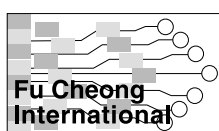


IMPORTANT

If you are in doubt as to any aspect of this document, 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 Fu Cheong International Holdings Limited, you should at once hand this document and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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FU CHEONG INTERNATIONAL HOLDINGS LIMITED

富昌國際控股有限公司*

(incorporated in the Cayman Islands with limited liability)

Executive Directors:

Mr. Ho Wing Cheong (*chairman*)
Mr. Ho Wing Hung
Ms. Kwok Shuk Wah

Registered office:

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681 GT
George Town
Grand Cayman
British West Indies

Independent Non-executive Directors:

Mr. Poon Kuai Cheong
Ms. Fong Ching Yin

*Head office and Principal Place of
Business in Hong Kong:*

Unit 2, 34th Floor,
Cable TV Tower,
9 Hoi Shing Road,
Tsuen Wan,
New Territories,
Hong Kong.

29 April 2002

To the shareholders

Dear Sir or Madam,

PROPOSED GRANT OF GENERAL MANDATES FOR THE ALLOTMENT AND ISSUE OF NEW SHARES AND FOR THE REPURCHASE BY THE COMPANY OF ITS OWN SECURITIES

INTRODUCTION

Pursuant to the written resolutions of all shareholders of Fu Cheong International Holdings Limited (the “**Company**”) passed on 6 March 2002, the directors (the “**Directors**”) of the Company

* *For identification purposes only*

were granted a general mandate to allot, issue and deal with shares (each a “**Share**”) of HK\$0.01 each in the share capital of the Company and a general mandate to repurchase Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). These mandates will expire at the conclusion of the forthcoming annual general meeting (the “**Annual General Meeting**”) of the Company convened to be held at Granville Room, Lower Lobby, Conrad Hong Kong Hotel, Pacific Place, 88 Queensway, Hong Kong on 24 May 2002 at 4:00 p.m.. At the Annual General Meeting, among other business, the following resolutions will be proposed:

- (a) to grant a general mandate (the “**General Mandate**”) to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with new Shares up to a maximum of 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of such resolution;
- (b) to grant a general mandate (the “**Repurchase Mandate**”) to the Directors to enable them to repurchase the Shares on the Stock Exchange to a maximum of 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of such resolution; and
- (c) to authorise the increase of the number of new Shares which may be allotted and issued under the General Mandate by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate.

Under the Rules (the “**Listing Rules**”) Governing the Listing of Securities on the Stock Exchange, the Company is required to give to its shareholders all information which is reasonably necessary to enable its shareholders to make an informed decision as to whether to vote for or against the resolution to renew the grant to the Directors of the Repurchase Mandate. This document is prepared for such purpose. The explanatory statement required by the Listing Rules to be included in this document is set out in the Appendix.

THE GENERAL MANDATE

The Directors have no immediate plans to allot and issue any new Shares other than Shares which may fall to be issued upon the exercise of options granted under the share option scheme of the Company or pursuant to any scrip dividend scheme which may be approved by the shareholders of the Company.

THE REPURCHASE MANDATE

On pages 47 to 50 of the annual report of the Company in respect of the financial year ended 31 December 2001 is the notice of the Annual General Meeting. At the Annual General Meeting, as part of the special business of the Annual General Meeting, an ordinary resolution will be proposed to grant the Repurchase Mandate to the Directors.

ACTION TO BE TAKEN

Whether or not you intend to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar in Hong Kong, Tengis Limited, at 4th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from

attending and voting in person at the Annual General Meeting or any adjournment thereof if you so wish.

RECOMMENDATION

The Directors believe that the General Mandate and the Repurchase Mandate are in the best interests of the Company and its shareholders. An exercise of the powers under the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. Such an exercise will only be made when the Directors believe that such repurchase of Shares will benefit the Company and its shareholders.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and/or gearing position of the Company compared with that as at 31 December 2001, being the date of its latest audited accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

The Directors believe that an exercise of the General Mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company.

Accordingly, the Directors recommend that all shareholders of the Company should vote in favour of the resolutions approving the grant of the General Mandate and the Repurchase Mandate.

Yours faithfully,
For and on behalf of
the board of Directors of
Fu Cheong International Holdings Limited
Ho Wing Cheong
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you to make an informed decision whether to vote for or against the resolution to approve the grant of the Repurchase Mandate to the Directors.

1. LISTING RULES RELATING TO THE REPURCHASE OF SECURITIES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below. The Company is empowered by its memorandum and the articles of association to repurchase its own securities.

(a) Shareholders' approval

The Listing Rules provide that all on-market securities repurchases by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by specific approval with reference to a specific transaction.

(b) Source of funds

Repurchase must be paid out of funds which are legally available for the purpose and in accordance with the memorandum and the articles of association of the Company and the Companies Law. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Cayman Islands law, repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose, or, if so authorised by its memorandum and articles of association and subject to the provisions of the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by its memorandum and articles of association and subject to the provisions of the Companies Law, out of capital.

(c) Trading restrictions

Where the securities to be repurchased by the Company are shares, such shares must be fully paid shares.

