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TECHNOLOGY VENTURE HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 1999

RESULTS

The directors (the "Directors") of Technology Venture Holdings Limited (the "Company") are pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 1999 together with comparative figures for the corresponding period in 1998 as follows:

	Notes	Six months ended 30 June	
		1999 HK\$ '000	1998 HK\$ '000
Turnover	2	153,175	84,804
Profit before taxation		15,317	6,863
Taxation	3	2,666	1,178
Profit before minority interests		12,651	5,685
Minority interests		300	256
Net profit attributable to shareholders		12,351	5,429
Dividends		3,920	NIL
Earnings per share	4	5.88 cents	2.59 cents

Notes:

1. Basis of presentation

The Company was incorporated as an exempted company with limited liability in Bermuda on 29 March 1999 under the Companies Act 1981 of Bermuda. Pursuant to a group reorganisation (the "Group Reorganisation") in preparation of the listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of its subsidiaries on 12 June 1999. The shares of the Company were listed on the Stock Exchange on 6 July 1999.

The Group resulting from the Group Reorganisation is regarded as a continuing entity. Accordingly, the Group's unaudited interim results as set out above, have been prepared on a pro forma combined basis as if the current Group structure had been in existence and the Company had always been the holding company of the Group throughout the reporting period. The interim results included the results of the Company and its subsidiaries.

In the opinion of the Directors, in light of the Group Reorganisation and listing of the Company's shares on the Stock Exchange, the Group's unaudited interim results, prepared on the foregoing basis, present fairly the results of the Group as a whole.

2. Turnover

Turnover represents the net invoiced value of goods sold, after allowance for returns and trade discounts, and services rendered. All significant intra-Group transactions have been eliminated on combination.

3. Taxation

	Six months ended 30 June	
	1999	1998
	HK\$ '000	HK\$ '000
Hong Kong	388	307
Overseas	2,278	871
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	2,666	1,178
	=====	=====

Hong Kong profits tax has been provided at the rate of 16% on the estimated assessable profits arising in Hong Kong for the period.

Overseas tax represents corporate income tax charged in the People's Republic of China (the "PRC") calculated at the rate of 33% on the profit derived in the PRC for the period.

4. Earnings per share

The calculation of earnings per share is based on the Group's unaudited net profit attributable to shareholders for the period of HK\$12,351,000 (1998: HK\$5,429,000) and on the actual weighted average number of 210,000,000 shares of the Company in issue during the period. This number of shares in issue does not take into account of the new issue of 70,000,000 shares on 2 July 1999 pursuant to the share offer in connection with the listing.

Dilutive earnings per share is not presented as there is no dilutive effect on the current and prior periods.

INTERIM DIVIDEND

The Directors recommend the payment of an interim dividend of HK1.4 cents per share for the period (1998: HK\$ Nil), payable on or before Monday, 27 September 1999 in cash to shareholders whose names appear on the register of members of the Company on Friday, 17 September 1999.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 13 September 1999 to Friday, 17 September 1999 (both days inclusive) and during which period no transfer of shares will be effected.

In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates should be lodged with the Company's share registrars, Tengis Limited, 1601, Hutchison House, 10 Harcourt Road, Hong Kong not later than 4:00 p.m. on Friday, 10 September 1999.

BUSINESS REVIEW

For the six months ended 30 June 1999, the Group's turnover was approximately HK\$153 million, representing a growth of approximately 81% in comparison with the corresponding period in 1998.

The profits attributable to shareholders was approximately HK\$12 million, representing a growth of approximately 128% in comparison with the corresponding period in 1998.

During the period under review, the Group's hardware division, including Sequent China/Hong Kong Limited and Topasia Computer Limited, has successfully secured contracts with China Construction Bank, Bank of China and China Postal Savings Bureau.

The Group's software division also laid a good foundation for future growth into the software market both in Hong Kong and the PRC. Topsoft Limited ("Topsoft"), the Group's software vehicle has teamed up with Intershop Communications, Inc., one of the world's largest e-commerce provider, to become its software and services provider in Hong Kong and the PRC. In July 1999, Topsoft has successfully concluded contracts with Linkage Online and Cable & Wireless HKT to assist them in building up Cybermalls in the Internet world. The Group considers these projects may generate a steady flow of income in the future. The Directors believe that Topsoft is now one of the

pioneers in Hong Kong in the e-commerce industry.

Topsoft has also signed a teaming agreement with Tata Consultancy Services Limited in providing outsourcing services in Hong Kong and the PRC. Tata Consultancy Services Limited, with its headquarter in India, is one of the world's largest information technology outsourcing service company and has employed more than 11,000 programmers and information technology professional worldwide to provide IT solutions to multi-national companies.

Other than the above, the Group's software division has also been successful in securing contracts with various reputable customers, including but not limited to:-

(i) The Bank of East Asia, Limited for further development and deployment of the global banking system;

(ii) Bank of China for credit card control system;

(iii) Hong Kong Housing Authority Cash and Funds Management System for system enhancement; and

(iv) Hong Kong Government Information Technology Services Department for Integrated Government Property Information System.

In addition, Topsoft has also completed the ISO9001 audit and is pending for the official award of the ISO9001 certificate.

