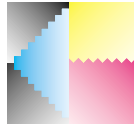

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, 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 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 or the transferee.

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim 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)

**PROPOSAL FOR CONSOLIDATION OF SHARES,
CHANGE IN BOARD LOT SIZE
AND
GRANT OF GENERAL MANDATES TO ISSUE AND
REPURCHASE CONSOLIDATED SHARES**

A notice convening a special general meeting of Kwong Hing International Holdings (Bermuda) Limited (the "Company") to be held at 10:00 a.m. on Tuesday, 18th March, 2003 at Block D, 8th Floor, Mai Shun Industrial Building, 18-24 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong ("SGM") is set out on pages 15 to 18 of this circular. If you are not able to attend and/or vote at the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Secretaries Limited, at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjourned meeting should you so wish.

28th February, 2003

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EXPECTED TIMETABLE

2003

Latest time for lodging proxy forms for the SGM 10:00 a.m. on Sunday, 16th March

Date of the SGM 10:00 a.m. on Tuesday, 18th March

Effective date for Share Consolidation Wednesday, 19th March

Dealings in Consolidated Shares commence 9:30 a.m. on Wednesday, 19th March

Existing counter for trading in Shares in board lots of
20,000 Shares temporarily closes 9:30 a.m. on Wednesday, 19th March

Temporary counter for trading in Consolidated Shares in board
lots of 2,000 Consolidated Shares (in the form of
existing certificates for Shares) opens 9:30 a.m. on Wednesday, 19th March

First day of free exchange of existing certificates for
Shares for new certificates for Consolidated Shares Wednesday, 19th March

Existing counter for trading in Consolidated Shares in board lots
of 5,000 Consolidated Shares (in the form of new certificates
for Consolidated Shares) reopens 9:30 a.m. on Wednesday, 2nd April

Parallel trading in Consolidated Shares (in the form of
existing and new share certificates) commences 9:30 a.m. on Wednesday, 2nd April

Designated broker starts to stand in the market
to provide matching service Wednesday, 2nd April

Temporary counter for trading in Consolidated Shares in board
lots of 2,000 Consolidated Shares (in the form of
existing certificates for Shares) closes 4:00 p.m. on Friday, 25th April

Parallel trading in Consolidated Shares (in the form of
existing and new share certificates) ends 4:00 p.m. on Friday, 25th April

Last day for designated broker to stand in the market
to provide matching service Friday, 25th April

Last day of free exchange of existing certificates
for Shares for new certificates for Consolidated Shares Wednesday, 30th April

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained in this circular, the omission of which would make any statement herein misleading.

DEFINITIONS

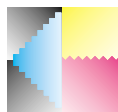
In this circular, the following expressions have the meanings respectively set opposite them unless the context otherwise requires:

“Board”	board of Directors
“business day”	any day on which the Stock Exchange is open for the business of dealing in securities
“CCASS”	the Central Clearing and Settlement System, established and operated by HKSCC
“Code”	the Hong Kong Code on Takeovers and Mergers and Share Repurchases
“Company”	Kwong Hing International Holdings (Bermuda) Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Consolidated Share(s)”	new ordinary share(s) with nominal value of HK\$0.10 each in the share capital of the Company after the Share Consolidation becomes effective
“Directors”	directors of the Company
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	21st February, 2003, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SGM”	the special general meeting of the Company to be convened and held at 10:00 a.m. on Tuesday, 18th March, 2003 for the purpose of considering and, if thought fit, approving the Share Consolidation and the grant of the general mandates

DEFINITIONS

“Share(s)”	ordinary shares of HK\$0.01 each in the existing share capital of the Company
“Share Consolidation”	the proposed share consolidation whereby every 10 issued and unissued Shares will be consolidated into 1 Consolidated Share
“Share Option(s)”	share options to subscribe for shares in the Company pursuant to the Share Option Scheme
“Share Option Scheme”	the share option scheme of the Company approved at the Company’s annual general meeting on 23rd August, 2002 and adopted on 28th August, 2002
“Shareholder(s)”	the shareholders of the Company
“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)

Executive Directors:

Li Man Ching (*Chairman*)
Li Mei Lin (*Deputy Chairman*)
Li Man Shun
Li Man Tak

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent non-executive Directors:

Tsui Wing Yin
Lau Chung Man, Louis

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 February, 2003

*To the Shareholders and, for information only,
to the holders of the Share Options*

Dear Sir or Madam,

**PROPOSAL FOR CONSOLIDATION OF SHARES,
CHANGE IN BOARD LOT SIZE
AND
GRANT OF GENERAL MANDATES TO ISSUE AND
REPURCHASE CONSOLIDATED SHARES**

INTRODUCTION

The Board announced on 12th February, 2003 a proposal for the Share Consolidation, a change in board lot size for trading in the shares of the Company and the granting of the general mandates to issue and repurchase Consolidated Shares. The purpose of this circular is to (a) provide further details regarding such proposal and the recommendation of the Board; and (b) give you notice of the SGM at which the necessary resolutions will be proposed to consider and, if thought fit, approve the Share Consolidation and the granting of the general mandates to issue and repurchase Consolidated Shares.

