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HOP HING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 47 and Warrant Code: 427)

**REORGANISATION PROPOSAL FOR
HOP HING HOLDINGS LIMITED
TO BECOME A WHOLLY-OWNED SUBSIDIARY OF
HOP HING GROUP LIMITED
(A COMPANY PROPOSED TO BE INCORPORATED
IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY,
THE SHARES OF WHICH ARE PROPOSED TO BE LISTED
ON THE MAIN BOARD OF THE STOCK EXCHANGE
OF HONG KONG LIMITED BY WAY OF INTRODUCTION)**

**PURSUANT TO A SCHEME OF ARRANGEMENT
(UNDER SECTION 99 OF THE COMPANIES ACT 1981
OF BERMUDA (AS AMENDED))**

Sponsor and financial adviser



CIMB-GK Securities (HK) Limited

The Board intends to put forward to the Shareholders the Redomicile Proposal and the Share Option Proposal; and to the Warrantholders the Warrant Proposal for their consideration and approval.

The Redomicile Proposal will be implemented by way of (a) the Scheme, pursuant to which the structure of the Group will be reorganised such that Newco, a company proposed to be incorporated in the Cayman Islands with limited liability, will become the new holding company of the Group whereby the Shareholders will receive one Newco Share for every one Share held at the Record Time and become Newco Shareholders thereafter; and (b) the Warrant Proposal, pursuant to which the existing Warrants will be cancelled and in consideration thereof, the Warrantholders will receive one Newco Warrant for every one Warrant held at the Record Time and become Newco Warrantholders thereafter.

The Share Option Proposal involves, subject to the Shareholders' approval of the Redomicile Proposal, (a) the Share Option Scheme being terminated; and (b) the holders of the outstanding share options under the Share Option Scheme and the Old Share Option Scheme giving up their rights under the Share Option Scheme and the Old Share Option Scheme and in consideration thereof, receiving the same number or the same proportionate number of options under the Newco Share Option Scheme which confer the same exercise price(s) for which their relevant options were granted under the Share Option Scheme and/or the Old Share Option Scheme, as the case may be, previously. All the other rights which they may have under the Newco Share Option Scheme will be the same as for the other holders of option under the Newco Share Option Scheme. In relation to (b) above, the Company currently proposes to submit a waiver application to the Stock Exchange from strict compliance with the relevant requirement(s) under Chapter 17 of the Listing Rules at the appropriate time.

A scheme document setting out the details of the Redomicile Proposal and the Share Option Proposal and containing, inter alia, a notice convening the SGM and a notice convening the Warrantholders' Meeting will be dispatched to the Shareholders and the Warrantholders in due course.

Shareholders, Warrantholders and potential investors of the Shares or Warrants should note that the Redomicile Proposal is subject to fulfilment of a number of conditions and may or may not proceed. Accordingly, Shareholders, Warrantholders and potential investors of the Shares or Warrants should exercise extreme caution when dealing in the Shares or Warrants. Shareholders, Warrantholders and potential investors of the Shares or Warrants are also recommended to consult their professional advisers if they are in any doubt as to their rights and the effect of the Redomicile Proposal on them.

1. THE REDOMICILE PROPOSAL

As part of the corporate restructuring exercise, the Board proposes (a) a change of domicile of the holding company of the Group from Bermuda to the Cayman Islands by way of the Scheme, pursuant to which the structure of the Group will be reorganised such that Newco, a company proposed to be incorporated in the Cayman Islands with limited liability, will become the new holding company of the Group and the Shareholders will receive one Newco Share for every one Share held at the Record Time and become Newco Shareholders thereafter; and (b) for the existing Warrants to be cancelled and in consideration of which the Warrantholders will receive one Newco Warrant for every one Warrant held at the Record Time and become Newco Warrantholders thereafter. Accordingly, the Shareholders and the Warrantholders (upon exercise of the Warrants) will have the same proportionate interests in Newco as they currently hold in the Company, upon implementation of the Redomicile Proposal.

Incidental to the above corporate restructuring exercise, the Board proposes to put forward to the Shareholders for approval the Share Option Proposal, details of which are set out in the section entitled “Convertibles and share option schemes” below.

