



TECHWAYSON HOLDINGS LIMITED

德維森控股有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2330)

DISCLOSEABLE TRANSACTION FORMATION OF A JOINT VENTURE COMPANY

Financial Adviser



CENTURION CORPORATE FINANCE LIMITED

Magic Gain, a wholly-owned subsidiary of the Company, has entered into the Shareholders' Agreement under which it will take up 25% of the issued shares in the JV Company. The Shareholders' Agreement stipulates that the JV Company shall establish two subsidiaries, namely PT Orient Metro and Now Gain, to provide Technical Services and Export Services respectively to, STUT, an Indonesian mining licence holder and with the consent of STUT, other Indonesian mining companies and/or mine owners. The establishment of Now Gain as a subsidiary of JV Company has since been completed and the entering into of the Export Supply Agreement by Now Gain as set out in this announcement enables Now Gain to begin such Export Services. PT Orient Metro has not yet been established and consequently, PT Orient Metro has not yet entered into any binding contract in respect of the proposed Technical Services.

The authorised capital of the JV Company is, and the issued capital of the JV Company will be, US\$50,000.00 divided into 50,000 ordinary shares of US\$1.00 each. Magic Gain will subscribe 12,500 shares in the JV Company to hold a 25% equity interest. Magic Gain has also agreed to provide its pro rata share of additional funding of up to US\$1.5 million (25% of the total US\$6 million) as a shareholders' loan, for the purchase of vehicles, machinery, equipment, mining accessories and office equipment and for the working capital of the business of the JV Company and its subsidiaries.

Now Gain, a wholly-owned subsidiary of the JV Company, has entered into the Export Supply Agreement, which sets out the terms and conditions to which STUT has agreed to appoint Now Gain as its sole marketing, sale and export agent of the natural resources such as iron ore and iron sand from Indonesia to be supplied by STUT to Now Gain during the term of the Export Supply Agreement.

The entering into of the Shareholders' Agreement constitutes a discloseable transaction for the Company under the Listing Rules. A circular containing, among other things, further details of the Shareholders' Agreement and for reference only, the Export Supply Agreement will be despatched to the shareholders of the Company for their information as soon as practicable.

THE SHAREHOLDERS' AGREEMENT

Date: 17 July 2006

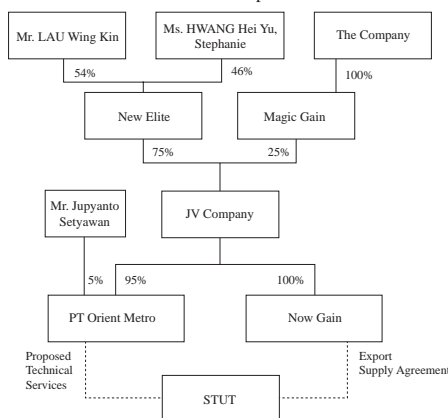
Parties: New Elite, Magic Gain, the JV Company, STUT, Ms. Hwang Hei Yu, Stephanie, Mr. Lau Wing Kin and Mr. Jupyanto Setyawan

The Shareholders' Agreement sets out the terms and conditions on and subject to which the parties have agreed that the JV Company is to be capitalized and operated as a joint venture company. Pursuant to the Shareholders' Agreement, the JV Company shall establish one 95%-owned and one wholly-owned subsidiary, namely PT Orient Metro (to be owned as to 5% by Mr. Jupyanto Setyawan) and Now Gain respectively, which will provide, subject to the parties agreeing, Technical Services and, pursuant to the Export Supply Agreement, Export Services respectively to STUT and to, potentially, other Indonesian mining companies and/or mine owners. It is expected that the proposed Technical Services will be provided in relation to an iron ore mine and an iron sand mine, the concession rights are respectively held by STUT and PT Antam Resourcindo (brief details of which are set out below under the section headed "Business background") but the JV Company will consider other mined products and/or locations as it goes forward. An application will be made by the JV Company to the relevant local authority for the registration and approval of PT Orient Metro (or such other name as available and approved by the relevant local authority) which will be owned as to 5% by Mr. Jupyanto Setyawan as a foreign investment company permitted to carry out the proposed Technical Services in Indonesia. The marketing and sales activities to be carried out by Now Gain shall be solely for the purpose of exporting the mined products such as iron ore, iron sand, coal and other natural mineral products outside Indonesia.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of Mr. Jupyanto Setyawan, Mr. Lau Wing Kin, Ms. Hwang Hei Yu, Stephanie, New Elite, STUT, their respective beneficial owners (if applicable) and each of their respective associates is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

