
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 you should take, you should consult your stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional advisor.

If you have sold all your shares in Kwong Hing International Holdings (Bermuda) Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



**KWONG HING INTERNATIONAL HOLDINGS
(BERMUDA) LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 1131)

**PROPOSALS RELATING TO
RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE SHARES AND
TO REPURCHASE SHARES AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of the Company to be held at Level 3, Beijing Room, Royal Plaza Hotel, 193 Price Edward Road West, Kowloon, Hong Kong on Wednesday, 26th August, 2009 at 3:00 p.m. is set out on pages 10 to 13 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk.

If you are not able to attend the annual general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the office of the Company's head office and principal place of business in Hong Kong at Unit C-D, 8th Floor, Mai Shun Industrial Building, 18-24 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment should you so wish.

28th July, 2009

DEFINITIONS

“AGM”	the annual general meeting of the Company to be held on 26th August, 2009
“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”	Kwong Hing International Holdings (Bermuda) Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company from time to time
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	22nd July, 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the issued share capital of the Company at the date of the passing of such resolution
“SFO”	the Securities and Future Ordinance (Chapter 571 of Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued and unissued share capital of the Company
“Shareholder(s)”	holders of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



KWONG HING INTERNATIONAL HOLDINGS (BERMUDA) LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 1131)

Directors:

Mr. Li Man Ching
Ms. Li Mei Lin
Mr. Li Man Shun
Mr. Fung Chi Ki
Mr. Tsui Wing Yin*
Mr. So Kin Wah*
Mr. Lee Pui Shing*

* *Independent non-executive Directors*

Registered office:

Clarendon House,
2 Church Street,
Hamilton, HM 11,
Bermuda.

*Head office and principal
place of business:*

Units C-D, 8th Floor,
Mai Shun Industrial Building,
18-24 Kwai Cheong Road,
Kwai Chung, New Territories,
Hong Kong.

28th July, 2009

To the Shareholders

Dear Sir or Madam,

PROPOSALS RELATING TO RE-ELECTION OF DIRECTORS, GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES AND NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information regarding the ordinary resolutions to be proposed at the forthcoming AGM relating to (i) re-election of Directors of the Company; (ii) the granting to the Directors the new general mandates to allot, issue and deal with Shares and to repurchase Shares; and (iii) the granting to the Directors the mandate to increase the number of Shares to be allotted and issued under the general mandate by an addition number representing such number of Shares repurchased by the Company.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

Pursuant to Bye-Laws 110(A) of the Bye-Laws, Mr. Li Man Shun, Mr. Fung Chi Ki and Mr. So Kin Wah shall retire from office by rotation at the AGM. Being eligible, Mr. Li Man Shun and Mr. Fung Chi Ki will offer themselves for re-election as an executive Director and Mr. So Kin Wah will offer himself for re-election as independent non-executive Director at the AGM.

Details of Mr. Li Man Shun, Mr. Fung Chi Ki and Mr. So Kin Wah are set out in Appendix I to this circular.

GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES

Pursuant to the ordinary resolutions of the Company passed at the annual general meeting held on 3rd September, 2008, which granted general mandates to the Directors: (i) to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal value of the then existing share capital of the Company at the date of resolution; and (ii) to repurchase Shares with an aggregate nominal value of up to 10% of the aggregate nominal value of the then share capital of the Company at the date of resolution. In addition, a further ordinary resolution was passed to extend the general mandate to issue Shares by the addition of any Shares repurchased by the Company under the authority to repurchase Shares.

No Shares have been repurchased pursuant to the general mandate to repurchase Shares.

These general mandates will lapse at the conclusion of the forthcoming AGM of the Company. The Directors believe that renewal of the general mandates is in the interests of the Company and the Shareholders. Ordinary resolutions will therefore be proposed at the AGM of the Company to be held on Wednesday, 26th August, 2009 to approve new general mandates to allot, issue and deal with Shares and to repurchase Shares.

