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If you have sold or transferred all your shares in Far East Holdings International Limited, you should at once hand this circular, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



遠東控股國際有限公司

Far East Holdings International Limited

(Incorporated in Hong Kong with limited liability)

(Stock code: 36)

DISCLOSEABLE TRANSACTION INVOLVING ISSUE OF NEW SHARES

Financial adviser

AmCap

Ample Capital Limited

豐盛融資有限公司

A notice convening an extraordinary general meeting of the Company to be held at 24/F, Far East Consortium Building, 121 Des Voeux Road, Central, Hong Kong on Tuesday, 12 February 2008 at 3:00 p.m. is set out on pages 19 to 20 of this circular.

Whether or not you are able to attend the extraordinary general meeting, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at Room 1806-07, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof should you so wish.

18 January 2008

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DEFINITIONS

In this circular, the following terms and expressions shall have the following meanings unless the context otherwise requires:

“Articles of Association”	the articles of association of the Company as altered from time to time
“Acquisition”	the acquisition of the Sale Share and the Shareholder’s Loan by the Purchaser from the Vendor pursuant to the terms and subject to the conditions set out in the S&P Agreement
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday) on which banks in Hong Kong are open for business
“Capital Balance”	the outstanding balance of Wealth Trend’s contribution to the registered capital of the PRC JV, being RMB13,728,620 less the RMB equivalent of HK\$3,310,000
“Company”	Far East Holdings International Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Completion”	the completion of the S&P Agreement
“Completion Date”	the date of Completion
“Consideration Shares”	20,000,000 Shares to be allotted and issued by the Company to the Vendor (or its nominee) credited as fully paid pursuant to the S&P Agreement
“Contract”	the contract titled 《關於背景音樂著作權保護及內容服務合作協議》 dated 5 September 2007 made between the PRC JV and MCSC
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purposes of considering and, if thought fit, approving the S&P Agreement and the transactions contemplated thereunder, including the allotment and issue of the Consideration Shares
“Existing Issue Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 1 June 2007 to, inter alia, allot, issue and deal with securities of the Company not exceeding 20% of the then issued share capital of the Company as at the date of such meeting

DEFINITIONS

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	an independent third party, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, who is not connected with the Company and its connected persons (as defined under the Listing Rules)
“Last Full Trading Day”	28 December 2007, being the last full day on which the Shares were traded on the Stock Exchange prior to suspension of trading in the Shares pending release of the announcement of the Company dated 9 January 2008 in relation to the Acquisition
“Latest Practicable Date”	16 January 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MCSC”	the Music Copyright Society of China (中國音樂著作權協會)
the “PRC”	the People’s Republic of China
“PRC JV”	北京金音源管理科技有限公司, a sino-foreign equity joint venture established in the PRC on 13 August 2007, with a registered capital of RMB25 million
“Purchaser”	Golden Star Investment Limited, a company incorporated in Hong Kong on 12 November 2007 and a wholly-owned subsidiary of the Company
“RMB”	Reminbi, the lawful currency of the PRC
“Sale Share”	one share of Wealth Trend, representing the entire issued share capital of Wealth Trend as at the date of the S&P Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shareholder’s Loan”	the shareholder’s loan owed by Wealth Trend to the Vendor. As at 31 December 2007, Wealth Trend was indebted to the Vendor a shareholder’s loan of approximately HK\$6.1 million

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“S&P Agreement”	the sale and purchase agreement dated 2 January 2008 in relation to the Acquisition
“Vendor”	Allied Wealth Holdings Limited, a company incorporated in Hong Kong on 11 April 2007
“Wealth Trend”	Wealth Trend Investment Limited, a company incorporated in Hong Kong
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



遠東控股國際有限公司
Far East Holdings International Limited

(Incorporated in Hong Kong with limited liability)

(Stock code: 36)

Executive Directors

Deacon Te Ken Chiu J.P., *(Chairman)*

Mr. Duncan Chiu

(Managing Director and Chief Executive Officer)

