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**TECHNOLOGY VENTURE
HOLDINGS LIMITED**
(宏 昌 科 技 集 團 有 限 公 司)*

<http://www.tvh.com.hk>

(Incorporated in Bermuda with limited liability)

(Stock Code : 61)

DISCLOSEABLE TRANSACTION

The Directors wish to announce that TAIT, a wholly owned subsidiary of the Company, has entered into the Acquisition Agreement pursuant to which, among other matters, TAIT has agreed, subject to the satisfaction of the Conditions, to acquire the Sale Interests from CCL at the Consideration.

In the event that the Conditions are not fulfilled, or waived by TAIT, on or before 2 February 2005 (being three months from the date of the signing of the Acquisition Agreement) or such later date as the parties to the Acquisition Agreement may agree in writing, the Acquisition Agreement will be terminated.

By applying the applicable ratios prescribed under Chapter 14 of the Listing Rules, the Acquisition constitutes a discloseable transaction for the Company.

A circular containing, among others, details of the Acquisition will be despatched to the Shareholders as soon as possible.

BACKGROUND

The Directors wish to announce that TAIT, a wholly owned subsidiary of the Company, has entered into the Acquisition Agreement pursuant to which, among other matters, TAIT has agreed, subject to the satisfaction of the Conditions, to acquire the Sale Interests from CCL at the Consideration.

* *for identification purposes only*

THE ACQUISITION AGREEMENT

Date

3 November 2004

Parties

- (a) TAIT as purchaser; and
- (b) CCL as vendor

Consideration

The Consideration for the Sale Interests is RMB15 million (equivalent to about HK\$14,150,943), which was determined, after arm's length negotiations between the parties, by reference to (a) the value of the entire equity interest in Beijing Dongshi as at 31 July 2004 of approximately RMB75 million (equivalent to about HK\$70,754,715) as assessed by 中鴻茂盛資產評估有限公司 (Zhong Hung Mao Sheng Assets Valuation Company Limited*), a qualified asset valuer in the PRC, who is independent of the Company, the directors, chief executive or substantial shareholders (within the meaning of the Listing Rules) of the Company or its subsidiaries or their respective associates, and (b) the Sale Interests representing 20% of the registered capital of Beijing Dongshi. The Consideration has to be settled by way of cash within seven days from the date of the signing of the Acquisition Agreement and will be paid from the internal resources of the Group.

Conditions

The Acquisition is conditional on the satisfaction of, among other things, the following conditions on or before 2 February 2005 (being three months from the date of the signing of the Acquisition Agreement) or such later date as the parties to the Acquisition Agreement may agree in writing:

- (1) the shareholders of Beijing Dongshi approving the Acquisition;
- (2) the Company obtaining the approval of its board of Directors and all other approval(s) (if any) required under the Listing Rules, and having complied with the requirements under the Listing Rules in respect of the Acquisition Agreement; and
- (3) TAIT receiving legal opinion on PRC laws in respect of Beijing Dongshi and the transactions contemplated under the Acquisition Agreement, in form and substance reasonably satisfactory to TAIT.

In the event that the Conditions are not fulfilled, or waived by TAIT, on or before 2 February 2005 (being three months from the date of the signing of the Acquisition Agreement) or such later date as the parties may agree in writing, the Acquisition Agreement will be terminated. Should the Acquisition Agreement be terminated, CCL shall return the Consideration paid by TAIT without interest to TAIT within 30 days from the date of such termination.

Immediately after completion of the filing and/or registration procedures with the Administration of Industry and Commerce in the PRC in respect of the Acquisition ("**Registration**"), TAIT will become interested in 20% of the total registered capital of Beijing Dongshi. It is also provided in the Acquisition Agreement that should the Registration fail to be completed within 30 days from the date on which the last unfulfilled Condition is fulfilled or waived by TAIT (or such later date as the parties may agree in writing), the Acquisition Agreement

will be terminated and CCL shall return the Consideration paid by TAIT without interest to TAIT within 30 days from the date of such termination.

CCL

CCL is an enterprise established in the PRC. It is principally engaged in provision of satellite broadband Internet services in the PRC. To the best knowledge, information and belief of the Directors having made all reasonable enquiry, neither CCL nor any of its ultimate beneficial owners has any relationship with the Company, the directors, chief executive or substantial shareholders (within the meaning of the Listing Rules) of the Company or its subsidiaries or their respective associates.

BEIJING DONGSHI

Beijing Dongshi is an enterprise established in the PRC. It is principally engaged in the development of integrated systems and provision of related technical consultancy services for distant continuing education on Internet, especially teachers and head masters of primary and secondary schools in the PRC.

