sky Hawk Computer Group Holdings Limited (“**Company**”, together with its subsidiaries, the “**Group**”) announces that due to the resignation of the Group’s three key financial personnel (namely, chief accountant, deputy general manager of the finance and control centre and financial controller of the Group) in April and December 2002 and March 2003 respectively and the resignation of approximately six clerk in the finance and control centre during year 2002, the Group has encountered difficulties and delay in retrieving certain accounting records (mainly those records for the preparation of the accounts receivables reconciliation) and obtaining sufficient audit confirmation replies (mainly confirmation from the overseas distributors and suppliers in relation to the accounts payables

and accounts receivables of the Group), which are necessary for the Company's auditors, KPMG to finalise its review and auditing of the financial results ("**Final Results**") of the Group for the year ended 31 December 2002. The Directors advised that:

- (a) particulars of the resignation of the key financial personnel and other staff of the finance and control centre of the Group during 2002 and up to the date of this Announcement were as follows:
- (i) Ms. Yang Pei Fen, the former deputy general manager was appointed on 1 May 2002 to replace Mr. Pai Chu Hung, the chief accountant of the Group who resigned on 15 April 2002 and Ms. Hsiao Tien Tien was appointed as the assistant manager in March 2003 to replace Ms. Yang Pei Fen who resigned on 15 December 2002;
 - (ii) the Company is still in process of interviewing some candidates to replace the former financial controller of the Company who joined the Group in September 2001 and resigned on 24 March 2003;
 - (iii) in addition to the resignation of the three key resigned financial personnel referred to in (i) and (ii) above, during year 2002 there were approximately six accounting clerks resigned (four of which resigned during their probation period) and the Company already appointed another six staff to replace them in between December 2002 and March 2003;
 - (iv) for 2003 and up to the date of the announcement, two accounting clerks resigned and the Company already appointed two new staff to replace them in March 2003. Currently, the finance and control centre of the Group has 14 staff in total, including the assistant manager as referred to in (i) above;
 - (v) the Directors confirmed that the resignation of the key financial personnel and the other staff in the finance and control centre of the Group as referred to in (i) to (iv) above was all due to their respective personal reasons and on their respective own accord; and
- (b) the above mentioned difficulties and delay of retrieving certain accounting records of the Group was mainly arising from the change of the accounting software of the Group at around the end of November 2002 by the former deputy general manager of the finance and control centre and the resignation of the key financial personnel and other staff of the finance and control centre caused their respective replacement to take a longer time in familiarization themselves with such new system and location of some of the accounting records due to lack of sufficiently clear handover notes.

In the circumstances, the meeting of the Directors for approving the Final Results originally scheduled for 25 April 2003, the publication of the Final Results in the newspapers and the despatch of the 2002 annual report, including the audited financial statements of the Company for the year end 31 December 2002 will be delayed.

Subject to the finalisation of the audit of the Final Results by KPMG on or before 22 May 2003, the Directors expect that (i) the Final Results will be available for the Directors to consider and approve on or before 22 May 2003; (ii) the announcement of the Final Results will be published on or before 23 May 2003; (iii) the 2002 annual report, including the audited financial statements of the Company for the year end 31 December 2002, will be despatched on or before 30 May 2003; and (iv) the annual general meeting of the Company will be held on or about 24 June 2003.

The Directors confirmed that save as disclosed in this Announcement, as at the date of this Announcement and so far as the Directors are aware, there are no circumstances which shall be brought to the attention of the shareholders of the Company and the Company up to the date hereof has not been notified by the auditors of the Company that the Final Results will be qualified or there existed any irregularities/unusualness during their review and auditing of the Final Results.

The delay in publication of the audited Final Results and the despatch of the 2002 annual report and the audited financial statements constitute breaches of paragraphs 11(1) and 8(1) of the Listing Agreement respectively. The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) reserves its right to take appropriate action against the Company and/or its directors for the above-mentioned breaches.

UNAUDITED CONSOLIDATED RESULTS OF THE GROUP FOR THE YEAR ENDED 31 DECEMBER 2002

The Directors announce that the unaudited consolidated income statement of the Group for the year ended 31 December 2002, which have been reviewed by the audit committee (“**Audit Committee**”) of the Directors, and which may or may not be subject to material changes upon the completion of the audit of such results, are as follows:

	Unaudited 2002 HK\$'000	Audited 2001 HK\$'000
Turnover	142,420	275,854
Cost of sales	<u>(117,042)</u>	<u>(210,164)</u>
	25,378	65,690
Other net income	208	1,821
Distribution costs	(40,695)	(20,813)
Administrative expenses	<u>(13,759)</u>	<u>(10,943)</u>
(Loss)/profit from operations	(28,868)	35,755
Finance costs	<u>(520)</u>	<u>(1,270)</u>
(Loss)/profit from ordinary activities before taxation	(29,388)	34,485
Taxation	<u>—</u>	<u>(2,782)</u>
(Loss)/profit attributable to shareholders	<u>(29,388)</u>	<u>31,703</u>

The Directors confirmed that the Audit Committee did not have disagreement with any accounting treatment adopted or any particulars set out in the above unaudited consolidated income statement of the Group.

Shareholders of the Company and potential investors are reminded to exercise extreme caution in relation to the unaudited final results above, as they are unaudited figures only and may be different from the audited Final Results.

Pursuant to paragraph 11(3)(ii)(b) of the Listing Agreement, where the audited Final Results differ materially from unaudited financial results, full particulars of, and reasons for, the difference must be set out in the preliminary announcement of audited Final Results.

GENERAL

Each of the Directors confirmed that none of them and/or their respective associates have dealt in any shares of the Company since 24 March 2003 and has undertaken to the Company and the Stock Exchange that they and/or their respective associates will not deal in any shares of the Company until the Final Results are published.

The Company advises its shareholders and potential investors to exercise extreme caution when dealing in the Company's shares.

By Order of the Board
WANG CHIA CHIN
Chairman

Hong Kong, 30 April 2003

*Please also refer to the published version of this announcement in the (**The Standard**)*