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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in EVI Education Asia Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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EVI Education Asia Limited
EVI 教育亞洲有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8090)

**DISCLOSEABLE TRANSACTION:
FORMATION OF A CHINESE-FOREIGN
COOPERATIVE JOINT VENTURE IN PRC**

This circular will remain on the "Latest Company Announcements" page of the GEM website at <http://www.hkgem.com> for at least seven days from the day of its posting.

* For identification purpose only

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

“associates”	has the meaning ascribed to this term under the GEM Listing Rules
“Board”	the board of Directors
“Company”	EVI Education Asia Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM
“Directors”	directors of the Company
“EVI Services”	EVI Services Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company, a joint venture partner of the JV Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party(ies) not connected with directors, chief executive, substantial shareholders or management shareholders of the Company or its subsidiaries or an associate of any of them
“JV Agreement”	the joint venture agreement dated 21 April 2004 and entered into between EVI Services and the JV Partner in relation to the establishment of the JV Company
“JV Company”	EVI-MDV Technical Development Limited (廣州邁達威 – 意維佳科技發展有限公司), a cooperative joint venture established in the PRC. The business license registration procedure is expected to be completed within 30 days from the date of approval of JV Agreement; which is expected to be within 45 days from the JV Agreement signing date.

DEFINITIONS

“JV Partner”	Guangdong MDV Technical Development Company Limited* (廣東邁達威科技發展有限公司), a company established in the PRC with limited liability, which is an Independent Third Party
“Latest Practicable Date”	6 May 2004, being the latest practicable date for ascertaining certain information in this circular prior to its bulk printing
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding option market) and which stock market continues to be operated by the Stock Exchange in parallel with GEM which, for the avoidance of doubt, excludes GEM
“PRC”	the People’s Republic of China, and for the purposes for this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Share(s)
“Share”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“%”	per cent.

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LETTER FROM THE BOARD



EVI Education Asia Limited

EVI 教育亞洲有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8090)

Executive director:

Mr. Pong Wai San, Wilson (*Chairman*)

Mr. Cheung Shi Kwan, Wings

Madam Pong Lo Shuk Yin, Dorothy

Mr. Lau Wai Shu

Independent non-executive director:

Mr. Hung Tak Chow, Charles

Mr. Hung Fan Wai, Wilfred

Mr. Lai Hin Wing, Henry

Registered office:

Century Yard

Cricket Square

Hutchins Drive

P.O. Box 2681 GT

George Town

Grand Cayman

Cayman Islands

British West Indies

*Head office and principal place
of business in Hong Kong:*

14th Floor

Causeway Bay Plaza 2

463-483 Lockhart Road

Causeway Bay, Hong Kong

10 May 2004

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION:
FORMATION OF A CHINESE-FOREIGN
COOPERATIVE JOINT VENTURE IN PRC**

INTRODUCTION

On 21 April 2004, EVI Services, a wholly owned subsidiary of the Company, entered into the JV Agreement with the JV Partner in relation to the formation of the JV Company. The JV Partner and its ultimate beneficial owners are independent of and not connected with any of the directors, chief executive, substantial shareholders or management shareholders of the Company or any of its subsidiaries or any of their

* For identification purpose only

LETTER FROM THE BOARD

respective associates. Pursuant to the JV Agreement, the JV Company will be principally engaged in the research and development, produce and sales of technical software or services both on-line and off-line for the PRC education market; including provision of supportive or after-sales solutions. The total investment and registered capital of the JV Company will be HK\$10,000,000 and HK\$5,000,000 respectively. The entire registered capital of the JV Company will be contributed by EVI Services. Pursuant to the JV Agreement, the JV Partner will assign right of use on its education software for Mathematics, Physics and Chemistry for junior secondary grades to the JV Company. The JV Partner will be responsible for research and development of software, solutions of the JV Company and will offer its sales network for marketing such software, solutions of the JV Company. Pursuant to the JV Agreement, EVI Services and the JV Partner have agreed that the difference between the total investment and the registered capital of the JV Company, being HK\$5,000,000, will be financed by loan borrowing and internally generated resources of the JV Company.

The transactions contemplated under the JV Agreement constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules. The purpose of this circular is to provide the Shareholders with further information in respect of the JV Agreement.

PRINCIPAL TERMS OF THE JV AGREEMENT

Date

21 April 2004

Parties

EVI Services, a company incorporated in the Hong Kong with limited liability and a wholly owned subsidiary of the Company. The Company is principally engaged in the provision of electronic education services, sales and installation of computer hardware and software and the provision of computer training services since June 1999. Being an electronic education services provider, the Company offers Chinese and English language-based education services targeting kindergartens, primary and secondary schools, teachers, parents and pre-school children. The Company's objective is to establish an education community consisting of kindergartens, primary and secondary schools, teachers, parents and pre-school children through the use of on-line and off-line services.

