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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**If you have sold or transferred** all your shares in HKC International Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**HKC INTERNATIONAL HOLDINGS LIMITED****香港通訊國際控股有限公司\****(incorporated in the Cayman Islands with limited liability)**(Stock code: 248)***DISCLOSEABLE TRANSACTION:****ACQUISITION OF PROPERTY**

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\* For identification purposes only

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## DEFINITIONS

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

“Acquisition”	the acquisition of the Property by Generalvestor from the Vendor on and subject to the terms of the Provisional Agreement or, when subsequently entered into, the Formal Agreement
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	HKC International Holdings Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the Formal Agreement
“connected person”	has the meaning ascribed to it under Rule 1.01 and Chapter 14A of the Listing Rules
“Directors”	the directors of the Company
“Formal Agreement”	the formal agreement for the Acquisition entered into between the Vendor as vendor and Generalvestor as purchaser dated 31 March 2008
“Generalvestor”	Generalvestor (H.K.) Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	party who is (i) not a connected person of the Company and (ii) independent of and not connected with any of the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates
“Latest Practicable Date”	9 April 2008, being the latest practicable date before the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“Property”	Flat G, 45th Floor, Tower 10 of Phase II (known as Le Point (城中駅) of Metro Town, No.8 King Ling Road, Tseung Kwan O, New Territories, Hong Kong
“Provisional Agreement”	the provisional agreement for sale and purchase for the Acquisition entered into between the Vendor as vendor and Generalvestor as purchaser on 18 March 2008
“Purchase Price”	HK\$7,200,000, being the purchase price that Generalvestor has to pay to the Vendor for the Acquisition
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	the vendor of the Property under the Acquisition
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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## LETTER FROM THE BOARD

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### HKC INTERNATIONAL HOLDINGS LIMITED

香港通訊國際控股有限公司\*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 248)

*Executive Directors:*

Chan Chung Yee, Hubert (*Chairman*)  
Chan Chung Yin, Roy  
Chan Man Min  
Chan Ming Him, Denny  
Tsui Hon Wing  
Wu Kwok Lam

*Non-executive Director:*

Ng Ching Wah

*Independent non-executive Directors:*

Chu Chor Lup  
Chiu Ngar Wing  
Leung Tai Wai, David

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal place of business  
in Hong Kong:*

25th Floor  
Oxford House  
Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

11 April 2008

*To the Shareholders*

Dear Sir or Madam

### **DISCLOSEABLE TRANSACTION: ACQUISITION OF PROPERTY**

#### **1. INTRODUCTION**

On 27 March 2008, the Board announced that Generalvestor, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement on 18 March 2008 with the Vendor for the acquisition of the Property by Generalvestor.

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The purpose of this circular is to give you further information regarding the Acquisition.

\* For identification purposes only

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## LETTER FROM THE BOARD

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### 2. THE PROVISIONAL AGREEMENT AND THE FORMAL AGREEMENT

#### Parties

Vendor: To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor is a company incorporated in Hong Kong and is principally engaged in property investment and the Vendor and its ultimate beneficial owner are Independent Third Parties.

Purchaser: Generalvestor, a wholly-owned subsidiary of the Company, as purchaser of the Property.

#### Property to be acquired

Flat G, 45th Floor, Tower 10 of Phase II (known as Le Point (城中駅)) of Metro Town, No.8 King Ling Road, Tseung Kwan O, New Territories, Hong Kong which is a residential property forming part of a new property development known as Metro Town (都會駅) (the "Development"). The Vendor, who has agreed to purchase the Property from the developer of the Development, is to sub-sell and assign the Property to Generalvestor as confirmor.

The Property is not subject to any tenancy and vacant possession is to be delivered to Generalvestor upon Completion.

#### Purchase Price

The Purchase Price is HK\$7,200,000, and its payment terms are as follows:

- (1) an initial deposit in the sum of HK\$300,000 was paid upon signing of the Provisional Agreement on 18 March 2008;
- (2) a further deposit in the sum of HK\$420,000, which together with the initial deposit mentioned above represent 10% of the Purchase Price, was paid on 31 March 2008; and
- (3) the balance of the Purchase Price in the sum of HK\$6,480,000 is to be paid upon Completion.

The Purchase Price was determined after arm's length negotiations between Generalvestor and the Vendor with reference to the prevailing market value of other premises of comparable size and quality in the same district where the Property is located.

It is expected that 30% of Purchase Price will be financed by internal resources and 70% of Purchase Price will be financed by bank mortgage loan.

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## **LETTER FROM THE BOARD**

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### **Signing of the Formal Agreement**

The Formal Agreement embodying the terms of the Provisional Agreement and such other terms as agreed between the Vendor and Generalvestor was signed on 31 March 2008.

### **Completion**

Completion of the Acquisition is to take place on a date to be notified by the developer of the Development when the developer is in a position to validly assign the Property upon the issuance by the relevant Government department of Hong Kong of a certificate of compliance of the relevant Government lease in respect of the Development or a consent to assign, whichever shall first happen. The Vendor is to notify the Purchaser of the date of completion of the Acquisition immediately upon its being notified by the developer.

