



**TECHNOLOGY VENTURE HOLDINGS LIMITED**  
**(宏昌科技集團有限公司)\***

*(incorporated in Bermuda with limited liability)*

**FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2002**

The directors (the “Directors”) of Technology Venture Holdings Limited (the “Company”) announce the audited results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2002 together with comparative figures for the corresponding period in 2001 as follows:

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

*Year ended 31 December 2002*

	<i>Notes</i>	<b>2002</b> <b>HK\$'000</b>	2001 <i>HK\$'000</i>
<b>TURNOVER</b>	<i>1</i>		
Continuing operations		<b>188,784</b>	448,684
Discontinued operations		<b>155,084</b>	127,703
		<b>343,868</b>	576,387
Cost of sales		<b>(261,433)</b>	(485,653)
Gross profit		<b>82,435</b>	90,734
Other income		<b>3,159</b>	5,465
Selling and distribution expenses		<b>(31,631)</b>	(47,842)
Administrative expenses		<b>(56,584)</b>	(89,039)
Loss on disposal of subsidiaries relating to discontinued operations		<b>(119,309)</b>	–
Other operating expenses		<b>(11,956)</b>	(41,417)
<b>LOSS FROM OPERATING ACTIVITIES</b>		<b>(133,886)</b>	(82,099)
Finance costs		<b>(1,294)</b>	(2,224)

<b>PROFIT/(LOSS) BEFORE TAX</b>			
Continuing operations		<b>(35,317)</b>	(89,178)
Discontinued operations		<b>(99,863)</b>	4,855
		<b>(135,180)</b>	(84,323)
<b>Tax</b>			
	2		
Continuing operations		<b>(10)</b>	1,698
Discontinued operations		<b>(4,055)</b>	(2,031)
		<b>(4,065)</b>	(333)
<b>LOSS BEFORE MINORITY INTERESTS</b>		<b>(139,245)</b>	(84,656)
Minority interests		<b>(8,624)</b>	(4,152)
<b>NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS</b>		<b>(147,869)</b>	<b>(88,808)</b>
<b>LOSS PER SHARE</b>			
	3		
Basic		<b><u>HK\$(0.33)</u></b>	<b><u>HK\$(0.25)</u></b>
Diluted		<b><u>N/A</u></b>	<b><u>N/A</u></b>

Notes:

## 1. Turnover and income

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered. All significant intra-Group transactions have been eliminated on consolidation.

## 2. Taxation

	Group	
	2002	2001
	HK\$'000	HK\$'000
Current:		
Hong Kong	5,061	2,276
Elsewhere	1,530	(1,865)
Overprovision in prior year	(2,526)	—
	<u>4,065</u>	<u>411</u>
Deferred tax	—	(78)
Tax charge for the year	<u>4,065</u>	<u>333</u>

Hong Kong profits tax has been provided at the rate of 16% (2001: 16%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

## 3. Loss per share

The calculation of basic loss per share is based on the net loss from ordinary activities attributable to shareholders for the year of HK\$147,869,000 (2001: net loss of HK\$88,808,000) and the weighted average of 445,291,710 (2001: 362,000,000) ordinary shares in issue during the year.

Diluted loss per share amount for the years ended 31 December 2002 and 2001 have not been disclosed as the share options outstanding during these years had an anti-dilutive effect on the basic loss per share for these years.

The effects of the Company's shares issuable for settlement of additional consideration for the acquisitions of certain subsidiaries have not been included in the computation of diluted loss per share as the shares to be so issued would be fairly priced and are assumed to be neither dilutive nor anti-dilutive.

#### 4. Segment information

##### (a) Business segments

The following tables present revenue, profit/(loss) and expenditure information for the Group's business segments.