Mr. Dennis Chiu

Non-executive Director

Tan Sri Dato David Chiu

Mr. Daniel Tat Jung Chiu

Mr. Derek Chiu

Mr. Desmond Chiu

Ms. Margaret Chiu

Ms Min Tang

Registered Office

16th Floor

Far East Consortium Building

121 Des Voeux Road Central

Hong Kong

*Head Office and Principal Place
of Business*

Room 1802-1804, 18th Floor

Far East Consortium Building

121 Des Voeux Road Central

Hong Kong

Independent non-executive Directors

Dr. Lee G. Lam

Mr. Hing Wah Yim

Mr. Eugene Yun Hang Wang

18 January 2008

To the Shareholders

Dear Sir/Madam,

DISCLOSEABLE TRANSACTION INVOLVING ISSUE OF NEW SHARES

INTRODUCTION

In the announcement of the Company dated 9 January 2008, the Company announced that the Purchaser and the Company entered into the S&P Agreement with the Vendor and Mr. Sin Kwok Lam on 2 January 2008, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Share, representing the entire issued share capital of Wealth Trend and the Shareholder's Loan at an aggregate consideration of HK\$40,000,000. The S&P Agreement was first negotiated between the parties in early September 2007.

LETTER FROM THE BOARD

The Acquisition constitutes a discloseable transaction of the Company under the Listing Rules.

The purpose of this circular is to provide you with further information of the Acquisition together with the notice of the EGM.

THE S&P AGREEMENT

The principal terms of the S&P Agreement are set out below:

Date

2 January 2008

Parties

- (i) Allied Wealth Holdings Limited, a company incorporated in Hong Kong with limited liability, as the vendor. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor is an investment holding company and each of the Vendor and its ultimate beneficial owner, Mr. Sin Kwok Lam, is an Independent Third Party;
- (ii) Golden Star Investment Limited, a wholly-owned subsidiary of the Company, as the purchaser;
- (iii) the Company; and
- (iv) Mr. Sin Kwok Lam, as the guarantor. Mr. Sin has guaranteed to the Purchaser the due and punctual performance by the Vendor of its obligation to repay the Deposit and, in the case of failure by the Vendor to duly or punctually perform such obligation, shall himself forthwith on demand perform such obligation.

Subject matter of the S&P Agreement

Pursuant to the S&P Agreement, the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell (i) the Sale Share, representing the entire issued share capital of Wealth Trend; and (ii) the Shareholder's Loan. Upon Completion, the Company will be interested in the entire issued share capital of Wealth Trend, which in turn holds 65% equity interest of the PRC JV. Accordingly, the Company will be indirectly interested in 65% equity interest of the PRC JV. Immediately after Completion, Wealth Trend will become a subsidiary of the Company and its financial results, assets and liabilities shall be consolidated into the financial statements of the Group.

LETTER FROM THE BOARD

The consideration of the Acquisition

The aggregate consideration of the Acquisition of HK\$40,000,000 has been or shall be satisfied by the Purchaser and the Company in the following manner:

- (a) an amount of HK\$8,000,000 has been paid by the Company to the Vendor on the date of the S&P Agreement in cash as deposit (“**Deposit**”); and
- (b) the balance of the Consideration of HK\$32,000,000 shall be satisfied by way of the Company issuing the Consideration Shares to the Vendor (or as the Vendor may direct) at the issue price of HK\$1.60 per Share on the Completion Date.

The Consideration Shares shall be issued and allotted in the name of the Vendor (or as the Vendor may direct) on Completion, and held by the Purchaser and released to the Vendor as follows:

- (i) 10,000,000 Consideration Shares on Completion; and
- (ii) 10,000,000 Consideration Shares immediately after the expiry of a 12 months’ period from the Completion Date as security for breach of warranties given by the Vendor under the S&P Agreement.

