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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 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 Proview International Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

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PROVIEW
PROVIEW INTERNATIONAL HOLDINGS LIMITED
唯冠國際控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 334)

CONTINUING CONNECTED TRANSACTIONS

**Independent financial adviser to the
Independent Board Committee and the Independent Shareholders**



INCU Corporate Finance Limited

A letter from the Independent Board Committee to the Independent Shareholders is set out on page 12 and 13 of this circular. A letter from INCU Corporate Finance Limited, the independent financial adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 14 to 24 of this circular.

A notice convening the SGM of the Company to be held at Unit 901, 9th Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Tuesday, 24 June 2008 at 3:00 p.m. is set out on pages 30 to 32 of this circular. A form of proxy for use at the SGM is also enclosed with this circular.

Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong at Computershare Hong Kong Investor Services Limited at Rooms 1806-7, 18/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the SGM if you so wish.

CONTENTS

| | <i>Page</i> |
|--|-------------|
| Definitions | 1 |
| Letter from the Board | 4 |
| Letter from the Independent Board Committee | 12 |
| Letter of advice from INCU | 14 |
| Appendix – General Information | 25 |
| Notice of SGM | 30 |

DEFINITIONS

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

| | |
|-------------------------------------|--|
| “Agreements” | the Supply Agreement A, the Supply Agreement B and the Manufacturing Agreement |
| “associates” | has the meaning ascribed to it in the Listing Rules |
| “Board” | the board of Directors |
| “Bye-laws” | the bye-laws of the Company, and “Bye-law” shall mean a bye-law of the Bye-laws |
| “Company” | Proview International Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange |
| “connected person” | has the meaning ascribed to it in the Listing Rules |
| “Continuing Connected Transactions” | the transactions contemplated under the Supply Agreement A, the Supply Agreement B and the Manufacturing Agreement |
| “Directors” | the directors of the Company |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “INCUB” | INCUB Corporate Finance Limited, a licensed corporation under the SFO to conduct type 6 (advising on corporate finance) regulated activity under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Agreements and their respective annual caps for each of the three years ending 30 June 2010 |
| “Independent Board Committee” | the independent committee of the Board, comprising the independent non-executive Directors, Mr. Lee Chiu-kang, Alex, Mr. Lau Siu-ki, Kevin, Mr. Liu Zixian and Mr. Wang Kuei-ching, Will, to be formed for the purpose of advising Independent Shareholders in relation to the Continuing Connected Transactions |
| “Independent Shareholders” | Shareholders which are not required to abstain from voting at the general meeting to approve a connected transaction |

DEFINITIONS

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|-----------------------------|--|
| “Independent Third Parties” | third parties independent of the Company and its connected persons and are not connected persons of the Company |
| “Latest Practicable Date” | 5 June 2008, being the latest practicable date prior to printing of this circular for ascertaining certain information in this circular |
| “LCD” | liquid crystal display |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Manufacturing Agreement” | the agreement entered into between the Company and Tatung on 23 May 2008 for the provision of manufacturing and processing services for the Group’s digital consumer products provided by the Tatung Group |
| “PDP(s)” | plasma display panel(s) |
| “SFO” | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “SGM” | a special general meeting of the Company to be convened and held at Unit 901, 9th Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong, on Tuesday, 24 June 2008 at 3:00 p.m. to consider and, if thought fit, to approve the Continuing Connected Transactions |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the share capital of the Company |
| “Shareholder(s)” | holders of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Supply Agreement A” | the agreement entered into between the Company and Tatung on 23 May 2008 for the supply by the Group to the Tatung Group LCD TVs, PDP TVs and other related equipments |
| “Supply Agreement B” | the agreement entered into between the Company and Tatung on 23 May 2008 for the supply by the Tatung Group to the Group LCD monitor panels, LCD TV panels, LCD TVs, PDP TVs and other related equipments |

DEFINITIONS

| | |
|----------------|--|
| “Taiwan” | the Republic of China, Taiwan |
| “Tatung” | 大同股份有限公司 (Tatung Co. Ltd.*), a company incorporated in Taiwan and is a connected person of the Company |
| “Tatung Group” | Tatung and its subsidiaries |
| “TV(s)” | television set(s) |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “US\$” | United States dollars, the lawful currency of the United States of America |
| “%” | per cent |

* For identification purpose only

LETTER FROM THE BOARD



PROVIEW INTERNATIONAL HOLDINGS LIMITED

唯冠國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 334)

Executive Directors:

Yang Long-san, Rowell (*Chairman and Chief Executive Officer*)

Wang Ming-chun, Morris (*Deputy Chairman*)

Hui Siu-ling, Elina

Non-executive Directors:

Chang I-hua

Huang Ying-che, Michael

Independent non-executive Directors

Lau Siu-ki, Kevin

Lee Chiu-kang, Alex

Liu Zixian

Wang Kuei-ching, Will

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Principal place of
business in Hong Kong:*

Unit 901, 9th Floor

Paul Y. Centre

51 Hung To Road

Kwun Tong

Kowloon

Hong Kong

7 June 2008

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

The Company entered into the Supply Agreement A, Supply Agreement B and Manufacturing Agreement on 23 May 2008 with Tatung, a connected person of the Company. The Agreements constitute continuing connected transactions on the part of the Company and are subjected to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

The purpose of this circular is to provide you with details of the Agreements under the Listing Rules.

* For identification purpose only

LETTER FROM THE BOARD

SUPPLY AGREEMENT A

On 23 May 2008, the Company and Tatung entered into the Supply Agreement A pursuant to which the Group has agreed to supply the Tatung Group with LCD TVs, PDP TVs and other related equipments from the date the Supply Agreement A is approved by the Independent Shareholders at the SGM to 30 June 2010.

Annual caps

The Directors propose that the annual cap for the transactions under the Supply Agreement A for each of the three years ending 30 June 2010 is HK\$50,318,000, HK\$624,096,000 and HK\$622,536,000 respectively. The annual cap for the year ending 30 June 2008 of HK\$50,318,000 represents the cap for an approximately one month period. The annual cap for each of the two years ending 30 June 2010 of HK\$624,096,000 and HK\$622,536,000 respectively represents the cap for a twelve-month period.

The annual cap for each of the three years ending 30 June 2010 is estimated by the Directors after taking into account (i) the Company's estimates of the increase in the future demand for LCD TVs in the Taiwan market; (ii) the potential orders to be received by the Group from the Tatung Group, which was estimated based on the anticipated market share of Tatung in relation to LCD TVs and PDP TVs; and (iii) the projected market price of LCD TVs and PDP TVs determined with reference to the anticipated supply of the said products in the worldwide market and future market competition.

