
IMPORTANT

If you are in any doubt as to any aspect of this document or as to the action to be taken, you should consult a stockbroker or other registered dealer in shares, bank manager, solicitor, professional accountant, or other professional adviser.



Techwayson Holdings Limited
德維森控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

PROPOSED GENERAL MANDATES TO ISSUE SHARES
AND
TO REPURCHASE SHARES

The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

The Directors collectively and individually accept full responsibility for this circular which is given in compliance with the requirements (Rules Governing the Listing of Securities on the Growth Enterprise Market) of the Stock Exchange. The Directors confirm, having made all reasonable enquires, that to the best of their knowledge and belief, (i) the information contained in the circular are accurate and complete in all material aspects and not misleading; (ii) there are no other facts the omission of which would make any statement herein misleading; and (iii) opinions expressed in this circular have been arrived at after due and careful consideration on the basis and assumptions of reasonableness and fairness.

20th September, 2001

* For identification purposes only

DEFINITION

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

“Company”	Techwayson Holdings Limited;
“Directors”	directors of the Company from time to time;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Latest Practicable Date”	18th September, 2001, being the latest practicable date prior to the printing of this circular;
“Shareholders”	shareholders of the Company from time to time;
“Shares”	ordinary shares of HK0.10 each in the share capital of the Company; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

LETTER FROM THE CHAIRMAN



Techwayson Holdings Limited

德維森控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

Executive Directors:

Mr. Sze Kwan (*Chairman*)
Mr. Tung Fai
Mr. Lee Tiong Hock
Mr. Xiong Jian Rui
Mr. Ye Wei Fa

Registered Office:

Zephyr House
Mary Street
George Town
Grand Cayman
Cayman Islands
British West Indies

Non-executive Directors:

Lin Gongshi

Principal Place of Business:

Room 1810, 18th Floor
Harbour Centre
25 Harbour Road
Wanchai
Hong Kong

Independent Non-executive Directors:

Mr. Wee Soon Chiang
Mr. Wong Kam Kau
Mr. Kuang Ding Bo

20th September, 2001

To Shareholders of the Company

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES TO ISSUE
AND
REPURCHASE SHARES**

THE GENERAL MANDATES

At the Annual General Meeting to be held at Broadroom, 1/F., South Pacific Hotel, 23 Morrison Hill Road, Wanchai, Hong Kong, on 26th October, 2001 at 10:30 a.m., separate ordinary resolutions will be proposed to renew the general mandates given to the Directors:

- (a) to allot, issue and otherwise deal with Shares not exceeding the aggregate of 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of such resolution;
- (b) to repurchase, inter alia, Shares of the Company comprising the aggregate nominal amount of which does not exceed 10% of the aggregate nominal amount of the shares capital of the Company at the date of passing of such resolution; and

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LETTER FROM THE CHAIRMAN

- (c) adding to such general mandate so granted to the Directors any shares representing the aggregate nominal amount (up to a maximum of 10% of the aggregate nominal of the Company's then issue share capital) of any Shares repurchased by the Company.

These general mandates will expire at the conclusion of the annual general meeting ("Annual General Meeting") to be held on 26th October 2001 and the purpose of this circular is to request your support to renew the general mandates at the Annual General Meeting.

EXPLANATORY STATEMENT

An explanatory statement containing all relevant information relating to the Repurchase Mandate and pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market (the "GEM") of the Stock Exchange, in particular Rule 13.08 is set out in the Schedule to this letter. The information in the explanatory statement is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions relating to the Repurchase Mandate.

THE ANNUAL GENERAL MEETING

A Notice of the Annual General Meeting to be held on 26th October, 2001 is set out in the 2001 Annual Report of the Company which has been despatched to Shareholders. At the Annual General Meeting, in addition to the ordinary business of the meeting, Resolutions Nos. 4(1) to 4(3) will be proposed to approve the general mandates for the issue of Shares and Repurchase Mandate as special businesses.

A copy of the 2001 Annual Report of the Company incorporating copies of the audited consolidated accounts of the Company for the year ended 30th June, 2001 and the directors' and auditors' reports thereon has been despatched to all Shareholders together with this document.

