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# HOP HING HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 47)**

## PROPOSED BONUS WARRANTS ISSUE

The Board proposes the Bonus Warrants Issue for the Qualifying Shareholders on the basis of one 2009 Warrant for every five existing Shares held on the Record Date.

A circular containing further details of the Bonus Warrants Issue, the letter from the Chairman to the Shareholders, and the notice of the Special General Meeting will be despatched to the Shareholders on or about 24 August 2005.

### **BASIS OF ISSUE OF 2009 WARRANTS**

Subject to the conditions mentioned below, the board (the “**Board**”) of directors (the “**Directors**”) of Hop Hing Holdings Limited (the “**Company**”) proposes a bonus issue of warrants (the “**Bonus Warrants Issue**”) for the shareholders of the Company (the “**Shareholders**”) whose names appear on the registers of members of the Company (the “**Registers of Members**”) as at 12 September 2005 (the “**Record Date**”) and whose addresses in the Registers of Members are in Hong Kong (the “**Qualifying Shareholders**”) on the basis of one bonus warrant (“**2009 Warrant**”) for every five existing shares of HK\$0.10 each in the share capital of the Company (the “**Shares**”) held on the Record Date.

### **NUMBER OF 2009 WARRANTS TO BE ISSUED**

Based on 412,998,791 Shares in issue as at the date of this announcement and assuming no further Shares are issued or repurchased from the date of this announcement to the Record Date, the total number of 2009 Warrants to be issued will be up to 82,599,758 warrants, entitling the holders thereof to subscribe for 82,599,758 Shares representing approximately 20% of the issued share capital of the Company as at the date of this announcement and approximately 16.67% of the same issued share capital, as enlarged by the Shares issued upon the exercise of all the 2009 Warrants.

Other than the options granted under the share option scheme of the Company which complies with Chapter 17 of the Rules (“**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), there are no other outstanding subscription rights for equity in the Company.

### **SUBSCRIPTION PERIOD**

The 2009 Warrants will be exercisable at any time between the date when the 2009 Warrants are issued (currently expected to be on or about 15 September 2005) and 30 April 2009, both days inclusive.

### **SUBSCRIPTION PRICE**

The 2009 Warrants will entitle their holders to subscribe for new Shares at an initial subscription price of HK\$0.25 per Share (subject to adjustment) upon exercise of one 2009 Warrant. Such initial subscription price represents a discount of approximately 7.41% to the closing price per Share of HK\$0.27 as quoted on the Stock Exchange on the date of this announcement and to the average closing price per Share of HK\$0.27 as quoted on the Stock Exchange for the five trading days up to the date of this announcement.

### **BOARD LOT**

The proposed board lot for trading in 2009 Warrants is 20,000 warrants, whereas the board lot for trading in Shares is 2,000 Shares.

### **CLOSURE OF REGISTERS OF MEMBERS**

The Registers of Members will be closed from 8 September 2005 to 12 September 2005, both days inclusive, in order to determine entitlements of the Qualifying Shareholders to the 2009 Warrants. No transfer of Shares will be registered during this period. Accordingly, the last day of dealings in Shares cum entitlements to the Bonus Warrants Issue will be 5 September 2005.

To qualify for the Bonus Warrants Issue,

- (a) all transfers in relation to Shares held by the Shareholders whose names are recorded in the Register of Members in Hong Kong, accompanied by the relevant certificates, must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, situated at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration no later than 4:00 p.m. on 7 September 2005; and
- (b) all transfers in relation to Shares held by the Shareholders whose names are recorded in the Register of Members in Bermuda, accompanied by the relevant certificates, must be lodged with HSBC Institutional Trust Services (Asia) Limited, situated at 39th Floor, Dorset House, Taikoo Place, 979 King’s Road, Hong Kong, for registration no later than 4:00 p.m. on 7 September 2005.

