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TIGER TECH

TIGER TECH HOLDINGS LIMITED

老虎科技（控股）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8046)

MAJOR ACQUISITIONS IN RELATION TO THE ACQUISITION OF STAR HUB AND SINO WILL AND RESUMPTION OF TRADING

THE ACQUISITIONS

The Board is pleased to announce that on 19 June 2008, the Jinqiao Purchaser, a wholly owned subsidiary of the Company, together with the Company, entered into the Jinqiao Agreement with the Jinqiao Vendor pursuant to which Jinqiao Purchaser has conditionally agreed to acquire the Star Hub Sale Share from the Jinqiao Vendor which represents the entire issued share capital of Star Hub at a consideration of approximately HK\$215.05 million.

On the same date, the Maxium Purchaser, a wholly owned subsidiary of the Company, together with the Company entered into the Maxium Agreement with the Maxium Vendor pursuant to which Maxium Purchaser has conditionally agreed to acquire the Sino Will Sale Share from the Maxium Vendor which represents the entire issued share capital of Sino Will at a consideration of HK\$334.4 million.

The total consideration for the Jinqiao Agreement is to be satisfied by the payment of (i) HK\$5 million in the form of cash and (ii) HK\$210.05 million in the form of Convertible Notes, further details of which, including the payment conditions, are summarised below.

The total consideration for the Maxium Agreement is to be satisfied by the payment of (i) HK\$15 million in the form of cash and (ii) HK\$319.4 million in the form of Convertible Notes, further details of which, including the payment conditions, are summarised below.

* For identification purposes only

As some of the relevant percentage ratios under Rule 19.06 of the GEM Listing Rules exceed 25% but less than 100%, the Jinqiao Acquisition and the Maxium Acquisition respectively constitutes a major acquisition of the Company under Rule 19.06(3) of the GEM Listing Rules and is therefore subject to reporting, announcement and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules. A circular, containing further details of the Acquisitions will be despatched to the Shareholders as soon as possible.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the GEM Board of the Stock Exchange was suspended with effect from 9:30 a.m. on 19 June 2008 pending the release of this announcement. Application for the resumption of trading in the Shares on the GEM Board of the Stock Exchange with effect from 9:30 a.m. on 16 July 2008 has been made by the Company.

INTRODUCTION

The Board is pleased to announce that on 19 June 2008, the Jinqiao Purchaser, a wholly owned subsidiary of the Company, together with the Company, entered into the Jinqiao Agreement with the Jinqiao Vendor pursuant to which Jinqiao Purchaser has conditionally agreed to acquire the Star Hub Sale Share from the Jinqiao Vendor (which represents the entire issued share capital of Star Hub) at a consideration of approximately HK\$215.05 million.

On the same date, the Maxium Purchaser, a wholly owned subsidiary of the Company, together with the Company entered into the Maxium Agreement with the Maxium Vendor pursuant to which Maxium Purchaser has conditionally agreed to acquire the Sino Will Sale Share from the Maxium Vendor (which represents the entire issued share capital of Sino Will) at a consideration of HK\$334.4 million.

The transactions contemplated under the Jinqiao Agreement and the transactions contemplated under the Maxium Agreement are entirely separate, and the Jinqiao Agreement and the Maxium Agreement were negotiated separately with different parties, who are not dependent of each other nor are the Agreements inter-conditional with each other. To the best of knowledge of the Company after making all reasonable enquiries, the Jinqiao Vendor and its ultimate beneficial owners are independent third parties independent from the Maxium Vendor and its ultimate beneficial owners. Furthermore, Jinqiao Vendor and its ultimate beneficial owners and Maxium Vendor and its ultimate beneficial owners are Independent Third Parties. The reasons for the Group to carry out the Jinqiao Acquisition and Maxium Acquisition together are set out in the section headed "Reasons for and benefits of the Acquisitions" below.

Summarised below are the principal terms of the Jinqiao Agreement and the Maxium Agreement respectively.

THE JINQIAO AGREEMENT

(i) Date

19 June 2008

(ii) Parties

Vendor: Easy Mount Enterprises Limited, a company incorporated in BVI with limited liability, and is an investment holding company, of which 85% of its equity interest is owned by Lomond Group Limited and 15% of its equity interest is owned by Mr. Ho.

Mr. Li is the ultimate beneficial owner of Lomond Group Limited which is also an investment holding company.

Purchaser: Rich Summit Enterprises Limited, a company incorporated in BVI with limited liability, a wholly owned subsidiary of the Company and is an investment holding company.

Warrantors: Lomond Group Limited, Mr. Li and Mr. Ho.

Company: The Company is a party to the Jinqiao Agreement with obligations set out therein which mainly include its obligations to settle part of the consideration by issuing of the Convertible Notes based on the payment terms.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Jinqiao Vendor, Mr. Ho and Mr. Li and their associates are Independent Third Parties.

(iii) Subject of the Jinqiao Agreement

Pursuant to the Jinqiao Agreement, the Jinqiao Purchaser has conditionally agreed to acquire 100% equity interests of Star Hub from the Jinqiao Vendor.

Star Hub is a company incorporated in BVI and at the date of the Jinqiao Agreement is wholly owned by the Jinqiao Vendor. Star Hub is the 100% holding company of Cambridge International which is a company incorporated in Hong Kong. As at the date of this announcement, Cambridge International owns 93% equity interest in Beijing Jinqiao. Both Star Hub and Cambridge International are investment holding companies.

Particulars of Beijing Jinqiao are set out in the section headed "Information on Beijing Jinqiao" below.

(iv) **Consideration**

The aggregate consideration for the acquisition of the Star Hub Sale Share is approximately HK\$215.05 million, the first instalment of which in the amount of HK\$5 million was paid in cash upon signing of the Jinqiao Agreement and the remaining HK\$210.05 million will be payable by the issue of Convertible Notes according to the following schedules and conditions:

Instalment	Date of payment	Amount <i>HK\$</i>	Payment condition
Second	Jinqiao Completion Date	73,517,520	N/A
Third	70th day after 31 December 2008	31,507,460	From Jinqiao Completion Date to 31 December 2008, the EBITDA of the audited consolidated financial statement (to be prepared based on Hong Kong GAAP) of the Star Hub Group will not be less than an equivalent HK\$ amount of RMB12 million
Fourth	70th day after the last day of the month encompassing the anniversary date of Jinqiao Completion	105,024,980	From the Jinqiao Completion Date to the last day of the month encompassing the anniversary date of Jinqiao Completion, the EBITDA of the audited consolidated financial statement (to be prepared based on Hong Kong GAAP) of the Star Hub Group will not be less than an equivalent HK\$ amount of RMB24 million
Total		210,049,960	

Should the EBITDA of the audited consolidated financial statements from Jinqiao Completion Date to 31 December 2008 be less than an equivalent HK\$ amount of RMB12 million, then the amount of Convertible Notes to be issued under the third instalment will be proportionally adjusted downward according to the following formula:

$$\text{HK\$31,507,460} \times \frac{\text{EBITDA of the audited consolidated financial statements}}{\text{RMB12 million}}$$

Should the EBITDA of the audited consolidated financial statements from Jinqiao Completion Date to the last day of the month encompassing the anniversary date of Jinqiao Completion be less than an equivalent HK\$ amount of RMB 24 million, then the amount of Convertible Notes to be issued for the fourth instalment will be proportionally adjusted downward according to the following formula:

$$\text{HK\$136,532,440} \quad \times \quad \frac{\text{EBITDA of the audited consolidated financial statements}}{\text{RMB24 million}}$$

Nevertheless, should the EBITDA of the audited consolidated financial statements for the fourth instalment be equal to or exceeds the HK\$ equivalent of RMB 24 million, the total amount of Convertible Notes to be issued for the fourth instalment should be the aggregate amount of the third and fourth instalments (i.e. HK\$136,532,440) less the amount of Convertible Notes issued for the third instalment.

