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TECHNOLOGY VENTURE HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

INVESTMENT IN AN INTERNET CONTENT PROVIDER

Reference is made to the announcement of Technology Venture Holdings Limited (**the "Company"**, which together with its subsidiaries, **the "Group"**) dated 25 August 1999 in relation to the possible investment by the Group in a Internet content provider and the interim announcement of the Company dated 23 August 1999.

A wholly owned subsidiary of the Company, Technology Venture (Hardware) Holdings Limited ("**TV Hardware**") has agreed to subscribe for and ChinaCast Technology (BVI) Limited ("**ChinaCast**") has agreed to allot and issue 200 shares (**the "Subscription Shares"**) of US\$1.00 each in the capital of ChinaCast (**the "Subscription"**). The Subscription Shares represent 19.90 per cent of the issued share capital of ChinaCast as at the date of this announcement.

ChinaCast is an Internet content provider based in Hong Kong which is principally engaged in the provision of Internet and related services in Hong Kong and The People's Republic of China (**the "PRC"**).

ChinaCast is an independent third party not connected with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined in the Rules (**the "Listing Rules"**) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (**the "Stock Exchange"**)).

The total consideration payable by TV Hardware for the Subscription Shares is US\$2,000,000 (equivalent to HK\$15,600,000), equivalent to US\$10,000 per Subscription Share, which will be payable by TV Hardware on completion of the Subscription (**the "Subscription Agreement"**).

The Subscription Agreement dated 30 August 1999

Parties

- (a) The subscriber: TV Hardware, a wholly owned subsidiary of the Company
- (b) The issuer: ChinaCast, an independent third party not connected with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined in the Listing Rules)

Assets acquired

Pursuant to the Subscription Agreement, TV Hardware has agreed to subscribe for and ChinaCast has agreed to allot and issue the Subscription Shares, representing 19.90 per cent of the issued share capital of ChinaCast as at the date of this announcement.

No audited financial statements have been prepared by ChinaCast since its incorporation on 18 June 1999. ChinaCast has not commenced any business and no profit or loss has been reported by it since its incorporation. ChinaCast has entered into a technical support agreement with a PRC company, which is a holder of VSAT licence, for the provision of technical support services for a Turbo 163 project. Turbo 163 project is in relation to a broadband satellite Internet service in the PRC.

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Consideration

The consideration for the Subscription is US\$2,000,000 (equivalent to HK\$15,600,000), equivalent to US\$10,000 per Subscription Share, which will be payable by TV Hardware on completion of the Subscription. The consideration for the Subscription was financed by the internal resources of the Group. The directors of the Company (the "Directors") also confirm that the Subscription has not constituted a change in the use of proceeds as disclosed in the prospectus of the Company dated 22 June 1999.

The consideration for the Subscription was negotiated on an arm's length basis between the parties involved and was based on market comparables. The Directors consider that the terms of the Subscription Agreement are based on normal commercial terms and are fair and reasonable so far as the shareholders of the Company are concerned.

Completion of the Subscription has taken place immediately following the signing of the Subscription Agreement.

Reasons for the Subscription

The Directors consider that in the foreseeable future, Internet and related business will continue to grow significantly in Hong Kong and the PRC and demand for quality content providers for the Internet will continue to be strong.

The Directors also consider that the Subscription provides an ideal opportunity for the Group to diversify its business into the provision of Internet services and in particular, the provision of contents for the Internet which will thereby further strengthen the earnings potential of the Group.

The Group only commenced negotiations with ChinaCast regarding the Subscription after the listing of the Company's shares on the Stock Exchange in July 1999. Hence the Subscription has not been disclosed in the prospectus of the Company dated 22 June 1999.

By Order of the Board
Technology Venture Holdings Limited
Chan Tze Ngon, Ron
Chairman

Hong Kong, 30 August 1999

In this announcement, amounts quoted in US dollars have been converted into Hong Kong dollars at the rate of US\$1 to HK\$7.8.