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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

(incorporated in Bermuda with limited liability)

Executive Directors:

Mr Chan Tze Ngon, Ron
Mr Luk Chung Po, Terence
Mr Tang Kin Hung, Barry
Mr Ng Kin Wah, Francis
Mr Chow Siu Lam, Cliff

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-executive Directors:

Dr Lo Siew Kiong, John
Dr Chou Tao Hsiung, Joseph
Mr Derek Peter Althorp

*Head Office and Principal Place
of Business in Hong Kong:*

8th Floor, Kantone Centre
No. 1 Ning Foo Street
Chai Wan
Hong Kong

27 May 2000

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 12 June 1999, the directors (the "**Directors**") of the Company were granted a general mandate to allot, issue and deal with shares (each a "**Share**") of HK\$0.10 each in the capital of the Company and a general mandate to repurchase the Shares on the Stock Exchange. These mandates will expire at the conclusion of the forthcoming annual general meeting ("**Annual General Meeting**") of the Company convened to be held at Salons 2-3, Level 3, JW Marriott Hotel, No. 88

Queensway, Pacific Place, Hong Kong on Monday, 26 June 2000 at 3:00p.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 additional 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 **"Stock Exchange"**), 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 15 to 16 of the annual report of the Company in respect of the financial year ended 31 December 1999 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 1999, 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.

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. LISTING RULES RELATING TO THE REPURCHASING OF SECURITIES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the more important of which are summarised below. The Company is empowered by its memorandum of association and bye-laws to repurchase its own securities.

(a) Shareholders' approval

The Listing Rules provide that all on-market securities repurchases by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by specific approval with reference to a specific transaction.

(b) Source of funds

Repurchase must be funded out of funds which are legally available for the purpose and in accordance with the memorandum of association and bye-laws of the Company and the Companies Act 1981 of Bermuda (the "Companies Act"). Under the Companies Act, a company may only repurchase its securities out of capital paid up on the Shares to be repurchased or out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purpose.

Any amount of premium payable on a repurchase over the par value of the securities may only be effected out of funds of the Company which would otherwise be available for dividend or distribution or out of the Company's share premium account. Such purchase may only be made if at least two directors of the Company declare on the date of the repurchase by affidavit that, taking into account the proposed repurchase, the Company is solvent or that its creditors have consented in writing to the purchase.

As the Shares are listed on the Stock Exchange, the affidavit may, at the option of the Company, be sworn within thirty days after the end of the calendar quarter giving details of all purchases made during each quarter and confirm that the Company was solvent at all material times during the quarter.

(c) Trading restrictions

Where the securities to be repurchased by a company are shares, such shares must be fully paid shares. A maximum of 10 per cent. of the outstanding share capital as at the date of the proposed resolution being approved may be repurchased on the Stock Exchange and a company may not issue new securities or announce a proposed new issue of securities for a period of 30 days immediately following a securities repurchase other than the issue of Shares on exercise of an option or subscription right granted or existing prior to the date of repurchase. In addition, all securities repurchases on the Stock Exchange in any given calendar month are limited to a maximum of 25 per cent. of the trading volume of the relevant securities of the company in the immediately preceding calendar month. The Listing Rules also prohibit a company from making securities repurchases on the Stock Exchange if, as a result of the repurchase, less than 25 per cent. (or the agreed public float) of the issued share capital of the company (in the case of shares) or less than 25 per cent. of the class of securities (in the case of other securities) would be in public hands. The Stock Exchange has power to waive compliance with restrictions under the Listing Rules.

The Listing Rules provide that a company shall not purchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. A company is required to procure that any broker appointed by it to effect the purchase of its own securities discloses to the Stock Exchange such information with respect to purchases made on behalf of the company as the Stock Exchange may request.

(d) Status of repurchased securities

The Listing Rules provide that the listing of all repurchased securities are automatically cancelled and the relevant certificates must be cancelled and destroyed.

Under the Companies Act, the shares of a company which have been repurchased will be treated as cancelled but the aggregate amount of the authorised share capital will not be reduced.

A company which makes a new issue of securities following a repurchase is not exempted from making an application for the listing of the new securities on the Stock Exchange.

(e) Prohibition

The Listing Rules require that a company may not purchase securities on the Stock Exchange at any time after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information is made publicly available. The Stock Exchange reserves the right to prohibit a company from making repurchases of its own securities on the Stock Exchange (even if that company's primary listing is on another stock exchange) if the Stock Exchange considers that the company has committed a breach of any of the Listing Rules which apply to that company.

(f) Reporting requirements

Under the Listing Rules, securities repurchases on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 9:30 a.m. on the following business day. In addition, the company's annual report is required to disclose information regarding share repurchases made during the year, including the number of securities repurchased and the aggregate price paid.

(g) Connected parties

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a "connected person", that is, a director, chief executive or substantial shareholder of the company or their respective associates (as defined in the Listing Rules) and a connected person is prohibited from knowingly selling his securities to the company.

No connected person of the Company has notified the Company that he has a present intention to sell any securities to the Company nor has any such connected person undertaken not to sell any of the securities held by him to the Company in the event that the Repurchase Mandate is passed.

