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## **HOP HING GROUP HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 47)**

### **PROPOSED BONUS WARRANTS ISSUE**

The Board proposed that the Bonus Warrants Issue be made to the Qualifying Shareholders on the basis of one 2013 Warrant for every five existing Shares held on the Record Date.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the 2013 Warrants and any New Shares. The commencement date of dealings in the 2013 Warrants on the Stock Exchange is expected to be on Wednesday, 10 June 2009.

A circular containing further details of the Bonus Warrants Issue, a letter from the Board to the Shareholders and a notice of Extraordinary General Meeting will be despatched to the Shareholders as soon as practicable.

### **BASIS OF ISSUE OF 2013 WARRANTS**

On 24 April 2009, the Company announced the results of the Group for the year ended 31 December 2008 and on the same day, the Board proposed that, subject to the fulfillment of the conditions mentioned below, the Bonus Warrants Issue be made to the Qualifying Shareholders whose names appear on the Register of Members on the Record Date on the basis of one 2013 Warrant for every five existing Shares held on the Record Date.

## **NEW SHARES TO BE ISSUED UPON EXERCISE OF THE 2013 WARRANTS**

Based on 494,442,745 Shares in issue as at the date of this announcement and assuming no further Shares will be issued or repurchased from the date of this announcement to the Record Date, exercise in full of the 2013 Warrants would result in the allotment and issue of 98,888,549 New 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 New Shares to be allotted and issued upon full exercise of the 2013 Warrants.

Save for the options which might be granted under the share option scheme of the Company which is in compliance with Chapter 17 of the Listing Rules and the 2009 Warrants which will expire on Thursday, 30 April 2009, there are no other outstanding warrants, convertible securities or similar right to subscribe for shares of the Company.

## **SUBSCRIPTION PERIOD**

The 2013 Warrants will be issued in registered form and will be exercisable at any time during the period from the date on which the 2013 Warrants are issued (currently expected to be on or about Monday, 8 June 2009) up to and including Friday, 31 May 2013 (both days inclusive).

## **SUBSCRIPTION PRICE**

The 2013 Warrants will entitle their holders to subscribe in cash for New Shares at an initial subscription price of HK\$0.20 per Share (subject to normal capital adjustments).

The initial subscription price represents a discount of approximately 41.2% to the closing price per Share of HK\$0.34 as quoted on the Stock Exchange on the date of this announcement and represents a discount of approximately 39.9% to the average closing price per Share of HK\$0.333 as quoted on the Stock Exchange for the five consecutive trading days up to the date of this announcement.

## **BOARD LOT**

The proposed board lot for trading in 2013 Warrants is 20,000 warrants, whereas the board lot for trading in Shares is 4,000 Shares.

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members will be closed from Saturday, 30 May 2009 to Wednesday, 3 June 2009 (both days inclusive) in order to determine entitlements of the Qualifying Shareholders to the 2013 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 Tuesday, 26 May 2009.

To qualify for the Bonus Warrants Issue, all transfers in relation to Shares held by Qualifying Shareholders whose names are recorded on the Register of Members 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 Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Friday, 29 May 2009.

## **EXPECTED TIMETABLE**

The expected timetable for the Bonus Warrants Issue set out below is for indicative purposes only and it has been prepared on the assumption that all conditions of the Bonus Warrants Issue will be fulfilled. The expected timetable is subject to change, and any changes will be announced in a separate announcement by the Company as and when appropriate.

The expected timetable for implementing the Bonus Warrants Issue is set forth below:

2009

Last day of dealings in Shares cum entitlements to  
the Bonus Warrants Issue ..... Tuesday, 26 May

Commencement of dealings in Shares ex entitlements to  
the Bonus Warrants Issue ..... Wednesday, 27 May

Latest time for lodging transfers of Shares for  
entitlement to the Bonus Warrants Issue ..... 4:30 p.m. on Friday, 29 May

Closure of Register of Members  
(both days inclusive) ..... from Saturday, 30 May to Wednesday, 3 June

Latest time for lodging proxy forms for  
the Extraordinary General Meeting ..... 11:15 a.m. on Monday, 1 June

Record Date ..... Wednesday, 3 June

Extraordinary General Meeting ..... 11:15 a.m. on Wednesday, 3 June

Despatch of the 2013 Warrant certificates..... on or about Monday, 8 June

Commencement of dealings in 2013 Warrants  
on the Stock Exchange ..... 9:30 a.m. on Wednesday, 10 June

*All time references in this announcement refer to Hong Kong time.*

## **CONDITIONS OF THE PROPOSED BONUS WARRANTS ISSUE**

The Bonus Warrants Issue is conditional upon:

- (a) the passing by the Shareholders of an ordinary resolution at the Extraordinary General Meeting proposed to be convened and held on Wednesday, 3 June 2009 to approve the creation and issue of the 2013 Warrants and any New Shares; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the 2013 Warrants and any New Shares.

## **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\$19,600,000 (i.e. net of expenses incidental to the Bonus Warrants Issue in the amount of approximately HK\$250,000) will be raised upon the exercise of all the 2013 Warrants. The Company intends to apply any subscription monies received as and when the subscription rights attaching to the 2013 Warrants are exercised towards the general working capital of the Group depending on its requirements at the relevant time.

