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**HOP HING GROUP HOLDINGS LIMITED**  
(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 47)

**CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF THE  
ENTIRE EQUITY INTERESTS IN  
北京南河華農農業有限公司  
(BEIJING NANHE HUA NONG AGRICULTURAL COMPANY LIMITED\*)**

The Board announces that on 28 September 2012, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Seller for the acquisition of the entire equity interests in the Target for a cash consideration of RMB1,560,000 (approximately HK\$1,900,000).

As the Hung Family is a substantial shareholder (as defined in the Listing Rules) of the Company and the Seller is an associate (as defined in the Listing Rules) of the Hung Family, pursuant to the Listing Rules, the Seller is a connected person (as defined in the Listing Rules) of the Company and the Acquisition constitutes a connected transaction of the Company.

Since the applicable percentage ratio for the Acquisition is more than 0.1% but less than 5%, the Acquisition is only subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules.

The Board announces that on 28 September 2012, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Seller for the acquisition of the entire equity interests in the Target. Set out below are the principal terms of the Acquisition Agreement:

**(A) Date**

28 September 2012

**(B) Parties**

- (i) Purchaser: Dragon Bloom Investments Limited 坤龍投資有限公司, a limited liability company incorporated in Hong Kong and indirectly wholly-owned by the Company
- (ii) Seller: 北京合興隆餐飲有限公司 (Beijing Hop Hing Long Catering Limited\*), a limited liability company incorporated in the PRC and indirectly wholly-owned by the Hung Family

### **(C) Equity interests to be acquired**

The entire equity interests in the Target.

### **(D) Consideration and payment term**

Pursuant to the Acquisition Agreement, the Consideration is RMB1,560,000 (approximately HK\$1,900,000) in cash and will be paid by the Purchaser to the Seller on Completion.

The Consideration was arrived at after arm's length negotiation between the Purchaser and the Seller and was determined on normal commercial terms with reference to (i) the registered capital of RMB2,000,000 (approximately HK\$2,440,000), and (ii) the valuation report prepared by 北京中天和資產評估有限公司 (Beijing Zhongtianhe Asset Valuation Company Limited\*), an independent valuer. According to the valuation report, the valuation amount of the total net assets of the Target as at 30 June 2012 as determined by adopting the asset-based valuation approach was approximately RMB1,560,000 (approximately HK\$1,900,000), which equals the book value of the total net assets of the Target as at 30 June 2012 based on the management accounts.

The Consideration will be funded from the Company's internal cash reserves.

### **(E) Conditions precedent**

Completion is conditional upon all necessary approvals and consents for the Acquisition and the Acquisition Agreement having been obtained.

### **(F) Completion of the Acquisition**

The parties should complete the Acquisition within 90 days after all necessary approvals and consents for the Acquisition and the Acquisition Agreement having been obtained.

## **REASONS FOR THE ACQUISITION**

The Group owns the rights to operate the Yoshinoya (吉野家) and Dairy Queen (冰雪皇后) quick service restaurants in the Franchise Regions. One of the major raw materials required by such quick service restaurant businesses of the Group is agricultural product (such as vegetables and fruits). The Board believes that the Acquisition will save costs on sourcing agricultural ingredients for and ensure a stable and reliable supply of quality agricultural ingredients to the quick service restaurant businesses of the Group.

## **INFORMATION ON THE TARGET**

The Target is a limited liability company established by the Seller in the PRC on 12 May 2010 and is principally engaged in agricultural activities, including the plantation, sourcing and wholesale distribution of vegetables and fruits.

The entire equity interests in the Target is owned by the Seller. The registered capital of the Target is RMB2,000,000 (approximately HK\$2,440,000) and has been fully contributed by the Seller to the Target.

According to the management accounts of the Target, as at 30 June 2012, the total net assets of the Target were approximately RMB1,560,000 (approximately HK\$1,900,000).

