THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Hop Hing Group Holdings Limited, you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or the transferee or to the bank, stockbroker or other agent through which the sale or transfer was effected for transmission to the purchaser or the transferee.

This circular appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of Hop Hing Group Holdings Limited.

HOP HING GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 47)

(Warrant Code: 134)

(1) MAJOR DISPOSAL AND CONNECTED TRANSACTION
(2) PROPOSED SPECIAL DIVIDEND
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

Financial Adviser to Hop Hing Group Holdings Limited

BofA Merrill Lynch

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

PLATINUM
Securities

A letter from the Board is set out on pages 6 to 17 of this circular and a letter from the Independent Board Committee, containing its recommendation to the Independent Shareholders of the Company, is set out on page 18 of this circular. A letter from Platinum Securities containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Proposed Disposal and the transactions contemplated under the Agreement is set out on pages 19 to 31 of this circular.

A notice of EGM to be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Thursday, June 6, 2013 at 11:00 a.m. (or as soon thereafter as the annual general meeting convened for the same day and place shall have concluded or adjourned) is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed with this circular.

Whether or not you are able to attend the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, situated at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

May 20, 2013

CONTENTS

DEFINITIONS

In this circular, unless the context otherwise requires, the following items shall have the meanings set out below:

"Agreement"	the conditional agreement dated April 25, 2013 entered into between the Company and the Purchaser in relation to the Proposed Disposal
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Base Consideration"	HK$400 million, being the consideration for the Proposed Disposal (subject to adjustment)
"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 (Stock Code: 47)
"Completion"	completion of the Proposed Disposal pursuant to the Agreement
"Completion Date"	the date (not being later than June 30, 2013) falling on the third business day after the date on which the last of the conditions precedent is to be satisfied or waived, or such other date as the Company and the Purchaser may agree in writing
"Completion Date P&L Accounts"	the combined income statement of the Sale Group for the period from January 1, 2013 up to the close of business on the Completion Date which is to be prepared in accordance and consistent with the accounting principles, policies, procedures and practices previously and normally adopted by the Sale Group
"Consideration"	the Base Consideration, as adjusted pursuant to the provisions as summarised in the paragraph headed "2. The Agreement – (D) Consideration" in the "Letter from the Board" included in this circular
"Directors"	the directors of the Company
"EGM"	the extraordinary general meeting of the Company to be convened and held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Thursday, June 6, 2013 at 11:00 a.m. (or as soon thereafter as the annual general meeting convened for the same day and place shall have concluded or adjourned) for the Shareholders to consider and, if thought fit, approve, (i) the Proposed Disposal and the transactions contemplated under the Agreement; and (ii) the Proposed Special Dividend

"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 PRC
"Hung Family"	Mr. Hung Hak Hip, Peter, Mr. Hung Hak Yau and/or Mr. Hung Ming Kei, Marvin and/or companies controlled by any of them and/or discretionary trusts of which any one of them is a discretionary beneficiary
"Independent Board Committee"	the independent board committee of the Board, comprising 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, being all the independent non-executive Directors, established for the purpose of advising the Independent Shareholders in respect of the Proposed Disposal and the transactions contemplated under the Agreement
"Independent Shareholders"	the Shareholders other than the Hung Family and Mr. Lee Pak Wing (being a director of the Purchaser) and their respective associates
"Latest Practicable Date"	May 16, 2013, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information referred to in this circular
"Licensor"	Monitor Limited, a wholly-owned subsidiary of the Company prior to the Completion and which will become a wholly-owned subsidiary of the Purchaser following Completion
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Oils Business"	the business of purchasing, extracting, refining, blending, bottling, marketing and distributing edible oils and fats under brands which include "Lion & Globe" (獅球嘜) and "Camel" (駱駝嘜) for consumption by households and restaurants and other catering establishments in Hong Kong, Macau, PRC and overseas countries

"Platinum Securities" or "Independent Financial Adviser"	Platinum Securities Company Limited, a licensed corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Proposed Disposal and the transactions contemplated under the Agreement
"PRC"	the People's Republic of China
"Proposed Disposal"	the proposed disposal of the Sale Shares by the Company to the Purchaser pursuant to the Agreement
"Proposed Special Dividend"	subject to, among others, the Completion, the proposed cash dividend of HK$0.028 per Share to be declared and distributed by the Company to the Qualifying Shareholders following Completion
"Purchaser"	Harvest Trinity Limited, a company incorporated with limited liability in the British Virgin Islands
"Qualifying Shareholder(s)"	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date
"Record Date"	the record date for determining the entitlements of the Qualifying Shareholders to the Proposed Special Dividend
"Relevant Marks"	certain trademarks in relation to the words and logos of "Hop" and "Hop Hing" in Chinese and/or English registered in Hong Kong, Macau and the PRC
"Sale Entity"	Oleo Chartering Inc., a company incorporated with limited liability in the British Virgin Islands
"Sale Group"	the Sale Entity and its subsidiaries
"Sale Shares"	100 ordinary shares of US$1.00 each in the share capital of the Sale Entity, being the entire issued share capital of the Sale Entity
"SFO"	The Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (as amended from time to time)
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company

"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiaries"	has the meaning ascribed to it under the Listing Rules
"Warrants"	the warrants issued by the Company (Stock Code: 134)
"Warrantholders"	holders of the Warrants

EXPECTED TIMETABLE

Set out below is the expected timetable in respect of the Proposed Disposal and the Proposed Special Dividend. Shareholders should note that the timetable is indicative only and subject to change depending on, among other things, the Completion Date.

