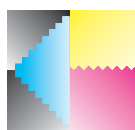

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 (each a “Share”) of HK\$0.10 each in the share capital of Kwong Hing International Holdings (Bermuda) Limited (the “Company”), 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 (the “Stock Exchange”) 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)

Directors:

Mr. Li Man Ching
Ms. Li Mei Lin
Mr. Li Man Shun
Mr. Fung Chi Ki
Mr. Tsui Wing Yin*
Mr. Lau Chung Man, Louis*
Mr. So Kim Wah*

* *Independent non-executive Directors*

Registered Office:

Clarendon House,
2 Church Street,
Hamilton, HM II,
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.

31st July 2006

To the Shareholders

Dear Sir or Madam,

**PROPOSALS RELATING TO
RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE SHARES AND
TO REPURCHASE SHARES AND
AMENDMENTS TO THE BYE-LAWS OF THE COMPANY
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 Annual General Meeting (the “AGM”) relating to

(i) re-election of directors (the “Director(s)”) of the Company; (ii) the granting to the Directors the new general mandates to allot, issue and deal with Shares and to repurchase Shares; (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; and (iv) amendment of the bye-laws (the “Bye-laws”) of the Company.

RE-ELECTION OF DIRECTORS

Pursuant to Bye-law 110(A) of the Company’s Bye-laws, Mr. Li Man Shun, Mr. Tsui Wing Yin and Mr. Lau Chung Man, Louis shall retire from office by rotation at the AGM. Being eligible, Mr. Li Man Shun will offer himself for re-election as executive Director and Mr. Tsui Wing Yin will offer himself for re-election as independent non-executive Director at the AGM. However, Mr. Lau Chung Man, Louis will not offer himself for re-election at the AGM.

Details of Mr. Li Man Shun and Mr. Tsui Wing Yin 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 5th September, 2005, which granted general mandates to the Directors: (i) to allot, issue and deal with Shares not exceeding 20 per cent. of the aggregate nominal value of the then existing share capital of the Company at the date of resolution; (ii) to repurchase Shares with an aggregate nominal value of up to 10 per cent. 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 its shareholders (the “Shareholders”). Ordinary resolutions will therefore be proposed at the AGM of the Company to be held on Thursday, 31st August, 2006 to approve new general mandates to allot, issue and deal with Shares and to repurchase Shares.

The Ordinary Resolution No.4B would grant a general mandate to the Directors to exercise the powers of the Company to repurchase, on the Stock Exchange, Shares representing up to 10 per cent. of the issued share capital of the Company at the date of resolution (the “Repurchase Mandate”). In accordance with the Rules Governing the Listing of Securities on the Stock Exchange (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 per cent. 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 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.

AMENDMENTS TO THE BYE-LAWS

In order to bring the Company's Bye-laws in line with the current Listing Rules, a Special Resolution No. 5 in the notice of the AGM is proposed to amend the Company's Bye-laws as follows:

(a) Bye-law 78

By inserting the words "voting by way of a poll is required by the Listing Rules or" immediately after the words "a show of hands unless" in the second line in Bye-law 78; and by deleting the full stop at the end of Bye-law 78(iv) and replacing it with a semi-colon and inserting the word "or" after the semi-colon.

Then by adding the following paragraph as Bye-law 78(v) immediately after Bye-law 78(iv):

"(v) if required by the Listing Rules, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five (5) per cent or more of the total voting rights at that meeting, and if on a show of hands in respect of any resolution, the meeting votes in the opposite manner to that instructed in those proxies."

(b) Bye-law 81

By adding the following new sentence to the end of Bye-law 81:

"The Company shall only be required to disclose voting figures on a poll if such disclosure is required by the Listing Rules."

(c) Bye-law 101

By deleting the existing Bye-law 101 in its entirety and replacing therewith the following new Bye-law 101:

“101. The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or, subject to the Statutes and to Bye-law 112, as an addition to the Board. Any Director so appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to their number) and shall then be eligible for re-election at that meeting.”