LETTER FROM THE BOARD

THE SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

The Board proposes that every 10 issued and unissued shares of HK\$0.01 each be consolidated into 1 share of HK\$0.10 each. The Board considers that the Share Consolidation will allow the Company to reduce its annual listing fee by approximately HK\$210,000 and also reduce the handling costs for the Shareholders including, but not limited to, charges on stock withdrawal and share certificate issue. The proposed Share Consolidation will not, of itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders, except for the payment of estimated expenses of HK\$120,000. The Board is of the view that the Share Consolidation is in the best interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$500,000,000 divided into 50,000,000,000 Shares, of which 3,866,400,000 Shares were issued and fully paid. In addition, there were 193,320,000 Share Options granted by the Company which remained outstanding. Upon the Share Consolidation becoming effective and assuming no further Shares will be issued prior to the SGM, the authorised share capital will be HK\$500,000,000 divided into 5,000,000,000 Consolidated Shares, comprising 386,640,000 Consolidated Shares in issue and fully paid. The Consolidated Shares will rank pari passu in all respects with each other and there will be no change in the proportional rights of the Shareholders. Fractional entitlements of Consolidated Shares, if any, will be aggregated and sold for the benefit of the Company.

The Board also resolves that upon the Share Consolidation becoming effective, the board lot size for trading in the Shares will be changed from the existing 20,000 Shares to 5,000 Consolidated Shares. Based on the structure of the Share Consolidation and the closing price of HK\$0.061 per Share on the Latest Practicable Date, the theoretical value of each board lot of 20,000 Consolidated Shares will be HK\$12,200, and the proposed change in board lot size will decrease the board lot value of the Consolidated Shares to HK\$3,050 each. The Board considers that the proposed change in board lot size could improve the liquidity of the Consolidated Shares and broaden the shareholder base of the Company.

CONDITIONS OF THE SHARE CONSOLIDATION

The Share Consolidation is conditional on the fulfillment of the following conditions:

- (a) the passing by the Shareholders of an ordinary resolution to be proposed at the SGM approving the Share Consolidation; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue upon the Share Consolidation becoming effective and any Consolidated Shares which may be issued pursuant to the exercise of the subscription rights attaching to the Share Options.

LETTER FROM THE BOARD

ADJUSTMENT TO THE SHARE OPTIONS

The exercise price of the Share Options and/or the number of shares subject to the Share Options may have to be adjusted in accordance with the rules of the Share Option Scheme. If any Share Option may become or remains exercisable on the effective date of the Share Consolidation, the Company will request the auditors of the Company to provide a certificate as to the adjustment (if any) required to be made in accordance with the rules of the Share Option Scheme and Rule 17.03(13) of the Listing Rules once the Share Consolidation becomes effective. The Company will make a further announcement when appropriate in respect of the subscription price adjustment.

APPLICATION FOR LISTING

An application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue upon the Share Consolidation becoming effective and any Consolidated Shares which may be issued pursuant to the exercise of the subscription rights attaching to the Share Options.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date for dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

ARRANGEMENT ON ODD LOT TRADING

In order to alleviate the difficulties arising from the existence of odd lots of the Consolidated Shares as a result of the Share Consolidation and the change of the board lot size from the existing 20,000 Shares to 5,000 Consolidated Shares, arrangements will be made for a broker to stand in the market to match the purchase and sale of odd lots of the Consolidated Shares at the relevant market price per Consolidated Share for the period from Wednesday, 2nd April, 2003 to Friday, 25th April, 2003 (both dates inclusive). Holders of odd lots of the Consolidated Shares who wish to take advantage of this facility either to dispose of their odd lots of the Consolidated Shares or to top up to board lots of 5,000 Consolidated Shares may contact Mr. Ho Sai Hang, Vitus of Kingsway SW Securities Limited at 5th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong at telephone number (852) 2283 7111 from Wednesday, 2nd April, 2003 to Friday, 25th April, 2003. Holders of odd lots of the Consolidated Shares should note that the match up of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

