

THIS CIRCULAR 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 other 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 form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe any shares or other securities.

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this circular, make 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 circular.



HOP HING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 47)

PROPOSAL FOR BONUS WARRANTS ISSUE

A letter from the Chairman is set out on pages 3 to 8 of this circular.

A notice convening a special general meeting of Hop Hing Holdings Limited to be convened and held at Units E & F, 2/F., Hop Hing Building, 9 Ping Tong Street East, Tong Yan San Tsuen, Yuen Long, New Territories, Hong Kong at 11:30 a.m. on Monday, 12 September 2005 is set out on pages 19 to 20 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and in any event not less than 48 hours before the time appointed for holding the meeting. Completion and return of the form of proxy shall not preclude you from attending and voting at the meeting or any adjourned meeting should you so desire.

24 August 2005

CONTENTS

	<i>Pages</i>
Expected Timetable	ii
Responsibility Statement	iii
Definitions	1
Letter from the Chairman	
1. Introduction	3
2. The Bonus Warrants Issue	4
3. Conditions	5
4. Closure of Registers of Members	5
5. Listing and Dealing	6
6. Poll Procedure	7
7. Special General Meeting	7
8. Documents Available for Inspection	8
9. Recommendation	8
10. Further Information	8
Appendix – Summary of the terms of the 2009 Warrants	9
Notice of Special General Meeting	19

EXPECTED TIMETABLE

2005

Last day of dealings in Shares cum entitlements to the Bonus Warrants Issue	Monday, 5 September
Commencement of dealings in Shares ex entitlements to the Bonus Warrants Issue	Tuesday, 6 September
Latest time for lodging transfers of Shares for entitlement to the Bonus Warrants Issue	4:00 p.m., Wednesday, 7 September
Closure of Registers of Members, both days inclusive	Thursday, 8 September to Monday, 12 September
Proxy forms for the Special General Meeting to be returned by	11:30 a.m., Saturday, 10 September
Record Date	Monday, 12 September
Special General Meeting	11:30 a.m., Monday, 12 September
Registration/filing of the prospectus in relation to the Bonus Warrants Issue with the Registrar of Companies in Hong Kong and the Registrar of Companies in Bermuda and despatch thereof to the Shareholders	Wednesday, 14 September
Despatch of certificates for 2009 Warrants	on or before Thursday, 15 September
Commencement of dealings in 2009 Warrants on the Stock Exchange	Tuesday, 20 September

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of information contained in this circular and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this circular misleading.

DEFINITIONS

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

“Board”	the board of directors of the Company
“Bonus Warrants Issue”	the proposed bonus issue of the 2009 Warrants to all Qualifying Shareholders on the basis of one 2009 Warrant for every five Shares held on the Record Date
“Branch Registrar”	Computershare Hong Kong Investor Services Limited, the branch share registrar of the Company in Hong Kong, at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Hop Hing Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange
“Companies Act”	the Companies Act 1981 of Bermuda, as amended from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries and associated companies
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Latest Practicable Date”	22 August 2005, being the latest practicable date prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Share(s)”	the new Share(s) which may fall to be issued upon exercise of the subscription rights attaching to the 2009 Warrant(s)

DEFINITIONS

“Overseas Shareholders”	those Shareholders whose addresses, as shown in the registers of members of the Company on the Record Date, are outside Hong Kong
“Qualifying Shareholders”	those Shareholders (other than the Overseas Shareholders) whose names appear on the registers of members of the Company on the Record Date
“Record Date”	12 September 2005, being the record date for the determination of entitlements to the Bonus Warrants Issue
“Register(s) of Members”	the register(s) of members of the Company
“Securities”	issued Shares and 2009 Warrants
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Shareholders”	holders of Shares
“Special General Meeting”	the special general meeting of the Company to be held at 11:30 a.m. on 12 September 2005 for the purpose of considering and, if thought fit, passing resolutions approving the Bonus Warrants Issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	the meaning ascribed to this term in the Listing Rules
“Warrant Holder(s)”	registered holder(s) of 2009 Warrants from time to time
“2009 Warrant(s)”	warrant(s) in units of HK\$0.25 of exercise monies, each carrying the right to subscribe for New Shares at any time from the date when such warrants are issued, currently expected to be on or about 15 September 2005 to 30 April 2009 (both days inclusive), at an initial subscription price of HK\$0.25 per New Share (subject to adjustment), the principal terms of which are summarized in the Appendix to this circular
“HK\$” and “Cents”	Hong Kong dollars and cents, respectively

LETTER FROM THE CHAIRMAN



HOP HING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 47)

Executive Directors:

Wong Kwok Ying
Lam Fung Ming, Tammy

Non-executive Directors:

Hung Hak Hip (*Chairman*)
Hung Chiu Yee
Lee Pak Wing

Independent non-executive Directors:

Wong Yu Hong, Philip
Sze Tsai To, Robert
Cheung Wing Yui, Edward

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

24 August 2005

*To the Shareholders with registered addresses in Hong Kong and, for information only,
to the Shareholders with registered addresses outside Hong Kong,*

Dear Sir or Madam,

PROPOSAL FOR BONUS WARRANTS ISSUE

1. INTRODUCTION

In the announcement of the Company dated 19 August 2005, the Board recommended the Bonus Warrants Issue for the Qualifying Shareholders on the basis of one 2009 Warrant for every five existing Shares held on the Record Date.