Corporate chart of the JV Group

The following is a corporate chart of the JV Group and the shareholders of JV Company:



Principal terms of the Shareholders' Agreement:

Total investment amount

The authorised capital of the JV Company is US\$50,000.00 divided into 50,000 ordinary shares of US\$1.00 each. As at the date of this announcement, the issued share capital of the JV Company is 1 ordinary share of US\$1.00 each, which is registered and owned by the Company. Pursuant to the Shareholders' Agreement, the JV Company will issue and allot new ordinary shares in the JV Company and after the following allotment of shares, the issued share capital of the JV Company will be increased from US\$1.00 to US\$50,000 and the shareholding structure will be as follows:-

Name of shareholders	No. of shares held after restructuring	% of shareholding	Amount of capital contribution
New Elite	37,500	75%	US\$37,500
Magic Gain**	12,500*	25%	US\$12,500
Total	50,000	100%	US\$50,000

Notes:

- * One share to be transferred from the Company
- ** Magic Gain is wholly-owned by the Company

The relevant capital contribution shall be paid up by the shareholders within 30 days of the execution of the Shareholders' Agreement.

The shareholders, namely New Elite and Magic Gain, also agreed to provide additional funding to the JV Company of up to US\$6 million as shareholders' loan in the proportion of their respective shareholdings in the JV Company, from time to time, for the purchase of vehicles, machinery, equipment, mining accessories and office equipment and for the working capital of the business of the JV Group.

The aggregate value of the consideration payable as capital (US\$12,500) and shareholders' loan(s) (maximum commitment of US\$1,500,000) by Magic Gain under the Shareholders' Agreement is thus US\$1,512,500, which will be funded from the internal resources of the Group. New Elite will contribute its pro rata share of respectively, the capital contribution of the JV Company of US\$37,500 and the maximum commitment of shareholders' loan(s) of US\$4,500,000, under the Shareholders' Agreement.

Shareholders' Agreement in respect of management of the JV Company

The board of the JV Company shall consist of five directors and each of Magic Gain and New Elite may appoint two representatives to the board of directors of the JV Company and the remaining director shall be Mr. Jupyanto Setyawan, who shall also act as chairman of the board of directors

of the JV Company. STUT is beneficially and wholly-owned by Mr. Jupyanto Setyawan. The board composition of PT Orient Metro and Now Gain shall be the same as those of the JV Company from time to time.

The decisions of the board of directors of the JV Company shall be made by a simple majority of votes cast by the directors. The Shareholders' Agreement also sets out certain matters which require unanimous consent of all members of the board of directors of the JV Company.

Other terms of the Shareholders' Agreement

The Shareholders' Agreement also sets out procedures for first rights of refusal and any transfer of shares in the JV Company, dividend and distribution of profits policy, non competition undertaking by the directors and shareholders of the JV Company and non assignment of the rights and obligations conferred by or set out under the Shareholders' Agreement.

Each of Mr. Lau Wing Kin and Ms. Hwang Hei Yu, Stephanie has given an undertaking to ensure the fulfillment of the obligations of New Elite under the Shareholders' Agreement.

