
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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**KAM HING INTERNATIONAL HOLDINGS LIMITED****錦興國際控股有限公司***(incorporated in the Cayman Islands with limited liability)***(Stock Code: 2307)**

**PROPOSED GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
PROPOSED RE-ELECTION OF DIRECTORS,
PROPOSED REFRESHMENT OF SHARE OPTION SCHEME LIMIT
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Kam Hing International Holdings Limited to be held at 11:00 a.m. on Monday, 26 May 2008 at Units 1-9, 8th Floor, Lucida Industrial Building, 43-47 Wang Lung Street, Tsuen Wan, New Territories, Hong Kong is set out on pages 14 to 18 of this circular. Whether or not you are able to attend the meeting in person, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable and in any event not later than 48 hours before the time appointed for holding the 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 meeting or any adjourned meeting should you so wish.

30 April 2008

DEFINITION

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

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|---------------------------|---|
| “AGM” | the annual general meeting of the Company to be held at 11:00 a.m. on Monday, 26 May 2008 at Units 1-9, 8th Floor, Lucida Industrial Building, 43-47 Wang Lung Street, Tsuen Wan, New Territories, Hong Kong or any adjournment thereof |
| “AGM Notice” | the notice convening the AGM as set out on pages 14 to 18 of this circular |
| “Articles” | the articles of association of the Company |
| “associates” | has the same meaning as ascribed to it under the Listing Rules |
| “Board” | the board of Directors |
| “Company” | Kam Hing International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, and the securities of which are listed on the main board of the Stock Exchange |
| “connected person” | has the same meaning as ascribed to it under the Listing Rules |
| “Directors” | the directors of the Company |
| “Group” | the Company and its Subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Latest Practicable Date” | 22 April 2008, 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 |

DEFINITION

| | |
|-----------------------------|--|
| “Repurchase Mandate” | a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares in the manner as set out in the ordinary resolution numbered 5B of the AGM Notice |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | the ordinary share(s) of HK\$0.10 each in the share capital of the Company |
| “Share Issue Mandate” | a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot, issue and deal with Shares in the manner as set out in the ordinary resolution numbered 5A of the AGM Notice |
| “Share Option Scheme” | the share option scheme of the Company adopted pursuant to written resolutions of the Company on 25 August 2004 |
| “Share Option Scheme Limit” | the maximum number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme of the Company |
| “Shareholder(s)” | the holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subsidiary” | a subsidiary for the time being of the Company within the meaning of the Companies Ordinance whether incorporated in Hong Kong or elsewhere and “Subsidiaries” shall be construed accordingly |
| “Takeovers Code” | Hong Kong Code on Takeovers and Mergers |
| “%” | per cent. |

LETTER FROM THE BOARD



KAM HING INTERNATIONAL HOLDINGS LIMITED
錦興國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2307)

Executive Directors:

Mr. Tai Chin Chun (*Chairman*)
Mr. Tai Chin Wen (*Chief Executive Officer*)
Ms. Cheung So Wan
Ms. Wong Siu Yuk
Mr. Chong Chau Lam

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent non-executive Directors:

Mr. Ku Shiu Kuen, Anthony
Ms. Chu Hak Ha, Mimi
Mr. Chan Yuk Tong, Jimmy
Mr. Chan Chung Yuen, Lawrence

*Head office and principal place
of business in Hong Kong:*

Units 1-9, 8th Floor
Lucida Industrial Building
43-47 Wang Lung Street
Tsuen Wan
New Territories
Hong Kong

30 April 2008

To the Shareholders,

Dear Sir/Madam,

**PROPOSED GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
PROPOSED RE-ELECTION OF DIRECTORS,
PROPOSED REFRESHMENT OF SHARE OPTION SCHEME LIMIT
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the AGM for the proposed (i) granting of general mandates to repurchase Shares and to allot, issue and deal with new Shares; (ii) re-election of the

LETTER FROM THE BOARD

Directors who are due to retire and (iii) refreshment of the Share Option Scheme Limit. This circular contains the explanatory statement in compliance with the Listing Rules and to give all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolutions.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the AGM, separate ordinary resolutions will be proposed to grant the general mandates to the Directors (i) to allot, issue and otherwise deal with Shares not exceeding in aggregate 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing such resolution (the “**Share Issue Mandate**”); (ii) to repurchase Shares comprising the aggregate nominal amount of which does not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of such resolution (the “**Repurchase Mandate**”); and (iii) to add the aggregate amount of the Shares repurchased by the Company up to the maximum of 10% of the issued share capital of the Company as at the date of the passing of resolution in relation to the Repurchase Mandate to the Share Issue Mandate. The general mandates allows the Company to make or agree to make repurchases only during the period ending on the earliest of (a) the date of the next annual general meeting, (b) the date by which the next annual general meeting of the Company is required to be held by law or by its articles of associations; or (c) the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company.

