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HOP HING HOLDINGS LIMITED

(Incorporated in Bermuda with Limited Liability)

PROPOSED BONUS ISSUE OF WARRANTS

The Board proposes that the Bonus Warrant Issue be granted to the Qualifying Shareholders on the basis of one Bonus Warrant for every five existing Shares held.

BASIS OF ISSUE OF BONUS WARRANTS

Subject to the conditions mentioned below, the board of directors of the Company (the “Board”) proposes a bonus issue of warrants (the “Bonus Warrants”) to be granted to the shareholders of the Company (the “Shareholders”) whose names appear on the register of members of the Company (the “Register of Members”) as at 22 May 2002 (the “Record Date”) and whose addresses in the Register of Members are in Hong Kong (the “Qualifying Shareholders”) on the basis of one Bonus Warrant for every five existing shares of HK\$0.10 each in the capital of the Company (the “Shares”) held (the “Bonus Warrant Issue”).

NUMBER OF BONUS WARRANTS TO BE ISSUED

Based on 409,113,021 Shares in issue as at the date of this announcement, the total number of the Bonus Warrants to be issued will be up to 81,822,604 units, entitling the holders thereof to subscribe for 81,822,604 Shares representing 20% of the existing issued share capital as at the date of this announcement.

SUBSCRIPTION PERIOD

From 29 May 2002 to 30 April 2005, both dates inclusive.

SUBSCRIPTION PRICE

The initial subscription price for one new Share upon exercise of one Bonus Warrant (subject to adjustment) is HK\$0.27.

BOARD LOT

The board lot for trading in Bonus Warrants is proposed to be 20,000 units.

RECORD DATE AND THE CLOSURE OF REGISTER OF MEMBERS FOR BONUS WARRANTS

The Record Date for ascertaining the entitlement to the Bonus Warrants shall be 22 May 2002. The Register of Members will be closed from 14 May 2002 to 22 May 2002, both dates inclusive. No transfer of Shares will be registered during this period.

EXPECTED TIMETABLE

Last day of dealings in Shares cum entitlements to the

Bonus Warrant Issue Thursday, 9 May 2002

Commencement of dealings in Shares ex entitlements to the

Bonus Warrant Issue Friday, 10 May 2002

Latest time for lodging transfer of Shares in order

to be entitled to the Bonus Warrant Issue 4:00 p.m., Monday, 13 May 2002

Closure of Register of Members Tuesday, 14 May to Wednesday, 22 May 2002

Record Date Wednesday, 22 May 2002

Special General Meeting 12:00 noon, Wednesday, 22 May 2002

Dispatch of the Bonus Warrant certificates on or before Wednesday, 29 May 2002

Commencement of dealings in the Bonus Warrants Monday, 3 June 2002

CONDITIONS OF THE PROPOSED BONUS WARRANT ISSUE

The Bonus Warrant Issue is subject to, inter alia, the following conditions:

- (a) the passing of an ordinary resolution at the special general meeting to be held on 22 May 2002 (the “SGM”) to approve the Bonus Warrant Issue, which is anticipated to be held immediately following the forthcoming annual general meeting of the Company on 22 May 2002;
- (b) the Listing Committee of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of and permission to deal in the Bonus Warrants and any new Shares which may fall to be issued upon exercise of the subscription rights attaching to the Bonus Warrants; and
- (c) the consent of the Bermuda Monetary Authority to the issue of the Bonus Warrants and the Shares which may fall to be issued upon exercise of the subscription rights attaching to the Bonus Warrants.

REASONS FOR THE PROPOSED BONUS WARRANT ISSUE

The Board believes that the proposed Bonus Warrant Issue would enlarge the shareholder base of the Company and provide the Company with additional working capital in relation to the Company’s business.

APPLICATION FOR LISTING

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

FRACTIONAL ENTITLEMENTS

Fractional entitlements to the Bonus Warrants (if any) will not be issued but will be aggregated and sold for the benefit of the Company.

CERTIFICATES FOR THE BONUS WARRANTS

Subject to the conditions being satisfied, certificates for the Bonus Warrants are expected to be dispatched to the Qualifying Shareholders by ordinary post on or before 29 May 2002.

A circular containing, inter alia, further information on the Bonus Warrant Issue and a notice of the SGM of the Company will be dispatched to the Shareholders.

By Order of the Board
WONG KWOK YING
Company Secretary

Hong Kong, 24 April 2002

Please also refer to the published version of this announcement in the Hong Kong iMail.