Despatch of this circular and notice of the EGM	May 20, 2013
Closure of the register of members of the Company for determining the entitlements of the Shareholders to attend the EGM	June 3, 2013 to June 6, 2013 (both dates inclusive)
Latest time for lodging forms of proxy for the EGM *(Note 1)*	11:00 a.m. on June 4, 2013
EGM to be held	11:00 a.m. on June 6, 2013
Announcement of results of the EGM	June 6, 2013

Assuming all the resolutions proposed at the EGM are passed:

Expected Completion Date	No later than June 30, 2013
Announcement of Completion	No later than one business day after Completion
Latest time for lodging share transfer forms for registration in order to be qualified for the Proposed Special Dividend	4:30 p.m. on June 11, 2013
Closure of the register of members of the Company for determining the entitlements of the Qualifying Shareholders to the Proposed Special Dividend	June 12, 2013 to June 17, 2013 (both dates inclusive)
Record Date for determining the entitlements of the Qualifying Shareholders to the Proposed Special Dividend	June 17, 2013
Expected date of despatch of the cheque for the Proposed Special Dividend to the Qualifying Shareholders	June 28, 2013

Notes:

1. In order to be valid, forms of proxy must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, by hand or by post at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

2. The distribution of the Proposed Special Dividend is subject to the Completion.

All references in this circular to times and dates are references to Hong Kong times and dates.

HOP HING GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 47)

(Warrant Code: 134)

Executive Directors:
Hung Ming Kei, Marvin *(Chief Executive Officer)*
Wong Kwok Ying
Lam Fung Ming, Tammy

Non-executive Directors:
Hung Hak Hip, Peter *(Chairman)*
Lee Pak Wing

Independent Non-executive Directors:
Wong Yu Hong, Philip
Sze Tsai To, Robert
Cheung Wing Yui, Edward
Seto Gin Chung, John
Shek Lai Him, Abraham
Siu Wai Keung

Registered Office:
Clifton House
75 Fort Street
P.O. Box 1350 GT
Grand Cayman
KY1-1108
Cayman Islands

Principal Place of Business in Hong Kong:
Units E&F
2nd Floor
Hop Hing Building
9 Ping Tong Street East
Tong Yan San Tsuen
Yuen Long
New Territories
Hong Kong

May 20, 2013

To the Shareholders and, for information only, the Warrantholders

Dear Sir or Madam,

(1) MAJOR DISPOSAL AND CONNECTED TRANSACTION
(2) PROPOSED SPECIAL DIVIDEND
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

Reference is made to the announcement of the Company dated April 25, 2013 in relation to the Proposed Disposal, which constitutes a major disposal and a connected transaction of the Company, and the proposed distribution of the Proposed Special Dividend.

The Company announced that on April 25, 2013, the Company and the Purchaser entered into the Agreement pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares, representing the entire issued share capital of the Sale Entity, at a cash consideration of HK$400 million (subject to adjustment).

The Sale Entity is an investment holding company of a group of companies that are principally engaging in the operation of the Oils Business. Upon Completion, the Sale Group will cease to be subsidiaries of the Company.

As some of the percentage ratios for the Proposed Disposal calculated in accordance with Rule 14.07 of the Listing Rules are more than 25% but less than 75%, the Proposed Disposal constitutes a major disposal under Chapter 14 of the Listing Rules. In addition, the Proposed Disposal constitutes a connected transaction under Chapter 14A of the Listing Rules as the Purchaser is a company wholly-owned by the Hung Family, a substantial shareholder who, together with its associates, is interested in approximately 75% of the issued share capital of the Company as at the Latest Practicable Date. Accordingly, the Proposed Disposal is subject to the requirements for reporting, announcement and approval by the Independent Shareholders at the EGM by way of poll under the Listing Rules.

The Company intends to apply the net proceeds from the Proposed Disposal partly for working capital purposes (including but not limited to repayment of debts) and partly for the distribution of the Proposed Special Dividend. The Board proposes that, subject to approval by the Shareholders at the EGM and Completion, the Proposed Special Dividend of HK$0.028 per Share be distributed to the Qualifying Shareholders. Based on 9,926,036,976 Shares in issue as at the Latest Practicable Date, the Proposed Special Dividend will amount to approximately HK$280 million.

Merrill Lynch (Asia Pacific) Limited has been appointed as the financial adviser to the Company in connection with the Proposed Disposal and the transactions contemplated under the Agreement.

The Company will convene an EGM for the Shareholders to consider and, if thought fit, approve: (i) the Proposed Disposal and the transactions contemplated under the Agreement; and (ii) the Proposed Special Dividend.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder apart from the Hung Family and Mr. Lee Pak Wing (being a director of the Purchaser) and their respective associates are required to abstain from voting on the resolution approving the Proposed Disposal and the transactions contemplated under the Agreement.

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in relation to the Proposed Disposal and the transactions contemplated under the Agreement. Platinum Securities has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The purpose of this circular is to provide you with, among other matters, (i) details of the Proposed Disposal; (ii) details of the Proposed Special Dividend; (iii) a letter from the Independent Board Committee regarding the Proposed Disposal; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (v) valuation of the property interests held by the Sale Group; and (vi) a notice of the EGM.

2. THE AGREEMENT

(A) Date

April 25, 2013

(B) Parties

(i) Seller: The Company

(ii) Purchaser: Harvest Trinity Limited

The Purchaser is an investment holding company incorporated in the British Virgin Islands and wholly-owned by the Hung Family, a substantial shareholder who, together with its associates, is interested in approximately 75% of the issued share capital of the Company as at the Latest Practicable Date. Under the Listing Rules, the Purchaser is a connected person of the Company.

