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MILLENNIUM SENSE HOLDINGS LIMITED

千禧智慧控股有限公司*

(Incorporated in Bermuda with limited liability)

DISCLOSEABLE TRANSACTION AND PROPOSED CHANGE OF COMPANY NAME AND RESUMPTION OF TRADING

The Directors are pleased to announce that on 11 and 12 March 2004, the Company and the Vendor entered into the Agreements, pursuant to which the Company has agreed to acquire, and the Vendor have agreed to sell, the entire issued share capital in Key Legend, for a total consideration of HK\$46.4 million, subject to conditions set out in the Agreements.

The consideration payable will be satisfied by the issue and allotment of 58 million Consideration Shares by the Company to the Vendor at an issue price of HK\$0.80 per Share. The Consideration Shares represent approximately 29.7% of the existing issued share capital of the Company and approximately 22.9% of the enlarged issued share capital of the Company following the issue of the Consideration Shares. At the closing price of HK\$0.80 per Share as quoted on the Stock Exchange on 11 March 2004 prior to suspension of trading in the Shares, the aggregate market value of the Consideration Shares amounts to HK\$46.4 million.

The Vendor has guaranteed and warranted to the Company that (i) the Net Profit (as defined below) for the year ending 31 December 2004 shall not be less than HK\$25 million; and (ii) he will not sell, transfer or otherwise dispose of any of the Consideration Shares within the following 12 months from the date of the issue and allotment of the Consideration Shares.

The transaction contemplated under the Agreements constitutes a discloseable transaction for the Company and is subject to the relevant disclosure requirements under the Listing Rules. The issue of the Consideration Shares requires, inter alia, the approval of the Shareholders at the SGM to be convened and the Listing Committee of the Stock Exchange granting or agreeing to grant listing of, and permission to deal in, the Consideration Shares.

In order to reflect the recent change in control and management of the Company and the future business focus of the Group, the Directors also propose to change the Company name to "Semtech International Holdings Limited (先科國際集團有限公司 for identification purpose)", subject to, inter alia, the Shareholders' approval.

A circular containing further details of the Agreements and the change of Company name and a notice convening the SGM, is expected to be despatched to the Shareholders as soon as practicable.

Trading in the Shares was suspended at the request of the Company from 2:30 p.m. on 11 March 2004 pending the issue of this announcement. Trading in the shares of the Company will resume from 9:30 a.m. on 16 March 2004.

DETAILS OF THE AGREEMENTS

Date of the Agreements

11 March 2004 and 12 March 2004

Parties to the Agreements

Purchaser: the Company

Vendor: Mr. Wan Bing Hung, an Independent Third Party and a businessman with over 20 years of experience in manufacturing business of electronic products in Hong Kong and the PRC. Key Legend was originally a potential supplier to the Group's high-ends electronic components trading division but before it supplies any product to the Group, the Vendor and the Company entered into negotiations regarding the Acquisition. Upon completion of the Agreements, the Vendor will become a substantial shareholder of the Company.

Interest being acquired

Pursuant to the Agreements, the Company has conditionally agreed to acquire the entire issued share capital in Key Legend.

After completion of the Agreements, Key Legend will become a wholly owned subsidiary of the Company.

Profit Guarantee

The Vendor has guaranteed and warranted to the Company that the audited net profit after taxation for the year ending 31 December 2004 (the "Net Profit") shall not be less than HK\$25 million (the "Guaranteed Profit"). In the event that the actual Net Profit falls short of the Guaranteed Profit, the Vendor will pay the short fall to the Company as compensation, provided the total compensation shall not exceed HK\$25 million.

Consideration

The total consideration for the Acquisition is HK\$46.4 million which will be fully satisfied by the issue and allotment of 58 million Consideration Shares by the Company to the Vendor at an issue price of HK\$0.80 per Share.

The Vendor has undertaken to the Company that he will not sell, transfer or otherwise dispose of any of the Consideration Shares within the following 12 months from the date of the issue and allotment of the Consideration Shares (the "Lock Up").

The Consideration Shares represent approximately 29.7% of the existing issued share capital of the Company and approximately 22.9% of the enlarged issued share capital of the Company following the issue of the Consideration Shares. At the closing price of HK\$0.80 per Share as quoted on the Stock Exchange on 11 March 2004 prior to suspension of trading in the Shares, the aggregate market value of the Consideration Shares amounts to HK\$46.4 million.

The table below shows the shareholding structure of the Company immediately before and after completion of the Agreements.

