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HOP HING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 47)

CONTINUING CONNECTED TRANSACTIONS

On 8 May 2006, Hop Hing Oil, an indirectly wholly-owned subsidiary of the Company, entered into the Tenancy Agreements with Wytak, for the leasing of the First Premises and the Second Premises, both for a term of three years from 29 April 2006 to 28 April 2009.

Wytak is an associate of a substantial shareholder of the Company and hence is a connected person of the Company within the meaning of the Listing Rules. The Tenancy Agreements and all transactions contemplated thereunder with Wytak therefore constitute continuing connected transactions of the Company under Listing Rule 14A.14 and the aggregate rent under the Tenancy Agreements, on an annual basis, is more than 2.5% but less than 25% for the relevant percentage ratios (except the profits ratio)

under Listing Rule 14.07 and the annual consideration is less than HK\$10 million. The transactions under the Tenancy Agreements are only subject to the reporting and announcement requirements under the Listing Rules.

THE TENANCY AGREEMENTS

1. Tenancy Agreement of the First Premises

Date of agreement:	8 May 2006
Parties:	Wytak, the landlord Hop Hing Oil, the tenant
Premises leased:	the whole of the First Premises
Term:	Three years from 29 April 2006 to 28 April 2009 (both days inclusive)
Monthly Rent:	HK\$13,700 (inclusive of government rent and rates) for the first two years. The monthly rent payable during the third year shall be determined by reference to the then market rent provided that such monthly rent shall not be less than HK\$13,700 nor exceed HK\$15,070 (being 110% of the current monthly rent).

Option for early termination: Hop Hing Oil shall have an option to terminate this Tenancy Agreement at any time after the commencement of the 22nd month of the Term by serving a three month's written notice on the landlord.

2. Tenancy Agreement of the Second Premises

Date of agreement: 8 May 2006

Parties: Wytak, the landlord
Hop Hing Oil, the tenant

Premises leased: the whole of the Second Premises

Term: Three years from 29 April 2006 to 28 April 2009 (both days inclusive)

Monthly Rent: HK\$278,200 (inclusive of government rent, rates and charges in respect of air-conditioning consumed or used at or in relation to the Second Premises but exclusive of management charge) for the first two years. The monthly rent payable during the third year shall be determined by reference to the then market rent provided that

such monthly rent shall not be less than HK\$278,200 nor exceed HK\$306,020 (being 110% of the current monthly rent).

Option for early termination: Hop Hing Oil shall have an option to terminate this Tenancy Agreement at any time after the commencement of the 22nd month of the Term by serving a three month's written notice on the landlord.

REASON FOR THE TENANCY AGREEMENTS

The Group is principally engaged in the extraction, refining, bottling, packaging and distribution of edible oils.

Wytak is a wholly-owned subsidiary of Express Associates Limited, which holds industrial properties and land sites in Hong Kong.

Pursuant to the Old Tenancy Agreement, the Group leased the Second Premises from Wytak for a term of one year from 29 April 2005 to 28 April 2006 at a monthly rent of HK\$278,200. The Old Tenancy Agreement constituted continuing connected transactions of the Company under the Listing Rules and was disclosed in the announcement of the Company dated 29 April 2005. The Old Tenancy Agreement expired on 28 April 2006 and the Group entered into the Tenancy Agreement for the Second Premises to continue its lease.

As the Group currently occupies the First Premises and the Second Premises for its own use, the Tenancy Agreements facilitate the continuation of such occupation.

The terms and conditions of the transactions under the Tenancy Agreements have been negotiated on an arm's length basis and on normal commercial terms. The Board (including the independent non-executive Directors) considers that each of the above transaction is fair and reasonable, and is in the interests of the Company and its shareholders as a whole.

HISTORICAL RENT

The aggregate rent paid by the Group to Wytak under the Old Tenancy Agreement amounted to approximately HK\$2.24 million and HK\$1.1 million for the period from 29 April 2005 to 31 December 2005 and the period from 1 January 2006 to 28 April 2006 respectively.