The purpose of this circular is to provide you with further details regarding the Bonus Warrants Issue. A notice convening the Special General Meeting for the purpose of considering and, if thought fit, approving the Bonus Warrants Issue is set out on pages 19 to 20 of this circular.

LETTER FROM THE CHAIRMAN

2. THE BONUS WARRANTS ISSUE

Subject to the fulfillment of the conditions set out in paragraph 3 below, the 2009 Warrants will be issued (for no consideration) to the Qualifying Shareholders whose names appear on the Registers of Members on the basis of one 2009 Warrant for every five existing Shares held on the Record Date. Fractional entitlements to the 2009 Warrants (if any) will not be issued but will be aggregated and sold for the benefit of the Company.

The 2009 Warrants will be issued in registered form and each 2009 Warrant will confer on its holder the right to subscribe in cash for New Shares at an initial subscription price of HK\$0.25 per New Share (subject to adjustment), at any time from the date when the 2009 Warrants are issued, currently expected to be on or about 15 September 2005 up to and including 30 April 2009. Such initial subscription price represents a discount of approximately 7.41% to the closing price per Share of HK\$0.27 as quoted on the Stock Exchange on the Latest Practicable Date and to the average closing price per Share of HK\$0.27 as quoted on the Stock Exchange for the five trading days up to the Latest Practicable Date.

The 2009 Warrants will carry rights to subscribe for approximately HK\$20.6 million in aggregate worth of New Shares (based on 412,998,791 Shares in issue as at the Latest Practicable Date). Full exercise of 82,599,758 units of the 2009 Warrants at the initial subscription price of HK\$0.25 per New Share would result in the issue of a maximum of 82,599,758 New Shares (representing approximately 20% of the issued share capital of the Company as at the Latest Practicable Date and approximately 16.67% of the same issued share capital, as enlarged by the New Shares issued upon the exercise of all the 2009 Warrants), and the receipt by the Company of about HK\$20.6 million before expenses. An amount of approximately HK\$20,400,000 (i.e. net of expenses incidental to the Bonus Warrants Issue in the amount of approximately HK\$240,000) will be raised upon the exercise of all the 2009 Warrants.

The New Shares to be issued upon the exercise of the subscription rights attaching to the 2009 Warrants will rank *pari passu* in all respects with the then existing Shares on the relevant subscription date of the 2009 Warrants.

Other than the options granted under the share option scheme of the Company which complies with Chapter 17 of the Listing Rules, there are no other outstanding subscription rights for equity in the Company.

The Bonus Warrants Issue will not be registered or filed under any securities legislation in any jurisdiction outside Hong Kong and Bermuda. As the Board is of the view that the grant or issue of the 2009 Warrants to Overseas Shareholders would or might, in the absence of compliance with registration or other special formalities in other territories, be unlawful or impracticable, no grant or issue of the 2009 Warrants will be made to any Overseas Shareholders. Arrangements will, however, be made for all those 2009 Warrants which would otherwise have been granted to the Overseas Shareholders to be sold in the market as soon as practicable after dealings in the 2009 Warrants commence, if a premium (net of expenses) can be obtained. Any proceeds of such sale, after deduction

LETTER FROM THE CHAIRMAN

of expenses, will be distributed in Hong Kong dollars to the Overseas Shareholders at their own risks pro rata to their respective holdings of Shares, unless the amount falling to be distributed to any such Overseas Shareholders is less than HK\$100, in which case such amount will be retained for the benefit of the Company.

A summary of the principal terms of the 2009 Warrants, including a summary of the circumstances under which the subscription price may be adjusted, is set out in the Appendix to this circular.

3. CONDITIONS

The Bonus Warrants Issue is conditional upon:

- (a) the Shareholders passing an ordinary resolution at the Special General Meeting proposed to be convened and held on 12 September 2005 to approve the creation and issue of the 2009 Warrants; and
- (b) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the 2009 Warrants and any New Shares which may fall to be issued upon the exercise of the subscription rights attaching to the 2009 Warrants.

4. CLOSURE OF REGISTERS OF MEMBERS

The Registers of Members will be closed from Thursday, 8 September 2005 to Monday, 12 September 2005, both days inclusive, in order to determine entitlements of the Qualifying Shareholders to the 2009 Warrants. No transfer of Shares will be registered during this period. Accordingly, the last day of dealings in Shares cum entitlements to the Bonus Warrants Issue will be Monday, 5 September 2005.