	As at the date of the announcement and immediately before completion of the Agreements		Immediately after completion of the Agreements	
	<i>No. of Shares</i>	<i>Percentage</i>	<i>No. of Shares</i>	<i>Percentage</i>
Smart Number	100,050,000	51.3%	100,050,000	39.6%
The Vendor	0	0.0%	58,000,000	22.9%
Public	94,950,000	48.7%	94,950,000	37.5%
Total	<u>195,000,000</u>	<u>100.0%</u>	<u>253,000,000</u>	<u>100.0%</u>

Currently, the Company has no intention of appointing the Vendor as a Director.

The issue price of HK\$0.80 per Consideration Share represents:

- no discount or premium to the closing price of HK\$0.800 per Share as quoted on the Stock Exchange on 11 March 2004 before suspension of trading in the Shares;
- a premium of approximately 9.4% to the average closing price of approximately HK\$0.731 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including 11 March 2004 before suspension of trading in the Shares;

- a premium of approximately 19.3% to the average closing price of approximately HK\$0.671 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including 11 March 2004 before suspension of trading in the Shares; and
- a premium of approximately 65.6% over the net asset value per Share of approximately HK\$0.483 per Share as at 31 December 2003, being the date on which the latest financial statements of the Group are made, adjusted for the subsequent completed events before the date of this announcement.

The Consideration was negotiated between the parties at arm's length on normal commercial terms, taking into consideration of Key Legend's (i) unaudited net tangible asset value of approximately HK\$44.2 million as at 29 February 2004 (the "NTA"); (ii) the Guaranteed Profit; and (iii) the Lock Up. The Consideration represents a premium of approximately 5.0% over the NTA. The Directors consider the terms of the Acquisition and the issue price of the Consideration Shares to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Consideration Shares will be issued under a special mandate if so granted to the Directors by the Shareholders at the SGM and will, upon issue, rank *pari passu* in all respects with all other Shares then in issue.

Conditions and Completion

Completion of the transaction is conditional upon, *inter alia*, (1) the approval of the allotment and issue of the Consideration Share to the Vendor by the Shareholders having been obtained at the SGM; and (2) the Stock Exchange granting the listing of, and permission to deal in, the Consideration Shares.

If all the conditions have not been satisfied on or before 31 May 2004 (or such other date as the Vendor and the Company may agree in writing) then the Agreements will lapse. Further announcement(s) will be made as and when appropriate in accordance with the Listing Rules.

INFORMATION ON KEY LEGEND

Key Legend was incorporated on 10 June 2002 and commenced operation in January 2003. It is engaged in the manufacturing and distribution of high-ends electronic parts and components including stub lead, melf, mini-melf, micro-melf and other discrete components used for the production of sophisticated home appliances and electronic products including (i) audio-visual products such as plasma/LCD TVs, digital-cameras and DVD recorders; (ii) hand-held electronic devices such as PDAs and mobile phones; and (iii) computing devices such as wireless modems, laptops and mini-servers. Its production facilities are located in Dongguan, the PRC and its products are distributed to a number of reputable manufactures of the abovementioned end-products and distributors located in the PRC, Korea, Japan, Taiwan, Malaysia, the North and South America and Europe.

The audited net profit after taxation of Key Legend for the period from 10 June 2002 (the date of its incorporation) to 31 December 2003 was approximately HK\$2.4 million and the unaudited net profit after taxation for the two months ended 29 February 2004 was approximately HK\$4.8 million.

The audited net tangible asset value of Key Legend was approximately HK\$2.4 million as at 31 December 2003. Following the capitalization of a shareholder's loan of approximately HK\$37.0 million by the Vendor prior to 29 February 2004, the unaudited net tangible asset value of Key Legend as at 29 February 2004 was approximately HK\$44.2 million.

REASONS FOR THE ACQUISITION

As stated in the interim report of the Group for the six months ended 31 December 2003, the principal business activities of the Group include (i) engaging in the design, manufacture and trading of a wide range of cigarette lighters and lighter-related accessories; (ii) trading of high-ends electronics components (which was commenced by the Group on its own by end of 2003); and (iii) seeking investments in a broader range of sectors in order to reduce its reliance on the lighter industry. The Directors believe that Key Legend has a solid business with an established production base, research capability in product technology and sales and marketing network in the high-ends electronic components sector.

