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**If you have sold or transferred** all your shares in FX Creations International Holdings Limited (“the Company”) 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 transferee.



**FX CREATIONS INTERNATIONAL HOLDINGS LIMITED**

**豐盛創意國際控股有限公司\***

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8136)**

**PROPOSED GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES,  
PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT,  
PROPOSED RE-ELECTION OF RETIRING DIRECTORS,  
PROPOSED AMENDMENT TO ARTICLES OF ASSOCIATION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the annual general meeting of the Company to be held at 14/F., Printing House, 6 Duddell Street, Central, Hong Kong on 11 August 2006 at 11:00 a.m. (the “AGM”) is set out on pages 16 to 21 of this circular.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return the same to the Company’s Hong Kong branch share registrar, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof if you so wish.

*This circular, for which the directors of the Company (the “Directors”) 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 enquires, confirm that, to the best of their knowledge and belief: (i) the information contained in this circular is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This circular will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of its posting.*

## CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. GEM-listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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## DEFINITIONS

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

“AGM”	an annual general meeting of the Company for the year ended 31 March 2006 to be held at 14/F., Printing House, 6 Duddell Street, Central, Hong Kong on 11 August 2006 at 11:00 a.m. or any adjournment thereof
“Articles of Association”	the articles of association of the Company, and “Article” shall mean an article of the Articles of Association
“associate(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Board”	the board of Directors of the Company
“Company”	FX Creations International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM
“Directors”	the directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	17 July 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Offer Shares”	249,302,000 new Shares issued pursuant to the Open Offer
“Open Offer”	the issue of the Offer Shares on the basis of one Offer Share for every two existing Shares

## DEFINITIONS

“Participants”	any employee (whether full-time or part-time), including any executive director, non-executive director and independent non-executive director of the Group; and any adviser, consultant, supplier or customer of the Group
“Registrar”	the branch share registrar of the Company in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“Repurchase Mandate”	the general mandate to be granted to the Directors to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the passing of the relevant resolution granting such mandate
“SFO”	the Hong Kong Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Scheme Mandate Limit”	the total number of Shares which may be issued upon exercise of all options granted under the Share Option Scheme and any other share option schemes of the Group must not in aggregate exceed 10% of the Shares in issue as at the date on which dealings in the Shares first commence on GEM which may be refreshed pursuant to the rules of the Share Option Scheme. If the Scheme Mandate Limit is refreshed, the total number of Shares which may be issued upon exercise of all options granted must not in aggregate exceed 10% of the Shares in issue as at the date of the AGM
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued and unissued share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 2 May 2002
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



**FX CREATIONS INTERNATIONAL HOLDINGS LIMITED**

**豐盛創意國際控股有限公司\***

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8136)**

**Executive Directors:**

Mr. Wong Wing Cheung, Peter

Mr. Chan Francis Ping Kuen

Mr. Chan Man Yin

**Independent Non-executive Directors:**

Mr. Lee Kun Hung

Mr. Wong Hou Yan, Norman

Mr. Cheung Chi Hwa, Justin

**Registered Office:**

Century Yard

Cricket Square

Hutchins Drive

P.O. Box 2681GT

George Town

Grand Cayman

Cayman Islands

British West Indies

**Head Office and Principal**

**Place of Business:**

Workshop A6, 12th Floor, Block A

Hong Kong Industrial Centre

489-491 Castle Peak Road

Kowloon

Hong Kong

17 July 2006

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES,  
PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT,  
PROPOSED RE-ELECTION OF RETIRING DIRECTORS,  
PROPOSED AMENDMENT TO ARTICLES OF ASSOCIATION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding certain resolutions to be proposed at the forthcoming AGM of the Company to be held on 11 August 2006 including but not limited to (i) ordinary resolutions relating to the grant of general

\* For identification purposes only

## LETTER FROM THE BOARD

mandates to the Directors for the issue of Shares and the repurchase of its Shares; (ii) ordinary resolution relating to the re-election of the retiring Directors; (iii) ordinary resolution relating to the approval of refreshment of the Scheme Mandate Limit on grant of options under the Share Option Scheme; and (iv) special resolutions relating to the amendments to the Articles of Association.