As at the Latest Practicable Date, the issued share capital of the Company comprised 644,583,000 Shares. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of passing the resolution approving the Share Issue Mandate, the maximum number of Shares which may be issued pursuant to the Share Issue Mandate on the date of passing the resolution approving the Share Issue Mandate will be 128,916,000 Shares.

Under the Listing Rules, the Company is required to give to the Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution to renew the grant to the Directors the Repurchase Mandate. The explanatory statement required by the Listing Rules to be included in this circular is set out in the Appendix to this circular.

PROPOSED RE-ELECTION OF DIRECTORS

Under article 87(1) of the Articles, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if the number is not three (3) or a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director of the Company shall be subject to retirement by rotation at least once every three years.

LETTER FROM THE BOARD

Accordingly, Mr. Tai Chin Wen, Ms. Cheung So Wan and Mr. Chong Chau Lam shall retire by rotation in accordance with the Articles and, being eligible, offer themselves for re-election at the AGM. Details of the Directors who are proposed to be re-elected at the AGM are set out as follows:

Mr. Tai Chin Wen

Mr. Tai Chin Wen, aged 52, is the Chief Executive Officer and founder of the Group. He is in charge of the Group's overall management. He has over 25 years of management experience in the manufacturing industry. Mr. Tai is a standing member of the Hubei committee of CPPCC, Guangdong Enping committee of CPPCC and member of Fujian Nan An committee of CPPCC (湖北省政協常委、廣東省恩平市政協常委及福建省南安市政協委員). He is a Vice Chairman of Hubei-Africa Business Council (湖北省非洲民間商會副會長), Executive Director of Hubei Chinese Overseas Friendship Association (湖北省海外聯誼會常務理事), Vice Chairman of Guangdong Jiangmen City Association of Foreign Investment (廣東省江門市外商投資協會副會長) and President of Fujian Tai's Clan Hong Kong Association (福建旅港戴氏宗親會會長). He has also been awarded honorary citizenship of Guangzhou Municipal and life honorary president of Hong Kong Fujian Nan An Association (香港福建南安公會永遠名譽會長). Mr. Tai is the elder brother of Mr. Tai Chin Chun and the spouse of Ms. Wong Siu Yuk. Save as disclosed above, Mr. Tai did not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company and did not hold any other positions with other members of the Group as at the Latest Practicable Date. Besides, he does not have any previous experience including other directorships held in the listed public companies in the last 3 years and other major appointments and qualifications.

As at the Latest Practicable Date, Mr. Tai is deemed to be interested in 96,000,000 Shares within the meaning of Part XV of the SFO. Save as disclosed, he is not interested in any Shares or underlying Shares within the meaning of Part XV of the SFO. He has entered into a renewed service contract with the Company for a fixed term of 3 years from 1 September 2007 to 31 August 2010 (both days inclusive). Pursuant to the terms of the service contract, his basic Director's remuneration of HK\$1,690,000 per annum is determined with reference to his role, level of experience and contribution to the Group. Under the service contract, after each complete year of service, the remuneration payable to Mr. Tai may, subject to the discretion of the Board, be entitled to a discretionary bonus as may be decided by the Board.

Mr. Tai confirmed that there is no other information that needs to be disclosed pursuant to any of the requirements as set out in Rules 13.51(2)(h)-(v) of the Listing Rules. The Company is not aware of any other matters that need to be brought to the attention of the Shareholders and the Stock Exchange in relation to the re-election of Mr. Tai.

LETTER FROM THE BOARD

Ms. Cheung So Wan

Ms. Cheung So Wan, aged 44, is the executive Director of the Group. She is responsible for yarn sourcing, quality control and stock control in the Group, and assists in the overall management of the Group. Ms. Cheung joined the Group in November 1996 and has more than 15 years of experience in the textile industry. Ms. Cheung is the spouse of Mr. Tai Chin Chun. Save as disclosed above, Ms. Cheung did not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company and did not hold any other positions with other members of the Group as at the Latest Practicable Date. Besides, she does not have any previous experience including other directorships held in listed public companies in the last 3 years and other major appointments and qualifications.