(d) Connected parties

No connected person of the Company has notified the Company that he/she/it has a present intention to sell any securities to the Company nor has any such connected person undertaken not to sell any of the securities held by him/her/it to the Company in the event that the Repurchase Mandate is granted.

2. SHARE CAPITAL

As at 25 April 2002, being the latest practicable date (the "**Latest Practicable Date**") prior to the printing of this document, the issued share capital of the Company comprised 1,200,000,000 Shares.

Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate to the Directors and on the basis that no further Shares are allotted and issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 120,000,000 Shares.

3. REASONS FOR THE REPURCHASE

The Directors believe that it is in the best interests of the Company and its shareholders for the Directors to have general authority from its shareholders to enable the Company 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 asset value per Share and/or earnings per Share and will only be made if the Directors believe that such repurchases of Shares will benefit the Company and its shareholders.

4. FUNDING OF REPURCHASES

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association, the Listing Rules and the applicable laws of the Cayman Islands.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 December 2001. However, the Directors do not intend to make any repurchases to such an extent as would, in circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange since 27 March 2002, being the date of listing of the Shares, were as follows:

	Highest HK\$	Lowest HK\$
March 2002	0.205	0.189
April 2002 (Note)	0.211	0.154

Note: Up to the Latest Practicable Date

6. DIRECTORS' INTERESTS IN SHARE CAPITAL

As at the Latest Practicable Date, the interests of the Directors in the issued share capital of the Company and its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance (Chapter 396 of the Laws of Hong Kong), the "SDI Ordinance") which had been notified to the Company and the Stock Exchange pursuant to section 28 of the SDI Ordinance (including the interests which they were deemed or taken to have under section 31 of, or Part I of the Schedule to, the SDI Ordinance) or which were required pursuant to section 29 of the SDI Ordinance, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Directors	Corporate interests	Personal interests	Number of Shares			Total interests	Percentage of the issued share capital
			Family interests	Other interests			
Ho Wing Cheong	696,000,000 <i>(Note)</i>	-	-	-	696,000,000	58%	

Note: These Shares are registered in the name of Advanced Technology International Holdings Limited, the shares of which are beneficially owned by Score One Inc. which shares are held as to 82% by I. World Limited. I. World Limited is, in turn, beneficially owned as to 58% by Ho Wing Cheong.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors had any interest in the issued share capital of the Company or any associated corporations (within the meaning of the SDI ordinance) which were required to be notified to the Company and the Stock Exchange pursuant to section 28 of the SDI Ordinance (including the interests which they were deemed or taken to have under section 31 of, or part I of the Schedule to, the SDI Ordinance) or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules or which are required, pursuant to section 29 of the SDI Ordinance, to be entered in the register referred to therein.

7. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, according to the register of members kept by the Company pursuant to section 16 of the SDI Ordinance and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, save as disclosed in the paragraph headed "Directors' interests in share capital" of this

Appendix, the following person was directly or indirectly interested in 10 per cent. or more of the issued share capital of the Company:

Name	Number of Shares	Percentage
Advanced Technology International Holdings Limited (<i>Note</i>)	696,000,000	58%
Score One Inc. (<i>Note</i>)	696,000,000	58%
I. World Limited (<i>Note</i>)	696,000,000	58%
Ho Wing Cheong (<i>Note</i>)	696,000,000	58%

Note: The entire issued shares of Advanced Technology International Holdings Limited are owned by Score One Inc., the issued shares of which are owned as to 82% by I. World Limited. The issued shares of I. World Limited are in turn owned as to 58% by Ho Wing Cheong.

Save as disclosed above, no person (other than the Directors or the chief executive of the Company) has notified the Company that he/she/it has a direct/indirect interests amounting to 10 per cent. or more of the issued share capital of the Company and its subsidiaries at the Latest Practicable Date pursuant to section 16(1) of the SDI Ordinance.

8. DISCLOSURE OF INTERESTS, THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

None of the Directors or, to the best of their knowledge and belief, having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), have any present intention to sell to the Company or its subsidiaries any of the Shares if the Repurchase Mandate is approved at the Annual General Meeting and exercised.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases of the Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and the regulations set out in the memorandum and articles of association of the Company.

Assuming that none of the substantial shareholders disposes of their Shares, if the Repurchase Mandate were exercised in full, the respective percentage shareholdings of the substantial shareholders before and after such repurchase would be as follows:

	Before repurchase	After repurchase (approximate)
Advanced Technology International Holdings Limited	58%	64.4%
Score One Inc.	58%	64.4%
I. World Limited	58%	64.4%
Ho Wing Cheong	58%	64.4%

Note: The entire issued shares of Advanced Technology International Holdings Limited are owned by Score One Inc., the issued shares of which are owned as to 82% by I. World Limited. The issued shares of I. World Limited are in turn owned as to 58% by Ho Wing Cheong.

If a shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase securities pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a shareholder or group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

On the basis of the current shareholdings held by the substantial shareholders named above, an exercise of the repurchase mandate in full will not result in any of the shareholders referred to above being obliged to make a mandatory offer under the Takeovers Code.

The Directors have no intention to exercise the Repurchase Mandate to an extent as may result in less than 25 per cent. of the shares of the Company being held by the public.

9. SHARE REPURCHASE MADE BY THE COMPANY

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) since 27 March 2002, being the date of listing of the Shares.