## EXPECTED TIMETABLE

2005

Last day of dealings in Shares cum entitlements to the Bonus Warrants Issue .....	Monday, 5 September
Commencement of dealings in Shares ex entitlements to the Bonus Warrants Issue .....	Tuesday, 6 September
Latest time for lodging transfers of Shares for entitlement to the Bonus Warrants Issue .....	4:00 p.m., Wednesday, 7 September
Closure of Registers of Members, both days inclusive .....	Thursday, 8 September to Monday, 12 September
Proxy forms for the special general meeting of the Company (the "Special General Meeting") to be returned by .....	11:30 a.m., Saturday, 10 September
Record Date .....	Monday, 12 September
Special General Meeting .....	11:30 a.m., Monday, 12 September
Registration/filing of the prospectus in relation to the Bonus Warrants Issue with the Registrar of Companies in Hong Kong and the Registrar of Companies in Bermuda and despatch thereof to the Shareholders .....	Wednesday, 14 September
Dispatch of certificates for 2009 Warrants .....	on or before Thursday, 15 September
Commencement of dealings in 2009 Warrants on the Stock Exchange .....	Tuesday, 20 September

## CONDITIONS OF THE PROPOSED BONUS WARRANTS ISSUE

The Bonus Warrants Issue is conditional upon:

- (a) the Shareholders passing an ordinary resolution at the Special General Meeting proposed to be convened and held on 12 September 2005 to approve the creation and issue of the 2009 Warrants; and
- (b) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the 2009 Warrants and any new Shares which may fall to be issued upon the exercise of the subscription rights attaching to the 2009 Warrants.

## **REASONS FOR THE PROPOSED BONUS WARRANTS ISSUE**

The Board believes that the proposed Bonus Warrants Issue will enlarge the shareholder base of the Company and provide the Company with additional working capital for any future expansion and diversification of businesses of the Company as the Board deems necessary. Hence, the Board is of the view that the Bonus Warrants Issue is beneficial to the Company and the Shareholders as a whole.

An amount of approximately HK\$20,400,000 (i.e. net of expenses incidental to the Bonus Warrants Issue in the amount of approximately HK\$240,000) will be raised upon the exercise of all the 2009 Warrants.

An amount of approximately HK\$1,017,000 was raised upon the exercise of warrants by the warrant holders of the Company in the past twelve months immediately preceding the date of this announcement.

## **APPLICATION FOR LISTING**

An application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the 2009 Warrants and any Shares which may fall to be issued upon the exercise of the subscription rights attaching to the 2009 Warrants.

## **OVERSEAS SHAREHOLDERS**

The Bonus Warrants Issue will not be registered or filed under any securities legislation in any jurisdiction outside Hong Kong and Bermuda. As the Board is of the view that the grant or issue of the 2009 Warrants to the Shareholders whose addresses, as shown in the Registers of Members, are outside Hong Kong (the “**Overseas Shareholders**”) would or might, in the absence of compliance with registration or other special formalities in other territories, be unlawful or impracticable, no grant or issue of the 2009 Warrants will be made to the Overseas Shareholders. Arrangements will be made for all those 2009 Warrants which would otherwise have been granted to the Overseas Shareholders to be sold in the market as soon as practicable after dealings in the 2009 Warrants commence, if a premium (net of expenses) can be obtained. Any proceeds of such sale, after deduction of expenses will be distributed in Hong Kong dollars to the Overseas Shareholders at their own risks pro rata to their respective holdings of Shares, unless the amount falling to be distributed to any such Overseas Shareholders is less than HK\$100, in which case such amount will be retained for the benefit of the Company.

## **FRACTIONAL ENTITLEMENTS**

Fractional entitlements to the 2009 Warrants (if any) will not be issued but will be aggregated and sold for the benefit of the Company.

## **CERTIFICATES FOR THE 2009 WARRANTS**

Subject to the conditions of the Bonus Warrants Issue mentioned above being satisfied, certificates for the 2009 Warrants are expected to be dispatched to the Qualifying Shareholders by ordinary post at the risks of the Qualifying Shareholders on or before 15 September 2005.

A circular containing further details of the Bonus Warrants Issue, the letter from the Chairman to the Shareholders, and the notice of the Special General Meeting will be despatched to the Shareholders on or about 24 August 2005.

By Order of the Board  
**Hop Hing Holdings Limited**  
**Wong Kwok Ying**  
*Executive Director and Company Secretary*

Hong Kong, 19 August 2005

*As at the date of this announcement, the executive Directors are Mr. Wong Kwok Ying and Ms. Lam Fung Ming, Tammy. The non-executive Directors are Mr. Hung Hak Hip, Ms. Hung Chiu Yee and Mr. Lee Pak Wing. The independent non-executive Directors are Dr. 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 China Daily.”