As at the Latest Practicable Date, Ms. Cheung is deemed to be interested in 382,600,000 Shares within the meaning of Part XV of the SFO. Save as disclosed, she is not interested in any Shares or underlying Shares within the meaning of Part XV of the SFO. She has entered into a renewed service contract with the Company for a fixed term of 3 years from 1 September 2007 to 31 August 2010 (both days inclusive). Pursuant to the terms of the service contract, her basic Director's remuneration of HK\$559,000 per annum is determined with reference to her role, level of experience and contribution to the Group. Under the service contract, after each complete year of service, the remuneration payable to Ms. Cheung may, subject to the discretion of the Board, be entitled to a discretionary bonus.

Ms. Cheung confirmed that there is no other information that needs to be disclosed pursuant to any of the requirements as set out in Rules 13.51(2)(h)-(v) of the Listing Rules. The Company is not aware of any other matters that need to be brought to the attention of the Shareholders and the Stock Exchange in relation to the re-election of Ms. Cheung.

Mr. Chong Chau Lam

Mr. Chong Chau Lam, aged 58, is the executive Director of the Group. Mr. Chong obtained a higher diploma in Dyeing, Printing and Finishing Technology from the Hong Kong Technical College and a master degree of Business Administration from the University of East Asia. He is an associate member of both the Society of Dyers and Colourists and the Textile Institute in United Kingdom, and was awarded the Silver Medal by the Society of Dyers and Colourists in 1982. Prior to joining the Group on 30 March 2004, he worked as a senior lecturer at the Institute of Textiles and Clothing of the Hong Kong Polytechnic University and an engineer in a local textile company. Mr. Chong is also currently a member of the Dyeing and Finishing Special Committee, the China Textile Engineering Society, and an active technical consultant in the dyeing and finishing sector. Mr. Chong did not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company and did not hold any other position with other members of the Group as at the Latest Practicable Date. Besides, he does not have any previous experience including other directorships held in listed public companies in the last 3 years and other major appointments and qualifications.

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As at the Latest Practicable Date, Mr. Chong is personally interested in 300,000 Shares within the meaning of Part XV of the SFO. Save as disclosed, he is not interested in any Shares or underlying Shares within the meaning of Part XV of the SFO. He has entered into a service contract with the Company for a fixed term of 3 years from 1 July 2005 to 30 June 2008 (both days inclusive). Pursuant to the terms of the service contract, his basic Director's remuneration of HK\$1,560,000 is determined with reference to his role, level of experience and contribution to the Group. Under the service contract, after each completed year of service, the remuneration payable to Mr. Chong may, subject to the discretion of the Board, be increased by not more than 20 per cent. Moreover, Mr. Chong is entitled to a discretionary bonus for each completed year of service, as may be decided by the Board provided that the total amount of bonus payable to all the Directors of the Company for such year shall not exceed 5 per cent of the audited combined/consolidated profit after taxation and minority interests (if any) for the relevant year.

Mr. Chong confirmed that there is no other information that needs to be disclosed pursuant to any of the requirements as set out in Rules 13.51(2)(h)-(v) of the Listing Rules. The Company is not aware of any other matters that need to be brought to the attention of the Shareholders and the Stock Exchange in relation to the re-election of Mr. Chong.

Further pursuant to article 86(3) of the Articles, a Director appointed by the Board either to fill a casual vacancy on the Board or as an addition to the existing Board, shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. As such, Mr. Chan Chung Yuen, Lawrence, a Director appointed as an addition of the Board on 1 July 2007, shall retire from office by rotation and be eligible for re-election in the forthcoming annual general meeting. Details of Mr. Chan Chung Yuen, Lawrence, a Director who is proposed to be re-elected at the AGM are set out as follows:

Mr. Chan Chung Yuen, Lawrence

Mr. Chan Chung Yuen, Lawrence, aged 29, graduated from the University of Manchester, Institute of Science and Technology (UMIST) in England. Mr. Chan has 4 years of work experience in a brokerage firm in Hong Kong. He is also a director of two private companies in Hong Kong. Mr. Chan has over 4 years of corporate finance, accounting and finance experience. Mr. Chan joined the Group on 1 July, 2007 as Independent Non-executive Director. He is a member of the remuneration committee, audit committee and nomination committee of the Company and he did not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company and did not hold any position with other members of the Group as at the Latest Practicable Date. Besides, he does not have any previous experience including other directorships held in listed public companies in the last 3 years and other major appointments and qualifications.

