

---

## IMPORTANT

---

**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 securities of **Goldwiz Holdings Limited**, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

The Stock Exchange of Hong Kong Limited 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.

---



**科維控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 0586)

### DISCLOSEABLE TRANSACTION

### DISPOSAL OF INVESTMENT IN ASSOCIATE

---

The purpose of this circular is to give you further information regarding a transaction disclosed in the announcement dated 27 January 2006 for the disposal of its investment in an associate, Techwayson Holdings Limited, to an independent third party at a consideration of approximately HK\$21.3 million.

A letter from the Board setting out details of the Disposal is set out on page 2 of this circular.

\* For identification purpose only

---

## CONTENTS

---

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b>	
Introduction .....	2
The Transaction .....	3
Reasons for the Disposal .....	4
Additional information .....	5
<b>APPENDIX – GENERAL INFORMATION</b> .....	6

---

## DEFINITIONS

---

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

“Company”	Goldwiz Holdings Limited
“Directors”	the directors of the Company
“Disposal”	the disposal of 27.66% interests, being 96,824,000 shares of HK\$0.1 each, in Techwayson Holdings Limited to the Purchaser
“Goldwiz” or the “Vendor”	Goldwiz Technology Limited, a private company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administration Region of the People’s Republic of China
“Latest Practicable Date”	17 February 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Purchaser”	Mr. CHAK, Joaquim Emilio Kin Man
“RMB”	Reminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the share(s) of HK\$0.1 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TWS”	Techwayson Holdings Limited, a company incorporated in the Cayman Islands with limited liability and listed on the Main Board of the Stock Exchange

---

## LETTER FROM THE BOARD

---



**GOLDWIZ HOLDINGS LIMITED**

**科維控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 0586)

*Executive Directors:*

LIU Xue Lin  
PENG Sheng Bo

*Independent Non-Executive Directors:*

LIU Kwok Fai, Alvan  
CHOW Siu Tong  
LAI Ka Chu

*Registered Office:*

Clarendon House  
Church Street  
Hamilton HM11  
Bermuda

*Head office and Principal Place  
of Business:*

Suite 3204-5, Great Eagle Centre  
23 Harbour Road  
Wanchai  
Hong Kong

21 February 2006

*To the Shareholders*

Dear Sir or Madam,

### **DISCLOSEABLE TRANSACTION**

#### **INTRODUCTION**

On 27 January 2006, the Company announced that on 24 January 2006, a wholly-owned subsidiary of the Company disposed of its investment in TWS, to an independent third party at a consideration of approximately HK\$21.3 million. The net proceeds from the Disposal was used to settle the outstanding indebtedness of HK\$19.6 million (including fee and expenses involved) due to a financial institution (the “Financial Institution”) and with the balance to retain as working capital. Upon completion of the Disposal, TWS ceased to be an associate of the Company.

The Disposal constitutes a discloseable transaction for the Company under the Listing Rules. The purpose of this circular is to provide you with further information in relation to the Disposal.

\* For identification purpose only

---

## LETTER FROM THE BOARD

---

### THE TRANSACTION

Goldwiz reached a verbal agreement with the Purchaser on 16 January 2006. In view of the accelerating finance cost mounting daily, the Company asked the Purchaser to pay the partial consideration of HK\$19.6 million prior to the completion date in order for the Company to settle the indebtedness owing to the Financial Institution. As the Purchaser was out of Hong Kong subsequently, the transfer documents could only be signed after his return on 23 January 2006 later afternoon and stamped on 24 January 2006.

Completion of the transaction took place on 24 January 2006 upon stamping of the transfer documents on the Disposed Shares with the Inland Revenue Department.

### Parties

Vendor: Goldwiz Technology Limited, a wholly-owned subsidiary of the Company, which is an investment holding company incorporated in the British Virgin Islands.

Purchaser: Mr. CHAK, Joaquim Emilio Kin Man. Mr. Chak is a merchant and the owner of Chak's Company Limited which is principally engaged in the trading of antique.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, the Purchaser is third party independent of the Company and its connected persons.