Should the aggregate annual purchases made by the Tatung Group to the Group exceed HK\$50,318,000, HK\$624,096,000 and HK\$622,536,000 for each of the three years ending 30 June 2010 respectively, the Company will enter into a separate agreement with Tatung for those purchases which exceed such amount and the Company will make a separate announcement and will comply with the relevant requirements under the Listing Rules.

During the period from 1 July 2005 up to the Latest Practicable Date, the Group has not sold any LCD TVs, PDP TVs and other related equipments to the Tatung Group.

The Supply Agreement A was entered into in the usual and ordinary course of business of the Group. The price of the equipments payable to the Group (including payment terms) will be agreed upon between the parties and shall be determined after arm's length negotiation on normal commercial terms, with reference to the then market price and industry trend, and on terms no less favourable than the terms available from Independent Third Parties for purchase of similar equipments of comparable quality and quantity.

Condition

The Supply Agreement A is conditional upon the approval by Independent Shareholders by poll at the SGM to be convened and held of an ordinary resolution to approve the Continuing Connected Transactions. The Supply Agreement A will become effective after fulfillment of the condition as set out above. If the condition has not been satisfied on or before 30 June 2008 or such later date as the parties may agree, the Supply Agreement A shall cease and determine and neither party shall have any obligations and liabilities save for antecedent breaches of the terms thereof.

LETTER FROM THE BOARD

SUPPLY AGREEMENT B

On 23 May 2008, the Company and Tatung entered into the Supply Agreement B pursuant to which the Tatung Group has agreed to supply the Group with LCD monitor panels, LCD TV panels, LCD TVs, PDP TVs and other related equipments from the date the Supply Agreement B is approved by the Independent Shareholders at the SGM to 30 June 2010.

Annual caps

The Directors propose that the annual cap for the transactions under the Supply Agreement B for each of the three years ending 30 June 2010 is HK\$192,932,000, HK\$3,588,552,000 and HK\$3,812,385,000 respectively. The annual cap for the year ending 30 June 2008 of HK\$192,932,000 represents the cap for an approximately one month period. The annual cap for each of the two years ending 30 June 2010 of HK\$3,588,552,000 and HK\$3,812,385,000 respectively represents the cap for a twelve-month period.

The annual cap for each of the three years ending 30 June 2010 is estimated by the Directors after taking into account (i) the Company's estimates of the increase in the future demand for panels, in particular, LCD monitor panels and LCD TV panels, which was determined with reference to the historical and estimated future demand and production trend and pattern for LCD TVs, PDP TVs and other related products in the worldwide market; (ii) the potential orders to be received by the Company; and (iii) the anticipated market price of LCD monitor panels, LCD TV panels, LCD TVs, PDP TVs and other related products. Such annual caps also provide ample accommodation of the possible fluctuation of materials cost as a result of any possible changes in the market conditions.

Should the aggregate annual purchases made by the Group to the Tatung Group exceed HK\$192,932,000, HK\$3,588,552,000 and HK\$3,812,385,000 for each of the three years ending 30 June 2010 respectively, the Company will enter into a separate agreement with Tatung for those purchases which exceed such amount and the Company will make a separate announcement and will comply with the relevant requirements under the Listing Rules.

During the period from 1 July 2005 to 30 June 2006, the Tatung Group has sold 1,000 units of panels in the value of US\$185,000 to the Group. From 1 July 2006 up to the Latest Practicable Date, the Tatung Group has not sold any other LCD monitor panels, LCD TV panels, LCD TVs, PDP TVs and other related equipments to the Group. The annual caps for the transactions under the Supply Agreement B for each of the three years ending 30 June 2010 are not determined with reference to such previous transaction and figures.

The Supply Agreement B was entered into in the usual and ordinary course of business of the Group. The price of the equipments payable to the Tatung Group (including payment terms) will be agreed upon between the parties and shall be determined after arm's length negotiation on normal commercial terms, with reference to the then market price and industry trend, and on terms no less favourable than the terms available from Independent Third Parties for purchase of similar equipments of comparable quality and quantity.

LETTER FROM THE BOARD

Condition

The Supply Agreement B is conditional upon the approval by Independent Shareholders by poll at the SGM to be convened and held of an ordinary resolution to approve the Continuing Connected Transactions. The Supply Agreement B will become effective after fulfillment of the condition as set out above. If the condition has not been satisfied on or before 30 June 2008 or such later date as the parties may agree, the Supply Agreement B shall cease and determine and neither party shall have any obligations and liabilities save for antecedent breaches of the terms thereof.

MANUFACTURING AGREEMENT

On 23 May 2008, the Company and Tatung entered into the Manufacturing Agreement pursuant to which the Tatung Group has agreed to provide the Group the manufacturing and processing services for the Group's digital consumer products, including LCD TVs and PDP TVs, from the date the Manufacturing Agreement is approved by the Independent Shareholders at the SGM to 30 June 2010.

Annual caps

The Directors propose that the annual cap for the transactions under the Manufacturing Agreement for each of the three years ending 30 June 2010 is HK\$6,632,000, HK\$77,958,000 and HK\$91,087,000 respectively. The annual cap for the year ending 30 June 2008 of HK\$6,632,000 represents the cap for an approximately one month period. The annual cap for each of the two years ending 30 June 2010 of HK\$77,958,000 and HK\$91,087,000 respectively represents the cap for a twelve-month period.

The annual cap for each of the three years ending 30 June 2010 is estimated by the Directors after taking into account (i) the estimated growth of sales of the Group's digital consumer products determined with reference to the target market growth; (ii) the potential orders to be received by the Company and the future business prospect of the Company determined with reference to the proposed restructuring of the Group's production to rely on the production facilities of the Tatung Group; and (iii) the estimated increase in service charge payable for manufacturing and processing services determined with reference to the prevailing market rates.

Should the aggregate annual services provided by the Tatung Group to the Group exceed HK\$6,632,000, HK\$77,958,000 and HK\$91,087,000 for each of the three years ending 30 June 2010 respectively, the Company will enter into a separate agreement with Tatung for those services which exceed such amount and the Company will make a separate announcement and will comply with the relevant requirements under the Listing Rules.

During the period from 1 July 2005 up to the Latest Practicable Date, no manufacturing and processing services for the Group's digital consumer products, including LCD TVs and PDP TVs, has been conducted by the Tatung Group to the Group.

LETTER FROM THE BOARD

The Manufacturing Agreement was entered into in the usual and ordinary course of business of the Group. The expenses to be charged by the Tatung Group (including payment terms) will be agreed upon between the parties and shall be determined after arm's length negotiation on normal commercial terms, with reference to the then market price and industry trend, and on terms no less favourable than the terms available from Independent Third Parties for provision of similar service.