As at the Latest Practicable Date, Mr. Chan is personally interested in 1,100,000 Shares within the meaning of Part XV of the SFO. Save as disclosed, he is not interested in any Shares or underlying Shares within the meaning of Part XV of the SFO. Mr. Chan has been appointed for a fixed term of 3 years from 1 July 2007 to 30 June 2010 (both days inclusive) with a basic remuneration of HK\$180,000 per annum, which is determined with reference to his role, level of experience and contribution to the Group.

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Mr. Chan confirmed that there is no other information that needs to be disclosed pursuant to any of the requirements as set out in Rules 13.51(2)(h)-(v) of the Listing Rules. The Company is not aware of any other matters that need to be brought to the attention of the Shareholders and the Stock Exchange in relation to the re-election of Mr. Chan.

PROPOSED REFRESHMENT OF SHARE OPTION SCHEME LIMIT

On 25 August 2004, the Share Option Scheme was adopted by the Company and the Directors have been authorised to grant share options from time to time, provided that the total number of Shares which may be issued upon exercise of all options (excluding, for the purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other option scheme of the Group) to be granted under the Share Option Scheme and any other share option scheme as may from time of the Group shall not in aggregate exceed 64,000,000 Shares, being 10% of the issued share capital of the Company upon completion of the share offer and the capitalisation issue and at the time dealings in the Shares first commence on the Stock Exchange. Moreover, the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised at any time under the Share Option Scheme and any other share option scheme adopted by the Group shall not exceed such number of Shares as equals 30% of the issued share capital of the Company from time to time. No options may be granted under the Share Option Scheme or any other share option scheme adopted by the Group if the grant of such option will result in the limit referred to in this paragraph being exceeded.

Up to the Latest Practicable Date, a total of 63,905,000 (excluding 5,713,000 share options which were lapsed) share options have been granted under the Share Option Scheme, with 4,583,000 share options being exercised. Unless the Share Option Scheme Limit is “refreshed”, option carrying right to subscribe for up to only 95,000 may be granted in the future, representing 0.0001% of the Shares in issue as at the Latest Practicable Date. Given that the Shares in issue were 644,583,000 as at the Latest Practicable Date, assuming no further issue or repurchase of Shares prior to the AGM, the Board proposes to refresh the 10% limit on grant of share option under the Share Option Scheme and the total number of Shares which may fall to be allotted and issued represents approximately 64,458,300 Shares. The Directors undertake that the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised at any time under the Share Option Scheme and any other share option scheme adopted by the Group shall not exceed such number of Shares as equals 30% of the issued share capital of the Company from time to time.

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and the options granted under any other share option scheme of the Group (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. Where any further grant of options to a grantee under the Share Option Scheme would result in the Shares issued and to be issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under the Share Option Scheme and any other share option schemes of the Group in the

LETTER FROM THE BOARD

12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be subject to (i) the issue of a circular by the Company to its shareholders which shall comply with rules 17.03(4) and 17.06 of the Listing Rules and such other requirements as prescribed in the Listing Rules; and (ii) the approval by shareholders of the Company in general meeting with such grantee and his associates abstaining from voting.

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentive or rewards for their contributions to the Group. In order to achieve the intended purpose of the Share Option Scheme for the benefits of the Group and the Shareholders, the Directors propose the passing of an ordinary resolution at the AGM for “refreshing” the Share Option Scheme Limit.

The refreshment of the Share Option Scheme Limit is conditional upon:

- (a) the passing of an ordinary resolution to approve the refreshment of the Share Option Scheme Limit by the Shareholders at the AGM; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Shares (representing a maximum of 10% of the Shares in issue as at the date of the AGM approving the refreshment of the Share Option Scheme Limit) which may fall to be issued pursuant to the exercise of share option under the Share Option Scheme and any other share option scheme of the Company.

Application will be made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of share options granted or to be granted under the Share Option Scheme and any other share option schemes of the Company.

GENERAL INFORMATION

A form of proxy for the AGM is also enclosed herewith.

Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as practicable but in any event no later than 48 hours before the time appointed for holding the AGM. The completion of a form of proxy will not preclude you from attending and voting at the AGM in person should you so wish.

LETTER FROM THE BOARD

PROCEDURES FOR DEMANDING A POLL

Pursuant to article 66 of the Articles, every resolution submitted to a general meeting shall be determined on a show of hands in the first instance by the Shareholders present in person, unless a poll is demanded (before or upon the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll):

- (a) by the chairman of such meeting; or
- (b) by at least three members 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
- (c) by a member or members 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 members having the right to vote at the meeting; or
- (d) by a member or members 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.

