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**PROACTIVE**

**PROACTIVE TECHNOLOGY HOLDINGS LIMITED**

**寶訊科技控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 8089)

**SUPPLEMENTAL MEMORANDUM OF UNDERSTANDING  
IN RESPECT OF THE POSSIBLE ACQUISITION**

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

The Board announces that on 15 February 2007 Dragon Billion has entered into a non-legally binding Supplemental MOU with Shellybeach in relation to the Possible Acquisition, pursuant to which the subject matter of the Possible Acquisition has been revised to 100% of the issued share capital of the Target.

The Target has entered into the JV Agreement A on 25 January 2007 with China Railway Television Media (Hong Kong) Limited (中鐵視媒體(香港)有限公司) to form JV Co. A. Pursuant to the JV Agreement A, JV Co. A is owned as to 61.25% by the Target and as to 38.75% by China Railway Television Media (Hong Kong) Limited (中鐵視媒體(香港)有限公司).

JV Co. A has entered into the JV Agreement B on 25 January 2007 with Guangdong Railway and Beijing Ren Tong, both companies are incorporated in the PRC, to transform a PRC company, namely China Railway TFL, which was owned as to 90% by Guangdong Railway and as to 10% by Beijing Ren Tong immediately before the completion of the transformation as stipulated under the JV Agreement B, into a Chinese-foreign equity joint venture company, JV Co. B. Pursuant to the JV Agreement B, the registered capital of JV Co. B will be increased from RMB 50 million to RMB 200 million. JV Co. A, Guangdong Railway and Beijing Ren Tong have entered into the Shareholder Minutes to confirm that JV Co. B will be owned as to 80%, 16% and 4% by JV Co. A, Guangdong Railway and Beijing Ren Tong respectively upon completion of the transformation.

JV Co. B will be principally engaged in the Project which involves purchase of cargoes trains, and management and operation of railway transportation and logistics business in the PRC.

The Board wishes to emphasize that (i) the negotiation of the terms of the Possible Acquisition between the relevant parties to the MOU is ongoing; and (ii) no terms have been finalized and no legally binding agreements have been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition is materialised, it will constitute a notifiable transaction on the part of the Company. Shareholders and investors are urged to exercise caution when dealings in the securities of the Company. Further announcement(s) in respect of the Possible Acquisition will be made by the Company in any event if the Formal Agreement in relation to the Possible Acquisition has been signed.

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

Reference is made to the announcement of the Company dated 6 December 2006 (the “Announcement”) in respect of the Possible Acquisition. Terms used herein shall have the same meanings as those defined in the Announcement.

The Board announces that further to the MOU, Dragon Billion entered into a non-legally binding supplemental memorandum of understanding to the MOU (the “Supplemental MOU”) with Shellybeach in relation to the Possible Acquisition on 15 February 2007.

## **SUPPLEMENTAL MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE ACQUISITION**

Date: 15 February 2007

Parties: (i) Dragon Billion, a wholly owned subsidiary of the Company; and  
(ii) Shellybeach, the legal and beneficial owner of the entire issued share capital of the Target.

Major terms: The subject matter of the Possible Acquisition has been revised to 100% of the issued share capital of the Target. Save as aforesaid, all other terms and conditions of the MOU shall remain unchanged.

The Supplemental MOU does not constitute legally-binding commitment in respect of the Possible Acquisition. The Possible Acquisition will be subject to the final due diligence on the documents, and the execution and completion of the Formal Agreement which is still subject to negotiation between the parties to the MOU.

## **PROGRESS OF THE POSSIBLE ACQUISITION**

- the Target has entered into a joint venture agreement on 25 January 2007 (the “JV Agreement A”) with China Railway Television Media (Hong Kong) Limited (中鐵視媒體(香港)有限公司) to form a joint venture company (“JV Co. A”). Pursuant to the JV Agreement A, JV Co. A is owned as to 61.25% by the Target and as to 38.75% by China Railway Television Media (Hong Kong) Limited (中鐵視媒體(香港)有限公司).

- The JV Co. A has entered into a joint venture agreement on 25 January 2007 (the “JV Agreement B”) with 廣東中鐵視媒體有限公司 (Guangdong China Railway Television Media Limited\*\*) (“Guangdong Railway”) and 北京潤通運輸諮詢有限公司 (Beijing Ren Tong Transportation Consulting Company Limited\*\*) (“Beijing Ren Tong”), both companies are incorporated in the PRC, to transform a PRC company (namely 中鐵視自備列物流運輸有限公司 (China Railway Television Freight and Logistics Transport Co., Ltd\*\*) (“China Railway TFL”)) which was owned as to 90% by Guangdong Railway and as to 10% by Beijing Ren Tong immediately before the completion of the transformation as stipulated under the JV Agreement B, into a Chinese-foreign equity joint venture company (“JV Co. B”).
- Pursuant to the JV Agreement B, the registered capital of JV Co. B will be increased from RMB 50 million to RMB 200 million.
- JV Co. A, Guangdong Railway and Beijing Ren Tong have entered into the shareholder minutes on 7 February 2007 (the “Shareholder Minutes”) to confirm that JV Co. B will be owned as to 80%, 16% and 4% by JV Co. A, Guangdong Railway and Beijing Ren Tong respectively upon completion of the transformation.
- JV Co. B will be principally engaged in a project (the “Project”) which involves purchase of cargoes trains, and management and operation of railway transportation and logistics business in the PRC.
- The Company has entered into an engagement letter with CCB International Capital Limited on 1 February 2007 to procure CCB International Capital Limited to provide financial advisory service for the Project.

As set out in the Announcement, under the MOU, both the Company and Shellybeach will proceed to enter into a legally-binding Formal Agreement within 120 days from the date of the MOU (or such later date to be agreed by the parties thereto). In consideration of the Deposit, Shellybeach will not, within 120 days from the date of the MOU, negotiate with any party for the Possible Acquisition. If no Formal Agreement has been entered into within 120 days from the date of the MOU (or such later date to be agreed by the parties thereto), the Deposit will be refunded to the Group in full.

The Board wishes to emphasize that (i) the negotiation of the terms of the Possible Acquisition between the relevant parties to the MOU is ongoing; and (ii) no terms have been finalized and no legally binding agreements have been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition is materialised, it will constitute a notifiable transaction on the part of the Company. Shareholders and investors are urged to exercise caution when dealings in the securities of the Company. Further announcement(s) in respect of the Possible Acquisition will be made by the Company in any event if the Formal Agreement in relation to the Possible Acquisition has been signed.

By order of the Board of  
**Proactive Technology Holdings Limited**  
**Tsang Chi Hin**  
*Chairman*

Hong Kong, 15 February 2007

*As at the date of this announcement, the executive Directors are Mr. Tsang Chi Hin, Mr. Zeng Bangjian, Mr. Ng Kam Wing, Mr. Koh Tat Lee, Michael and Mr. Lim Kwok Choi and the independent non-executive Directors are Mr. Leung Lok Ming, Mr. Chan Ho Wah, Terence, Mr. Chong Cha Hwa, Dr. James Wing Ho Wong and Mr. Lok Shing Kwan, Sunny.*

*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 issuer. 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 at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting.*

*\* For identification purpose only*

*\*\* Unofficial English translation of the official name in Chinese*