An amount of approximately HK\$14,600,000 was raised upon the exercise of the 2009 Warrants by the warrant holders of the Company from Tuesday, 29 April 2008, the date on which the Company's securities were listed on the Stock Exchange, up to the date immediately preceding the date of this announcement.

## **RANKING OF NEW SHARES**

New Shares will, subject to the amended and restated Memorandum and Articles of Association of the Company, rank for any dividends and other distributions and/or offers of further securities made by the Company, the record date for which is on or after the relevant subscription date and subject thereto, *pari passu* in all respects with the then existing issued Shares on the relevant subscription date.

## **APPLICATION FOR LISTING OF 2013 WARRANTS**

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the 2013 Warrants and any New Shares.

Application will also be made to HKSCC for the admission of the 2013 Warrants into the Central Clearing and Settlement System operated by HKSCC.

## **OVERSEAS SHAREHOLDERS**

The Bonus Warrants Issue will not be registered or filed under any securities legislation in any jurisdiction outside Hong Kong. As the Board is of the view that the grant or issue of the 2013 Warrants to 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 2013 Warrants will be made to those Overseas Shareholders whom the Board is of the view that their exclusion from the Bonus Warrants Issue is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place.

Arrangements will, however, be made for all those 2013 Warrants which would otherwise have been granted to such Overseas Shareholders to be sold in the market as soon as practicable after dealings in the 2013 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 such 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.

The Company will make appropriate enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules to determine whether Overseas Shareholders should be entitled to the Bonus Warrants Issue.

## **FRACTIONAL ENTITLEMENTS**

Fractional entitlements to the 2013 Warrants (if any) will not be issued but will be aggregated, and if a premium (net of expenses) can be obtained, sold for the benefit of the Company.

## **CERTIFICATES FOR 2013 WARRANTS**

Subject to the fulfillment of the conditions of the Bonus Warrants Issue mentioned above, certificates for the 2013 Warrants are expected to be despatched to the Qualifying Shareholders by ordinary post at the risks of the Qualifying Shareholders on or before Monday, 8 June 2009.

## **EXTRAORDINARY GENERAL MEETING**

The Bonus Warrants Issue is subject to, among other things, the Shareholders' approval at the Extraordinary General Meeting. As at the date of this announcement, none of the Shareholders has any interest that is different from the other Shareholders and therefore no Shareholder is required to abstain from voting in respect of the Bonus Warrants Issue at the Extraordinary General Meeting.

A circular containing further details of the Bonus Warrants Issue, a letter from the Board to the Shareholders and a notice of the Extraordinary General Meeting will be despatched to the Shareholders as soon as practicable.

## **DEFINITION**

“2009 Warrants”	warrant(s) in units of HK\$0.25 of exercise monies, each carrying the right to subscribe in cash for one new Share at any time during the period from Tuesday, 29 April 2008 to Thursday, 30 April 2009 (both days inclusive), at an initial subscription price of HK\$0.25 per new Share (subject to normal capital adjustments)
“2013 Warrant(s)”	warrant(s) in units of HK\$0.20 of exercise monies, each carrying the right to subscribe in cash for one New Share at any time during the period from the date on which the 2013 Warrants are issued (currently expected to be on or about Monday, 8 June 2009) to Friday, 31 May 2013 (both days inclusive), at an initial subscription price of HK\$0.20 per New Share (subject to normal capital adjustments)
“Board”	the board of Directors
“Bonus Warrants Issue”	the conditional bonus issue of the 2013 Warrants by the Company to the Qualifying Shareholders as described in this announcement

“Company”	Hop Hing Group Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held on Wednesday, 3 June 2009 at 11:15 a.m. (or so soon thereafter as the annual general meeting of the Company convened on the same day at 11:00 a.m. shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the ordinary resolution approving the Bonus Warrants Issue
“Group”	the Company and its subsidiaries
“HK\$” and “Cents”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as modified from time to time
“New Share(s)”	the new Share(s) which may fall to be allotted and issued upon exercise of the subscription rights attaching to the 2013 Warrant(s)
“Overseas Shareholder(s)”	the Shareholders whose addresses, as shown in the Register of Members at the close of business on the Record Date, are outside Hong Kong



“Qualifying Shareholder(s)”	the Shareholders, other than those Overseas Shareholders whom the Directors, after making relevant enquiry, consider their exclusion from the Bonus Warrants Issue to be necessary and expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, whose names appear on the Register of Members at the close of business on the Record Date
“Record Date”	Wednesday, 3 June 2009, being the record date by reference to which entitlements to the 2013 Warrants are determined
“Register of Members”	the register of members of the Company
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company (or of such other nominal amount as comprising the share capital of the Company as shall result from a subdivision or a consolidation of the share capital of the Company from time to time)
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board  
**Hop Hing Group Holdings Limited**  
**Wong Kwok Ying**

*Executive Director and Company Secretary*

Hong Kong, 24 April 2009

*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, GBS, Mr. Sze Tsai To, Robert, Mr. Cheung Wing Yui, Edward, Mr. Seto Gin Chung, John and Hon. Shek Lai Him, Abraham, SBS, JP.*