(C) Assets to be disposed of

The Sale Shares, representing the entire issued share capital of the Sale Entity which is an investment holding company.

(D) Consideration

The Base Consideration payable by the Purchaser to the Company pursuant to the Agreement is HK$400 million, which will be satisfied in cash. The Base Consideration shall be paid in two instalments, as follows:

(a) 10% of the Base Consideration, equivalent to HK$40 million, has been paid upon signing of the Agreement; and

(b) 90% of the Base Consideration, equivalent to HK$360 million, is payable upon Completion.

In the event Completion does not take place on or before June 30, 2013 (or on such other date as agreed between the parties in writing), the amount set out in paragraph (a) above shall be refunded to the Purchaser without interest.

The Base Consideration (including the adjustment mechanism described below) was determined after arm's length negotiations between the parties and taking into account various factors, including (i) the operating and financial performance of the Sale Group, including the fact that it generated a net loss during 2012; (ii) the prospects of and competition and challenges faced by the Sale Group's business; (iii) the future earnings outlook of the Sale Group's business in light of the continuing increase in raw material and production costs; (iv) the book value of the net assets of approximately HK$473 million of the Sale Group as at December 31, 2012 based on the management accounts of the Sale Group; and (v) the current price to net asset value ratio of comparable companies. The Sale Group's comparable companies listed on the Stock Exchange which have been considered include a listed company with a market capitalization of approximately HK$1.1 billion and with a price to net asset value of 0.75 times as at the date of the Agreement and another listed company with a market capitalization of approximately HK$21.3 billion and with a price to net asset value of 0.73 times as at the date of the Agreement.

Pursuant to the Agreement, the Base Consideration may be adjusted as follows:

(i) if the Sale Group records a net loss between the period from January 1, 2013 up to the Completion Date (inclusive of the Completion Date) as shown in the Completion Date P&L Accounts, the Company shall repay to the Purchaser an amount equal to such net loss as a reduction in the Consideration; and

(ii) if the Sale Group records a net profit between the period from January 1, 2013 up to the Completion Date (inclusive of the Completion Date) as shown in the Completion Date P&L Accounts, the Purchaser shall pay to the Company an amount equal to such net profit as an increase in the Consideration;

and any payments pursuant to such adjustment shall be paid within 10 business days after delivery of the final Completion Date P&L Accounts as agreed upon by the parties to the Purchaser.

(E) Conditions precedent

Completion of the Proposed Disposal is subject to the following conditions precedent:

(i) the passing, in accordance with the relevant requirements under the Listing Rules, by the Shareholders (other than those who are required by the Listing Rules to abstain from voting) at the EGM of resolution(s) approving the Proposed Disposal and the transactions contemplated under the Agreement;

(ii) all necessary consents (including the consents from the lending banks to the Sale Group) and approvals (if any) from the relevant governmental or regulatory authorities or other third parties required for the execution and performance of the Agreement by the Company and the Purchaser and the transactions contemplated under the Agreement having been obtained; and

(iii) the respective representations, warranties and undertakings given by the Company and the Purchaser as set out in the Agreement remaining true and accurate and not misleading in all material respects at Completion as if repeated at Completion.

Pursuant to the Agreement, each of the Company and the Purchaser may, in its respective absolute discretion by written notice to the other party, waive condition (iii) above in whole or in part in respect of the representations, warranties and undertakings given by the other party as set out in the Agreement. If all of the conditions precedent under the Agreement is not satisfied or (in respect of condition (iii)) waived by the Company and/or the Purchaser (as the case may be) on or before June 30, 2013 (or on such other date as agreed between the parties in writing), the Agreement shall automatically terminate with immediate effect and, subject to the refund of the amount received by the Company to the Purchaser as set out in the paragraph headed "2. The Agreement – (D) Consideration" above, no party shall have any claim of any nature whatsoever against the other party under the Agreement (save in respect of its accrued rights arising from any prior breach of the Agreement). In addition, in the event of any material adverse change to the Sale Group during the period between signing of the Agreement and Completion, the Purchaser shall have the right to rescind the Agreement.

(F) Completion

Completion shall take place on the Completion Date. Upon Completion, the Sale Group will cease to be subsidiaries of the Company.

To ensure that the Company has the right to continue using the Relevant Marks which are owned by the Sale Group following Completion, it is a term of the Agreement that the Company and the Licensor (which is a member of the Sale Group) shall enter into a trademark licence agreement prior to Completion under which the Group is granted a non-exclusive and non-transferrable license to use the Relevant Marks as its corporate logo (otherwise than as the owner or operator of edible oils business), in connection with the business operation of its quick service restaurant business and/or (provided that prior written consent shall be obtained from the Licensor which consent shall not be unreasonably withheld) any other business operations for nil consideration after Completion for a period of 10 years with an option to automatically renew the term of the trademark license agreement for another 10 years (the "**Trademark Licensing Arrangement**"). The Trademark Licensing Arrangement will constitute a continuing connected transaction under Chapter 14A of the Listing Rules as the Sale Group will become wholly-owned by the Hung Family. However, since all the applicable percentage ratios for the Trademark Licensing Arrangement are less than 0.1% for the Group, the Trademark Licensing Arrangement is exempt from all the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

Upon Completion, the Company will also grant a tax indemnity in favour of the Purchaser in respect of the tax liabilities accrued to or incurred by the Sale Group prior to the Completion Date.

