

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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)

(Stock Code: 61)

**GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES
AND
PROPOSAL FOR ADOPTION OF CHINESE NAME
AND
AMENDMENT TO BYE-LAWS**

The annual general meeting of Technology Venture Holdings Limited will be held at the board room of 8th Floor, Tianjin Building, 167 Connaught Road West, Hong Kong on Friday, 21 May 2004 at 11:00 a.m.. A form of proxy for use at the annual general meeting is enclosed. Whether or not you are able to attend such meeting, you are advised to read the notice and complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the office of the Company's Hong Kong branch registrars, Tengis Limited, Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding such meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof if you so wish.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Annual General Meeting”	the annual general meeting of the Company to be held at the Board Room of 8th Floor, Tianjin Building, 167 Connaught Road West, Hong Kong on Friday, 21 May 2004 at 11:00 a.m.;
“Associates”	has the meanings ascribed to it under the Listing Rules;
“Business Day”	a day (excluding Saturday) on which banks in Hong Kong are generally open for business;
“Company”	Technology Venture Holdings Limited, a company incorporated in Bermuda whose shares are listed on the Stock Exchange;
“Directors”	the directors of the Company;
“Issued Share Capital”	the existing issued share capital of the Company comprising 502,729,644 Shares at HK\$0.10 each as at the Latest Practicable Date;
“Latest Practicable Date”	26 April 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Shares”	fully paid ordinary shares of HK\$0.10 each in the capital of the Company (and each a “Share”);
“Shareholders”	the shareholders of the Company;
“Stock Exchange”	the Stock Exchange of Hong Kong Limited;
“Subsidiaries”	companies which are for the time being and from time to time the subsidiaries of the Company within the meaning of Section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), whether incorporated in Hong Kong, Bermuda, the British Virgin Islands or elsewhere;
“HK\$”	the lawful currency of Hong Kong; and
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China.

LETTER FROM THE BOARD



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
Mr. Emmy Wu
Mr. Tang Kin Hung
Mr. Chow Siu Lam, Cliff

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-executive Directors:

Dr. Lo Siew Kiong, John, *O.B.E., J.P.*
Mr. Fu Yan Yan

Head Office and Principal

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

28 April 2004

To the shareholders

Dear Sir or Madam,

**GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES
AND
PROPOSAL FOR ADOPTION OF CHINESE NAME
AND
AMENDMENT TO BYE-LAWS**

INTRODUCTION

The purpose of this circular is to provide you with requisite information regarding resolutions to be proposed as special business at the Annual General Meeting of the Company. These include resolutions relating to general mandates for the repurchase of Shares by the Company and for the issue of Shares, the proposal for adoption of Chinese name and the proposed amendments to the bye-laws of the Company.

GENERAL MANDATE TO REPURCHASE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to exercise all powers of the Company to repurchase the Shares, up to a maximum of 10% of the aggregate issued share capital of the Company as at the date of the passing of the resolution (the "Share Repurchase Mandate").

* *for identification purpose only*

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The Share Repurchase Mandate would continue in force until the conclusion of the next annual general meeting of the Company unless it is renewed at such meeting or until revoked or varied by ordinary resolution of the Shareholders in general meeting prior to the next annual general meeting.

An explanatory statement to provide the Shareholders with all the information reasonably necessary for them to make an informed decision in relation to this proposed resolution as required by the Listing Rules concerning the Share Repurchase Mandate to be given to the Shareholders is set out in the Appendix I to this circular.

GENERAL MANDATE TO ISSUE SHARES

At the Annual General Meeting, a resolution will also be proposed that the Directors be given a general and unconditional mandate to issue further Shares representing up to 20% of the aggregate nominal amount of the share capital of the Company in issue on the date the resolution is passed. In addition, a resolution will be proposed to be passed to authorize the Directors to issue Shares in an amount equal to the aggregate issued share capital purchased under the authority to repurchase the Shares. In accordance with the Listing Rules, the Company may not make a new issue of Shares or announce a proposed new issue of Shares for a period of thirty (30) days after any repurchase by it of the Shares, whether on the Stock Exchange or otherwise (other than an issue of Shares pursuant to the exercise of share options or similar instruments requiring the Company to issue Shares which were outstanding prior to that purchase of the Shares), without the prior approval of the Stock Exchange. The Company shall not issue any Shares unless it has applied for the listing of the same.

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

ADOPTION OF CHINESE NAME

The Company has been using the Chinese name of 宏昌科技集團有限公司 for identification purpose since 22 June 1999. In order to formalize the use of such Chinese name and to enhance the identity of the Company, the Directors propose to adopt 宏昌科技集團有限公司 as the Chinese name of the Company.