Accordingly, if Star Hub incurs a loss during the period for determining the third and fourth instalments respectively, the Convertible Notes issued to the Jinqiao Vendor will be reduced from approximately HK\$210.05 million to HK\$73,517,520.

The EBITDA commitment amounts of a total of approximately RMB24 million is based on the best estimate of the business prospects by the Jinqiao Vendor taking into account the current and anticipated market sentiment in technology industry in particular, information technology products with reference to the potential growth of the market, the current contracts on hand and contracts under negotiation with the potential clients and its well understanding in the business development plans in the technology industry. As Beijing Jinqiao was established in March 2008, the net asset value and the loss made as at 30 April 2008 did not fully reflect the earning potential of Beijing Jinqiao. With the full support of Beijing Hengtai, the Jinqiao Vendor is confident that the EBITDA commitment for each of the periods can be achieved. Should the EBITDA commitment not be achieved, the Jinqiao Vendor will be penalised in getting a lesser amount of Consideration as described above.

The aggregate consideration was determined after arm's length negotiations between the parties taking into account of the EBITDA commitment provided by the Jinqiao Vendor and the profit earnings ratio of several comparable companies. The consideration represents approximately an indicative price to EBITDA ratio of approximately 8.15. Based on the products, markets, earning and growth, capital structure, nature of competition and the characteristics of the underlying investment risk and expected rate of return, the Company has selected five similar comparable companies, two of which are listed on NASDAQ, two are listed on XETRA and one is traded on over-the-counter of the US. The range of the price to EBITDA is approximately 6.16 to 14.81, with an average and median of approximately 9.64 and 9.76 respectively. As the indicative price to EBITDA of the Jinqiao Acquisition is within the range and slightly lower than the average and median of the comparable companies, the Directors are of the opinion that the consideration of Jinqiao Agreement is fair and reasonable and is in the interests of the Shareholders as a whole.

(iv) Conditions of the Jinqiao Agreement

Jinqiao Completion is conditional upon, inter alia, the following:

- (a) the Jinqiao Purchaser is reasonably satisfied with the legal opinion to be issued by the PRC legal adviser in relation to
 - the legal status of Star Hub Group (except Star Hub and Cambridge International)

- the obtaining of the related operation qualifications or permits for the potential and existing business of the Star Hub Group (except Star Hub and Cambridge International) and the continuing effectiveness of these qualifications or permits; and
 - the legality, effectiveness and enforceability of the Co-operation Agreement, Intellectual Property License Agreement and the Purchase and Supply Agreement;
- (b) the Jinqiao Purchaser is reasonably satisfied that the validity and legitimacy of legal identity of the Star Hub Group as a result of legal due diligence conducted by a legal adviser;
- (c) the Jinqiao Purchaser is reasonably satisfied with the financial due diligence on the assets, liabilities, operation and prospects of the Star Hub Group by a Hong Kong professional accounting firm;
- (d) the passing of the necessary resolution(s) of the Company by the Shareholders in relation to the Jinqiao Acquisition and obtaining the approval of any of regulatory bodies if necessary;
- (e) the Stock Exchange having granted the listing of and permission to deal in the Conversion Shares which may fall to be issued upon conversion of the Convertible Notes on the Stock Exchange;
- (f) (if necessary) the issuance of Conversion Shares having been approved by Bermuda Monetary Authority;
- (g) the Jinqiao Purchaser has received an updated certificate of good standing from companies registry of the BVI in relation to Star Hub and a certificate of incumbency of the directors, company secretary (if any) and shareholders in respect of Star Hub;
- (h) the Jinqiao Purchaser has received an updated certificate of good standing from companies registry of the BVI in relation to the Jinqiao Vendor and a certificate of incumbency of the directors, company secretary (if any) and shareholders in respect of the Jinqiao Vendor;
- (i) the Jinqiao Purchaser accepts that Jinqiao Vendor's representations, warranties and undertakings at the time of Jinqiao Completion are complete, true and accurate and there are no material omission or are not misleading, as if those representations, warranties and undertakings are made on Jinqiao Completion Date and during the period from the Jinqiao Agreement Date to the date of Jinqiao Completion;
- (j) all regulatory approval, consent and waiver in relation to the Jinqiao Acquisition and provision of guarantee have been obtained from the regulatory bodies and other relevant third parties in connection with the sale of Star Hub Sale Share and the same as continuing to be valid;
- (k) the Jinqiao Acquisition will not be classified as a reverse takeover under the GEM Listing Rules and will not be regarded as a new listing applicant;
- (l) the Jinqiao Acquisition will not trigger any mandatory offer under the Takeovers Code; and
- (m) Beijing Jinqiao has obtained all the operation qualifications and permits to operate its existing and potential business and these qualifications and permits are continuing to be effective.

If any condition set out above is not fulfilled, or not waived in writing, on or before 31 October 2008 or such later date as may be agreed by the parties in writing, the Jinqiao Agreement will terminate and cease to have any legal effect. In such case, the Jinqiao Vendor shall refund the cash consideration to the Jinqiao Purchaser. However, the Jinqiao Purchaser shall have the right to choose to complete the Jinqiao Acquisition.

(v) Guarantee

Performance of the obligations of the Jinqiao Vendor are guaranteed by Jinqiao Warrantors.

THE MAXIUM AGREEMENT

(i) Date

19 June 2008

(ii) Parties

Vendor: Mind Smart Group Limited, a company incorporated in BVI with limited liability and an investment holding company, of which 85% of its equity interest is held by Team Effort Investments Limited and 15% of its equity interests is held by Mr. Lu.

Team Effort Investments Limited is a company incorporated in BVI with limited liability and an investment holding company of which Mr. Choi is the sole legal and beneficial owner.

Purchaser: Merit Power Enterprises Limited, a company incorporated in BVI with limited liability, a wholly owned subsidiary of the Company and is an investment holding company.

Warrantors: Team Effort Investments Limited, Mr. Choi and Mr. Lu.

