

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, 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 announcement.



K & P INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

MEMORANDUM OF UNDERSTANDING RELATING TO FORMATION OF A JOINT VENTURE COMPANY

On 29th October, 2002, Technology Trends entered into the Memorandum with the JV Partner for the formation of the Joint Venture. Detailed terms of the Joint Venture are yet to be determined.

The formation of the Joint Venture may or may not proceed and the holders of the Shares and the investing public should exercise caution when dealings in the Shares.

A further announcement will be made by the Company immediately after the signing of a legally binding agreement or when the Memorandum lapses.

On 29th October, 2002, Technology Trends International Limited (“**Technology Trends**”), a wholly-owned subsidiary of K & P International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), entered into a non-binding memorandum of understanding (the “**Memorandum**”) with an independent third party (the “**JV Partner**”) for the formation of a joint venture company (the “**Joint Venture**”) in the People’s Republic of China which will be principally engaged in the research and development, sales and marketing and manufacturing of electronic and related components and parts.

Pursuant to the Memorandum, Technology Trends will own 41% of the interests of the Joint Venture. The total investment, the registered capital and other details of the Joint Venture, including the timing for its formation, are yet to be determined. It is contemplated that the registered capital for the Joint Venture to be contributed by the Group will be satisfied by cash or through future fund raising exercise by the Company.

The JV Partner is an independent third party not connected with the directors, chief executive and substantial shareholders of the Company and its subsidiaries or any of their respective associates (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

The Memorandum is not legally binding and the formation of the Joint Venture may or may not proceed. Holders of the shares (the “**Shares**”) of the Company and the investing public should exercise caution when dealings in the Shares.

If the formation of the Joint Venture is materialised and a legally binding agreement is signed by the parties to the Memorandum, further announcement will be made by the Company setting out, among other things, further details of the terms and conditions of the Joint Venture.

By Order of the Board
Lai Pei Wor
Chairman

Hong Kong, 29 October, 2002

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