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

(incorporated in Bermuda with limited liability)

(Stock Code: 61)

**DISCLOSEABLE AND SHARE TRANSACTION
ACQUISITION OF SHAREHOLDINGS IN
ACACIA ASIA PARTNERS LIMITED
AND
SUSPENSION AND RESUMPTION OF TRADING**

The Board announces that on 19 August 2005, the Purchaser entered into the Sale and Purchase Agreement with the Vendor in relation to the acquisition of the Sale Shares and the Sale Loan by the Purchaser for an aggregate consideration of HK\$13,000,000. The Acquisition is subject to the satisfaction of the conditions as set out in the paragraph headed "Conditions" below.

The Acquisition constitutes a discloseable transaction on the part of the Company under Rule 14.06 of the Listing Rules.

A circular containing, among other matters, further details of the Acquisition, will be despatched to the Shareholders within 21 days after the publication of this announcement.

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 22 August 2005 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 29 August 2005.

* for identification purpose only

SALE AND PURCHASE AGREEMENT

Date: 19 August 2005

Parties: (1) Vendor: Li Yiu Wai

(2) Purchaser: Technology Venture Investments Limited

The Vendor is a merchant. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is a third party independent of and not connected with the Company and its directors, chief executive or substantial Shareholder or any of its subsidiaries or associates of any of them.

The Purchaser is a wholly owned subsidiary of the Company incorporated in the British Virgin Islands and is principally engaged in investment holdings.

Asset to be acquired:

Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to acquire:

The Sale Share

one share of US\$1.00 in the share capital of Acacia Asia, representing 100% of the entire issued share capital of Acacia Asia.

The Sale Loan

all obligations, liabilities and debts owing or incurred by Acacia Asia to the Vendor on or at any time prior to the Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion.

Consideration:

The aggregate consideration for the Acquisition is HK\$13,000,000, of which:

- (a) approximately HK\$228,176 (RMB237,988) represents consideration for the sale and purchase of the Sale Loan; and
- (b) the approximate balance of HK\$12,771,824 represents consideration for the sale and purchase of the Sale Shares

The consideration for the Acquisition shall be satisfied by the Purchaser in the following manner:

- (a) the Deposit amounting to HK\$500,000, shall be payable by the Purchaser to the Vendor on 19 August 2005, the date of signing of the Sale and Purchase Agreement;
- (b) HK\$6,000,000 shall be payable by the Purchaser to the Vendor one month after the signing of the Sale and Purchase Agreement; and
- (c) HK\$6,500,000 shall be satisfied by the Purchaser procuring the Company to allot and issue the Consideration Shares to the Vendor credited as fully paid, at the Issue Price.

Based on the closing price of HK\$0.12 per Share as quoted on the Stock Exchange on 18 August 2005, being the last trading day before the date of the Sale and Purchase Agreement, the market capitalization of the Consideration Shares will amount to HK\$6,554,622.

The Deposit and the part consideration of respectively HK\$500,000 and HK\$6,000,000 payable by the Purchaser to the Vendor shall be in RMB by telegraphic transfer to the Vendor on the relevant due dates at an exchange rate available at the time of transfer to an account nominated by the Vendor (or as he may direct) and will be satisfied by internal resources of the Group. The Deposit is fully refundable without interest in the event the Completion does not take place.

The Purchaser may, at its sole discretion, elect to satisfy the whole or any part of the balance payment of HK\$6,500,000 by cash in RMB by telegraphic transfer to the Vendor on the due date of payment of such consideration to an account nominated by the Vendor (or as he may direct).

The aggregate consideration of HK\$13,000,000 comprises approximately HK\$228,176 for the Sale Loan (RMB237,988, the face value of the Sale Loan) and approximately HK\$12,771,824 for the Sale Shares. The face value of RMB237,988 of the Sale Loan represents a shareholder's loan provided by the Vendor to Acacia Asia as shown in the unaudited consolidated accounts of Acacia Asia at 31 July 2005 which is interest free and only repayable on demand by the Vendor.