3. INFORMATION ON THE SALE GROUP

The Sale Group is principally engaged in the Oils Business. Set out below is the financial information of the Sale Group:

(All in HK$ million)	Year Ended/As At December 31, 2011 (unaudited)	Year Ended/As At December 31, 2012 (unaudited)
Revenue	805.6	907.1
Net profit before tax *(Note 1)*	21.9	2.9
Net profit/(loss) after tax *(Note 2)*	15.2	(0.4)
Total net assets *(Note 3)*	475.4	473.0

Notes:

1. The net profit before tax as shown in the segmental breakdown of the edible oils business for the years ended December 31, 2011 and 2012 in the 2012 annual results announcement of the Company (the "**Segmental Results**") were HK$24.8 million and HK$6.3 million, respectively. The reasons for the difference between the figures in the table above and the figures of the net profit before tax in the Segmental Results are primarily: (i) elimination of the management fees (year 2012: HK$4.0 million; and year 2011: HK$3.0 million) charged by the Company to the Sale Group from the Segmental Results; and (ii) inclusion of certain general and administrative expenses (year 2012: HK$0.6 million; and year 2011: HK$0.1 million) of the Company in the Segmental Results.

2. The net profit after tax as shown in the Segmental Results for the years ended December 31, 2011 and 2012 were HK$18.2 million and HK$3.9 million, respectively. The reasons for the difference between the figures in the table above and the figures of the net profit after tax in the Segmental Results are primarily: (i) elimination of the management fees (year 2012: HK$4.0 million; and year 2011: HK$3.0 million) charged by the Company to the Sale Group from the Segmental Results; (ii) inclusion of certain general and administrative expenses (year 2012: HK$0.6 million; and year 2011: HK$0.1 million) and tax credit (year 2012: HK$0.9 million; and year 2011: HK$0.1 million) of the Company from the Segmental Results and (iii) the tax effect.

3. The total net assets as shown in the segmental breakdown of the edible oils business as at December 31, 2011 and 2012 in the 2012 annual results announcement of the Company were HK$498.9 million and HK$476.4 million, respectively. The reason for the difference between the figures mentioned in the above table and the figures for the total net assets as at December 31, 2011 and 2012 in the 2012 annual results announcement of the Company is due to the inclusion of the assets and liabilities (exclusive of intercompanies balance) of the Company in relation to the edible oils business in the segmental breakdown in the 2012 annual results announcement.

4. REASONS FOR AND BENEFITS OF THE PROPOSED DISPOSAL

The Group is primarily engaged in two lines of business, being (a) the operation of the Yoshinoya (吉野家) and Dairy Queen (冰雪皇后) quick service restaurants, primarily selling rice bowl and ice-cream, respectively, in certain franchise regions in the PRC which include Beijing municipality, Tianjin municipality and the Inner Mongolia Autonomous Region (excluding airports, railway stations or highway service areas), the provinces of Hebei, Liaoning, Heilongjiang and Jilin (the "**QSR Business**"); and (b) the Oils Business operated by the Sale Group.

The performance of the Oils Business has been unsatisfactory primarily due to the severe market competition and continuing rising costs of production. In particular, the operation of the Oils Business in the PRC has continuously been operating at a loss. For the years ended December 31, 2010, 2011 and 2012, the unaudited net profits/(loss) of the Group generated from the Sale Group were HK$9.0 million, HK$15.2 million and HK$(0.4) million, respectively. On the other hand, the QSR Business which the Group acquired in March 2012 as part of the management's effort to enhance the overall performance of the Group to create value for its Shareholders, contributed an unaudited net profit (before unallocated head office expenses) of HK$153.3 million to the Group for the year ended December 31, 2012. The QSR Business has also generated substantial cash flow for the Group.

After completion of the acquisition of the QSR Business in March 2012, the Company has repeatedly received enquiries from various Shareholders, potential investors as well as research analysts regarding the desirability of continuing the Oils Business given its unsatisfactory performance. The Company's management has subsequently brought the matter to the attention of the Board, which carried out an evaluation of the strategic alternatives available to the Group relating to the Oils Business together with its financial and legal advisers. Based on the evaluation and considering the strategic benefits of the Proposed Disposal to the Group, the Board has decided to proceed with a potential sale of the Oils Business to potential buyer(s). After exploring interests with a few potential buyers (including selected strategic and financial investors as well as the Hung Family), all the potential buyers other than the Hung Family indicated that they would not proceed with acquiring the Oils Business. On the other hand, the Hung Family submitted an acquisition proposal in respect of the Oils Business to the Board. Having considered the strategic benefits which will be brought to the Group by the Proposed Disposal as set out below and the terms offered by the Hung Family for acquisition the Oils Business, the Board decided to pursue the Proposed Disposal with the Hung Family as the purchaser of the Oils Business.

The Directors believe the Proposed Disposal will bring the following strategic benefits to the Group:

(i) divest the underperforming Oils Business amidst the continually challenging operating environment

The performance of the Oils Business has been unsatisfactory primarily due to severe market competition and continuing rising costs of production. In particular, the Oils Business's results have been affected by the continuing loss incurred by the Oils Business in the PRC. For the years ended December 31, 2010, 2011 and 2012, the unaudited net profits/(loss) of the Group generated from the Sale Group were HK$9 million, HK$15.2 million and HK$(0.4) million, respectively. Without taking into account the profits generated from the one-off items of HK$nil, HK$19.4 million (which were primarily attributable to disposal of certain assets) and HK$5.3 million (which were primarily attributable to disposal of certain assets and recovery of deposits written off in prior years) for the years ended December 31, 2010, 2011 and 2012, respectively, the Sale Group had generated gain/(losses) of HK9 million, HK$(4.2) million and HK$(5.7) million in the respective period. The future performance and prospects of the Oils Business is expected to continually be challenging. Given the challenging outlook of the Oils Business, the Directors believe that it is beneficial for the Company to divest the underperforming Oils Business from the Group.