The proposed adoption of Chinese name of the Company will be subject to the passing of a special resolution by the Shareholders at the Annual General Meeting. Upon the registration of the Chinese name with the Registrar of Companies in Hong Kong, the adoption of the Chinese name will become effective and the Chinese name of 宏昌科技集團有限公司 will form part of the Company's name in Hong Kong. The Company will apply for registration of the Chinese name with the Registrar of Companies in Hong Kong under Part XI of the Companies Ordinance once the special resolution is passed at the Annual General Meeting.

The proposed adoption of Chinese name of the Company will not affect any of the rights of any Shareholders. All existing share certificates in issue bearing only the English name of the Company will after the proposed adoption of Chinese name continue to be evidence of title to the

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Shares and will be valid for trading, settlement and delivery for the same number of Shares. There will be no change to the existing English and Chinese stock short names of the Company used in the trading system of the Stock Exchange.

A further announcement will be made when the proposed adoption of Chinese name of the Company becomes effective.

AMENDMENT TO BYE-LAWS

On 30 January 2004, the Stock Exchange has announced that subject to certain transitional arrangements, the proposed amendments to the Listing Rules relating to corporate governance issues have come into effect on 31 March 2004. These corporate governance issues include, among other things, disclosure of information on proposed directors before election at general meeting and notices to be given in relation thereto, voting of members at general meeting and voting of directors at board meeting on any matter in which their respective associates have a material interest.

Besides, on 13 February 2004, section 157B(1) of the Companies Ordinance has been amended to the effect that a director may be removed by an ordinary resolution instead of a special resolution notwithstanding any provision in the Company's constitution.

In order to bring the bye-laws of the Company in line with the changes brought upon by the amendments to the Listing Rules and by the amendment to the Companies Ordinance, the Directors propose to amend the Bye-laws of the Company accordingly.

The proposed amendments to the Bye-laws of the Company are set out in Appendix II to this circular.

RECOMMENDATION

The Directors consider that the granting of the mandates to repurchase Shares and to issue new Shares and the adoption of Chinese name and the amendment to Bye-laws are all in the best interest of the Company and the Shareholders and so recommend you to vote in favour of all resolutions at the Annual General Meeting. The Directors will vote all their shareholdings, if any, in favour of the resolutions.

ANNUAL GENERAL MEETING

On pages 19 to 31 of the annual report of the Company in respect of the financial year ended 31 December 2003 is a notice of the Annual General Meeting.

The Annual General Meeting will be held at the board room of 8th Floor, Tianjin Building, 167 Connaught Road West, Hong Kong on Friday, 21 May 2004 at 11:00 a.m..

There is enclosed a form of proxy for use at the Annual General Meeting. Whether or not you intend to be present at the meeting, you are requested to complete the form of proxy and

LETTER FROM THE BOARD

return it to the office of the Company's Hong Kong branch registrars, Tengis limited, Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting and at any adjournment thereof if they so wish.

Under the Bye-Laws of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the Chairman of the meeting; or
- (ii) by at least three shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any shareholder or shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the shareholders having the right to vote at the meeting; or
- (iv) by any shareholder or shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Your attention is drawn to the information contained in the Appendix I and Appendix II hereto.

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

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

1. SHARE CAPITAL

As at 26 April 2004, being the latest practicable date prior to the printing of this document (the “Latest Practicable Date”), the issued share capital of the Company comprised 502,729,644 Shares of HK\$0.10 each of an aggregate amount of HK\$50,272,964.40.

Subject to the passing of the proposed resolution for the approval of the Share 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 Share Repurchase Mandate to repurchase a maximum of 50,272,964 Shares representing 10% of the Issued Share Capital.

2. REASONS FOR THE REPURCHASE

The Directors believe that the Share Repurchase Mandate is in the best interests of the Company and its shareholders. An exercise of the Share 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 such purchase will benefit the Company and its shareholders. The Directors have no present intention to repurchase the Shares.

3. FUNDING OF REPURCHASES

Pursuant to the Share Repurchase Mandate, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and bye-laws and the applicable law of Bermuda. The Company is empowered by clause 15 of the bye-laws of the Company and Section 42A of the Companies Act of Bermuda to purchase its own Shares.

An exercise of the Share 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 2003, 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 which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the twelve (12) calendar months preceding the date of this document were as follows:

Month	Trading Price per Share	
	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
April 2003	0.148	0.072
May 2003	0.148	0.090
June 2003	0.174	0.135
July 2003	0.260	0.140
August 2003	0.290	0.200
September 2003	0.345	0.255
October 2003	0.315	0.250
November 2003	0.285	0.220
December 2003	0.255	0.201
January 2004	0.330	0.211
February 2004	0.385	0.265
March 2004	0.320	0.250

5. DISCLOSURE OF INTERESTS AND MINIMUM PUBLIC HOLDING

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, any of their Associates (as defined in the Listing Rules), has any present intention to sell to the Company or its Subsidiaries any of the Shares in the Company if the Share 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 Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

If a shareholder's proportionate interest in the voting rights of the Company increases as a result of exercise of the Company's powers to repurchase securities pursuant to the Share 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 held 82,614,000 Shares representing approximately 16.43% 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 Share Repurchase Mandate were exercised in full, the percentage shareholding of Chan Tze Ngon, Ron in the Company would increase to approximately 18.26% of the then issued Shares.