The aggregate consideration of HK\$13,000,000 for the Acquisition was arrived at based on a P/E ratio of 7.88. The P/E ratio was calculated by dividing the aggregate consideration for the Acquisition by the Profit Guarantees covering the period from the long stop date of 30 September 2005 to 31 December 2006, assuming the Completion will take place on the long stop date. In the event the Profit Guarantee are unachievable, the Vendor will be obligated to pay to the Purchaser the difference between the actual audited profit for the relevant financial year and the guaranteed profit for the same year multiplied by 7.88 of the P/E ratio and the period of guarantee to which the Profit Guarantees applied over the whole of the financial year ended 31 December 2005 and 2006 which in the case of financial year 2005 and 2006 would be three months and twelve months respectively. The Profit Guarantees guarantee the audited net consolidated profits before tax and any extraordinary or exceptional items of Acacia Asia for the financial year ending 31 December 2005 and 31 December 2006 will not be less than HK\$250,000 and HK\$1,400,000 respectively.

The Profit Guarantees are provided by the Vendor who is confident in the operation of his business in achieving the targets. The figures disclosed in this announcement under the heading "INFORMATION ON ACACIA ASIA" comprises operation results of Acacia Asia in the early stage since its incorporation. The revenue and net profits earned by Acacia Asia demonstrate that they are more than sufficient to sustain its operation. In addition, both the Vendor and the Directors view that the market for web-based application in Shanghai is in a premature phase, Acacia Asia will face minimal direct competition in the existing market.

Further, Acacia Asia has already secured a service contract with a reputable growing property agency in Shanghai for which a steady stream of income will be generated. In addition, Acacia Asia expects to secure another service agreement with another property agency within this month. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the said property agencies are third parties independent of and not connected with the Company and its directors, chief executive or substantial Shareholder or any of its subsidiaries or associates of any of them.

The consideration for the Acquisition was arrived at after arm's length negotiations between the parties to the Sale and Purchase Agreement. The Directors (including the independent non-executive Directors) consider the terms and conditions of the Acquisition to be fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

The Consideration Shares

The Issue Price represents:

- (a) a discount of approximately 0.83% to the closing price of HK\$0.12 per Share as quoted on the Stock Exchange on 18 August 2005, being the last trading day before the date of the Sale and Purchase Agreement;
- (b) the average of the closing prices of HK\$0.119 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 18 August 2005, being the last trading day before the date of the Sale and Purchase Agreement; and
- (c) a discount of approximately 55.27% to the net tangible asset value of approximately HK\$0.266 per Share based on the Group's net tangible assets as at 31 December 2004 of approximately HK\$133,757,000 (as shown in the Group's audited consolidated financial statements made up to 31 December 2004).

The Issue Price was arrived at after arm's length negotiation between the Group and the Vendor. The Directors consider that the Issue Price is fair and reasonable and in the interests of the Shareholders as a whole.

The Consideration Shares will be allotted and issued under the General Mandate which authorises the Directors to issue Shares not exceeding 20% of the aggregate nominal amount of the Shares in issue as at the date of passing of the resolution approving the General Mandate, on which date the total number of Shares in issue was 502,729,644.

The 54,621,849 Consideration Shares to be allotted and issued represent approximately 10.87% of the existing issued share capital of the Company and approximately 9.80% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

The Consideration Shares, when allotted and issued, will rank *pari passu* in all respects with each other and with the Shares in issue on the date of allotment and issue of the Consideration Shares.

The aggregate consideration for the Acquisition represents approximately 9.9 times the net tangible assets of Acacia Asia.

