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GOLDWIZ HOLDINGS LIMITED

科維控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 586)

POSSIBLE ACQUISITION OF INTEREST IN A SINO-FOREIGN JOINT-VENTURE ENTERPRISE

On 11 August 2004, Ever First, a wholly-owned subsidiary of the Company, entered into a Management Contract with BVI companies in relation to the provision of management services on their behalf for the set-up and operation of a sino-foreign joint-venture enterprise established in Kunming, the People's Republic of China. The BVI Companies are two of the three partners of the said joint venture enterprise. The BVI Companies are parties independent of and not connected with the Company (as defined in the Listing Rules).

On the same day, Ever First entered into a Letter of Intent with the BVI Companies under which Ever First was given a right to acquire equity interests of up to 51% in the BVI Companies subject to the fulfilment of certain conditions by the relevant parties.

Should Ever First exercise its right to acquire the equity interests in the BVI Companies, the relevant parties shall enter into a formal contract and a further announcement containing details of the transaction will be published in the newspapers in due course in compliance with the relevant Listing Rules requirements.

As the Possible Acquisitions are subject to the fulfilment of certain conditions and may or may not proceed, shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

Trading in the existing shares on the Stock Exchange was suspended at the request of the Company with effect from 9:40 a.m. on 10 August 2004 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the existing shares with effect from 9:30 a.m. on 13 August 2004.

MANAGEMENT CONTRACT

On 11 August 2004, Ever First Enterprises Limited ("Ever First"), a wholly-owned subsidiary of the Company, entered into a management contract (the "Management Contract") with two BVI companies (the "BVI Companies") in relation to the provision of management services on their behalf for the set-up and operation of a newly established joint-venture enterprise, namely Yunnan Huarui Technology Co., Ltd. ("Yunnan Huarui"), for an initial term of one year commencing from 1 September 2004 at a prescribed amount of management fee. The management services shall include monitoring the setting up of the factory, planning for the acquisition of plant and machinery, recruitment and training of staff, etc. The Management Contract shall be terminated with one month's notice to be given by any one party to the counter-parts or upon the acquisition of controlling interest by Ever First in the BVI Companies.

The BVI Companies were both newly incorporated in the British Virgin Islands and their entire business are the investments in Yunnan Huarui. The BVI Companies are parties independent of and not connected with the Company (as defined in the Listing Rules). To the best of the directors' knowledge, information and belief have made all reasonable enquiry, the BVI Companies and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Yunnan Huarui was jointly formed by the BVI Companies and Yunnan Copper Industry (Group) Co., Ltd. ("YCI"), each of them has committed to contribute its respective percentage of registered capital as to 51% in total from the BVI Companies and 49% from YCI.

LETTER OF INTENT

On the same day, the BVI Companies, in consideration of the entering into the Management Contract, signed a legal-binding Letter of Intent with Ever First under which Ever First has the right to acquire at cost within one year from the date of the Letter of Intent the equity interests of up to 51% in the BVI Companies (the "Possible Acquisitions") subject to, inter alia, the fulfilment of the following conditions:

- (1) the completion of the due diligence investigation to be carried out by Ever First or its nominee to its reasonable satisfaction in relation to the legal ownership of the BVI Companies of the 51% interest in Yunnan Huarui and in relation to the financial conditions of the BVI Companies;
- (2) the completion of the injection of registered capital of a total of RMB204 million (HK\$192.5 million) from the BVI Companies into Yunnan Huarui;
- (3) the consent by Hutchison International Limited, which is the noteholder under the Convertible Note issued by the Company in November 2002 pursuant to which the Company has to get prior consent from the noteholder regarding the Possible Acquisitions;
- (4) the consent from the shareholders of the Company at a special general meeting, if necessary; and
- (5) the Listing Committee of the Stock Exchange of Hong Kong Limited granting or agreement to the granting of the listing of and permission to deal in the new shares which may be issued by the Company.

If the above conditions be fulfilled within one year from 11 August 2004, Ever First shall be obliged to acquire up to 51% equity interests in the BVI Companies at the terms and conditions to be stipulated under a formal contract.

Information on the joint-venture enterprise

Yunnan Huarui is a sino-foreign joint-venture enterprise newly established in Kunming, PRC. All the necessary approvals in respect of the establishment have been obtained from the relevant PRC authorities. The partners forming Yunnan Huarui are the BVI Companies and YCI which shall own as to 51% and 49% interest in the registered capital of Yunnan Huarui respectively. Yunnan Huarui shall be principally engaged in the production and distribution of copper clad laminate, prepreg and copper film products. The products shall be distributed as to 70% for export and 30% for domestic sales.

YCI is a stated-owned enterprise established in Kunming, the PRC. It is the parent company of Yunnan Copper Industry Co. Ltd. whose shares are listed in the Shenzhen Stock Exchange since June 1998 with market capitalisation of around RMB798 million. YCI is a conglomerate enterprise principally engaged in the mining, processing, production and distribution of copper and related products. According to management of YCI, the annual production capacity of copper products by YCI ranks within the top five in the PRC. With the encouragement of the China government for the development of western district in the PRC and the development of mining industry as “pillar industry” in Yunnan province, YCI targeted to increase its total assets and sales income by having co-operation with foreign investors.

REASONS FOR THE TRANSACTION

The Company is an investment holding company. The Group is principally engaged in (1) hotel operation, (2) design, development and distribution of high-tech electronic products, (3) trading of electronic products related materials, (4) strategic investments (i) in property development, (ii) in the supplies of automation and control system, and (iii) in the production and distribution of printed circuit board related materials.

Tongling Huarui Material Co. Ltd. being an associate company of the Company is principally engaged in the production and distribution of copper clad laminate products. Accumulated with several years of experience in this industry, the Company is confident that it can provide satisfactory management services for the set-up and operation of Yunnan Huarui and on the other hand it provides a good opportunity for the Company to have a chance to participate in the aforesaid joint-venture business in order to expand its business in this industry.

Should the Possible Acquisitions proceed, the parties shall enter into a formal contract setting out the detailed terms and conditions and a further announcement containing details of the transaction will be published in the newspapers in due course in compliance with the relevant Listing Rules requirements. **In the meantime as the Possible Acquisitions may or may not proceed, shareholders are reminded to take caution when trading the shares of the Company.**

SUSPENSION AND RESUMPTION OF TRADING IN THE EXISTING SHARES

Trading in the existing shares on the Stock Exchange was suspended at the request of the Company with effect from 9:40 a.m. on 10 August 2004 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the existing shares with effect from 9:30 a.m. on 13 August 2004.

By order of the Board of
Goldwiz Holdings Limited
LIU Xue Lin
Chairman

Hong Kong, 12th day of August 2004

As at the date of this announcement, the Company's executive directors are Messrs. LIU Xue Lin, CHEN Ying Feng, YAO Ke Ming, Simon SHI Hao and LIM Ka Thiam whilst the Company's independent non-executive directors are Messrs. Alvan LIU Kwok Fai and CHOW Siu Tong.

* *For identification purpose only*

Please also refer to the published version of this announcement in The Standard.