Condition

The Manufacturing Agreement is conditional upon the approval by Independent Shareholders by poll at the SGM to be convened and held of an ordinary resolution to approve the Continuing Connected Transactions. The Manufacturing Agreement will become effective after fulfillment of the condition as set out above. If the condition has not been satisfied on or before 30 June 2008 or such later date as the parties may agree, the Manufacturing Agreement shall cease and determine and neither party shall have any obligations and liabilities save for antecedent breaches of the terms thereof.

REASONS FOR ENTERING INTO THE CONTINUING CONNECTED TRANSACTIONS

The Group is principally engaged in the manufacturing, marketing and distribution of display products worldwide. The Group's products are marketed through its own-brands and licensed brands in the world major retail channels. The Group is also one of the major original equipment manufacturer players in the display industry.

Tatung is principally engaged in design and manufacturing of a vast array of digital consumer products, including LCD TVs, PDP TVs, network-connected devices, storage-based media players and home appliances.

Tatung has direct control over one of the world's leading panel suppliers, Chunghwa Picture Tubes Ltd. Meanwhile, Tatung also has a strong base in home appliance market. The Tatung Group will provide a secure platform for the sale of the products of the Group which are well-known for its quality. In view of the changing market condition from time to time, the Tatung Group will be a reliable supplier to the Group hence the Group will secure materials and equipments supply and will further secure its market position. The Tatung Group can fully utilize their overseas factories by providing manufacturing and processing services for the Group's digital consumer products and the Group will save its administrative costs at the same time. Both the Group and the Tatung Group can enjoy the benefit from economies of scale which may not be available if they source individually on their own.

The Directors (including the independent non-executive Directors) consider that the Agreements are entered into upon normal commercial terms following arm's length negotiations between the parties to the Agreements respectively and that the terms of the Agreements (including the annual caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As at the date hereof, Tatung is interested as to approximately 16.22% of the issued share capital of the Company. Tatung is a connected person under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A of the Listing Rules, the Continuing Connected Transactions constitute non-exempt continuing connected transactions on the part of the Company under the Listing Rules and are subject to reporting, announcement and Independent Shareholders' approval requirement.

The SGM will be convened at which ordinary resolutions will be proposed to consider and, if thought fit, approve the Continuing Connected Transactions and the relevant annual cap amounts where Tatung and its associates will abstain from voting. As such, Tatung, Mr. Chang I-hua and Mr. Huang Ying-che, Michael, the directors nominated by Tatung, and their respective associates, together are interested as to approximately 16.22% of the issued share capital of the Company, will abstain from voting for the relevant resolutions in the SGM to approve the Continuing Connected Transactions. Save as disclosed above, no other Shareholders have any interests in the Continuing Connected Transactions and are required to abstain from voting at the SGM.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising Mr. Lee Chiu-kang, Alex, Mr. Lau Siu-ki, Kevin, Mr. Liu Zixian and Mr. Wang Kuei-ching, Will, all being independent non-executive Directors, has been established to consider and advise the Independent Shareholders in respect of the fairness and reasonableness of the terms of the Continuing Connected Transactions. INCU has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Continuing Connected Transactions.

SGM

Set out on pages 30 to 32 is a notice convening the SGM to be held at Unit 901, 9th Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Tuesday, 24 June 2008 at 3:00 p.m. at which relevant resolutions will be proposed to the Shareholders to consider and if thought fit, approve the Continuing Connected Transactions. The voting on the resolution will be taken by way of poll.

There is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon Tatung, its ultimate beneficial owners and their respective associates; and (ii) no obligation or entitlement of each of Tatung, its ultimate beneficial owners and their respective associates as at the Latest Practicable Date, whereby it has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its Shares to a third party, either generally or on a case-by-case basis.

LETTER FROM THE BOARD

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the branch share registrar of the Company in Hong Kong at Computershare Hong Kong Investor Services Limited at Rooms 1806-7, 18/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return the form of proxy will not preclude you from attending and voting in person at the SGM should you so wish.

PROCEDURES FOR THE DEMAND BY POLL

The following sets out the procedures by which the Shareholders may demand a poll at the SGM.

According to Bye-law 73 of the Bye-laws, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) 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 any 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 the Shareholders having the right to vote at the meeting; or
- (iv) by any 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 the Shares conferring that right.

LETTER FROM THE BOARD

RECOMMENDATION

The Board considers that the terms of the Continuing Connected Transactions are fair and reasonable, in the interests of the Company and the Shareholders as a whole and on normal commercial terms. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolution as set out in the notice of the SGM.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 12 and 13 of this circular which contains its views in relation to the Continuing Connected Transactions; and (ii) the letter from INCU, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Continuing Connected Transactions and the principal factors and reasons considered by it in arriving at its opinions. The text of the letter from INCU is set out on pages 14 to 24 of this circular.

The Independent Board Committee, having taken into account the advice of INCU, considers that the terms of the Continuing Connected Transactions and the basis for determining the annual caps relating thereto are on normal commercial terms and fair and reasonable so far as the Company and the Independent Shareholders are concerned, the terms of the Continuing Connected Transactions and the annual caps relating thereto are in the interests of the Company and the Shareholders as a whole.

ADDITIONAL INFORMATION

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

By order of the Board
Proview International Holdings Limited
Yang Long-san, Rowell
Chairman and Chief Executive Officer



PROVIEW INTERNATIONAL HOLDINGS LIMITED

唯冠國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 334)

7 June 2008

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company dated 7 June 2008 (the “**Circular**”) to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members to form the Independent Board Committee and to advise you the terms of the Continuing Connected Transactions whether such terms and the annual caps relating thereto are on normal commercial terms and fair and reasonable, and whether such terms are in the interests of the Company and the Shareholders as a whole.

INCU has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Continuing Connected Transactions and the basis for determining the annual caps relating thereto are (i) fair and reasonable so far as the Company and the Independent Shareholders are concerned; and (ii) on normal commercial terms and whether the terms of the Continuing Connected Transactions are in the interests of the Company and the Shareholders as a whole. Details of its advice, together with the principal factors taken into consideration in arriving at such advice, is set out on pages 14 to 24 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 4 to 11 of the Circular and the additional information set out in the appendix to the Circular.

* *For identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the terms of the Continuing Connected Transactions and the advice of INCU, we are of the opinion that the terms of the Continuing Connected Transactions and the basis for determining the annual caps relating thereto are (i) fair and reasonable so far as the Company and the Independent Shareholders are concerned; and (ii) on normal commercial terms and the terms of the Continuing Connected Transactions are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Continuing Connected Transactions and the annual caps relating thereto.

