



## **TECHNOLOGY VENTURE HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

### **PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES**

Clear Goal Holding Limited ("Clear Goal"), a controlling shareholder of Technology Venture Holdings Limited (the "Company") which holds 51 per cent. of the existing issued shares in the Company, has appointed Koffman Securities Limited ("Koffman") as the placing agent to place, on an underwritten basis, an aggregate of 56,000,000 shares (the "Placing Shares") of HK\$0.10 each ("Shares") in the Company held by it, representing 20 per cent. of the existing issued share capital of the Company, to independent third parties (the "Placing") at HK\$2.90 per Placing Share (the "Placing Price"). Clear Goal is a company incorporated in the British Virgin Islands and is beneficially owned as to 62 per cent. by Mr Chan Tze Ngon, Ron ("Mr Chan"), 23 per cent. by Mr Yeung Po Lam, Paul ("Mr Yeung") and the remaining 15 per cent. by Mr Luk Chung Po, Terence ("Mr Luk").

Clear Goal has conditionally agreed to subscribe for 42,000,000 new Shares (the "Subscription Shares"), representing 15 per cent. of the existing issued share capital of the Company and approximately 13.04 per cent. of the issued share capital of the Company as enlarged by the Subscription, at HK\$2.90 per Subscription Share (the "Subscription"). A placing and subscription agreement (the "Placing and Subscription Agreement") dated 10 January 2000 was entered into between Clear Goal, the Company and Koffman.

The Placing will reduce the shareholding of Clear Goal to 31 per cent. of the Company's existing issued share capital. The Subscription will then increase the shareholding of Clear Goal to 40 per cent. of the Company's enlarged issued share capital.

The Subscription Shares will be allotted and issued pursuant to the general mandate granted to the directors of the Company by written resolutions of the shareholders of the Company passed on 12 June 1999.

The net proceeds of the Subscription will amount to approximately HK\$120 million in cash. The Company intends to use as to (i) HK\$15 million of the net proceeds for the expansion into e-commerce business; (ii) HK\$45 million for the expansion of internet business; and (iii) HK\$60 million as additional working capital of the Company.

At the request of the Company, dealings in the Shares on the Stock Exchange were suspended with effect from 10:00 a.m. on 10 January 2000 pending the release of this announcement. Application has been made for the resumption of trading in its Shares on the Stock Exchange with effect from 10:00 a.m. on 11 January 2000.

The Placing and Subscription Agreement:

**Date of the Placing and Subscription Agreement:**

10 January 2000

#### **1. The Placing**

##### **Vendor:**

Clear Goal, a company incorporated in the British Virgin Islands and a controlling shareholder of the Company and owned 142,800,000 Shares, representing 51 per cent. of the existing issued shares in the Company as at the date of this announcement. Clear Goal is beneficially owned as to 62 per cent. by Mr Chan, 23 per cent. by Mr Yeung and the remaining 15 per cent. by Mr Luk.

**Number of Placing Shares:**

56,000,000 Shares, representing 20 per cent. of the existing issued share capital of the Company of 280,000,000 Shares will be placed pursuant to the Placing.

**Placees:**

More than six independent private individual and institutional investors.

**Placing Price:**

HK\$2.90 per Placing Share.

The Placing Price was agreed after arm's length negotiations.

The Placing Price represents (i) a discount of approximately 8.66 per cent. to the closing price of HK\$3.175 per Share on 7 January 2000, being the last trading day immediately prior to the date of this announcement; and (ii) a discount of approximately 15.45 per cent. to the average closing price of approximately HK\$3.430 per Share from 23 December 1999 to 7 January 2000, both dates inclusive, being the last ten trading days immediately prior to the date of this announcement.

**Placing Agent:**

Koffman.

The Placing is fully underwritten by Koffman, who will receive a placing fee of 2.5 per cent. of the aggregate Placing Price of the Placing Shares.

**Independence of placees and placing agent:**

The placees will be, and Koffman is, independent of and not connected with Clear Goal or any person acting in concert with it. They are also independent of and not connected with any of the directors, chief executive, substantial shareholders of the Company or any of its subsidiaries or any associates of any of them (as associates are defined in the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange")).

**Completion of the Placing:**

The Placing is unconditional and will be completed on 13 January 2000.

**2. The Subscription****Subscriber:**

Clear Goal.

**Number of Subscription Shares:**

42,000,000 Shares which represent 15 per cent. of the existing issued share capital of the Company and approximately 13.04 per cent. of its issued share capital as enlarged by the Subscription.

**Subscription price:**

HK\$2.90 per Subscription Share

**Mandate to issue new Shares:**

The Subscription Shares will be issued pursuant to the general mandate for the allotment and issue of Shares granted to the directors of the Company by written resolutions of its shareholders passed on 12 June 1999.

**Ranking:**

The Subscription Shares will rank pari passu in all respects among themselves and with all other Shares in issue on the date of such allotment and issue of Shares.

**Conditions of the Subscription:**

The Subscription is conditional upon:

- (i) completion of the Placing pursuant to the Placing and Subscription Agreement;
- (ii) the Listing Committee of the Stock Exchange agreeing to grant a listing of and permission to deal in the Subscription Shares; and
- (iii) (if so required) the Bermuda Monetary Authority granting permission for the allotment and issue of the Subscription Shares.

If the conditions are not fulfilled within the time specified above, the Subscription will lapse.

**Completion of the Subscription:**

The Subscription will take place on the business day next following the day on which the conditions referred to above are fulfilled, which is expected to be no later than 24 January 2000.

No force majeure clause is provided in the Placing and Subscription Agreement.

**Changes to the shareholding as a result of the Placing and the Subscription:**

Assuming that the Placing Shares have been placed and the Subscription Shares have been subscribed for, the shareholding of Clear Goal in the Company before the Placing, after the Placing but before the Subscription, and after the Placing and the Subscription are as follows:

	existing shareholding	after the Placing but before the Subscription	after the Placing and the Subscription
Clear Goal	51%	31%	40%

The directors of the Company confirm that the Placing and the Subscription will comply with Rule 14.24(6)(a)(i) and (ii) of the Listing Rules.

**Purpose of the Placing and Subscription and use of proceeds:**

The net proceeds of the Subscription will amount to approximately HK\$120 million in cash. The Company intends to use as to (i) HK\$15 million of the net proceeds for the expansion into e-commerce business; (ii) HK\$45 million for the expansion of internet business; and (iii) HK\$60 million as additional working capital of the Company.

**Principal activities:**

The Company was listed on the Stock Exchange on 6 July 1999 and the principal activities of the Company and its subsidiaries are (i) promotion of and distribution of computer products and the provision of related product services; (ii) distribution of computer peripherals and the provision of related products service; (iii) provision of computer technology services; and (iv) promotion and distribution of computer software products and the provision of related products services.

**Resumption of dealings:**

At the request of the Company, dealings in the Shares on the Stock Exchange were suspended with effect from 10:00 a.m. on 10 January 2000 pending the release of this announcement. Application has been made by the Company for the resumption of trading in its Shares on the Stock Exchange with effect from 10:00 a.m. on 11

January 2000.

By Order of the Board  
**Chan Tze Ngon, Ron**  
*Chairman*

Hong Kong, 10 January 2000