Company: The Company is a party to the Maxium Agreement with obligations set out therein which mainly include its obligations to settle part of the consideration by issuing the Convertible Notes based on the payment terms.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Maxium Vendor, Mr. Lu and Mr. Choi and their associates are Independent Third Parties.

(iii) Subject of the Maxium Agreement

Pursuant to the Maxium Agreement, the Maxium Purchaser has conditionally agreed to acquire 100% of interest of Sino Will from the Maxium Vendor.

Sino Will is a company incorporated in BVI and at the date of the Maxium Agreement is wholly owned by the Maxium Vendor. Sino Will is the 100% holding company of China Champion Development Limited (中澤發展有限公司), which is a company incorporated in Hong Kong with limited liability, and is an investment holding company. China Champion Development Limited is the 100% holding company of Shenzhen Champion, which is a wholly foreign owned enterprise incorporated in the PRC with limited liability. Shenzhen Champion is the 100% holding company of Huzhou Maxium.

Particulars of Huzhou Maxium are set out in the section headed “Information on Huzhou Maxium” below.

(iv) Consideration

The aggregate consideration for the acquisition of the Sino Will Sale Share is HK\$334.4 million, the first instalment of which in the amount of HK\$15 million was paid in cash upon signing of the Maxium Agreement and the remaining HK\$319.4 million will be payable by the issue of Convertible Notes according to the following schedules and conditions:

Instalment	Date of payment	Amount HK\$	Payment condition
Second	Maxium Completion Date	111,789,960	N/A
Third	70th day after 31 December 2008	47,910,080	From the Maxium Completion Date to 31 December 2008, the EBITDA of the audited consolidated financial statement (to be prepared based on Hong Kong GAAP) of the Sino Will Group will not be less than an equivalent HK\$ amount of RMB18 million
Fourth	70th day after the last day of the month encompassing the anniversary date of Maxium Completion	159,700,040	From the Maxium Completion Date to the last day of the month encompassing the anniversary date of Maxium Completion, the EBITDA of the audited consolidated financial statement (to be prepared based on Hong Kong GAAP) of the Sino Will Group will not be less than an equivalent HK\$ amount of RMB36 million
Total		319,400,080	

Should the EBITDA of audited consolidated financial statements from Maxium Completion Date to 31 December 2008 be less than an equivalent HK\$ of RMB18 million, then the amount of Convertible Notes to be issued for the third instalment will be proportionally adjusted downward according to the following formula:

$$\text{HK\$47,910,080} \quad \times \quad \frac{\text{EBITDA of the audited consolidated financial statements}}{\text{RMB18 million}}$$

Should the EBITDA of audited consolidated financial statements for the fourth instalment not be achieved, then the amount of Convertible Notes to be issued for the fourth instalment will be proportionally adjusted downward accordingly to the following formula:

$$\text{HK\$207,610,120} \quad \times \quad \frac{\text{EBITDA of the audited consolidated financial statements}}{\text{RMB36 million}}$$

However, should the EBITDA of audited consolidated financial statements of the Sino Will Group for the fourth instalment is equal to or exceeds the HK\$ equivalent of RMB36 million, the total amount of Convertible Notes to be issued in the fourth instalment should be the aggregate amount of the third and fourth instalments (i.e. HK\$207,610,120) less the amount of Convertible Note to be issued in the third instalment.

Accordingly, if Sino Will incurs a loss during the period for determining the third and fourth instalment respectively, the Convertible Notes to be issued to the Maxium Vendor will be reduced from approximately HK\$319.4 million to HK\$111,789,960.

The EBITDA commitment amounts of a total of approximately RMB36 million is based on the best estimate of business prospects by the Maxium Vendor taking into account the current and anticipated market sentiment in technology industry, the current contracts on hand and contracts under negotiation with potential clients and the potential growth of the market and its well understanding in the business development plans in technology industry. Although the Jinqiao Acquisition and Maxium Acquisition were negotiated separately, the business of Beijing Jinqiao and Huzhou Maxium can complement each other. The Maxium Vendor is confident that Jinqiao Acquisition and Maxium Acquisition will bring synergy effect to improve the business of Huzhou Maxium and is also confident that the EBITDA commitment can be achieved. Should the EBITDA commitment not be achieved, the Maxium Vendor will be penalised in getting a lesser amount of Consideration as described above.

The aggregate consideration was determined after arm's length negotiations between the parties with taking into account of the profit commitment provided by the Maxium Vendor and the profit earnings ratio of several comparable companies.

The Directors consider that Maxium Acquisition is fair and reasonable by considering inter alia the growth potential of Sino Will, the profit commitment made by Maxium Vendor and the profit earnings ratio asked for by the Maxium Vendor is comparable to the market. The consideration represents approximately an indicative price to EBITDA ratio of approximately 8.44. Based on the products, markets, earning and growth, capital structure, nature of competition and the characteristics of driving underlying investment risk and expected rate of return, the Company has selected seven similar comparable companies, in which five are listed on NASDAQ, one is listed on the Stock Exchange and one is traded on over-the-counter of the US. The range of the price to EBITDA is approximately from 6.96 to 29.89, with an

average and median of approximately 16.07 and 14.81 respectively. As the indicative price to EBITDA of the Maxium Acquisition is within the range and substantially lower than the average and median of the comparable companies, the Directors are of the opinion that the consideration of Maxium Agreement is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

(iv) Conditions of the Maxium Agreement

Maxium Completion is conditional upon, inter alias, the followings:

- (a) the Maxium Purchaser is reasonably satisfied with the legal opinion to be issued by the PRC legal adviser in relation to
 - the legal status of Sino Will Group (except Sino Will and China Champion Development Limited)
 - the obtaining of the related operation qualifications or permits for the potential and existing business of the Sino Will Group (except Sino Will and China Champion Development Limited) and the continuing effectiveness of these qualifications or permits; and
 - the legality, effectiveness and enforceability of the Purchase and Supply Agreement;
- (b) the Maxium Purchaser is reasonably satisfied that the validity and legitimacy of legal identity of the Sino Will Group as a result of legal due diligence conducted by a legal adviser;
- (c) the Maxium Purchaser is reasonably satisfied with the financial due diligence on the assets, liabilities, operation and perspective of the Sino Will Group by a Hong Kong professional accounting firm;
- (d) the passing of the necessary resolution(s) of the Company by the Shareholders in relation to the Maxium Acquisition and obtaining the approval of any of regulatory bodies if necessary;
- (e) the Stock Exchange having granted the listing of and permission to deal in the Conversion Shares which may fall to be issued upon conversion of the Convertible Notes on the Stock Exchange;
- (f) (if necessary) the issuance of Conversion Shares having been approved by Bermuda Monetary Authority;
- (g) the Maxium Purchaser has received updated certificate of good standing from companies registry of the BVI in relation to Sino Will and a certificate of incumbency of the directors, company secretary (if any) and shareholders in respect of Sino Will;
- (h) the Maxium Purchaser has received an updated certificate of good standing from companies registry of the BVI in relation to the Maxium Vendor and a certificate of incumbency of their directors, company secretary (if any) and shareholders in respect of the Maxium Vendor;
- (i) the Maxium Purchaser accepts that Maxium Vendor's representations, warranties and undertakings at the time of Maxium Completion are complete, true and accurate and there are no material omission or are not misleading, as if those representations, warranties and undertakings are made on Maxium Completion Date and during the period from the date of Maxium Agreement to the date of Maxium Completion Date;