(ii) allow the Company to focus its resources on the fast-growing QSR Business

The QSR Business which the Group acquired in March 2012 contributed an unaudited net profit (before unallocated head office expenses) of HK$153.3 million to the Group for the year ended December 31, 2012. The QSR Business has also generated substantial cash flow for the Group. Comparing such return from and performance of the QSR Business against the unaudited net loss of approximately HK$0.4 million generated from the Sale Group for the year ended December 31, 2012, the Directors believe that it is more efficient in terms of cost and resources allocation by focusing on the operation and management of the better performing QSR Business. The Board also believes that development of the QSR Business will be further driven by the favourable fundamental general industry growth and hence, it is strategically more advantageous for the Company to focus its resources on the QSR Business with greater growth potential.

(iii) enhance the Company's growth, operating profitability and returns

During the year ended December 31, 2012, the Group's revenue grew at 17.5% on a year-on-year basis, and the Group generated a net margin of 5.0% and return on equity of 20.2%. During the same period, the Sale Group's revenue grew at 12.6% on a year-on-year basis, and the Sale Group generated a net margin of negative 0.04% and a return on equity of negative 0.08%. As mentioned in sub-paragraph (i) above, due to severe market competition and continuing rising costs of production, the future performance and prospects of the Oils Business is expected to continually be challenging. This may, in turn, continue to drag down the overall performance of the Group. The Directors believe that the Proposed Disposal would improve the Group's growth and operating profitability and returns on capital deployed to create better values for and returns to the Shareholders.

(iv) improve the Company's capital structure and reduce its gearing

Due to the relatively asset-heavy nature of the Oils Business, the Sale Group's operation has been financed partly by bank borrowings with a gearing ratio (bank borrowings/total assets) of 15.4% as at December 31, 2012. On the other hand, the QSR Business is asset-light and generate significant cashflow with a lower gearing ratio (bank borrowings/total assets) of 3.9% as at December 31, 2012. By disposing the Oils Business from the Group, with the other circumstances unchanged, the overall level of borrowings by the Group is expected to be reduced and the gearing ratios of the Group is expected to be improved.

Having reviewed and considered the respective performance and prospects of the Oils Business and the QSR Business, as well as the reasons for and benefits of the Proposed Disposal, the Directors believe that it is in the interests of the Company and the Shareholders as a whole to re-allocate and focus the Group's management and financial resources to continue to strengthen the QSR Business which demonstrates significant growth potential and generates higher investment returns to the Group and hence has the potential of delivering enhanced value to the Shareholders. The Company has, in the past, and will continue to explore other suitable investment opportunities, including the opportunities to introduce other franchised business to the Group and to develop new house-brands. Furthermore, the Company has from time to time been given opportunities to explore potential franchised businesses by potential sellers. The Company has evaluated and will continue to evaluate these opportunities with a view to enhancing the business performance and expanding the QSR Business of the Group in order to maximize Shareholders' value.

In light of the above strategic benefits that the Proposed Disposal may bring to the Group, the fact that all potential buyers approached (other than the Hung Family) are not interested in acquiring the Oils Business and also having considered the terms offered by the Hung Family, the Directors (including the independent non-executive Directors after considering the advice from Platinum Securities) are of the view that the terms of the Proposed Disposal are fair and reasonable and in the interests of the Shareholders and the Group as a whole. Each of Mr. Hung Hak Hip, Peter and Mr. Hung Ming Kei, Marvin (being part of the Hung Family) and Mr. Lee Pak Wing (being a director of the Purchaser) has abstained from voting at the Board meeting approving the Proposed Disposal and the transactions contemplated under the Agreement. Save as disclosed above, none of the Directors has any material interest in the Proposed Disposal.

5. FINANCIAL EFFECT OF THE PROPOSED DISPOSAL ON THE GROUP AND USE OF PROCEEDS AND PROPOSED SPECIAL DIVIDEND

Based on the consideration of the Proposed Disposal of HK$400 million (without taking into account the post-Completion adjustments) and the deduction therefrom (i) the net asset value of the Sale Group as at December 31, 2012 of approximately HK$473 million; and (ii) the expenses directly attributable to the Proposed Disposal of approximately HK$3 million, and the release of credit exchange fluctuation reserves of approximately HK$30 million relating to the Sale Group upon Completion, the net loss on the Proposed Disposal is estimated to be approximately HK$46 million. After the Completion, the assets and liabilities of the Sale Group will no longer be consolidated into the financial statements of the Group. Accordingly, the total net assets of the Group will decrease by approximately HK$46 million after the Completion. The exact financial effects of the Proposed Disposal are subject to the final Consideration after the post-Completion adjustments and the net asset value of the Sale Group as at the Completion Date.

According to the audited accounts of the Company for the year ended December 31, 2012, the net profit of the Company after taxation was approximately HK$144 million. Based on the unaudited financial information of the Sale Group for the year ended December 31, 2012, the net loss of the Sale Group after taxation was approximately HK$0.4 million. On this basis, with the other circumstances unchanged, it is expected that the earnings of the Group will be improved after the Proposed Disposal.