### PROPOSED GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the AGM, an ordinary resolution will be proposed that the Directors be given a general mandate to allot, issue and deal with Shares up to a limit equal to 20% of the issued share capital of the Company as at the date of passing of such resolution. Another ordinary resolution will be proposed to increase the limit of this 20% by the number of any Shares repurchased by the Company up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the relevant resolution.

As at the Latest Practicable Date, the number of issued Shares of the Company was 747,906,000. Assuming no Shares are repurchased or issued before the date of passing of the ordinary resolution giving a general mandate to issue new Shares of the Company, the maximum number of Shares to be issued is 149,581,200 Shares.

At the AGM, an ordinary resolution will be proposed to grant to the Directors a general mandate to repurchase its own Shares on GEM. Under such mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the issued share capital of the Company in issue on the date of passing of the relevant resolution.

As at the Latest Practicable Date, the issued Shares of the Company was 747,906,000. Assuming no Shares are repurchased or issued before the date of passing of the ordinary resolution giving a general mandate to repurchase Shares, the maximum number of Shares to be repurchased is 74,790,600 Shares.

Each of the general mandates would continue in force until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law of the Cayman Islands or the Articles of Association to be held; or
- (c) the date on which any such mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting.

An explanatory statement containing all relevant information relating to the Repurchase Mandate and pursuant to the GEM Listing Rules, in particular Rule 13.08, is set out in the Appendix to this circular. The information in the explanatory statement is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions relating to the Repurchase Mandate.

## LETTER FROM THE BOARD

### RE-ELECTION OF RETIRING DIRECTORS

In accordance with the Articles of Association, Mr. Wong Wing Cheung, Peter, Mr. Chan Francis Ping Kuen and Mr. Wong Hou Yan, Norman shall retire from office at the AGM, and, being eligible, offer themselves for re-election. Biographical details of the retiring Directors are set out below:

**Mr. Wong Wing Cheung, Peter (“Mr. Wong”)**, aged 57, an executive Director of the Company. Mr. Wong is a merchant and has over 17 years of experience in a private industrial company engaging in the manufacturing of leather goods including handbags, belts and wallets in the People’s Republic of China and trading of these leather goods in Hong Kong and overseas markets. He is also engaged in the investment of real estates in Hong Kong. Mr. Wong is currently the executive director of a private company and is responsible for the company’s investment and management functions including property investment and planning, asset management, property strategic marketing and management as well as financial and corporate administration. Save for the above, Mr. Wong does not hold any directorship in other public listed companies or any other position with the Company and other members of the Group in the past three years.

Mr. Wong has entered into a service contract with the Company for a term of one year commencing on 1 April 2006 and shall continue thereafter until terminated by either party giving to the other not less than one month’s notice. Mr. Wong is entitled to a fixed emolument of HK\$120,000 per annum which is determined by arm’s length negotiation between Mr. Wong and the Company. He is also entitled to a year-end discretionary bonus to be determined by the Board from time to time. In the financial year ended 31 March 2006, Mr. Wong did not received any emoluments from the Company.

As at the Latest Practicable Date, Mr. Wong held 312,900,000 Shares of the Company, of which 306,000,000 Shares are held by Flyrich Resources Limited which is a substantial Shareholder of the Company and is wholly and beneficially owned by Mr. Wong. Save for the aforesaid, Mr. Wong does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO and does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

Save as disclosed above, there is no matter that needs to be brought to the attention of the Shareholders and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 17.50(2) of the GEM Listing Rules.

**Mr. Chan Francis Ping Kuen (“Mr. Chan”)**, aged 47, an executive Director of the Company. Mr. Chan is a member of The Institute of Chartered Accountants in Australia and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Chan holds a bachelor’s degree in economics from the University of Sydney. Mr. Chan has over 20 years of experience in auditing, accounting and financial management and previously worked for an international accounting firm and a number of companies listed in Hong Kong and in the United States of America.