- (j) all regulatory approval, consent and waiver in relation to the Maxium Acquisition and provision of guarantee have been obtained from the regulatory bodies and other relevant third parties in connection with sale of Star Hub Sale Share and the same as continuing to be valid;
- (k) the Maxium Acquisition will not be classified as a reverse takeover under the GEM Listing Rules and will not be regarded as a new listing applicant;
- (l) the Maxium Acquisition will not trigger any mandatory offer under the Takeovers Code; and
- (m) Huzhou Maxium has obtained all the operation qualifications and permits to operate its existing and potential business and these qualifications and permits are continuing to be effective.

If any condition set out above is not fulfilled, or not waived in writing, on or before 31 October 2008 or such later date as may be agreed by the parties in writing, the Maxium Agreement will cease to any legal effect. In such case, the Maxium Vendor shall refund the cash consideration to the Maxium Purchaser. However, the Maxium Purchaser shall have the right to choose to complete the Maxium Acquisition.

(v) Guarantee

The performance of obligations of the Maxium Vendor are guaranteed by Maxium Warrantors.

CONVERTIBLE NOTES

The principal terms of the Convertible Notes under the Jinqiao Agreement and those under the Maxium Agreement are similar.

(i) Principal terms of the Convertible Notes

Issuer	The Company
Aggregate principal amount of the Convertible Notes:	For Jinqiao Acquisition: a maximum of HK\$210,049,960; For Maxium Acquisition: a maximum of HK\$319,400,080.
Conversion Price:	HK\$0.34 per Conversion Share (“Initial Conversion Price”), subject to adjustments in certain events including share consolidation, share subdivision, capitalisation issue, capital distribution, rights issue and issues of convertible securities by the Company.
Conversion Shares:	1,557,206,000 Shares based on the Initial Conversion Price upon full conversion, which represents approximately 279.1% of the existing issued share capital of the Company and approximately 73.6% of the enlarged issued share capital of the Company upon full conversion of the Convertible Notes
Interest rate:	Nil

Maturity date and other conditions:	5 years after issue. Upon maturity, the outstanding amount of the Convertible Notes shall automatically be converted into Conversion Shares on condition that immediately upon the issue of the Shares upon conversion of the Convertible Notes, the public float of the Shares will not fall below the limits prescribed under the GEM Listing Rules. No conversion right may be exercised, to the extent that following such exercise, a Noteholder and parties acting in concert with it will hold or be interested in 30% or more of the Company's total issued share capital, or such conversion will result in a change in control as defined in the Takeovers Code.
Early redemption:	<p>The Noteholders may demand the Company for the repayment of any outstanding amount of the Convertible Notes if:</p> <ul style="list-style-type: none"> (i) the Company breaches the undertakings underlying the Convertible Notes and it cannot be rectified or in the reasonable opinion of the Noteholders, cannot be rectified within 28 days from the date of breach; (ii) all or part of the businesses, properties, assets or benefits of the Company or its subsidiaries have been taken up by the mortgagee or to be taken over by the receiver or manager appointed; (iii) any member of the Group facing liquidation or is not able to repay liabilities due or any member of the Company agrees or accepts to the agreement of managers, liquidators or receiver to take over the business, properties, assets or benefits of the group; or any member of the Company takes legal action to delay performing its obligation; or any member of the Group negotiates with its creditors with a view to agreeing on reorganisation or arrangement. (iv) the issue of any liquidation order by the court due to internal reorganisation or voluntary liquidation.
Transferability:	The Convertible Notes are freely transferable, save as to any connected person as defined in the GEM Listing Rules, subject to a minimum amount of HK\$5 million and the fulfilment of certain administrative procedures.
Conversion period:	The holders of the Convertible Notes may at any time on or after the date of issue of the Convertible Notes and on or prior to the maturity date, requires the Company to convert, the whole or any part(s) of the principal amount outstanding under the Convertible Notes into Conversion Shares at the Conversion Price provided that the principal amount of the Convertible Notes converted at any one time shall be not less than HK\$5 million unless the principal amount outstanding is less than HK\$5 million in which case, the principal amount converted shall be the whole principal amount outstanding.

Conversion Each Noteholder shall exercise the conversion rights attaching to the Convertible Notes only if the Company's total issued share capital held by the public immediately upon the allotment and issue of such Conversion Shares will not fall below the limit of 25% or such lower limit as prescribed under the GEM Listing Rules.

No conversion right may be exercised, to the extent that following such exercise, a Noteholder and parties acting in concert with it will hold or be interested in 30% or more of the Company's total issued share capital, or such conversion will result in a change in control as defined in the Takeovers Code.

Voting: The holders of the Convertible Notes will not be entitled to receive notices of, attend or vote at any meetings of the Company by reason only of any of them being a holder of the Convertible Notes.

Listing: No application will be made for the listing of the Convertible Notes on the Stock Exchange or any other stock exchange. An application will be made by the Company for the listing of, and permission to deal in, the Conversion Shares to be issued as a result of the exercise of the conversion rights attached to the Convertible Notes.

Ranking: The Conversion Shares to be issued as a result of the exercise of the conversion rights attaching to the Convertible Notes will rank *pari passu* in all respects with all Shares outstanding at the date of issue of the Conversion Shares.

The resolution in relation to the issue of Convertible Shares upon exercise of the conversion rights attaching to the Convertible Notes will be voted on at the forthcoming SGM.

(ii) Adjustments

The Conversion Price is subject to adjustment provisions which are standard for convertible securities of similar type. The adjustment events will arise as a result of certain changes in the share capital of the Company including consolidation or sub-division of the Shares, capitalization of profits or reserves, capital distribution in cash or specie or subsequent issue of securities in the Company. The Company will instruct its auditors or a merchant bank to certify in writing the adjustment (if any) made to the Conversion Price.

(iii) Conversion Price

The Conversion Price of HK\$0.34 per Conversion Share (subject to adjustments) was arrived at after arm's length negotiation between the Jinqiao Vendor and the Jinqiao Purchaser as well as between the Maxium Vendor and the Maxium Purchaser and represents:

- (i) a discount of approximately 67.3% to the closing price of HK\$1.04 per Share as quoted on the Stock Exchange on 18 June 2008 (the "Last Trading Day");
- (ii) a discount of approximately 66.5% to the average closing price per Share of approximately HK\$1.014 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;

- (iii) a discount of approximately 64.5% to the average closing price per Share of approximately HK\$0.958 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day; and
- (iv) a premium of approximately 172% to the unaudited consolidated net assets value per Share of approximately HK\$0.125 as at half year ended 31 December 2007 (as calculated by the total net assets of approximately HK\$69,820,000 as at 31 December 2007 and the number of outstanding Shares of 558 million).

