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HOP HING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

CONNECTED TRANSACTIONS

On 14 November 2002, the Hop Hing Group has entered into tenancy agreements as landlords with certain connected persons of Hop Hing in relation to certain premises at Hop Hing Industrial Building in Kowloon. The tenancy agreements constitute connected transactions for Hop Hing under Rule 14.25(1) of the Listing Rules. Particulars of the transactions and certain other information are given below in accordance with the relevant requirements of the Listing Rules.

For the financial year ending 31 December 2002, the Annual Rent payable together with the Rent Paid by the Tenants would be more than HK\$1,000,000 but less than the higher of HK\$10,000,000 or 3% of the latest published consolidated net tangible asset value of Hop Hing. Particulars of the transactions will be disclosed in future annual reports and accounts of Hop Hing in accordance with Rule 14.25(1) (A) to (D) of the Listing Rules.

DETAILS OF THE TENANCY AGREEMENTS

Tenancy agreement between Livial Company Limited (“Livial”) and Hung’s Management Services Limited (“HMSL”)

Date of agreement	: 14 November 2002
Parties	: Livial as the landlord; and HMSL as the tenant.
Premises leased	: Workshop A, 1st Floor, Hop Hing Industrial Building, 704 Castle Peak Road, Kowloon (<i>Note 1</i>)
Duration of tenancy	: From 14 November 2002 to 31 December 2004
Annual rent	: HK\$398,400 (<i>Note 2</i>)

Note 1: For the financial year ending 31 December 2002, Lival has leased Workshop A, 1st Floor of Hop Hing Industrial Building, 704 Castle Peak Road, Kowloon to HMSL on a monthly basis at a monthly rent of HK\$37,000 from 1 January 2002 to 13 November 2002. A total amount of HK\$386,033 has been paid for such monthly tenancies before this agreement is entered into.

Note 2: Under the agreement, the amount of HK\$52,013 will have been paid by the end of the financial year ending 31 December 2002.

Tenancy agreement between Lival and Yoshinoya Fast Food (Hong Kong) Limited (“Yoshinoya”)

Date of agreement	: 14 November 2002
Parties	: Lival as the landlord; and Yoshinoya as the tenant
Premises leased	: Factories C and D, Upper Ground Floor, Hop Hing Industrial Building, 704 Castle Peak Road, Kowloon (<i>Note 3</i>)
Duration of tenancy	: From 14 November 2002 to 31 December 2004
Annual rent	: HK\$746,400 (<i>Note 4</i>)

Note 3: For the financial year ending 31 December 2002, Lival has leased Factories C and D, Upper Ground Floor, Hop Hing Industrial Building, 704 Castle Peak Road, Kowloon to Yoshinoya on a monthly basis from 1 January 2002 and 15 June 2002 respectively to 13 November 2002. The aggregate amount of the monthly rentals is HK\$54,000. A total amount of HK\$414,900 has been paid for such monthly tenancies before this agreement is entered into.

Note 4: Under the agreement, the amount of HK\$97,447 will have been paid by the end of the financial year ending 31 December 2002.

Tenancy agreement between Knight Investment Limited (“Knight”) and Yoshinoya

Date of agreement : 14 November 2002

Parties : Knight as the landlord; and Yoshinoya as the tenant

Premises leased : Car Parking Space No. 13, Ground Floor, Hop Hing Industrial Building, 704 Castle Peak Road, Kowloon (*Note 5*)

Duration of tenancy : From 14 November 2002 to 31 December 2004

Annual rent : HK\$45,600 (*Note 6*)

Note 5: For the financial year ending 31 December 2002, Knight has leased Car Parking Space No. 13, Ground Floor, Hop Hing Industrial Building, 704 Castle Peak Road, Kowloon to Yoshinoya on a monthly basis at a monthly rent of HK\$3,800 from 1 January 2002 to 13 November 2002. A total amount of HK\$39,647 has been paid for such monthly tenancies before this tenancy agreement is entered into.

Note 6: Under the agreement, the amount of HK\$5,953 will have been paid by the end of the financial year ending 31 December 2002.

Tenancy agreement between Knight and Wasserbel Trading Company Limited (“Wasserbel”)

Date of agreement : 14 November 2002

Parties : Knight as the landlord; and Wasserbel as the tenant

Premises leased : Workshop B, Upper Ground Floor, Hop Hing Industrial Building, 704 Castle Peak Road, Kowloon

Duration of tenancy : From 14 November 2002 to 31 December 2004

Annual rent : HK\$296,400 (*Note 7*)

Note 7: Under the agreement, the amount of HK\$38,697 will have been paid by the end of the financial year ending 31 December 2002.