Undertaking by Mr. Jupyanto Setyawan

Mr. Jupyanto Setyawan has given an undertaking to assist PT Orient Metro to obtain all necessary licences and approval from The Investment Coordinating Board (Badan Koordinasi Penanaman Modal), Jakarta, and relevant local authorities including but not limited to the proposed application for the establishment of the JV Company as an Indonesian Limited Liability Company with Foreign Investment Status in accordance with the Law No 1/1967, as amended (Foreign Investment Law) for the purpose of undertaking the Technical Services business. Consequently, Mr. Jupyanto Setyawan will assist PT Orient Metro to obtain the licences and approvals from the authorities for the purpose of undertaking the proposed Technical Services.

Business background

The JV Group's principal business is to carry on the businesses of the provision of Technical Services within Indonesia and of Export Services to the Territories. Whilst the JV Group may also engage in such other businesses permitted by the Memorandum and Articles of Association of the JV Company, the Company is not aware that the JV Group is contemplating any other businesses other than those set out herein.

Export Services are currently expected to be provided in relation to the following iron ore mine and iron sand mine:-

- In respect of the iron ore mine; in February 2006, STUT was awarded by the "Regent of Solok" (a regional authority in Indonesia) a decree regarding the mining rights granted under the Exploration Mining Attorney Assignment to allow STUT to carry out, among others, iron mineral exploration in an area of 600 ha in Air Dingin District, Lembah Gumanti, West Sumatra, Indonesia. The exploration risks in connection with this mine rests with STUT as the JV Group is concerned in the Export Supply Agreement with STUT. The JV Group has not entered into any agreement with STUT for the provision of the proposed Technical Services. The arrangements with STUT in respect of this iron mine presents the JV Group a good opportunity to commence the provision of Export Services, and pending the entering into of the relevant agreement, Technical Services.
- In respect of the iron sand mine; on 28 June 2006, STUT entered into a contract of cooperation with PT Antam Resourcindo whereby the parties agreed to co-operate in the operation of an iron sand mine in Kutoarjo, Purworejo Regency, in Central Java Province, Indonesia which involves the mining, production and transportation of iron sand, the construction of mining facilities and the marketing and sale of the iron sand products. The concession rights for the mining and production of this iron sand mine are held by PT Antam Resourcindo, a wholly-owned subsidiary of PT Antam Tbk, a major mining company in Indonesia with its issued shares being traded on the Jakarta Stock Exchange and Australian Stock Exchange and majority of whose turnover comes from the export of mined products. For every metric tonne of mined iron sand exported and sold, STUT will have to pay under the contract to PT Antam Resourcindo a fixed percentage of the selling price or such amount as agreed between STUT and PT Antam Resourcindo from time to time. PT Antam Resourcindo is thus the holder of the concession rights and STUT provides the technical capabilities for the mining related activities and the network marketing services for iron sand.

STUT also intends to enter into a mining services agreement with PT Orient Metro under which PT Orient Metro is to provide Technical Services to STUT relating to the above two mines. As set out below, STUT has entered into the Export Supply Agreement with Now Gain under which Now Gain will provide Export Services to STUT relating to the export of the mined products from the mines as described above. PT Antam Resourcindo and/or STUT, as concession rights grantees, will apply for, or procure the application for, the relevant export permit required under the Export Services.

EXPORT SUPPLY AGREEMENT

Date: 17 July 2006

Parties: Now Gain and STUT

The Export Supply Agreement sets out the terms and conditions upon which STUT has agreed to appoint Now Gain as its sole marketing, sale and export agent of mined products such as iron ore, iron sand, coal and other natural mineral products from Indonesia to be supplied by STUT to Now Gain. With regard to the marketing and sale of the Products by Now Gain in Indonesia, it is understood that such marketing and sale activities shall be solely for the purpose of exporting the Products outside Indonesia during the duration of the Export Supply Agreement and initially, the People's Republic of China is the marketplace for such Products. For the avoidance of doubt, the Export Supply Agreement does not constitute a discloseable transaction for the Company under the Listing Rules.

Principal terms of the Export Supply Agreement:

The Export Supply Agreement shall be effective from the date of signing and will continue for a fixed period of ten years and thereafter will continue from year to year unless terminated by at least twelve months' written notice by either party to the other.

