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HOP HING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 47)

DISCLOSEABLE AND CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION

Share Purchase Agreement

On 29 April 2005, the Vendor entered into the Share Purchase Agreement with the Purchaser. Under the Share Purchase Agreement, the Purchaser agreed to purchase and the Vendor agreed to dispose of the Sale Shares and the Sale Debt for an aggregate consideration of HK\$5.8 million, which was paid in cash on Completion. The consideration was negotiated on an arm's length basis between the parties with reference to the unaudited consolidated net asset value of EAL as at 31 March 2005 as adjusted to reflect a valuation of the Properties by an independent valuer as at 31 March 2005 and the book value of the Sale Debt as at the date of the Share Purchase Agreement. Completion took place immediately following signing of the Share Purchase Agreement on 29 April 2005. The principal assets and liabilities of EAL (held through its wholly-owned subsidiary, Wytak) are certain industrial properties and land sites in Hong Kong and a syndicated loan.

Tenancy Agreement

On 29 April 2005, following completion of the Share Purchase Agreement, the Vendor entered into the Tenancy Agreement with Wytak, a wholly-owned subsidiary of the Purchaser. Under the Tenancy Agreement, the Vendor agreed to lease back from Wytak the Leased Properties for an aggregate annual rental of approximately HK\$3.34 million (inclusive of government rates and air-conditioning charges).

Listing Rules implications

The Share Purchase Agreement is a discloseable and connected transaction of the Company under the Listing Rules whilst the Tenancy Agreement is a continuing connected transaction of the Company under the Listing Rules. Pursuant to Rules 14A.32 and 14A.34 of the Listing Rules, the Share Purchase Agreement and the Tenancy Agreement respectively are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules but are exempt from the independent shareholders' approval requirements.

The Directors (including the independent non-executive directors) consider that the Share Purchase Agreement and the Tenancy Agreement are in the interests of the Company and the Shareholders as a whole and that the terms thereof are on normal commercial terms which are fair and reasonable so far as the Company and the Independent Shareholders are concerned. A circular containing particulars of the Share Purchase Agreement will be despatched to the Shareholders as soon as practicable.

THE SHARE PURCHASE AGREEMENT DATED 29 APRIL 2005

Parties:

Vendor: Hop Hing Oil Factory Limited, an indirectly wholly-owned subsidiary of the Company.
Purchaser: Merry Capital Investments Limited, a subsidiary of the Controlling Shareholder and the principal business of which is investment holding.

Assets to be disposed of:

Sale Shares: 12 ordinary shares of HK\$1.00 each in the issued share capital of EAL, representing the entire issued share capital of EAL, the principal business of which is investment holding.
Sale Debt: the shareholders' loans owed by EAL to the Vendor that were outstanding at Completion.

Consideration:

The total consideration for the Disposal of HK\$5.8 million, which was paid in cash by the Purchaser upon Completion, was arrived at after arm's length negotiations between the parties. The consideration for the Sale Shares of HK\$1.6 million was determined with reference to the unaudited consolidated net asset value of EAL as at 31 March 2005 as adjusted to reflect a valuation of the Properties by an independent valuer as at 31

March 2005. The net book value of the Properties as at 31 March 2005 before revaluation was approximately HK\$125.1 million and the revaluation surplus amounts to approximately HK\$0.5 million. The consideration for the Sale Debt of HK\$4.2 million is equivalent to the book value of the Sale Debt as at the date of the Share Purchase Agreement. The Directors (including the independent non-executive directors) consider that the consideration is fair and reasonable insofar as the Company and the Independent Shareholders are concerned.

Completion

Completion took place immediately following signing of the Share Purchase Agreement on 29 April 2005. Upon Completion, EAL became a subsidiary of the Controlling Shareholder and is no longer a subsidiary of the Company. There are no restrictions on the subsequent sale of the Sale Shares by the Purchaser under the Share Purchase Agreement.

Information on EAL

EAL is the holding company of Wytak, a company which holds the Group's industrial properties and land sites in Hong Kong and which also has a syndicated loan. The audited consolidated net loss before and after taxation and extraordinary items of EAL was approximately HK\$1.3 million and HK\$0.3 million respectively for the year ended 31 December 2003 and was approximately HK\$1.1 million and HK\$9.5 million respectively for the year ended 31 December 2004. As at 31 March 2005, the unaudited consolidated net asset value of EAL as adjusted to reflect a valuation of the Properties by an independent valuer as at 31 March 2005 amounted to approximately HK\$1.6 million.