APPENDIX I EXPLANATORY STATEMENT ON SHARE REPURCHASE MANDATE
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The Directors are aware that no shareholder holds an interest of 5% or more of the Shares of the Company apart from Chan Tze Ngon.

On the basis of the current shareholding of Chan Tze Ngon, an exercise of the Share 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 Share 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.

6. 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 Share Repurchase Mandate is passed.

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 six (6) calendar months preceding the date of this document.

The following sets out the proposed amendments to the Bye-laws of the Company:

- (1) By substituting the existing definition of “associate” with the following new definition in Bye-law 1:

“associate” shall have the meaning attributed to it in the Exchange Listing Rules;”;

- (2) By adding the following new definition of “Exchange Listing Rules” in Bye-law 1:

““Exchange Listing Rules” shall mean the Rule Governing the Listing of Securities on the Stock Exchange, as amended from time to time;”

- (3) By re-numbering the existing Bye-law 81 as Bye-law 81(a);

- (4) By inserting the following paragraph as new Bye-law 81(b):

“(b) Where the Company has knowledge that any shareholder is, under the Exchange Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.”

- (5) By deleting the existing Bye-law 110(H), Bye-law 110(I) and Bye-law 110(J) in its entirety and replacing therewith the following new Bye-law 110(H), Bye-law 110(I) and Bye-law 110(J):

“(H) A Director shall not vote (nor be counted in the quorum) on any resolution of the Directors approving any contract or arrangement or proposal in which he or any of his associates is materially interested, and if he shall do so his vote shall not be counted (nor is he counted in the quorum for that resolution), but this prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement for the giving by the Company of any security or indemnity to the Director or any of his associate(s) in respect of money lent or obligation undertaken by him or any of them for the benefit of the Company or any of its subsidiaries;
- (ii) any contract or arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/ themselves guaranteed or secured in whole or in part;
- (iii) any contract or arrangement by the Director or his associate(s) to subscribe for shares or debentures or other securities of the Company to be issued pursuant to any offer or invitation to the shareholders or debenture or securities holders of the Company or to the public which does not provide the Director or his associate(s) any privilege not generally accorded to any other shareholders or debenture or securities holders of the Company or to the public;

- (iv) any contract or arrangement concerning an offer of the shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer and/or for the purposes of making any representations, the giving of any covenants, undertakings or warranties or assuming any other obligations in connection with such offer;
- (v) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his interest in shares or debentures or other securities of the Company and/or his/their being the offeror or one of the offerors or is/are interested in one of the offerors for the purchase or effective acquisition of such shares, debentures or other securities;
- (vi) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested directly or indirectly whether as an officer, a director and/or an employee and/or a shareholder or in which the Director and any of his associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of the voting equity share capital of such company or of the voting rights of any class of shares of such company (or of third company through which his interest or that of any of his associates is derived);
- (vii) any proposal or arrangement for the benefit of employees of the Company or its subsidiaries including the adoption, modification or operation of a pension fund or retirement, death or disability benefit scheme or personal pension plan under which a Director or his associate(s) may benefit and which has been approved by or is subject to and conditional on approval by the relevant taxing authorities for taxation purposes or relates both to Directors, his associate(s) and employees of the Company or of any of its subsidiaries and does not give the Director or his associate(s) any privilege not generally accorded to the class of persons to whom such scheme or fund relates;
- (viii) any proposal concerning the adoption, modification or operation of any employees' share scheme involving the issue or grant of options over shares or other securities by the Company to, or for the benefit of the employees of the Company or its subsidiaries under which the Director or his associate(s) may benefit; and

- (ix) any contract, agreement, transaction or proposal concerning the purchase and/or maintenance of any insurance policy for the benefit of any Director, his associate(s), officer or employee pursuant to the Bye-laws.”
- “(I) A company shall be deemed to be a company in which a Director and/or his associate(s) owns 5% or more if and so long as (but only if and so long as) he and/or his associates, (either directly or indirectly) are the holders of or beneficially interested in 5% or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder.
- (J) Where a company in which a Director and/or his associate(s) holds 5% or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.”
- (6) By deleting the words “at least seven clear days before the date of the general meeting” in the last sentence of Bye-law 116 and replacing therewith the following proviso:
- “provided that the minimum length of the period, during which such notice(s) are given, should be at least 7 days and that the period for lodgment of such notice shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such meeting.”
- (7) By deleting the words “Special Resolution” in the first line of the existing Bye-law 117 and inserting in its place the words “Ordinary Resolution” and by deleting the margin note of the existing Bye-law 117 in its entirety and inserting in its place a new margin note “Power to remove Director by Ordinary Resolution”.