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HOP HING GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 47)

TERMINATION OF CONTINUING CONNECTED TRANSACTION IN RELATION TO THE PRC TENANCY AGREEMENT

Reference is made to the announcement of the Company dated 28 September 2012 in relation to certain continuing connected transactions of the Company.

On 21 December 2012, BJ Yoshinoya Fast Food, Fair Ocean and an independent third party as property agent entered into the Termination Agreement, pursuant to which the PRC Tenancy Agreement will be terminated with effect from 1 January 2013.

As at the date of this announcement, BJ Yoshinoya Fast Food is an indirect wholly-owned subsidiary of the Company. Fair Ocean is indirectly held as to 100% by Mr. Hung Hak Yau, a substantial shareholder of the Company. Fair Ocean is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Termination Agreement constitutes a connected transaction of the Company under the Listing Rules. However, as none of the parties to the Termination Agreement is required to make any payment to each other pursuant to the Termination Agreement, the Termination Agreement is exempt from the announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

TERMINATION OF THE PRC TENANCY AGREEMENT

Reference is made to the announcement of the Company dated 28 September 2012 in relation to certain continuing connected transactions of the Company (the "**Announcement**"). Unless otherwise stated, terms defined in the Announcement shall have the same meanings when used in this announcement.

On 21 December 2012, BJ Yoshinoya Fast Food, Fair Ocean and an independent third party as property agent entered into the Termination Agreement (the "**Termination Agreement**"), pursuant to which the PRC Tenancy Agreement will be terminated with effect from 1 January 2013 (the "**Termination Date**"). Pursuant to the terms of the Termination Agreement: (i) the rent and other charges payable under the PRC Tenancy Agreement up to and including the day immediately before the Termination Date have been fully settled; (ii) there will be no refund of the commission fee paid by Fair Ocean to an independent third party as property agent under the PRC Tenancy Agreement; and (iii) effective from the Termination Date, all parties to the PRC Tenancy Agreement shall be treated as having performed their rights and obligations thereunder and each such party shall waive its rights to any claims, damages and compensation against any other party.

REASONS FOR ENTERING INTO THE TERMINATION AGREEMENT

As disclosed in the Announcement, the PRC Premises are intended for the use of Mr. Marvin Hung for residential purposes.

Under the terms of the service contract entered into between Mr. Marvin Hung and the Group, Mr. Marvin Hung is entitled to, among other things, a housing benefit of RMB360,000 per annum. During the term of the PRC Tenancy Agreement, BJ Yoshinoya paid the housing benefit to Mr. Marvin Hung by way of settling the rental payment for the PRC Premises which has been used by Mr. Marvin Hung as his residence. To give Mr. Marvin Hung more flexibility in choosing his accommodation and avoid any direct costs incurred by BJ Yoshinoya under the PRC Tenancy Agreement, the Group decided to enter into the Termination Agreement and, starting from 1 January 2013, pay the housing benefit of RMB360,000 per annum by cash to Mr. Marvin Hung. Details of the service contract of Mr. Marvin Hung are set out in the circular of the Company dated 30 April 2012.

The terms and conditions of the transaction under the Termination Agreement have been negotiated on an arm's length basis and on normal commercial terms. The Directors (including the independent non-executive Directors) consider that the above transaction is fair and reasonable, and is in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, BJ Yoshinoya Fast Food is an indirect wholly-owned subsidiary of the Company. Fair Ocean is indirectly held as to 100% by Mr. Hung Hak Yau, a substantial shareholder of the Company and is the father of Mr. Marvin Hung. Fair Ocean is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Termination Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. However, as none of the parties to the Termination Agreement is required to make any payment to each other pursuant to the Termination Agreement, the Termination Agreement is exempt from the announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Peter Hung, Mr. Marvin Hung and Ms. Hung Chiu Yee, a sister of Mr. Peter Hung, have abstained from voting on the relevant board resolutions approving the Termination Agreement. Save as disclosed above, none of the Directors has a material interest in the Termination Agreement.

By Order of the Board
HOP HING GROUP HOLDINGS LIMITED
WONG KWOK YING
Executive Director and Company Secretary

Hong Kong, 21 December 2012

As at the date of this announcement, 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.