Taking into account of the continuing loss of the Group for the past 5 years, the Directors consider the current share prices of the Company are not supported by the economic fundamentals of the Company's business. Therefore, the Directors consider that the Conversion Price should be made with reference to the net asset value of the Company. Since the Conversion Price represents a premium of approximately 172% to the unaudited consolidated net asset value per Share of approximately HK\$0.125 as at the half year ended 31 December 2007, the Directors consider that the terms of the Convertible Notes, including the Conversion Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(iv) Dilution effect of the Convertible Notes

In view of the potential dilution effect on existing Shareholders on exercise of conversion rights attaching to the Convertible Notes, for so long as any of the Convertible Notes are outstanding, the Company will keep Shareholders informed of the level of dilution and details of conversion as follows:

- (1) the Company will make a monthly announcement (the "Monthly Announcement") on the website of the Stock Exchange and the Company after the issue of the Convertible Notes. Such announcement will be made on or before the fifth business day following the end of each calendar month and will include the following details in a table form:
 - (a) whether there is any conversion of the Convertible Notes during the relevant month. If yes, details of the conversion(s), including the conversion date, number of new Shares issued, conversion price for each conversion. If there is no conversion during the relevant month, a negative statement to that effect;
 - (b) the outstanding principal amount of the Convertible Notes after the conversion, if any;
 - (c) the total number of new Shares issued pursuant to other transactions during the relevant month, including new Shares issued pursuant to exercise of options under any share option scheme(s) of the Company;
 - (d) the total issued share capital of the Company as at the commencement and the last day of the relevant month;
- (2) in addition to the Monthly Announcement, if the cumulative amount of new Shares issued pursuant to the conversion of the Convertible Notes reaches 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes (and thereafter in a multiple of such 5% threshold), the Company will make an announcement on the website of the Stock Exchange and the Company including details as stated in (1) above for the period commencing from the date of the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes (as the case may be), up to the date on which the total amount of Shares issued pursuant to

the conversion amounts to 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes; and

- (3) if the Company forms the view that any issue of Conversion Shares will trigger the disclosure requirements under Rule 17.10 of the GEM Listing Rules, then the Company will be obliged to make such disclosure regardless of the issue of any announcement in relation to the Convertible Notes as mentioned in (1) and (2) above.

INFORMATION ON BEIJING JINQIAO

Beijing Jinqiao is a sino-foreign joint enterprise incorporated in the PRC on 13 March 2008. 93% of Beijing Jinqiao's equity interest is held by Cambridge International. The remaining 7% equity interest is held by Beijing Hengtai. To the best of knowledge of the Company after making reasonable enquiries, the Beijing Hengtai and its ultimate beneficial owners are independent third parties from the Company and its subsidiaries. The business of Beijing Jinqiao currently includes research, development and manufacturing on/of software products, radio frequency identification ("RFID") chips and related systems, coal mine safety monitoring integrated system and coal mine surveillance and disaster alerting system. Beijing Jinqiao also engages in developing electronic message security products and designing on integrated circuits.

Beijing Hengtai entered into the Co-operation Agreement and the Intellectual Property License Agreement with Beijing Jinqiao on 6 May 2008 and 8 April 2008 respectively. Details of which are summarized hereinbelow.

Beijing Hengtai is the minority shareholder of Beijing Jinqiao holding the business of 7% of its equity interest. Beijing Hengtai is originally engaged in designing of integrated circuits and computer software, production and sale of computer message security products and commercial encryption products. Furthermore, Beijing Hengtai owns certain intellectual properties rights related to RFID chips and systems such as coal mine surveillance and disaster alerting systems and coal mine safety monitoring integrated system. Beijing Hengtai also engages in developing electronic messages security products and designing in integrated circuits. By the Intellectual Property License Agreement, Beijing Hengtai irrevocably granted to Beijing Jinqiao a sole and exclusive license to use most its intellectual properties rights described above. The Intellectual Property License Agreement has a term of 20 years which is renewable for subsequent terms of 20 years each unless terminated in accordance with its provisions. Beijing Jinqiao does not have to pay any royalties from the 1st to 3rd year of the Intellectual Property License Agreement. From the 4th to 14th year, Beijing Jinqiao has to pay 3% of the gross revenue amount of its audited financial statements with a maximum amount of HK\$30 million per annum. Furthermore, the Co-operation Agreement effectively appoints Beijing Jinqiao as the sole supplier of Beijing Hengtai. Therefore, by virtue of the Co-operation Agreement and Intellectual Property License Agreement, the business that remains in Beijing Hengtai is research and development and the production of certain software relates to encryption products.

Furthermore, Beijing Jinqiao has entered into the Purchase and Supply Agreement with Huzhou Maxium on 8 May 2008 whereby Huzhou Maxium agreed to provide radio frequency module to Beijing Jinqiao to ensure the stable supply of the module for its radio frequency identification related products. Details of which are summarized hereinbelow.

Therefore, through these arrangements, Beijing Jinqiao is able to design, manufacture and sell the products originally developed by Beijing Hengtai as well as to capture and utilise all the requisite knowhow and trade secrets.

Therefore, the Jinqiao Acquisition will enable the Group to design, manufacture and sell the products originally developed by Beijing Hengtai of which the Directors consider that it is good potential to enhance and supplement the business of the Group.

Based on the unaudited management accounts of Beijing Jinqiao for the period from 13 March 2008 (date of incorporation) to 30 April 2008, the net assets of Beijing Jinqiao was approximately RMB685,000 (approximately HK\$778,434). The turnover and net loss for the same period was nil and approximately RMB215,000 (approximately HK\$244,326) respectively.

Co-operation Agreement

The Co-operation Agreement was entered into by Beijing Hengtai and Beijing Jinqiao on 6 May 2008. The Co-operation Agreement will last for 20 years upon entering with an option to Beijing Jinqiao to extend another 20 years. Within this period, Beijing Jinqiao will be the exclusive supplier of certain parts, such as whole hardware products, hardware modules and general CPU chips, to Beijing Hengtai. Under the Co-operation Agreement:

- (1) Beijing Hengtai cannot, without a written approval from Beijing Jinqiao, seek other suppliers to provide the parts, nor transfer or authorise the running of all or part of its businesses to other parties;
- (2) Beijing Hengtai should pay Beijing Jinqiao 97% of the sales value of the parts provided to Beijing Hengtai according to the schedule as determined by Beijing Jinqiao;
- (3) Beijing Jinqiao is entitled to cease all or part of the co-operation if it considers necessary;
- (4) Beijing Jinqiao is allowed to outsource its operation to third party for providing the required parts to Beijing Hengtai;
- (5) Beijing Jinqiao is allowed, with prior acknowledgement to Beijing Hengtai, to appoint an audit firm to audit the financial information, records and statements of Beijing Hengtai. In order to determine the payment amount among the two parties, the sales value as stipulated in (2) above should be confirmed by Beijing Jinqiao;
- (6) Beijing Jinqiao has priority to enter into businesses not currently carried on by Beijing Hengtai (specifically RFID management system for special business, network safety products, secured storage system, electronic signature products and secured telephone products for special businesses, digital TV authorisation card and secured chips); and
- (7) Beijing Hengtai will not enter into business currently carried on by Beijing Jinqiao (specifically hardware for electronic government including USB key, RFID management system, central processing unit chop and hardware modules).