## LETTER FROM THE BOARD

Mr. Chan was previously an independent non-executive director of Global Solution Engineering Limited (formerly named as AGL MediaTech Holdings Limited) and Kinetana International Biotech Pharma Limited, both of which are companies listed on GEM. Mr. Chan is currently appointed as an independent non-executive director of China Elegance (Holdings) Limited and Earnest Investments Holdings Limited respectively, both of which are companies listed on the main board of the Stock Exchange and he is also an independent non-executive director of Grandy Corporation which is a company listed on the GEM.

Save for the above, Mr. Chan does not hold any directorship in other public listed companies or any other position with the Company and other members of the Group in the past three years.

Mr. Chan has entered into a service contract with the Company for a term of one year commencing on 1 February 2006 and shall continue thereafter until terminated by either party giving to the other not less than one month's notice. Mr. Chan is entitled to a fixed emolument of HK\$120,000 per annum which is determined by arm's length negotiation between Mr. Chan and the Company. He is also entitled to a year-end discretionary bonus to be determined by the Board from time to time. In the financial year ended 31 March 2006, Mr. Chan received a total emolument of HK\$20,000.

As at the Latest Practicable Date, Mr. Chan held 6,900,000 Shares of the Company. Save for the aforesaid, Mr. Chan does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO. Mr. Chan does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

Saved as disclosed above, there is no matter that needs to be brought to the attention of the Shareholders of the Company and there is no information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules.

**Mr. Wong Hou Yan Norman ("Mr. Wong")**, aged 53, an independent non-executive Director of the Company. Mr. Wong has over 29 years of experience in the fields of information technology, project management, sales and support and quality assurance. Mr. Wong is now a managing director of a computing services company where he takes charge of overall management in business expansion, customer relations and daily operation and compliance. Mr. Wong obtained a bachelor's degree of arts in business data processing from the University of Wisconsin in the United States.

Mr. Wong has entered into a service contract with the Company for a term of one year commencing on 20 June 2005 and shall continue thereafter until terminated by either party giving to the other not less than one month's notice. Mr. Wong is entitled to a fixed emolument of HK\$60,000 per annum which is determined by arm's length negotiation between Mr. Wong and the Company. He is also entitled to a year-end discretionary bonus to be determined by the Board from time to time. In the financial year ended 31 March 2006, Mr. Wong received a total emolument of HK\$46,800.

## LETTER FROM THE BOARD

As at the Latest Practicable Date, Mr. Wong has no interest in the Shares of the Company and he does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO. Mr. Wong does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

Mr. Wong was previously an independent non-executive director of IA International Holdings Limited which is a company listed on GEM. Mr. Wong tendered his resignation to the company with effect from 1 April 2006.

Save for the above, Mr. Wong does not hold any directorship in other public listed companies or any other position with the Company and other members of the Group in the past three years.

Saved as disclosed above, there is no matter that needs to be brought to the attention of the Shareholders and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 17.50(2) of the GEM Listing Rules.

### **REFRESHMENT OF SCHEME MANDATE LIMIT**

The Company adopted the Share Option Scheme by way of written resolution of the Shareholders on 2 May 2002. Under the rules of the Share Option Scheme:

- (i) the total number of Shares subject to options granted under the Share Option Scheme and any other share option schemes of the Group shall not exceed 10% of the Shares in issue as at the date on which dealings in the Shares first commenced on GEM;
- (ii) the Company may seek Shareholders' approval to renew the Scheme Mandate Limit. However, the Scheme Mandate Limit as renewed shall not exceed 10% of the Shares in issue as at the date of the aforesaid Shareholders' approval. Options previously granted under the Share Option Scheme and any other share option schemes (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or exercised options) will not be counted for the purpose of calculating the Scheme Mandate Limit as renewed. A circular must be sent to Shareholders in connection with the meeting at which their approval will be sought;
- (iii) the Company may seek separate approval from the Shareholders in general meeting to grant options beyond the Scheme Mandate Limit to Participants specifically identified by the Company before the aforesaid Shareholders' meeting where such approval is sought; and
- (iv) the overall limit on the number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other option schemes of the Group must not in aggregate exceed 30% of the total number of Shares in issue from time to time.