### Assets being disposed of

The 96,824,000 shares of HK\$0.1 each in TWS representing 27.66% equity interest in TWS (the "Disposed Shares"). TWS is a company listed on the Main Board of the Stock Exchange. TWS is an investment holding company and its subsidiaries are principally engaged in the design, supply and integration of automation and control systems. The net profit and loss attributable to the Disposed Shares for the two financial years ended 30 June 2005 of TWS immediately preceding the Disposal were as follows:

	1 July 2003 to 30 June 2004*		1 July 2004 to 30 June 2005	
		(equivalent to)		(equivalent to)
<i>Exchange rate: HK\$1 : RMB1.06</i>	<i>RMB'000</i>	<i>HK\$'000</i>	<i>RMB'000</i>	<i>HK\$'000</i>
Net profit/(loss) before taxation and extraordinary items	4,095	3,849	(4,428)	(4,162)
Net profit/(loss) after taxation and extraordinary items	3,021	2,840	(5,284)	(4,967)

\* TWS became an associate of the Company since 1 March 2004.

After Completion, TWS ceased to be an associate of the Company.

---

## LETTER FROM THE BOARD

---

### Consideration

The total consideration for the Disposed Shares is HK\$21,301,280 satisfied in cash. The unit sale price of HK\$0.22 represents a (i) a discount of approximately 37% to the closing price of HK\$0.35 per TWS's share on 13 January 2006; and (ii) a discount of approximately 40% to the average closing price of HK\$0.366 per TWS's share for the last five trading days up to 13 January 2006. The total consideration of HK\$21.3 million represents a discount of approximately 56% to the carrying value of approximately HK\$48.4 million (based on the closing market price of TWS's shares as at 30 September 2005) of the Company's investment in TWS as stated in the Company's interim report for the six months ended 30 September 2005. Such consideration has been arrived after arm's length negotiation based on normal commercial terms.

In view of the (i) low liquidity of the securities of TWS, (ii) the unsatisfactory business performance of TWS for its financial year ended 30 June 2005, (iii) the urgency of the Company to seek finance in order to settle the secured indebtedness with the Financial Institution and (iv) the need to minimize the ongoing finance cost at default interest rate payable to the Financial Institution, the Directors are of the view that the terms of the Disposal are fair and reasonable and the Disposal is in the best interest of the Company's shareholders and the Company as a whole.

The net proceeds arising from the Disposal is approximately HK\$21.3 million and the Company applied the proceeds to settle the outstanding secured indebtedness and other relevant expenses of approximately HK\$19.6 million (after a repayment of HK\$2.5 million by the Company through its major shareholder prior to 18 January 2006) owing to the Financial Institution and the balance of approximately HK\$1.7 million is retained as general working capital.

### Financial impact of the Disposal

It is expected that the Company will accrue a loss of approximately HK\$27 million as a result of the Disposal. The calculation is based on the comparison between the Consideration received by the Company and the Company's latest published carrying value of the Disposed Shares at 30 September 2005. The loss to be recognized in the income statement of the Company for the financial year ending 31 March 2006 may be different from the aforementioned amount as the Company will calculate it by reference to the carrying value of the Disposed Shares at the date of the Disposal. As a result of the Disposal, the Company's interests in TWS will be removed from the consolidated financial statements of the Company and the assets of the Group will be decreased by approximately HK\$46.7 million. As part of the sale proceeds as to HK\$19.6 million was directly used to settle the indebtedness due to the Financial Institution, the liabilities of the Group will at the same time be decreased by HK\$19.6 million.

### REASONS FOR THE DISPOSAL

The Group has been primarily engaged in the operation of Harbour Plaza Kunming in the PRC, the manufacturing and distribution of electronic products related materials and strategic investment in automation and control system as well as in PRC properties. As the Company is short of working capital and it is in urgency of a need to dispose of the Company's assets, the Directors believed that through the Disposal, the Company would be able to settle the indebtedness with the Financial Institution and to obtain some working capital.

---

## LETTER FROM THE BOARD

---

### ADDITIONAL INFORMATION

Your attention is drawn to the general information on the Company set out in the Appendix to this circular.