The ordinary resolution no. 4B would grant the Repurchase Mandate to the Directors. In accordance with the Listing Rules, the authority conferred on the Directors by the ordinary resolution no.4B would continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in paragraph (c) of such resolution.

An explanatory statement as required under the Listing Rules, giving certain information regarding the Repurchase Mandate is set out in Appendix II to this circular.

The ordinary resolution no. 4A would grant a general mandate to the Directors to allot, issue and deal with the Shares up to a limit of 20% of the issued share capital of the Company as at the date of resolution. Furthermore, the ordinary resolution no. 4C would authorise the Directors to issue, under the general mandate contained in the ordinary resolution no. 4A, an additional number of Shares representing that number of Shares repurchased under the Repurchase Mandate. In accordance with the Listing Rules, the

LETTER FROM THE BOARD

authority conferred on the Directors by the ordinary resolution no. 4A would continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in paragraph (d) of such resolution.

The Company has in issue an aggregate of 383,763,200 Shares as at the Latest Practicable Date. Subject to the passing of the proposed resolutions for the approval of the general mandates and in accordance with the terms therein, the Company would be allowed (i) to allot and issue up to a maximum of 76,752,640 Shares, representing 20% of the aggregate nominal amount of the issued Shares; and (ii) to repurchase a maximum of 38,376,320 Shares, representing 10% of the aggregate nominal amount of the issued Share at the time of the passing of the resolution approving the General Mandates on the basis that no further Shares will be issued or repurchased by the Company prior to the AGM.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The chairman will therefore demand a poll for every resolution put to the vote of the AGM pursuant to Bye-law 78 of the Bye-laws of the Company.

The results of the poll will be published after the conclusion of the AGM on the websites of the Stock Exchange and of the Company.

ACTION TO BE TAKEN

Notice of AGM is set out on Appendix III of this circular, and a form of proxy for use at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM, you are requested to complete the form of proxy and return it to the Company's head office and principal place of business in Hong Kong at Units C-D, 8th Floor, Mai Shun Industrial Building, 18-24 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong so as to be received not less than 48 hours before the time appointed for holding the AGM. The return of a form of proxy will not preclude a Shareholder from attending and voting in person at the AGM or any adjournment thereof.

RECOMMENDATION

The Directors believe that all the above mentioned resolutions in relating to re-election of Directors, general mandates to issue shares and to repurchase shares are in the best interests of the Company as well as its Shareholders. Accordingly, the Directors recommend all Shareholders to vote in favour of the resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

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 fully 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.

Yours faithfully,
Li Man Ching
Chairman

Details of the Directors proposed to be re-elected at the forthcoming AGM are set out as follows:

EXECUTIVE DIRECTORS

Mr. Li Man Shun, aged 45, is a co-founder of the Group. He is responsible for the production facilities in the PRC, overseeing both the dyeing and the knitting operation. He has over 15 years' experience in the textiles industry in the area of production. Save as disclosed above, Mr. Li did not hold any directorships in other listed company in the last three years. Mr. Li Man Shun is a younger brother of Mr. Li Man Ching and Ms. Li Mei Lin, the executive Director. Save as disclosed above, Mr. Li is not connected with any other Directors, senior management of the Company, substantial or controlling Shareholders.

There is a service agreement entered into between the Company and Mr. Li Man Shun without fixed term, pursuant to which Mr. Li is entitled to a remuneration of HK\$1,300,000 per year plus a discretionary bonus as determined by the board from time to time by reference to market rate after considering his duty and contribution to the Group. The term of his appointment is subjected retirement by rotation in accordance with the Company Bye-laws and is also subjected to the termination by either party giving at least three months' prior notice to the other party.

As at the Latest Practicable Date, Mr. Li Man Shun has a share option of 2,380,000 Shares and owns 33% of the issued share capital of Rayten Limited, which in turn owns 175,428,000 Shares in the Company (or approximately 45.71% issued share capital of the Company) within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

Mr. Fung Chi Ki, aged 46, is the Group's chief financial officer and company secretary of the Company. Mr. Fung has obtained a Master degree in business administration from Open University of Hong Kong and is fellow member of the Hong Kong Certified Public Accountants and a fellow of the Chartered Institute of Management Accountant. He has over thirteen years' experience in accounting and finance before he joined the Group in July 1998.