To qualify for the Bonus Warrants Issue,

- (a) all transfers in relation to Shares held by the Shareholders whose names are recorded in the Register of Members in Hong Kong, accompanied by the relevant certificates, must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, situated at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:00 p.m. on 7 September 2005; and
- (b) all transfers in relation to Shares held by the Shareholders whose names are recorded in the Register of Members in Bermuda, accompanied by the relevant certificates, must be lodged with HSBC Institutional Trust Services (Asia) Limited, situated at 39th Floor, Dorset House, Taikoo Place, 979 King's Road, Hong Kong, for registration no later than 4:00 p.m. on 7 September 2005.

LETTER FROM THE CHAIRMAN

5. LISTING AND DEALING

An application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the 2009 Warrants and any New Shares which may fall to be issued upon the exercise of the subscription rights attaching to the 2009 Warrants.

No Shares or other securities of the Company are listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed to be sought for the Shares or the 2009 Warrants or other securities of the Company to be listed or dealt in on any stock exchange other than the Stock Exchange.

Subject to the granting of the listing of and permission to deal in the 2009 Warrants and the New Shares which may fall to be issued upon the exercise of the 2009 Warrants on the Stock Exchange, and subject to the compliance with the stock admission requirements of HKSCC, the 2009 Warrants and the New Shares which may fall to be issued upon the exercise of the 2009 Warrants will be accepted as eligible securities by HKSCC for the deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the 2009 Warrants or such other date as determined by HKSCC. Settlement between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Upon the obtaining of the approval of the Bonus Warrants Issue by the Shareholders at the Special General Meeting, a prospectus on the Bonus Warrants Issue will be registered/ filed with the Registrar of Companies in Hong Kong and the Registrar of Companies in Bermuda and thereafter (currently expected to be on Wednesday, 14 September 2005), be despatched to the Shareholders. The certificates for the 2009 Warrants are currently expected to be posted to the Qualifying Shareholders at their own risks on or before Thursday, 15 September 2005. Dealings in the 2009 Warrants on the Stock Exchange are expected to commence on Tuesday, 20 September 2005.

For the purpose of trading on the Stock Exchange, the 2009 Warrants will be traded in board lots of 20,000 units carrying rights to subscribe an amount of HK\$5,000 for 20,000 New Shares at an initial subscription price of HK\$0.25 per New Share, subject to adjustment. Dealings in the 2009 Warrants will be subject to the payment of stamp duty in Hong Kong.

LETTER FROM THE CHAIRMAN

6. POLL PROCEDURE

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."

7. SPECIAL GENERAL MEETING

Set out on pages 19 to 20 of this circular, you will find a notice convening the Special General Meeting which is to be convened and held at Units E & F, 2/F., Hop Hing Building, 9 Ping Tong Street East, Tong Yan San Tsuen, Yuen Long, New Territories, Hong Kong at 11:30 a.m. on Monday, 12 September 2005, at which an ordinary resolution will be proposed to approve the Bonus Warrants Issue.

A proxy form for use at the Special General Meeting is enclosed herewith. Whether or not you intend to attend the Special General Meeting, you are requested to complete the proxy form and return it to the Branch Registrar not less than 48 hours before the time appointed for holding the Special General Meeting. Completion and return of a proxy form will not prevent you from attending and voting at the Special General Meeting or any adjourned meeting if you so wish.

LETTER FROM THE CHAIRMAN

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Coudert Brothers at 39th Floor, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong during normal business hours on any weekday (public holidays excepted) up to and including Monday, 12 September 2005:

- (a) the memorandum of association and bye-laws of the Company; and
- (b) the draft, subject to amendment, of the instrument by way of deed poll to be executed by the Company on the creation and issue of the 2009 Warrants.

9. RECOMMENDATION

As the Bonus Warrants Issue will, upon the exercise of the subscription rights attaching to the 2009 Warrants, enlarge the shareholder base of the Company and provide the Company with additional working capital for any future expansion and diversification of businesses of the Company as the Board deems necessary, the Board is of the view that the Bonus Warrants Issue is beneficial to the Company and the Shareholders as a whole.

An amount of approximately HK\$1,017,000 was raised upon the exercise of warrants by the warrant holders of the Company in the past twelve months immediately preceding the Latest Practicable Date.

Should any of the Shareholders not exercise the subscription rights attaching to the 2009 Warrants, its shareholding in the Company is likely to be diluted by the exercise of the same rights by other Shareholders.

Accordingly, the Board recommends that you vote in favour of the ordinary resolution to be proposed at the Special General Meeting on Monday, 12 September 2005.

10. FURTHER INFORMATION

Your attention is drawn to the Appendix to this circular, which sets out a summary of the terms of the 2009 Warrants.

