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Techwayson Holdings Limited

德維森控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

SUPPLEMENTAL INFORMATION FOR 2001/02 INTERIM REPORT

Further to the Company's Interim Report, the Company would like to provide supplemental information in relation to capital structure, significant investment, segmental information, employee information, charge on assets, material investments and capital assets, and contingent liabilities as required by Rules 18.41(2), 18.41(4), 18.41(6) to 18.41(9) and 18.41(12) of the GEM Listing Rules.

The board of directors (the "Board") of Techwayson Holdings Limited (the "Company") refers to the interim report of the Company for the six months ended 31 December 2001 dated 5 February 2002 (the "Interim Report") and would like to provide supplemental information as required by Rules 18.41(2), 18.41(4), 18.41(6) to 18.41(9) and 18.41(12) of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") under the section headed "Management's Discussion and Analysis" in the Interim Report as follows.

CAPITAL STRUCTURE

As of 31 December 2001, majority of the Company and its subsidiaries (the "Group")'s debt is denominated in Hong Kong Dollars, unsecured and interest bearing at LIBOR plus 1%. As of 30 June 2001, the Group had no any borrowing or long term debts. The Group had not granted any banking facilities during the six months ended 31 December 2001 and fiscal year of 2000/01. The incomes of the Group are dominated either in Hong Kong Dollar or Renminbi and the Group has adequate recurring cash flow to meet maturing borrowings. The Group adhered to a prudent policy on financial risk management and the management of currency and interest rate exposures. Hence the Group's exposure to fluctuations in the exchange rate is considered to be minimal and there is seldom the need to make use of financial instruments for hedging purposes.

SIGNIFICANT INVESTMENT

In September 2001, the Group acquired an effective 18.52% interest in Tongling Huarui Electronic Materials Co. Ltd. ("Tongling"), a sino-foreign joint venture enterprise established in the PRC, as a long-term investment. Tongling is primarily engaged in the production and distribution of (i) epoxide woven glass fabric copper clad laminate (FR-4); and (ii) thin and rigid laminate used in multi-layer printed circuit board (PCB). As of 31 December 2001, Tongling reported a net asset value of approximately RMB64.51 million (as of 31 August 2001: approximately RMB61.68 million). As no dividend was declared by Tongling for its financial year ended 31 December 2001, no dividend income was received by the Company during the period under review in respect of the investment in Tongling.

SEGMENTAL INFORMATION

As the property market in the PRC keeps improving, there is a rising demand in quality buildings for both commercial and residential sectors. For the six months ended 31 December 2001, contribution of Building Automation System (BAS) segment to the Group's performance has become more significant. Despite the keen competition of BAS products and its thinner profit margin at about 47%, the Group will hope to be benefit from the market potential and our capability to provide total solution to our clients. It is expected that the market trend will continue, making BAS our major source of income this year.

For the industrial automation, market for traditional industries such as oil refining and steel refining has slowed down but profit margin remains high at about 58%. The Group is developing the automation market of emerging industries to enlarge the market base. Although turnover of this sector has declined in the period under review, the Group is currently still optimistic about the future of the sector especially in the infra-structure related area.

EMPLOYEE INFORMATION

For the six months ended 31 December 2001, the Group has recorded a staff costs of approximately RMB3,607,000 representing by 23% decrease from approximately RMB4,688,000 for the corresponding period of 2000. The decrease in staff costs is mainly due to the reduction of the number of staff from 120 employees (as of 31 December, 2000) to 100 employees (as of 31 December, 2001). The Group provides competitive remuneration packages to employees commensurable to market level in the business in which the Group operates and their qualifications. Incentive schemes composed of discretionary bonus and other merit payments to reward employees based on performance are also offered. The Group also provides mandatory provident fund, medical benefits and external training programs for all staff.

CHARGE ON ASSETS

As at 31 December 2001 and 30 June 2001, the Group has no any charge on their assets.

MATERIAL INVESTMENTS AND CAPITAL ASSETS

Other than those disclosed in the Company's prospectus dated 31 January 2001 under the section headed "Business Objectives and Future Prospects", there has been no material change in the Group's future plan for material investments and acquisition of material capital assets as at 31 December 2001.

CONTINGENT LIABILITIES

As at 31 December 2001 and 30 June 2001, the Group has no any contingent liabilities.

By Order of the Board
Sze Kwan
Chairman

Hong Kong, 15 March 2002

This announcement, for which the directors of 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 for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:- (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of Techwayson Holdings Limited at www.techwayson.com.hk.