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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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)*

**(Stock Code: 47)**

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

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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 25 June 2004 at 11:00 a.m. (or such adjournment thereof) is set out in the 2003 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.

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## DEFINITIONS

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*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 25 June 2004 (or any adjournment thereof)
“AGM Notice”	the notice convening the AGM as set out in the 2003 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
“Companies Act”	The Companies Act 1981 of Bermuda (as amended from time to time)
“Company”	Hop Hing Holdings Limited, an exempted company incorporated in Bermuda with limited liability
“Connected Person”	shall have the meaning ascribed thereto in the Listing Rules
“Directors”	the directors of the Company for the time being
“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
“Issue Mandate”	the general mandate for the Company to issue securities as described in paragraph 3 of the Letter from the Chairman
“Latest Practicable Date”	26 April 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

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## DEFINITIONS

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“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 2003 annual report
“Repurchase Mandate”	the general mandate for the Company to repurchase securities as described in the explanatory statement set out in the Appendix
“Securities”	any securities of the Company, including shares of all classes and securities which carry a right to subscribe or purchase shares such as securities convertible into share capital, warrants to subscribe for shares and options to subscribe for shares
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“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
“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 2003 annual report of the Company in relation to the Bye-laws Amendments
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Warrants”	the 81,754,687 warrants 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)

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## LETTER FROM THE CHAIRMAN

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### 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\*  
Chan Sai On, David  
Wong Kwok Ying

\* *Non-executive director*

\*\* *Independent non-executive director*

*Registered Office:*

Canon's Court  
22 Victoria Street  
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

29 April 2004

*To the Shareholders and, for information only,  
the Warrantholders of the Company*

Dear Sir or Madam,

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

#### **1. INTRODUCTION**

The Board proposes that certain amendments be made to the Bye-laws to reflect the relevant amendments made to the Listing Rules which came into effect on 31 March 2004.

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

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## LETTER FROM THE CHAIRMAN

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The purpose of this circular is to provide you with the information relating to the Bye-law Amendments, the renewal of the 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. PROPOSED AMENDMENTS TO THE BYE-LAWS**

The Board proposes to amend the Bye-laws to reflect the amended provisions of Appendix 3 to the Listing Rules. Such amendments include conformation with the following:

- (1) where any Shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted;
- (2) the minimum 7 day period for lodgment by any Shareholder of the notice to nominate a director of the Company shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than 7 days before the date of such meeting; and
- (3) subject to certain specific exceptions, a director of the Company shall abstain from voting at the board meeting on any matter in which any of his associates has a material interest and shall not be counted towards the quorum of the relevant board meeting.

The Bye-laws Amendments are set out in the Special Resolution which 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 Issue Mandate. In addition, Ordinary Resolution No. 5C will be proposed to extend the Issue Mandate which would increase the limit of the 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.

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## LETTER FROM THE CHAIRMAN

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### 5. ANNUAL GENERAL MEETING

A notice convening the AGM to be held on 25 June 2004 at 11:00 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 62 to 68 in the 2003 annual report at which resolutions will be proposed to approve the Bye-laws Amendments and the renewal of the Issue Mandate and the Repurchase Mandate.

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.

Set out below is the procedures by which Shareholders and the chairman of any Shareholders' meeting may demand a poll pursuant to the Bye-laws:

“At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. Subject to the Companies Act, a poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) at least three Members present in person or by proxy and entitled to vote; or
- (c) any Member or Members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all Members having the right to attend and vote at the meeting; or
- (d) any Member or Members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has, on a show of hands, been carried unanimously or by a particular majority or not carried by a particular majority or lost shall be final and conclusive, and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution.”

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## LETTER FROM THE CHAIRMAN

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### 6. RECOMMENDATIONS

The Board believes that the Bye-laws Amendments and the renewal of the 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 409,180,938 Shares and 81,754,687 units of Warrants in an aggregate amount of HK\$22,073,765.49 on the basis of the subscription price of HK\$0.27 per Share (subject to adjustment), entitling the holders thereof to subscribe for 81,754,687 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 40,918,093 Shares and a maximum of 8,175,468 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 2003 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:

2003	Shares		Warrants	
	Highest	Lowest	Highest	Lowest
	HK\$	HK\$	HK\$	HK\$
April	– *	– *	– *	– *
May	0.240	0.192	0.040	0.038
June	0.510	0.270	0.128	0.070
July	0.325	0.260	0.120	0.120
August	0.415	0.250	0.110	0.110
September	0.400	0.310	0.100	0.100
October	0.400	0.200	0.130	0.088
November	0.370	0.330	– *	– *
December	0.400	0.315	– *	– *
<b>2004</b>				
January	0.375	0.375	– *	– *
February	0.380	0.280	0.092	0.092
March	0.415	0.320	0.100	0.100

\* There were no transactions during the month.

#### 6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to 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.

As at the Latest Practicable Date, so far as was known to the Directors, if the Company were to repurchase Shares up to the permitted maximum of 10 per cent. of the issued share capital of the Company pursuant to the Repurchase Mandate, there was no Shareholder or group of Shareholders acting in concert, who may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

**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.