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If you have sold or transferred all your shares in Sunlink 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 other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



Sunlink International Holdings Limited

科浪國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 2336)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF PROPERTY**

* *for identification only*

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DEFINITIONS

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

“Provisional Agreement”	the Provisional Agreement for Sale and Purchase dated 26 October 2005, entered into between Kingful Investment Limited as the Vendor, the Purchaser and the Property Agent relating to the Disposal
“Board”	the board of Directors of the Company
“Company”	Sunlink International Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Stock Exchange
“Completion”	completion of the sale and purchase of the Property
“Consideration”	the total consideration for the Disposal, which amounted to HK\$5,400,000 under the Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Property by the Vendor to the Purchaser
“Formal Agreement”	the formal sale and purchase agreement to be made by the Vendor and the Purchaser in relation to the sale and purchase of the Property
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a party independent of the Company and connected persons (as defined under the Listing Rule) of the Company
“Latest Practicable Date”	15 November 2005, being the latest practicable date prior to printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Workshops 7, 8 and 9 on the 5th Floor of Portion B of Wing Kut Industrial Building, No.608 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong
“Purchaser”	Ng Hing Sang
“SFO”	The Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong
“Shareholders”	holders of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Kingful Investment Limited, a wholly owned subsidiary of the Company and is principally engaged in property investment



Sunlink International Holdings Limited

科浪國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 2336)

Executive Directors:

Mr. Wong Shu Wing (*Chairman*)
Mr. Kwan Kim Fai, Stanley
Mr. Choi Tat Kai
Mr. Lau Kit Hung

Independent Non-Executive Directors:

Mr. Chang Kin Man
Mr. Lau Chung Kwan
Mr. Yeung Ming Tai

Registered Address:

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

*Principal Place of business
in Hong Kong:*

Room 1905-07, Tower III,
Enterprise Square,
9 Sheung Yuet Road,
Kowloon
Hong Kong

16 November 2005

To the shareholders

Dear Sir/Madam,

DISCLOSEABLE TRANSACTION

DISPOSAL OF PROPERTY

INTRODUCTION

The Board announced on 27 October 2005 that Kingful Investment Limited, a wholly owned subsidiary of the Company, entered into a provisional agreement for sale and purchase dated 26 October 2005 for the disposal of the Property at the total consideration of HK\$5,400,000.

The disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The purpose of this circular is to provide you with further information regarding the disposal of the Property.

LETTER FROM THE CHAIRMAN

PROVISIONAL AGREEMENT

Date: 26 October 2005

Parties: Vendor: Kingful Investment Limited, a wholly owned subsidiary of the Company and is principally engaged in property investment

Purchaser: Ng Hing Sang, to the best of knowledge, information and belief of the Directors, is an Independent Third Party

Property: Address: Workshops 7, 8 and 9, 5th Floor, Portion B, Wing Kut Industrial Building, No.608 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong

Gross floor area: The workshops have a total gross floor area of approximately 3,599 square feet (334.4 square meters)

Year of acquisition and consideration: The Property was acquired on 30 May 2002 for a consideration of HK\$3,200,000. The net book value of the Property as at 30 June 2005 was HK\$3,019,542.77.

Consideration: The consideration of HK\$5,400,000 was agreed after arm's length negotiation between the Vendor and the Purchaser with reference to the current market value of properties for non-residential use in nearby locality. As at 21 October 2005 the Property was valued by an independent valuer, Grant Sherman Appraisal Limited, at a total market value of HK\$3,900,000. The Consideration has been or shall be (as applicable) paid in cash as follows:

- (i) HK\$270,000 being the initial deposit representing 5% of the Consideration on the signing of the Agreement;
- (ii) HK\$270,000 being the further deposit representing 5% on the signing of the Formal Agreement for sale and purchase on or before 14 November 2005; and
- (iii) The balance of HK\$4,860,000 upon Completion.

The expected gain to the Company from the Disposal is approximately HK\$2,130,000 after payment of necessary duties, costs and commission to the Property Agent but before profits tax.

The Property was held for self use until the Company moved to the current office in April 2005 and is currently vacant.

LETTER FROM THE CHAIRMAN

Terms: Pursuant to the Agreement, the Vendor and the Purchaser agree that the Vendor will sell and the Purchaser will purchase the Property.

The Agreement is not subject to any conditions precedent.

The Vendor and the Purchaser will enter into a Formal Agreement for sale and purchase of the Property on or before 14 November 2005.

Completion of the sale and purchase shall take place on or before 14 December 2005.

The Vendor agrees to deliver vacant possession of the Property upon Completion.

The Vendor is required to prove good title to the Property.