Condition

The Acquisition is conditional upon the satisfaction of the following:

- (a) the Purchaser being satisfied with the results of the due diligence review in particular the review of the assets, liabilities, operations and affairs of Acacia Asia and its subsidiaries as the Purchaser may reasonably consider appropriate to see if there is any hidden items or terms of contracts affecting or prohibiting the Acquisition;
- (b) the warranties in respect of the operation of Acacia Asia provided by the Vendor under the Sale and Purchase Agreement remaining true and accurate in all respects;
- (c) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Consideration Shares; and
- (d) if necessary, the Bermuda Monetary Authority granting consent to the allotment and issue of the Consideration Shares.

The Purchaser may at any time waive in writing any of the conditions set out above. If the conditions are not fulfilled (or as the case may be, waived by the Purchaser) on or before 4:00 p.m. on 30 September 2005 (or such later date as the parties may agree), the Sale and Purchase Agreement shall cease and determine and the Vendor shall within 7 days from the date of cessation and termination of the Sale and Purchase Agreement refund the Deposit paid by the Purchaser without interest.

As at the date of this announcement, the Purchaser is not intended to waive any of the above conditions.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Completion

Completion is expected to take place on the second Business Day after the fulfillment (or waiver) of the conditions (or such later date as the parties may agree) mentioned above.

Upon Completion, Acacia Asia will become an indirect wholly owned subsidiary of the Company and the financial results of Acacia Asia will be consolidated with the Group.

INFORMATION ON THE VENDOR

The Vendor is a merchant. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is a third party independent of and not connected with the Company and its directors, chief executive or substantial Shareholder or any of its subsidiaries or associates of any of them. Neither the Vendor nor his associates has in the past held or currently hold any Shares. The Vendor will remain as a director of Acacia Asia after Completion.

INFORMATION ON ACACIA ASIA

Acacia Asia is a company incorporated in the British Virgin Islands with limited liability which together with its subsidiary engaged principally in investment holdings and the provision of IT management, online and support services as well as Internet portal and data management service to property agencies in the PRC.

Acacia Asia focuses on small to medium size property agencies that are either illiterate to information technology or do not have the resources to maintain an information technology team that helps to develop proprietary software for data management for their business. Acacia Asia is dedicated to provide web-based platforms to those property agencies in accessing key information in respect of the property market and potential investors in the PRC. In its early stage of business, Acacia Asia concentrates on the market in Shanghai.

As disclosed in the unaudited consolidated financial statements of Acacia Asia, the unaudited turnover, net profit before taxation and net profit after taxation for the period from 21 May 2004 (date of incorporation) to 31 July 2005 were approximately RMB1,123,500, RMB137,819, and RMB126,128 respectively. The unaudited consolidated total assets and net assets of Acacia Asia as at 31 July 2005 were approximately RMB1,361,496 and RMB126,136 respectively.

REASONS FOR THE ACQUISITION

The principal activity of the Company is investment holding with its subsidiaries principally engaged in the distribution of computer hardware and software products and the provision of computer technology services.

According to the audited consolidated financial statements of the Group for the year ended 31 December 2003 and 31 December 2004, the turnover of the Group was approximately HK\$261,692,000 and HK\$237,841,000 respectively, the net loss before taxation of the Group was approximately HK\$15,734,000 and HK\$29,755,000 respectively and the net loss after taxation of the Group was approximately HK\$13,760,000 and HK\$29,930,000 respectively.

As the economy in the PRC opens up, the Directors believe that there are great potentials in many of the business sectors, including the information technology sector.

The Directors have always been proactive in seeking opportunities for enlargement of the scope of business of the Group. As the general public places more emphasis and reliance on information technology system, the Directors consider that the business of Acacia Asia in constructing and developing web-based software to provide an interface for property agents in managing its customers' data is a new prospect for the Group. The Company has in fact sent its employees to Acacia Asia and observed the business of it.

The Directors believe that one of the keys to success in the business of a property agency is the ability to manage and utilise information on the property market as well as the potential investor effectively and efficiently and that there is a niche in providing data management services to property agencies that are illiterate to information technology or do not have the resources to maintain their own information technology team in the PRC. The Directors therefore wish to expand the Group's businesses and enhance its services by tapping into a new market in the PRC at an early stage.