Yours faithfully,  
On behalf of the Board of  
**Goldwiz Holdings Limited**  
**Peng Sheng Bo**  
*Director*

**1. RESPONSIBILITY STATEMENT**

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in the circular with regard to the Group and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

**2. DIRECTORS INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURE**

As at the Latest Practicable Date, the interests and short positions of the Directors in the Shares or underlying Shares of the Company or its associated corporations (within the meaning of Part XV of the SFO which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) to be entered into the register maintained by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

<b>Name</b>	<b>Number of Shares Corporate Interest</b>	<b>Approximate Shareholding</b>
Mr. Liu Xue Lin	Short position – 50,360,000*	4.71%

\* The above Shares are held through Open Mission Assets Limited, which is beneficially owned by Mr. Liu Xue Lin.



### 3. SUBSTANTIAL SHAREHOLDERS

#### (a) Interests disclosed pursuant to the SFO

As at the Latest Practicable Date, so far as was known to the Directors, the following persons (other than the Directors or the chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name	Nature of interest	Number of underlying shares (long position)	% of issued share capital	Number of shares		
				Long position	Short position	% of issued share capital
Kevin Charles McCabe	Corporate interest	50,036,000*	4.71%	200,000,000	–	18.84%
Scarborough Group Ltd	Interest of controlled corporation	50,036,000*	4.71%	200,000,000	–	18.84%
Scarborough Group Holdings plc	Interest of controlled corporation	50,036,000*	4.71%	200,000,000	–	18.84%
Scarborough Property Company plc	Interest of controlled corporation	50,036,000*	4.71%	200,000,000	–	18.84%
SPC Group plc	Interest of controlled corporation	50,036,000*	4.71%	200,000,000	–	18.84%
Scarborough Developments (China) Limited	Interest of controlled corporation	50,036,000*	4.71%	200,000,000	–	18.84%
Skywill Agents Limited	Interest of controlled corporation	50,036,000*	4.71%	200,000,000	–	18.84%
Scarborough Holdings Limited	Interest of controlled corporation	50,036,000*	4.71%	200,000,000	–	18.84%
Top Flying Investment Limited	Security interest	50,036,000*	4.71%	–	–	–
Top Flying Investment Limited	Registered shareholder	–	–	200,000,000	–	18.84%
Open Mission Assets Limited	Registered shareholder/ Beneficial owner	–	–	–	50,036,000 <sup>#</sup>	4.71%

\* These shares represent the same security interest held by Top Fly Investment Limited.

<sup>#</sup> The shareholding is duplicated in the section headed “Directors Interests and Short Positions in Shares, Underlying Shares and Debenture” disclosed above.

**(b) Substantial shareholders of other members of the Group**

As at the Latest Practicable Date, so far as is known to the Directors, the following persons (other than the Directors or chief executive of the Company) were directly or indirectly interested in ten per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the other members of the Group:

Name of subsidiary	Name of shareholder	Percentage of shareholding
Goldwiz Huarui (Tongling) Electronic Material Co. Ltd.	Techwire Enterprises Limited*	18.52%

\* *Techwire Enterprises Limited is a wholly-owned subsidiary of TWS.*

Save as disclosed above, so far as is known to any Directors, there was no other person (not being a Director or chief executive of the Company) who, as at the Latest Practicable Date, had interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in ten per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group or had any options in respect of such capital.

**4. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, there were no existing or proposed service contracts between any of the Directors and any member of the Company or its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

**5. COMPETING BUSINESS**

As at the Latest Practicable Date, none of the Directors, or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

**6. LITIGATION**

- (a) In end December 2005, a non-wholly owned subsidiary of the Company, 科維華瑞(銅陵)電子材料有限公司 Goldwiz Huarui (Tongling) Electronic Material Co. Limited (“Goldwiz Tongling”), received writs of summon from ten suppliers and summons from various PRC courts in relation to the overdue trade payables totaling RMB16.25 million (HK\$15.63 million) due to the suppliers. In mid January 2006, Goldwiz Tongling received judgments from the courts made in favour of two suppliers in respect of the overdue payables of RMB5.74 million (HK\$5.52 million). Hearings in respect of two writs of summon were held in mid February 2006. Negotiations will be made between the suppliers and the representatives of Goldwiz Tongling for debt restructuring issue.