THE TENANCY AGREEMENT DATED 29 APRIL 2005

1. Parties

Tenant: the Vendor
Landlord: Wytak

2. Term

For the period from 29 April 2005 to 28 April 2006.

3. Leased Properties

19 units located at 9 Ping Tong Street East, Tong Yan San Tsuen, Yuen Long, New Territories with an estimated aggregate gross floor area of approximately 83,300 sq.ft. comprising part of the Properties.

4. Rental

The aggregate monthly rental for the Leased Properties amounts to approximately HK\$278,200 (inclusive of government rates and air-conditioning charges) which will be payable in cash by the Vendor to Wytak on a monthly basis. Such monthly rental has been determined with reference to the prevailing market rates and is considered by the independent property valuer as fair and reasonable.

REASONS FOR THE SHARE PURCHASE AGREEMENT AND THE TENANCY AGREEMENT

The Group is principally engaged in the extraction, refining, bottling, packaging and distribution of edible oils. As stated in the annual results announcement of the Company for the year ended 31 December 2004 dated 28 April 2005, the Group sustained an audited consolidated net loss attributable to Shareholders of HK\$12.0 million for the year ended 31 December 2004. As at 31 December 2004, the audited consolidated net asset value of the Group amounted to approximately HK\$409.6 million, and the Group had total bank borrowings of approximately HK\$282.0 million, of which, an aggregate amount of HK\$59.0 million is due repayable within one year. Since 31 December 2004, the Group has considered and taken various measures to reduce its indebtedness and improve its financial position.

The Disposal will reduce the Group's bank borrowings from approximately HK\$282.6 million before Completion to approximately HK\$156.8 million after Completion (representing a reduction of approximately HK\$120.0 million as this is the amount owed to banks by Wytak (a company which is, upon Completion, no longer a member of the Group) and a reduction of approximately HK\$5.8 million as the aggregate consideration of the same amount for the Disposal will be applied to reduce other bank borrowings of the Group). Therefore, the Group's financial position will be improved as a result of the Disposal. The Company will record a gain on the Disposal of approximately HK\$0.5 million.

As the Group currently occupies the Leased Properties for its own use, the Tenancy Agreement facilitates the continuation of such occupation. The Directors consider that to ensure the terms of the leasing of the Leased Properties by the Vendor from Wytak will continue to be determined on an arm's length basis and on normal commercial terms, the Vendor will decide in due course whether to enter into a new tenancy agreement with Wytak upon expiry of the Tenancy Agreement and if so, the relevant terms of such new tenancy by reference to the then prevailing market rates and conditions.

The Directors (including the independent non-executive directors) consider that the terms of the Share Purchase Agreement and the Tenancy Agreement are on normal commercial terms which are fair and reasonable so far as the Company and the Independent Shareholders are concerned and that the Disposal and the leasing of the Leased Properties will benefit, and are in the best interests, of the Company and the Shareholders as a whole.

ANNUAL CAP

The aggregate rental payable by the Company under the Tenancy Agreement amounts to approximately HK\$3.34 million (inclusive of government rates and air-conditioning charges). On this basis, the maximum rental payable by the Company under the Tenancy Agreement is approximately HK\$2.24 million for the year ending 31 December 2005 and approximately HK\$1.1 million for the year ending 31 December 2006. The Directors (including the independent non-executive directors) consider that the cap amounts are fair and reasonable so far as the Company and the Independent Shareholders are concerned.

LISTING RULES IMPLICATIONS

The Purchaser is a subsidiary of the Controlling Shareholder, a substantial shareholder of the Company under the Listing Rules. The Purchaser is therefore a connected person of the Company by virtue of it being an associate of a substantial shareholder of the Company. Accordingly, the Share Purchase Agreement is a connected transaction of the Company under the Listing Rules. The Share Purchase Agreement is also a discloseable transaction of the Company under the Listing Rules. As the Share Purchase Agreement was entered into on normal commercial terms, each of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules is more than 2.5% but less than 25% and the total consideration payable under the Share Purchase Agreement is less than HK\$10 million, pursuant to Rule 14A.32 of the Listing Rules, the Share Purchase Agreement is subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules but is exempt from the independent shareholders' approval requirements.

