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HOP HING HOLDINGS LIMITED

(A company incorporated in Bermuda with limited liability)

(Stock code: 47)

CONTINUING CONNECTED TRANSACTIONS

SALES AGREEMENT

On 6 February 2008, Panyu Hop Hing, an indirect wholly-owned subsidiary of the Company, entered into the Sales Agreement with Shenzhen You Rong, a connected person (as defined in the Listing Rules) of the Company, for the sale and purchase of various edible oil products manufactured by the Group.

The Transactions constitute continuing connected transactions of the Company for the purposes of the Listing Rules. Particulars of the Transactions and certain other relevant information are given below in accordance with the Listing Rule 14A.56. The terms and conditions of the Transactions have been negotiated on an arm's length basis. The Transactions are in the ordinary and usual course of business of the Company and on normal commercial terms. The Board considers that the terms of the Transactions are fair and reasonable, and the Transactions are in the interests of the Company and the Shareholders, taken as a whole.

As certain percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Transactions, on an annual basis, is more than 2.5% but less than 25% and the total annual income receivable under the Transactions is less than HK\$10 million, the Transactions are subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules but are exempt from the independent shareholders' approval requirements.

A. Relationship Between The Parties

Panyu Hop Hing is an indirect wholly-owned subsidiary of the Company. Shenzhen You Rong is a connected person of the Company for the reason as set out below.

Hop Hing Oil (1985) limited (as trustee of HHOUT) and Hung's (1985) Limited (as trustee of Hung's UT) hold approximately 35.7% and 26.9% respectively of the issued share capital of the Company. GZ Trust Corporation (as trustee of the Family Trust) holds 51% of the issued units of each of the HHOUT and Hung's UT. GZ Trust Corporation is therefore entitled to control indirectly the exercise of approximately 31.9% of the voting power at any general meeting of the Company, and is hence a controlling shareholder (as defined in the Listing Rules) of the Company.

GZ Trust Corporation (as trustee of the Family Trust) is indirectly interested in Shenzhen You Rong so as to exercise or control the exercise of 30% or more of the voting power at the general meetings of Shenzhen You Rong. Shenzhen You Rong is therefore an associate of GZ Trust Corporation and constitutes a connected person of the Company under the Listing Rules.

B. Principal Terms

Date of agreement: 6 February 2008

Parties: Panyu Hop Hing as seller
Shenzhen You Rong as purchaser

Subject: Pursuant to the Sales Agreement, Panyu Hop Hing has agreed to provide to Shenzhen You Rong the Products and the Peach Blossom Products for sales in the PRC.

Term: The Sales Agreement is effective from 1 January 2008 to 31 December 2010 (both dates inclusive).

Price: Pursuant to the Sales Agreement, the prices at which the Products and the Peach Blossom Products are supplied to Shenzhen You Rong by Panyu Hop Hing are charged at the following rates ("Supply Prices"):

	Supply Prices (RMB)
The Products	Distribution price less an agreed discount
The Peach Blossom Products	Panyu Hop Hing's production cost plus an agreed percentage

In consideration of Panyu Hop Hing's supply of the Products and the Peach Blossom Products at the Supply Prices, Shenzhen You Rong has agreed to be responsible for (a) the expenses for promoting the sales of the Products and the Peach Blossom Products, in particular, at its supermarket chain; and (b) distributing the Products and the Peach Blossom Products from its central warehouse to its supermarket chain at its own costs.

Historical figures: (a) The total sales of the Products by Panyu Hop Hing to Shenzhen You Rong for the last three years were as follows:

For the year ended 31 December 2005:
approximately RMB1,797,000 (by adopting the exchange rate of HK\$1.00=RMB1.0684 on 31 December 2005, equivalent to approximately HK\$1,682,000)

For the year ended 31 December 2006:
approximately RMB3,262,000 (by adopting the exchange rate of HK\$1.00=RMB1.03 on 31 December 2006, equivalent to approximately HK\$3,167,000)

For the year ended 31 December 2007:
approximately RMB6,032,000 (by adopting the exchange rate of HK\$1.00=RMB0.94, equivalent to approximately HK\$ 6,417,000)

(b) The total sales of the Peach Blossom Products by Panyu Hop Hing to Shenzhen You Rong for the last three years were as follows:

For the year ended 31 December 2005:
approximately RMB309,000 (by adopting the exchange rate of HK\$1.00=RMB1.0684 on 31 December 2005, equivalent to approximately HK\$289,000)

For the year ended 31 December 2006:
approximately RMB215,000 (by adopting the exchange rate of HK\$1.00=RMB1.03 on 31 December 2006, equivalent to approximately HK\$209,000)

For the year ended 31 December 2007:
approximately RMB64,000 (by adopting the
exchange rate of HK\$1.00=RMB0.94, equivalent to
approximately HK\$68,000)

Annual caps: The maximum aggregate annual value of the sales by Panyu Hop Hing to Shenzhen You Rong under the Transactions for each of the three financial years ending 31 December 2010 is estimated not to exceed RMB9 million (equivalent to approximately HK\$9.6 million), which represents the target sales agreed between Panyu Hop Hing and Shenzhen You Rong (the annual target sales of the Products is estimated not to exceed RMB8 million (equivalent to approximately HK\$8.5 million) and the annual target sales of Peach Blossom Products is estimated not to exceed RMB1 million (equivalent to approximately HK\$1.1 million)).