- (b) In end December 2005, Goldwiz Tongling received a writ of summon from a former shareholder (the “Former Shareholder”) of Goldwiz Tongling and a summon from the Intermediate People’s Court of Tongling, Anhui Province, the PRC (the “Tongling Court”) in respect of the indebtedness of RMB16.34 million (HK\$15.71 million) owed by Goldwiz Tongling to the Former Shareholder. Hearing will be held on 1 March 2006. Negotiations will be made between the Former Shareholder and the representatives of Goldwiz Tongling for debt restructuring issue.
- (c) In January 2006, Goldwiz Tongling received writs of summon from the following PRC banks and summons from the Tongling Court in respect of the claims on certain bank loan contracts disputes involving a total indebtedness of approximately RMB89.17 million (HK\$85.74 million) owed by Goldwiz Tongling. Hearings will be held in early March 2006.

Name of bank	(exchange rate: RMB1.04 = HK\$1)	
	Amount (RMB)	Equivalent to HKD
Industrial and Commercial Bank of China, Tongling Branch	26,076,300	25,073,365
China Construction Bank, Tongling Branch	41,500,000	39,304,846
Bank of China, Tongling Branch	21,599,400	20,768,653
<b>Total:</b>	<b>89,175,700</b>	<b>85,146,864</b>

Negotiations will be made between the above bankers and the representatives of Goldwiz Tongling for debt restructuring issue.

- (d) In January 2006, Goldwiz Tongling as the first defendant and a wholly-owned subsidiary of the Company, Goldwiz Huarui (Shenzhen) Electronic Material Co. Ltd. 科維華瑞 (深圳) 電子材料有限公司 (“Goldwiz Shenzhen”) of the Company as the second defendant each received a writ of summon from Kinghing Trust & Investment Co., Limited (the “Trust Company”) and a summon from the Intermediate People’s Court of Jin Hua, Zhejiang Province, the PRC regarding an alleged overdue loan of RMB100 million (HK\$96.15 million) plus accrued interest of approximately RMB9.14 million (HK\$8.79 million) calculated up to 14 November 2005 (the “First Alleged Claim”) owed to the Trust Company by Goldwiz Tongling. The First Alleged Claim was claimed to be guaranteed by Goldwiz Shenzhen. The Company has instructed a PRC lawyer to submit objection on the jurisdiction of legal proceedings and is still awaiting the reply. Hearing originally scheduled on 3 March 2006 may be postponed accordingly.

Upon checking with the relevant staff in the PRC, it appeared that the First Alleged Claim has not been recorded in the books of Goldwiz Tongling as a liability nor of Goldwiz Shenzhen as a contingent liability. Moreover, the First Alleged Claim was made without the knowledge of the then board of directors of the Company. The Company is in the process of facts finding and will instruct a PRC lawyer and appropriate persons to look into the matter.

- (e) In early February 2006, Goldwiz Shenzhen received a writ of summon from Shenzhen Development Bank, Shanghai branch (the “Development Bank”) and a summon from the Intermediate People’s Court of Shanghai Province, the PRC in relation to the alleged outstanding bank loan of RMB35 million (HK\$33.65 million) plus accrued interest of RMB2 million (HK\$1.92 million) (calculated up to 14 October 2005) (the “Second Alleged Claim”) owed to the Development Bank by Goldwiz Shenzhen. Upon checking with the relevant staff of Goldwiz Shenzhen, it appeared that the Second Alleged Claim has not been recorded in the books of Goldwiz Shenzhen as a liability. Moreover, the Second Alleged Claim was made without the knowledge of the then board of directors of the Company. Hearings will be held on 23 February 2006. The Company is in the process of facts finding and will instruct a PRC lawyer and appropriate persons to look into matter.

## **7. MISCELLANEOUS**

- (1) The qualified accountant of the Company is Miss Fung Yin Wan. She is a fellow member of The Association of Chartered Certified Accountants and an associate member of Hong Kong Institute of Certified Public Accountants. She is also an associate member of the Institute of Company Secretaries and Administration and the Hong Kong Institute of Company Secretaries.
- (2) The company secretary of the Company is Ms. Liu Chui Ying. She is an associate of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Company Secretaries.
- (3) The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.