## LETTER FROM THE BOARD

As at the Latest Practicable Date, the Directors were only authorised to grant options to subscribe for up to 40,000,000 Shares under the Share Option Scheme, being 10% of the issued share capital of the Company of 400,000,000 Shares as at the date of the adoption of the Share Option Scheme. As at the Latest Practicable Date, under the Share Option Scheme, options to subscribe for 38,100,000 Shares were granted and exercised on 26 May 2006, and none of the grantees has been granted with options which exceed the limit of 1% of the issued capital of the Company as set out in Rule 23.03 of the GEM Listing Rules. In this connection, the Company could only make a further grant of options to subscribe for 1,900,000 Shares to the Participants as at the Latest Practicable Date. In addition, the Company has not granted any options to subscribe for 1,900,000 Shares as at the Latest Practicable Date. If the refreshment of the existing Scheme Mandate Limit is approved at the AGM, options to subscribe for 1,900,000 Shares will be lapsed accordingly.

At the adoption of the Share Option Scheme on 2 May 2002, the total issued share capital of the Company was 400,000,000 Shares. On 9 December 2005, the Company issued and allotted 60,504,000 new Shares to 6 placees who were independent third parties as defined in the GEM Listing Rules. On 26 May 2006, 38,100,000 options were exercised and 38,100,000 Shares were issued and allotted. Following the completion of Open Offer on 12 July 2006, the total issued share capital has been enlarged to 747,906,000 Shares. No adjustment has been made to the Share Option Scheme since its adoption.

The Directors consider that the Company should refresh the Scheme Mandate Limit so that the Company could have more flexibility to provide incentive to Participants by way of granting options to them. If the refreshment of the existing Scheme Mandate Limit is approved at the AGM based on the 747,906,000 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued, and no Shares are repurchased after the Latest Practicable Date and up to the date of the AGM, the maximum number of Shares, which may be issued upon the exercise of all the options to be granted under the Share Option Scheme under the Scheme Mandate Limit as refreshed should be 74,790,600 Shares, representing 10% of the issued share capital of the Company as at the date of the AGM.

The proposed renewal of the Scheme Mandate Limit will be conditional upon the passing of ordinary resolution of the AGM and the Listing Committee of GEM granting the listing of, and the permission to deal in, such number of Shares, representing 10% of the Shares in issue as at the date of AGM, which may fall to be allotted and issued upon the exercise of options granted under the refreshed Scheme Mandate Limit.

Other than the existing Scheme Mandate Limit and the refreshment of the existing Scheme Mandate Limit, the Company has no other share option scheme in force. The Directors consider that the refreshment of the Scheme Mandate Limit is in the interests of the Group and the Shareholders as a whole because it enables the Company to reward and motivate its employees and other selected Participants under the Share Option Scheme. The refreshment of the Scheme Mandate Limit is in line with the purpose of the Share Option Scheme and is in compliance with Rule 23 of the GEM Listing Rules.

## LETTER FROM THE BOARD

### AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In order to bring the Articles of Association in line with paragraph 4(3) of Appendix 3, paragraphs A.4.2. and E.2.1 of Appendix 15 of the GEM Listing Rules, the Directors propose to put forward to the Shareholders for approval at the AGM a special resolution to amend the Articles of Association in the following manner:

- (i) By adding the following new Article 66A immediately after the existing Article 66:

“66A. Notwithstanding any other provisions in these Articles, if the aggregate proxies held by (i) the Chairman of a particular meeting, and/or (ii) the Directors, account for five (5) per cent or more of the total voting rights at that meeting, and if on a show of hands in respect of any resolution, the meeting votes in the opposite manner to that instructed in those proxies, the Chairman of the meeting and/or any Director holding proxies as aforesaid shall demand a poll.”