LETTER FROM THE BOARD

TRADING ARRANGEMENTS FOR THE CONSOLIDATED SHARES

1. Dealings

Subject to the Share Consolidation becoming unconditional, the arrangements proposed for dealings in the Consolidated Shares are expected to be as follows:

- (a) From Wednesday, 19th March, 2003, the present counter for trading in the Shares in board lots of 20,000 Shares will be temporarily closed and a temporary counter for trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares will be set up. Accordingly, 1 Consolidated Share will be deemed to represent 10 Shares. Certificates for existing Shares in beige colour may only be traded at the temporary counter.
- (b) With effect from Wednesday, 2nd April, 2003, the present counter for trading in the Shares will be reopened for trading in Consolidated Shares in board lots of 5,000 Consolidated Shares.
- (c) During the period from Wednesday, 2nd April, 2003 to Friday, 25th April, 2003 (both days inclusive), there will be parallel trading at the above two counters.
- (d) With effect from 9:30 a.m. on Monday, 28th April, 2003, trading will only be in the Consolidated Shares in board lots of 5,000 Consolidated Shares and the temporary counter for trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares will be removed. Dealings in the Consolidated Shares represented by certificates for existing Shares will cease after the close of trading on Friday, 25th April, 2003.

Share certificates for existing Shares will only be valid for delivery and settlement in respect of dealings for the period up to Friday, 25th April, 2003 and thereafter will not be accepted for dealing purposes. However, the certificates for existing Shares will continue to be good evidence of legal title to the Consolidated Shares on the basis of 10 Shares for 1 Consolidated Share and may be exchanged for new certificates for Consolidated Shares at any time. Such Shareholders shall be entitled to tender their certificates for existing Shares in exchange for new certificates for the Consolidated Shares in board lots of 5,000 Consolidated Shares so that their shareholding may be accurately represented by the new certificates for the Consolidated Shares in blue colour.

2. Free exchange of share certificates

The following arrangement will be implemented upon the Share Consolidation becoming effective:

- (a) New certificates for the Consolidated Shares will be blue in colour in order to distinguish them from certificates for existing Shares which are beige in colour.

LETTER FROM THE BOARD

- (b) Shareholders may exchange their certificates for existing Shares for new certificates for Consolidated Shares on or after Wednesday, 19th March, 2003. This may be done free of charge by delivering the certificates for existing Shares to the Company's branch share registrar in Hong Kong, Secretaries Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong until Wednesday, 30th April, 2003. Thereafter, the beige share certificates for the existing Shares will remain effective as documents of title, on the basis of 10 Shares for 1 Consolidated Share, and may be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be stipulated in the Listing Rules from time to time) for each new certificate to be issued or each old certificate submitted, whichever number of certificates is higher. A Shareholder will be entitled to aggregate his/her/its Shares registered in his/her/its name in order to obtain new certificates for Consolidated Shares in board lot(s) of 5,000 Consolidated Shares.
- (c) If Shareholders lodge their certificates for the existing Shares between 9:00 a.m. to 4:00 p.m. on Wednesday, 19th March, 2003, it is expected that new certificates for the Consolidated Shares will be available for collection on Wednesday, 2nd April, 2003. If Shareholders lodge their certificates for the existing Shares after Wednesday, 19th March, 2003, it is expected that new certificates for Consolidated Shares will be available for collection on or after the 10th business day from the date of submission of the certificates for existing Shares to the branch share registrar at the above address for exchange. Unless instructed otherwise, new certificates for Consolidated Shares will be issued in board lots of 5,000 Consolidated Shares. Holders of the Consolidated Shares in odd lots (including the case where the number of Consolidated Shares is less than 5,000) may either dispose of or top up their odd lots to a board lot of 5,000 Consolidated Shares by making use of the facility as described in the section headed "Arrangement on odd lot trading" above.

GENERAL MANDATES TO ISSUE AND REPURCHASE CONSOLIDATED SHARES

At the SGM, separate ordinary resolutions will be proposed to seek the approval of the Shareholders to grant to the Directors general mandates to:

- (i) allot and issue Consolidated Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue immediately following the Share Consolidation and to allot and issue further Consolidated Shares repurchased by the Company pursuant to the repurchase mandate referred to in (ii) below; and
- (ii) repurchase Consolidated Shares up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue immediately following the Share Consolidation.

LETTER FROM THE BOARD

A statement explaining the proposed general mandate to repurchase Consolidated Shares is set out in the Explanatory Statement in this circular in accordance with the Listing Rules in respect of a repurchase of securities by a company with its primary listing on the Stock Exchange.