The JV Partner, a company established in the PRC with limited liability and is owned as 75% and 25% by 陳竹 (Chen Zhu) and 陳茜 (Chen Qiang) respectively and its ultimate beneficial owners are independent of and not connected with any of the directors, chief executive, substantial shareholders or management shareholders of the Company or any of its subsidiaries or any of their respective associates. It is principally engaged in computer software development, sales of system integration solutions, computers, spare parts, education (includes products for school consumption such as laboratory apparatus, white boards and stationery items, etc) and electronic apparatus, sport goods, provision of computer technical consulting services.

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Scope of business of the JV Company

The JV Company, a cooperative joint venture established in the PRC, will be principally engaged in the research and development, produce and sales of technical software or services both on-line and off-line for the PRC education market, including provision of supportive or after-sales solutions.

Register capital and total investment in the JV Company

Pursuant to the JV Agreement, the registered capital of the JV Company will be HK\$5,000,000, which will be contributed entirely by EVI Services within two years from the date on which the JV Agreement is approved by the relevant government authorities in the PRC. It is expected to receive such approval with 45 days from the agreement signing date, 21 April 2004.

Pursuant to the JV Agreement, the total investment of the JV Company will be HK\$10,000,000. The difference between the total investment and the registered capital of the JV Company, being HK\$5,000,000, will be financed by loan borrowing and internally generated resources of the JV Company.

Term of the JV Company

The JV Company shall have a tenure of 30 years commencing from the date of issue of the business licence of the JV Company. The business licence registration procedure is expected to be completed within 30 days from the date after the approval of JV Agreement by the relevant government authorities in the PRC.

Profit sharing in the JV Company

All after-tax profits will, after deducting any portion to be retained by the JV Company as determined by the board of directors of the JV Company in accordance with the applicable laws and regulations of the PRC, be distributed as to 51% to EVI Services and as to 49% to the JV Partner.

Board of directors of the JV Company

The board of directors of the JV Company shall comprise five directors, of whom two shall be appointed by the JV Partner and three shall be appointed by EVI Services. The chairman of the board of directors of the JV Company shall be appointed by the JV Partner.

Dissolution of the JV Company

Upon the expiry of the term or early determination of the term of the JV Company, the surplus assets of the JV Company after repaying all debts and liabilities

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of the JV Company, shall first be applied to repay EVI Services' investment in the JV Company and the remaining surplus assets shall be distributed among EVI Services and the JV Partner in proportion to their respective profit sharing ratio in the JV Company.

Source of funding

EVI Services' contribution to the registered capital of the JV Company will be HK\$5,000,000 and such contribution will be financed by the internal resources of the Group.

REASONS FOR ENTERING INTO OF JV AGREEMENT

With the rapid growth of computer application in the PRC, the Directors believe that information technology has emerged as a new medium of delivering educational and learning contents in the PRC. Furthermore, given the "one-child" policy in the PRC, the parents in the PRC are more willing to invest in child education, products and services. As a result, the Directors consider that the market potential for education products and services in the PRC is tremendous.

In order to capitalise expertise of the JV Partner in the PRC education market and to enable the Group to participate in such rapid growing education market, the JV Company will be established to engage in the research and development, produce and sales of technical software or services both on-line and off-line for the PRC education market; including provision of supportive or after-sales solutions.

The Directors believe that with the expertise of the JV Partner in PRC education market and its massive school clientele and sales representative's network, the establishment of the JV Company will offer the Group an excellent opportunity to develop and build up its education businesses within PRC starting from Guangdong province shortly. Given that the fast growing tracks of PRC education market, the Directors consider that the establishment of JV Company will broaden the Group's income base and enhance the net asset value of the Group. The JV Company will treat as a subsidiary of the Company.

FINANCIAL EFFECTS OF THE TRANSACTIONS CONTEMPLATED UNDER THE JV AGREEMENT

The Directors are of the view that the entering into of the JV Agreement does not have any material negative effects on the net tangible assets of the Group.

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GENERAL

The Directors (including the independent non-executive Directors) consider that the terms of the JV Agreement are fair and reasonable and of normal commercial terms and that the JV Agreement is in the interests of the Company and the Shareholders as a whole. Your attention is also drawn to the additional information set out in the appendix to this circular.

By Order of the Board
Pong Wai San, Wilson
Chairman

1. RESPONSIBILITY STATEMENT

This circular, 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 Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

- (a) the information contained in this circular is accurate and complete in all material respects and is not misleading;
- (b) there are no other facts the omission of which would make any statement in this circular misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on based and assumptions that are fair and reasonable.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors

As at the Latest Practicable Date, the interests and short positions of the Directors in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which are required (a) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Division 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such positions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) which are required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.66 of the GEM Listing Rules relating to securities transactions by Directors were as follows:

Long Position in Shares of the Company:

Name of director	Number of Shares of the Company				Total	Percentage of Shares outstanding
	Personal interests	Family interests	Corporate interests			
Mr. Pong Wai San, Wilson ("Mr Pong") (Note 1)	153,610,000	-	2,609,200,000	2,762,810,000	69.07%	
Mr. Cheung Shi Kwan, Wings	4,000,000	-	-	4,000,000	0.10%	
Madam Pong Lo Shuk Yin, Dorothy (Note 2)	-	2,762,810,000	-	2,762,810,000	69.07%	

Notes:

1. As at the Latest Practicable Date, 2,609,200,000 Shares are registered in the name of and beneficially owned by Summerview Enterprises Limited and 153,610,000 Shares are registered in the name of Mr. Pong. The entire issued share capital of Summerview Enterprises Limited was registered in the name of and beneficially owned by Mr. Pong. The interest of Mr. Pong in the issued shares of the Company was, accordingly corporate interest in the Company as described in Rule 18.16(1) of the GEM Listing Rules.
2. Mr. Pong is the son of Madam Pong Lo Shuk Yin, Dorothy, who is deemed to be interested in 2,609,200,000 Shares beneficially owned by Summerview Enterprises Limited and 153,610,000 Shares beneficially owned by Mr. Pong respectively.