Yours faithfully,
Hop Hing Holdings Limited

Hung Hak Hip
Chairman

The 2009 Warrants will be issued subject to and with the benefit of a separate instrument by way of deed poll (the “**Warrant Instrument**”) to be executed by the Company. The 2009 Warrants will be issued in registered form and will form one class and rank pari passu in all respects with each other.

The principal terms and conditions of the 2009 Warrants will be set out in the certificates for the 2009 Warrants (the “**Warrant Certificates**”), such principal terms and conditions are subject to the detailed provisions of the Warrant Instrument. The Warrant Holders will be entitled to the benefit of, be bound by, and be deemed to have notice of all such principal terms and conditions and of the provisions of the Warrant Instrument, copies of which will be available from the registered office of the Company in Bermuda and the principal place of business of the Company in Hong Kong.

The following is a summary of the principal provisions of the Warrant Instrument. Words and expressions defined in this summary shall bear the same meanings as in the Warrant Instrument.

1. SUBSCRIPTION RIGHTS

- (a) Each Warrant Holder will have, in respect of the 2009 Warrants of which he is the registered holder for the time being, rights (the “**Subscription Rights**”) exercisable in whole or in part at any time from the date when the 2009 Warrants are issued, currently expected to be on or about 15 September 2005 but no later than 30 April 2009 (both days inclusive) (the “**Subscription Period**”) to subscribe in Hong Kong dollars the amount stated on the certificate for such 2009 Warrants (which will be integral multiples of HK\$0.25) (the “**Exercise Monies**”) for fully-paid Shares at a price of HK\$0.25 per Share (subject to adjustment as referred to below) (the “**Subscription Price**”). The date on which any of the Subscription Rights are exercised in accordance with the provisions of the Warrant Instrument is referred to in this summary as the “Subscription Date”. After the expiry of the Subscription Period, any Subscription Rights which have not been exercised will lapse and the 2009 Warrants will cease to be valid for any purpose whatsoever.
- (b) The entitlement of the Warrant Holders to their 2009 Warrants will be evidenced by the Warrant Certificates, each of which will contain a subscription form (the “**Subscription Form**”). In order to exercise in whole or in part their Subscription Rights, the Warrant Holders must complete and sign the Subscription Form (which shall be irrevocable) and deliver the same to the registrars for the time being of the Company together with a remittance for the relevant portion of the Exercise Monies, being the amount of the Subscription Price for the Shares in respect of which the Warrant Holder is exercising his Subscription Rights. In each case, compliance with any exchange control, fiscal or other laws or regulations for the time being applicable is necessary.

- (c) No fraction of a Share will be allotted but any balance representing fractions of the Exercise Monies paid on exercise of the Subscription Rights will be refunded by the Company to the relevant Warrant Holder, provided that if the Subscription Rights comprised in two or more Warrant Certificates are exercised by the same Warrant Holder on the same Subscription Date then, for the purpose of determining whether any (and if so what) fraction of a Share arises, the Subscription Rights represented by all such Warrant Certificates will be aggregated.
- (d) The Company undertakes in the Warrant Instrument that any Shares falling to be issued upon the exercise of the Subscription Rights will be allotted and issued within 28 days after the relevant Subscription Date and, taking into account any adjustment that may have been made as mentioned below, the Shares so allotted will rank *pari passu* in all respects with the fully-paid Shares in issue on the relevant Subscription Date and will accordingly entitle the holders thereof to participate in all dividends or other distributions paid or made on the Shares on or after the relevant Subscription Date unless an adjustment to the Subscription Price therefor has been made in accordance with the terms of the Warrant Instrument and other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the relevant Subscription Date and notice of the amount and record date for which shall have been given to the Stock Exchange prior to the relevant Subscription Date.
- (e) As soon as practicable after the relevant allotment and issue of Shares (and in any event not later than 28 days after the relevant Subscription Date), there will be issued free of charge to the Warrant Holder to whom such allotment has been made upon his exercise of any Subscription Rights:
- (i) (a) certificate(s) for the relevant Shares in the name(s) of such Warrant Holder(s);
 - (ii) (if applicable) a balancing Warrant Certificate in registered form in the name(s) of such Warrant Holder(s) in respect of any Subscription Rights (as represented by the relevant Warrant Certificate) which remain unexercised;
 - (iii) (if applicable) a cheque representing the excess (if any) of the amount (or aggregate amount) remitted over the total amount payable in respect of the Subscription Rights being exercised as mentioned in subparagraph 1(c) above; and
 - (iv) (if applicable) a Deficiency Certificate (as defined in the Warrant Instrument).