The Company intends to apply the net proceeds from the Proposed Disposal partly for working capital purposes (including but not limited to repayment of debts) and partly for the distribution of the Proposed Special Dividend. The Board proposes that, subject to approval by the Shareholders at the EGM and Completion, the Proposed Special Dividend of HK$0.028 per Share be distributed to the Qualifying Shareholders. Based on 9,926,036,976 Shares in issue as at the Latest Practicable Date, the Proposed Special Dividend will amount to approximately HK$280 million. The Proposed Special Dividend will be paid in cash out of the Company's distributable reserves and contributed by the net proceeds from the Proposed Disposal to Qualifying Shareholders. An ordinary resolution will be put forward at the EGM for approving the Proposed Special Dividend.

According to the audited accounts of the Company for the year ended December 31, 2012, the Company has distributable reserves of approximately HK$4,358.4 million (without taking into account the proposed payment of a final dividend of HK0.25 cent per Share totalling approximately HK$24.8 million, based on the number of Shares in issue as at the Latest Practicable Date, which is subject to the Shareholder's approval at the forthcoming annual general meeting of the Company).

In order to qualify for the Proposed Special Dividend, the names of the Qualifying Shareholders must appear on the register of members of the Company at the close of business on the Record Date. The register of members of the Company will be closed for the purpose of determining the entitlements of the Qualifying Shareholders to the Proposed Special Dividend from June 12, 2013 to June 17, 2013 (both days inclusive), during which period no transfer of Shares will be effected. In order to qualify for the Proposed Special Dividend, all transfers of Shares, accompanied by the relevant Share certificates, must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on June 11, 2013.

The cheques in respect of the Proposed Special Dividend are expected to be despatched by the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, to the registered addresses of the Qualifying Shareholders (including the overseas Shareholders) by ordinary mail at their own risk on or before June 28, 2013.

No assurance is given by the Board that the Completion will take place on or before June 30, 2013 or at all. Shareholders will be informed of any changes to the expected timetable by announcement(s).

6. LISTING RULES IMPLICATIONS

As some of the percentage ratios for the Proposed Disposal calculated in accordance with Rule 14.07 of the Listing Rules are more than 25% but less than 75%, the Proposed Disposal constitutes a major disposal under Chapter 14 of the Listing Rules. In addition, the Proposed Disposal constitutes a connected transaction under Chapter 14A of the Listing Rules as the Purchaser is a company wholly-owned by the Hung Family, a substantial shareholder who, together with its associates, is interested in approximately 75% of the issued share capital of the Company as at the Latest Practicable Date. Accordingly, the Proposed Disposal is subject to the requirements for reporting, announcement and approval by the Independent Shareholders at the EGM by way of poll under the Listing Rules.

The Trademark Licensing Arrangement will constitute a continuing connected transaction under Chapter 14A of the Listing Rules as the Sale Group will become wholly-owned by the Hung Family which is a substantial shareholder who, together with its associates, is interested in approximately 75% of the issued share capital of the Company as at the Latest Practicable Date. However, since all the applicable percentage ratios for the Trademark Licensing Arrangement are less than 0.1% for the Group, the Trademark Licensing Arrangement is exempt from all the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

The Hung Family and Mr. Lee Pak Wing (being a director of the Purchaser) and their respective associates will abstain from voting on the resolution approving the Proposed Disposal and the transactions contemplated under the Agreement.

7. EXTRAORDINARY GENERAL MEETING

The EGM will be convened and held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Thursday, June, 6 2013 at 11:00 a.m. (or as soon thereafter as the annual general meeting convened for the same day and place shall have concluded or adjourned) for the Independent Shareholders (in respect of (1) below) and the Shareholders (in respect of (2) below) to consider and, and if thought fit, approve:

(1) the Proposed Disposal and the transactions contemplated under the Agreement; and

(2) the Proposed Special Dividend.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder apart from the Hung Family and Mr. Lee Pak Wing (being a director of the Purchaser) and their respective associates are required to abstain from voting on the resolution approving the Proposed Disposal and the transactions contemplated under the Agreement.

The votes to be taken at the EGM in relation to the above proposed resolutions will be taken by poll.

Merrill Lynch (Asia Pacific) Limited has been appointed as the financial adviser to the Company in connection with the Proposed Disposal and the transactions contemplated under the Agreement.

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in relation to the Proposed Disposal and the transactions contemplated under the Agreement. Platinum Securities has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A notice convening the EGM is set out on pages EGM-1 to EGM-2 of this circular. A proxy form for use at the EGM is enclosed.

8. RECOMMENDATIONS

Based on the relevant information disclosed herein, the Directors (including the independent non-executive Directors after considering the advice from Platinum Securities) believe that the terms of the Agreement are fair and reasonable and the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM in relation to the Proposed Disposal and the transactions contemplated under the Agreement.

Your attention is drawn to the letter from the Independent Board Committee which is set out on page 18 of this circular. The Independent Board Committee, having taken into account the advice of Platinum Securities, considers that the terms of the Proposed Disposal and the transactions contemplated under the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the relevant resolution in respect of the Proposed Disposal to be proposed at the EGM.

9. OTHER INFORMATION

Your attention is also drawn to the additional information set out in the Appendices to this circular, and in particular the valuation report of the property interests held by the Sale Group as set out in Appendix II to this circular.

Yours faithfully,
On behalf of the Board
Hop Hing Group Holdings Limited
Hung Hak Hip, Peter
Chairman

HOP HING GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 47)

(Warrant Code: 134)

May 20, 2013

To the Independent Shareholders

Dear Sir or Madam,

MAJOR DISPOSAL AND CONNECTED TRANSACTION

We refer to the circular dated May 20, 2013 of the Company (the "**Circular**") of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders in respect of the Proposed Disposal and the transactions contemplated under the Agreement, details of which are set out in the "Letter from the Board" in the Circular to the Shareholders.

