
THIS DOCUMENT 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 to be taken, you should consult a stockbroker or a registered dealer in securities, a bank manager, a solicitor, a professional accountant or other professional advisers.

If you have sold or transferred all your shares in **HOP HING HOLDINGS LIMITED**, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through which the sale or transfer was effected.

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HOP HING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

PROPOSALS INVOLVING AMENDMENTS TO THE BYE-LAWS AND RENEWAL OF THE GENERAL MANDATE TO ISSUE SECURITIES AND THE GENERAL MANDATE TO REPURCHASE ITS OWN SECURITIES

A notice convening an annual general meeting of Hop Hing Holdings Limited to be held at Units E & F, 2nd Floor, Hop Hing Building, 9 Ping Tong Street East, Tong Yan San Tsuen, Yuen Long, New Territories, Hong Kong on 29 May 2003 at 11:30 a.m. (or such adjournment thereof) is set out in the 2002 annual report of the Company to be despatched with this circular.

Whether or not you are able to attend the meeting in person, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the share registrars in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1901-1905, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event no later than forty-eight (48) hours before the time appointed for holding of the meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting should you so wish.

28 April 2003

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held on 29 May 2003 (or any adjournment thereof)
“AGM Notice”	the notice convening the AGM as set out in the 2002 annual report of the Company
“Board”	the board of directors of the Company or a duly authorised committee thereof
“Bye-laws”	the bye-laws of the Company, as amended from time to time
“Bye-laws Amendments”	the proposed amendments to the existing Bye-laws of the Company, details of which are set out in paragraph 2 of the Letter from the Chairman
“Company”	Hop Hing Holdings Limited, an exempted company incorporated in Bermuda with limited liability
“Companies Act”	The Companies Act 1981 of Bermuda (as amended from time to time)
“Connected Person”	shall have the meaning ascribed thereto in the Listing Rules
“Directors”	the directors of the Company for the time being
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	28 April 2003, 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 of Hong Kong Limited
“Ordinary Resolutions”	the proposed ordinary resolutions in the AGM Notice as set out in the 2002 annual report
“Repurchase Mandate”	the general mandate for the Company to repurchase securities as described in the explanatory statement set out in the Appendix

DEFINITIONS

“Securities”	any securities of the Company, including shares, securities convertible into share capital, warrants to subscribe for shares and options to subscribe for shares
“Share Buy Back Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase of its own securities by companies listed on the Stock Exchange
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Share Issue Mandate”	the general mandate for the Company to issue securities as described in paragraph 3 of the Letter from the Chairman
“Shareholders”	the shareholders of the Company from time to time
“Special Resolution”	the proposed special resolution in the AGM Notice as set out in the 2002 annual report of the Company in relation to the By-laws Amendments
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Warrants”	the 81,809,887 warrants outstanding as at the Latest Practicable Date issued by the Company and approved by the Shareholders at the special general meeting of the Company on 22 May 2002, each carrying the right to subscribe for new Shares on the basis of the subscription price of HK\$0.27 per Share (subject to adjustment) at any time from 29 May 2002 to 30 April 2005 (both days inclusive)

LETTER FROM THE CHAIRMAN



HOP HING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Board of Directors:

Hung Hak Hip* (*Chairman*)
Liu Chi Keung, Ricky (*Vice Chairman & CEO*)
Wong Yu Hong, Philip**
Sze Tsai To, Robert**
Cheung Wing Yui, Edward**
Hung Chiu Yee*
Lee Pak Wing*
Han Kin Yee
Chan Sai On, David
Wong Kwok Ying

* *Non-executive director*

** *Independent non-executive director*

Registered Office:

Cedar House
41 Cedar Avenue
Hamilton HM12
Bermuda

Principal Place of Business

in Hong Kong:

Units E and F
2nd Floor
Hop Hing Building
9 Ping Tong Street East
Tong Yan San Tsuen
Yuen Long
New Territories
Hong Kong