Pursuant to the Scheme, it is proposed that on the Effective Date:

- (a) all the Scheme Shares will be cancelled and extinguished and the authorised share capital of the Company will be reduced;
- (b) new Shares will be allotted and issued, credited as fully paid, to Newco such that the Company will become a wholly-owned subsidiary of Newco; and
- (c) in consideration of the cancellation and extinguishment of the Scheme Shares, the Scheme Shareholders will receive Newco Shares credited as fully paid, on the basis of one Newco Share for every one Scheme Share held as at the Record Time.

As a result of the implementation of the Scheme, all existing subsidiaries of the Company will become indirect subsidiaries of Newco and Newco will become the ultimate holding company of the Group. Upon completion of the Redomicile Proposal, the Newco Shares and the Newco Warrants will be listed on the Main Board by way of introduction, whereas the listing of the Shares and the Warrants will be withdrawn.

2. CONDITIONS OF THE REDOMICILE PROPOSAL

The Redomicile Proposal will become effective and binding on all the Shareholders and the Warranholders upon the following conditions being satisfied on or before 31 December 2007 or such other date as the Company and Newco may agree and the Court may allow:

- (i) the Scheme being approved by a majority in number representing not less than three-fourths in value of the Shareholders present and voting in person or by proxy at the Court Meeting convened in accordance with the direction of the Court;
- (ii) the passing by the Shareholders of a special resolution at the SGM to approve the Scheme (and the necessary arrangement(s) to implement the Scheme) and the Warrant Proposal;
- (iii) the passing by the Warranholders of a special resolution at the Warranholders' Meeting to approve, subject to the condition that the Scheme becomes effective, the Warrant Proposal (and the necessary arrangement(s) to implement the Warrant Proposal);
- (iv) the Scheme, with or without modification, being sanctioned by the Court and an office copy of the order of the Court required under section 99 of the Companies Act being delivered to and registered by the Registrar of Companies;
- (v) the Listing Committee granting the approval for the listing of, by way of introduction, and permission to deal in, the Newco Shares proposed to be issued pursuant to the Scheme, the Newco Warrants proposed to be issued pursuant to the Warrant Proposal and any Newco Shares which may fall to be issued pursuant to the exercise of the Newco Warrants and options to be granted under the Newco Share Option Scheme;
- (vi) all Authorisations (if any) from the relevant authorities in the Cayman Islands for, inter alia, the issue of the Newco Shares pursuant to the Scheme, the issue of the Newco Warrants pursuant to the Warrant Proposal and the issue of the Newco Shares pursuant to the exercise of the Newco Warrants and options to be granted under the Newco Share Option Scheme having been obtained;
- (vii) the granting by the Executive of the SFC Waiver; and
- (viii) all other Authorisations which may be required under any existing contractual arrangements including loan and other finance documentation and/or pursuant to any regulatory requirements having been obtained.

As one of the effects of the Redomicile Proposal is that the Company will be privatised and at the same time the listing of the Shares on the Stock Exchange will be withdrawn, the Scheme, if implemented, is subject to Rule 2.10 of the Takeovers Code which imposes more onerous voting requirements than those imposed by the Companies Act. As such, the Company has obtained a waiver from the SFC from strict compliance with Rule 2.10 of the Takeovers Code on the basis that (a) there is no change in the percentage shareholding of any Shareholder in the holding company of the Group; (b) there is no acquisition or consolidation of control by any person or a group of persons; and (c) the economic interests in the Company of all the Shareholders and the Warrantholders will not be affected, as a result of the implementation of the Redomicile Proposal.

3. EFFECTS OF THE REDOMICILE PROPOSAL

3.1 Financial position

The implementation of the Redomicile Proposal will not, of in itself, other than by way of payment of the associated expenses, affect the underlying assets, business, management or financial position of the Group. The consolidated assets and liabilities of Newco immediately upon implementation of the Redomicile Proposal are expected to be the same (save for the above mentioned payment of the associated expenses) as those of the Group immediately prior to the implementation of the Redomicile Proposal.

