



天鷹電腦集團

SKY HAWK COMPUTER GROUP HOLDINGS LIMITED

天鷹電腦集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1129)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF 50.01% INTEREST IN TECHNOSTORE LIMITED**

On 16th November 2005, the Purchaser, a wholly owned subsidiary of the Company, has entered into the Acquisition Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire the Sale Shares from the Vendor for an aggregate consideration of HKD2,000,000.

Immediately upon completion of the Acquisition, the Company will indirectly hold 50.01% of the issued shares in TechnoStore and TechnoStore will become a subsidiary of the Company.

As the relevant percentage ratios (as defined in the Listing Rules) of the Acquisition is larger than 5% but less than 25%, the Acquisition constitutes a discloseable transaction under Chapter 14 of the Listing Rules. The Company will issue and dispatch to its shareholders a circular containing details of the Acquisition in compliance with Chapter 14 of the Listing Rules.

ACQUISITION AGREEMENT

The principal terms of the Acquisition Agreement are as follows:

Date

16th November 2005

Parties

Vendor : Tenby Nominees Limited, a company incorporated in the Channel Islands. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the Listing Rules), and are not connected persons of the Company.

Purchaser : Happy Hour Limited, a wholly owned subsidiary of the Company.

Subject Matter of the Acquisition Agreement

The Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing 50.01% of the issued shares in TechnoStore upon completion of the Acquisition.

The remaining 49.99% of the issued shares in TechnoStore is owned by Mr. Mao Chi Fai, who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, is a third party independent of the Company and its connected persons (as defined in the Listing Rules), and is not a connected person of the Company. Mr. Mao is also an existing director of TechnoStore.

Consideration

The total consideration for the Acquisition is HKD2,000,000, which is equivalent to approximately HKD400 per Sale Share. The total consideration for the Acquisition was determined as a matter of commercial decision after arm's length negotiations with reference to the unaudited net asset value of TechnoStore, which was HK\$4,092,130 as at 30th September 2005.

The consideration will be satisfied by the Purchaser in cash at the date of completion of the Acquisition by the internal resources of the Group.

Conditions

The Acquisition Agreement is conditional upon:

- (1) the Purchaser having satisfied with the results of the due diligence review of the assets, liabilities, operation and affairs of TechnoStore;
- (2) the representations, undertakings and warranties provided by the Vendor under the Acquisition Agreement remaining true and accurate in all respects; and
- (3) all necessary consents, authorizations, licences and approvals for or in connection with the sale and purchase of the Sale Shares, whether pursuant to the Listing Rules or otherwise, having been obtained.

The Vendor shall provide and procure its agents to provide such assistance as the Purchaser or its agents may reasonably require in connection with the due diligence review so as to enable the review to be completed on or before 12:00 noon on date falling 14 days from the date of the Acquisition Agreement i.e. 30th November 2005 or such later date as the Purchaser may agree.

The Purchaser has already begun such due diligence review.

If any of the conditions set out in the above has not been satisfied (or as the case may be, waived by the Purchaser) on or before 12:00 noon on date falling 14 days from the date of the Acquisition Agreement i.e. 30th November 2005 or such later date as the Purchaser may agree, the Acquisition Agreement shall cease and be terminated and none of the parties thereto shall have any obligations and liabilities thereunder save for any antecedent breaches of the terms thereof.

Completion

Completion shall take place on the date falling three Business Days from the date on which the conditions under the Acquisition Agreement have been fulfilled (or waived by the Purchaser) or such later date as the Purchaser may agree.

INFORMATION ON TECHNOSTORE

TechnoStore is a private company incorporated in Hong Kong in March 2002. TechnoStore is principally engaged in the retail sales of branded watches and accessories in Hong Kong.

The unaudited net asset value of TechnoStore as at 30th September 2005 was HKD4,092,130. The audited turnover of TechnoStore for the two years ended 31st December 2004 was approximately HKD6,624,136 and HKD5,733,284 respectively. The audited net profit before taxation and extraordinary items of TechnoStore for the two years ended 31st December 2004 was approximately HKD1,375,427 and HKD534,377 respectively. The audited net profit after taxation and extraordinary items of TechnoStore for the two years ended 31st December 2004 was approximately HKD1,107,811 and HKD438,015 respectively.

