

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in the Company, you should at once hand this circular to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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FRANKIE DOMINION INTERNATIONAL LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 704)

DISCLOSEABLE TRANSACTION INVOLVING DISPOSAL OF PROPERTIES

25 October 2007

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DEFINITIONS

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

“associates”	has the meaning ascribed to this term under the Listing Rules
“Bigfield”	Bigfield Goldenford Holdings Limited, a limited liability company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Company”	Frankie Dominion International Limited, a company incorporated in Bermuda with limited liability the issued Shares of which are listed on the main board of the Stock Exchange
“connected persons”	has the meaning ascribed to this term under the Listing Rules
“Directors”	the directors of the Company
“FDHL”	Frankie Dominion (Holdings) Limited, a limited liability company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“First Agreement”	an agreement for sale and purchase dated 10 August 2007 entered into between Bigfield and KNDL in relation to the disposal of a property for a consideration of HK\$5,200,000
“First Property”	the factory units B & C on the 6th floor of Yally Industrial Building, 6 Yip Fat Street, Wong Chuk Hang, Hong Kong
“First Transaction”	the entering into of the First Agreement
“Group”	The Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“KNDL”	Khim Nguy’s Design Limited, a limited liability company incorporated in Hong Kong

DEFINITIONS

“Latest Practicable Date”	22 October 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transaction by Directors of Listed Companies
“Mr. Cheung”	Cheung Kin Ming Larry
“Mrs. Cheung”	Cheung Nguy Khim, the ultimate beneficial owner of KNDL
“Second Agreement”	an agreement for sale and purchase dated 5 October 2007 entered into between FDHL, Mr. Cheung and Mrs. Cheung in relation to the disposal of a property for a consideration of HK\$15,380,000
“Second Property”	the factory units A, B, C & D on the 2nd floor of Yally Industrial Building, 6 Yip Fat Street, Wong Chuk Hang, Hong Kong
“Second Transaction”	the entering into of the Second Agreement
“SFO”	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Agreement”	an agreement for sale and purchase dated 5 October 2007 entered into between Bigfield, Mr. Cheung and Mrs. Cheung in relation to the disposal of a property for a consideration of HK\$230,000
“Third Property”	the car parking space No. 16 on the ground floor of Yally Industrial Building, 6 Yip Fat Street, Wong Chuk Hang, Hong Kong
“Third Transaction”	the entering into of the Third Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

LETTER FROM THE BOARD



FRANKIE DOMINION INTERNATIONAL LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 704)

Executive Directors:

Mr. Lam Po Kwai, Frankie (*Chairman*)
Ms. Wong Yau Ching, Maria (*Vice chairman*)
Ms. So Man Yee, Katherine
Mr. Chim Kim Lun, Ricky
Mr. Cheng Kwok Hing, Andy

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Non-Executive Director:

Ms. Lee Yuen Bing, Nina

Principal Office in Hong Kong:

1st Floor
Yally Industrial Building
6 Yip Fat Street
Wong Chuk Hang
Hong Kong

Independent Non-executive Directors:

Mr. Au Son Yiu
Mr. Lee Johnson
Dr. Tang Tin Sek

25 October 2007

To the shareholders of the Company,

Dear Sir/Madam,

DISCLOSEABLE TRANSACTION RELATING TO DISPOSAL OF PROPERTIES

INTRODUCTION

Reference is made to the announcement of the Company dated 5 October 2007. Bigfield, a wholly-owned subsidiary of the Company, entered into the First Agreement with KNDL to dispose of a property on 10 August 2007. FDHL, another wholly-owned subsidiary of the Company, entered into the Second Agreement with Mr. Cheung and Mrs. Cheung (the ultimate beneficial owner of KNDL) to dispose of a property on 5 October 2007. Bigfield also entered into the Third Agreement with Mr. Chueng and Mrs. Cheung to dispose of a property on 5 October 2007.

The transactions under the First Agreement, and the Second Agreement and the Third Agreement and the second transaction disclosed in the announcement dated 21 March 2007 are aggregated and treated as one transaction pursuant to Rule 14.22 of the Listing Rules and constitute a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with further details regarding the First Agreement, the Second Agreement, the Third Agreement and other information in accordance with the Listing Rules.