- (ii) By deleting the second sentence of Article 68 in its entirety and replacing therewith the following:

“The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

- (iii) By deleting Article 86(2) in its entirety and replacing therewith the following:

“86(2) The Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy on the Board, or as an addition to the existing Board. Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to their number) and shall then be eligible for re-election at that meeting.”

- (iv) By deleting Article 86(3) in its entirety and replacing therewith the following:

“86(3) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to their number) and shall then be eligible for re-election at that meeting.”

## LETTER FROM THE BOARD

(v) By deleting Article 86(5) in its entirety and replacing therewith the following:

“86(5) Subject to any provision to the contrary in these Articles the Members may, at any general meeting convened and held in accordance with these Articles, by ordinary resolution remove a Director at any time before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement).”

(vi) By deleting Article 86(6) in its entirety and replacing therewith the following:

“86(6) A vacancy on the Board created by the removal of a Director under the provisions of subparagraph (5) above may be filled by the election or appointment by ordinary resolution of the Members at the meeting at which such Director is removed. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.”

(vii) By deleting Article 87(1) in its entirety and replacing therewith the following:

“87(1) Notwithstanding any other provisions in the Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their numbers is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. A retiring Director shall be eligible for re-election.”

### AGM

The notice convening the AGM is set out on pages 16 to 21 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the Registrar in accordance with the instructions printed thereon as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof if you so wish.

None of the Shareholders will be required to abstain from voting at the AGM.

## LETTER FROM THE BOARD

### PROCEDURES FOR DEMANDING A POLL

Pursuant to Article 66 of the Articles of Association, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded (i) by the chairman of the meeting; or (ii) by at least three Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or (iii) by a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or (iv) by a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 (i) the information contained in this circular is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

### RECOMMENDATION

The Directors consider that the general mandate to issue Shares, the refreshment of Scheme Mandate Limit on the grant of options under the Share Option Scheme, Repurchase Mandate, the re-election of Directors and the amendments to the Articles of Association are all in the interests of the Company and its Shareholders and so recommend all Shareholders to vote in favour of the resolutions to be proposed at the forthcoming AGM.

Yours faithfully,  
By order of the Board  
**Wong Wing Cheung, Peter**  
*Chairman*

This appendix serves as an explanatory statement, as required to be sent to the Shareholders pursuant to Rule 13.08 of the GEM Listing Rules, to provide the requisite information to the Shareholders to make an informed decision in relation to the Repurchase Mandate to be proposed at the AGM.

**SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 747,906,000 Shares of HK\$0.01 each.

Subject to the passing of the resolution in relation to the Repurchase Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and prior to the AGM, the Company will be allowed to repurchase a maximum of 74,790,600 Shares, representing 10% of the issued share capital of the Company.

**REASON FOR REPURCHASE**

The Directors believe that the grant of the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share of the Company.

The Repurchase Mandate will only be exercised when the Directors believe that such repurchase will benefit the Company and the Shareholders as a whole.

The Directors have no present intention to repurchase any Shares.

**FUNDING OF REPURCHASES**

In repurchasing Shares, the Company will only apply funds legally available for such purpose in accordance with its memorandum and articles of association of the Company, the laws of the Cayman Islands and the GEM Listing Rules.

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the financial position of the Company as at 31 March 2006 (being the date of its latest published audited consolidated accounts) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**SHARE PRICES**

The highest and lowest prices were adjusted after Open Offer became effective on 14 July 2006 at which the Shares have been traded on GEM in each of the previous twelve months before the Latest Practicable Date are as follows:

	<b>Share Price</b>	
	<b>Highest</b>	<b>Lowest</b>
	(Adjusted) <i>HK\$</i>	(Adjusted) <i>HK\$</i>
<b>2005</b>		
July	0.045	0.044
August	0.044	0.044
September	0.044	0.044
October	0.037	0.033
November	0.067	0.036
December	0.145	0.067
<b>2006</b>		
January	0.107	0.087
February	0.132	0.101
March	0.132	0.059
April	0.307	0.087
May	0.287	0.193
June	0.320	0.203
July (up to and including the Latest Practicable Date)	0.250	0.156

**UNDERTAKING**

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make repurchases pursuant to the proposed resolution in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate in the event that it is approved by the Shareholders at the AGM.

