

IMPORTANT

If you are in doubt as to any aspect of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Technology Venture Holdings Limited, you should at once hand this document and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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TECHNOLOGY VENTURE HOLDINGS LIMITED

(宏昌科技集團有限公司)*

(incorporated in Bermuda with limited liability)

Executive Directors:

Mr Chan Tze Ngon, Ron
Mr Tang Kin Hung, Barry
Mr Chow Siu Lam, Cliff
Ms Teo Chor Khin, Jismyl

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-executive Director:

Mr Luk Chung Po, Terence

Head Office and Principal

Place of Business in Hong Kong:
8th Floor, Tianjin Building
167 Connaught Road West
Hong Kong

Independent Non-executive Directors:

Dr Lo Siew Kiong, John
Dr Chou Tao Hsiung, Joseph

26 April 2002

To the shareholders

Dear Sir or Madam,

GENERAL MANDATE FOR ISSUE OF NEW SHARES AND REPURCHASE BY THE COMPANY OF ITS OWN SHARES

INTRODUCTION

By written resolutions of the shareholders of Technology Venture Holdings Limited (the “**Company**”) passed on 30 May 2001, the directors (the “**Directors**”) of the Company were granted a general mandate to allot, issue and deal with shares of HK\$0.10 each in the capital of the Company (each a “**Share**”) and a general mandate to repurchase the Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). These mandates will expire at the conclusion of the forthcoming annual general

* for identification purpose only

meeting (“**Annual General Meeting**”) of the Company convened to be held at Board Room of Technology Venture Holdings Limited, 8th Floor Tianjin Building 167 Connaught Road West, Hong Kong on Thursday, 30 May 2002 at 11:00 a.m.. At the Annual General Meeting, resolutions will be proposed:

- (a) to grant a repurchase mandate (“**Repurchase Mandate**”) to the Directors to enable them to repurchase the Shares on the Stock Exchange;
- (b) to grant a general mandate (the “**General Mandate**”) to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with new Shares up to a maximum of 20 per cent. of the aggregate nominal share capital of the Company in issue at the time of passing of such resolution; and
- (c) to increase the number of Shares to be allotted and issued under the General Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

Under the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Company is required to give to its shareholders all information which is reasonably necessary to enable shareholders to make an informed decision as to whether to vote for or against the resolution to renew the grant to the Directors of the Repurchase Mandate. This document is prepared for such purpose. The explanatory statement required by the Listing Rules to be included in this document is set out in the Appendix.

THE REPURCHASE MANDATE

On pages 28 to 32 of the annual report of the Company in respect of the financial year ended 31 December 2001 is the notice of the Annual General Meeting. At the Annual General Meeting, and as part of the special business of that meeting, an ordinary resolution will be proposed to grant the Repurchase Mandate to the Directors.

THE GENERAL MANDATE

The Directors have no immediate plans to issue any new Shares other than Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by the shareholders of the Company.

ACTION TO BE TAKEN

Whether or not you intend to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the Annual General Meeting. The return of a form of proxy will not preclude you from attending and voting in person if you so wish.

RECOMMENDATION

The Directors believe that the Repurchase Mandate and the General Mandate to issue and allot new Shares are in the best interests of the Company and its shareholders. The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its net assets and/or earnings per Share and will only be made when the Directors believe that a repurchase of Shares will benefit the Company and its shareholders.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 December 2001, being the date of its latest audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

The Directors believe that an exercise of the General Mandate to allot and issue new Shares will enable the Company to take advantage of market conditions to raise additional capital for the Company.

Accordingly, the Directors recommend that all shareholders should vote in favour of the General Mandate and the Repurchase Mandate.

Yours faithfully
For and on behalf of the board of directors of
Technology Venture Holdings Limited
Chan Tze Ngon, Ron
Chairman

APPENDIX

EXPLANATORY STATEMENT

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

1. REPURCHASE OF SECURITIES FROM CONNECTED PARTIES

No connected person (that is, a director, chief executive or substantial shareholder of the Company or their respective associates (as defined in the Listing Rules)) of the Company has notified the Company that he has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any of the Shares held by him to the Company in the event that the Repurchase Mandate is passed.

2. SHARE CAPITAL

As at 22 April 2002, being the latest practicable date prior to the printing of this document (the “**Latest Practicable Date**”), the issued share capital of the Company comprised 392,769,231 Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 39,276,923 Shares.

3. REASONS FOR THE REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its shareholders. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset per Share and/or earnings per Share and will only be made when the Directors believe that a purchase will benefit the Company and its shareholders.

4. FUNDING OF REPURCHASES

Pursuant to the Repurchase Mandate, repurchase would be funded entirely from the Company’s available cash flow or working capital facilities which will be funds legally available under Bermuda law for the purpose.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 December 2001, being the date of its latest audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing of the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the twelve calendar months preceding of date of this document were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2001	1.410	0.860
May 2001	1.380	1.050
June 2001	1.510	1.140
July 2001	1.190	0.880
August 2001	1.100	0.740
September 2001	0.730	0.290
October 2001	0.790	0.385
November 2001	0.880	0.740
December 2001	0.910	0.630
January 2002	0.860	0.640
February 2002	0.710	0.610
March 2002	0.770	0.620

6. DISCLOSURE OF INTERESTS AND MINIMUM PUBLIC HOLDING

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Repurchase Mandate is approved at the Annual General Meeting and exercised.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the repurchase Mandate in accordance with the Listing Rules and applicable laws of Bermuda.

If a shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase securities pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Hong Kong Code of Takeovers and Mergers (the "**Takeovers Code**"). As a result, a shareholder or group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Chan Tze Ngon, Ron held 82,614,000 Shares representing approximately 21.03 per cent. of the then existing issued Shares. Assuming that Chan Tze Ngon, Ron will not dispose of any of those Shares prior to the Annual General Meeting, if the Repurchase Mandate were exercised in full, the percentage shareholding of Chan Tze Ngon, Ron in the Company would increase to approximately 23.37 per cent. of the then issued Shares.

On the basis of the current shareholding of Chan Tze Ngon, Ron, an exercise of the Repurchase Mandate in full will not result in it becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code. However, the Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in a requirement of any of the Company's shareholders to make a general offer under the Takeovers Code.

7. SHARES REPURCHASE MADE BY THE COMPANY

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the twelve months calendar preceding the date of this document.