28 April 2003

*To the Shareholders and, for information only,
the warrant holders of the Company*

Dear Sir or Madam,

PROPOSALS INVOLVING AMENDMENTS TO THE BYE-LAWS AND RENEWAL OF THE GENERAL MANDATE TO ISSUE SECURITIES AND THE GENERAL MANDATE TO REPURCHASE ITS OWN SECURITIES

1. INTRODUCTION

The Board proposes that certain amendments be made to the Bye-laws in view of the amendments of the Listing Rules which give the Company the flexibility to (a) send corporate documents to the Shareholders with their prior approval using electronic means and (b) offer the Shareholders the option to elect to receive summary financial reports of the Company in place of the full financial reports

LETTER FROM THE CHAIRMAN

(subject to the relevant laws in Bermuda). Certain amendments are also made to the Bye-laws to allow the execution of instruments of transfer by way of machine imprinted signatures or other manner of execution as the Board may approve from time to time and to take into account the commencement of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Board also proposes that the Share Issue Mandate and the Repurchase Mandate be renewed at the AGM.

The purpose of this circular is to provide you with the information relating to the Bye-laws Amendments, the renewal of the Share Issue Mandate and the Repurchase Mandate and to consider, if thought fit, to vote in favour of the resolutions set out in the AGM Notice.

2. AMENDMENTS TO THE BYE-LAWS

The Board proposes that certain amendments be made to the Bye-laws in view of the amendments of the Listing Rules which give the Company the flexibility to (a) send corporate documents to the Shareholders with their prior written approval using electronic means and (b) offer the Shareholders the option to elect to receive summary financial reports of the Company in place of the full financial reports of the Company (subject to the relevant laws in Bermuda). Certain amendments are also made to the Bye-laws to allow the execution of instruments of transfer by way of machine imprinted signatures or other manner of execution as the Board may approve from time to time and to take into account the commencement of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Bye-laws Amendments are set out in the Special Resolution of the AGM Notice. The Special Resolution in relation to the Bye-law Amendments will be put forward to the Shareholders for approval at the AGM.

3. GENERAL MANDATE TO ISSUE SECURITIES

At the AGM, an ordinary resolution will be proposed to grant the Directors the Share Issue Mandate. In addition, Ordinary Resolution No. 5C will be proposed to extend the Share Issue Mandate which would increase the limit of the Share Issue Mandate by adding to it the number of Shares and Warrants repurchased under the Repurchase Mandate.

4. GENERAL MANDATE TO REPURCHASE ITS OWN SECURITIES

At the AGM, an ordinary resolution will be proposed to grant the Directors the Repurchase Mandate. An explanatory statement as required by the Share Buy Back Rules to provide all the information reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the Ordinary Resolution No. 5B is set out in the Appendix.

5. ANNUAL GENERAL MEETING

A notice convening the AGM to be held on 29 May 2003 at 11:30 a.m. (or any adjournment thereof) at Units E & F, 2nd Floor, Hop Hing Building, 9 Ping Tong Street East, Tong Yan San Tsuen, Yuen Long, New Territories, Hong Kong is set out in pages 64 to 72 in the 2002 annual report at which resolutions will be proposed to approve the Bye-laws Amendments and the renewal of the Share Issue Mandate and the Repurchase Mandate.

LETTER FROM THE CHAIRMAN

A proxy form for use at the AGM is enclosed herein. Whether or not you intend to attend the AGM, you are requested to complete the proxy form and return it to the share registrars in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1901-1905, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of form of proxy will not preclude you from attending and voting in person at the AGM if you so wish.

6. RECOMMENDATIONS

The Board believes that the Bye-laws Amendments and the renewal of the Share Issue Mandate and the Repurchase Mandate are in the best interest of the Company and the Shareholders. Accordingly, the Board recommends that all Shareholders of the Company should vote in favour of the Ordinary Resolutions and the Special Resolution set out in the AGM Notice.