##### 2002

	Continuing operations		Discontinued operations	Eliminations HK\$'000	Consolidated HK\$'000
	Banking and finance systems integration services HK\$'000	Software solution for banks and public sector HK\$'000	Broadband Internet equipment, network security software and business software systems HK\$'000		
Segment revenue:					
Sales to external customers	84,269	104,515	155,084	–	343,868
Intersegment sales	–	1,095	–	(1,095)	–
Interest income	796	449	422	–	1,667
Other income	261	–	205	–	466
Total	<u>85,326</u>	<u>106,059</u>	<u>155,711</u>	<u>(1,095)</u>	<u>346,001</u>
Segment results	<u>(11,266)</u>	<u>(2,259)</u>	<u>19,446</u>	<u>–</u>	<u>5,921</u>
Unallocated interest income					443
Unallocated gains					583
Unallocated expenses					(21,524)
Loss on disposal of discontinued operations			(119,309)		<u>(119,309)</u>
Loss from operating activities					(133,886)
Finance costs					<u>(1,294)</u>
Loss before tax					(135,180)
Tax					<u>(4,065)</u>
Loss before minority interests					(139,245)
Minority interests					<u>(8,624)</u>
Net loss from ordinary activities attributable to shareholders					<u>(147,869)</u>

	Continuing operations		Discontinued operations		
			Broadband Internet equipment, network security software and business software systems		
	Banking and finance systems integration services	Software solution for banks and public sector		Eliminations	Consolidated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenue:					
Sales to external customers	325,517	123,167	127,703	–	576,387
Intersegment sales	99	1,437	6,388	(7,924)	–
Interest income	964	442	583	–	1,989
Other income	2,014	183	216	–	2,413
	<u>328,594</u>	<u>125,229</u>	<u>134,890</u>	<u>(7,924)</u>	<u>580,789</u>
Segment results	<u>(37,413)</u>	<u>(11,592)</u>	<u>4,855</u>	<u>–</u>	<u>(44,150)</u>
Unallocated interest income					820
Unallocated gains					243
Unallocated expenses					<u>(39,012)</u>
Loss from operating activities					(82,099)
Finance costs					<u>(2,224)</u>
Loss before tax					(84,323)
Tax					<u>(333)</u>
Loss before minority interests					(84,656)
Minority interests					<u>(4,152)</u>
Net loss from ordinary activities attributable to shareholders					<u>(88,808)</u>

(b) *Geographical segments*

**2002**

	<b>Hong Kong</b>	<b>Elsewhere</b>	<b>Asia Pacific</b>	<b>Eliminations</b>	<b>Consolidated</b>
	<i>HK\$'000</i>	<i>in the PRC</i>	<i>other than</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		<i>HK\$'000</i>	<i>the PRC</i>		
			<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenue:					
Sales to external customers	<u>12,838</u>	<u>307,094</u>	<u>23,936</u>	<u>–</u>	<u>343,868</u>

2001

	<b>Hong Kong</b>	<b>Elsewhere</b>	<b>Asia Pacific</b>	<b>Eliminations</b>	<b>Consolidated</b>
	<i>HK\$'000</i>	<i>in the PRC</i>	<i>other than</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		<i>HK\$'000</i>	<i>the PRC</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
			<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenue:					
Sales to external customers	40,960	521,809	13,618	–	576,387
Intersegment sales	<u>6,760</u>	<u>99</u>	<u>709</u>	<u>(7,568)</u>	<u>–</u>
	<u>47,720</u>	<u>521,908</u>	<u>14,327</u>	<u>(7,568)</u>	<u>576,387</u>

**5. Loss from operating activities**

The Group's loss from operating activities is arrived at after charging:

	<b>2002</b>	<b>2001</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cost of inventories sold and services provided	<b>261,433</b>	485,653
Depreciation	<b>7,120</b>	8,327
Amortisation of goodwill	<b>6,174</b>	7,537
Provision for doubtful debts	<b>3,016</b>	33,880
Amortisation of deferred development costs	<b>2,766</b>	1,001
Loss on disposal of subsidiaries	<u><b>119,363</b></u>	<u>–</u>

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Review of performance**

In 2002, the Group's turnover decreased 40% year on year to HK\$343,868,000 (2001: HK\$576,387,000), largely because of a drop in sales of hardware reflecting the Group's strategic measures to shift its income base from hardware sales to service provision. The new direction, which came into effect last year, was in line with market demand trends and intended to generate steady and recurrent cash-based revenues.