3.2 Business

The business and management of the Group will not be changed by reason only of the implementation of the Redomicile Proposal. Immediately following the implementation of the Redomicile Proposal, Newco will act as the holding company of the Group and the Group will continue to carry on its present business activities, being the extraction, refining, blending, bottling, packaging and distribution of edible oils and the ancillary activities in Hong Kong and the PRC.

3.3 Ownership, voting control and management

The controlling shareholders of the Company are currently interested in approximately 65.0% of the issued share capital of the Company and holding 54,505,755 Warrants. Upon implementation of the Redomicile Proposal, the Shareholders and Warrantholders will become Newco Shareholders and Newco Warrantholders and will receive an identical number of Newco Shares and Newco Warrants to the number of the Shares and Warrants which they held in the Company. The Shareholders' and the Warrantholders' (upon exercise of the Warrants) proportionate interests in Newco will be the same as their existing proportionate interests (or in case of the Warrantholders, the proportionate interests upon exercise of the Warrants) in the Company.

The controlling shareholder of the Company will continue to be the controlling shareholder of Newco. The Company will become a wholly-owned subsidiary of Newco and the ownership of the Company's subsidiaries will remain unchanged under the Company, save that Newco will become the ultimate holding company of such subsidiaries.

3.4 Directors and employees

Except for Ms. Lam Fung Ming, Tammy who has been in the employment of the Group since 1990 and was appointed as a Director in November 2004 and Mr. Seto Gin Chung, John and Mr. Shek Lai Him, Abraham who were appointed as independent non-executive Directors in April 2006 and January 2007 respectively, all of the current Directors have been with the Company during the last three years. All the current Directors are expected to act as directors of Newco and no substantial change to the senior management personnel of the Group is expected either upon implementation of the Redomicile Proposal.

3.5 Convertibles and share option schemes

As at the date of this announcement, the Company has in aggregate 15,747,218 share options outstanding under the Share Option Scheme and the Old Share Option Scheme.

The Board proposes to put forward to the Shareholders for approval the Share Option Proposal which involves, subject to the Shareholders' approval of the Redomicile Proposal, (a) the Share Option Scheme being terminated; and (b) the holders of the outstanding share options under the Share Option Scheme and the Old Share Option Scheme giving up their rights under the Share Option Scheme and the Old Share Option Scheme and in consideration thereof, receiving the same number or the same proportionate number of options under the Newco Share Option Scheme which confer the same exercise price(s) for which their relevant options were granted under the Share Option Scheme and/or the Old Share Option Scheme, as the case may be, previously. All the other rights which they may have under the Newco Share Option Scheme will be the same as for the other holders of option under the Newco Share Option Scheme. In relation to (b) above, the Company currently proposes to submit a waiver application to the Stock Exchange from strict compliance with the relevant requirement(s) under Chapter 17 of the Listing Rules at the appropriate time.

Upon the Redomicile Proposal becoming effective, Newco currently proposes to adopt the Newco Share Option Scheme, with terms similar to the terms of the Share Option Scheme, which will comply with the requirements under Chapter 17 of the Listing Rules, save for the requirement relating to the exercise price(s) for certain options as

described in the paragraph above (for which, as described above, a relevant waiver application is currently proposed to be submitted). The adoption of the Newco Share Option Scheme will be subject to approval by the Newco shareholder(s) at the relevant time.

Save for the Warrants and the abovementioned options, there are no outstanding options or convertible securities issued by the Company as at the date of this announcement.

3.6 Warrants

As at the date of this announcement, the Company has 82,296,810 Warrants outstanding. These Warrants carry the rights to subscribe for an aggregate of 82,296,810 Shares at an initial subscription price of HK\$0.25 per Share at any time during the period between 15 September 2005 and 30 April 2009. Assuming all the Warrants are exercised in full, an additional 82,296,810 Shares will be issued.