RECOMMENDATION

The Directors consider that the general mandates, the Repurchase Mandate, the re-election of the Directors proposed and the refreshment of Share Option Scheme Limit are in the interests of the Company. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions at the forthcoming AGM.

Yours faithfully,
For and on behalf of the board of Directors of
Kam Hing International Holdings Limited
Mr. Tai Chin Chun
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide all the information in relation to the Repurchase Mandate for your consideration.

1. LISTING RULES RELATING TO THE REPURCHASES OF SECURITIES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their fully-paid shares on the Stock Exchange subject to certain restrictions, the more important of which are summarised below:

(a) Shareholders' approval

All proposed purchase of securities on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by the shareholders by an ordinary resolution, either by way of a general mandate or by a specific approval in relation to a specific transaction.

(b) Share capital

Under the Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the aggregate nominal amount of its issued share capital at the date of the passing of the proposed resolution granting the Repurchase Mandate.

As at the Latest Practicable Date, the Company had 644,583,000 Shares in issue. Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the AGM, the exercise of the Repurchase Mandate in full would result in up to 64,458,300 Shares being repurchased by the Company during the period prior to the next annual general meeting of the Company following the passing of the resolution referred to herein or the date upon which the Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

(c) Reasons for repurchase

The Directors believe that it is in the interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase securities of the Company on 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 the Shareholders.

(d) Funding of repurchase

In repurchasing securities, a company may only apply funds legally available for such purpose in accordance with its constitutive documents and the laws of the jurisdiction in which the company was incorporated.

As compared with the financial position of the Company as at 31 December 2007 (being the date of its latest audited accounts), the Directors consider that there would not be a material adverse impact on the working capital or gearing position of the Company if the Repurchase Mandate was to be exercised in full during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing level (as compared with the position disclosed in the audited accounts for the year ended 31 December 2007) which in the opinion of the Directors are from time to time appropriate for the Company.

(e) Connected parties

None of the Directors nor, to their best knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) has any present intention to sell Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

As at the Latest Practicable Date, no connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

(f) Undertaking by Directors

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

(g) Takeovers Code

If as a result of a securities repurchase a Shareholder's proportionate interest in the voting rights of the repurchasing company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code.

As at the Latest Practicable Date, Mr. Tai Chin Chun, together with his respective associates, were beneficially interested in 382,600,000 Shares and Mr. Tai Chin Wen, together with his respective associates, were beneficially interested in 96,000,000 Shares, representing approximately 59.4% and 14.9% of the issued share capital of the Company respectively. In the event that the Directors exercise the Repurchase Mandate in full in accordance with the terms of the ordinary resolution to be proposed at the AGM, the interests of Mr. Tai Chin Chun and Mr. Tai Chin Wen, together with their respective associates, would respectively be increased to approximately 66.0% and 16.5% of the issued share capital of the Company, which will not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. Such increases would reduce the amount of Shares held by the public to less than 25% of the issued share capital of the Company. However, the Directors have no present intention to exercise the Repurchase Mandate to such an extent as would cause the shareholdings in public hands to fall below 25%.

2. SHARE REPURCHASE AND MARKET PRICES

During the six months preceding the Latest Practicable Date, no Shares have been repurchased or redeemed by the Company.

During each of the previous 12 months, the highest and lowest prices at which the Shares have been traded on the Stock Exchange were as follows:

| Month | Per Share | |
|--|---------------------------------|--------------------------------|
| | Highest <i>(HK\$)</i> | Lowest <i>(HK\$)</i> |
| 2007 | | |
| April | 0.89 | 0.69 |
| May | 0.94 | 0.82 |
| June | 1.04 | 0.90 |
| July | 1.20 | 0.88 |
| August | 1.75 | 0.94 |
| September | 1.25 | 1.05 |
| October | 2.60 | 1.18 |
| November | 3.38 | 2.22 |
| December | 2.99 | 2.52 |
| 2008 | | |
| January | 2.89 | 2.18 |
| February | 2.26 | 1.68 |
| March | 2.04 | 1.10 |
| April (<i>up to Latest Practicable Date</i>) | 1.33 | 0.92 |