The aggregate consideration of the Acquisition was determined after arm’s length negotiations between the Company and the Vendor based on normal commercial terms and factors, such as by reference to Wealth Trend’s carrying amount of investment in the PRC JV and the estimated surge in the usage in piped music during the period of 2008 Beijing Olympic Games. The Directors considered that there is high potential for development of the piped music business.

The Directors (including independent non-executive Directors) also considered that the aggregate consideration of the Acquisition is fair and reasonable and on normal commercial terms and that the entering into the S&P Agreement is in the interests of the Company and the Shareholders as a whole. The meeting of the Board to consider and approve the Acquisition was duly convened with notice duly given to all Directors including the independent non-executive Directors and the S&P Agreement and the transactions contemplated thereunder were duly approved thereat.

Conditions precedent of the S&P Agreement

Completion of the Acquisition is conditional upon fulfillment of the following conditions:

- (i) the Company having obtained the approval by Shareholders at the EGM in respect of the S&P Agreement and the transactions contemplated thereunder including the issue of the Consideration Shares;

LETTER FROM THE BOARD

- (ii) the Purchaser being satisfied with the results of the due diligence review to be conducted on, among other things, the assets, liabilities, operations and affairs of Wealth Trend and the PRC JV, and the Contract; and
- (iii) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in the Consideration Shares.

If the above conditions have not been fulfilled on or before 29 February 2008 or such later date as the parties may agree, the Vendor shall repay the Deposit, whereupon the S&P Agreement shall lapse and no party thereto shall, save for any antecedent breach, have any claim of any nature against the other party. As at the Latest Practicable Date, none of the conditions has been fulfilled.

Completion

Completion shall take place on the second Business Day after the fulfillment of all the conditions precedent of the S&P Agreement (or such other date as may be agreed among the parties to the S&P Agreement).

Further instalment of registered capital of the PRC JV

Under the joint venture contract of the PRC JV, Wealth Trend is obliged to pay its share of the registered capital in the total sum of RMB16,250,000 on or before 13 February 2008 and has since paid RMB2,521,380 and HK\$3,310,000 to the PRC JV. It is a term that the payment obligation for the Capital Balance shall be assumed by the Purchaser as the succeeding shareholder of Wealth Trend. Therefore, in the event that Completion does not take place prior to 13 February 2008,

- (a) the Purchaser shall provide a loan to Wealth Trend to pay the Capital Balance, such loan shall be non-interest bearing and repayable on demand; and
- (b) if Completion does not take place on or before 4 March 2008 (being the second Business Day after the latest day of fulfillment of all the conditions precedent of the S&P Agreement) or such later date as the parties may agree, the Vendor shall reimburse or procure Wealth Trend to repay to the Purchaser in full the amount advanced upon demand.

The PRC JV has a total investment amount of RMB30 million. Save as disclosed above, Wealth Trend has no other payment obligation regarding either the registered capital or total investment amount of the PRC JV.

LETTER FROM THE BOARD

CONSIDERATION SHARES

The issue price of the Consideration Shares of HK\$1.60 per Share represents:

- (i) a discount of approximately 36.5% to the closing price of HK\$2.52 per Share as quoted on the Stock Exchange on 2 January 2008, being the last day on which the Shares were traded on the Stock Exchange prior to suspension of trading in the Shares pending release of the announcement of the Company dated 9 January 2008 in relation to the Acquisition;
- (ii) a discount of approximately 5.9% to the closing price of HK\$1.70 per Share as quoted on the Stock Exchange on the 28 December 2007, being the Last Full Trading Day;
- (iii) a discount of approximately 9.6% to the average of the closing prices of HK\$1.77 per Share for the last five consecutive trading days up to and including the Last Full Trading Day;
- (iv) a discount of approximately 10.5% to the average of the closing prices of HK\$1.788 per Share for the last ten trading days up to and including the Last Full Trading Day;
- (v) a discount of approximately 28.6% to the closing price of HK\$2.24 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (vi) a discount of approximately 14.0% to the consolidated net asset value per Share of HK\$1.86 as at 30 June 2007 based on the latest published unaudited consolidated financial statements of the Group for the six months ended 30 June 2007.