During the year, the Group re-aligned its focus on higher-margin servicing business and continued to pursue a series of consolidation and rationalization measures, resulting in the achievement of improved gross margins and operating results. Excluding the non-recurring loss on disposal of DMX Technologies and provisions of HK\$122,325,000, the loss attributable to shareholders of the Group for 2002 decreased by approximately 53% to HK\$25,544,000, compared with HK\$54,928,000 in 2001, being attributable loss excluding the provision of HK\$33,880,000.

## **Dividend**

The Directors do not recommend the payment of any dividend in respect of the year ended 31 December 2002 (2001: Nil).

## **Review of operations**

TVH has been a committed information technology (IT) practitioner in China. In the past decade, TVH has made significant investments to incubate a team of elite local IT professionals, develop customized software products and establish a nationwide servicing network in the country. With the fast shifting economic and social landscape of the country, the Directors believe this is the right time for the Group to move one strategic step forward, to get in pulse with the needs of the Chinese people and assimilate TVH's offerings into their everyday life. Being an established and leading solutions provider in China facilitates the Group to make this big leap forward.

### *Core Business*

TopAsia continues its transformation into a services provider and significant efforts have been invested into strengthening relationships with financial institutions and exploring cooperation potential with them. In addition to its traditional business as one of the leading automated teller machines (ATM) systems integrators in China, TopAsia is geared to becoming a comprehensive solutions provider for the financial services sector.

In large storage market, TopAsia has advanced its partnership with EMC, the world's largest independent provider of enterprise intelligence storage systems and software, and was named by EMC as the "Best Logistics Operator 2002".

In addition to traditional network integration projects, TopAsia has made a successful entry into the customer relationship management (CRM) market through a cooperation arrangement with NCR datawarehouse. It has developed a highly effective CRM system for China Postal Bureau, using NCR's databank system.

In 2002, it was awarded the internationally recognized ISO9001:2000 quality assurance certificate, reflecting the division's dedication in optimising management structure, financial system and business flows. Further efforts will be made to lower operating costs, improve efficiency and enhance the division's competitiveness in taking up challenges ahead.

Sequent China, the Group's mainframe systems-integration arm for China's banking and finance sector, sustains its privileged market position for Symmetry and Numa-Q mainframe systems and services. Hardware upgrade and expansion services were also provided for several existing banking customers. It has also set up a special task force to explore and develop niche products to increase the computing power of existing and potential customers. Products developed included Solid State Discs (SSD) and PloyServe.

In 2003, Sequent China will capitalise on its mainframe expertise to gear towards the development of data centers for financial and educational establishments as a new income stream of significant potential. It is envisaged that the business of Sequent China will be assimilated into TopAsia as a consolidated platform for IT service offerings. The two teams are now working closely together to provide comprehensive solutions for customers.

In view of the bleak outlook for Hong Kong's e-commerce and public-sector demands for software services, TopSoft has shifted its focus to China and other viable businesses. The team has therefore been redeployed to the Group's other divisions.

ADT is a 55%-owned subsidiary of the TVH Group. It develops and provides advanced systems-integration and software solutions for the banking and finance sector in China. Jointly with Microsoft China, it has secured a landmark business network catalogue management consultancy contract for the head office of the Industrial and Commercial Bank of China (ICBC), making it the first and only provider of this specific service. ADT plans to market this management consultancy services to other branches of ICBC in 2003.

ADT also opened up a new revenue stream in network maintenance services. In this area, ADT has concluded agreements with branches of ICBC and the China Construction Bank. To facilitate its further development of network security solutions and services provision, ADT has formed cooperation pacts with international leading providers Netscout and Packeteer.

In 2002, ADT successfully developed and registered 12 new software products targeted at banks in China. Registration application is also in process for two additional software products. To ensure all software products are of international standards, ADT's software development center is grooming team members to secure official accreditation as project managers, and pursuing to attain the CMM3 performance standards. The division believes that, through more effective quality control, profit margin will be improved.