Upon Completion, Wytak became a subsidiary of the Controlling Shareholder, a substantial shareholder of the Company under the Listing Rules. Wytak is therefore a connected person of the Company by virtue of it being an associate of a substantial shareholder of the Company. Accordingly, the Tenancy Agreement is a continuing connected transaction for the Company. As the Tenancy Agreement was entered into on normal commercial terms and the relevant percentage ratio as defined under Rule 14.07 of the Listing Rules is on an annual basis, more than 2.5% but less than 25% and the annual consideration is less than HK\$10 million, pursuant to Rule 14A.34 of the Listing Rules, the Tenancy Agreement is subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules but is exempt from the independent shareholders' approval requirements. The Company will comply with its continuing obligations under Rules 14A.37 to 14A.40 of the Listing Rules and will re-comply with the relevant Listing Rules if the annual cap referred to above is exceeded, when the Tenancy Agreement is renewed and when there is a material change to its terms.

GENERAL

A circular containing particulars of the Share Purchase Agreement will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Company”	Hop Hing Holdings Limited, a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Share Purchase Agreement
“Controlling Shareholder”	Hop Hing Oil (1985) Limited, which is interested in and holds 155,392,698 Shares (representing approximately 38% of the existing issued ordinary share capital of the Company)
“connected person”	has the meaning ascribed to it in the Listing Rules
“Directors”	the directors of the Company
“Disposal”	the disposal of the Sale Shares and the Sale Debt under the Share Purchase Agreement
“EAL”	Express Associates Limited, a company incorporated in the Hong Kong with limited liability, which was an indirectly wholly-owned subsidiary of the Company prior to Completion
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than the Controlling Shareholder and its associates
“Leased Properties”	19 units at 9 Ping Tong Street East, Tong Yan San Tsuen, Yuen Long, New Territories with an estimated aggregate gross floor area of approximately 83,300 sq.ft. comprising part of the Properties
“Tenancy Agreement”	the tenancy agreement dated 29 April 2005 entered into between the Vendor and Wytak in relation to the leasing of the Leased Properties by the Vendor from Wytak
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Properties”	the industrial properties and land sites held by Wytak at the date of the Disposal, namely (i) Units on G/F., Workshop B on UG/F., Portion A2 of Front Portion of Factory A on UG/F., Workshops C and D on UG/F., Workshop A on 1/F., Carpark nos.17 and 18 on Ground Floor, Workshop B on 2/F. and Carpark nos. 3, 12-16 and 23-25 on Ground Floor all of Hop Hing Industrial Building located at 704 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong; (ii) Lot No. 2024 in Demarcation District 121, Yuen Long, also known as 9 Ping Tong Street East, Tong Yan San Tsuen, Yuen Long; (iii) Section A, Lot No. 1284 in Demarcation District 121, Yuen Long; (iv) the Remaining Portion, Lot No. 1278 in Demarcation District 121, Yuen Long; and (v) the Remaining Portion, Section C, Lot No. 2008 in Demarcation District 121, Yuen Long

“Purchaser”	Merry Capital Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a subsidiary of the Controlling Shareholder
“Sale Debt”	all shareholders’ loans owed by EAL to the Vendor that were outstanding at Completion
“Sale Shares”	12 ordinary shares of HK\$1.00 each in the issued share capital of EAL, representing the entire issued share capital of EAL
“Share(s)”	ordinary share(s) of HK\$0.10 each in the ordinary share capital of the Company
“Share Purchase Agreement”	the sale and purchase agreement dated 29 April 2005 entered into between the Vendor and the Purchaser in relation to the Disposal
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Hop Hing Oil Factory Limited, an indirectly wholly-owned subsidiary of the Company
“Wytak”	Wytak Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of EAL
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“sq.ft.”	square feet
“%”	per cent.

By Order of the Board
Hop Hing Holdings Limited
Hung Hak Hip
Chairman

Hong Kong, 29 April 2005

As at the date of this announcement, Mr. Chan Sai On, David, Mr. Wong Kwok Ying and Ms. Lam Fung Ming, Tammy are executive Directors, Mr. Hung Hak Hip, Ms. Hung Chiu Yee and Mr. Lee Pak Wing are non-executive Directors and Mr. Wong Yu Hong, Philip, Mr. Sze Tsai To, Robert and Mr. Cheung Wing Yui, Edward are independent non-executive Directors.

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