The Group is principally engaged in the design, manufacture and sale of a diversified range of consumer home products. The principal business activity of KNDL is home design. Mrs. Cheung is the ultimate beneficial owner of KNDL.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of KNDL, Mr. Cheung and Mrs. Cheung are a third party independent of the Company and its connected persons (as defined in the Listing Rules).

THE FIRST AGREEMENT

Date: 10 August 2007

Vendor: Bigfield

Purchaser: KNDL, a company incorporated in Hong Kong with limited liability

Property disposed

The property disposed of is the factory units B & C on the 6th floor of Yally Industrial Building, 6 Yip Fat Street, Wong Chuk Hang, Hong Kong. The gross floor area of the First Property is 465.4 square meters.

During the period from 1 January 2005 to August 2007, the First Property was used by Bigfield as its showroom and warehouse. No profit was attributable to the First Property for the years ended 31 December 2005 and 31 December 2006 respectively.

Consideration and payment terms

The consideration for the disposal of the First Property is HK\$5,200,000. A deposit in the sum of HK\$520,000 was received by Bigfield on 10 August 2007. The second and final payments in the sums of HK\$1,040,000 and HK\$3,640,000 were settled on 17 August 2007 and 31 August 2007 respectively.

The consideration was arrived at after arm's length negotiation between the vendor and the purchaser and with reference to current market value of properties for industrial use in the nearby locality.

As at 31 December 2006, the net book value of the First Property was approximately HK\$2,990,000. After deducting the net book value of the First Property and the legal and other related costs and expenses, the gain to the Group from the disposal of the First Property was approximately HK\$2,202,000.

LETTER FROM THE BOARD

Completion date

Completion for the sale and purchase of the First Property took place on 31 August 2007. On completion, Bigfield entered into a tenancy agreement with KNDL to lease from it the First Property for a term of 24 months at a rent of HK\$23,000 per month.

THE SECOND AGREEMENT

Date: 5 October 2007

Vendor: FDHL

Purchaser: Mr. Cheung and Mrs. Cheung

Property to be disposed

The property to be disposed of is the factory units A, B, C & D on the 2nd floor of Yally Industrial Building, 6 Yip Fat Street, Wong Chuk Hang, Hong Kong. The total gross floor area of the Second Property is 1,623.70 square meters.

No profit was attributable to the Second Property for the years ended 31 December 2005 and 31 December 2006 respectively. The Second Property has been used by FDHL as its business office and showroom. Upon completion of the sale of the Second Property, FDHL will enter into a tenancy agreement with Mr. Cheung and Mrs. Cheung to lease from them the Second Property for a term of 24 months at a rent of HK\$66,400 per month.

Consideration and payment terms

The consideration for the disposal of the Second Property is HK\$15,380,000. A deposit in the sum of HK\$1,538,000 was received by FDHL on 5 October 2007. The second payment in the sum of HK\$3,076,000 was settled in cash on 11 October 2007. The balance in the sum of HK\$10,766,000 will be settled in cash on or before 31 October 2007.

The consideration was arrived at after arm's length negotiation between the vendor and the purchaser and with reference to current market value of properties for industrial use in the nearby locality.

As at 31 December 2006, the net book value of the Second Property was approximately HK\$6,369,412. After deducting the net book value of the Second Property and the expected legal and other related costs and expenses, the expected gain to the Group from the disposal of the Second Property will be approximately HK\$8,986,000.

Completion date

Completion for the sale and purchase of the Second Property is expected to take place on or before 31 October 2007.

LETTER FROM THE BOARD

THE THIRD AGREEMENT

Date: 5 October 2007

Vendor: Bigfield

Purchaser: Mr. Cheung and Mrs. Cheung

Property to be disposed

The property to be disposed of is the car parking space No. 16 on the ground floor of Yally Industrial Building, 6 Yip Fat Street, Wong Chuk Hang, Hong Kong.

No profit was attributable to the Third Property for the years ended 31 December 2005 and 31 December 2006 respectively. The Third Property has been occupied by Bigfield.

Consideration and payment terms

The consideration for the disposal of the Third Property is HK\$230,000. A deposit in the sum of HK\$23,000 was received by Bigfield on 5 October 2007. The balance in the sum of HK\$207,000 was settled in cash on 11 October 2007.

