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If you have sold or transferred all your shares in Wai Kee Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

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WAI KEE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 610)

PROPOSED RENEWAL OF SHARE OPTION SCHEME MANDATE LIMIT

**PROPOSED GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES**

AND

PROPOSED AMENDMENTS TO BYE-LAWS

A notice convening the annual general meeting of Wai Kee Holdings Limited to be held at The Constable Room, 1st Floor, InterContinental Grand Stanford Hotel, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Wednesday, 12th May, 2004 at 10:00 a.m. is set out on pages 92 to 103 of the 2003 Annual Report. Whether or not you intend to attend such meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Secretaries Limited, at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding such meeting. Completion and return of the form of proxy will not preclude shareholders from attending and voting at the meeting or any adjourned meeting if they so wish.

8th April, 2004

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DEFINITIONS

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

“2003 Annual Report”	the annual report of the Company for the year ended 31st December, 2003;
“AGM”	the annual general meeting of the Company to be convened and held at The Constable Room, 1st Floor, InterContinental Grand Stanford Hotel, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Wednesday, 12th May, 2004 at 10:00 a.m.;
“Associates”	the same definition as described under the Listing Rules;
“Board”	the board of directors of the Company;
“Company”	Wai Kee Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong Special Administrative Region of the PRC;
“Latest Practicable Date”	1st April, 2004, 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;
“New Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise the power of the Company to issue new Shares on the terms set out in the Notice;
“Notice”	the notice convening the AGM;
“Options”	a right granted to subscribe for Shares pursuant under the Share Option Scheme or any other share option scheme of the Company;
“Previous Share Option Scheme”	the previous share option scheme of the Company adopted on 7th August, 1992 and terminated on 18th September, 2002;
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares on the terms set out in the Notice;

DEFINITIONS

“Scheme Mandate Limit”	means the number of Shares subject to Options that may be granted (which must not exceed 10% of the Shares in issue on 18th September, 2002) and which the Company may renew at any time subject to prior Shareholders’ approval (provided the renewed Scheme Mandate Limit must not exceed 10% of the Shares in issue as at the date of such approval);
“Share(s)”	means share(s) of par value of HK\$0.10 each in the capital of the Company;
“Shareholders”	the shareholders of the Company;
“Share Option Scheme”	the existing share option scheme of the Company adopted by the Company on 18th September, 2002;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers; and
“%”	per cent.

LETTER FROM THE BOARD



WAI KEE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Directors:

William Zen Wei Pao (Chairman)
Derek Zen Wei Peu (Vice Chairman)
Keter Fong Shiu Leung
Patrick Lam Wai Hon*
Leslie Cheng Chi Pang*
Steve Wong Che Ming**
Samuel Wan Siu Kau**

Registered Office:

Clarendon House
Church Street
Hamilton HM 11
Bermuda

Principal Place of Business:

Unit 702B, 7th Floor
East Ocean Centre
98 Granville Road
Tsimshatsui
Kowloon
Hong Kong

* *Non-Executive Director*

** *Independent Non-Executive Director*

8th April, 2004

*To the Shareholders and, for information only,
holders of Options under the Share Option Scheme*

Dear Sir and Madam,

PROPOSED RENEWAL OF SHARE OPTION SCHEME MANDATE LIMIT

PROPOSED GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

AND

PROPOSED AMENDMENTS TO BYE-LAWS

INTRODUCTION

At the forthcoming AGM to be held on 12th May, 2004, resolutions will be proposed:

- (a) to allot, issue and deal with additional Shares and to make or grant offers, agreements, options and warrants not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing such resolution;

LETTER FROM THE BOARD

- (b) to repurchase Shares not exceeding 10% of the aggregate nominal value of the Shares in issue as at the date of passing such resolution;
- (c) to add to the general mandate for issuing Shares set out in (a) above the number of Shares repurchased by the Company pursuant to the Repurchase Mandate set out in (b) above;
- (d) to renew the Scheme Mandate Limit so that the Company may grant Options up to 10% of the issued share capital of the Company as at the date of passing such resolution; and
- (e) to amend the Bye-laws of the Company in light of recent changes to the Listing Rules.

PROPOSED GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, it will be proposed, by way of an ordinary resolution, that the Directors be given a general and unconditional mandate to exercise all powers of the Company to repurchase Shares on the Stock Exchange up to a maximum of 10% of the Shares in issue at the date of passing the ordinary resolution.

An explanatory statement containing information relating to the Repurchase Mandate as required pursuant to the Listing Rules is set out on pages 8 to 10 to this circular.

PROPOSED GENERAL MANDATE TO ISSUE NEW SHARES

At the AGM, it will also be proposed, by way of an ordinary resolution, that the Directors be given a general and unconditional mandate to exercise all powers of the Company to issue new Shares up to 20% of the aggregate nominal value of the issued share capital of the Company on the date of the passing of the ordinary resolution. In addition, it is further proposed, by way of a separate ordinary resolution, that the New Issue Mandate be extended so that the Directors be given a general mandate to issue further Shares of an aggregate nominal value equal to the aggregate nominal value of the share capital of the Company repurchased under the Repurchase Mandate.