The audited net loss attributable to the Sale Interests for the two financial years ended 31 December 2003 were about RMB107,040 (equivalent to about HK\$100,981) and about RMB1,023,628 (equivalent to about HK\$965,687) respectively. The audited net asset value of the Sale Interests as at 31 December 2002 and 31 December 2003 were about RMB905,865 (equivalent to about HK\$854,589) and RMB2,871,149 (equivalent to about HK\$2,708,631) respectively while the audited total asset value of the Sale Interests as at 31 December 2002 and 31 December 2003 amounted to about RMB970,360 (equivalent to about HK\$915,434) and RMB4,388,082 (equivalent to about HK\$4,139,700) respectively. The value of the entire equity interest in Beijing Dongshi as at 31 July 2004 as assessed by 中鴻茂盛資產評估有限責任公司 (Zhong Hung Mao Sheng Assets Valuation Company Limited*), a qualified asset valuer in the PRC, who is independent of the Company, the directors, chief executive or substantial shareholders (within the meaning of the Listing Rules) of the Company or its subsidiaries or their respective associates, was approximately RMB75 million (equivalent to about HK\$70,754,715), which was arrived at by discounting the estimated total net income of Beijing Dongshi from 2004 to 2013 and having taken into account the business and growth prospects of Beijing Dongshi's provision of technical consultancy services for distant learning and distant continuing education on Internet to the teachers and head masters of the primary and secondary schools in the PRC and the growth potential of the education market in the PRC and based on the following principal assumptions:

- (1) there will be no changes in the existing laws, regulations, policies, systems or political, economic or environmental conditions in the place of establishment of Beijing Dongshi, which are of a material nature;
- (2) there will be no material changes in the applicable taxation bases, tax rate, interest rate, exchange rate or market conditions;
- (3) Beijing Dongshi has the capacity to continue to carry on its business, and the business scope, method and decision making procedures of Beijing Dongshi will be consistent with those currently prevailing;
- (4) there will be no force majeure event nor any unforeseeable events or factors which will have any material adverse impact on Beijing Dongshi;

- (5) there will be about 2 million teacher subscribers participating in courses leading to bachelor degree through distant learning in the PRC over the next four years and there will not be any material adverse change in the number of those subscribers thereafter; and
- (6) there will not be early termination of the existing service agreements entered into between Beijing Dongshi and its customers nor any material adverse change in the terms of such agreements.

The assumptions used in the valuation and financial prospects of Beijing Dongshi will be further discussed in the circular to be despatched to the Shareholders.

In addition, the Directors have (1) engaged independent PRC legal advisers to perform legal diligence work on the establishment and legal status of Beijing Dongshi; (2) engaged independent auditors in the PRC to review and audit the accounts of Beijing Dongshi for the two years ended 31 December 2003 and the seven months ended 31 July 2004; and (3) discussed with the valuer and made necessary enquiries in respect of the valuation.

DISCLOSEABLE TRANSACTION

By applying the applicable ratios prescribed under Chapter 14 of the Listing Rules, the Acquisition constitutes a discloseable transaction for the Company.

REASONS FOR THE ACQUISITION

The Directors consider that the Acquisition can allow the Company to expand into the education market in the PRC through Beijing Dongshi which provides technical consultancy services for distant learning and distant continuing education on Internet to the teachers and head masters of the primary and secondary schools in the PRC. Northeast Normal University, which has ranked the fourth among the normal universities in the PRC since 2002, is the customer of Beijing Dongshi.

The Directors are of the view that the terms and conditions of the Acquisition Agreement are fair and reasonable and in the best interests of the Shareholders as a whole.

GENERAL

The Company is an investment holding company. Its subsidiaries are principally engaged in the distribution of computer hardware and software products and the provision of computer technology services.

A circular containing the details of the Acquisition will be despatched to all Shareholders as soon as practicable.

As at the date of this announcement, Mr. Chan Tze Ngon, Mr. Emmy Wu, Mr. Tang Kin Hung and Mr. Chow Siu Lam, Cliff are the executive Directors, Dr. Lo Siew Kiong, John, Mr. Fu Yan Yan and Ms. Wang Xi Ling are the independent non-executive Directors.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Acquisition”	the acquisition of the Sale Interests by TAIT from CCL pursuant to the Acquisition Agreement
“Acquisition Agreement”	the agreement dated 3 November 2004 entered into between TAIT and CCL in relation to the Acquisition

“associates”	has the meaning as ascribed thereto under the Listing Rules
“Beijing Dongshi”	北京東師雙威教育技術開發有限公司 (Beijing Dongshi Shuangwei Education Technology Company Limited*), an enterprise established in the PRC
“CCL”	上海雙威通訊網絡有限公司 (ChinaCast Company Limited*), an enterprise established in the PRC and owner of the Sale Interests
“Company”	Technology Venture Holdings Limited, whose shares are listed on the Stock Exchange
“Conditions”	the condition precedents of the Acquisition as set out in the paragraph headed “Conditions” in this announcement
“Consideration”	the consideration for the Acquisition, being RMB15 million (equivalent to about HK\$14,150,943)
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administration Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Sale Interests”	20% of the registered capital of Beijing Dongshi
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TAIT”	冠亞科技（上海）有限公司 (Topasia Tech (Shanghai) Limited*), a wholly-foreign owned enterprise established in the PRC and a wholly owned subsidiary of the Company
“%”	per cent.

By order of the Board of
Technology Venture Holdings Limited
Chan Tze Ngon
Chairman

Hong Kong, 10 November 2004

“Please also refer to the published version of this announcement in The Standard.”