Having taken into account the advice of the Independent Financial Adviser, we consider that the terms of the Proposed Disposal and the transactions contemplated under the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to approve the Proposed Disposal and the transactions contemplated under the Agreement as set out in the notice of the EGM to be held on June 6, 2013.

Yours faithfully,
Independent Board Committee

Wong Yu Hong, Philip **Sze Tsai To, Robert** **Cheung Wing Yui, Edward**
Seto Gin Chung, John **Shek Lai Him, Abraham** **Siu Wai Keung**

The following is the text of the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders for the purpose of incorporation into this circular.

PLATINUM Securities Company Limited

21/F LHT Tower
31 Queen's Road Central
Hong Kong
Telephone (852) 2841 7000
Facsimile (852) 2522 2700
Website www.platinum-asia.com

May 20, 2013

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

MAJOR DISPOSAL AND CONNECTED TRANSACTION

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Proposed Disposal and the transactions contemplated under the Agreement. Details of the Proposed Disposal are contained in the circular of the Company dated May 20, 2013 (the "Circular"). Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

In our capacity as the Independent Financial Adviser, our role is to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Proposed Disposal and the transactions contemplated under the Agreement are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole; and to give independent advice to the Independent Board Committee and the Independent Shareholders.

In formulating our opinion, we have relied on the information and facts supplied to us by the Directors and/or management of the Company. We have reviewed, among other things: (I) the Agreement; (II) the announcements of the Company dated April 25, 2013; (III) the unaudited financial information of the Sale Group for the three years ended 31 December 2012 ("FY2010", "FY2011" and "FY2012"); (IV) the unaudited financial information of the QSR Business for FY2010 to FY2012; and (V) the annual report of the Company for the year ended 31 December 2012 (the "2012 Annual Report").

We have assumed that all information, facts, opinions and representations contained in the Circular are true, complete and accurate in all material respects and we have relied on the same. The Directors have confirmed that they take full responsibility for the contents of the Circular and have made all reasonable inquiries that no material facts have been omitted from the information supplied to us.

We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy or completeness of the information of all facts as set out in the Circular and of the information and representations provided to us by the Directors and/or management of the Company. Furthermore, we have no reason to suspect the reasonableness of the opinions and representations expressed by the Directors and/or management of the Company which have been provided to us. In line with normal practice, we have not, however, conducted a verification process of the information supplied to us, nor have we conducted any independent in-depth investigation into the business and affairs of the Company. We consider that we have reviewed sufficient information to enable us to reach an informed view and to provide a reasonable basis for our opinion regarding the Proposed Disposal.

We are independent from, and are not associated with the Company or any other party to the Proposed Disposal, or their respective substantial shareholder(s) or connected person(s), as defined under the Listing Rules and accordingly, are considered eligible to give independent advice on the Proposed Disposal. We will receive a fee from the Company for our role as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Proposed Disposal. Apart from this normal professional fee payable to us in connection with this appointment, no arrangements exist whereby we will receive any fees or benefits from the Company or any other party to the Disposal or their respective substantial shareholder(s) or connected person(s), as defined under the Listing Rules.

The Independent Board Committee, comprising 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, has been established to advise the Independent Shareholders as to whether the terms of the Proposed Disposal and the transactions contemplated under the Agreement are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating and giving our independent financial advice to the Independent Board Committee and the Independent Shareholders, we have taken into account the following principal factors:

1. Background of the Proposed Disposal

On April 25, 2013, the Company and the Purchaser entered into the Agreement pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares, representing the entire issued share capital of the Sale Entity, at a cash consideration of HK$400 million (subject to adjustment).

The Sale Entity is an investment holding company of a group of companies that are principally engaging in the operation of the Oils Business. Upon Completion, the Sale Group will cease to be subsidiaries of the Company.

2. Information on the Sale Group

As stated in the letter from the Board in the Circular, the Sale Group is principally engaged in the Oils Business.

3. Reasons for and benefits of the Proposed Disposal

We note that the reasons for and benefits of the Proposed Disposal, as explained by the management of the Company, inter alia, are as follows:–

(i) Divest the underperforming Oils Business amidst continually challenging operating environment

As stated in the letter from the Board in the Circular, the performance of the Oils Business has been unsatisfactory primarily due to severe market competition and continuing rising costs of production. In particular, the Oils Business's results have been affected by the continuing loss incurred by the Oils Business in the PRC.

Set out in Table 1 below are the unaudited financial results of the Oils Business for FY2010 to FY2012, as provided by the Company for the purpose of this Circular.

Table 1: Financial analysis of the Oils Business

(expressed in HK$'000)	**For the year ended December 31, 2010** (unaudited)	**For the year ended December 31, 2011** (unaudited)	**For the year ended December 31, 2012** (unaudited)
Turnover	769,147	805,565	907,065
Gross profit	210,870	213,446	216,390
Profit from operating activities	21,033	32,150	12,604
Profit/(loss) for the year before unallocated head office expenses	9,001	15,219	(363)
Turnover CAGR (2010-2012)	–	–	*8.60%*
Gross margin	*27.42%*	*26.50%*	*23.86%*
Operating margin	*2.73%*	*3.99%*	*1.39%*
Net margin	*1.17%*	*1.89%*	*(0.04)%*

Source: Financial information of the Oils Business provided by the Company

As illustrated in Table 1 above, the turnover of the Oils Business increased steadily at a CAGR of approximately 8.60% from FY2010 to FY2012. Nevertheless, its gross margin and operating margin of approximately 23.86% and 1.39% respectively in FY2012, were lower than that of FY2010. In addition, the Oils Business recorded a negative net margin of approximately 0.04% in FY2012.