REFRESHING OF THE EXISTING SCHEME MANDATE LIMIT

The Company adopted the Share Option Scheme at the annual general meeting held on 18th September, 2002. In addition, there are outstanding Options which were granted pursuant to the Previous Share Option Scheme adopted by resolution of the Shareholders dated 7th August, 1992.

As at the Latest Practicable Date, the Company had granted to certain participants Options to subscribe for an aggregate of 84,080,000 Shares under the Previous Share Option Scheme, out of which:

- (a) Options to subscribe for 56,215,000 Shares have been exercised;
- (b) Options to subscribe for 20,870,000 Shares had been lapsed after the date of grant;

LETTER FROM THE BOARD

- (c) Options to subscribe for 5,970,000 Shares have been cancelled; and
- (d) Options to subscribe for 1,025,000 Shares remain outstanding.

As at the Latest Practicable Date, the Company has not granted any Options under the Share Option Scheme.

As the issued share capital base of the Company has increased since 18th September, 2002 (being the date in which the existing Scheme Mandate Limit was approved), the Directors consider that the Company should renew the Scheme Mandate Limit so that the Company could have more flexibility to provide incentive to participants of the Share Option Scheme by way of granting Options to them. If the renewal of the existing Scheme Mandate Limit is approved at the AGM based on the 792,099,034 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are repurchased after the Latest Practicable Date and up to the date of the AGM, the Directors will be able to grant Options up to a total of 79,209,903 Shares, representing 10% of the issued share capital of the Company as at the date of the AGM.

Pursuant to the Listing Rules, the Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company at any time will not exceed 30 per cent of the Shares in issue from time to time. No options shall be granted under any scheme(s) of the Company or any of its subsidiaries if this will result in the 30 per cent limit being exceeded.

The Directors consider that the renewal of the Scheme Mandate Limit is in the interests of the Group and the Shareholders as a whole because it enables the Company to reward and motivate its employees and other selected Participants under the Share Option Scheme. The renewal of the Scheme Mandate Limit is in line with purpose of the Share Option Scheme.

An ordinary resolution, as special business, will be proposed at the forthcoming AGM to approve the renewal of the existing Scheme Mandate Limit in the terms as set out in Resolution No. 6 of the Notice.

Application has been made to the Stock Exchange for the listing of and permission to deal in any Shares, representing 10% of the issued share capital of the Company as at the date of the AGM approving the refreshed Scheme Mandate Limit, to be issued upon the exercise of the Options granted under the refreshed 10% limit of the Share Option Scheme.

PROPOSED AMENDMENTS TO THE BYE-LAWS

Due to the recent enactment of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and taking into account of the latest changes to the requirements of the Listing Rules, the Directors also proposes to put forward to the Shareholders for approval at the AGM of resolutions to amend the Bye-laws of the Company, amongst other things:

- (a) to amend the definition of “clearing house” to delete references to “a recognized clearing house within the meaning of Section 2 of the Securities and Futures (Clearing Houses) Ordinance of Hong Kong”;

LETTER FROM THE BOARD

- (b) to allow corporate communications by electronic means and provision of summary financial reports in place of annual reports and accounts;
- (c) to require that the minimum seven-day period for lodgment by Shareholders of the notice to nominate a director to commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven days before the date of such meeting;
- (d) to prohibit Directors from voting at and being counted towards the quorum of the board meeting on any matter in which any of his associates has a material interest;
- (e) to exclude the votes cast by a Shareholder in contravention of a requirement or restriction under the Listing Rules;
- (f) to enable the removal of a Director at any time before the expiration of his period of office by ordinary resolution at general meeting;
- (g) to enable the Company to send to persons entitled to the annual report (accompanied by the balance sheet and profit and loss account), a summary of financial statements instead, derived from the Company's annual accounts and prepared in compliance with the Listing Rules, statutes, rules and regulations (where applicable); and
- (h) to allow notice for shareholders and directors to be given by, inter alia, electronic means.

Those set out in Special Resolution No. 7 of the Notice in the 2003 Annual Report are specific amendments to the Bye-laws of the Company that are proposed.

RECOMMENDATION

The Directors are of the opinion that the renewal of the Scheme Mandate Limit, the grant of the Repurchase Mandate and the New Issue Mandate and the amendments to Bye-laws of the Company are in the best interests of the Company and its Shareholders as a whole and recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

PROXY FORM

A form of proxy for use at the AGM is enclosed with the 2003 Annual Report. Whether or not the Shareholders are able to attend the meeting, they are requested to complete the enclosed form of proxy and return it to the Company's Branch Share Registrars in Hong Kong, Secretaries Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, as soon as possible and in any event not later than 48 hours before the time of the meeting. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting at the meeting should they wish to do so.