The certificate(s) for the Shares issued on the exercise of the Subscription Rights, the balancing Warrant Certificate(s) (if any), the cheque in respect of a refund (if any) and the Deficiency Certificate (if any) will be sent to the relevant Warrant Holders to their addresses (or, in the case of a joint holding, to the address of one of the joint Warrant Holders whose name stands first in the register of Warrant Holders) by post at their own risks. If the Company agrees, such certificates and cheques may by prior arrangement be retained by the registrars for the time being of the Company to await collection by the relevant Warrant Holder(s).

2. ADJUSTMENTS OF SUBSCRIPTION PRICE

The Warrant Instrument contains detailed provisions relating to the adjustment of the Subscription Price. The following is a summary of, and is subject to, the adjustment provisions of the Warrant Instrument:

- (a) The Subscription Price shall (except as mentioned in sub-paragraphs 2(b) and (c) below) be adjusted as provided in the Warrant Instrument in each of the following cases:
 - (i) an alteration of the nominal amount of each Share by reason of any consolidation, subdivision or re-classification;
 - (ii) an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully-paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund);
 - (iii) a Capital Distribution (as defined in the Warrant Instrument) being made by the Company, whether on a reduction of capital or otherwise, to holders of Shares in their capacity as such;
 - (iv) a grant by the Company to holders of Shares (in their capacity as such) of rights to acquire for cash, assets of the Company or any of its Subsidiaries (as defined in the Warrant Instrument);
 - (v) an offer or grant being made by the Company to holders of its Shares of new Shares by way of rights, or of options or warrants to subscribe for new Shares, at a price which is less than 90% of the market price (calculated as provided in the Warrant Instrument);
 - (vi) an issue wholly for cash being made by the Company or any of its Subsidiaries of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the Total Effective Consideration (as defined in the Warrant Instrument) per Share is less than 90% of the market price (calculated as provided in the Warrant Instrument), or the terms of any such issue are altered so that the said Total Effective Consideration is less than 90% of such market price;

- (vii) an issue being made wholly for cash of Shares (other than pursuant to a Share Option Scheme (as defined in the Warrant Instrument)) at a price less than 90% of the market price (calculated as provided in the Warrant Instrument); and
 - (viii) the purchase of Shares by the Company in circumstances where the Total Effective Consideration per Share is more than 110% of the closing price of one Share on the Stock Exchange (calculated as provided in the Warrant Instrument) or where the Company considers that it may be appropriate to make an adjustment to the Subscription Price.
- (b) Except as mentioned in sub-paragraph 2(c) below, no such adjustment as is referred to in sub-paragraph 2(a) above shall be made in respect of:
- (i) an issue of fully-paid Shares upon the exercise of any conversion rights attached to securities convertible into Shares or upon the exercise of any rights (including the Subscription Rights) to acquire Shares;
 - (ii) an issue of Shares or other securities of the Company or any Subsidiary wholly or partly convertible into, or carrying rights to acquire, Shares to directors or employees of the Company or any Subsidiaries pursuant to a Share Option Scheme;
 - (iii) an issue by the Company of Shares or by the Company or any Subsidiary of securities wholly or partly convertible into or carrying rights to acquire Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business;
 - (iv) an issue of fully-paid Shares by way of capitalisation of all or part of the Subscription Rights Reserve (as defined in the Warrant Instrument) to be established in certain circumstances pursuant to the terms and conditions contained in the Warrant Instrument or any similar reserve which has been or may be established pursuant to the terms of any other securities wholly or partly convertible into or carrying rights to acquire Shares; or
- (Note: To the extent permitted by Bermuda law, the Company will maintain the Subscription Rights Reserve subject to the terms and conditions contained in the Warrant instrument.)
- (v) an issue of Shares in lieu of a cash dividend where an amount not less than the nominal amount of the Shares so issued is capitalised and the market value (calculated as provided in the Warrant Instrument) of such Shares is not more than 110% of the amount of dividend which holders of Shares could elect to or would otherwise receive in cash.

- (c) Notwithstanding the provisions referred to in sub-paragraphs 2(a) and (b) above, in any circumstances where the Board considers that an adjustment to the Subscription Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Subscription Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different date or at a different time from that provided for under the said provisions, the Board may appoint an Approved Merchant Bank (as defined in the Warrant Instrument) to consider whether for any reason whatever the adjustment to be made (or the absence of adjustment) would or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if such Approved Merchant Bank considers this to be the case, the adjustment shall be modified or nullified, or an adjustment made instead of no adjustment in such manner (including, without limitation, making an adjustment calculated on a different basis) and/or the adjustment shall take effect from such other date and/or time as is certified by such Approved Merchant Bank to be in its opinion appropriate.
- (d) Any adjustment to the Subscription Price will be made to the nearest one cent (HK\$0.005 being rounded up). No adjustment shall be made to the Subscription Price in any case in which the amount by which it would be reduced would be less than one cent and any adjustment which would otherwise then be required will not be carried forward. No adjustment which would increase the Subscription Price may be made (except on a consolidation of Shares or pursuant to subparagraph 2(c) above).
- (e) Every adjustment to the Subscription Price will be certified by the Auditors (as defined in the Warrant Instrument) or an Approved Merchant Bank to be fair and appropriate and notice of each adjustment (giving the relevant particulars) shall be given to the Warrant Holders. Any such certificate of the Auditors and/or Approved Merchant Bank will be available for inspection by the Warrant Holders at the principal place of business for the time being of the Company in Hong Kong, where copies may be obtained.