#### *New Growth Area: Education and Training*

TVH's new business initiative to tap the vast and rapidly growing education and training market of China was a result of its association with ChinaCast, which the Group holds as a long-term strategic investment. ChinaCast continues to be the leading provider of satellite-based distance learning services in China.

In December 2002, ChinaCast and TVH joined hands with China Northeast Normal University and Beijing Dong Shi Da Co. to finance and launch China's first integrated education resources portal teacher.com.cn for teachers and principals of primary and secondary schools in China, under a profit sharing arrangement. ChinaCast operates the satellite link while TVH is the supplier of mainframes, middleware, databases and application software.

More than 10 million teachers at some 570,000 primary and secondary schools in China are required by law to renew their teaching certificates every five years and teacher.com.cn is recognized by the Ministry of Education as counting towards the certificates. It is estimated that the portal's earnings would exceed HK\$90 million in two years.

ChinaCast achieved significant progress in the provision of tertiary education and professional training services. In addition to the MBA distance-learning program with Peking University, it has also completed collaborative programs with 14 higher education establishments, including Shaanxi Normal University,

Southwest Normal University and Beijing University of Aeronautics. In professional training, co-operation arrangements have been entered into with the training centers of the Judiciary, People's Daily and the China Coal Industry Safety Bureau, following its collaboration with the Ministry of Labour and Social Security.

As the Group will be actively developing the education and training services market in China in 2003, its collaboration with ChinaCast and its education and government partners will play a pivotal role in this major drive.

### *DMX Technologies*

In October 2002, the Group announced the disposal of its entire 61% interests in DMX for HK\$50 million, incurring a non-recurring loss of approximately HK\$119,309,000. The disposal decision was made to facilitate the listing of DMX on Singapore Stock Exchange, as the Group was unable to secure a waiver from the Stock Exchange for the remaining units of the Group from the minimum profit requirement as set out in Rule 8.05 of the Listing Rules pursuant to paragraph 3(c) of Practice Note 15 of the Listing Rules.

Prior to its listing, DMX leveraged on the Group's resources to finance its operations and development. The Directors considered that if DMX could not obtain the necessary funding from a listing, a significant management and financial burden would arise on the part of the Group to support the operation of DMX which nevertheless would in turn affect other businesses of the Group. The Directors therefore considered that there would be serious damaging effects to the operation of DMX which in turn will affect the operations and operating results of the Group if DMX failed to obtain a separate listing status. This would also cause a significant diminution in the value of the Group's investment in DMX.

Reasons behind the disposal of DMX had led the Group to reevaluate the merits of its development strategy by acquisition under prevailing circumstances. The near-term focus would be to initiate internal growth impetus through leveraging existing expertise and resources to capture niche markets.

### **Appreciation**

The Directors would like to welcome Mr. Emmy Wu as deputy chairman of the Group and also take this opportunity to thank all our staff, technology and business partners and Shareholders for their unwavering support in the year under review.

### **Liquidity and Financial Resources**

#### *Net assets*

As at 31 December 2002, the Group recorded total assets of approximately HK\$323,036,000 which were financed by liabilities of approximately HK\$144,585,000 and equity of approximately HK\$172,542,000. The Group's net asset value as at 31 December 2002 decreased by 30% to approximately HK\$172,542,000 as compared to approximately HK\$245,747,000 as at 31 December 2001.

### *Liquidity*

The Group had total cash and bank balances of approximately HK\$90,655,000 as at 31 December 2002 (2001: approximately HK\$129,045,000). After deducting bank loans and overdrafts of approximately HK\$12,993,000 (2001: approximately HK\$36,917,000), the Group recorded a net cash balance of approximately HK\$77,662,000 as compared to that of approximately HK\$92,128,000 as at 31 December 2001. As at 31 December 2002, the current ratio has been changed to 1.84 (2001: 1.67) and the gearing ratio has been changed to 0.08 (2001: 0.15) which defined as the Group's interest-bearing and secured bank loans and finance lease payables over its total equity.