Yours faithfully,
Independent Board Committee of
Proview International Holdings Limited

Lee Chiu-kang, Alex
Independent non-executive Director

Lau Siu-ki, Kevin
Independent non-executive Director

Liu Zixian
Independent non-executive Director

Wang Kuei-ching, Will
Independent non-executive Director

LETTER OF ADVICE FROM INCU

The following is the letter of advice from INCU to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



INCU Corporate Finance Limited

Unit 1602, Ruttonjee House
Ruttonjee Centre, 11 Duddell Street
Central, Hong Kong

7 June 2008

*To the Independent Board Committee and
the Independent Shareholders of
Proview International Holdings Limited*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the terms of each of the Agreements and their respective annual caps for each of the three years ending 30 June 2010 (the “**Annual Caps**”), details of which are contained in a circular of the Company (the “**Circular**”) to the Shareholders dated 7 June 2008, of which this letter forms part. Expressions used in this letter have the same meanings as defined in the Circular unless the context otherwise requires.

On 23 May 2008, the Company entered into three agreements with Tatung: (i) the Supply Agreement A in relation to the supply of LCD TVs, PDP TVs and other related equipments by the Group to the Tatung Group; (ii) the Supply Agreement B in relation to the supply of LCD monitor panels, LCD TV panels, LCD TVs, PDP TVs and other related equipments by the Tatung Group to the Group; and (iii) the Manufacturing Agreement in relation to the manufacturing and processing services to be performed by the Tatung Group for the Group’s digital consumer products, including LCD TVs and PDP TVs. As Tatung is interested as to approximately 16.22% of the issued share capital of the Company, it is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, each of the Agreements constitutes non-exempt continuing connected transactions for the Company under the Listing Rules and is subject to reporting, announcement and Independent Shareholders’ approval requirement at the SGM where voting must be taken by way of poll.

LETTER OF ADVICE FROM INCU

An independent board committee comprising Mr. Lee Chiu-kang, Alex, Mr. Lau Siu-ki, Kevin, Mr. Liu Zixian and Mr. Wang Kuei-ching, Will, being the independent non-executive Directors, has been formed to advise the Independent Shareholders in relation to the terms of each of the Agreements and its respective Annual Caps. Tatung, Mr. Chang I-hua and Mr. Huang Ying-che, Michael, the directors nominated by Tatung, and their associates will abstain from voting in relation to the ordinary resolutions approving each of the Agreements and the transactions contemplated thereunder at the SGM.

BASIS OF OUR ADVICE

In formulating our recommendation, we have relied on the information, facts and representations contained or referred to in the Circular, the information, facts and representations provided by, the opinions expressed by the Directors, the Company and its management and our review of the relevant public information and statistics. We have assumed that all statements, information, facts, opinions and representations made to us or referred to in the Circular were true, accurate and complete at the time when they were made and continued to be true, accurate and complete as at the date of the Circular. We have no reason to doubt the truth, accuracy and completeness of the statements, information, facts, opinions and representations provided to us by the Directors, the Company and its management. The Directors have confirmed to us that no material facts have been omitted from the information supplied and opinions expressed. We consider that we have been provided with sufficient information to reach an informed view to provide a reasonable basis for our opinion.

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that, to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and that there are no other facts not contained in the Circular the omission of which would make any statement in the Circular misleading. We have relied on such information and opinions and have not, however, conducted any independent investigation into the business, financial conditions and affairs or the future prospects of the Group.

PRINCIPAL FACTORS CONSIDERED

In arriving at our opinion in respect of the terms of the Supply Agreement A, the Supply Agreement B, the Manufacturing Agreement and the Annual Caps, we have considered the following principal factors and reasons:

1. Background of and reasons for the Agreements

The Group is principally engaged in the manufacturing, marketing and distribution of display products worldwide. The Group's products are marketed through its own-brands and licensed brands in the world major retail channels. The Group is also one of the major original equipment manufacturer players in the display industry.

LETTER OF ADVICE FROM INCU

Tatung is principally engaged in the design and manufacturing of a vast array of digital consumer products, including LCD TVs, PDP TVs, network-connected devices, storage-based media players and home appliances.

On 10 May 2007 and 9 July 2007, the Company entered into a subscription agreement and a supplemental agreement respectively, with Shan Chih Assets Development Company Limited (“Shan Chih”), a company incorporated in Taiwan with limited liability and a wholly-owned subsidiary of Tatung, for the allotment and issue of 125,190,000 Shares in cash at the subscription price of HK\$1.25 per subscription share to San-Chih Asset International Holding Corp., a wholly-owned subsidiary of Shan Chih. The Subscription was completed on 16 October 2007. As a result of the subscription, Tatung was interested in approximately 16.22% of the issued share capital of the Company and became a connected person of the Company.

On 23 May 2008, the Company entered into three agreements with Tatung: (i) the Supply Agreement A in relation to the supply of LCD TVs, PDP TVs and other related equipments by the Group to the Tatung Group; (ii) the Supply Agreement B in relation to the supply of LCD monitor panels, LCD TV panels, LCD TVs, PDP TVs and other related equipments by the Tatung Group to the Group; and (iii) the Manufacturing Agreement in relation to the manufacturing and processing services to be performed by the Tatung Group for the Group’s digital consumer products, including LCD TVs and PDP TVs. Since Tatung is a connected person of the Company under Chapter 14A of the Listing Rules, each of the Agreements constitutes non-exempt continuing connected transactions for the Company under the Listing Rules and is subject to reporting, announcement and Independent Shareholders’ approval requirement at the SGM where voting must be taken by way of poll.

The Directors (including the independent non-executive Directors) consider that the cooperation between the Group and the Tatung Group by way of entering into of the Agreements with Tatung would provide both parties with benefits from economies of scale which may not be available if they source individually on their own and thus further secure their respective market positions in view of the following reasons:

- (i) Tatung has direct control over one of the world’s leading panel suppliers, Chunghwa Picture Tubes Ltd. Meanwhile, Tatung also has a strong base in home appliance market. The Tatung Group will provide a secure platform for the sale of the products of the Group, which are well-known for its quality;
- (ii) In view of the changing market condition from time to time, the Tatung Group will be a reliable supplier to the Group, hence the Group will secure materials and equipments supply and will further secure its market position; and
- (iii) The Tatung Group can fully utilize their overseas factories by providing manufacturing and processing services for the Group’s digital consumer products and the Group will save its administrative costs at the same time.