As at the Latest Practicable Date, no other connected persons (as defined in the GEM Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so under the Repurchase Mandate in the event that it is approved by the Shareholders at the AGM.



## EFFECT OF THE TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the following persons were interested in 10% or more of the issued share capital of the Company. In the event that the Repurchase Mandate is exercised in full, the interest of such persons will be increased to approximately the percentages set out in the last column as follows:

Name of Shareholder	Number of Shares held	Approximate percentage of shareholding (%)	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full (%)
Mr. Wong Wing Cheung, Peter	312,900,000	41.84	46.49
Flyrich Resources Limited	306,000,000 <i>(Note 1)</i>	40.91	45.46
Sunny Wonders Limited	204,000,000 <i>(Note 2)</i>	27.28	30.31
Mr. Chan Poon Yau, Adrian	204,000,000 <i>(Note 2)</i>	27.28	30.31

*Notes:*

1. These Shares are beneficially owned by Flyrich Resources Limited, a company wholly owned by Mr. Wong Wing Cheung, Peter.
2. Sunny Wonders Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Chan Poon Yau, Adrian, had a security interest in Shares of the Company. Under the SFO, Mr. Chan Poon Yau Adrian is deemed to be interested in such security shares.

On the basis of the current shareholding of Mr. Wong Wing Cheung, Peter and Flyrich Resources Limited and parties acting in concert with them, an exercise of the Repurchase Mandate in full will result in their becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors will not repurchase the Shares on GEM if the repurchase would result in the number of the listed securities which are in the hands of the public falling below the relevant minimum prescribed percentage for the Company as required by the Stock Exchange.

**SHARE REPURCHASE MADE BY THE COMPANY**

No purchase of Shares has been made by the Company in the preceding six months (whether on the GEM or otherwise) ending on the Latest Practicable Date.

## NOTICE OF AGM



### FX CREATIONS INTERNATIONAL HOLDINGS LIMITED

豐盛創意國際控股有限公司\*

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8136)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of the shareholders of FX Creations International Holdings Limited (the “Company”) will be held at 14/F., Printing House, 6 Duddell Street, Central, Hong Kong on 11 August 2006, at 11:00 a.m. for the following purposes:

1. to receive and adopt the audited financial statements and the reports of the directors (“Directors”) of the Company and the auditors for the year ended 31 March 2006;
2. to re-elect the retiring directors, namely Mr. Wong Wing Cheung, Peter, Mr. Chan Francis Ping Kuen and Mr. Wong Hou Yan, Norman and to authorise the board of directors (the “Board”) to fix the directors’ remuneration and the remuneration of any committee of directors;
3. to re-appoint auditors and to authorise the Board to fix their remuneration;

and by way of special business, to consider and, if thought fit, to pass with or without alterations, the following resolutions numbered 4 to 7 as ordinary resolutions of the Company, and resolution numbered 8 as a special resolution of the Company:

#### ORDINARY RESOLUTIONS

4. **THAT:**
  - (a) subject to paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares (“Shares”) in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

\* For identification purposes only

## NOTICE OF AGM

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the grant or exercise of any option under the share option scheme of the Company or any other option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares of the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing warrants of the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into Shares of the Company, shall not exceed the aggregate of:

- (i) 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of this resolution; and
- (ii) (if the Directors are so authorised by a separate ordinary resolution of the Shareholders) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of this resolution).

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purpose of this resolution:

- (aa) "Relevant Period" means the period from the date of the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company; or any other applicable laws of the Cayman Islands to be held; and
  - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

## NOTICE OF AGM

(bb) "Rights Issue" means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their shareholdings (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company; or any recognised regulatory body or any stock exchange applicable to the Company).

