

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



HOP HING HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 47)

CONNECTED TRANSACTION – SALE AND PURCHASE AGREEMENT

The Agreement

On 17 July 2007, the Vendor entered into the Agreement with the Purchaser. Under the Agreement, the Vendor agreed to sell the Property as beneficial owner to the Purchaser and the Purchaser has agreed to purchase the Property for the Consideration. A deposit of HK\$270,000 has been paid by the Purchaser on the signing of the Agreement to the Vendor. The sum of HK\$2,430,000 being balance of the Consideration shall be paid in cash and in full by the Purchaser to the Vendor on Completion. The Consideration is arrived at after arm's length negotiations between the parties with reference to a valuation of the Property by an independent valuer as at 22 June 2007. Completion shall take place on the Completion Date.

Listing Rules Implications

The Purchaser is a connected person of the Company as described in the announcement and hence, the Transaction constitutes a connected transaction of the Company for the purposes of the Listing Rules.

Each of the relevant percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the Transaction is less than 2.5%. Pursuant to Rule 14A.32 of the Listing Rules, the Agreement would only be subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 but would be exempted from the independent shareholders' approval requirements under the Listing Rules.

The Directors (including the independent non-executive Directors) consider that the Agreement and the Transaction are on normal commercial terms which are fair and reasonable so far as the Company and the independent shareholders of the Company are concerned, and are in the interests of the Company and the Shareholders as a whole.

A. PRINCIPAL TERMS

Date of Agreement

17 July 2007

Parties

Vendor: Knight Investment Limited, an indirect wholly-owned subsidiary of the Company

Purchaser: Wytak Limited, a connected person of the Company (see below)

Subject

Pursuant to the Agreement, the Vendor has agreed to sell the Property as the beneficial owner to and the Purchaser and the Purchaser has agreed to purchase the Property for the Consideration.

The Property comprises an unit on the upper ground floor of a 13-storey industrial building completed in 1981. The Property has a salesable area of approximately 1,402 sq.ft (130.2 sq.m) plus a flat roof area of approximately 78 sq.ft (7.2 sq.m).

The Property is vacant and no income is attributable to it for the three financial years ended 31 December 2006 and the period thereafter until the date of the Agreement. The net loss attributable to the Property for the financial year ended 31 December 2005 and the financial year ended 31 December 2006 are approximately HK\$104,000 and HK\$103,000 respectively.

Consideration

The Consideration for the Agreement is HK\$2,700,000, which is the value of the Property as determined in a valuation as of 22 June 2007 conducted by an independent valuer. A deposit of HK\$270,000 has been paid by the Purchaser on the signing of the Agreement to the Vendor. The sum of HK\$2,430,000 being balance of the Consideration shall be paid in cash on Completion.

The Consideration is arrived at after arm's length negotiations between the parties with reference to the valuation of the Property by an independent valuer as at 22 June 2007. The Directors (including the independent non-executive Directors) consider that the Consideration is fair and reasonable insofar as the Company and the independent shareholders of the Company are concerned.

The Property is valued at HK\$2,700,000, which is higher than the book value of the Property of HK\$1,946,100. The gain (net of expenses) in relation to the disposal of the Property will be approximately HK\$653,900. The Company intends to use the proceeds from the disposal as general working capital.

Completion

Completion shall take place on the Completion Date where the balance of the Consideration shall be paid in cash and in full and the Vendor and all other necessary parties will execute a proper assurance conveyance or assignment in favour of the Purchaser, his nominee or sub-purchaser as the Purchaser shall direct, free from incumbrances or subject to the incumbrances as appear on the Agreement.

B. REASONS FOR AND BENEFITS OF THE AGREEMENT

The transaction provides the Company with an opportunity to dispose of a surplus property at market value and improves the cash flow position of the Company.

The Directors (including the independent non-executive Directors) consider that the terms of the Agreement are on normal commercial terms which are fair and reasonable as far as the Company and the independent shareholders of the Company are concerned and that the Transaction will benefit and is in the best interest of the Company and the Shareholders as a whole.

C. REQUIREMENTS OF THE LISTING RULES

The Purchaser is a connected person of the Company for the reasons below. GZ Trust Corporation, which is a substantial shareholder of the Company (“Substantial Shareholder”), is a holder of the majority of units of a unit trust, the trustee of which indirectly controls over 30% of the voting power at general meetings of the Purchaser, therefore the Purchaser is an associate of the Substantial Shareholder and hence a connected person of the Company. Accordingly, the Transaction is a connected transaction of the Company under the Listing Rules.

Each of the relevant percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the Transaction is less than 2.5%. Pursuant to Rule 14A.32 of the Listing Rules, the Agreement would only be subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 but would be exempted from the independent shareholders’ approval requirements under the Listing Rules.

D. GENERAL

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

Both the Vendor and the Purchaser are principally engaged in the business of property holding.

E. DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“Agreement”	the sale and purchase agreement dated 17 July 2007 between the Vendor and the Purchaser for the sale and purchase of the Property
“Associate(s)”	has the meaning ascribed to it 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, the ordinary shares of which are listed on the main board of the Stock Exchange
"Completion"	completion of the Agreement
"Completion Date"	20 July 2007 or at a date to be agreed between the Purchaser and the Vendor
“Connected Person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	HK\$2,700,000
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Property”	all those 10/16 th parts or shares of and in 16/19 th parts or shares of and in 19 equal undivided 1,727 parts or shares of and in all that piece or parcel of ground registered in the Land Registry as New Kowloon Inland Lot No. 2118 and of and in the messuages erections and buildings thereon now known as "HOP HING INDUSTRIAL BUILDING (合興工業大廈)" No. 704 Castle Peak Road, Kowloon, Hong Kong (the "Building") together with the sole and exclusive right and privilege to hold use occupy and enjoy all that portion A1 of front portion of Factory A (also known as Workshop A) on the upper ground floor of the Building
"Purchaser"	Wytak Limited, a company incorporated in Hong Kong with limited liability when registered office is situated at Flat A, 1st Floor, Hop Hing Industrial Building, No. 704 Castle Peak Road, Kowloon, Hong Kong
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
"Transaction"	the transaction contemplated under the Agreement
"Vendor"	Knight Investment Limited, a company incorporated in Hong Kong with limited liability when registered office is situated at Units E&F, 2nd Floor, Hop Hing Building, No. 9 Ping Tong Street East, Tong Yan San Tsuen, Yuen Long, New Territories, Hong Kong

By order of the Board

WONG KWOK YING

Executive Director and Company Secretary

Hong Kong, 17 July 2007

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, 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.