LETTER OF ADVICE FROM INCU

In light of the respective principal activities of the Group and the Tatung Group, we consider that the Agreements are entered into in the ordinary and usual course of business of the Group and it is in the interests of the Company and the Independent Shareholders to enter into the Agreements. Moreover, after reviewing the respective principal businesses carried on by each of the Group and the Tatung Group and their respective leading positions and specialties in the display market and the intense competition within the industry, we concur with the view of the Directors (including the independent non-executive Directors) that the Agreements could benefit the Group from economies of scale which may not be available if it sources individually on its own other than from the Tatung Group and the Agreements could further secure its market position in the display industry as the Tatung Group could provide the Group with a stable demand for its display products as well as a reliable supply of panels and other related products and services to the Group.

Moreover, as the Tatung Group is now a strategic investor of the Company, it is expected that such relationship could lead to mutual recognition on each party's specialties in the market which can enhance business cooperation between the Company and the Tatung Group.

2. Terms of the Agreements

The Supply Agreement A

| | |
|---|---|
| Date: | 23 May 2008 |
| Parties: | (i) the Company (ii) Tatung |
| Duration: | commencing from the date the Supply Agreement A being approved by the Independent Shareholders at the SGM to 30 June 2010 (both days inclusive) |
| Products to be supplied to the Tatung Group: | LCD TVs, PDP TVs and other related equipments |
| Terms: | the price of the equipments payable to the Group (including payment terms) will be agreed upon between the parties and shall be determined after arm's length negotiation on normal commercial terms, with reference to the then market price and industry trend, and on terms no less favourable than the terms available from Independent Third Parties for purchase of similar equipments of comparable quality and quantity |

The Supply Agreement A is conditional upon the approval of an ordinary resolution to approve the Continuing Connected Transactions by Independent Shareholders by poll at the SGM to be convened and held. The Supply Agreement A will become effective after fulfillment of the condition as set out above. If the condition has not been satisfied on or before 30 June 2008 or such later date as the parties may agree, the Supply Agreement A shall cease and determine and neither party shall have any obligations and liabilities save for antecedent breaches of the terms thereof.

LETTER OF ADVICE FROM INCU

The Supply Agreement B

| | |
|--|--|
| Date: | 23 May 2008 |
| Parties: | (i) the Company (ii) Tatung |
| Duration: | commencing from the date the Supply Agreement B being approved by the Independent Shareholders at the SGM to 30 June 2010 (both days inclusive) |
| Products to be supplied to the Group: | LCD monitor panels, LCD TV panels, LCD TVs, PDP TVs and other related equipments |
| Terms: | the price of the equipments payable to the Tatung Group (including payment terms) will be agreed upon between the parties and shall be determined after arm's length negotiation on normal commercial terms, with reference to the then market price and industry trend, and on terms no less favourable than the terms available from Independent Third Parties for purchase of similar equipments of comparable quality and quantity |

The Supply Agreement B is conditional upon the approval of an ordinary resolution to approve the Continuing Connected Transactions by Independent Shareholders by poll at the SGM to be convened and held. The Supply Agreement B will become effective after fulfillment of the condition as set out above. If the condition has not been satisfied on or before 30 June 2008 or such later date as the parties may agree, the Supply Agreement B shall cease and determine and neither party shall have any obligations and liabilities save for antecedent breaches of the terms thereof.

The Manufacturing Agreement

| | |
|--|--|
| Date: | 23 May 2008 |
| Parties: | (i) the Company (ii) Tatung |
| Duration: | commencing from the date the Manufacturing Agreement being approved by the Independent Shareholders at the SGM to 30 June 2010 (both days inclusive) |
| Services to be provided to the Group: | the manufacturing and processing services for the Group's digital consumer products, including LCD TVs and PDP TVs |

LETTER OF ADVICE FROM INCU

Terms: the expenses to be charged by the Tatung Group (including payment terms) will be agreed upon between the parties and shall be determined after arm's length negotiation on normal commercial terms, with reference to the then market price and industry trend, and on terms no less favourable than the terms available from Independent Third Parties for provision of similar services

The Manufacturing Agreement is conditional upon the approval of an ordinary resolution to approve the Continuing Connected Transactions by Independent Shareholders by poll at the SGM to be convened and held. The Manufacturing Agreement will become effective after fulfillment of the condition as set out above. If the condition has not been satisfied on or before 30 June 2008 or such later date as the parties may agree, the Manufacturing Agreement shall cease and determine and neither party shall have any obligations and liabilities save for antecedent breaches of the terms thereof.

Given the fact that the terms of the Agreements are and will continue to be made on normal commercial terms following arm's length negotiations between the parties to the Agreements respectively and at rates no less favourable than those products and services provided by the Independent Third Parties of comparable quality and quantity or services, and after reviewing the recent transactions between the Company and the Independent Third Parties for similar products and services on a sampling basis and discussing with the management of the Company that terms of the Agreements will be determined from time to time with reference to the then market price and industry trend, we are of the view that the terms of the Agreements are fair and reasonable so far as the interests of the Company and the Independent Shareholders are concerned.

3. The Annual Caps

Proposed Annual Caps for the transactions under the Supply Agreement A

The Directors propose that the annual caps for the transactions under the Supply Agreement A for each of the three years ending 30 June 2010 is HK\$50,318,000, HK\$624,096,000 and HK\$622,536,000 respectively. The Annual Cap for the year ending 30 June 2008 of HK\$50,318,000 represents the cap for an approximately one month period. The Annual Cap for each of the two years ending 30 June 2010 of HK\$624,096,000 and HK\$622,536,000 respectively represents the cap for a twelve-month period.

Should the aggregate annual purchases made by the Tatung Group to the Group exceed HK\$50,318,000, HK\$624,096,000 and HK\$622,536,000 for each of the three years ending 30 June 2010 respectively, the Company will enter into a separate agreement with Tatung for those purchases which exceed such amount and the Company will make a separate announcement and will comply with the relevant requirements under the Listing Rules.

During the period from 1 July 2005 up to the Latest Practicable Date, the Group has not sold any LCD TVs, PDP TVs and other related equipments to the Tatung Group.

LETTER OF ADVICE FROM INCU

In estimating the Annual Caps, the Directors have taken into account, (i) the Company's estimates of the increase in the future demand for LCD TVs in the Taiwan market; (ii) the potential orders to be received by the Group from the Tatung Group, which was estimated based on the anticipated market share of Tatung in relation to LCD TVs and PDP TVs; and (iii) the projected market price of LCD TVs and PDP TVs determined with reference to the anticipated supply of the said products in the worldwide market and future market competition.