Intellectual Property License Agreement

The Intellectual Property License Agreement which was entered into on 8 April 2008 provides worldwide exclusive rights to Beijing Jinqiao the right of use of the intellectual properties currently owned by Beijing Hengtai, including one layout protection of integrated circuits, seventeen patents relating to wireless communication, hard disk encryption technology, positioning system, radio frequencies identification products, electronic signature products etc., and nineteen software registrations relating to the technology listed above.

Furthermore, under the Intellectual Property License Agreement,

- (1) If Beijing Hengtai develops new or updated intellectual properties in the future, Beijing Hengtai will also grant to Beijing Jinqiao worldwide exclusive rights to use of the intellectual properties;
- (2) Beijing Jinqiao is granted a first right of refusal to buy all or part of the intellectual properties currently owned or potentially owned by Beijing Hengtai;
- (3) Beijing Hengtai should provide technical support to Beijing Jinqiao in respect of the intellectual properties used by Beijing Jinqiao;
- (4) The Intellectual Property License Agreement will last for 20 years upon signing with an option to Beijing Jinqiao to extend for a further 20 years;
- (5) There is no fee charged for the first one to third years. From the fourth to fourteen years of the Intellectual Property License Agreement, a 3% will be charged on the gross audited revenue of the products of Beijing Jinqiao by utilising the intellectual properties under the Intellectual Properties Agreement, with a maximum of HK\$30 million per calendar year. No additional fee is payable; and
- (6) Beijing Hengtai should also grant the right of use of any intellectual properties developed by Beijing Hengtai on the basis of the current intellectual properties as owned by Beijing Hengtai.

INFORMATION ON HUZHOU MAXIUM

Huzhou Maxium was incorporated in the PRC on 13 April 2005. Its business includes research on integrated circuit techniques and the design, application, development, manufacturing and sale of the integrated circuit solutions and the related services.

According to the unaudited management accounts of Huzhou Maxium under Hong Kong Accounting Standards, as at 31 December 2007, the total assets of Huzhou Maxium were approximately RMB5,955,000 (approximately HK\$6,767,262), its total liabilities were approximately RMB9,791,000 (approximately HK\$11,126,492) and its net liabilities were approximately RMB3,836,000 (approximately HK\$4,359,230). During the year ended 31 December 2007, Huzhou Maxium recorded a net loss before and after taxation of approximately RMB4,747,000 (approximately HK\$5,394,490).

According to the unaudited management accounts of Huzhou Maxium under Hong Kong Accounting Standards as at 31 December 2006, the total assets of Huzhou Maxium were approximately RMB4,321,000 (approximately HK\$4,910,384), its total liabilities were approximately RMB3,410,000 (approximately HK\$3,875,124) and its net assets were approximately RMB911,000 (approximately HK\$1,035,260). During the year ended 31 December 2006, Huzhou Maxium recorded a net loss before and after taxation of approximately RMB4,492,000 (approximately HK\$5,104,709).

According to the unaudited management financial statements of Huzhou Maxium under Hong Kong Accounting Standards for the four months ended 30 April 2008, Huzhou Maxium recorded a net loss of approximately RMB1,411,000 (approximately HK\$1,603,460) and its net liabilities was approximately RMB5,247,000 (approximately HK\$5,962,691).

Purchase and Supply Agreement

The Purchase and Supply Agreement was entered on 8 May 2008 between Beijing Jinqiao and Huzhou Maxium in which for a period of 5 years, Huzhou Maxium will provide radio frequency module as a price to be determined when Beijing Jinqiao places the order. Under Purchase and Supply Agreement, Beijing Jinqiao does not have the obligation to place orders.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Company is an investment holding company. The Group is principally engaged in the provision of Enterprise Thin Client Solutions, Customised Thin Client Application Solutions, Cable Network Thin Client Solutions, and the trading of computer parts.

As stated in the first quarterly report 2007/2008 of the Company, the Group during the period ended 30 September 2007 mainly engaged in the trading of computer parts in Hong Kong. However, due to the keen competition among competitors, the gross profit margin was relatively low. The Group would target to expand the trading business to other computer related products in order to diversify the income of the Group.

As stated in the interim report 2007/2008 of the Company, the Group continued to conduct trading business in computer related parts in Hong Kong and its revenue was principally derived from this business. The gross profit margin of computer parts trading was not satisfactory because of intense competition from competitors. The financial situation of the Company was healthy, and the Directors shall endeavour to gain greater exposure, expand and diversify the income stream of the Company.

The situation has not changed much in the third quarter ended 31 March 2008. As stated in the third quarterly report of the Company, the Group's turnover was principally derived from trading computer parts in Hong Kong. The Group did not record turnover from provision of Enterprise Thin Client Solutions, Customised Thin Client Application Solutions and Cable Network Thin Client Solutions during the third quarter period.

The Directors consider that Beijing Jinqiao and Huzhou Maxium are suitable targets for the Group's expansion. The Group has been engaging in trading of computer related parts which have a comparatively low gross margin. With Beijing Jinqiao, the Group is able to capture its strong research and development team which has a comparative strength with its competitors on the encrypted electronic storage products like USB thumbs and moveable hard disks. Although Beijing Jinqiao was incorporated on March 2008, most of the business of Beijing Hengtai will be conducted through Beijing Jinqiao according to the Co-operation Agreement and Intellectual Property License Agreement, Beijing Jinqiao has hired some of the research and development staff from Beijing Hengtai so to streamline its operation. Another strong area of Beijing Jinqiao is its development of the coal mine safety products which is ready for production, these products are capable to enhance the safety of the workers in coal mines which attract more and more attention of the Central Government of the PRC after several disasters occurred in the PRC. Furthermore, they have developed radio frequency identity products so that physical movements can be tracked automatically.

For Huzhou Maxium, its business is mainly concentrated on the research and development of wireless communication linkage among different electronic product groups.

The Directors believe that the Acquisitions will enhance the research and development ability and manufacture arrangement which complement the Group's existing business and will increase its exposure to the Mainland China enormous market.