ANNUAL RENT

The aggregate annual rent payable by the Group to Wytak during the first two years of the respective Term amounts to approximately HK\$3.5 million (inclusive of government rent and rates for both the First Premises and the Second Premises and inclusive of charges in respect of air-conditioning consumed or used but exclusive of management charge for the Second Premises only). On this basis, the cap amount of rent payable by the Group to Wytak under the Tenancy Agreements is HK\$2,354,660, HK\$3,502,800, HK\$3,738,270 and HK\$1,262,960 for the period from 29 April 2006 to 31 December 2006, for the years ending 31 December 2007 and 2008 and for the period from 1 January 2009 to 28 April 2009 respectively. The Directors (including the independent non-executive Directors) consider the annual cap amounts are fair and reasonable, and is in the interests of the Company and its shareholders as a whole.

PRICING BASIS

In negotiating the rent under the Tenancy Agreements, the Board made reference to the current leasing market conditions, the market rent of comparable premises in the vicinity of the First Premises and the Second Premises and the rental under the Old Tenancy Agreement. DTZ Debenham Tie Leung Limited, an independent professional property valuer, has reviewed the monthly rents payable under the Tenancy Agreements and the terms thereof and has formed the opinion that, given the prevailing market conditions, they are fair and reasonable.

The monthly rent payable during the third year of the Tenancy Agreements shall be subject to an adjustment as set out under the paragraph headed “The Tenancy Agreements” in this Announcement. It is expected that such new monthly rent will not increase by more than 10% of the current monthly rents under the Tenancy Agreements. Therefore, the cap for the rent payable by the Group during the third year of the tenancies is set at 110% of the annual rent payable under the Tenancy Agreements.

LISTING RULES IMPLICATIONS

Wytak is a connected person of the Company by virtue of it being an associate of a substantial shareholder of the Company. The Tenancy Agreements and all transactions contemplated thereunder constitute continuing connected transactions of the Company under Listing Rule 14A.14.

The transactions under the Tenancy Agreements are subject to the reporting and announcement requirements under Listing Rules 14A.45 to 14A.47 but do not require approval by independent shareholders of the Company as the aggregate rent under the Tenancy Agreements, on an annual basis, is more than 2.5% but less than 25% for the relevant percentage ratios (except the profits ratio) under Listing Rule 14.07 and the annual consideration is less than HK\$10 million.

DEFINITIONS

As used in this announcement, the following words and phrases have the meanings assigned:

“associate”	has the meaning as defined in the Listing Rules
“Board”	the board of directors of the Company
“Company”	Hop Hing Holdings Limited, a company incorporated in Bermuda with limited liability and the securities of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“First Premises”	a piece of land situated at Yuen Long, New Territories, Hong Kong more particularly described as All that Section A of Lot No. 1284 in Demarcation District No. 121 and All that the Remaining Portion of Lot No. 1278 in Demarcation District No.121
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Hop Hing Oil”	Hop Hing Oil Investment Limited, a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Old Tenancy Agreement”	the tenancy agreement dated 29 April 2005 entered into between Hop Hing Oil Factory Limited, an indirectly wholly-owned subsidiary of the Company, and Wytak for the leasing of the Second Premises for a term of one year from 29 April 2005 to 28 April 2006
“Second Premises”	19 units at 9 Ping Tong Street East, Tong Yan San Tsuen, Yuen Long, New Territories, Hong Kong with an estimated aggregate gross floor area of approximately 83,300 sq. ft.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreements”	two tenancy agreements both dated 8 May 2006 entered into between Wytak and Hop Hing Oil for the lease of the First Premises and the Second Premises respectively

“Wytak”

Wytak Limited, a company
incorporated in Hong Kong
with limited liability

By Order of the Board
WONG KWOK YING

Executive Director and Company Secretary

Hong Kong, 8 May 2006

As at the date of this announcement, the executive directors of the Company are Mr. Wong Kwok Ying and Ms. Lam Fung Ming, Tammy. 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 Dr. Wong Yu Hong, Philip, Mr. Sze Tsai To, Robert, Mr. Cheung Wing Yui, Edward and Mr. Seto Gin Chung, John.

“Please also refer to the published version of this announcement in China Daily.”