
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker or registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisor.

If you have sold all your shares in Techwayson Holdings Limited (the “Company”), you should at once hand this document to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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

(Incorporated in the Cayman Islands with limited liability)

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

This documents is dispatched together with the 2001/2002 Annual Report which comprises of the directors’ report, the auditors’ report by Charles Chan, Ip & Fung CPA Limited and the audited financial statements of the Company and its subsidiaries for the year ended 30 June 2002.

A notice convening the annual general meeting of the Company to be held at Boardroom, 1st Floor, South Pacific Hotel, 23 Morrison Hill Road, Wanchai, Hong Kong on 25 October, 2002 at 11:00 a.m. is contained in the 2001/2002 Annual Report of the Company. Whether or not you intend to be present at 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 Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holdings of the meeting (or adjourned meeting as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the meeting (or adjourned meeting as the case may be) should you so wish.

This document, for which the directors (the “Directors”) of the Techwayson Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors confirm, having made all reasonable enquires, that to the best of their knowledge and belief, (i) the information contained in the document is accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement herein misleading; and (iii) all opinions expressed in this document have been arrived at after due and careful consideration and are founded on the basis and assumptions that are fair and reasonable.

This document will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting.

25 September 2002

* For identification purpose only



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

(Incorporated in the Cayman Islands with limited liability)

Executive Directors:

Dr. SZE Kwan (*Chairman*)
Mr. TUNG Fai
Mr. LEE Tiong Hock
Mr. YE Wei Fa

Non-Executive Director:

Mr. LIN Gongshi

Independent Non-Executive Directors:

Mr. WEE Soon Chiang, Henny
Mr. WONG Kam Kau, Eddie
Mr. KUANG Ding Bo

Registered Office:

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681GT
George Town
Grand Cayman
Cayman Islands
British West Indies

Head office and Principal

Place of Business:
Room 1810, 18th Floor
Harbour Centre
25 Harbour Road
Wanchai Hong Kong

25 September 2002

To the shareholders of the Company,

Dear Sir or Madam,

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

Introduction

At the annual general meeting of the Company held on 26 October 2001, the then shareholders of the Company passed resolutions granting general mandates to the Directors to issue and purchase shares in the Company. These general mandates will lapse at the conclusion of the forthcoming annual general meeting (the "Annual General Meeting") of the Company to be held on 25 October 2002. The Directors will seek at the Annual General Meeting an approval from the shareholders of the Company (the "Shareholders") in connection with, among others, ordinary resolutions to grant to the Directors general mandates to repurchase and issue shares of the Company (the "Shares"). The purpose of this document is to provide Shareholders with details of the proposed general mandates.

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LETTER FROM THE CHAIRMAN

General Mandates to repurchase shares and issue shares

At the Annual General Meeting, the following ordinary resolutions will be proposed to renew the general mandates given to the Directors:

- (a) an ordinary resolution to give the Directors a general mandate to allot, issue and otherwise deal with additional Shares not exceeding 20% of the Company's issued share capital as at the date of passing such resolution (the "Issue Mandate");
- (b) an ordinary resolution to give the Directors a general mandate to exercise all the powers of the Company to repurchase Shares not exceeding 10% of the Company's issued shares capital as at the date of passing such resolution (the "Repurchase Mandate"); and
- (c) conditional on the passing of the resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution to authorize the Directors to exercise the powers to allot, issue and otherwise deal with additional Shares under the Issue Mandate in respect of the aggregate nominal amount of share capital in the Company purchased by the Company.

These general mandates, full text of which is set out in the notice of Annual General Meeting, will expire 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 articles of association of the Company or any applicable law to be held; and (iii) the revocation, variation or renewal of the general mandates by ordinary resolutions of the Shareholders in general meeting.

Explanatory Statement

An explanatory statement containing all relevant information relating to the Repurchase Mandate and pursuant to the GEM Listing Rules, in particular Rule 13.08, is set out in the Appendix to this document. 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 Repurchase Mandate.

Annual General Meeting

A notice convening the Annual General Meeting of the Company to be held at Boardroom, 1st Floor, South Pacific Hotel, 23 Morrison Hill Road, Wanchai, Hong Kong on 25 October, 2002 at 11:00 a.m. is set out in the 2001/2002 Annual Report of the Company which has been despatched to the 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 and repurchase of Shares as special businesses.