There is a service agreement entered into between the Company and Mr. Fung Chi Ki without fixed term, pursuant to which Mr. Fung is entitled to a remuneration of HK\$892,000 per year plus a discretionary bonus as determined by the board from time to time by reference to market rate after considering his duty and contribution to the Group. The term of his appointment is subjected retirement by rotation in accordance with the Company's Bye-Laws and is also subjected to the termination by either party giving at least three months' prior notice to the other party.

Mr. Fung is not connected with any Directors, senior management of the Company, substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. Fung has a share options for a total of 1,933,200 shares of the company. Save as disclosed above, Mr. Fung does not have any interest in share within the meaning of Part XV of the SFO.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. So Kin Wah, aged 50, holds a master degree in science in construction project management from The University of Hong Kong, and is member of Royal Institution of Chartered Surveyors, The Hong Kong Institute of Surveyors, the Chartered Institute of Building, and The Chartered Institute of Arbitrators.

There is a service agreement entered into between the Company and Mr. So Kin Wah with fixed term of three years, pursuant to which Mr. So is entitled to a remuneration of HK\$130,000 per year by reference to market rate after considering his duty and contribution to the Group. The term of his appointment is subjected retirement by rotation in accordance with the Bye-laws and is also subjected to the termination by either party giving at least three months' prior notice to the other party.

Mr. So does not have any interest in shares within the meaning of Part XV of the SFO.

Mr. So is not connected with any Directors, senior management of the Company, substantial or controlling Shareholders.

Save as disclosed above, none of Mr. Li Man Shun, Mr. Fung Chi Ki and Mr. So Kin Wah has information to be disclosed pursuant to any of the requirement under rules 13.51(2)(h) to (v) of the Listing Rules and has matters that need to be brought to the attention of the Shareholders as at the Latest Practicable Date.

1. SHARE CAPITAL

As at Latest Practicable Date, the issued share capital of the Company was 383,763,200 Shares and there were outstanding of share options entitling the holders thereof to subscribe for an aggregate of 25,942,400 Shares. Subject to the passing of the necessary ordinary resolutions and on the basis that no further Shares are issued or repurchased prior to the AGM, an exercise in full of the Repurchase Mandate could accordingly result in up to 38,376,320 Shares being repurchased by the Company during the course of the period prior to the next annual general meeting of the Company.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from Shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders.

3. FUNDING OF REPURCHASES

Repurchases of Shares will be funded entirely from the Company's available cash flow or working capital facilities, which will be funds legally available for the purchase in accordance with the memorandum of association and the bye-laws of the Company and the applicable laws of Bermuda.

The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company. No material adverse effect on the working capital requirements or gearing levels of the Company (as compared with the position disclosed in the audited accounts contained in the annual financial statements for the year ended 31st March, 2009) is anticipated in the event that the Repurchase Mandate is exercised in full at any time.

4. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their associates, have any present intention to sell to the Company or its subsidiaries any of the Shares if the Repurchase Mandate is approved by the Shareholders at the AGM and exercised.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

As at the Latest Practicable Date, Rayten Limited, the substantial Shareholder of the Company and a company owned as to 34% by Ms. Li Mei Lin, as to 33% by Mr. Li Man Shun, both being executive Directors, held 175,428,000 Shares, representing approximately 45.71% of the issued share capital of the Company. The shareholding of Rayten Limited will be approximately 50.79% of the issued share capital of the Company if the Repurchase Mandate is fully exercised.

Should the Directors exercise in full the power to repurchase Shares, Rayten Limited would be obliged to make a mandatory general offer under Rule 26 of the Takeovers Code. The Directors do not have the intention to exercise the power to repurchase Shares to an extent which would make Rayten Limited or any Shareholder or group of Shareholders to be obliged to make a mandatory offer under Rule 26 of the Takeover Code in this respect.