### **3. REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Directors (including the independent non-executive Directors) consider that the Acquisition provides an opportunity to increase the rental income and expand the Group's investment properties portfolio.

The Directors (including the independent non-executive Directors) are of the view that the Acquisition is on normal commercial terms and is fair and reasonable to and in the interests of the Shareholders as a whole.

### **4. FINANCIAL EFFECT OF THE ACQUISITION ON THE EARNINGS, ASSETS AND LIABILITIES**

The Acquisition is not expected to have any material impact on the net assets of the Group as the increase in investment property following Completion will be offset by a decrease in bank balances and cash as a result of payment of the part of the Purchase Price which is funded by internal resources of the Group on the one hand and an increase in liabilities of the Group as a result of payment of the part of the Purchase Price which is funded by bank borrowing on the other hand.

The Property is not and will not be under lease prior to Completion. The Acquisition is therefore not expected to have any impact on the earnings of the Group immediately upon Completion. Following Completion, upon leasing of the Property and due receipt of rental, the gross income of the Group will be increased.

### **5. GENERAL**

The Group is principally engaged in the sale and distribution of mobile phones, provision of business solutions and property investment. Generalvestor is principally engaged in property investment.

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## LETTER FROM THE BOARD

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On 18 March 2008, Generalvestor also entered into a provisional agreement for sale and purchase of another unit in the same Development from two individuals as vendors, who are Independent Third Parties, at a consideration of HK\$6,050,000 payable in cash. This purchase does not constitute a connected transaction for the Company and is not discloseable under Chapter 14A of the Listing Rules. The vendors of this purchase and the Vendor of the Acquisition are not the same party and, to the best knowledge of the Directors, are not being connected or otherwise associated with one another, and this purchase and the Acquisition are not inter-conditional upon each other, this purchase and the Acquisition are therefore not required to be aggregated and treated as if they were one transaction under Chapter 14 of the Listing Rules. As the applicable size tests for this purchase are all being less than 5%, this purchase does not constitute a discloseable transaction for the Company and is not discloseable under Chapter 14 of the Listing Rules. This purchase also provides an opportunity to increase the rental income and expand the Group's investment properties portfolio.

### 6. ADDITIONAL INFORMATION

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

Yours faithfully,  
For and on behalf of the Board of  
**HKC International Holdings Limited**  
**Chan Chung Yee, Hubert**  
*Chairman*



## 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 and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

## 2. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

- (a) As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the shares, 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 the 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 maintained by the Company referred to therein, or which 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:

Name of Director	the Company/ associated corporation	Capacity	Number and class of securities <i>(Note 1)</i>	Approximate percentage of interest
Chan Chung Yee, Hubert	The Company	Interest of controlled corporation	236,176,575 Shares (L) <i>(Note 2)</i>	48.19%
	The Company	Beneficial owner	8,600,000 Share (L) <i>(Note 3)</i>	1.75%
	Matrix World Group Limited	Beneficial owner	1 share of US\$1.00 (L)	100%
Chan Chung Yin, Roy	The Company	Interest of controlled corporation	67,417,400 Shares (L) <i>(Note 4)</i>	13.76%
	The Company	Beneficial owner	1,000,000 Shares (L) <i>(Note 5)</i>	0.20%

Name of Director	the Company/ associated corporation	Capacity	Number and class of securities (Note 1)	Approximate percentage of interest
	Star Global International Limited	Beneficial owner	1 share of US\$1.00 (L)	100%
Chan Man Min	The Company	Interest of controlled corporation	24,709,650 Shares (L) (Note 6)	5.04%
	The Company	Beneficial owner	1,000,000 Shares (L) (Note 7)	0.20%
Tsui Hon Wing	The Company	Beneficial owner	2,639,200 Shares (L) (Note 8)	0.54%
Chan Ming Him, Denny	The Company	Beneficial owner	1,000,000 Shares (L) (Note 9)	0.20%

## Notes:

- (1) The letter "L" represents the Director's or chief executive's interests in the shares and underlying shares of the Company or its associated corporations.
- (2) Among these Shares, 8,484,848 Shares were held by Light Emotion Limited, a company wholly owned by Matrix World Group Limited and 227,691,727 Shares were held by Matrix World Group Limited, a company wholly owned by Mr. Chan Chung Yee, Hubert. By virtue of the provisions of Divisions 7 and 8 of Part XV of the SFO, Matrix World Group Limited is deemed to be interested in the Shares held by Light Emotion Limited and Mr. Chan Chung Yee, Hubert is deemed to be interested in the Shares in which Matrix World Group Limited is interested.
- (3) These Shares are registered in the name of Mr. Chan Chung Yee, Hubert.
- (4) These Shares were held by Star Global International Limited, a company wholly owned by Mr. Chan Chung Yin, Roy. By virtue of the provisions of Divisions 7 and 8 of Part XV of the SFO, Mr. Chan Chung Yin, Roy is deemed to be interested in the Shares held by Star Global International Limited.
- (5) These Shares are registered in the name of Mr. Chan Chung Yin, Roy.
- (6) These Shares were held by Ocean Hope Group Limited, a company wholly owned by Mr. Chan Man Min. By virtue of the provisions of Divisions 7 and 8 of Part XV of the SFO, Mr. Chan Man Min is deemed to be interested in the Shares held by Ocean Hope Group Limited.
- (7) These Shares are registered in the name of Mr. Chan Man Min.
- (8) These Shares are registered in the name of Mr. Tsui Hon Wing.
- (9) These Shares are registered in the name of Mr. Chan Ming Him, Denny.