LETTER FROM THE BOARD

GENERAL

Pursuant to bye-law 66 of the Bye-laws of the Company, a resolution put to the vote at the annual general 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 of a poll) a poll is demanded:

- (a) by the chairman of the annual general meeting; or
- (b) by at least three Shareholders present in person or by proxy or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Shareholder or Shareholders present in person or by proxy or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person or by proxy or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A demand by a person as proxy for a Shareholder or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy shall be deemed to be the same as a demand by a Shareholder.

Copies of the following documents will be available for inspection at the principal place of business of the Company in Hong Kong at Unit 702B, 7th Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui, Kowloon, Hong Kong during normal business hours from the date of this circular up to 12th May, 2004 (both days inclusive):

- (i) the memorandum of association and the Bye-laws of the Company; and
- (ii) the Share Option Scheme.

Yours faithfully,
For and on behalf of the Board
William Zen Wei Pao
Chairman

SHARE CAPITAL

As at the Latest Practicable Date, there were 792,099,034 Shares in issue. Subject to the passing of the relevant ordinary resolution and on the basis that no further Shares are issued or repurchased prior to the date of the AGM, the Company would be authorised to repurchase up to a maximum of 79,209,903 Shares.

REASONS FOR THE REPURCHASES

The Directors believe that it is in the best interests of the Company and its Shareholders to have general authority from the Shareholders to enable the Directors to repurchase Shares on the Stock Exchange. Such repurchase may, depending on marketing conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and its Shareholders.

FUNDING OF THE REPURCHASES

It is proposed that repurchases of securities under the Repurchase Mandate would be financed from available cash flow or working capital facilities of the Company and its subsidiaries. In repurchasing the securities, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and Bye-laws and the laws of Bermuda. The laws of Bermuda provide that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant Shares, or funds of the Company which would otherwise be available for dividend or distribution or the proceeds of a new issue of Shares made for the purpose of the repurchase. The amount of premium payable on the repurchase may only be paid out of either funds of the Company which would otherwise be available for dividend or distribution or out of the share premium account before the Shares are repurchased.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the latest published audited accounts of the Company for the year ended 31st December, 2003), in the event that the proposed Repurchase Mandate was to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous twelve months prior to the printing of this circular were as follows:

	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2003		
April	0.72	0.65
May	0.74	0.62
June	0.82	0.70
July	0.81	0.73
August	0.82	0.74
September	1.11	0.78
October	1.10	0.93
November	1.00	0.94
December	1.08	0.95
2004		
January	1.19	1.01
February	1.46	1.11
March	1.58	1.34

DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their associates has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell any of the Shares to the Company.

No connected person (as defined in the Listing Rules) has notified that he/she has a present intention to sell any of the Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchase pursuant to the proposed resolution in accordance with the Listing Rules and the laws of Bermuda.

EFFECT OF THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Directors exercising the powers of the Company to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. Accordingly, a 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 Rule 26 of the Takeovers Code.

As at the Latest Practicable Date and for the purpose of the Securities and Futures Ordinance, Mr. William Zen Wei Pao, Mr. Derek Zen Wei Peu and Vast Earn Group Limited ("Vast Earn") were interested in 10% or more of the issued ordinary share capital of the Company:

Name	Number of Shares held	Approximate percentage of the issued ordinary share capital of the Company as at the Latest Practicable Date
William Zen Wei Pao (<i>note</i>)	192,381,843	24.29%
Derek Zen Wei Peu (<i>note</i>)	177,555,078	22.42%
Vast Earn	213,868,000	27.00%

Note: Mr. William Zen Wei Pao and Mr. Derek Zen Wei Peu are brothers and are presumed to be acting in concert with each other by reason that they are close relatives. As at the Latest Practicable Date, the aggregate number of Shares held by them was 369,936,921 Shares, amounting to approximately 46.71% of the issued ordinary share capital of the Company.

In the event that the Directors exercise in full the power to repurchase the Shares pursuant to the Repurchase Mandate and assuming that there are no alteration to the existing shareholdings of Mr. William Zen Wei Pao, Mr. Derek Zen Wei Peu and Vast Earn, the combined shareholding of Mr. William Zen Wei Pao and Mr. Derek Zen Wei Peu will be increased to approximately 51.89% and the shareholding of Vast Earn will be increased to 30.00%. Accordingly, Mr. William Zen Wei Pao and Mr. Derek Zen Wei Peu will incur an obligation to make a mandatory offer under Rule 26 of the Takeovers Code as the aggregate percentage shareholding of Mr. William Zen Wei Pao and Mr. Derek Zen Wei Peu has increased by more than 2% of the voting rights of the Company. In addition, Vast Earn will also incur an obligation to make an offer under Rule 26 of the Takeovers Code by reason that Vast Earn will have increased its holding of voting rights of the Company to 30% or more of the voting rights of the Company. However, the Directors do not have any intention for the Company to exercise in its power to repurchase the Shares to the extent that would trigger a mandatory offer under Rule 26 of the Takeovers Code or will result in the public float of the Company falling below 25%.

SHARE REPURCHASES MADE BY THE COMPANY

No repurchase of the Shares (whether on the Stock Exchange or otherwise) has been made by the Company during the six months preceding the date of this circular.