The Warranholders' Meeting is proposed to be convened and held to consider and approve the Warrant Proposal (and the necessary arrangement(s) to implement the Warrant Proposal) subject to the condition that the Scheme becomes effective. In consideration for the cancellation of the Warrants, Newco Warrants will be issued by Newco on the basis of one Newco Warrant for every one Warrant held. The Newco Warrants will entitle the holders thereof to subscribe in cash for fully paid Newco Shares at an initial subscription price of HK\$0.25 per Newco Share (subject to adjustment). The terms and conditions of the Newco Warrants proposed to be issued by Newco will substantially be the same as those of the Warrants, and will be in compliance with the relevant provisions of the Listing Rules.

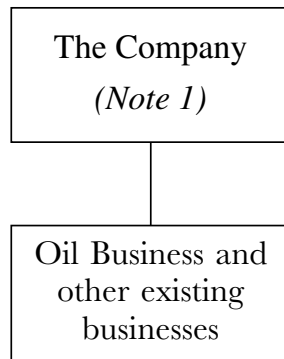
3.7 Dividends

It is intended that dividends on the Newco Shares will, as for the Shares, be paid in Hong Kong dollars. Similar to the case at present in relation to the Shares, dividends on the Newco Shares will likewise be free of any withholding tax under the current legislation of the Cayman Islands.

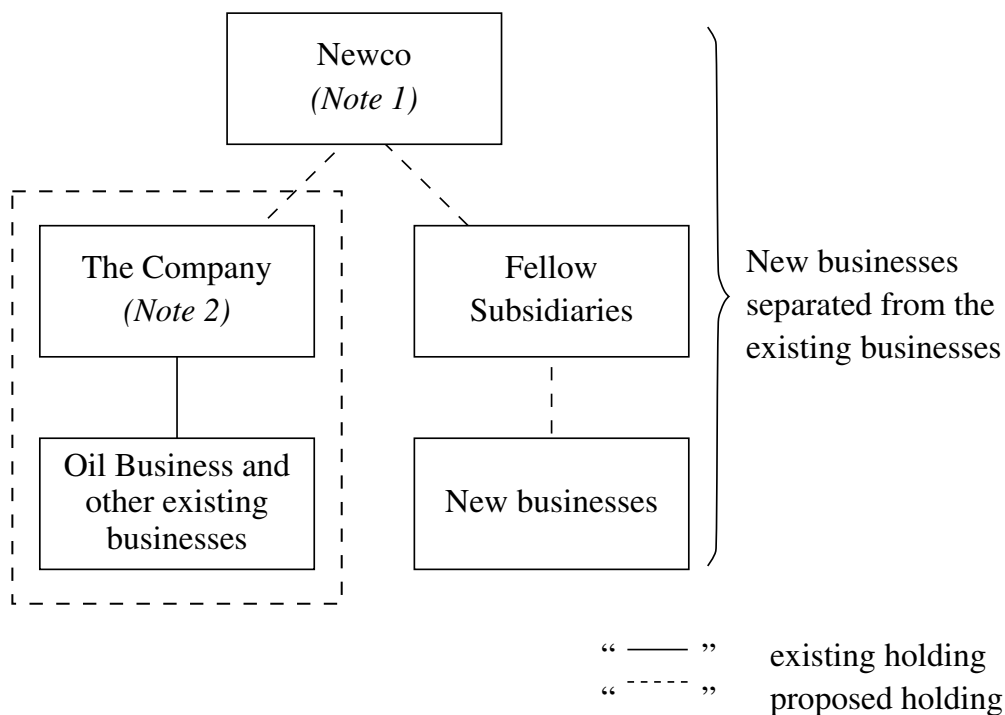
4. SIMPLIFIED STRUCTURE OF THE GROUP IMMEDIATELY BEFORE AND AFTER THE REDOMICILE PROPOSAL

The Group is principally engaged in the extraction, refining, bottling, packaging and distribution of edible oils and ancillary activities in Hong Kong and the PRC. Set out below is the simplified structure of the Group immediately before and after the implementation of the Redomicile Proposal.

Before implementation of the Redomicile Proposal



Immediately after implementation of the Redomicile Proposal



Notes:

1. Listed on the Main Board
2. The listing status of the Company on the Main Board will be withdrawn upon completion of the Redomicile Proposal

Save that the Company will become a wholly-owned subsidiary of the newly established Newco pursuant to the Scheme, no change will be made to the corporate structure of the Group. In particular, the assets held by the Company will be the same under the new structure, except for the expenses related to the Redomicile Proposal.