The consideration was arrived at after arm's length negotiation between the vendor and the purchaser and with reference to current market value of car parking properties in the nearby locality.

As at 31 December 2006, the net book value of the Third Property was approximately HK\$157,694. After deducting the net book value of the Third Property and the expected legal and other related costs and expenses, the expected gain to the Group from the disposal of the Third Property will be approximately HK\$70,000.

Completion date

Completion for the sale and purchase of the Third Property is expected to take place on or before 31 October 2007.

REASONS FOR THE DISPOSALS

The Directors consider that First Transaction, the Second Transaction and the Third Transaction were entered into upon normal commercial terms following arm's length negotiations among the parties and that the terms of each of the First Agreement, the Second Agreement and the Third Agreement are fair and reasonable and are in the interest of the Company and the shareholders of the Company as a whole as the cash raised from the disposals will enhance the Group's liquidity and increase the funds available for general working capital.

LETTER FROM THE BOARD

Save as disclosed herein, the First Transaction, the Second Transaction and the Third Transaction do not have any material impact of the earnings, assets and liabilities of the Company.

USE OF NET PROCEEDS

The net proceeds from the disposal under the First Transaction, the Second Transaction and the Third Transaction are approximately HK\$5,192,000, HK\$15,355,000 and HK\$228,000 respectively, which will be used as general working capital.

GENERAL

The First Transaction the Second Transaction, the Third Transaction and the second transaction disclosed in the announcement of the Company dated 21 March 2007 are aggregated and treated as one transaction pursuant to Rule 14.22 of the Listing Rules and constitute a discloseable transaction on the part of the Company under the Listing Rules.

ADDITIONAL INFORMATION

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

Yours faithfully
For and on behalf of the Board of
FRANKIE DOMINION INTERNATIONAL LIMITED
Lam Po Kwai, Frankie
Chairman

APPENDIX

1. RESPONSIBILITY

This circular includes particulars given in compliance with the Listing Rules 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 enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement contained herein misleading.

2. INTEREST OF DIRECTORS

2.1 Interests in the securities of the Company and its associated corporations

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 the provisions of 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 were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or were required pursuant to the Model Code to be notified to the Company and the Stock Exchange were as follows:

Directors' Interests in Shares

Name of Director	Number of Shares held		Total number of Shares held	Percentage of issued share capital of the Company
	Personal interest	Family interest		
Mr. Lam Po Kwai Frankie (a)	43,545,785	867,059	44,412,844	9.29%
Ms. Lee Yuen Bing Nina (b)	867,059	43,545,785	44,412,844	9.29%
Mr. Wong Yau Ching Maria	73,433	–	73,433	0.01%

Notes:

- (a) Ms. Lee Yuen Bing Nina was the spouse of Mr. Lam Po Kwai Frankie. By virtue of the SFO, Mr. Lam was deemed to be interested in the Shares held by Ms. Lee.
- (b) Mr. Lam Po Kwai Frankie was the spouse of Ms. Lee Yuen Bing Nina. By virtue of the SFO, Ms. Lee was deemed to be interested in the Shares held by Mr. Lam.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests and short positions 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

APPENDIX

notified to the Company and the Stock Exchange pursuant to the provisions of 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 were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or were required pursuant to the Model Code to be notified to the Company and the Stock Exchange.

2.2 Other interests

As at the Latest Practicable Date,

- (i) none of the Directors and their respective associates had any competing interest with the Company; and
- (ii) none of the Directors was a director or employee of a company which 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 the Divisions 2 and 3 of Part XV of the SFO.

3. SERVICE CONTRACTS

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

4. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claim of material importance and there was no litigation or claims of material importance was known to the Directors to be pending or threatened against any member of the Group.

5. OTHERS

- (a) The qualified accountant of the Company is Mr. Liu Wai Hung who is a member of the Hong Kong Institute of Certified Public Accountants.
- (b) The company secretary of the Company is Mr. Cheung Chiu Fan who is a fellow member of the Chartered Association of Certified Accountants, an associate of the Institute of Chartered Secretaries and Administrators and a member of British Institute of Management in the United Kingdom.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.