SGM

Set out on pages 15 to 18 is a notice convening the SGM to be held at 10:00 a.m. on Tuesday, 18th March, 2003 at Block D, 8th Floor, Mai Shun Industrial Building, 18-24 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong at which ordinary resolutions will be proposed to the Shareholders to approve the Share Consolidation and the granting of the general mandates to issue and repurchase Consolidated Shares.

A form of proxy for use at the SGM is enclosed. If you are not able to attend and/or vote at the SGM in person, you are requested to complete and return the form of proxy to the Company's Hong Kong branch share registrar, Secretaries Limited, at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjourned meeting should you so wish.

GENERAL

The English text of this circular shall prevail over the Chinese text.

RECOMMENDATION

The Board believes that the Share Consolidation and the granting of the general mandates to issue and repurchase Consolidated Shares are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the resolutions to be proposed at the SGM.

By Order of the Board
Li Man Ching
Chairman

This appendix serves as an explanatory statement as required by the Listing Rules to provide the requisite information to you for your consideration of the proposal to permit the granting of the general mandate given to the Directors to repurchase Consolidated Shares.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was HK\$38,664,000 comprising 3,866,400,000 Shares. Immediately upon the Share Consolidation becoming effective and on the basis that 3,866,400,000 Shares will be in issue immediately prior to the Share Consolidation becoming effective, the issued share capital of the Company will be HK\$38,664,000 comprising 386,640,000 Consolidated Shares. In addition, as at the Latest Practicable Date, there exists 193,320,000 Share Options. Assuming the above were to be exercised prior to the effective date of the Share Consolidation, a further 193,320,000 Shares would be in issue. Such Shares would be consolidated into 19,332,000 Consolidated Shares immediately upon the Share Consolidation becoming effective.

Subject to the passing of the relevant ordinary resolutions and assuming that no further Shares are issued and that no further Shares are repurchased by the Company, the Directors will be authorised to purchase up to 38,664,000 Consolidated Shares pursuant to the repurchase mandate. Assuming that all the Share Options are exercised prior to the effective date of the Share Consolidation and assuming no further Shares are issued and no further Shares are repurchased by the Company, the total number of Consolidated Shares will be 405,972,000 and the Directors will be authorised to repurchase up to 40,597,200 Consolidated Shares pursuant to the repurchase mandate.

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 the Shareholders to enable the Directors to purchase Consolidated Shares in the market. Such purchases 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 or its earnings per Consolidated Share or both and will only be made when the Directors believe that such purchases will benefit the Company and the Shareholders as a whole.

3. FUNDING OF REPURCHASES

In repurchasing Consolidated Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and bye-laws and the laws of Bermuda.

The Directors do not propose to exercise the repurchase mandate to such extent as could, in the circumstances, have a material adverse effect on the working capital or the gearing level of the Company which in the opinion of the Directors is from time to time appropriate for the Company.

4. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell Consolidated Shares to the Company under the general mandate to repurchase Consolidated Shares in the event that it is granted by the Shareholders at the SGM.

No connected person, as defined in the Listing Rules, has notified the Company that he has a present intention to sell any Consolidated Shares to the Company, or that he has undertaken not to sell any Consolidated Shares held by him to the Company, in the event that the general mandate to repurchase Consolidated Shares is granted by the Shareholders at the SGM.

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

5. DIRECTORS' UNDERTAKING

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

6. EFFECT OF THE CODE

If, on the exercise of the power to repurchase Consolidated Shares pursuant to the repurchase mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Code. As a result, a Shareholder or a group of Shareholders acting in concert (as defined in the Code), depending on the level of such increase, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, the substantial Shareholders of the Company are as follows:

Substantial Shareholder	Number of Shares	Approximate % of voting power as at the Latest Practicable Date	If exercised in full the power to repurchase
Rayten Limited (<i>Note 1</i>) together with Mr. Li Man Tak	1,744,900,000	45.13%	50.14% (<i>Note 2</i>)

Notes: 1. Rayten Limited is a company which is beneficially owned by all the executive Directors including Mr. Li Man Ching, Ms. Li Mei Lin, Mr. Li Man Shum and Mr. Li Man Tak as to 27%, 25%, 24% and 24% respectively of the issued share capital of Rayten Limited.

2. Based on 3,866,400,000 Shares in issue and Rayten Limited together with Mr. Li Man Tak holding 1,744,900,000 Shares.

In the event that the Directors shall exercise in full the power to repurchase Consolidated Shares of the Company in accordance with the repurchase mandate and if there is no other change in the issued share capital of the Company, the interest of the above substantial Shareholders would be increased to approximately the percentage shown in the last column above. Should the Directors exercise in full the power to repurchase Consolidated Shares, the substantial Shareholders would be obliged to make a mandatory general offer under Rule 26 of the Code. The Directors do not have the intention to exercise the power to repurchase Consolidated Shares to an extent which would make the substantial Shareholders or any Shareholder or group of Shareholders to be obliged to make a mandatory offer under Rule 26 of the Code in this respect.

7. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the twelve months preceding the Latest Practicable Date are as follows:

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2002		
March	0.048	0.036
April	0.045	0.036
May	0.071	0.039
June	0.046	0.038
July	0.041	0.027
August	0.034	0.026
September	0.039	0.032
October	0.049	0.033
November	0.240	0.046
December	0.120	0.066
2003		
January	0.072	0.046
February (up to the Latest Practicable Date)	0.067	0.045

NOTICE OF THE SGM



KWONG HING INTERNATIONAL HOLDINGS (BERMUDA) LIMITED

(incorporated in Bermuda with limited liability)

NOTICE is hereby given that a special general meeting of Kwong Hing International Holdings (Bermuda) Limited (the “Company”) will be held at 10:00 a.m. on Tuesday, 18th March, 2003 at Block D, 8th Floor, Mai Shun Industrial Building, 18-24 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

- (1) “**THAT**, subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Consolidated Shares (as defined below) and with effect on and from the day after the date of the passing of this resolution:
 - (a) every 10 issued and unissued shares of HK\$0.01 each in the share capital of the Company be consolidated (the “Share Consolidation”) into one share of HK\$0.10 each in the share capital of the Company (the “Consolidated Share(s)”);
 - (b) all of the Consolidated Shares resulting from such consolidation shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions contained in the Company’s bye-laws; and
 - (c) any Director be authorised generally to do all such acts, deeds and things appropriate to effect and implement any of the foregoing.”
- (2) “**THAT**, conditional upon, and with effect from the date on which ordinary resolution numbered 1 set out in the notice of special general meeting of the Company dated 28th February, 2003 (the “Notice”) of which this resolution forms part becoming unconditional and effective:
 - (a) the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with the shares of HK\$0.01 each in the capital of the Company as approved by the shareholders of the Company at the annual general meeting held on 23rd August, 2002, to the extent not already exercised be and is hereby revoked (without prejudice to any valid exercise of such general mandate prior to the passing of this resolution);

NOTICE OF THE SGM

- (b) subject to paragraph (d) of this Resolution, the exercise by the Directors 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;
- (c) the approval in paragraph (b) of this Resolution shall authorise the Directors 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);
- (d) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (b) 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 of its subsidiaries of shares or rights to acquire shares of the Company, shall not exceed the aggregate of: (aa) 20 per cent. of the aggregate nominal amount of the issued share capital of the Company in issue immediately following the Share Consolidation (as defined in ordinary resolution numbered 1 set out in the Notice) and (bb) if the Directors 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 per cent. of the aggregate nominal amount of the share capital of the Company in issue immediately following the Share Consolidation and the said approval shall be limited accordingly; and
- (e) 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 by Bermuda law or the Company’s bye-laws to be held; and

NOTICE OF THE SGM

- (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.

“Rights Issue” means an offer of shares open for a period fixed by the Directors 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 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 recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

- (3) “**THAT**, conditional upon, and with effect from the date on which ordinary resolution numbered 1 set out in the Notice becoming unconditional and effective:

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors 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 immediately following the Share Consolidation (as defined in ordinary resolution numbered 1 set out in the Notice), and the said approval shall be limited accordingly; and
- (c) for the purpose 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 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.”

NOTICE OF THE SGM

- (4) “**THAT** conditional upon ordinary resolution numbered 3 set out in the Notice becoming unconditional and effective, the aggregate nominal amount of shares which are purchased by the Company pursuant to and in accordance with the said ordinary resolution numbered 3 shall be added to the aggregate nominal amount of the shares on 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 pursuant to and in accordance with ordinary resolution numbered 2 set out in the Notice.”

By Order of the Board

Li Man Ching

Chairman

Hong Kong, 28th February, 2003

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

Notes:

- (1) A member entitled to attend and vote at the above meeting is entitled to appoint one or more than one proxy to attend and to vote in his stead. A proxy need not be a member of the Company but must be present in person to represent the member.
- (2) A form of proxy of the meeting is enclosed. If the appointer is a corporation, the form of proxy must be under its common seal or, under the hand of an officer or attorney duly authorised on its behalf.
- (3) To be valid, a form of proxy must be deposited at the Company's Hong Kong branch share registrar, Secretaries Limited, at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- (4) Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting and in such event, the instrument appointing a proxy shall be deemed to be revoked.