No connected person (as defined in the Listing Rules) has notified the Company that he/she/it has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2008		
July	0.700	0.460
August	0.600	0.440
September	0.600	0.400
October	0.460	0.240
November	0.385	0.280
December	0.470	0.230
2009		
January	0.540	0.400
February	0.500	0.385
March	0.500	0.415
April	0.410	0.305
May	0.580	0.350
June	0.540	0.435
July (up to the Latest Practicable Date)	0.940	0.500

6. SHARE PURCHASES MADE BY THE COMPANY

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this circular.



**KWONG HING INTERNATIONAL HOLDINGS
(BERMUDA) LIMITED**

(Incorporated in Bermuda with limited liability)
(Stock Code: 1131)

NOTICE IS HEREBY GIVEN that the annual general meeting of Kwong Hing International Holdings (Bermuda) Limited (the “Company”) will be held at Level 3, Beijing Room, Royal Plaza Hotel, 193 Price Edward Road West, Kowloon, Hong Kong on Wednesday, 26th August, 2009 at 3:00 p.m. for the following purposes:

1. To receive and adopt the audited financial statements and the reports of directors (the “Directors”) and auditors for the year ended 31st March, 2009;
2. To re-elect Directors and authorize the board of Directors (the “Board”) to fix the Directors’ remuneration;
3. To re-appoint the auditors and authorize the board of Directors to fix their remuneration;
4. As special business, to consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

A. **“THAT:**

- a. subject to paragraph (c) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- b. the approval in paragraph (a) of this resolution shall authorize the Directors of the Company during the Relevant Period (as defined below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period (as defined below);
- c. the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) of this resolution otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance

with the bye-laws of the Company, or (iii) the exercise of rights of conversion or subscription under the terms of any securities which are convertible into shares of the Company or the share option scheme or similar arrangement of the Company for the time being adopted for the grant or issue to directors and/or employees of the Company and/or any its subsidiaries of shares or rights to acquire shares of the Company, shall not exceed the aggregate of: (aa) 20 percent of the aggregate nominal amount of the issued share capital of the Company in issue at the date of passing of this resolution and (bb) if the Directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company, the nominal amount of share capital of the Company purchased by the Company subsequent to the passing of this resolution up to a maximum equivalent to 10 percent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution and the said approval shall be limited accordingly; and

d. for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by Bermuda law or the Company’s bye-laws to be held; and
- (iii) the revocation or variation of the approval given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

B. “**THAT**:

- (a) Subject to paragraph (b) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to purchase shares in the capital of the Company be and is hereby generally and unconditionally approved;
- (b) The aggregate nominal amount of the shares of the Company which the Company is authorised to purchase pursuant to the approval in paragraph (a) of this resolution shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by Bermuda law or the Company’s Bye-laws to be held; and
- (iii) the revocation or variation of the approval given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

- C. “**THAT** conditional upon the passing of resolution no. 4B set out in the notice of this meeting, the aggregate nominal amount of shares which are purchased by the Company pursuant to and in accordance with the said resolution no. 4B shall be added to the aggregate nominal amount of the shares of the Company that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors of the Company pursuant to and in accordance with resolution no. 4A set out in the notice of this meeting.”

By Order of the Board
Fung Chi Ki
Company Secretary

Hong Kong, 28th July, 2009

Notes:

- (1) A member entitled to attend and vote at this Meeting is entitled to appoint a proxy or proxies to attend and vote instead of him. A proxy need not be a member of the Company.

- (2) To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited with the Company's head office and principal place of business in Hong Kong at Units C-D, 8th Floor, Mai Shun Industrial Building, 18-24 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong, not less than 48 hours before the time appointed for holding this Meeting or adjourned meeting (as the case may be).
- (3) The register of members will be closed from Monday, 24th August, 2009 to Wednesday, 26th August, 2009 (both dates inclusive) during which period no transfer of shares can be registered. All transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong branch share registrar, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Friday, 21st August, 2009.