### *Charges on assets*

At 31 December 2002, fixed deposits of approximately HK\$30,425,000 (2001: HK\$31,936,000) were pledged to banks to secure banking facilities granted.

### *Treasury policies*

The Group generally finances its operations with internally generated resources and credit facilities provided by banks in Hong Kong. Subsidiaries in PRC use short-term borrowing in PRC to finance working capital, which amount to HK\$12 million. Borrowing methods used by the Group mainly include trust receipt loans, overdrafts and term loans. The interest rates of most of these are fixed by reference to the Hong Kong Dollar Prime Rate. Both bank deposits and borrowings are mainly in Hong Kong dollars and United States dollars ("US dollars").

### *Contingent liabilities*

At 31 December 2002, the Company had contingent liabilities in relation to guarantees given to banks in connection with facilities granted to certain subsidiaries amounting to approximately HK\$86 million, of which HK\$60 million was provided by the Group to a bank for banking facilities granted to DMX, a subsidiary disposed of during the year. The guarantee in respect of the banking facilities granted to DMX was terminated on 24 February 2003.

As at 31 December 2002, the banking facilities granted to the subsidiaries and DMX were utilized to the extent of approximately HK\$1,106,000 and HK\$4,825,000 respectively.

The Group has contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance as some of current employees have achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

### *Foreign exchange exposure*

The Group mainly earns revenue and incurs costs in US dollars and Hong Kong dollars. Foreign exchange exposure of the Group is minimal as long as the policy of the Government of HKSAR to link the Hong Kong dollars to the US dollars remains in effect.

## *Employee and remuneration policies*

As at 31 December 2002, the Group employed approximately 370 full time staff in the Mainland China and Hong Kong. The Group remunerates its employees based on their performance, work experience and the prevailing market price. Performance related bonuses are granted on a discretionary basis. Other employee benefits include mandatory provident fund, insurance and medical coverage, training programs and share option scheme.

### **Application Of Proceeds**

In May 2002, the Company received net proceeds of approximately HK\$30 million through a placement to institutional and professional investors (the “fourth placement”). The Group has utilized it as general working capital.

### **PURCHASE, SALE OR REDEMPTION OF SHARES**

During the year, the Company repurchased 1,524,000 shares on The Stock Exchange of Hong Kong Limited at an aggregate consideration of HK\$355,904 before expenses. The repurchased shares were subsequently cancelled. The repurchases were effected by the Directors for the enhancement of shareholders value in the long term. Details of the shares repurchased are as follows:

Month of Repurchase	Number of Shares Repurchased	Price per Share		Aggregate Consideration paid
		Highest	Lowest	
July 2002	1,062,000	0.25	0.22	259,180
August 2002	462,000	0.21	0.208	96,724
Total	<u>1,524,000</u>			355,904
Brokerage and other expenses incurred on repurchase of shares				<u>5,107</u>
				<u>361,011</u>

Except for the above, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the year.

### **CODE OF BEST PRACTICE**

None of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the year ended 31 December 2002 in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), except that the independent non-executive Directors do not have specific terms of appointment but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company’s bye-laws. In the opinion of the Directors, this meets the same objective as the Code of Best Practice.

To comply with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules, the Company set up an audit committee (the “Committee”) on 12 June 1999 with written terms of reference for the purpose of reviewing and providing supervision on the financial report process and internal control of the Group. The Committee comprises the two independent non-executive Directors of the Company.

## **PUBLICATION OF ANNUAL RESULTS ON THE INTERNET WEBSITE OF THE STOCK EXCHANGE**

A results announcement containing the information required by paragraphs 45(1) to 45(3) of Appendix 16 to the Listing Rules will be published on the website of the Stock Exchange in due course.