Tenancy agreement between Knight and Wasserbel

Date of agreement	:	14 November 2002
Parties	:	Knight as the landlord; and Wasserbel as the tenant
Premises leased	:	Factory B, Ground Floor, Hop Hing Industrial Building, 704 Castle Peak Road, Kowloon
Duration of tenancy	:	From 1 December 2002 to 31 December 2004
Annual rent	:	HK\$399,600 (<i>Note 8</i>)

Note 8: Under the agreement, the amount of HK\$33,300 will have been paid by the end of the financial year ending 31 December 2002.

ANNUAL RENT

The estimated annual rents (exclusive of rates and management fees) (the “Annual Rent”) payable monthly in advance by HMSL, Yoshinoya and Wasserbel (the “Tenants”) for each of the three financial years ending 31 December 2004 respectively under the tenancy agreements described above (together, the “Agreements”) together with the amount already paid (the “Rent Paid”) to Livial and Knight (together, the “Landlords”) in the financial year ending 31 December 2002 under the monthly tenancies (as described in the notes above) before the Agreements are entered into are set out as follows:

Financial year ending 31 Dec	Rent paid and payable			Total (HK\$)
	HMSL (HK\$)	Yoshinoya (HK\$)	Wasserbel (HK\$)	
2002	438,046	557,947	71,997	1,067,990
2003	398,400	792,000	696,000	1,886,400
2004	398,400	792,000	696,000	1,886,400

REGULATORY ASPECTS

The Landlords are indirectly wholly-owned subsidiaries of Hop Hing. The Tenants are connected persons of Hop Hing as explained below.

Hop Hing Oil (1985) Ltd. (as trustee of the Hop Hing Oil Unit Trust (the “HHOUT”)) and Hung’s (1985) Ltd. (as trustee of the Hung’s Unit Trust (the “Hung’s UT”)) hold approximately 38.0% and 28.6% respectively of the issued share capital of Hop Hing. GZ Trust Corporation (as trustee of the C.P. Hung Family Discretionary Trust and the Peter Hung Family Discretionary Trust (together, the “Family Trusts”)) holds approximately 99.98% of the issued units of each of the HHOUT and the Hung’s UT. GZ Trust Corporation is therefore entitled to control indirectly the exercise of approximately 66.6% of the voting power at any general meeting of Hop Hing, and is hence a substantial shareholder of Hop Hing.

HMSL, Yoshinoya and Wasserbel are indirectly controlled by GZ Trust Corporation (as trustee of the Family Trusts) and are therefore associates of GZ Trust Corporation and hence connected persons of Hop Hing under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Listing Rules”).

As the Tenants are connected persons of Hop Hing, the Agreements constitute connected transactions for Hop Hing under Rule 14.25(1) of the Listing Rules. For the financial year ending 31 December 2002, the Rent Paid and the Annual Rent payable by the Tenants would amount to HK\$1,067,990 thus attracting the disclosure requirements under Rule 14.25(1) of the Listing Rules. Given that the aggregate amount of the Rent Paid and the Annual Rent would be less than the higher of HK\$10,000,000 or 3% of the latest published consolidated net tangible asset value of Hop Hing, the Agreements fall within Rule 14.25(1) of the Listing Rules and no independent shareholders’ approval is required.

Application will be made by Hop Hing to the Stock Exchange of Hong Kong Limited for a waiver in respect of the Agreements from strict compliance with the requirements for disclosure by way of press notice under Rule 14.25(1) of the Listing Rules subject to the standard items and conditions applicable.

Particulars of the above transactions will be disclosed in the reports and accounts of Hop Hing for the year ending 31 December 2002 and, where applicable, also for each subsequent year in accordance with Rule 14.25(1) (A) to (D) of the Listing Rules.

GENERAL

Hop Hing Holdings Limited (“Hop Hing”) and its subsidiaries are principally engaged in the extraction, refining, blending and distribution of edible oils and ancillary activities.

The rentals payable under the Agreements and the terms and conditions therein were arrived at after arm’s length negotiations between the Landlords and the Tenants.

In negotiating the rentals under the Agreements, the board of directors of Hop Hing (the “Board”) made reference to the current leasing market conditions and the market rentals of comparable premises in the vicinity of the Hop Hing Industrial Building and to the tenancy agreements that had been entered into by certain subsidiaries of Hop Hing with other independent third parties in respect of certain units of Hop Hing Industrial Building. DTZ Debenham Tie Leung limited, professional property consultants, has reviewed the monthly rents payable under the tenancy agreements and the terms thereof and formed the opinion that, given the prevailing market conditions, they are fair and reasonable.

The Board (including independent non-executive Directors) considers that the Agreements have been entered into on normal commercial terms and the transactions are fair and reasonable in the interest of Hop Hing and its shareholders. The transactions will also benefit Hop Hing as they allow Livial and Knight to lock in tenants paying rentals at market rates for the premises concerned.

By Order of the Board
Wong Kwok Ying
Company Secretary

Hong Kong, 14 November 2002

Please also refer to the published version of this announcement in The Standard.