3. REGISTERED 2009 WARRANTS

The 2009 Warrants will be issued in registered form. The Company shall be entitled to treat the registered holder of any 2009 Warrants as the absolute owner thereof and accordingly will not, except as ordered by a court of competent jurisdiction or required by law, be bound to recognise any equitable or other claim to or interest in such 2009 Warrant on the part of any other person, whether or not it has express or other notice thereof.

4. TRANSFER, TRANSMISSION AND REGISTRATION

The Subscription Rights represented by the relevant Warrant Certificate will be transferable in whole or in the integral multiples of HK\$0.25 by instrument of transfer in any usual or common form or such other form as may be approved by the Directors. The

Company will maintain a register of Warrant Holders accordingly. Where the transferor or the transferee is HKSCC Nominees Limited or its successors thereto, the transfer may be executed under the hand of authorised person(s) or by machine-imprinted signature(s) on its behalf. The provisions of the Company's bye-laws for the time being in force relating to the registration, transfer and transmission of the Shares shall apply, mutatis mutandis, to the registration, transfer and transmission of the 2009 Warrants.

Persons should note that they may incur additional costs and expenses in connection with any expedited registration of the 2009 Warrants prior to the transfer or exercise of the 2009 Warrants, in particular during the period commencing 10 business days prior to and including the expiry date of the 2009 Warrants.

Since the 2009 Warrants will be admitted to CCASS, so far as applicable laws or regulations of the relevant regulatory authorities, terms of the Warrant Instrument and circumstances permit, the Company may determine the last trading day of the 2009 Warrants to be a date at least 3 trading days before 30 April 2009.

5. CLOSURE OF REGISTER OF WARRANT HOLDERS

The registration of transfers may be suspended and the register of the Warrant Holders may be closed for such period as the Directors may from time to time direct, provided that the same may not be closed for a period, or for periods together, of more than 30 days in any one year. Any transfer or exercise of the Subscription Rights attached to the 2009 Warrants made while the register of the Warrant Holders is so closed will, as between the Company and the person claiming under the relevant transfer of the 2009 Warrants or, as the case may be, as between the Company and the Warrant Holder who has so exercised the Subscription Rights (but not otherwise), be considered as made immediately after the reopening of the register of the Warrant Holders.

6. PURCHASE AND CANCELLATION

The Company or any of its Subsidiaries may at any time purchase the 2009 Warrants:

- (a) in the open market or by tender (available to all Warrant Holders alike) at any price; or
- (b) by private treaty at a price, exclusive of expenses, not exceeding 110% of the closing price of the 2009 Warrants on the Stock Exchange on the date immediately prior to the date of purchase thereof,

but not otherwise. All 2009 Warrants purchased as aforesaid shall be cancelled forthwith and may not be re-issued or re-sold.

7. MEETINGS OF WARRANT HOLDERS AND MODIFICATION OF RIGHTS

- (a) The Warrant Instrument contains provisions for convening meetings of the Warrant Holders to consider any matter affecting the interests of the Warrant Holders, including the modification by a Special Resolution (as defined in the Warrant Instrument) of the provisions of the Warrant Instrument and/or the terms and conditions endorsed on the Warrant Certificates. A Special Resolution duly passed at any such meeting shall be binding on the Warrant Holders, whether present or not. At any such meeting two or more persons holding 2009 Warrants and/or being proxies and being or representing in the aggregate the holders of not less than 2% in value of the Subscription Rights for the time being outstanding shall form a quorum, except for the purpose of passing a Special Resolution in which case a quorum consisting of two or more persons holding 2009 Warrants and/or being proxies and being or representing in the aggregate the holders of not less than one-tenth in value of the Subscription Rights for the time being outstanding will be required, provided that if within half an hour after the time appointed for any meeting a quorum is not present, the meeting (if not convened on the requisition of Warrant Holders) will be adjourned and at such adjourned meeting two or more persons present in person holding 2009 Warrants or being proxies (whatever the value of the Subscription Rights so held or represented) shall form a quorum.
- (b) All or any of the rights for the time being attached to the 2009 Warrants (including any of the provisions of the Warrant Instrument) may from time to time be altered or abrogated (including but without prejudice to that generality, by waiving compliance with, or by waiving or authorising any past or proposed breach of, any of the terms and conditions endorsed on the Warrant Certificates and/or the Warrant Instrument) by deed poll executed by the Company and expressed to be supplemental to the Warrant Instrument and, unless such alteration or abrogation is (i) of a minor nature, (ii) made to correct a manifest error, or (iii) in the opinion of the Approved Merchant Bank not materially prejudicial to the interests of the Warrant Holders and has been approved by the Stock Exchange in accordance with the Listing Rules, it shall first be sanctioned by a Special Resolution of the Warrant Holders.
- (c) Where a Warrant Holder is a recognised clearing house (within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) or its nominee(s), it may authorise such person(s) as it thinks fit to act as its proxy(ies) or representative(s) at any Warrant Holders' meeting provided that if more than one persons are so authorised, the authorisation must specify the number and class of Warrants in respect of which each such person is so authorised. The person so authorised will be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house or its nominee(s) could exercise as if such person were an individual Warrant Holder of the Company.