5. REASONS FOR IMPLEMENTING THE REDOMICILE PROPOSAL

The Group is principally engaged in the extraction, refining, bottling, packaging and distribution of edible oils and ancillary activities in Hong Kong and the PRC. Its shareholders' funds based on audited accounts as at 31 December 2005 and unaudited accounts as at 30 June 2006 were approximately HK\$408 million and HK\$405 million respectively. The Group has always concentrated on its core business since the listing of the Shares in 1988. In the last five years, while the Oil Business in Hong Kong has been profitable, the Group has been adversely affected by losses incurred by its Oil Business in the PRC.

Given the prolonged unsatisfactory performance of the Group's businesses, the Directors have decided to act more proactively to diversify the Group's business to other related sectors so as to balance and enhance the overall financial performance of the Group to create value for the Shareholders.

The Directors consider that different business activities, even if they are in related sectors, carry different risk profiles and may employ different management philosophies despite under the same top management. In operating the Group's existing Oil Business, the Group has established a particular business model. Many of the business risks the Group is currently subject to are peculiar to the Oil Business. As part of Newco Group's diversification of its business, Newco Group may invest in sectors which have different business models and are subject to different business risks. Such diversification may help Newco Group to balance its overall business risks. In diversifying Newco Group's business, however, it is important that the business risks and associated liabilities of the existing businesses are kept separate from those of the new businesses. The incorporation of Newco as the new holding company of the Company would enable Newco Group to set up the Fellow Subsidiaries to operate new businesses of Newco Group. In doing so, the business risks and associated liabilities of businesses of the Fellow Subsidiaries can be kept separate from those of the existing businesses of the Group. Accordingly, it is in the best interests of the Group, the Shareholders and the Warrantholders to put any future business ventures or new assets under Newco and not under the Company.

Although the Directors intend to diversify Newco Group's business to other related sectors, they do not presently have any concrete plan as regards the timing of any acquisitions of assets or businesses. In the event of any acquisition, it will be effected in accordance with the relevant provisions of the Listing Rules.

It is proposed that Newco be incorporated in the Cayman Islands, being one of the jurisdictions specified under the Listing Rules as an acceptable place of incorporation for overseas issuers provided certain additional requirements are fulfilled. The Directors consider that the Cayman Islands as the appropriate place of incorporation of Newco for the following reasons:

- (i) it has political stability, a common law legal system and is growing in importance as an international centre with an increasing number of international companies incorporated there;
- (ii) having Newco incorporated in the Cayman Islands is less expensive and quicker than having it incorporated in Bermuda (the only other practicable alternative). The incorporation of Newco, the transfer of Newco Shares and the issue of new shares in Newco do not require monetary or ministerial approvals under the Cayman Islands company law. Further, it is less expensive to maintain a Cayman Islands incorporated company than a Bermuda incorporated company;
- (iii) Newco can be operated with fewer domestic formalities (and therefore more cost effective) prior to its listing in Hong Kong if it is incorporated in the Cayman Islands rather than in Bermuda; and
- (iv) the companies law of the Cayman Islands provides flexibility on the use of share premium by Newco.

6. GENERAL MANDATES TO ISSUE AND REPURCHASE SECURITIES IN NEWCO

It is proposed that prior to the Effective Date, the directors of Newco will obtain general and unconditional mandates to authorise them:

- (i) to allot and issue new securities in Newco up to a maximum of 20% of the aggregate nominal amount of the share capital of Newco in issue immediately following the completion of the allotment and issue to the Scheme Shareholders of Newco Shares as contemplated by and pursuant to the Scheme;
- (ii) to repurchase securities in Newco up to a maximum of 10% of the aggregate nominal amount of the share capital of Newco in issue immediately following the completion of the allotment and issue to the Scheme Shareholders of Newco Shares as contemplated by and pursuant to the Scheme; and
- (iii) to allot and issue any further Newco Shares repurchased pursuant to the repurchase mandate referred to in (ii) above.