In assessing the reasonableness of the Annual Caps for the transactions under the Supply Agreement A, we have discussed with the management of the Company the basis and assumptions underlying the projections of the Annual Caps as listed above and we have also taken into account, (i) the anticipated selling price falls within the range of historical selling price of the major independent distributors of the Company as per review of recent transactions between the Company and the Independent Third Parties for similar products on a sampling basis; (ii) the unit price of products with reference to the current market price and the projected market price as per review of the available market research on the website of DisplaySearch which is the worldwide leader in display market research and consulting; (iii) the internal projection of the Company on the quantity demanded which is in line with the general industrial projection as per review of the available market research on the website of DisplaySearch; (iv) strong client base of the Tatung Group in Taiwan home appliance market in view of its leading market position (Tatung is a listed company in Taiwan and is a worldwide leader in the design and manufacturing of digital consumer products, including LCD TVs, network-connected devices and home appliances) as per review of public available information; and (v) strong growth of demand for the Tatung's products as per review of its annual report.

According to the management of the Company, the slight decrease in the Annual Cap for the year ending 2010 from the Annual Cap for the year ending 2009 is mainly due to the decrease in anticipated market price of the products as a result of increase in supply of LCD TVs, PDP TVs and other related equipments caused by intense market competition in the coming years.

Having considered the basis from which the Annual Caps for the transactions under the Supply Agreement A as described above, we are of the view that the basis being adopted by the Directors (including the independent non-executive Directors) in estimating the Annual Caps and the Annual Caps are fair and reasonable.

LETTER OF ADVICE FROM INCU

Proposed Annual Caps for the transactions under the Supply Agreement B

The Directors propose that the annual caps for the transactions under the Supply Agreement B for each of the three years ending 30 June 2010 are HK\$192,932,000, HK\$3,588,552,000 and HK\$3,812,385,000 respectively. The Annual Cap for the year ending 30 June 2008 of HK\$192,932,000 represents the cap for an approximately one month period. The Annual Cap for each of the two years ending 30 June 2010 of HK\$3,588,552,000 and HK\$3,812,385,000 respectively represents the cap for a twelve-month period.

Should the aggregate annual purchases made by the Group to the Tatung Group exceed HK\$192,932,000, HK\$3,588,552,000 and HK\$3,812,385,000 for each of the three years ending 30 June 2010 respectively, the Company will enter into a separate agreement with Tatung for those purchases which exceed such amount and the Company will make a separate announcement and will comply with the relevant requirements under the Listing Rules.

During the period from 1 July 2005 to 30 June 2006, the Tatung Group has sold 1,000 units of panels in the value of US\$185,000 to the Group. From 1 July 2006 up to the Latest Practicable Date, the Tatung Group has not sold any other LCD monitor panels, LCD TV panels, LCD TVs, PDP TVs and other related equipments to the Group. The annual caps for the transactions under the Supply Agreement B for each of the three years ending 30 June 2010 are not determined with reference to such previous transaction and figures.

As per discussion with the management of the Company, the previous transaction between the Company and the Tatung Group has been entered into on normal commercial terms after arm-length negotiation as and when Tatung is an Independent Third Party. In view of the minimal amount, we have not made reference to these previous transactions between the Company and the Tatung Group in formulating our opinion on the Annual Caps in relation to the Supply Agreement B.

In estimating the Annual Caps, the Directors have taken into account, (i) the Company's estimates of the increase in the future demand for panels, in particular, LCD monitor panels and LCD TV panels, which was determined with reference to the historical and estimated future demand and production trend and pattern for LCD TVs, PDP TVs and other related products in the worldwide market; (ii) the potential orders to be received by the Company; (iii) the anticipated market price of LCD monitor panels, LCD TV panels, LCD TVs, PDP TVs and other related products; and (iv) such annual caps also provide ample accommodation of the possible fluctuation of materials cost as a result of any possible changes in the market conditions.

LETTER OF ADVICE FROM INCU

In assessing the reasonableness of the Annual Caps for the transactions under the Supply Agreement B, we have discussed with the management of the Company the basis and assumptions underlying the projections of the Annual Caps as listed above and we have also taken into account, (i) the increasing demand of the Company's LCD monitors and LCD TVs as per review of the annual report of the Company for the year ended 30 June 2007; (ii) the cooperation with the Tatung Group to ensure a stable supply of the LCD monitor panels, LCD TV panels, LCD TVs, PDP TVs and other related products which enables the Company to reduce any possible fluctuation of material costs given the leading position of Tatung in the display market; (iii) Chunghwa Picture Tubes Limited (being a listed company in Taiwan with strong and concrete core foundation in display technologies and one of the world's leading panel suppliers, in which Tatung has direct control over) will be a reliable supplier and is able to provide the Group with certainty of delivery time, production flexibility and capacity given the leading position of Tatung in the display market; and (iv) the purchasing price of the LCD monitor panels, LCD TV panels, LCD TVs, PDP TVs and other related products falls within the range of historical purchase price from the major independent suppliers of the Company as per review of recent transactions between the Company and the Independent Third Parties for similar products on a sampling basis.

Having considered the basis from which the Annual Caps for the transactions under the Supply Agreement B as described above, we are of the view that the basis being adopted by the Directors (including the independent non-executive Directors) in estimating the Annual Caps and the Annual Caps are fair and reasonable.

Proposed Annual Caps for the transactions under the Manufacturing Agreement

The Directors propose that the annual caps for the transactions under the Manufacturing Agreement for each of the three years ending 30 June 2010 are HK\$6,632,000, HK\$77,958,000 and HK\$91,087,000 respectively. The Annual Cap for the year ending 30 June 2008 of HK\$6,632,000 represents the cap for an approximately one month period. The Annual Caps for each of the two years ending 30 June 2010 of HK\$77,958,000 and HK\$91,087,000 respectively represents the cap for twelve-month period.

Should the aggregate annual services provided by the Tatung Group to the Group exceed HK\$6,632,000, HK\$77,958,000 and HK\$91,087,000 for each of the three years ending 30 June 2010 respectively, the Company will enter into a separate agreement with Tatung for those services which exceed such amount and the Company will make a separate announcement and will comply with the relevant requirements under the Listing Rules.

During the period from 1 July 2005 up to the Latest Practicable Date, no manufacturing and processing services for the Group's digital consumer products, including LCD TVs and PDP TVs, has been conducted by the Tatung Group to the Group.

LETTER OF ADVICE FROM INCU

In estimating the Annual Caps, the Directors have taken into account, (i) the estimated growth of sales of digital consumer products determined with reference to the target market growth; (ii) the potential orders to be received by the Company and the future business prospect of the Company determined with reference to the proposed restructuring of the Group's production to rely on the production facilities of Tatung Group; and (iii) the estimated increase in service charge determinable with reference to the prevailing market rates.