The issue price of HK\$1.60 per Consideration Share was arrived at by the Company and the Vendor after taking into account the closing prices of the Shares as shown above.

The Consideration Shares comprising 20,000,000 Shares represent (i) approximately 15.22% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 13.21% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

The Existing Issue Mandate was granted to the Directors to allot and deal with up to 21,890,119 new Shares, being 20% of the aggregate nominal amount of share capital of the Company in issue as at the date of the annual general meeting of the Company held on 1 June 2007. Following the completion of the placing of Shares in December 2007 and up to the Latest Practicable Date, 21,000,000 new Shares had been issued under the Existing Issue Mandate. As the Existing Issue Mandate is substantially utilized and insufficient to deal with the issue and allotment of the Consideration Shares, the Directors proposed to seek approval from the Shareholders at the EGM to issue the Consideration Shares.

An application will be made to the Stock Exchange for the listing of and permission to deal in the Consideration Shares which will rank *pari passu* with the existing Shares.

LETTER FROM THE BOARD

INFORMATION ON WEALTH TREND AND THE PRC JV

Wealth Trend is a company incorporated in Hong Kong on 11 April 2007 with limited liability and is beneficially wholly-owned by the Vendor. The principal business activity of Wealth Trend is investment holding. Up to 31 December 2007, the Vendor has provided a non-interest bearing shareholder's loan of approximately HK\$6.1 million to Wealth Trend. Save as the holding the 65% equity interest in the PRC JV and such shareholder's loan, Wealth Trend does not have any other investment or operations, and does not have any other loan or liabilities due to the Vendor or other creditors. According to the management accounts of Wealth Trend for the period 11 April 2007 to 31 December 2007, the unaudited total assets of Wealth Trend was approximately RMB12.6 million and the unaudited net assets of Wealth Trend was approximately RMB5.6 million, Wealth Trend recorded an unaudited loss of approximately HK\$1.1 million in such financial period. The Directors advised that Wealth Trend's investment in the PRC JV has been consolidated in the said management accounts.

The PRC JV is a company established in the PRC on 13 August 2007 with a registered capital of RMB25 million and owned as to 65% by Wealth Trend Limited and the remaining 35% by three Independent Third Parties. A paid-up registered capital of RMB 9,146,380 and the RMB equivalent of HK\$3,310,000 has been contributed by the joint venture partners with RMB2,521,380 and HK\$3,310,000 thereof being paid by Wealth Trend. The remaining balance of the registered capital is to be contributed by the relevant joint venture partners on or before 13 February 2008 and the amount to be paid by Wealth Trend is the Capital Balance.

The principal business activities of the PRC JV are the development of music software and piped music playing equipments, provision of piped music management services and provision of technology transfer, technical support, consulting and training. The PRC JV has signed the Contract with MCSC under which, the PRC JV and MCSC has agreed to collaborate on the development of piped music library, manufacture of piped music playing equipments and provision of piped music playing services. The Directors advised that the piped music means gentle, bland instrumental arrangements of popular music or easy listening, smooth jazz designed for play in public areas including shopping malls, shops, grocery stores, department stores, public toilets, telephone systems, cruise ships, airports, doctors' and dentists' offices, and elevators etc. The PRC JV acquired a patent and is in the course of applying for two more patents all registered or to be registered at the State Intellectual Property Office of the PRC in relation to the technology of a promotional and management system of downloading and playing piped music. The patent now owned by the PRC JV will remain in force for 20 years from its date of registration in 2007.

Upon Completion, Mr. Sin Kwok Lam will resign as a director of the PRC JV and the Company shall have the right to appoint director(s) to the board of the PRC JV. The Company shall appoint such person(s) with the necessary expertise to manage the business of the PRC JV and one of the persons who developed the patented system will remain as the chief executive officer of the PRC JV.