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

Hong Kong, 16 April 2003

\* *for identification purpose only.*

## **NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the annual general meeting of Technology Venture Holdings Limited (the “**Company**”) will be held at the Board Room of 8th Floor, Tianjin Building, 167 Connaught Road West, Hong Kong on Friday, 23 May 2003 at 11:00 a.m. to transact the following ordinary business:

1. to receive and consider the audited consolidated financial statements and reports of the directors and auditors for the year ended 31 December 2002;
2. to re-elect directors and to authorise the board of directors to fix the directors’ remuneration;
3. to re-appoint auditors and to authorise the board of directors to fix their remuneration;

and, as special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:

4. “**THAT:**
  - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares (“**Share**” and each a “**Share**”) of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate nominal amount of share capital allotted issued and dealt with or agreed conditionally or unconditionally to be allotted issued and dealt with (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under any share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:

(aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this Resolution; and

(bb) (if the directors of the Company are so authorised by a separate ordinary Resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this Resolution),

and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and

(d) for the purposes of this Resolution:

“**Relevant Period**” means the period from the date of the passing of this Resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda (the “Companies Act”) or any other applicable law of Bermuda to be held; and

(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this Resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. **“THAT:**
- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase the Shares of the Company and warrants of the Company, subject to and in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Act and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
  - (b) the aggregate nominal amount of Shares and warrants which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company or 10 per cent. of the aggregate amount of outstanding warrants of the Company (as the case may be) as at the date of the passing of this Resolution and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and
  - (c) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this Resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act or any other applicable law of Bermuda to be held; and
    - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this Resolution.”
6. **“THAT** conditional upon the passing of Resolutions 4 and 5 as set out in the notice convening this meeting, the aggregate nominal amount of the number of Shares that shall have purchased by the Company after the date thereof pursuant to and in accordance with Resolution 5 shall be added to the aggregate nominal amount of Shares that may be issued and allotted or agreed conditionally or unconditionally to be issued and allotted by the directors of the Company pursuant to the general mandate to issue and allot granted to the directors of the Company by Resolution 4.”
7. **“THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of options which may be granted under the 2002 Share Option Scheme (as defined below), the refreshment of the scheme limit of the Company’s share option scheme adopted on 30 May 2002 (“2002 Share Option Scheme”) and all other share option scheme(s) of the Company, up to 10 per cent. of the number of Shares in issue as at the date of passing this resolution (“Refreshed Mandate Limit”) be and is hereby approved and any director of the Company be and is hereby authorized to do such act and execute such document to effect the Refreshed Mandate Limit.”

By order of the board of directors  
**Technology Venture Holdings Limited**  
**Chan Tze Ngon, Ron**  
*Chairman*

*Registered office:*  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office and Principal place  
of business in Hong Kong:*  
8th Floor, Tianjin Building  
167 Connaught Road West  
Hong Kong

*Notes:*

1. A shareholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, subject to the provisions of the bye-laws of the Company, vote in his stead. A proxy need not be a shareholder of the Company.
2. A form of proxy for use at the annual general meeting is enclosed. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's Hong Kong branch registrars, Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 48 hours before the time of the meeting or adjourned meeting and in default the proxy shall not be valid. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above meeting or any adjournment thereof, should he so wish.
3. In relation to proposed Resolution no. 2 above, Mr Emmy Wu will retire and , being eligible, will offer himself for re-election at the above meeting pursuant to bye-laws 114 of the bye-laws of the Company.

Dr Chou Tao Hsiung, Joseph and Mr Chow Siu Lam, Cliff will retire from their respective offices of directors at the above meeting pursuant to bye-law 111 of the bye-laws of the Company and, being eligible, offer themselves for re-election.

4. In relation to proposed Resolutions nos. 4 and 6 above, approval is being sought from the shareholders for the grant to the directors of a general mandate to authorise the allotment and issue of Shares under the Listing Rules. 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.
5. In relation to proposed Resolution no. 5 above, the directors wish to state that they will exercise the powers conferred thereby to purchase Shares or warrants in circumstances which they deem appropriate for the benefit of the shareholders. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed Resolution as required by the Listing Rules is set out in another set of documents enclosed in the annual report for the year ended 31 December 2002 sent to shareholders.