In assessing the reasonableness of the Annual Caps for the transactions under the Manufacturing Agreement, we have discussed with the management of the Company the basis and assumptions underlying the projections of the Annual Caps and we have also taken into account, (i) the service charge of the manufacturing and processing to be performed by Tatung Group falls within the range of historical and existing service charge performed by the major independent contractors of the Group as per review of recent transactions between the Company and the Independent Third Parties for similar products on a sampling basis; (ii) the strong growth of the Company's products as per review of the annual report of the Company for the year ended 30 June 2007; and (iii) the mutual benefits brought to both the Company and the Tatung Group under the Company's restructuring strategy to rely on the subcontractors for part of its production in order to save its administrative cost while the Tatung Group can fully utilize their overseas facilities by providing manufacturing and processing services for the Company given their respective leading positions in the display market and the intense competition within the industry.

Having considered the basis from which the Annual Caps for the transactions under the Manufacturing Agreement as described above, we are of the view that the basis being adopted by the Directors (including the independent non-executive Directors) in estimating the Annual Caps and the Annual Caps are fair and reasonable.

4. Reporting requirements and conditions of the Continuing Connected Transactions

Pursuant to Rules 14A.37 to 14A.40 of the Listing Rules, the Continuing Connected Transactions are subject to the following annual review requirements:

- (a) each year the independent non-executive Directors must review the Continuing Connected Transactions and confirm in the annual report and accounts that the Continuing Connected Transactions has been entered into:
 - (i) in the ordinary and usual course of business of the Group;
 - (ii) either on normal commercial terms or, if there are not sufficient comparable continuing connected transaction to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) Independent Third Parties; and
 - (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;

LETTER OF ADVICE FROM INCU

- (b) each year the auditors of the Company must provide a letter to the Board (with a copy provided to the Stock Exchange at least 10 business days prior to the bulk printing of the Company's annual report) confirming that the Continuing Connected Transactions:
 - (i) has received the approval of the Board;
 - (ii) is in accordance with the pricing policies of the Group;
 - (iii) has been entered into in accordance with the relevant agreements governing the Continuing Connected Transactions; and
 - (iv) has not exceeded the Annual Caps;
- (c) the Company shall allow, and shall procure the relevant counterparties to the Continuing Connected Transactions to allow, the Company's auditors sufficient access to their records for the purpose of reporting on the Continuing Connected Transactions as set out in paragraph (b);
- (d) the Company shall promptly notify the Stock Exchange and publish an announcement in accordance with the Listing Rules if it knows or has reason to believe that the independent non-executive Directors and/or auditors of the Company will not be able to confirm the matters set out in paragraphs (a) and (b) respectively.

In light of the reporting requirements attached to the Continuing Connected Transactions, in particular, (i) the restriction of the value of the Continuing Connected Transactions by way of the Annual Caps; and (ii) the ongoing review by the independent non-executive Directors and auditors of the Company of the terms of the Continuing Connected Transactions and the Annual Caps not being exceeded, we are of the view that appropriate measures will be put in place to govern the conduct of the Continuing Connected Transactions and safeguard the interests of the Independent Shareholders.

RECOMMENDATION

Having considered the principal factors and reasons referred to the above, we consider that the entering into of the Supply Agreement A, the Supply Agreement B and the Manufacturing Agreement and their respective Annual Caps are in the ordinary and usual course of business of the Company, are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole and the terms thereof as well as the basis for determining the Annual Caps are fair and reasonable so far as the Company and the Independent Shareholders as a whole are concerned. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM to approve the Supply Agreement A, the Supply Agreement B and the Manufacturing Agreement, annual caps relating thereto and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
INCU Corporate Finance Limited
Gina Leung
Managing Director

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the issuer. 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. DISCLOSURE OF INTERESTS

(a) Directors' interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which had been 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 in which they are deemed or taken 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 Issuers contained in the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

| Name of Director | Capacity | Number of ordinary shares held | Number of share options held (Note) | Total number of ordinary shares and share options held | % of issued share capital |
|------------------------|------------------|--------------------------------|--|--|---------------------------|
| Yang Long-san, Rowell | Beneficial Owner | 7,000,000 (L) | 4,800,000 (L) | 11,800,000 (L) | 1.53% |
| Wang Ming-chun, Morris | Beneficial Owner | 388,000 (L) | 13,200,000 (L) | 13,588,000 (L) | 1.76% |
| Hui Siu-ling, Elina | Beneficial Owner | – | 5,800,000 (L) | 5,800,000 (L) | 0.75% |
| Lau Siu-ki, Kevin | Beneficial Owner | – | 400,000 (L) | 400,000 (L) | 0.05% |
| Lee Chiu-kang, Alex | Beneficial Owner | 200,000 (L) | 1,000,000 (L) | 1,200,000 (L) | 0.16% |
| Liu Zixian | Beneficial Owner | – | 400,000 (L) | 400,000 (L) | 0.05% |

L: Long Position

Note: The numbers represent Shares to be allotted and issued upon the exercise of the share options granted to Directors under the share option scheme of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company and their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are deemed or taken 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 Issuers contained in the Listing Rules to be notified to the Company and the Stock Exchange.

(b) Persons or corporations who have an interest or short position which is discloseable under Division 2 and 3 of Part XV of the SFO and substantial shareholders

So far as is known to each Director or the chief executive of the Company, as at the Latest Practicable Date, the following persons (other than a Director or chief executive of the Company) or corporations had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who/which 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 members of the Group and the amount of each of such person's/corporate's interest in such securities, together with particulars of any options in respect of such capital, were as follows:

| Name of substantial shareholder | Capacity and nature of interest | No. of ordinary shares held | % of issued share capital |
|---|---|------------------------------------|----------------------------------|
| Peipus International Ltd. ("Peipus") (<i>Note i</i>) | Beneficial owner | 231,562,724 (L) | 29.99% |
| Smartview Invest Limited ("Smartview") | Interest in controlled corporation (<i>Note i</i>) | 231,562,724 (L) | 29.99% |
| Yang Christian Laurent Tan ("Christian") | Interest in controlled corporation (<i>Note i</i>) | 231,562,724 (L) | 29.99% |
| San-Chih Asset International Holding Corp. ("San-Chih") (<i>Note ii</i>) | Beneficial owner | 125,190,000 (L) | 16.22% |
| Shan Chih Assets Developments Company Limited ("Shan-Chih") | Interest in controlled corporation (<i>Note ii</i>) | 125,190,000 (L) | 16.22% |
| 大同股份有限公司 (Tatung Co. Ltd.*) ("Tatung") | Interest in controlled corporation (<i>Note ii</i>) | 125,190,000 (L) | 16.22% |

L: Long Position

* For identification purpose only

Notes:

- (i) The entire issued share capital of Peipus is owned by Smartview which in turn, approximately 99.85% of the issued share capital of Smartview is owned by Christian. Accordingly, Smartview and Christian are deemed to be interested in all the Shares in which Peipus is interested in pursuant to the SFO.
- (ii) The entire issued share capital of San-Chih is owned by Shan Chih which in turn, the entire issued share capital of Shan Chih is owned by Tatung. Accordingly, Shan Chih and Tatung are deemed to be interested in all the Shares in which San-Chih is interested in pursuant to the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company was aware of any other person or corporation who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who/which 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 any options in respect of such capital.