According to the management accounts of the PRC JV, as at 31 December 2007, the unaudited total assets of the PRC JV was approximately RMB10.8 million and the unaudited net asset value of the PRC JV was approximately RMB10.0 million. From 13 August 2007, the date of establishment of the PRC JV, to 31 December 2007, the PRC JV recorded a loss of approximately RMB1.4 million.

LETTER FROM THE BOARD

REASONS FOR AND THE BENEFITS OF THE ACQUISITION

The Company's main business is to invest in potential businesses in the PRC. The principal activities of its subsidiaries and associates include information technology, manufacturing and trading of garment, investment in properties for rental purpose, property development and investment in securities.

The Group has been looking for suitable investment opportunities in order to broaden its income source. The Directors consider the Acquisition is an attractive investment opportunity because the Directors believe that the return of the piped music business will remain promising in the near future and is in the interest of the Shareholders. The Directors also consider that the Acquisition will enable the Group to become involved in the piped music business and to capture the opportunities arising from the growth of such industry in the PRC. The Group is confident about the prospects and profitability of the PRC JV and considers that the diversification of the Group's businesses into new areas of high-growth potential will be in the best interest of the Company and the Shareholders as a whole.

SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the Latest Practicable Date and immediately after Completion is as follows:

	As at the Latest Practicable Date		Upon Completion	
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Deacon Chiu	11,359,015	8.64	11,359,015	7.50
Duncan Chiu	28,788,878	21.91	28,788,878	19.01
Daniel Chiu	12,760,044	9.71	12,760,044	8.43
David Chiu	8,038,800	6.12	8,038,800	5.31
Dennis Chiu	4,620,044	3.52	4,620,044	3.05
Other Chiu family members	3,263,800	2.48	3,263,800	2.16
The Vendor	–	–	20,000,000	13.21
Public Shareholders	62,588,362	47.62	62,588,362	41.33
	<u>131,418,943</u>	<u>100.00</u>	<u>151,418,943</u>	<u>100.00</u>

LETTER FROM THE BOARD

FINANCIAL EFFECT OF THE ACQUISITION

Upon Completion, Wealth Trend will become a wholly owned subsidiary of the Company while the PRC JV will become a 65% owned subsidiary of the Company. Accordingly, the financial results of Wealth Trend and the PRC JV will be consolidated into the financial accounts of the Group. It is expected that the PRC JV will broaden the revenue and income base of the Group in the near future. Furthermore, given the optimistic future prospect of the piped music industry in the PRC, the Directors expect that the Group's future financial performance would be improved. Since the PRC JV has just recently commenced its operations, the entering into of the S&P Agreement would not have material impact on the assets and liabilities of the Group.

LISTING RULES IMPLICATIONS

As each of the applicable percentage ratios as defined in the Listing Rules exceeds 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The Acquisition is conditional upon, among other conditions referred to above, the obtaining of the Shareholders' approval for the allotment and issue of the Consideration Shares.

THE EGM

Shareholders' approval is required in relation to approve the S & P Agreement and the issue and allotment of the Consideration Shares. No Shareholder is required to abstain from voting in favour of the relevant resolution. A notice convening the EGM to be held at 24/F, Far East Consortium Building, 121 Des Voeux Road, Central, Hong Kong on Tuesday, 12 February 2008 at 3:00 p.m. is set out on pages 19 to 20 in this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at Room 1806-07, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or any adjournment thereof) should you so wish.

PROCEDURES FOR DEMANDING A POLL BY SHAREHOLDERS

Pursuant to article 57 of the Articles of Association, at any general meeting, resolutions put to the vote of the meeting shall be determined in the first instance by a show of hands of the members present in person, but a poll may be demanded (before or upon the declaration of the result of the show of hands) by the Chairman or by:

- (i) not less than three members present in person or by proxy having the rights to vote at the meeting; or
- (ii) a member or members present in person or by proxy representing not less than one-tenth the total voting rights of all the members having the right to vote at the meeting; or

LETTER FROM THE BOARD

- (iii) a member or members present in person or by proxy holding shares conferring a right vote at the meeting, being shares on which an aggregate sum has been paid up equal less than one-tenth of the total sum paid up on all the shares conferring that right.