A form of proxy for the Annual General Meeting is enclosed with the 2001 Annual Report of the Company. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete the form of proxy and return it to the Company's branch registrar in Hong Kong, Hong Kong Registrars Limited at 2nd Floor, Vicwood Plaza, 199 Des Voeux Road, Centre, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the meeting. The completion of a form of proxy will not preclude you from attending and voting at the meeting in person.

RECOMMENDATION

The Board of Directors is of the opinion that the proposals referred to above are in the best interests of the Company and therefore recommend you to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting. The Board of Directors has indicated that the votes attaching to the Shares owned by them will be cast in favour of the resolutions regarding the resolutions to be proposed as special businesses at the Annual General Meeting.

Yours faithfully,
Sze Kwan
Chairman

This is an explanatory statement given to all shareholders relating to a resolution to be proposed at the forthcoming Annual General Meeting authorizing the Repurchase Mandate.

This explanatory statement contains all the information required pursuant to Rule 13.08 of the Rules Governing the Listing of Securities on the GEM (the “GEM Listing Rules”).

1. EXERCISE OF THE REPURCHASE MANDATE

Exercise in full of the Repurchase Mandate, on the basis of 350,000,000 shares of HK\$0.10 each in issue as at 18th September, 2001, the latest practicable date prior to the printing of this circular (the “Latest Practicable Date”) could result in up to 35,000,000 shares being repurchased by the Company during the period up to (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 articles of association of the Company or any applicable laws to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

2. REASONS FOR REPURCHASES

Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and the shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per share.

3. FUNDING OF REPURCHASES

In repurchasing shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and the applicable laws of the Cayman Islands. The Company may not purchase its own securities on the GEM 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.

4. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the memorandum and articles of association of the Company and the applicable laws of the Cayman Islands.

6. THE HONG KONG CODE ON TAKEOVERS AND MERGERS

If as a result of a repurchase of shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "Code"). As a result, a shareholder, or a group of shareholders acting in concert (within the meaning under the Code), depending on the level of increase in the shareholder's interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, the following shareholders had interests representing 10% or more of the issued share capital of the Company:

Substantial Shareholders	No. of Shares	Percentage of Issued Share Capital
Otto Link Technology Limited	168,000,000	48.00%
Goldwiz Technology Limited	61,824,000	17.66%
Goldwiz Holdings Limited	61,824,000	17.66%
Mr. Siu Ting	38,976,000	11.14%

In the event that the Directors exercise in full the power to repurchase shares in accordance with the terms of the ordinary resolution to be proposed at the Annual General Meeting, the total interests of the above substantial shareholders in the shares would be increase to:

Substantial Shareholders	Percentage of Issued Share Capital
Otto Link Technology Limited	53.33%
Goldwiz Technology Limited	19.63%
Goldwiz Holdings Limited	19.63%
Mr. Siu Ting	12.37%

and the Substantial Shareholders will not be obliged to make a mandatory offer under Rule 26 of the Takeovers Code in this aspect.

7. SHARE PURCHASE MADE BY THE COMPANY

No purchases of shares have been made by the Company since the listing of the Shares on the GEM on 8th February, 2001, whether on the Stock Exchange or otherwise.

8. CONNECTED PERSON OR PARTIES

No connected person (as defined in the Gem Listing Rules) has notified the Company that it has a present intention to sell shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the shareholders.

To the best of the knowledge of the Directors, having made all reasonable enquiries, none of the Directors or their respective associates (as defined in the GEM Listing Rules) has a present intention, in the event that the Repurchase Mandate is approved by the Shareholder, to sell shares to the Company.

9. SHARE PRICES

The highest and lowest prices at which the shares were traded on the GEM during each of the previous seven months since listing of the shares on the GEM on 8th February, 2001 were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2001		
February	0.820	0.590
March	0.620	0.460
April	0.830	0.540
May	1.720	0.660
June	2.025	1.670
July	1.650	1.340
August	1.370	0.880

10. PROXY

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you intend to attend the meeting, shareholders are requested to complete and return the form of proxy to the Company's branch registrar in Hong Kong, Hong Kong Registrars Ltd. at 2nd Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting should the shareholders so desire.