3. DIRECTORS' 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 (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

4. QUALIFICATION AND CONSENT OF EXPERT

The qualification of the expert who has provided its advice as contained in this circular is as follows:

| Name | Qualification |
|-------------|---|
| INCUB | a licensed corporation under the SFO to conduct type 6 (advising on corporate finance) regulated activities under the SFO |

As at the Latest Practicable Date, INCUB is not interested in any Shares or shares in any member of the Group nor does it have any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any Shares or shares in any member of the Group.

INCUB has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter dated 7 June 2008 for incorporation in this circular and reference to its name in the form and context in which they appear.

5. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware of, none of themselves or the management shareholders (as defined in the Listing Rules) of the Company or their respective associates had any interests in a business which competes or may compete with the business of the Group or any other conflicts of interests with the Group.

6. LITIGATION

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

7. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial position or trading position of the Group since 30 June 2007, being the date to which the latest published audited financial statements of the Group was made up.

8. MISCELLANEOUS

- (a) No contract or arrangement subsisting at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Group.
- (b) None of INCU and the Directors has any direct or indirect interests in any assets which had been acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by or leased to, the Company or any of its subsidiaries during the period since 30 June 2007, the date to which the latest published audited financial statements of the Group were made up, up to and including the Latest Practicable Date.
- (c) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal place of business of the Company in Hong Kong is at Unit 901, 9th Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong.
- (d) The principal share registrar in Bermuda of the Company is The Bank of Bermuda Limited, Bank of Bermuda Building, 6 Front Street, Hamilton HM 11, Bermuda.

- (e) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (f) The company secretary of the Company is Mr. Chow Chi-shing. Mr. Chow Chi-shing is a member of the Hong Kong Institute of Certified Public Accountants and an associate member of the Association of Chartered Certified Accountants.
- (g) The English text of this circular shall prevail over the Chinese text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company at Unit 901, 9th Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong during normal business hours on any weekday other than public holidays, from the date of this circular up to and including 24 June 2008:

- (a) the Bye-laws of the Company;
- (b) the Supply Agreement A;
- (c) the Supply Agreement B;
- (d) the Manufacturing Agreement;
- (e) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 12 to 13 of this circular;
- (f) the written consent from the expert referred to in the paragraph headed "Qualification and consent of expert" in this appendix; and
- (g) the letter of advice from INCU to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 14 to 24 in this circular.

NOTICE OF SGM



PROVIEW INTERNATIONAL HOLDINGS LIMITED

唯冠國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 334)

NOTICE IS HEREBY GIVEN that the special general meeting (the “**Meeting**”) of Proview International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to be held at Unit 901, 9th Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Tuesday, 24 June 2008 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. “**THAT**

- (a) the supply agreement (the “**Supply Agreement A**”) dated 23 May 2008 and entered into between the Company and 大同股份有限公司 (Tatung Co. Ltd.*) (“**Tatung**”, together with its subsidiaries, the “**Tatung Group**”) in relation to the supply of liquid crystal display (“**LCD**”) television set(s) (“**TV(s)**”), plasma display panel (“**PDP**”) TVs and other related equipments by the Group to the Tatung Group, a copy of the Supply Agreement A has been produced to the Meeting marked “A” and signed by the chairman of the Meeting for the purpose of identification, be and are hereby approved, confirmed and ratified;
- (b) the annual caps (the “**Supply Agreement A Annual Caps**”) of HK\$50,318,000, HK\$624,096,000 and HK\$622,536,000 respectively payable under the Supply Agreement A for each of the three years ending 30 June 2010 be and are hereby approved; and
- (c) the directors (the “**Directors**”) of the Company be and are hereby authorised to do all other acts and things and execute all documents which they consider necessary or expedient for the implementation of the giving effect to the Supply Agreement A and the transactions contemplated thereunder.”

* For identification purpose only

NOTICE OF SGM

2. **“THAT**

- (a) the supply agreement (the **“Supply Agreement B”**) dated 23 May 2008 and entered into between the Company and Tatung in relation to the supply of LCD monitor panels, LCD TV panels, LCD TVs, PDP TVs and other related equipments by the Tatung Group to the Group, a copy of the Supply Agreement B has been produced to the Meeting marked “B” and signed by the chairman of the Meeting for the purpose of identification, be and are hereby approved, confirmed and ratified;
- (b) the annual caps (the **“Supply Agreement B Annual Caps”**) of HK\$192,932,000, HK\$3,588,552,000 and HK\$3,812,385,000 respectively payable under the Supply Agreement B for each of the three years ending 30 June 2010 be and are hereby approved; and
- (c) the Directors be and are hereby authorised to do all other acts and things and execute all documents which they consider necessary or expedient for the implementation of the giving effect to the Supply Agreement B and the transactions contemplated thereunder.”

3. **“THAT**

- (a) the manufacturing agreement (the **“Manufacturing Agreement”**) dated 23 May 2008 and entered into between the Company and Tatung in relation to the provision of manufacturing and processing services for the Group’s digital consumer products by the Tatung Group, a copy of the Manufacturing Agreement has been produced to the Meeting marked “C” and signed by the chairman of the Meeting for the purpose of identification, be and are hereby approved, confirmed and ratified;
- (b) the annual caps (the **“Manufacturing Agreement Annual Caps”**) of HK\$6,632,000, HK\$77,958,000 and HK\$91,087,000 respectively payable under the Manufacturing Agreement for each of the three years ending 30 June 2010 be and are hereby approved; and
- (c) the Directors be and are hereby authorised to do all other acts and things and execute all documents which they consider necessary or expedient for the implementation of the giving effect to the Manufacturing Agreement and the transactions contemplated thereunder.”

By order of the Board
Proview International Holdings Limited
Yang Long-san, Rowell
Chairman and Chief Executive Officer

Hong Kong, 7 June 2008

NOTICE OF SGM

Principal place of business in Hong Kong:

Unit 901, 9th Floor
Paul Y. Centre
51 Hung To Road
Kwun Tong
Kowloon
Hong Kong

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Notes:

1. A member of the Company entitled to attend and vote at the Meeting convened by the above notice is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the Meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the Meeting is enclosed. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, at the offices of the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1806-7, 18/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the Meeting or any adjournment thereof, should he so wish.
3. In the case of joint holders of shares, any one of such holders may vote at the Meeting, either personally or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first in the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.