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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in FX Creations International Holdings Limited (the “Company”), you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

This circular, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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 document misleading; and (iii) all opinions expressed in this document have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



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)

PROPOSED GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

The notice convening the annual general meeting of the Company to be held at Regal Kowloon Hotel, 71 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 9 August, 2002, at 11:00 a.m. (“AGM”) is set out in the annual report for the year ended 31 March, 2002.

A form of proxy for the annual general meeting is enclosed with the annual report. Whether or not you propose to attend 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 4th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the AGM. Completion and return of the form of proxy will not preclude you from subsequently attending and voting at the AGM or any adjournment thereof if you so wish.

This circular will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting.

* For identification purpose only

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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, 2002 to be held at Regal Kowloon Hotel, 71 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on 9 August, 2002 at 11:00 a.m. or any adjournment thereof
“Annual Report”	the annual report of the Company for the year ended 31 March, 2002
“Board”	the board of directors of the Company or a duly authorised committee thereof
“Company”	FX Creations International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the GEM
“Directors”	the directors of the Company for the time being
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries
“Hong Kong Branch Share Registrar”	Tengis Limited at 4th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong
“Latest Practicable Date”	24 June, 2002, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of the People’s Republic of China



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)

Executive Directors:

Mr. Ng Pak To, Petto (*Chairman*)
Mr. Ho Kai Chung, David
Mr. Ong Chor Wei

Non-executive Director:

Mr. Wong Wai Shan

Independent Non-executive Directors:

Mr. Christopher Leu
Ms. Kau Man Wai, Leslie

Registered Office:

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

**Head Office and Principal
Place of Business:**

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

28 June, 2002

To the Shareholders

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES TO ISSUE SHARES
AND REPURCHASE SHARES**

INTRODUCTION

At the AGM, resolutions will be proposed to grant to the Directors general mandates to allot or issue new Shares and to repurchase Shares.

GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution will be proposed in the terms set out in Resolution 4 of the notice of the AGM whereby if passed, the Directors will be given a general and unconditional mandate to allot or issue further new securities (including Shares) representing up to 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the resolution. In addition, if the resolution to authorise the repurchase of securities is passed, an ordinary resolution will be proposed to authorise the Directors to allot or issue further securities up to an amount equal to the aggregate nominal amount of the securities purchased under the authority to repurchase.

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LETTER FROM THE CHAIRMAN

GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will be proposed in the terms set out in Resolution 5 of the notice of the AGM for the renewal of the general mandate to the Directors to exercise the powers of the Company to repurchase securities (including Shares) not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the resolution. The mandate allows the Company to make purchases only during the period ending on the earliest of the conclusion of the next annual general meeting of the Company, the date by which the next annual general meeting of the Company is required to be held by its Articles of Association or any applicable law or the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company.

As at the Latest Practicable Date, the issued share capital of the Company comprised 400,000,000 Shares. Subject to the passing of the proposed resolution and on the basis that no further shares are issued or repurchased prior to the AGM, the Company will be allowed under the mandate to repurchase a maximum of 40,000,000 Shares.

An explanatory statement required to be sent to the Shareholders under the GEM Listing Rules is attached herewith to provide the requisite information to you to make an informed decision in relation to the proposed share repurchase resolution.

ANNUAL GENERAL MEETING

The notice convening the AGM for the year ended 31 March, 2002 is set out in the Annual Report.

A copy of the Annual Report of the Company incorporating copies of the audited consolidated accounts of the Company for the year ended 31 March, 2002 and the directors' and auditors' reports thereon has been despatched to Shareholders together with this circular.

A form of proxy for the AGM is enclosed with the Annual Report of the Company. 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 Hong Kong Branch Share Registrar in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the meeting. The completion of a form of proxy will not preclude you from attending and voting at the meeting in person.

RECOMMENDATION

The Directors believe that the grant of the general mandates is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of them.

Yours faithfully,
Ng Pak To, Petto
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 you to make an informed decision in relation to the share repurchase resolution proposed at the AGM.

SHARE CAPITAL

As at Latest Practicable Date, the issued share capital of the Company comprised 400,000,000 Shares.

Subject to the passing of the proposed resolution and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company will be allowed under the mandate to repurchase a maximum of 40,000,000 Shares, representing 10% of the issued share capital of the Company.

REASON FOR REPURCHASE

The Directors believe that the proposed mandate is in the best interests of the Company and its shareholders. 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 and will only be made when the Directors believe that such repurchase will benefit the Company and its shareholders.

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, the laws of the Cayman Islands and the GEM Listing Rules. The Company will not purchase securities on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

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, 2002 (being the date of its latest published audited consolidated accounts) in the event that the repurchase of Shares were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the repurchase of Shares 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

Dealings in the Shares on GEM commenced on 21 May, 2002. The highest and lowest prices at which the Shares have traded on GEM during the period from the commencement of trading of the Shares on GEM up to the Latest Practicable Date were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2002		
May	0.27	0.185
June (up to and including the Latest Practicable Date)	0.196	0.18

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 proposed resolution if such resolution is approved by the shareholders.

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, in the event that the proposed resolution is approved by the shareholders.

HONG KONG CODE ON TAKEOVERS AND MERGERS

If on the exercise of the power to repurchase Shares pursuant to the proposed resolution, 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 Takeover Code. As a result, a shareholder or 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 Takeover Code.

As at the Latest Practicable Date, the following person was interested in 10% or more of the issued share capital of the Company. In the event that the general mandate to repurchase Shares is exercised in full, the interest of such person will be increased to approximately the percentage set out in the last column as follow:

Name of Shareholder	Number of Shares held	Approximate percentage of Shareholding (%)	Approximate percentage of Shareholding if the general mandate is exercised in full (%)
Wise New Management Limited ("Wise New") (Note 1)	280,000,000	70	77.70

Note:

1. The issued share capital of Wise New is beneficially owned as follows:

Name of shareholder	Number of shares in Wise New held	Percentage of shareholding in Wise New (%)	Ultimate beneficial owner(s) of the shareholders of Wise New and his/her percentage of shareholding (%)
Cashtram Associates Limited	45	45	Mr. Ng Pak To, Petto (40) Mr. Ho Kai Chung, David (30) Ms. Ho Pui Lai (20) Mr. Wally Tan Yu (10)
FX Creations (Holding) Inc.	30	30	Mr. Wong Wai Shan (100)
Forge Smart Investments Limited	25	25	Mr. Ng Pak To, Petto (100)
	<u>100</u>	<u>100</u>	

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

The Directors are not aware of any consequences which may arise under the Takeover Code as a result of any repurchases made under the proposed resolution.

SHARE REPURCHASE MADE BY THE COMPANY

No purchase of Shares have been made by the Company during the period from 21 May, 2002, being the date dealings in the Shares commenced on GEM, to the Latest Practicable Date.