As the Target was established in May 2010, the financials of the Target in respect of a full financial year are only available in respect of year 2011. Set out below are the net loss attributable to the Target for the full financial year of 2011 extracted from the audited financial statements for year 2011 and for the 6 months ended 30 June 2012 extracted from the management accounts of the Target (both prepared based on the PRC accounting standards):

<b>Period</b>	<b>Loss before/after taxation and extraordinary items (RMB)</b>
For the 12 months ended 31 December 2011 (audited)	114,963.68
For the 6 months ended 30 June 2012 (unaudited)	270,071.67

## **INFORMATION ABOUT THE GROUP**

The Group is principally engaged in (a) the operation of the Yoshinoya (吉野家) and Dairy Queen (冰雪皇后) quick service restaurants, primarily selling beef bowl and ice-cream, respectively, in the Franchise Regions; and (b) the purchasing, extracting, refining, blending, bottling, marketing and distribution of edible oils and fats under brands including “Lion & Globe” (獅球嘜) and “Camel” (駱駝嘜) for consumption by households and restaurants in Hong Kong, Macau, the PRC and overseas countries.

## **INFORMATION ABOUT THE PURCHASER**

The Purchaser, an indirect wholly-owned subsidiary of the Company, is a limited liability company incorporated in Hong Kong. Its principal activity is investment holding.

## **INFORMATION ABOUT THE SELLER**

The Seller is a limited liability company incorporated in the PRC. Its principal activity is investment holding. Upon completion of the Acquisition, the Seller will no longer hold any equity interest in the Target.

## **LISTING RULES IMPLICATIONS**

As the Hung Family is a substantial shareholder (as defined in the Listing Rules) of the Company and the Seller is an associate (as defined in the Listing Rules) of the Hung Family, pursuant to the Listing Rules, the Seller is a connected person (as defined in the Listing Rules) of the Company and the Acquisition constitutes a connected transaction of the Company.

Since the applicable percentage ratios for the Acquisition calculated in accordance with Rule 14.07 of the Listing Rules is more than 0.1% but less than 5%, the Acquisition is only subject to the reporting and announcement requirements and is exempt from the independent shareholders’ approval requirement under the Listing Rules.

The Board (including the independent non-executive directors) of the Company considers that the terms of the Acquisition Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole. The

Acquisition has been approved by the Board at the meeting of the Board held on 28 September 2012. Each of Mr. Hung Hak Hip, Peter, Mr. Hung Ming Kei, Marvin and Ms. Hung Chiu Yee has abstained from voting at the meeting in accordance with the articles of association of the Company. Save as disclosed above, none of the directors of the Company has any material interests in the Acquisition.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set out below:

“Acquisition”	the acquisition of the entire equity interests in the Target pursuant to the Acquisition Agreement
“Acquisition Agreement”	the acquisition agreement entered into between the Purchaser and the Seller on 28 September 2012 in relation to the Acquisition
“Board”	the board of directors of the Company
“Company”	Hop Hing Group Holdings Limited, a company incorporated with limited liability in the Cayman Islands and the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited (Stock Code: 00047)
“Completion”	completion of the Acquisition pursuant to the terms of the Acquisition Agreement
“Consideration”	the consideration for the Acquisition
“Franchise Regions”	some or all of Beijing municipality, Tianjin municipality, the provinces of Hebei, Liaoning, Heilongjiang and Jilin, and the Inner Mongolia Autonomous Region (excluding airports, railway stations or highway service areas) in the PRC
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hung Family”	Mr. Hung Hak Hip, Peter, Ms. Hung Wan Ling, Diana and Mr. Hung Hak Yau
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Macau”	the Macau Special Administrative Region of the PRC

“PRC”	The People’s Republic of China
“Purchaser”	Dragon Bloom Investments Limited 坤龍投資有限公司, a limited liability company incorporated in Hong Kong and indirectly wholly-owned by the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Seller”	北京合興隆餐飲有限公司 (Beijing Hop Hing Long Catering Limited*), a limited liability company incorporated in the PRC and indirectly wholly-owned by the Hung Family
“Target”	北京南河華農農業有限公司 (Beijing Nanhe Hua Nong Agricultural Company Limited*), a limited liability company incorporated in the PRC and directly wholly-owned by the Seller

By Order of the Board  
**Hop Hing Group Holdings Limited**  
**Wong Kwok Ying**  
*Executive Director and Company Secretary*

Hong Kong, 28 September 2012

*As at the date hereof, the executive directors of the Company are Mr. Hung Ming Kei, Marvin, 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. Hon. Wong Yu Hong, Philip, GBS, Mr. Sze Tsai To, Robert, Mr. Cheung Wing Yui, Edward, Mr. Seto Gin Chung, John, Hon. Shek Lai Him, Abraham, SBS, JP and Mr. Siu Wai Keung.*

For the purpose of this announcement, the RMB to HK\$ exchange rate is RMB1:HK\$1.22.

*\* For identification purpose only*