8. REPLACEMENT OF WARRANT CERTIFICATES

If a Warrant Certificate is mutilated, defaced, lost or destroyed, it may, at the discretion of the Company, be replaced at the principal office of the Registrars on payment of such costs as may be incurred in connection therewith and on such terms as to evidence, indemnity and/or security as the Company may require and on payment of such fee not exceeding HK\$2.50 (or such other amount as may from time to time be permitted by the Stock Exchange) as the Company may determine. Mutilated or defaced Warrant Certificates must be surrendered before replacements will be issued.

In case of lost Warrant Certificates, Section 71A subsections (2), (3), (4), (6), (7) and (8) of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) shall apply as if "shares" referred to therein included the 2009 Warrants.

9. PROTECTION OF SUBSCRIPTION RIGHTS

The Warrant Instrument contains undertakings by and restrictions on the Company designed to protect the Subscription Rights.

10. CALL

If at any time the aggregate of the amount of Exercise Monies attached to the 2009 Warrants which have not been exercised is equal to or less than 20% of the aggregate amount of Exercise Monies attached to all the 2009 Warrants issued under the Warrant Instrument, the Company may, on giving not less than three months' notice to that effect, require the Warrant Holders either to exercise their Subscription Rights or to allow them to lapse. On expiry of such notice, all unexercised 2009 Warrants will be automatically cancelled without compensation to the Warrant Holders.

11. ISSUE OF FURTHER WARRANTS

The Company shall be at liberty and reserve the right to issue further warrants to subscribe for Shares in such manner and on such terms as it sees fit.

12. UNDERTAKINGS BY THE COMPANY

The Company undertakes in the Warrant Instrument, among other things, that:

- (a) it will send to each Warrant Holder, at the same time as the same are sent to the holders of Shares, its audited accounts and all other notices, reports and communications dispatched by it to the holders of the Shares generally;
- (b) it will pay all (if any) Bermuda and Hong Kong stamp and capital duties, registration fees or similar charges in respect of the execution of the Warrant Instrument, the creation and initial issue of the 2009 Warrants in registered form, the exercise of the Subscription Rights and the issue of Shares upon exercise of the Subscription Rights; and

- (c) it will keep available for issue sufficient Ordinary Capital (as defined in the Warrant Instrument) to satisfy in full all outstanding Subscription Rights.

13. LISTING

The Company shall use its best endeavour to procure that:-

- (a) at all times during the Subscription Period, the 2009 Warrants may be traded on the Stock Exchange; and
- (b) all Shares allotted upon exercise of the Subscription Rights may be traded on the Stock Exchange (save that this obligation will lapse in the event that the listing of the Shares on the Stock Exchange is withdrawn following an offer for all or any of the Shares where a like offer is extended to holders of the 2009 Warrants).

14. OVERSEAS WARRANT HOLDERS

If a Warrant holder has a registered address in any territory other than Hong Kong where, in the opinion of the Directors, the allotment of Shares to such Warrant Holder upon exercise of any Subscription Rights would or might, in the absence of compliance with registration or any other special formalities in such territory, be unlawful or impracticable under the laws of such territory, then the Company will as soon as practicable after exercise by such Warrant Holder of any Subscription Rights either (i) allot the Shares which would otherwise have been allotted to such Warrant Holder to one or more third parties selected by the Company, or (ii) allot such Shares to such Warrant Holder and then, on his behalf, sell them to one or more third parties selected by the Company, in each case for the best consideration then reasonably obtainable by the Company. As soon as reasonably practicable following any such allotment or (as the case may be) allotment and sale, the Company will pay to such Warrant Holder an amount equal to the consideration, after deduction of expenses, received by it by posting the remittance to him at his own risks.