NOTICE OF ANNUAL GENERAL MEETING



KAM HING INTERNATIONAL HOLDINGS LIMITED

錦興國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2307)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Kam Hing International Holdings Limited (the “**Company**”) will be held at Units 1-9, 8th Floor, Lucida Industrial Building, 43-47 Wang Lung Street, Tsuen Wan, New Territories, Hong Kong on 26 May 2008 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 December 2007.
2. To declare a final dividend for the year ended 31 December 2007.
3.
 - A. To re-elect Mr. Tai Chin Wen as director of the Company (the “**Director**”);
 - B. To re-elect Ms. Cheung So Wan as Director;
 - C. To re-elect Mr. Chong Chau Lam as Director;
 - D. To re-elect Mr. Chan Chung Yuen, Lawrence as Director; and
 - E. To authorise the board of Directors to fix the remunerations of the Directors.
4. To re-elect auditors and to authorise the board of Directors to fix their remuneration.
5. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:
 - A. **“THAT:**
 - (a) subject to paragraph (c), the exercise by the Directors during the Relevant Period 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 might require the exercise of such power be and is hereby generally and unconditionally approved;

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- (b) the approval in paragraph (a) shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (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 pursuant to the approval in paragraph (a), otherwise than pursuant to: (i) a Rights Issue; (ii) the exercise of the subscription rights or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company; (iii) any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iv) any scrip dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earlier 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 the articles of association of the Company or any applicable law to be held; and
- (iii) the revocation or variation of 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 of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or any class thereof (subject to such exclusion 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 of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

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B. **“THAT:**

- (a) subject to paragraph (c), the exercise by the Directors during the Relevant Period of all powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), and that the exercise by the Directors of all the powers of the Company to repurchase such shares, subject to and in accordance with all applicable laws or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;
- (b) in addition, the approval in paragraph (a) shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the Directors;
- (c) the aggregate nominal amount of shares repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution, and the authority pursuant to paragraph (a) 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 earlier 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 the articles of association of the Company or any applicable law to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

- C. **“THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the share option scheme of the Company

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adopted on 25 August 2004 (the “**Share Option Scheme**”) and any other schemes of the Company, representing 10% of the issued share capital of the Company as at the date on which this resolution is passed, pursuant to Clause 8.2(a) of the Share Option Scheme:

- (a) approval be and hereby granted for refreshing the 10% mandate under the Share Option Scheme (the “**Refreshed Scheme Mandate**”) provided that the total number of shares of the Company which may be allotted and issued upon the exercise of all options granted or to be granted under the Share Option Scheme and any other schemes of the Company under the limit as refreshed hereby shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of which this resolution is passed (options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other schemes of the Company shall not be counted for the purchase of calculating the Refreshed Scheme Mandate); and
- (b) the directors of the Company or a duly authorised committee thereof be and are hereby authorised, (i) at their absolute discretion, to grant options to subscribe for shares of the Company within the Refreshed Scheme Mandate in accordance with the rules of the Share Option Scheme or any other schemes of the Company, and (ii) to allot, issue and deal in Shares pursuant to the exercise of options granted under the Share Option Scheme or any other schemes of the Company within the Refreshed Scheme Mandate.”
- D. “**THAT** conditional upon the passing of resolutions no. 5A and 5B as set out in the notice convening the meeting of which this resolution forms part, the aggregate nominal amount of the shares in the capital of the Company which are repurchased by the Company pursuant to and in accordance with the said resolution no. 5B shall be added to the aggregate nominal amount of the shares in the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with resolution no. 5A as set out in the notice convening the meeting of which this resolution forms part.”

As at the date of this notice, the executive Directors are Mr. Tai Chin Chun, Mr. Tai Chin Wen, Ms. Cheung So Wan, Ms. Wong Siu Yuk and Mr. Chong Chau Lam; the independent non-executive Directors are Mr. Ku Shiu Kuen, Anthony, Ms. Chu Hak Ha, Mimi, Mr. Chan Yuk Tong, Jimmy and Mr. Chan Chung Yuen, Lawrence.

By order of the board of the Directors
Mr. Tai Chin Chun
Chairman

Hong Kong, 30 April 2008

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Notes:

1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person duly authorised to sign the same.
2. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his/her stead. A proxy needs not be a member of the Company.
3. In order to be valid, the form of proxy must be lodged at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong together with a 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, not less than 48 hours before the time for holding the meeting or any adjourned meeting.
4. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
5. Where there are joint holders of any shares in the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such shares as if he were solely entitled thereto, but if more than one of such joint holders are present at the meeting, the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.
6. The register of members of the Company will be closed from 20 May 2008 to 26 May 2008, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend to be approved at the general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m., 19 May 2008.
7. Details of the Directors as referred in resolutions no. 3A to 3D above are disclosed in the circular of the Company dated 30 April 2008.