Yours faithfully,

HUNG HAK HIP

Chairman

This appendix serves as an explanatory statement to provide Shareholders with information relating to the Repurchase Mandate.

1. SHARE CAPITAL

It is proposed that the Repurchase Mandate will authorise the repurchase of Securities subject to the following: (a) the aggregate nominal amount of the Shares to be repurchased by the Company shall not exceed 10% of the issued share capital of the Company as at the date on which Ordinary Resolution No. 5B is passed and (b) the total amount of Warrants which may be repurchased by the Company may not exceed 10% of the Warrants of the Company on which Ordinary Resolution No. 5B is passed.

As at the Latest Practicable Date, the issued capital of the Company comprised 409,125,738 Shares and 81,809,887 units of Warrants in an aggregate amount of HK\$22,088,669.49 on the basis of the subscription price of HK\$0.27 per Share (subject to adjustment), entitling the holders thereof to subscribe for 81,809,887 Shares.

Subject to the passing of Ordinary Resolution No. 5 set out in the AGM Notice and on the basis that no further Shares are issued from the Latest Practicable Date to the AGM (whether as a result of the exercise of subscription rights attaching to the Warrants and share options presently in issue or otherwise), the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 40,912,573 Shares and a maximum of 8,180,988 Warrants.

2. REASONS FOR REPURCHASE

The Directors believe that the renewal of the Repurchase Mandate is in the best interest of the Company and its Shareholders because repurchases will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders, and may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company.

3. FUNDING OF REPURCHASE

In repurchasing Securities, the Company may only apply funds legally available for such purpose in accordance with its Bye-laws, the Listing Rules and the Companies Act. Under the Companies Act, a company may only repurchase its shares out of capital paid up on the shares to be repurchased or out of the Company's funds which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purpose of the repurchase. Any amount of premium payable on a repurchase over the par value of the shares may only be effected out of funds of the Company which would otherwise be available for dividend or distribution or out of the Company's share premium account.

4. GENERAL

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited consolidated accounts contained in the 2002 annual report in the event that the Repurchase Mandate was to be exercised in full. However, the Directors do not intend to exercise the power to repurchase Securities pursuant to the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing levels, which in the opinion of the Directors, are from time to time appropriate for the Company.

5. SHARE PRICES AND WARRANT PRICES

The highest and lowest prices at which the Shares and Warrants have traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date are as follows:

	Shares		Warrants #	
	Highest HK\$	Lowest HK\$	Highest HK\$	Lowest HK\$
2002				
April	0.355	0.242	–	–
May	0.420	0.270	–	–
June	0.360	0.300	0.127	0.048
July	0.320	0.320	–*	–*
August	0.270	0.270	–*	–*
September	0.320	0.320	–*	–*
October	–*	–*	–*	–*
November	0.320	0.320	0.036	0.018
December	0.300	0.240	0.036	0.036
2003				
January	0.192	0.192	–*	–*
February	–*	–*	–*	–*
March	0.192	0.192	–*	–*

* There were no transactions during the month.

Dealing in Warrants of the Company commenced on 3 June 2002.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to use the Repurchase Mandate in accordance with the Bye-laws, the Listing Rules and all applicable laws of Bermuda.

7. DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, have any present intention to sell any Securities to the Company if the Repurchase Mandate is approved by the Shareholders.

No Connected Persons have notified the Company that they have any present intention to sell Securities to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

8. EFFECT ON TAKEOVERS CODE

If the power to repurchase Securities pursuant to the Repurchase Mandate is exercised and the proportionate interest of a Shareholder or a group of Shareholders in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, the relevant 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.

The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Mandate.

9. SECURITIES REPURCHASE MADE BY THE COMPANY

The Company had not purchased any of its Securities (whether on the Stock Exchange or otherwise) in the six months preceding the date of this circular.