2. SHARE CAPITAL

As at 26 May 2000, being the latest practicable date prior to the printing of this document (the "**Latest Practicable Date**"), the issued share capital of the Company comprised 322,000,000 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 32,200,000 Shares.

3. REASON 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. It is intended by the Directors that any repurchase of Shares by the Company will be funded by the internal resources of the Group.

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 1999, 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 proceeding of date of this document were as follows:

	Highest HK\$	Lowest HK\$
July 1999	2.20	1.33
August 1999	1.68	1.19
September 1999	1.82	1.38
October 1999	1.72	1.23
November 1999	2.40	1.47
December 1999	3.475	2.00

January 2000	4.40	2.80
February 2000	7.15	3.40
March 2000	8.80	5.10
April 2000	5.85	2.325
May 2000	3.575	1.88
(up to the Latest Practicable Date)		

6. DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests of the Directors in the share capital of the Company and its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance, the "**SDI Ordinance**") which had been notified to the Company and the Stock Exchange pursuant to section 28 of the SDI Ordinance (including the interests which they were deemed or taken to have under section 31 or Part I of the Schedule to the SDI Ordinance) or which were required pursuant to section 29 of the SDI Ordinance, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Name	Type of interests	Number of Shares
Mr Chan Tze Ngon, Ron ("Mr Chan")	Corporate (Note) Personal	128,800,000 13,814,000
Mr Luk Chung Po, Terence ("Mr Luk")	Personal	4,830,000
Mr Tang Kin Hung, Barry	Personal	12,600,000
Mr Ng Kin Wah, Francis	Personal	8,400,000

Notes: These Shares are beneficially owned by and registered in the name of Clear Goal Holding Limited. Clear Goal Holding Limited is a company incorporated in the British Virgin Islands and its entire issued share capital is beneficially owned as to 68.7% by Mr. Chan and as to the balance of 31.3% by Mr Luk. Pursuant to a shareholders' agreement dated 12 June 1999 and made between Mr Chan, Mr Luk, Mr Yeung Po Lam, Paul ("Mr Yeung") and Clear Goal Holding Limited, each of Mr Chan, Mr Luk and Mr Yeung was granted a pre-emptive right over the other's shares in the Company and in Clear Goal Holding Limited.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors had any interest in the share capital of the Company or any associated corporations (within the meaning of the SDI ordinance) which were required to be notified to the Company and the Stock Exchange pursuant to section 28 of the SDI Ordinance (including the interests which they were deemed or taken to have under section 31 or part I of the Schedule to the SDI Ordinance) or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules or which are required, pursuant to section 29 of the SDI Ordinance, to be entered in the register referred to therein.

7. SUBSTANTIAL SHAREHOLDERS

As the Latest Practicable Date, the following interest of 10 per cent. or more in the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance:

Name	Number of Shares	Percentage of holding
Clear Goal Holding Limited	128,800,000	40

Notes:

1. These Shares are beneficially owned by and registered in the name of Clear Goal Holding Limited. Clear Goal Holding Limited is a company incorporated in the British Virgin Islands and its entire issued share capital is beneficially owned as to 68.7% by Mr Chan and as to the balance of 31.3% by Mr Luk. Pursuant to a shareholders' agreement dated 12 June

1999 and made between Mr Chan, Mr Luk, Mr Yeung and Clear Goal Holding Limited, each of Mr Chan, Mr Luk and Mr Yeung was granted a pre-emptive right over the other's shares in the Company and in Clear Goal Holding Limited.

2. Each of Mr Chan, Mr Luk, Mr Yeung and Clear Goal Holding Limited has undertaken to the Stock Exchange and the Company that within a period of 12 months from 6 July 1999, he/it will:

(a) when he/it pledges/charges any Shares beneficially owned by him/it, whether directly or indirectly, immediately inform the Company of such pledge/charge together with the number of Shares so pledged/charged; and

(b) when he/it receives indications, either verbal or written, from the pledgee/chargee that any of the pledged/charged securities will be disposed of, immediately inform the Company of such indications.

Save as disclosed herein, no person has notified the Company that it has an interest amounting to 10 per cent. of the issued share capital of the Company and its subsidiaries at the date of this document pursuant to Section 16(1) of the SDI Ordinance.

8. DISCLOSURE OF INTERESTS AND MINIMUM PUBLIC HOLDINGS

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 securities 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 Takeover Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Clear Goal Holding Limited held approximately 40 per cent. of the then existing issued Shares. Assuming that Clear Goal Holding Limited will not dispose of any of the Shares prior to the Annual General Meeting, 128,800,000 Shares will have been issued as at the date of the Annual General Meeting. On this basis, if the Repurchase Mandate were exercised in full, the percentage shareholding of Clear Goal Holding Limited in the Company would increase to approximately 44 per cent. of the then issued Shares.

On the basis of the current shareholding of Clear Goal Holding Limited, 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 Takeover Code. The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in the number of shares in the hands of public falling below the prescribed minimum percentage of 25 per cent.. However, the Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in a requirement of Clear Goal Holding Limited to make a general offer under the Takeovers Code or the number of Shares in the hands of public falls below the prescribed minimum percentage of 25 per cent..

9. SHARES REPURCHASE MADE BY THE COMPANY

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