BUSINESS PROSPECTS

Merger of Sequent Computer Systems, Inc. ("Sequent") with International Business Machine Corporation ("IBM")

A joint press release was made by IBM and Sequent on 12 July 1999 in respect of a merger agreement between the two companies. IBM will pay US\$18.00 in cash for each outstanding share of Sequent common stock. The transaction, when completed, is expected to have a total equity value of approximately US\$810 million. The completion of the merger is subject to Sequent stockholder and regulatory approvals. The Directors are optimistic about the development of this merger, and consider that this merger is in the interest of the Group as it will further strengthen the technology capabilities of Sequent and further facilitate the Group's penetration into the PRC hardware market. The Group has consulted with its lawyer and confirmed that the exclusive distribution agreement entered into between Sequent China/Hong Kong Limited and Sequent in relation to the Group's distribution of Sequent computer products in the PRC and Hong Kong will remain legally valid until December 2001.

Internet-related market

As part of the Group's long term strategy in tapping into the Internet-related market, the Group is currently negotiating to invest, as an angel fund, into an Internet content provider and portal company, which engages satellite-based broadband Internet delivery technology to pursue joint development with one of the largest Internet service providers in the PRC.

The Directors also consider that the development of high technology industries, which include the information technology industry, will continue to be a prime focus of both the PRC and Hong Kong governments. In particular, the reform and development of the finance and telecommunications industries and the PRC government's Ninth Five Year Plan are expected to generate substantial market potential for information technology products and services in the PRC.

To capture the substantial market potential for information technology products and services, the Directors are committed to: (i) diversify its product types; (ii) develop its own application software products; (iii) expand its provision of computer technology services; (iv) tap into the data communications market.

The Group has approximately 8-10 weeks of order backlog on hand.

The Directors are optimistic about the future growth of the Group.

PROCEEDS OF NEW ISSUE

Upon listing on the Stock Exchange in July 1999, net proceeds of approximately HK\$72.1 million were raised, and is subsequently applied up to the date of this announcement, as follows:-

- approximately HK\$300,000 was applied for the development of a credit card exchange software;
- approximately HK\$500,000 was applied for the development of the Group's own software products - "TopBank", a global banking software product;
- approximately HK\$250,000 was applied for the expansion of the Group's business in the provision of computer technology services;
- approximately HK\$2.5 million was applied for the setting up of a benchmark center of Sequent China/Hong Kong Limited in Beijing, the PRC;
- approximately HK\$1 million was applied for the establishment of two representative offices of Sequent China/Hong Kong Limited in Shenyang and Changsha, the PRC;
- approximately HK\$800,000 was applied for the expansion of the Group's marketing network in the PRC;
- approximately HK\$350,000 was applied for the application of the ISO9001 certificate for Topsoft; and
- approximately HK\$27.6 million was used as general working capital of the Group.

The remaining proceeds of the new issue are now placed on short term deposits with banks.

YEAR 2000 ISSUE

The year 2000 problem arises primarily because computer data storage had been expensive in the past and therefore most system engineers tended to use only two digits to represent the year in databases so as to save storage space. As technology advances, the production cost of the data storage space decrease and hence the recently developed products in the market are all fully year 2000 compliant. Both the Group's sale of computer hardware and software are made according to specifications which are agreed by the customers. The Group also provides upgrade services for the year 2000 compliance to its customers if such needs arise. The Group has not encountered any difficulty in providing upgrade services to its customers in the past. The Group will not be responsible for the products distributed by it not being year 2000 compliant if they are not specified to be so. In any event, as the warranty of products is provided by the Group's suppliers, if the products distributed by the Group fail to be year 2000 compliant, the Group will not assume any risk in this respect and will be protected by a back-to-back indemnity from its suppliers which will be responsible for the potential liabilities.

The Group's internal computer systems are primarily used for office automation only and do not contain mission critical applications and therefore, the year 2000 compliance issue will have a minimal impact on the Group's operations. The Group has conducted an assessment on its internal computer systems and has spent approximately HK\$300,000 to upgrade its office equipment. The Group confirms that its internal computer systems are year 2000 compliant.

Further, the Group has co-ordinated a year 2000 contingency plan which mainly includes the saving of back-up copies of all computer files and the maintenance of a systematic filing of hard copies of relevant documents.

PURCHASE, SALE OR REDEMPTION OF SHARES

There was no purchase, sale or redemption of the Company's shares by the Company or any of its subsidiaries during the six months ended 30 June 1999.

APPOINTMENT OF NON-EXECUTIVE DIRECTOR

The Directors are pleased to announce the appointment of Mr. Derek Peter Althorp as a non-executive director of the Company with effect from 23 August 1999. Mr Derek Peter Althorp is also the honorary chairman of the Company.

CODE OF BEST PRACTICE

None of the Directors is aware of any information that would reasonably indicate the Company is not, or was not for any part of the six months ended 30 June 1999 in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), except that independent non-executive Directors do not have specific terms of appointment but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's bye laws. In the opinion of the Directors, this meets the same objective as the Code of Best Practice.

In pursuance of paragraph 14 of the Listing Rules, the Directors formally approved the establishment of an audit committee at a meeting held on 12 June 1999. The audit committee, which comprises Dr. Lo Siew Kiong, John and Dr. Chou Tao Hsiung, Joseph, has been delegated with the authority from the Directors to review the financial reporting and internal control procedures of the Company.

By order of the Board
Chan Tze Ngon, Ron
Chairman

Hong Kong, 23 August, 1999