- (b) Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interest and short positions in the shares, underlying shares and debentures of the Company or 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 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 maintained by the Company referred to therein, or which 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.

**3. DISCLOSEABLE INTERESTS UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO AND SUBSTANTIAL SHAREHOLDERS OF OTHER MEMBERS OF THE GROUP**

- (a) As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

<b>Name</b>	<b>Number of Shares</b> <i>(Note 1)</i>	<b>Capacity/ nature of interest</b>	<b>Approximate percentage of interest</b>
Matrix World Group Limited	227,691,727(L) <i>(Note 2)</i>	Beneficial owner	46.46%
	8,484,848(L) <i>(Note 2)</i>	Interest of controlled corporation	1.73%
Star Global International Limited	67,417,400(L) <i>(Note 3)</i>	Beneficial owner	13.76%
Ocean Hope Group Limited	24,709,650(L) <i>(Note 4)</i>	Beneficial owner	5.04%
Chan Low Wai Han, Edwina	68,417,400 (L) <i>(Note 5)</i>	Interests of spouse	13.96%
Josephine Liu	244,776,575 (L) <i>(Note 6)</i>	Interests of spouse	49.94%

*Notes:*

1. The letter "L" represents the person's interests in Shares.
  2. Among these Shares, 8,484,848 Shares were held by Light Emotion Limited, a company wholly owned by Matrix World Group Limited and 227,691,727 Shares were held by Matrix World Group Limited, a company wholly owned by Mr. Chan Chung Yee, Hubert. By virtue of the provisions of Divisions 7 and 8 of Part XV of the SFO, Matrix World Group Limited is deemed to be interested in the Shares held by Light Emotion Limited and Mr. Chan Chung Yee, Hubert is deemed to be interested in the Shares in which Matrix World Group Limited is interested. Mr. Chan Chung Yee, Hubert is a director of Light Emotion Limited and Matrix World Group Limited.
  3. Star Global International Limited is a company wholly owned by Mr. Chan Chung Yin, Roy. Mr. Chan Chung Yin, Roy is a director of Star Global International Limited
  4. Ocean Hope Group Limited is a company wholly owned by Mr. Chan Man Min. Mr. Chan Man Min is a director of Ocean Hope Group Limited
  5. Mrs. Chan Low Wai Han, Edwina is wife of Mr. Chan Chung Yin, Roy. By virtue of the provisions of Divisions 2 and 3 of Part XV of the SFO, Mrs. Chan Low Wai Han, Edwina is deemed to be interested in all the Shares in which Mr. Chan Chung Yin, Roy is interested.
  6. Ms. Josephine Liu is the wife of Mr. Chan Chung Yee, Hubert. By virtue of the provisions of Divisions 2 and 3 of Part XV of the SFO, Ms. Josephine Liu is deemed to be interested in all the Shares in which Mr. Chan Chung Yee, Hubert is interested.
- (b) As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, the following person (other than a Director or chief executive of the Company) was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any subsidiaries of the Company:

Name of subsidiary	Name of shareholder	Total amount of registered capital/ number of issued shares of subsidiary being interested	Percentage of shareholder's interest in registered capital/ issued share capital
亞衛通智能系統 (上海)有限公司 (ASCT Technology Co. Ltd.)	Hua Dong	Registered capital of US\$122,000	20%
Wavex Innovations Pte. Ltd	Koh Sze Yon (Xu Zhirong)	6,450 shares	12.9%
Wavex Technologies Pte. Ltd	Koh Sze Yon (Xu Zhirong)	25,800 shares	12.9%

- (c) Save as disclosed above, as at the Latest Practicable Date, other than the Directors and chief executive of the Company whose interests or short positions are set out in paragraph 2(a) above, the Directors and the chief executive of the Company were not aware of any person having any interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, having any direct or indirect interests in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any subsidiaries of the Company.

#### **4. LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration or claim 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.

#### **5. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or other member of the Group which is not determinable by the employer within one year without payment of compensation other than statutory compensation.

#### **6. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors or any of their respective associates who was a controlling shareholder of the Company was interested in any business, apart from the businesses of the Group, which competed or was likely to compete, either directly or indirectly, with the businesses of the Group.

#### **7. MISCELLANEOUS**

- (a) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O.Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at 25/F., Oxford House, 979 King's Road, Taikoo Place, Quarry Bay, Hong Kong.
- (b) The company secretary and qualified accountant of the Company is Mr Wu Kwok Lam, an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Pilare Limited of 10th Floor, Sun Hung Kai Centre, 30 Harbour Road, Hong Kong.
- (d) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.