As at the date of this announcement, the Company does not have definite business plans in the development of Acacia Asia. However, the aim is to provide products such as client data base management system at the initial stage and evolving from there, a web-based system and comprehensive data base portal to the property agencies and public in the future.

In view of the Profit Guarantees and the recourse entails in the event the Profit Guarantees are unachieved as stated above, the minimal competition that Acacia Asia will be facing, the steady stream of income that will be produced and the potential in the provision of information technology services to the property agencies in the PRC, the Directors believe that the P/E ratio of 7.88 is reasonable and it is an appropriate time to invest and extend the Company's scope of business in information technology in the PRC.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Name of Shareholders	As at the date of this announcement		Assuming Completion	
	Shares	approximate %	Shares	approximate %
Chan Tze Ngon	125,542,000	24.97	125,542,000	22.52
The Vendor	0	0	54,621,849	9.80
Public	377,187,644	75.03	377,187,644	67.68
Total	502,729,644	100.00	557,351,493	100.00

LISTING RULES IMPLICATION

The Acquisition constitutes a discloseable transaction on the part of the Company under Rule 14.06 of the Listing Rules.

GENERAL

A circular containing, among other matters, further details of the Acquisition will be despatched to the Shareholders within 21 days after the publication of this announcement.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 22 August 2005 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 29 August 2005.

DEFINITIONS

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

“Acacia Asia”	Acacia Asia Partners Limited, a company incorporated in the British Virgin Islands
“Acquisition”	the acquisition by the Purchaser of the Sale Shares and Sale Loan subject to and upon the terms and conditions of the Sale and Purchase Agreement
“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors from time to time
“Business Day”	a day (other than a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Technology Venture Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares and the Sale Loan in accordance with the Sale and Purchase Agreement
“Consideration Share”	54,621,849 new Shares to be allotted and issued to the Vendor in accordance with the terms of the Sale and Purchase Agreement
“Deposit”	the sum of HK\$500,000 paid by the Purchaser to the Vendor upon signing of the Sale and Purchase Agreement
“Directors”	directors of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 30 May 2005, pursuant to which a maximum of 100,545,928 new Shares may fall to be allotted and issued as at the date of this announcement
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Price”	the price of HK\$0.119 per Consideration Share, being the average of the closing prices of HK\$0.119 per Share quoted on the Stock Exchange for the last five consecutive trading days up to and including 18 August 2005
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Profit Guarantees”	the profit guarantee provided by the Vendor under the Sale and Purchase Agreement in respect of the audited net consolidated profits before tax and any extraordinary or exceptional items of Acacia Asia for the financial year ending 31 December 2005 and 31 December 2006 will not be less than HK\$250,000 and HK\$1,400,000 respectively
“Purchaser”	Technology Venture Investments Limited, purchaser to the Sale and Purchase Agreement, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“RMB”	Renmenbi, the lawful currency for the time being of China
“Sale and Purchase Agreement”	the sale and purchase agreement dated 19 August 2005 and entered into between the Vendor and the Purchaser for the sale and purchase of the Sale Shares and the Sale Loan
“Sale Share”	one share of US\$1.00 in the share capital of Acacia Asia
“Sale Loan”	all obligations, liabilities and debts owing or incurred by Acacia Asia to the Vendor on or at any time prior to the Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Li Yiu Wai, vendor to the Sale and Purchase Agreement
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“US\$”	United States dollars, the lawful currency for the time being of the United States
“%”	per cent.

For the purpose of this announcement, unless otherwise specified, conversions of RMB into Hong Kong dollars are based on the approximate exchange rate of RMB1.04 to HK\$1.00.

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

Hong Kong, 26 August 2005

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

“Please also refer to the published version of this announcement in International Herald Tribune.”