RECOMMENDATION

The Directors consider that the Acquisition and the proposed issue of the Consideration Shares are fair and reasonable and in the best interest of the Company and the Shareholders as a whole and accordingly recommend that all Shareholders to vote in favour of the resolution to be proposed at the EGM.

FURTHER INFORMATION

Your attention is drawn to the information set out in the appendix to this circular.

By Order of the Board
Far East Holdings International Limited
Duncan Chiu
Managing Director and Chief Executive Officer

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular with regard to the Company and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement contained herein misleading.

2. SHARE CAPITAL*(1) Authorised capital:*

HK\$

<u>70,000,000,000</u>	ordinary shares of HK\$0.01 each	<u>700,000,000</u>
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*(2) Issued and fully paid or credited as fully paid:**(i) As at the Latest Practicable Date*

<u>131,418,943</u>	ordinary shares of HK\$0.01 each	<u>1,314,189.43</u>
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(ii) Upon issue and allotment of the Consideration Shares:

131,418,943	existing Shares	1,314,189.43
20,000,000	Consideration Shares	200,000.00
<u>151,418,943</u>		<u>1,514,189.43</u>

(iii) Upon exercise of all outstanding options granted and yet to be exercised under the Company's share option scheme adopted on 23 May 2005 ("Share Option Scheme"):

151,418,943	existing Shares and Consideration Shares	1,514,189.43
1,150,000	outstanding options (subject to adjustments as set out in the Share Option Scheme)	11,500.00
<u>152,568,943</u>		<u>1,525,689.43</u>

3. DISCLOSURE OF INTERESTS

(1) Directors' Interests

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares or underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they were taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(i) Long positions of Directors' interests in Shares:

Name of Director	Personal	Number of Shares held			Percentage of issued share capital of the Company
		Family interests	Corporate interests	Total interests	
Deacon Te Ken Chiu, <i>J.P.</i>	10,424,332	2,087,580 ⁽¹⁾	934,683	13,446,595	10.23%
Tan Sri Dato' David Chiu	1,870,000	–	6,168,800 ⁽²⁾	8,038,800	6.12%
Ms. Margaret Chiu	1,100,000	–	–	1,100,000	0.84%
Mr. Dennis Chiu	3,520,044	–	2,200,000 ⁽³⁾	5,720,044	4.35%
Mr. Daniel Tat Jung Chiu	2,420,000	–	11,440,044 ⁽⁴⁾	13,860,044	10.55%
Mr. Derek Chiu	44,220	–	–	44,220	0.03%
Mr. Desmond Chiu	32,000	–	–	32,000	0.02%
Mr. Duncan Chiu	28,788,878	–	–	28,788,878	21.91%

Notes:

- (1) These Shares are held by Madam Ching Lan Ju Chiu, wife of Deacon Te Ken Chiu, *J.P.*
- (2) These Shares are held by Rocket High Investments Limited, a company wholly-owned by Tan Sri Dato' David Chiu.
- (3) These Shares are held by Cape York Investments Limited ("Cape York"), a company owned by Mr. Dennis Chiu and Mr. Daniel Tat Jung Chiu equally.
- (4) Of the 11,440,044 Shares, 2,200,000 Shares are held by Cape York, and the remaining 9,240,044 Shares are held by Gorich Holdings Limited, a company wholly-owned by Mr. Daniel Tat Jung Chiu.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which he was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listing Companies in the Listing Rules, to be notified to the Company and the Stock Exchange.