The above target sales were agreed after taking into account the historical sales by Panyu Hop Hing to Shenzhen You Rong. Given the growth rate of the sales of the Products and the Peach Blossom Products by Panyu Hop Hing to Shenzhen You Rong in 2006 and 2007, the Board considers that RMB9 million is a reasonable estimate of the annual cap for the Transactions.

The historical annual caps for the three years ended 31 December 2007 was RMB9,500,000 (by adopting the exchange rate of HK\$1.00=RMB1.05 on 5 August 2005, equivalent to approximately HK\$9,048,000).

- Other significant terms:
- (a) Shenzhen You Rong has undertaken to Panyu Hop Hing that the prices at which the Products and the Peach Blossom Products are to be sold by Shenzhen You Rong in the retail market shall not be lower than the prevailing market retail prices from time to time, and in the event of breach, Shenzhen You Rong shall be liable for any claim arising therefrom.
 - (b) In the event that the Supply Prices are higher than the prevailing market retail prices, Shenzhen You Rong shall have the right to sell the Products and Peach Blossom Products at the then prevailing market retail prices, and Panyu Hop Hing shall compensate for the differences.

(c) Panyu Hop Hing shall only be required to provide one-stop delivery services to Shenzhen You Rong (within the territory of Shenzhen).

(d) Shenzhen You Rong shall make payments to Panyu Hop Hing through electronic transfers prior to delivery of goods.

C. Reasons for and benefits of the Sales Agreement

Despite the agreed discount on the Products and the supply of the Peach Blossom Products on a cost plus basis, the terms and conditions of the Transactions have been negotiated on an arm's length basis since (a) Shenzhen You Rong would be responsible for distributing the Products and the Peach Blossom Products to its retail outlets (in contrast to the sale of the relevant products to other independent third parties of the Group where Panyu Hop Hing would normally distribute the products to its customers' individual retail outlets); (b) Shenzhen You Rong would promote, at its own costs, the sales of the Products and the Peach Blossom Products, in particular at its supermarket chains (in contrast to the sale of products to other independent third parties of the Group where Panyu Hop Hing would normally be responsible for promotional activities relating to the relevant products); and (c) Shenzhen You Rong would make payment in advance to Panyu Hop Hing in respect of each of the Transactions. The Board considers that the above help the Group, to save on its costs of sales, including but not limited to distribution costs and marketing costs, which would otherwise have to be incurred by the Group; and to facilitate the logistics and marketing operations and cashflow of the Group.

The Board considers that the terms of the Transactions are fair and reasonable, and the Transactions are in the interests of the Company and the Shareholders, taken as a whole.

D. Requirements of the Listing Rules

The Transactions constitute continuing connected transactions of the Company for the purposes of the Listing Rules. As certain percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Transactions, on an annual basis, is more than 2.5% but less than 25% and the total annual income receivable under the Transactions is less than HK\$10 million, the Transactions are subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules but are exempt from the independent shareholders' approval requirements.

E. General

The Group is principally engaged in the extraction, refining, blending, bottling, packaging and distribution of edible oils and ancillary activities. Panyu Hop Hing is principally engaged in the extraction, refining, blending, bottling, packaging and distribution of edible oils in the PRC. Shenzhen You Rong is principally engaged in operating supermarket chains in the PRC.

F. Definitions

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

“associate”	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 whose shares are listed on the Stock Exchange
"Family Trust"	A discretionary trust established by Mr. Hung Cheung Pui for the benefit of certain family members of Mr. Hung Cheung Pui
"Group"	The Company and its subsidiaries
"HHOUT"	Hop Hing Oil Unit Trust
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China
"Hung's UT"	Hung's Unit Trust
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Panyu Hop Hing"	Panyu Hop Hing Oils & Fats Co. Ltd. (番禺合興油脂有限公司), a wholly foreign owned enterprise established in the PRC on 26 December 1995
"Peach Blossom Products"	The "Peach Blossom (紅桃)" brand of edible oil products

“PRC”	The People’s Republic of China
"Products"	Various edible oil products, including but not limited to, the "Lion and Globe (獅球嘜)", "Camel (駱駝嘜)", "Kitchen King (廚寶)", "SS" and "IGA (愛家愛)" brands
“RMB”	Renminbi, the lawful currency of the PRC
“Sales Agreement”	An agreement dated 6 February 2008 and entered into between Panyu Hop Hing and Shenzhen You Rong in respect of the sale and purchase of the Products and Peach Blossom Products
“Shareholders”	shareholders of the Company
"Shenzhen You Rong"	Shenzhen You Rong Retail Co. Ltd. (深圳市有榮配銷有限公司), a limited liability company established in the PRC on 18 March 1997
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
"Transactions"	The Sales Agreement and all the transactions contemplated thereunder

Unless otherwise defined, an exchange rate of HK\$1.00 = RMB0.94 is adopted in this announcement, for illustration purposes only.

By order of the Board
Wong Kwok Ying

Executive Director and Company Secretary

Hong Kong, 18 February 2008

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.