15. RIGHTS OF WARRANT HOLDERS ON WINDING-UP

The Warrant Instrument will provide that if an effective resolution is passed during the Subscription Period for the voluntary winding-up of the Company, then

- (a) if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warrant Holders, or some persons designated by them for such purpose by a Special Resolution, shall be a party or in conjunction with which a proposal is made to the Warrant Holders and is approved by a Special Resolution, the terms of such scheme of arrangement or (as the case may be) proposal shall be binding on all the Warrant Holders; and

- (b) in any other case, every Warrant Holder shall be entitled at any time within six weeks after the passing of such resolution for the voluntary winding-up of the Company by irrevocable surrender of his Warrant Certificate(s) to the Company with the Subscription Form(s) duly completed, together with payment of the Exercise Monies or the relative portion thereof, to elect to be treated as if he had immediately prior to the commencement of such winding-up exercised the Subscription Rights represented by such 2009 Warrant to the extent specified in the Subscription Form(s) and had on such date been the holder of the Shares to which he would have become entitled pursuant to such exercise and the Company and the liquidator of the Company shall give effect to such election accordingly. The Company shall give notice to the Warrant Holders of the passing of any such resolution within seven days after the passing thereof and such notice shall contain a reminder to Warrant Holders with respect to their rights under their paragraph (b).

Subject to the foregoing, if the Company is wound up, all Subscription Rights which have not been exercised at the commencement of the winding-up will lapse and each Warrant Certificate will cease to be valid for any purpose.

16. NOTICES

The Warrant Instrument contains provisions relating to notices to be given to Warrant Holders.

Every Warrant Holder shall register with the Company an address either in Bermuda or Hong Kong or elsewhere to which notices can be sent. Notices may be sent to the addresses registered by Warrant Holders with the Company or may be given by advertisement in the English and Chinese press in Hong Kong.

The provisions of the bye-laws of the Company relating to service of notices on members of the Company shall apply, *mutatis mutandis*, to service of notices on Warrant Holders and shall have full effect as if the same had been incorporated herein.

17. GOVERNING LAW

The Warrant Instrument and the 2009 Warrants will be governed by and are to be construed in accordance with the laws of Hong Kong.

NOTICE OF SPECIAL GENERAL MEETING



HOP HING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 47)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of Hop Hing Holdings Limited (the “**Company**”) will be convened and held at Units E & F, 2/F., Hop Hing Building, 9 Ping Tong Street East, Tong Yan San Tsuen, Yuen Long, New Territories, Hong Kong on Monday, 12 September 2005, at 11:30 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolution:

ORDINARY RESOLUTION

“**THAT**, conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the 2009 Warrants (as defined below) and any new shares of HK\$0.10 each in the share capital of the Company, which may be issued upon the exercise of the subscription rights attaching to the 2009 Warrants, the directors of the Company (the “**Directors**”) be and are hereby authorised:

- (a) to create and issue warrants (the “**2009 Warrants**”) which shall be in registered form and shall be exercisable at any time between the date when the 2009 Warrants are issued, currently expected to be on or about 15 September 2005 to 30 April 2009 (both days inclusive) to subscribe for shares of HK\$0.10 each in the share capital of the Company (the “**Shares**”) at an initial subscription price of HK\$0.25 per Share, subject to adjustment and otherwise on the terms and subject to the conditions set out in the Warrant Instrument (a copy of the form of which has been produced to this meeting and marked “**A**” and signed by the Chairman hereof for the purpose of identification) by way of bonus to the registered holders of the Shares as at 12 September 2005 (the “**Record Date**”) and so that such 2009 Warrants shall confer on such persons the right to subscribe at HK\$0.25 per Share for 2009 Warrant on the basis of one new Share for every five existing Shares then held, **PROVIDED THAT**:
 - (i) in the case of holders of Shares having registered addresses in any jurisdiction outside Hong Kong on the Record Date, the relevant 2009 Warrants will not be issued to such overseas holders but will be sold in the market as soon as practicable after dealings in the 2009 Warrants commence, if a premium (net of expenses) can be obtained. The net proceeds of such sale, after deduction of expenses, will be distributed in Hong Kong dollars to such overseas holders pro rata to their respective

NOTICE OF SPECIAL GENERAL MEETING

holdings of Shares unless the amount falling to be distributed to any such overseas holders is less than HK\$100, in which case, such amount will be retained for the benefit of the Company; and

- (ii) fractional entitlements to the 2009 Warrants will not be issued but will be aggregated and sold for the benefit of the Company;
- (b) to allot and issue new Shares which may fall to be issued upon the exercise of the subscription rights under the 2009 Warrants or any of them; and
- (c) to do all such other acts and things as the Directors consider necessary or expedient to give effect to the above arrangements.”

By Order of the Board
Hop Hing Holdings Limited

Wong Kwok Ying
Executive Director and Company Secretary

Hong Kong, 24 August 2005

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

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Notes:

1. Any member entitled to attend and vote at the SGM is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more Shares may appoint more than one proxy to attend and vote instead of him on the same occasion. A proxy need not be a member of the Company.
2. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
3. Completion and delivery of the form of proxy will not preclude members from attending and voting at the SGM.