7. GENERAL

Taking into account the background of and the reasons for the implementation of the Redomicile Proposal set out above, a change of domicile pursuant to the Scheme will not affect or prejudice the interests of the Shareholders and the existing creditors because there will not be any material change in the business and the underlying net assets or financial position of the Group, other than payment of the expenses relating to the Redomicile Proposal.

Application will be made by Newco to the Listing Committee for the grant of listing, by way of introduction, of and permission to deal in, the Newco Shares and the Newco Warrants issued and to be issued pursuant to the Redomicile Proposal and any Newco Shares which may be issued as a result of the exercise of the Newco Warrants and options granted under the Newco Share Option Scheme. Upon the Redomicile Proposal becoming effective, the Newco Shares and the Newco Warrants will be listed on the Main Board and the existing listing of the Shares and the Warrants on the Main Board will be withdrawn.

Subject to the granting of the listing of, and permission to deal in, the Newco Shares, Newco Warrants and any Newco Shares which may be issued as a result of the exercise of the Newco Warrants and options granted under the Newco Share Option Scheme on the Main Board, the Newco Shares will be accepted as eligible securities by Hongkong Clearing for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Newco Shares and the Newco Warrants or such other date as determined by Hongkong Clearing. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The Company will issue further announcement(s) about the development of the Redomicile Proposal, including the timetable of the Redomicile Proposal, and the despatch date of the scheme document in relation to the Scheme, in due course. A scheme document will be dispatched to the Shareholders and the Warrantholders in due course setting out, among other things, an explanatory statement in relation to the Scheme, the timetable of the Scheme, details of the Warrant Proposal and the Share Option Proposal, the arrangement for the exchange of certificates for Newco Shares and the Newco Warrants and the notices of the relevant Court Meeting, SGM and the Warrantholders' Meeting, together with the forms of proxy for use at the Court Meeting, the SGM and the Warrantholders' Meeting.

Shareholders, Warrantholders and potential investors of the Shares or Warrants should note that the Redomicile Proposal is subject to fulfilment of a number of conditions and may or may not proceed. Accordingly, Shareholders, Warrantholders and potential investors of the Shares or Warrants should exercise extreme caution when dealing

in the Shares or Warrants. Shareholders, Warrantholders and potential investors of the Shares or Warrants are also recommended to consult their professional advisers if they are in any doubt as to their rights and the effect of the Redomicile Proposal on them.

8. DEFINITIONS

In this announcement, the following expressions have the meaning set out below unless the context requires otherwise:

“Authorisations”	all necessary authorisations, registrations, filings, rulings, consents, permissions and approvals in connection with the Redomicile Proposal
“Board”	the board of Directors
“Business Day”	a day that is not a Saturday, Sunday or public holiday in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by Hongkong Clearing
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Company”	Hop Hing Holdings Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the Main Board
“Court”	the Supreme Court of Bermuda
“Court Meeting”	meeting of the Shareholders convened in accordance with the direction of the Court
“Directors”	the directors of the Company
“Effective Date”	the date upon which the Scheme, if, approved by the Court becomes effective, which is also the day on which an office copy of the order of the Court sanctioning the Scheme under Section 99 of the Companies Act shall have been delivered to the Registrar of Companies for registration

“Executive”	the Executive Director of the Corporate Finance Division of the SFC and any delegate of the Executive Director
“Fellow Subsidiaries”	the subsidiaries proposed to be established by Newco to operate certain new businesses
“Group” or “Newco Group”	the Company and its subsidiaries before implementation of the Scheme or Newco and its subsidiaries upon implementation of the Scheme (as the case may be)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hongkong Clearing”	Hong Kong Securities and Clearing Company Limited
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of the Growth Enterprise Market (excluding the options market) and which stock market continues to be operated by the Stock Exchange in parallel with the Growth Enterprise Market. For the avoidance of doubt, the Main Board excludes the Growth Enterprise Market
“Newco”	Hop Hing Group Limited, a company proposed to be incorporated in the Cayman Islands with limited liability and which will become the new holding company of the Group on the Effective Date, and the shares of which will be listed on the Main Board by way of introduction
“Newco Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of Newco
“Newco Share Option Scheme”	the share option scheme of Newco proposed to be adopted by Newco
“Newco Shareholder(s)”	the holder(s) of the Newco Share(s)