A copy of the 2001/2002 Annual Report of the Company incorporating the Notice of Annual General Meeting, the audited consolidated results of the Group for the year ended 30 June 2002 and the directors' and auditors' reports therein has been despatched to all the Shareholders together with this document.

LETTER FROM THE CHAIRMAN

A form of proxy for the Annual General Meeting is also enclosed with the 2001/2002 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 in accordance with the instructions printed thereon and return the same to the Company's branch registrars in Hong Kong, Hong Kong Registrars Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

Recommendation

The Directors believe that the proposed general mandates referred to above are in the best interests of the Company and its shareholders. Therefore, the Directors recommend you to vote in favour of the relevant resolutions set out in the notice of the Annual General Meeting.

Yours faithfully
Sze Kwan
Chairman

This explanatory statement relates to resolution 4(2) proposed to be passed at the Annual General Meeting for granting the Directors the Repurchase Mandate. It contains all the information required pursuant to Rule 13.08 of the GEM Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against such resolution.

1. Exercise of the repurchase mandate

As at 19 September 2002, being the latest practicable date prior to the printing of this document (the "Latest Practicable Date"), the issued share capital of the Company comprised 350,000,000 Shares of HK\$0.10 each.

The resolution 4(2) proposed to be passed at the Annual General Meeting relates to the granting of a general mandate to the Directors to repurchase Shares on the GEM or any other stock exchange on which the Shares may be listed and recognized by the Securities and Futures Commission and the Stock Exchange for such purpose, up to a maximum of 10% of the issued share capital of the Company at the date of passing of such resolution.

If the ordinary resolution authorizing the Directors to repurchase Shares is passed at the Annual General Meeting, and assuming that no new Shares in the Company are issued prior to the date of passing the said resolution, up to 35,000,000 Shares, representing 10% of the existing issued share capital of the Company may be repurchased by the Company.

The Repurchase Mandate would continue in force from the date of the passing of resolution 4(2) 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 articles of association of the Company or any applicable law to be held; and (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting.

2. Reasons for repurchase

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders.

3. Sources of funds

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 repurchase 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. Financial effect of repurchase

In the event that the Repurchase Mandate is exercised in full, there might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited financial statements contained in the annual report for the year ended 30 June 2002. 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 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. Directors and Connected persons

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any of the Shares to the Company if the Repurchase Mandate is exercised.

No connected persons (as defined in the GEM Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

7. Takeover Code

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the Hong Kong Code on Takeovers and Mergers (the "Takeover Code"). As a result, a shareholder or group of shareholders acting in concert (within the meaning under the Takeover Code), depending on the level of increase in the shareholder's interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 of the Takeover 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	Percentage of Issued Share Capital if Repurchase Mandate is exercised in full
Otto Link Technology Limited	168,000,000	48.00%	53.33%
Goldwiz Technology Limited	61,824,000	17.66%	19.63%
Goldwiz Holdings Limited *	61,824,000	17.66%	19.63%
Mr. SIU Ting	38,976,000	11.14%	12.37%

* *Goldwiz Holdings Limited is the holding company of Goldwiz Technology Limited (“Goldwiz”) holding the entire issued share capital of Goldwiz and is therefore deemed to be interested in the 61,824,000 Shares held by Goldwiz.*

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 will be increased to the corresponding percentage shown above. As the total interest of Otto Link Technology Limited in the Company’s issued share capital would be increased to approximately 53.33%, such increase may give use to an obligation to make a mandatory offer under Rule 26 of the Takcover Code. However the Directors have no present intention to repurchase any Shares to the extent that it will trigger the obligations under the Takeover Code to make a mandatory offer.

8. Share Repurchase made by the Company

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

9. Share Prices

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:-

Year	Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2001	September	0.98	0.70
	October	1.05	0.72
	November	1.21	0.72
	December	1.10	0.86
2002	January	1.06	0.90
	February	0.98	0.85
	March	0.95	0.86
	April	0.91	0.80
	May	0.85	0.72
	June	0.86	0.70
	July	0.85	0.70
	August	0.75	0.65

10. Proxy

A form of proxy for use at the Annual General Meeting is enclosed with the 2001/2002 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 in accordance with the instructions printed thereon and return the same to the Company's Hong Kong registrars, Hong Kong Registrars Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting if you so wish.