Under the Export Supply Agreement, Now Gain will place purchase orders with STUT for quantities of the Products as and when required, and STUT shall accept the same, provided that all such orders will be placed so as to allow STUT at least 30 days for delivery. All such orders will be placed by Now Gain on the terms and conditions to be agreed separately for each contract shipment between the parties in writing, which shall govern and form part of every contract for the supply of the Products by STUT to Now Gain.

STUT will supply the Products at a price to be agreed between the parties for each contract and may be subject to variation in accordance with the prices traded on the international markets.

While the Export Supply Agreement is in force, Now Gain has given an undertaking not to purchase the Products from any person other than STUT or to enter into any other contracts with any other third party directly or indirectly, unless otherwise agreed by parties to the Export Supply Agreement.

REASONS FOR THE SHAREHOLDERS' AGREEMENT AND EXPORT SUPPLY AGREEMENT

As set out in the Company's circular dated 10 June 2006 to its shareholders, the Company has diversified its businesses into the trading of natural resources and as such, the trading of mined products from Indonesia and the entering into of the Shareholders' Agreement and Export Supply Agreement will better enable the Company to secure a constant and reliable supply of iron ore and iron sand for the Group's trading needs.

The Directors consider that both the Shareholders' Agreement and the Export Supply Agreement are entered into on normal commercial terms following arm's length negotiations between the parties to such agreements and the respective terms of the Shareholders' Agreement and Export Supply Agreement are fair and reasonable and in the interests of the shareholders of the Company as a whole.

CURRENT STATUS AND RISKS OF THE EXPORT AND TECHNICAL SERVICES

The JV Group plans to start its Technical Services and Export Services with the iron sand mine in Java of which the concession rights for the mining and production of this iron sand mine is held by PT Antam Resourcindo, a wholly-owned subsidiary of the Antam group of Indonesia. The Government of Indonesia is the major shareholder of the Antam group, holding 65% of its issued shares. PT Antam Resourcindo and STUT will obtain all necessary permits relating to the operation, mining and export of the mined products. It is proposed that PT Orient Metro, the company to be established, will provide Technical Services, including turn-key advice, technical assistance, equipment and machinery, to STUT. Now Gain will act as a trader to buy the mined products and sell them to customers in the People's Republic of China. Save for the potential risks related to the political, business, and natural disaster, the Company believes that the Export Services and Technical Services businesses in Indonesia are potentially exposed to the similar level of risks and challenges as other similar businesses in other countries.

Whilst the JV Group is still at its start-up stage and accordingly, no expenditure estimates or commitments are set out in the agreements mentioned above, save for the US\$1,512,500 maximum amount of commitment agreed to by Magic Gain under the Shareholders' Agreement, neither Magic Gain nor the Company is obligated to fund any other expenditure of the JV Group. The Company and Magic Gain have been assisted by Indonesian legal advisers in respect of the formation of the JV Group and the Company is of the view that no other legal opinion is required in relation to the proposed transactions set out in this announcement. The Indonesian legal advisers will also be responsible for drafting a mining service agreement in respect of the Technical Services (if any) and the establishment of the mining service company in Indonesia according to the requirements set out under the applicable Indonesian laws and regulations. Consequently, the precise scope of the proposed Technical services has yet to be finalized under the mining service agreement.

As set out herein, the JV Group will be owned as to 25% by Magic Gain and as such, the JV Company will be treated as an associated company of the Company and the financial statements of the JV Group will not be consolidated into the financial statements of the Group. Also neither the JV Group nor the Group owns or holds any mining concession rights, the Group will not be engaging in the exploration or production of natural resources.

GENERAL

The principal business activities of the Group are investment holding, design, supply and integration of automation and control system, and the trading of mined products such as iron ore, iron sand, coal and other natural mineral products. The Directors consider such diversification into the trading of mined and mineral products will broaden the revenue base of the Group.