(d) Bye-law 108

By deleting the existing Bye-law 108(A)(vii) in its entirety and substituting therefor the following new Bye-law 108(A)(vii):

“108. (A) (vii) if he shall be removed from office by an ordinary resolution of the Company under Bye-law 116.”

(e) Bye-law 110

By deleting the existing Bye-law 110 in its entirety and substituting therefor the following new Bye-law 110:

“110. (A) At each annual general meeting one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall be subject to retirement by rotation or taken into account in determining the number of Directors to retire. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election. Every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

(B) The Company at any general meeting at which any Directors retire in manner aforesaid may fill the vacated office by electing a like number of persons to be Directors. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.”

(f) Bye-law 113

By deleting the existing Bye-law 113 in its entirety and substituting therefor the following new Bye-law 113:

“113. The Company may from time to time without prejudice to the powers of the Board under Bye-law 101 in general meeting by ordinary resolution elect, or authorise the Directors to elect or appoint, any person to be a Director either to fill a vacancy or to act as an additional Director up to the maximum number of Directors determined by the members in general meeting. Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to their number) and shall then be eligible for re-election at that meeting.”

(g) Bye-law 116

By deleting the existing Bye-law 116 in its entirety and substituting therefor the following new Bye-law 116:

“116. Subject to the Companies Act, the Company may by ordinary resolution remove any Director before the expiration of his period of office notwithstanding anything in these Bye-laws or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract of service between him and the Company) and may elect another person in his stead. Any person so elected shall hold office for such time only as the Director in whose place he is elected would have held the same if he had not been removed.”

RIGHT TO DEMAND A POLL

Pursuant to Bye-law 78 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 member 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 member 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 members having the right to vote at the meeting; or
- (iv) by a Shareholder or Shareholders present in person (or, in the case of a member 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.

Unless a poll be so demanded and not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

ACTION TO BE TAKEN

Notice of AGM dated 31st July, 2006 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 to be proposed at the AGM 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.

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 DIRECTOR

Mr. Li Man Shun, aged 42, 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\$1,196,000 per year plus a discretionary bonus as determined by the board of Directors 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 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 26th July, 2006 ("the Latest Practicable Date"), Mr. Li Man Shun owns 33 per cent of the issued share capital of Rayten Limited, which in turn owns 163,748,000 Shares in the Company (or approximately 42.9% 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").

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Tsui Wing Yin, aged 45, is a solicitor in Hong Kong. He graduated from the University of Essex in the United Kingdom with a Bachelor of Laws degree with honours. He has over fourteen years' legal experience in Hong Kong. Mr. Tsui did not hold any directorship in the other listed companies in the last three years.

There is a service agreement entered into between the Company and Mr. Tsui Wing Yin without fixed term, pursuant to which Mr. Tsui is entitled to a remuneration of HK\$100,000 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. Tsui does not have any interest in shares within the meaning of Part XV of the SFO.

Mr. Tsui 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 and Mr. Tsui Wing Yin 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 15,032,400 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 2006) 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 164,628,000 Shares, representing approximately 42.9% of the issued share capital of the Company. The shareholding of Rayten Limited will be approximately 47.7% 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 Takeover 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>
2005		
July	0.335	0.250
August	0.350	0.250
September	0.330	0.255
October	0.310	0.270
November	0.295	0.260
December	0.320	0.260
2006		
January	0.320	0.230
February	0.280	0.220
March	0.280	0.240
April	0.270	0.210
May	0.270	0.221
June	0.280	0.240
July (up to the Latest Practicable Date)	0.250	0.220

6. SHARE PURCHASES MADE BY THE COMPANY

The Company has purchased 4,810,000 Shares on the Stock Exchange in the six months preceding the date of this circular, details of which are as follows:

Date of repurchase	Number of Shares repurchased	Purchase price per share	
		Highest price	Lowest price
25 May 2006	230,000	0.231	–
29 May 2006	500,000	0.240	–
1 June 2006	1,800,000	0.241	0.240
2 June 2006	1,280,000	0.240	–
5 June 2006	1,000,000	0.240	–



**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 will be held at Level 2, Ballroom B, Langham Hotel, Hong Kong, 8 Peking Road, Tsimshatsui, Kowloon, Hong Kong on Thursday, 31st August, 2006 at 3:00 p.m. for the following purposes:

1. To receive and adopt the audited financial statements and the reports of Directors and Auditors for the year ended 31st March, 2006;
2. To re-elect Directors and authorize the Board of Directors 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.”

5. To consider and, if thought fit, pass the following resolution as a Special Resolution:

“THAT the bye-laws (the “Bye-laws”) of the Company be altered by:

(a) Bye-law 78

By inserting the words “voting by way of a poll is required by the Listing Rules or” immediately after the words “a show of hands unless” in the second line in Bye-law 78; and by deleting the full stop at the end of Bye-law 78(iv) and replacing it with a semi-colon and inserting the word “or” after the semi-colon.

Then by adding the following paragraph as Bye-law 78(v) immediately after Bye-law 78(iv):

“(v) if required by the Listing Rules, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five (5) per cent or more of the total voting rights at that meeting, and if on a show of hands in respect of any resolution, the meeting votes in the opposite manner to that instructed in those proxies.”

(b) Bye-law 81

By adding the following new sentence to the end of Bye-law 81:

“The Company shall only be required to disclose voting figures on a poll if such disclosure is required by the Listing Rules.”

(c) Bye-law 101

By deleting the existing Bye-law 101 in its entirety and replacing therewith the following new Bye-law 101:

“101. The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or, subject to the Statutes and to Bye-law 112, as an addition to the Board. Any Director so appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to their number) and shall then be eligible for re-election at that meeting.”

(d) Bye-law 108

By deleting the existing Bye-law 108(A)(vii) in its entirety and substituting therefor the following new Bye-law 108(A)(vii):

“108. (A) (vii) if he shall be removed from office by an ordinary resolution of the Company under Bye-law 116.”

(e) Bye-law 110

By deleting the existing Bye-law 110 in its entirety and substituting therefor the following new Bye-law 110:

“110. (A) At each annual general meeting one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall be subject to retirement by rotation or taken into account in determining the number of Directors to retire. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election. Every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

(B) The Company at any general meeting at which any Directors retire in manner aforesaid may fill the vacated office by electing a like number of persons to be Directors. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.”

(f) Bye-law 113

By deleting the existing Bye-law 113 in its entirety and substituting therefor the following new Bye-law 113:

“113. The Company may from time to time without prejudice to the powers of the Board under Bye-law 101 in general meeting by ordinary resolution elect, or authorise the Directors to elect or appoint, any person to be a Director either to fill a vacancy or to act as an additional Director up to the maximum number of Directors determined by the members in

general meeting. Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to their number) and shall then be eligible for re-election at that meeting.”

(g) Bye-law 116

By deleting the existing Bye-law 116 in its entirety and substituting therefor the following new Bye-law 116:

“116. Subject to the Companies Act, the Company may by ordinary resolution remove any Director before the expiration of his period of office notwithstanding anything in these Bye-laws or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract of service between him and the Company) and may elect another person in his stead. Any person so elected shall hold office for such time only as the Director in whose place he is elected would have held the same if he had not been removed.””

By Order of the Board
Fung Chi Ki
Company Secretary

Hong Kong, 31st July, 2006

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 Tuesday, 29th August, 2006 to Thursday, 31st August, 2006 (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, Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong for registration not later than 4:00 p.m. on Monday, 28th August, 2006.
- (4) In respect of Resolution 4A, the Directors of the Company have no immediate plans to issue any new shares. In accordance with the terms of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong, the general mandate lapses unless it is renewed at the next annual general meeting.