Meanwhile, as the products produced by Key Legend are complementary to the existing high-ends product range being traded by the Group, the Directors believe that the Acquisition represents a unique investment opportunity for the Group which could fit into the long-term development strategy of the Group in this sector and enhance the profitability of the Group significantly.

FUTURE INTENTION OF THE COMPANY

The Directors confirm that the Company has no intention of disposing of its existing lighter-related business or acquiring any new business from its existing substantial shareholder or the Vendor (being a possible substantial shareholder should the Agreements be completed) within the next twelve months.

As disclosed in the offer document of the Company to the Shareholders dated 12 December 2003, in light of the intense competition in the lighter-related industry, the Company intends to seek investments in a broader range of sectors in order to enhance its profitability and increase the Shareholders' value. The Directors are of the view that such business strategy merely aims to expand the Group's business scope instead of changing its principal business activities.

CHANGE OF NAME

The Directors expect that the trading business of electronic components and the business of Key Legend (given the Guaranteed Profit) will provide positive contributions to the Group in the foreseeable future. To reflect the recent change in control and management of the Company and the future business focus of the Group, the Directors propose to change the Company name to "Semtech International Holdings Limited". The proposed change of name will be subject to, inter alia, the approval of the Shareholders by way of a special resolution and the approval by the registrar of Companies in Bermuda and shall take effect from the date on which the name is entered into the register in Bermuda by the registrar of Companies in Bermuda. Upon the proposed change of name taking effect, the Company will carry out the necessary filing procedures with the Registrars of Companies in Bermuda and Hong Kong. The Company will also adopt a new Chinese name "先科國際集團有限公司" for identification purpose.

The change of name of the Company will not affect any of the rights of any Shareholders. All existing share certificates in issue bearing the present name of the Company will, after the change of name, continue to be evidence of title to the shares of the Company and will be valid for trading, settlement and delivery for the same number of shares in the new name of the Company. The size of the board lot for trading in the shares of the Company will remain unchanged after the change of name of the Company becomes effective. However, free arrangements for exchange of existing share certificates will be offered to the Shareholders who wish to change their share certificates. A further announcement will be made when the change of name of the Company has become effective.

SPECIAL GENERAL MEETING

The Acquisition constitutes a discloseable transaction for the Company and is subject to the relevant disclosure requirements under the Listing Rules. The issue of the Consideration Shares requires, inter alia, the approval of the Shareholders at the SGM to be convened and the Listing Committee of the Stock Exchange granting or agreeing to grant listing of, and permission to deal in, the Consideration Shares. A SGM will be convened as soon as practicable at which resolutions will be proposed to approve the issue of the Consideration Shares to the Vendor and the change of name of the Company. A circular containing further details of the Agreements and the change of Company name and a notice convening the SGM, is expected to be despatched to the Shareholders as soon as practicable.

GENERAL

The Company will make an application to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares to be issued pursuant to the Agreements.

RESUMPTION OF TRADING

Trading in the Shares was suspended at the request of the Company from 2:30 p.m. on 11 March 2004 pending the issue of this announcement. Trading in the shares of the Company will resume from 9:30 a.m. on 16 March 2004.

DEFINITIONS

“Acquisition”	the acquisition by the Company of the entire issued share capital of Key Legend from the Vendor pursuant to the Agreements
“Agreements”	the conditional sale and purchase agreement dated 11 March 2004 and the supplemental agreement dated 12 March 2004 entered into between the Company and the Vendor in respect of the Acquisition
“Business Day”	a day (other than a Saturday or a Sunday) on which banks are open for business in Hong Kong
“Company”	Millennium Sense Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Consideration Shares”	58 million new Shares which fall to be issued and allotted by the Company to the Vendor as consideration for the Acquisition
“Derek WONG”	Mr. KANJANAPAS Chong Kwong, Derek (alias WONG Chong Kwong, Derek), the chairman of the Company
“Director(s)”	the director(s) of the Company
“Group”	The Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a party who is independent of and not a connected person (as defined in the Listing Rules) of the Company
“Key Legend”	Key Legend Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by the Vendor
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement only, Hong Kong)
“SGM”	the special general meeting of the Company to be convened for the purpose of approving the transaction contemplated under the Agreements and the change of Company name
“Share(s)”	the shares of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Mr. Wan Bing Hung, an Independent Third Party
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong

By Order of the Board
Millennium Sense Holdings Limited
Derek WONG
Chairman

Hong Kong, 15 March 2004

** For identification only*

Please also refer to the published version of this announcement in The Standard.