Short Position in Shares of the Company:

None as recorded.

Save as disclosed herein, , as at the Latest Practicable Date, none of the Directors nor chief executive of the Company had or deemed to have any interests or short positions in the shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which are required (a) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Division 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such positions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) which are required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.66 of the GEM Listing Rules relating to securities transactions by Directors.

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been, since 30 September 2003, the date to which the latest published audited consolidated accounts of the Group were made up, acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which a Director was materially interested and which was significant in relation to the business of the Group.

(b) Interests of Substantial Shareholders

So far as is known to the Directors, as at the Latest Practicable Date, the following persons or companies (not being a Director or chief executive of the Company) had, or deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO

or who were directly or indirectly deemed to be interested in 10% or more of the nominal value or any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Long Position in Shares of the Company:

Name	Number of issued shares	Capacity in which shares are held	Percentage holding
Summerview Enterprises Limited	2,609,200,000 (Note 1)	Beneficial Owner	65.23%

Notes:

1. As at the Latest Practicable Date, 2,609,200,000 Shares are registered in the name of and beneficially owned by Summerview Enterprises Limited. The entire issued share capital of Summerview Enterprises Limited was registered in the name of and beneficially owned by Mr. Pong. The interest of Mr. Pong in the issued shares of the Company was accordingly corporate interest in the Company as described in Rule 18.16(1) of the GEM Listing Rules.

Short Position in Shares of the Company:

None as recorded.

Save as disclosed herein, as at the Latest Practicable Date, the Directors were not ware of any other persons or companies (not being a Director or chief executive of the Company) had, or deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly deemed to be interested in 10% or more of the nominal value or any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

3. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors, the management shareholders (as defined in the GEM Listing Rules) or their respective associates had any interest in a business which competes or may compete with the business of the Group pursuant to Rule 11.04 of the GEM Listing Rules.

4. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determined by the employer within one year without payment of compensation other than statutory compensation).

6. GENERAL

- (a) The registered office of the Company is at Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, Cayman Islands, British West Indies.
- (b) The Head office and principal place of business in Hong Kong is at 14/F Causeway Bay Plaza 2, 463-483 Lockhart Road, Causeway Bay, Hong Kong.
- (c) The company secretary and qualified accountant of the Company is Mr. Cheung Hon Fai, Maurice. Mr. Cheung is an associate member of the Hong Kong Society of Accountants.
- (d) The compliance officer of the Company is Mr. Cheung Shi Kwan, Wings.
- (e) The audit committee of the Company comprises the three independent non-executive Directors, Mr. Hung Tak Chow, Charles, Mr. Hung Fan Wai, Wilfred and Mr. Lai Hin Wing, Henry. Set out below are their background and directorships (present and past) of other companies listed on GEM, the Main Board or other stock exchanges:

Mr. Hung Tak Chow, Charles, aged 39, is an independent non-executive Director. Mr. Hung has a wealth of expertise and experience across a number of information technology ("IT") disciplines gained from over 12 years in both Asia and the United States of America where he held top IT positions with major US investment banks. He obtained a masters degree in Electrical Engineering from Cornell University as well as a bachelors degree in Electrical Engineering from the University of Arizona. He is currently the regional information technology director for a major multinational financial services company based in Hong Kong. Mr. Hung was appointed as the Company's independent non-executive director in March 2001.

Mr. Hung Fan Wai, Wilfred, aged 35, is an independent non-executive Director. Mr. Hung is an associate member of both the Hong Kong Society of Accountants and the Australian Society of Certified Practising Accountants. He holds a bachelor of arts degree in economics from Monash University of Australia and a master degree in business administration from the University of South Australia. He is currently the Chairman of a private company. Mr. Hung was appointed as the Company's independent non-executive director in March 2001.

Mr. Lai Hin Wing, Henry, age 47 is an independent non-executive director of the Company. Mr. Lai is also a Notary Public and a China Appointed Attesting Officer in Hong Kong. He holds a Bachelor of Law degree in from the University of Hong Kong and was admitted as a solicitor in Hong Kong, England and Wales and the State of Victoria, Australia. Mr. Lai is currently a partner of Messrs. P.C. Woo & Co, a firm of solicitors and notaries in Hong Kong and has practicing in the legal firm for over 20 years. He also served as the independent non-executive director of various listed companies. Mr. Lai was appointed as the Company's independent non-executive director in 1 May 2003.