The Directors (including the independent non-executive Directors) are of the view that the entering into the Agreements is in the interests of the Company and the Shareholders as a whole and the terms of the Agreements, including the aggregate consideration, are fair and reasonable.

SHAREHOLDING STRUCTURE OF THE COMPANY BEFORE AND AFTER COMPLETION OF THE ACQUISITION

As at the date of this announcement, the Company has 558 million Shares in issue. The shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the full exercise of the Convertible Notes issued to Jinqiao Vendor (assumes no adjustment on the total amount) but no exercise of the Convertible Notes issued to Maxium Vendor; (iii) immediately after the full exercise of the Convertible Notes issued to Maxium Vendor (assumes no adjustment on the total amount) but no exercise of the Convertible Notes issued to Jinqiao Vendor; and (iv) immediately after the full exercise of the Convertible Notes issued to Jinqiao Vendor and Maxium Vendor (assumes no adjustment on the total amount) are as follows:

	As at the date of this announcement		Immediately after the full exercise of the Convertible Notes issued to Jinqiao Vendor (assumes no adjustment on the total amount) but no exercise of the Convertible Notes issued to Maxium Vendor		Immediately after the full exercise of the Convertible Notes issued to Maxium Vendor (assumes no adjustment on the total amount) but no exercise of the Convertible Notes issued to Jinqiao Vendor		Immediately after the full exercise of the Convertible Notes issued to Jinqiao Vendor and Maxium Vendor (assumes no adjustment on the total amount)	
	Shares ('000)	%	Shares ('000)	%	Shares ('000)	%	Shares ('000)	%
Orient State Limited (Note 1)	143,000	25.63	143,000	12.16	143,000	9.55	143,000	6.76
Jinqiao Vendor	—	—	617,794	52.54	—	—	617,794	29.21
Maxium Vendor	—	—	—	—	939,412	62.74	939,412	44.41
The Public	415,000	74.37	415,000	35.30	415,000	27.71	415,000	19.62
Total	558,000	100.00	1,175,794	100.00	1,497,412	100.00	2,115,206	100.00

Note 1: Orient State Limited is a company incorporated in the BVI with limited liability. The entire issued share capital of Orient State Limited is directly wholly owned by Mr. Lam Shu Chung, who is the sole Director of the company.

Assuming that full amount of the Convertible Notes will be issued to both Jinqiao Vendor and Maxium Vendor, the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the exercise of the Convertible Notes issued to Jinqiao Vendor (assumes no adjustment on the total amount) to the extent that are restricted by the terms of the Convertible Notes but no exercise of the Convertible Notes issued to Maxium Vendor; (iii) immediately after the exercise of the Convertible Notes issued to Maxium Vendor (assumes no adjustment on the total amount) to the extent that are restricted by the terms of the Convertible Notes but no exercise of the Convertible Notes issued to Jinqiao Vendor; and (iv) immediately after the exercise of the Convertible Notes issued to Jinqiao Vendor and Maxium Vendor (assumes no adjustment on the total amount) to the extent that are restricted by the terms of the Convertible Notes are as follows:

	As at the date of this announcement		Immediately after the full exercise of the Convertible Notes issued to Jinqiao Vendor (assumes no adjustment on the total amount) to the extent that are restricted by the terms of the Convertible Notes but no exercise of the Convertible Notes issued to Maxium Vendor		Immediately after the full exercise of the Convertible Notes issued to Maxium Vendor (assumes no adjustment on the total amount) to the extent that are restricted by the terms of the Convertible Notes but no exercise of the Convertible Notes issued to Jinqiao Vendor		Immediately after the full exercise of the Convertible Notes issued to Jinqiao Vendor and Maxium Vendor (assumes no adjustment on the total amount) to the extent that are restricted by the terms of the Convertible Notes	
	Shares ('000)	%	Shares ('000)	%	Shares ('000)	%	Shares ('000)	%
Orient State Limited (Note 1)	143,000	25.63	143,000	17.94	143,000	17.94	143,000	10.26
Jinqiao Vendor	—	—	239,000	29.99	—	—	418,150	29.99
Maxium Vendor	—	—	—	—	239,000	29.99	418,150	29.99
The Public	415,000	74.37	415,000	52.07	415,000	52.07	415,000	29.76
Total	558,000	100.00	797,000	100.00	797,000	100.00	1,394,300	100.00

Notes:

- Each Noteholder shall exercise the conversion rights attaching to the Convertible Notes only if the Company's total issued share capital held by the public immediately upon the allotment and issue of such Conversion Shares will not fall below the limit of 25% or such lower limit as prescribed under the GEM Listing Rules.
- No conversion right may be exercised, to the extent that following such exercise, a Noteholder and parties acting in concert with it will hold or be interested in 30% or more of the Company's total issued share capital, or such conversion will result in a change in control as defined in the Takeovers Code.

Should both the Jinqiao Vendor and the Maxium Vendor exercise their conversion rights attached to the Convertible Notes and as a result of which each of them owns or controls 20% or more of the voting rights of the Company, the Jinqiao Vendor and the Maxium Vendor will be deemed to be associated companies of each other and therefore presumed to be acting in concert according to the Takeovers Code. In such circumstances, unless such presumption has been rebutted, the Jinqiao Vendor and the Maxium Vendor will comply with the relevant requirements under the Takeovers Code, including without limitation, the obligation to make a general offer pursuant to Rule 26 of the Takeovers Code if applicable.

The Directors have considered other means to finance the Acquisitions. Despite the dilution effect to the Shareholders upon conversion of Convertible Notes, the Directors believe that the issue of the Convertible Notes is the best means to partially finance the Acquisitions.

LISTING RULES IMPLICATIONS

As some of the relevant percentage ratios under Rule 19.06 of the GEM Listing Rules exceed 25% but less than 100%, the Jinqiao Acquisition and Maxium Acquisition respectively constitutes a major acquisition of the Company under Rule 19.06(3) of the GEM Listing Rules and are therefore subject to reporting, announcement requirements and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, none of the Beijing Hengtai, Jinqiao Vendor, Maxium Vendor, Mr. Li, Mr. Lu, Mr. Choi, Mr. Ho or their associates hold any Share(s) in the Company and none of the Shareholders or their respective associates has any interest in the transaction contemplated under the Jinqiao Agreement and Maxium Agreement which is different from other Shareholders. Accordingly, no Shareholders are required to abstain from voting on a resolution to approve the Jinqiao Acquisition or the Maxium Acquisition.

Neither the Jinqiao Vendor nor Maxium Vendor has indicated any present intention to change the composition of the Board as at the date of this announcement.

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

GENERAL

The SGM will be held to consider and, if thought fit, pass the resolutions to approve the Acquisitions including the issue of the Convertible Notes in connection thereto.

RESUMPTION OF TRADING OF THE SHARES

At the request of the Company, trading in the Shares on the GEM Board of the Stock Exchange was suspended with effect from 9:30 a.m. on 19 June 2008 pending the release of this announcement. Application for the resumption of trading in the Shares on the GEM Board of the Stock Exchange with effect from 9:30 a.m. on 16 July 2008 has been made by the Company.