“Newco Warrant(s)”	the warrant(s) proposed to be issued by Newco which entitle the holders thereof to subscribe for Newco Share(s) at a subscription price of HK\$0.25, subject to adjustment
“Newco Warrantholders”	holders of the Newco Warrants
“Old Share Option Scheme”	the share option scheme of the Company which was adopted by the shareholders of the Company at the special general meeting of the Company convened and held on 30 June 2000. Such scheme was terminated on 25 June 2004 pursuant to an ordinary resolution passed by the shareholders of the Company at the special general meeting of the Company convened and held on 25 June 2004, on the basis that any options granted under such scheme prior to the passing of the above shareholders’ resolution shall not, in any way, be affected or prejudiced and all such option shall continue to be valid and exercisable in accordance with the provisions of the same scheme
“Oil Business”	the Group’s existing edible oil business
“PRC”	The People’s Republic of China
“Record Time”	currently expected to be 4:00 p.m. (Hong Kong time) on the Business Day immediately preceding the Effective Date
“Redomicile Proposal”	the proposal for the change of the domicile of the holding company of the Group from Bermuda to the Cayman Islands pursuant to the Scheme and the Warrant Proposal
“Registrar of Companies”	the Registrar of Companies in Bermuda
“Scheme”	the proposed scheme of arrangement under Section 99 of the Companies Act
“Scheme Share(s)”	issued Share(s) which are subject to the Scheme
“Scheme Shareholder(s)”	holder(s) of the Scheme Share(s) as at the Record Time

“SFC”	the Securities and Futures Commission of Hong Kong
“SFC Waiver”	a waiver by the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director of full compliance with Rule 2.10 of the Takeovers Code as a result of implementing the Redomicile Proposal
“SGM”	the special general meeting of the Company proposed to be convened and held for the purpose of considering and approving the Scheme (and the necessary resolutions to implement the Scheme), the Warrant Proposal and the Share Option Proposal
“Share(s)”	ordinary share(s) with a par value of HK\$0.10 each in the share capital of the Company
“Share Option Proposal”	the proposal under which, subject to the Shareholders’ approval of the Redomicile Proposal, (a) the Share Option Scheme being terminated; and (b) holders of the outstanding share options under the Share Option Scheme and the Old Share Option Scheme giving up their rights under the Share Option Scheme and the Old Share Option Scheme and in consideration thereof, receiving the same number or the same proportionate number of options under the Newco Share Option Scheme which confer the same exercise price(s) for which their relevant options were granted under the Share Option Scheme and/or the Old Share Option Scheme, as the case may be, previously. All the other rights which they may have under the Newco Share Option Scheme will be the same as for the other holders of option under the Newco Share Option Scheme
“Share Option Scheme”	the share option scheme of the Company adopted on 25 June 2004
“Shareholder(s)”	the holder(s) of the Share(s)

“special resolution”	a resolution to be passed by not less than three-fourths of the votes cast by the members of the Company as, being entitled so to do, vote in person or, where proxies are allowed, by proxy, at the SGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers, as amended from time to time
“Warrant(s)”	the warrant(s) issued by the Company on 15 September 2005 which entitle the holder to subscribe for one Share for every one warrant they hold at the subscription price of HK\$0.25 at any time during the period between 15 September 2005 and 30 April 2009
“Warrantholders”	holders of the Warrants
“Warrantholders’ Meeting”	the meeting of the Warrantholders proposed to be convened and held to consider and approve the Warrant Proposal
“Warrant Proposal”	the proposal under which the existing Warrants will be cancelled and in consideration thereof, the Warrantholders will receive one Newco Warrant for every one Warrant held at the Record Time and become Newco Warrantholders thereafter
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
HOP HING HOLDINGS LIMITED
HUNG HAK HIP, PETER
Chairman

Hong Kong, 31 January 2007

The Directors jointly and severally accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained herein, the omission of which would make any statement in this announcement misleading.

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, Mr. Seto Gin Chung, John and Mr. Shek Lai Him, Abraham.

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