(ii) Service contracts

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group or any associated company of the Company other than contracts expiring or determinable by the Group within one year payment of compensation without payment of compensation (other than statutory compensation).

(iii) Competing interest

As at the Latest Practicable Date, in so far as the Directors are aware, none of the Directors or their respective associates had any interest in a business which competes or is likely to compete with the business of the Group.

(2) Substantial Shareholders' Interests

(i) Substantial Shareholders

As at the Latest Practicable Date, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, other than the interests disclosed above in respect of certain Directors under the section headed "Directors' Interests in Shares", the following Shareholders had notified the Company of interest in shares of the Company pursuant to Divisions 2 and 3 of Part XV of the SFO:

Name of Substantial Shareholder	Number of ordinary Shares held	Percentage of issued share capital of the Company
Mr. Sin Kwok Lam ⁽¹⁾	20,933,000	15.93%
Madam Ju Ching Lan	13,446,595	10.23%
Gorich Holdings Limited ("Gorich") ⁽²⁾	9,240,044	7.03%
Max Point Holdings Limited ("Max Point") ⁽³⁾	7,764,240	5.91%

Notes:

- (1) Of the 20,993,000 Shares, 933,000 Shares are held by Mr. Sin Kwok Lam and interests in 20,000,000 Consideration Shares are held by Allied Wealth Holdings Limited, a company wholly-owned by Mr. Sin Kwok Lam.
- (2) Of the 13,446,595 Shares, 11,359,015 Shares are held by Mr. Deacon Chiu. Madam Ju Ching Lan is the spouse of Mr. Deacon Chiu. The interests of Mr. Deacon Chiu in the Company is stated under the section headed "Directors' Interests" above.
- (3) Gorich is wholly-owned by Mr. Daniel Tat Jung Chiu. The interests of Mr. Daniel Tat Jung Chiu in the Company is stated under the section headed "Directors' Interests" above.
- (4) The entire share capital of Max Point is beneficially owned by Mr. Chan Wai Ki.
- (5) All interests disclosed above represent long positions in the Shares

The following Directors hold directorships with the following companies:

- (i) Mr. Daniel Tat Jung Chiu holds directorship in Gorich Holdings Limited; and
- (ii) Tan Sri Dato' David Chiu holds directorship in Rocket High Investments Limited.

Save as disclosed herein, as at the Latest Practicable Date, none the Directors was a director or employee of a company which had an interest or short position in the Shares and 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.

- (ii) As at the Latest Practicable Date, so far as was known to the Directors, the following persons (other than members of the Group) were directly or indirectly interested in 10% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of the following members of the Group (other than the Company) and the amount of each of such person's interest in such securities were as follows:

Name of member of the Group	Name of substantial shareholders	Class of share capital	Percentage of shareholding
Jiangsu Bang Bang Silky Fashion Manufacturer Co., Ltd.	澳門市經濟技術發展總公司	registered capital	40%
Panlong Investments (Holdings) Company Limited	Silver Union Investment Limited	ordinary shares	49%
Panlong Asset Management Company Limited	Silver Union Investment Limited	ordinary shares	49%(indirectly through shareholding in Panlong Investments (Holdings) Company Limited)
Panlong Far East Auction Company Limited	Silver Union Investment Limited	ordinary shares	49%(indirectly through shareholding in Panlong Investments (Holdings) Company Limited)

Save as disclosed above, as at the Latest Practicable Date there was no person known to the Directors who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, was, directly or indirectly, interested in 10% or more of the nominal value of the issued share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group, or any options in respect of such capital.

3. LITIGATION

Neither the Company nor any other members of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group as at the Latest Practicable Date.

4. GENERAL

- (a) The registered office of the Company is at 16/F, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong and the head office and the principal place of business of the Company in Hong Kong is at Room 1802-04, 18/F., Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong.
- (b) The Company's share registrar is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (c) The qualified accountant and Secretary of the Company is Mr. Hung Kwong Lui, who is a fellow of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants.
- (d) In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.