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TECHNOLOGY VENTURE HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

PROFIT WARNING

The Board of Directors of Technology Venture Holdings Limited wishes to inform the shareholders of the Company that the Group is expected to record a substantial loss for the six months ended 30 June 2001.

Shareholders of the Company and investors are advised to exercise caution when dealings in the shares of the Company.

The Board of Directors (the "Board") of Technology Venture Holdings Limited (the "Company" which together with its subsidiaries are collectively referred to as the "Group") announces that based on the unaudited financial statements of the Group, the Group is expected to record a substantial loss for the six months ended 30 June 2001 principally attributable to the following reasons:

- The Group's software development operation in Hong Kong, which mainly focuses on e-business development and public sector projects, continues to face a difficult business environment exacerbated by the global slow-down in e-business development and keen competition in the area of public sector projects. Despite cost control measures introduced into the division since the first quarter of the year, the division incurred a considerable loss during the first half of the year. The exact amount of such loss is yet to be determined.
- The Group's mainframe systems integration operation under Sequent China/Hong Kong Limited, a 91% owned subsidiary of the Company, has also undergone a period of restructuring. Faced with deteriorating gross margins and the increasing cost of financing on hardware products, the division's principal business focus has been gradually shifting from hardware integration to maintenance, service provision and applications development. As a result of this new strategy, the division has extensively re-aligned its manpower make-up and has thus incurred considerable restructuring costs in the process. The exact amount of such restructuring costs is yet to be determined.
- Included in the Group's results for the six months ended 30 June 2001 is an amortization of goodwill of approximately HK\$5 million arising from the acquisition of DMX Technologies (Hong Kong) Limited (formerly Skynet Consultants Company Limited) ("DMX Technologies"). The company is principally a network solutions provider operating in Asia. The acquisition of the 51% interest in DMX Technologies was completed on 2 January 2001 and its details were set out in the Company's announcement dated 13 November 2000 and the circulars to shareholders dated 5 December 2000.

As the Group's results of the six months ended 30 June 2001 have not yet been finalized, the Board is not in a position to quantify the relevant financial effect at this stage. The Board expects to announce such results around 20 September 2001.

Shareholders of the Company and investors are advised to exercise caution when dealings in the shares of the Company.

By order of the board
Technology Venture Holdings Limited
Chan Tze Ngon, Ron
Chairman

Hong Kong, 3 September 2001

Please also refer to the published version of this announcement in Hong Kong iMail and Hong Kong Economic Times.