5. **THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to purchase its Shares on GEM or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission ("SFC") and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the SFC, the Stock Exchange or of any other stock exchange as amended from time to time and all applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purpose of this resolution, "Relevant Period" shall have the same meaning as in resolution no. 4(d)(aa).

6. **THAT** conditional upon the resolutions set out in items 4 and 5 of the notice convening this meeting being passed, the general mandate granted to the Directors to allot, issue and deal with additional Shares pursuant to the said resolution under item 4 be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of Shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors pursuant to the said resolution under item 5, provided that the amount of Shares so repurchased by the Company shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution.

## NOTICE OF AGM

7. **THAT** subject to and conditional upon the Listing Committee of GEM granting the listing of, and permission to deal in, such number of fully paid Shares which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the share option schemes adopted by the Company on 2 May 2002 (the "Share Option Scheme") and any other share option schemes of the Company, representing 10% of the issued share capital of the Company as at the date on which this resolution is passed,
- (i) the existing scheme mandate limit in respect of the grant of options under the Share Option Scheme be refreshed provided that the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other option schemes of the Company shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution; and
  - (ii) the Directors of the Company be authorised to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement.

### SPECIAL RESOLUTION

8. **THAT** the existing articles of association of the Company be and are hereby amended in the following manner:

- 8.1 By adding the following new Article 66A immediately after the existing Article 66:

"66A. Notwithstanding any other provisions in these Articles, if the aggregate proxies held by (i) the Chairman of a particular meeting, and/or (ii) the Directors, account for five (5) per cent or more of the total voting rights at that meeting, and if on a show of hands in respect of any resolution, the meeting votes in the opposite manner to that instructed in those proxies, the Chairman of the meeting and/or any Director holding proxies as aforesaid shall demand a poll."

- 8.2 By deleting the second sentence of Article 68 in its entirety and replacing therewith the following:

"The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange."

## NOTICE OF AGM

8.3 By deleting Article 86(2) in its entirety and replacing therewith the following:

“86(2) The Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy on the Board, or as an addition to the existing Board. Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to their number) and shall then be eligible for re-election at that meeting.”

8.4 By deleting Article 86(3) in its entirety and replacing therewith the following:

“86(3) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to their number) and shall then be eligible for re-election at that meeting.”

8.5 By deleting Article 86(5) in its entirety and replacing therewith the following:

“86(5) Subject to any provision to the contrary in these Articles the Members may, at any general meeting convened and held in accordance with these Articles, by ordinary resolution remove a Director at any time before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement).”

8.6 By deleting Article 86(6) in its entirety and replacing therewith the following:

“86(6) A vacancy on the Board created by the removal of a Director under the provisions of subparagraph (5) above may be filled by the election or appointment by ordinary resolution of the Members at the meeting at which such Director is removed. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.”

## NOTICE OF AGM

8.7 By deleting Article 87(1) in its entirety and replacing therewith the following:

“87(1) Notwithstanding any other provisions in the Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their numbers is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. A retiring Director shall be eligible for re-election.”

By order of the Board  
**Chan Francis Ping Kuen**  
*Company Secretary*

17 July 2006

*Registered Office:*

Century Yard  
Cricket Square  
Hutchins Drive  
P.O. Box 2681GT  
George Town  
Grand Cayman  
Cayman Islands  
British West Indies

*Head Office and Principal Place of Business:*

Workshop A6, 12th Floor, Block A  
Hong Kong Industrial Centre  
489-491 Castle Peak Road  
Kowloon  
Hong Kong

*Notes:*

- (a) A shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint a person or persons as his proxy to attend and vote in his stead. A proxy need not be a shareholder of the Company.
- (b) To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority must be deposited with the Company's Hong Kong branch share registrar, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting thereof.
- (c) Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting and in such event, the instrument appointing a proxy shall be deemed to be revoked.