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## **THE KWONG SANG HONG INTERNATIONAL LIMITED**

*(Incorporated in Bermuda with limited liability)*

### **Announcement**

In accordance with the requirements under Practice Note 19 (“PN 19”) of the Listing Rules, the directors of the Company announce that the aggregate amount of advances provided by the Group to an entity, Dollar Union, exceeds 25% of the Group’s audited consolidated net asset value as at 30th November, 2002. Therefore, it gives rise to a disclosure obligation under paragraph 3.2.1 of the PN 19.

Dollar Union, a company formed in 1995 to develop a property development project, is owned as to 25% by the Group and as to 75% by Chinese Estates. As Chinese Estates is deemed to be a substantial shareholder of the Company, Dollar Union is a connected person of the Company and the advances given for the benefit of Dollar Union constituted connected transactions for the Company.

The aggregate advances given by the Group to Dollar Union as at 30th November, 2001 have already been disclosed in the Company’s annual report for the year ended 30th November, 2001.

### **ADVANCE PROVIDED TO AN ENTITY**

Pursuant to the paragraph 3.2.1 of the PN 19, the Company is obliged to provide information on advance given to an entity when such financial assistance exceeds 25% of the Group’s net assets.

The aggregate amount of advance given by the Group to Dollar Union as at 28th February, 2003 was HK\$377.1 million. Following the Results Announcement, the aggregate amount of advances represented approximately 27.4% of the audited consolidated net asset value of the Group as at 30th November, 2002 of approximately HK\$1,377.4 million. The Group will disclose further information pursuant to paragraph 3.10 of the PN 19 in its next interim and annual report, where applicable.

Except for the above, there are no further financial assistance given to, committed capital injection to, or guarantees given by the Group for the benefits of Dollar Union.

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## TERMS OF THE FINANCIAL ASSISTANCE

The advance to Dollar Union is unsecured, interest free and is repayable on demand with no fixed repayment date. The advances were made in proportion to the shareholders' respective interest in Dollar Union on the same terms and are in normal commercial terms to finance the whole development cost of the property development project located at Tai Yuen Street/Wan Chai Road, Hong Kong.

### DEFINITIONS:

“Company”	The Kwong Sang Hong International Limited
“Chinese Estates”	Chinese Estates Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Dollar Union”	Dollar Union Limited, a company incorporated in Hong Kong with limited liability
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PN 19”	Practice Note 19 to the Listing Rules issued pursuant to rule 1.06 of the Listing Rules
“Results Announcement”	the announcement of the Company's annual results for the year ended 30th November, 2002 made on 13th March, 2003
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board  
**Lam, Kwong-wai**  
*Company Secretary*

Hong Kong, 14th March, 2003

Website: <http://www.kwongsanghong.com.hk>  
<http://www.iprasia.com/listco/ksh>

“Please also refer to the published version of this announcement in The Standard”