REASONS FOR DISPOSAL:

The Group is principally engaged in the distribution of electronic components, development of electronic turkey solutions and M2M communication businesses. The Group used the Property as an office until it moved out and left the Property to remain vacant since April 2005. The Property was available for sales or leases since then. Having regard to the improved economy and the property market of Hong Kong, the Board believes that the terms of the Disposal are fair and reasonable and is in the best interest of the Company and Shareholders as a whole.

USE OF SALES PROCEEDS:

The net sales proceeds of the Property is a sum of approximately HK\$5,330,000. The Group has been granted some banking facilities by the Standard Chartered Bank (HK) Limited against the mortgage of the Property as collateral and was required to apply the net sales proceeds into the Standard Chartered Bank as replacement for collateral to secure the banking facilities in favour of the Group.

FINANCIAL EFFECTS OF THE DISPOSAL:

Taking into account the net gain from the Disposal of approximately HK\$2,130,000, it is expected that there will be a corresponding increase in net assets of the Group as a result of the Disposal. It is expected that there will not be a change in the Group's liabilities.

ADDITIONAL INFORMATION:

Your attention is drawn to the additional information set out in the Appendix of this circular.

Yours faithfully,
For and on behalf of the Board
Lau Kit Hung
Executive Director

1. RESPONSIBILITY

This circular includes particulars given in compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquires, 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. DISCLOSURE OF DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations(s) (within the meaning of Part XV of the SFO) which were required, pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were 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 Listed Companies of the Listing Rules, to be notified to the Company and the Stock Exchange, was as follows:

Name	Capacity, Nature of interest	Number of shares held		Percentage of the issued share capital of the Company
		Long Position	Short Position	
Wong Shu Wing	Corporate	204,000,000 (Note)	—	43%
Kwan Kim Fai, Stanley	Personal	36,000,000	—	8%

Note: These shares are held by Best Eagle International Ltd., a company incorporated in the British Virgin Islands (“BVI”) and wholly owned by Wong Shu Wing.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) (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 they were 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 Listed Companies in the Listing Rules to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest practicable Date, so far as is known to any Directors or chief executive of the Company, the following persons (not being a Director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the

provisions of Division 2 and 3 of Part XV of the SFO or, who were, 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 other member of the Group or had any option in respect of such capital:

Name	Capacity, Nature of interest	Number of shares held		Percentage of the issued share capital of the Company
		Long Position	Short Position	
Best Eagle International Ltd. (Note 1)	Corporate	204,000,000	—	43%
Wong Shu Wing (Note 1)	Personal	204,000,000	—	43%
D & M International Limited (Note 2)	Corporate	60,000,000 (Note)	—	13%
Leung Yu Ming, Steven (Note 2)	Personal	60,000,000	—	13%

(Note 1): The entire issued share capital of Best Eagle International Ltd. is beneficially owned by Mr. Wong Shu Wing. Therefore both Best Eagle International Ltd. and Mr. Wong Shu Wing are deemed to have the duplicate interests in the share capital of the Company under the SFO.

(Note 2): The entire issued share capital of D & M International Limited is beneficially owned by Mr. Leung Yu Ming, Steven. Therefore both D & M International Limited and Mr. Leung Yu Ming, Steven are deemed to have the duplicate interests in the share capital of the Company under the SFO.

Save as disclosed above so far as is known to the Directors or chief executive of the Company, no other person (not being a Director or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or who 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 other member of the Group or had any option in respect of such capital.

Save as aforesaid, as at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

4. SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company commencing from 3 March 2003 for an initial term of three years (as to Mr. Wong Shu Wing), two years (as to Mr. Kwan Kim Fai, Stanley) and one year (as to that Mr. Choi Tat Kai and Mr. Lau Kit

Hung) respectively and shall continue thereafter from year to year until terminated by either party with three months' notice in writing served on the other side, subject to retirement by rotation at least once every three years.

As at the Latest Practicable Date, save as disclosed above, none of the Directors has entered into or proposed to enter into any service agreement with any member of the Group which will expire or may not be terminated by the Company within a year without payment of any compensation (other than statutory compensation).

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective associates (as defined in the Listing Rules) had any interest in a business which compete or may compete with the business of the Group.

6. GENERAL

- (a) The registered office of the Company is at Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, British West Indies.
- (b) The principal place of business of the Company in Hong Kong is at Room 1905-07, Tower III, Enterprise Square, 9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Standard Registrars Limited, whose office is at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.
- (d) The company secretary and the qualified accountant of the Company for the Rule 3.24 of the Listing Rules is Mr. Lee Chak To, a member of The Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.
- (e) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.