SHAREHOLDING STRUCTURE OF TECHNOSTORE

The following is the shareholding structure of TechnoStore (i) as at the date of this announcement; and (ii) immediately after completion of the Acquisition:

	Existing shareholding		Immediately after completion of the Acquisition	
	Number of shares in TechnoStore	%	Number of shares in TechnoStore	%
Purchaser	—	—	5,001	50.01
Vendor	5,001	50.01	—	—
Mr. Mao Chi Fai	4,999	49.99	4,999	49.99
	<u>10,000</u>	<u>100.00</u>	<u>10,000</u>	<u>100.00</u>

Immediately upon completion of the Acquisition, the Company will indirectly hold 50.01% of the issued shares in TechnoStore and TechnoStore will become a subsidiary of the Company and be included in the consolidated accounts of the Group. The Purchaser intends that upon completion of the Acquisition, there will be a change in the composition of the board of directors of TechnoStore under which the existing director nominated by the Vendor will retire and two new directors (namely William Wong and Wu Chi Lok) nominated by the Purchaser will be appointed. The board of directors of TechnoStore will then consist of three directors, namely Mr. Mao Chi Fai, William Wong and Wu Chi Lok.

REASONS FOR THE ACQUISITION

The principal activity of the Company is investment holding. The Group is principally engaged in production and sale of high-end aluminum chassis as well as certain middle-to-low end products such as iron computer chassis and power supply. The Directors consider that the business of TechnoStore is profitable and would enhance the income base of the Group. William Wong, who will be one of the new directors to be appointed to the board of directors of TechnoStore upon completion of the Acquisition, has knowledgeable experience in the manufacturing field and has managed a renowned watch components manufacturing company for over ten years before joining the Company. Given the extensive management experience of William Wong in watch-related business, which the Directors consider may be capitalised on in the development and business of TechnoStore, the Directors consider that the Acquisition is beneficial to the Group.

The terms of the Acquisition Agreement were arrived at after arm's length negotiation between the Company and the Vendor. The Directors consider that the terms of the Acquisition Agreement are of normal commercial terms and are fair and reasonable and that the Acquisition is in the interests of the shareholders of the Company as a whole.

GENERAL

As the relevant percentage ratio (as defined in the Listing Rules) of the Acquisition is larger than 5% but less than 25%, the Acquisition constitutes a discloseable transaction under Chapter 14 of the Listing Rules. The Company will issue and dispatch to its shareholders a circular containing details of the Acquisition in compliance with Chapter 14 of the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the Acquisition Agreement
“Acquisition Agreement”	an agreement dated 16th November 2005 entered into between the Purchaser and the Vendor in respect of the Acquisition
“Business Day”	a day (other than a Saturday) on which licensed banks are open for business in Hong Kong throughout their normal business hours
“Company”	Sky Hawk Computer Group Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	Happy Hour Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“Sale Shares”	5,001 shares of HKD1.00 each in the capital of TechnoStore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TechnoStore”	TechnoStore Limited, a company incorporated in Hong Kong
“Vendor”	Tenby Nominees Limited, a company incorporated in the Channel Islands
“William Wong”	Mr. Wong Chong Fai, William, an executive Director of the Company

By Order of the board of Directors
Sky Hawk Computer Group Holdings Limited
Wu Chi Lok
Executive Director

Hong Kong, 23rd November 2005

As at the date of this announcement, the board of directors comprises Mr. Wang Chia Chin, Mr. Chen Ho Fa, Mr. Wu Chi Lok, Mr. Wong Chong Fai, William and Mr. Yeung Tsz Keung, Jackey, all being the executive directors and Mr. Chan But Leung, Mr. Shum Po Cheung and Mr. Lui Nam Kit, all being the independent non-executive directors.