DEFINITIONS

Unless the context otherwise require, the following expressions have the following meanings in this announcement:

“Acquisitions”	the Jinqiao Acquisition and the Maxium Acquisition
“Agreements”	the Jinqiao Agreement and the Maxium Agreement
“associate”	has the meaning ascribed to it in the GEM Listing Rules
“Beijing Hengtai”	北京華大恒泰科技有限責任公司 (Beijing Hengtai Technologies Co. Ltd.*)

“Beijing Jinqiao”	北京金橋恒泰科技有限公司 (Beijing Jinqiao Hengtai Technology Company Limited*)
“Board”	the board of Directors
“Business Day”	a day on which banks are open for general banking business in Hong Kong other than (i) a Saturday or Sunday or (ii) a day on which a black rainstorm warning or typical cyclone warning signal number 8 or above is hoisted in Hong Kong at any time between 09:00 a.m. and 12:00 noon or not cancelled before 12:00 noon
“BVI”	the British Virgin Islands
“Cambridge International”	Cambridge International Development Limited (金橋國際發展有限公司), a company incorporated under the laws of Hong Kong with limited liability
“Co-operation Agreement”	the co-operation agreement entered into on 6 May 2008 between Beijing Jinqiao and Beijing Hengtai whereby Beijing Hengtai appoints Beijing Jinqiao as its exclusive supplier
“Company”	Tiger Tech Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the GEM Board of the Stock Exchange (Stock Code: 8046)
“Conversion Price”	HK\$0.34 per Share
“Conversion Shares”	Shares to be issued upon the conversion of the Convertible Notes
“Convertible Notes”	the convertible notes issued by the Company, which could be converted into the Shares
“Director(s)”	the director(s) of the Company
“EBITDA”	earnings before interests, taxes, depreciation and amortisation
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange
“Group”	the Company and its subsidiaries
“GEM”	the Growth Enterprise Market of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huzhou Maxium”	湖州明芯微電子設計有限責任公司, (Huzhou Maxium IC Design Co., Limited*), a company incorporated in the PRC with limited liability

“Independent Third Party(ies)”	person who himself is, and (in the case of corporate entity) its ultimate beneficial owners are, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, third parties who are not connected persons of the Company and are independent of the Company and its subsidiaries, their directors, chief executives and substantial shareholders or their respective associates (as that term is defined in the GEM Listing Rules)
“Intellectual Property License Agreement”	the agreement entered into between Beijing Jinqiao and Beijing Hengtai on 8 April 2008 whereby Beijing Hengtai grants to Beijing Jinqiao an exclusive licence to use certain intellectual property rights
“Jinqiao Acquisition”	the acquisition of the Star Hub Sale Shares pursuant to the Jinqiao Agreement
“Jinqiao Agreement”	the sale and purchase agreement dated 19 June 2008 entered into between the Jinqiao Purchaser, the Jinqiao Vendor and the Jinqiao Warrantors and the Company in relation to the Jinqiao Acquisition
“Jinqiao Completion”	completion of the Jinqiao Acquisition
“Jinqiao Completion Date”	the date fixed for Jinqiao Completion
“Jinqiao Purchaser”	Rich Summit Enterprises Limited, a wholly owned subsidiary of the Company
“Jinqiao Vendor”	Easy Mount Enterprises Limited
“Jinqiao Warrantors”	Lomond Group Limited, Mr. Li and Mr. Ho
“Maxium Acquisition”	the acquisition of the Sino Will Sale Shares pursuant to the Maxium Agreement
“Maxium Agreement”	the sale and purchase agreement dated 19 June 2008 entered into between the Maxium Purchaser, the Maxium Vendor, the Maxium Warrantors, the Company in relation to the Maxium Acquisition
“Maxium Completion”	completion of the Maxium Acquisition
“Maxium Completion Date”	the date fixed for Maxium Completion
“Maxium Purchaser”	Merit Power Enterprises Limited, a wholly owned subsidiary of the Company
“Maxium Vendor”	Mind Smart Group Limited
“Maxium Warrantors”	Team Effort Investments Limited, Mr. Choi and Mr. Lu
“Mr. Choi”	Mr. Choi, Chung Lam (蔡忠林先生)

“Mr. Ho”	Mr. Ho, Wai Jung (何偉頌先生)
“Mr. Li”	Mr. Li, Haoping (李浩平先生)
“Mr. Lu”	Mr. Lu Xing (路行先生)
“NASDAQ”	National Association of Securities Dealers Automated Quotation System
“Noteholders”	Holders of the Convertible Notes
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong and Macau
“Purchase and Supply Agreement”	the agreement entered into between Huzhou Maxium and Beijing Jinqiao on 8 May 2008 in relation to the supply by Huzhou Maxium of radio frequency module to Beijing Jinqiao
“Shenzhen Champion”	深圳中澤明芯科技有限公司 (Shenzhen Champion Maxium Technology Limited*)
“Sino Will”	Sino Will Limited
“Sino Will Group”	Sino Will and its subsidiaries (including China Champion Development Limited, Shenzhen Champion and Huzhou Maxium)
“Sino Will Sale Share”	One share of US\$1.00 each in the share capital of Sino Will, representing its entire issued share capital of Sino Will
“Star Hub”	Star Hub Investments Limited
“Star Hub Group”	Star Hub and its subsidiaries (including Cambridge International, Beijing Jinqiao)
“Star Hub Sale Share”	One share of US\$1.00 each in the share capital of Star Hub, representing its entire issued share capital
“SGM”	Special general meeting of the Company
“Share(s)”	Ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	Holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code of Takeovers and Mergers
“XETRA”	Exchange Electronic Trading, a worldwide electronic securities trading system first launched in November 1997 at Frankfurt Stock Exchange
“US”	United States of America

“US\$”	U.S. dollars, the lawful currency of the United States of America
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	percentage

By Order of the Board
TIGER TECH HOLDINGS LIMITED
Yeung Sau Han Agnes
Executive Director

Hong Kong, 15 July 2008

As at the date of this announcement, the Directors are as follows:

Executive Directors: Ms. Yu Sau Lai, Ms. Yeung Sau Han Agnes and Mr. Li Tao.

Non-Executive Director: Mr. Cheung Siu Chung Cheever

Independent Non-Executive Directors: Mr. Lum Pak Sum, Mr. Kwok Chung Yin and Mr. Wang Chin Mong.

This announcement for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website on the “Latest Company Announcement” page for at least 7 days from the date of its posting and on the website of the Company at www.tigertechcorp.com.hk

For the purpose of illustration only and unless otherwise stated, conversion of RMB in Hong Kong dollars in this announcement is based on the exchange rate of RMB1.00 to HK\$1.1364. Such conversion should not be construed as a representation that any amounts have been, could have been, or may be, exchanged at this or any other rate.