The entering into of the Shareholders' Agreement constitute a discloseable transaction for the Company under the Listing Rules. A circular containing, among other things, further details of the Shareholders' Agreement and for reference only, the Export Supply Agreement will be despatched to the Shareholders for their information only as soon as practicable.

Trading in the shares of the Company on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 16 March 2006. The Company is still in the process of investigating into the matters regarding, and addressing issues arising from, the circumstances that gave rise to the claims as set out in the announcement dated 25 May 2006.

DEFINITIONS

Capitalised terms used herein, shall have the following meanings:

"Board"	the board of directors of the Company;
"Company"	Techwayson Holdings Limited, whose shares are listed on the Stock Exchange;
"Director(s)"	Director(s) of the Company;
"Export Services"	means the marketing, sales and export of the mined products such as iron ore, iron sand, coal and other natural mineral products from Indonesia;
"Export Supply Agreement"	The export supply agreement entered into on 17 July 2006 between Now Gain and STUT;
"Group"	the Company and its subsidiaries;
"JV Company"	Orient Metro Limited, a private company incorporated in the British Virgin Islands to be owned as to 25% by Magic Gain, 75% by New Elite;
"JV Group"	JV Company and its subsidiaries, namely PT Orient Metro and Now Gain;
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange;
"Magic Gain"	a private limited company incorporated in the British Virgin Islands whose issued shares are owned as to 100% by the Company;
"Technical Services"	means the provision of equipment, machinery, technical advice and supporting services for the purposes of excavating mines and the operation and management of mines;
"New Elite"	New Elite Holdings Limited, a private company incorporated in the British Virgin Islands whose issued shares is beneficially and owned as to 54% by Mr. LAU Wing Kin and as to 46% by Ms. Hwang Hei Yu, Stephanie;
"Now Gain"	Now Gain Limited, a private limited company incorporated in the British Virgin Islands to be established as a wholly-owned subsidiary of the JV Company under the Shareholders' Agreement;
"PT Orient Metro"	PT Orient Metro Utama (or such other name to be registered and approved by the relevant Indonesian authority), a private company to be incorporated in Indonesian as an approved Foreign Investment Company whose issued shares shall be held as to 95% by the JV Company and as to 5% by Mr. Jupyanto Setyawan under the Shareholders' Agreement;
"Products"	mined products such as iron ore, iron sands, coal and other natural mineral products;
"Shareholders' Agreement"	The shareholders' and joint venture agreement entered into on 17 July 2006 between New Elite, Magic Gain, the JV Company, STUT, Ms. Hwang Hei Yu, Stephanie, Mr. Jupyanto Setyawan and Mr. Lau Wing Kin;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"STUT"	PT Sel Tehnik Utama Trading, a company incorporated in the Republic of Indonesia, whose registered office is at Jalan Raden Saleh No.25A, Surabaya, East Java, Republic of Indonesia, founded on 20 March 1989, currently holding a valid business licence and all necessary governmental corporate filings, is beneficially and wholly-owned by Mr. Jupyanto Setyawan;
"Territories"	means British Virgin Islands, Hong Kong and the People's Republic of China and such other areas (other than the Republic of Indonesia) as the parties to the Shareholders' Agreement may agree in writing;
"US\$"	United States Dollars, the lawful currency of United States of America.

As at the date of this announcement, the Board of Directors of the Company comprises four Executive Directors, namely Dr. SZE Kwan, Mr. SIEK Fui, Ms. CHAN Siu Chu, Debby and Mr. LIU Ping, one Non-executive Director, namely Mr. Gerard McMahon and three Independent Non-executive Directors, namely Mr. WEE Soon Chiang, Henny, Mr. WONG Kam Kau, Eddie and Mr. HUI Hung, Stephen.

By order of the Board
Techwayson Holdings Limited
Chan Siu Chu, Debby
 Director & CEO

Hong Kong, 27 July 2006.

* For identification purposes only