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HOP HING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 47)

DISCLOSURES PURSUANT TO RULES 13.16 AND 13.18 OF THE LISTING RULES

This announcement is made pursuant to Rules 13.16 and 13.18 of the Listing Rules to disclose the following:

- (a) that the aggregate values of the Group's advances to and guarantees given for banking facilities granted to an affiliated company of the Company exceeded 8% of the Company's relevant total market capitalization; and
- (b) that the Company and Wytak Limited, a wholly-owned subsidiary of the Company, have entered into a loan agreement with, inter alia, a syndicate of banks. Sino Food, a wholly-owned subsidiary of the Company, has also separately entered into a loan agreement with, inter alia, a syndicate of banks. Under each of the above loan agreements, an event of default in respect of loans that are significant to the operations of the Company will arise if at any time certain controlling shareholders of the Company do not maintain specified minimum shareholding in the Company.

This announcement is made pursuant to Rules 13.16 and 13.18 of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

A. DISCLOSURE PURSUANT TO RULE 13.16 OF THE LISTING RULES

The relevant percentage ratios of the advances to and guarantees given for banking facilities granted to Evergreen Oils & Fats Limited, an affiliated company of Hop Hing Holdings Limited (the “**Company**”), made or granted by the Company, as at 31 March 2004, in aggregate exceeded 8% under Rule 13.16 of the Listing Rules. The relevant details of those transactions are as follows:

Affiliated company	Percentage of equity held by the Group	Balance of advances as at 31 March 2004 <i>HK\$'000</i>	Guarantees Given as at 31 March 2004 <i>HK\$'000</i>	Extent of guaranteed facilities utilized as at 31 March 2004 <i>HK\$'000</i>	Aggregate of advances and guarantees given as at 31 March 2004 <i>HK\$'000</i>
Evergreen Oils & Fats Limited	50%	5,636	77,000	35,197	82,636

Evergreen Oils & Fats Limited is a jointly-controlled entity whose interests are held as to 50% by Lawshun Holdings Limited, a wholly-owned subsidiary of the Company, and 50% by an independent third party pursuant to a joint venture agreement dated 25 June 1994. The Company has undertaken to provide guarantees in respect of borrowings obtained by Evergreen Oils & Fats Limited from time to time subject to the terms and conditions of the said joint venture agreement. The advances are trade receivables arising from the ordinary course of business of the Company and its subsidiaries (the “**Group**”) and are unsecured, interest-free and repayable on demand. The above mentioned aggregate amount of the guarantees of HK\$77,000,000 were granted pursuant to three separate guarantees entered into in May 1998, July 2001 and November 2003 respectively.

The aggregate amount of advances and guarantees of HK\$82,636,000 represented approximately 61.2% of the total market capitalization of the Company as at 31 March 2004 of approximately HK\$135,030,000. The market capitalization was arrived at based on the total number of 409,180,938 shares of the Company of HK\$0.10 each (the “**Shares**”) in issue as at 31 March 2004 and the average closing price of the shares of the Company as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding 31 March 2004 of HK\$0.33 per Share.

The contingent liabilities of the Company from time to time in respect of the above guarantee have been disclosed in the Company’s annual report since 1994. The above advances to Evergreen Oils & Fats Limited from time to time have also been disclosed in the Company’s annual report since 1998. The Company has always sought to make full and frank disclosure of the above matters. As the Company was under the impression that adequate disclosures of the above matters have been made, the Company has not taken steps to make further disclosures. As soon as it realized on 19 July 2004 that an obligation for disclosure might have arisen on 31 March 2004 due to the coming into effect of the new size tests, it immediately took steps to prepare and publish this announcement in compliance with Rule 13.16 of the Listing Rules.

B. DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

*Loan agreement dated 24 April 2003 and entered into amongst, inter alios, the Company, Wytak Limited and a syndicate of banks (the “**Company Loan Agreement**”)*

On 24 April 2003, the Company and Wytak Limited, a wholly-owned subsidiary of the Company, entered into the Company Loan Agreement with, inter alios, a syndicate of banks for a composite loan facility of up to HK\$140,000,000 consisting of a term loan facility and a revolving advances facility, both repayable in full on or before the last business day in October 2006. Under the Company Loan Agreement, there would be an event of default if, at any time, (i) the aggregate unencumbered registered holdings of Hung’s (1985) Limited, a substantial shareholder (as defined in the Listing Rules) of the Company holding 28.6% equity interest in the Company and Hop Hing Oil (1985) Limited, a controlling shareholder (as defined in the Listing Rules) of the Company holding 38% equity interest in the Company, in the Shares represents less than 50% of the Shares; or (ii) GZ Trust Corporation, a controlling shareholder (as defined in the Listing Rules) of the Company holding indirectly 66.6% equity interest in the Company, ceases to be or is no longer interested in more than 50% of the relevant share capital (as defined in the Securities and Futures Ordinance) of the Company. (GZ Trust Corporation is the registered holder of the majority units of certain unit trusts, of which Hung’s (1985) Limited and Hop Hing Oil (1985) Limited are trustees.) Upon the occurrence of any of the said events of default, all amounts outstanding in respect of all loans (including accrued interest) under the Company Loan Agreement shall become immediately due and payable and the obligations of the lenders to the Company Loan Agreement to make further advances shall cease. The aggregate amount of the loan facilities under the Company Loan Agreement that may be affected by such breach as at the date of this announcement is HK\$130,000,000.

*Loan agreement dated 24 April 2003 and entered into amongst, inter alios, Sino Food Products Company (Holdings) Limited (“**Sino Food**”) and a syndicate of banks (the “**Sino Food Loan Agreement**”)*

On 24 April 2003, Sino Food, a wholly-owned subsidiary of the Company, entered into the Sino Food Loan Agreement with, inter alios, a syndicate of banks for a term loan facility of up to HK\$40,000,000 available from the date of the Sino Food Loan Agreement to the last business day in October 2006. Under the Sino Food Loan Agreement, there would be an event of default if, at any time, (i) the aggregate unencumbered registered holdings of Hung’s (1985) Limited, a substantial shareholder (as defined in the Listing Rules) of the Company holding 28.6% equity interest in the Company, and Hop Hing Oil (1985) Limited, a controlling shareholder (as defined in the Listing Rules) of the Company holding 38% equity interest in the Company, in the Shares represents less than 50% of the Shares; or (ii) GZ Trust Corporation, a controlling shareholder (as defined in the Listing Rules) of the Company holding indirectly 66.6% equity interest in the Company, ceases to be or is no longer interested in more than 50% of the relevant share capital (as defined in the Securities and Futures Ordinance) of the Company. Upon the occurrence of any of the said events of default, all amounts outstanding in respect of all loans (including accrued interest) under the Sino Food Loan Agreement shall become immediately due and payable and the obligations of the lenders to the Sino Food Loan Agreement to make further advances shall cease. The amount of the loan facility under the Sino Food Loan Agreement that may be affected by such breach as at the date of this announcement is HK\$36,000,000.

As the aforementioned controlling shareholders of the Company are not parties to the above loan agreements, the Company initially was of the impression that it had no disclosure obligation under Rule 13.18 of the Listing Rules. After seeking legal advice, it realized on 19 July 2004 that such disclosure obligation may have arisen on 31 March 2004 despite the circumstances mentioned above. In line with the Company's usual prudent policy toward disclosure, it immediately took steps to prepare and publish this announcement in compliance with Rule 13.18 of the Listing Rules.

The Stock Exchange will look into the above matters in relation to the delay in the publication of this announcement pursuant to Rules 13.16 and 13.18 and reserves its rights to take appropriate action regarding the above delay.

The Company will comply with the continuing disclosure requirements under Rules 13.21 and 13.22 of the Listing Rules in subsequent interim and annual reports.

By Order of the Board
Wong Kwok Ying
Company Secretary

Hong Kong, 22 July 2004

As at the date hereof, the executive directors of the Company are Mr. Liu Chi Keung, Ricky, Mr. Chan Sai On, David and Mr. Wong Kwok Ying. The non-executive directors of the Company are Mr. Hung Hak Hip, Peter, Ms. Hung Chiu Yee and Mr. Lee Pak Wing. The independent non-executive directors of the Company are Mr. Wong Yu Hong, Philip, Mr. Sze Tsai To, Robert and Mr. Cheung Wing Yui, Edward.

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