As discussed with the management of the Company, we note that the crude edible oil which mainly includes Groundnuts oil, corn oil and soybean oil accounted for approximately 80% to 85% of the total costs of production. According to the market data from OIL WORLD, the asking prices of Groundnuts oil, corn oil and soybean oil started to increase since September 2010 and continued to maintain on an increasing momentum throughout 2011, 2012 and the first four months of 2013.

Given that i) the historical performance of the Oils Business has been unsatisfactory; and ii) the future performance and prospects of the Oils Business are expected to continually be challenging as a result of severe market competition and continuing rising costs of production, we concur with the management of the Company that the Proposed Disposal will divest the underperforming Oils Business amidst continually challenging operating environment.

(ii) allow the Company to focus its resources on the fast growing QSR Business

As stated in the letter from the Board in the Circular, the QSR Business, which the Group acquired in March 2012, primarily sells rice bowl and ice-cream under the brand of the Yoshinoya (吉野家) and Dairy Queen (冰雪皇后) respectively, in certain franchise regions in the PRC which include Beijing municipality, Tianjin municipality and the Inner Mongolia Autonomous Region (excluding airports, railway stations or highway service areas), the provinces of Hebei, Liaoning, Heilongjiang and Jilin.

Set out in Table 2 below are the unaudited financial results of the QSR Business for FY2010 to FY2012, as provided by the Company for the purpose of this Circular.

Table 2: Financial analysis of the QSR Business

(expressed in HK$'000)	**For the year ended December 31, 2010** (unaudited)	**For the year ended December 31, 2011** (unaudited)	**For the year ended December 31, 2012** (unaudited)
Turnover	1,234,212	1,644,742	1,971,321
Gross profit	763,601	992,126	1,186,779
Profit from operating activities	175,932	209,790	213,081
Profit for the year before unallocated head office expenses	120,438	151,989	153,304
Turnover CAGR (2010-2012)	–	–	*26.38%*

Source: Financial information of the QSR Business provided by the Company

As illustrated in Table 2 above, the turnover of the QSR Business increased rapidly at a CAGR of approximately 26.38% from FY2010 to FY2012. Its gross profit, operating profit and net profit before unallocated head office expenses were all on an increasing trend from approximately HK$763.6 million, HK$175.9 million and HK$120.4 million to approximately HK$1,186.8 million, HK$213.1 million and HK$153.3 million, respectively for the same period.

Given the strong performance of the QSR Business, we concur with the management of the Company that the Proposed Disposal will allow the Company to focus its resources on the fast growing QSR Business.

(iii) enhance the Company's growth, operating profitability and returns

As stated in the letter from the Board in the Circular, the Group is primarily engaged in two lines of business, being the QSR Business and the Oils Business. The acquisition of the QSR Business in March 2012 was part of the management's effort to enhance the overall performance of the Group to create value for its Shareholders.

Set out in Table 3 below is a combination of the unaudited financial results of the Oils Business and the QSR Business on a standalone basis which excludes i) intra-segment elimination; and ii) profit and loss account of the Company for the purpose of this Circular.

Table 3: Comparison analysis of the Oils Business and the QSR Business

FY2012 *(expressed in HK$'000)*	**QSR Business** (unaudited)	**Oils Business** (unaudited)	**Total** (unaudited)
Turnover	1,971,321	907,065	2,878,386
Profit/(loss) for the year before unallocated head office expenses	153,304	(363)	152,941
Total assets	665,235	800,224	1,465,459
Total equity	238,642	473,016	711,658
Turnover CAGR (2010-2012)	*26.38%*	*8.60%*	*19.87%*
Net margin	*7.78%*	*(0.04)%*	*5.31%*
Return on Assets (ROA)	*23.05%*	*(0.05)%*	*10.44%*
Return on Equity (ROE)	*64.24%*	*(0.08)%*	*21.49%*

Source: Financial information of the Oils Business and the QSR Business provided by the Company

As illustrated in Table 3 above, the turnover growth of the QSR Business of approximately 26.38% was higher than that of the Existing Group (i.e. QSR and Oils Business) of approximately 19.87% from FY2010 to FY2012 due to the fact that the Oils Business was only able to achieve a single digit growth during the same period. The respective net margin, ROA and ROE of the QSR Business of approximately 7.78%, 23.05% and 64.24%, were all higher than those of the Existing Group of approximately 5.31%, 10.44% and 21.49%, respectively in FY2012 due to the fact that the Oils Business was loss making.

Given that the inclusion of the unsatisfactory performance of the Oils Business understates the current performance of the Group, we concur with the management of the Company that the Proposed Disposal will enhance the Company's growth, operating profitability and returns.

(iv) improve the Company's capital structure and reduce its gearing

As mentioned below in the section headed "Financial impacts of the Proposed Disposal", as at December 31, 2012, the Oils Business which is relatively asset-heavy in nature had a total bank borrowings of approximately HK$123.0 million with a gearing ratio (total bank borrowings/ total assets) of approximately 15.37% whereas the QSR Business which is asset-light in nature had a total bank borrowings of approximately HK$26.3 million with a gearing ratio (total bank borrowings/total assets) of approximately 3.94%, respectively. Upon Completion of the Proposed Disposal, with the other circumstances unchanged, the overall level of borrowings by the Group is expected to be reduced and the gearing ratio (total bank borrowings/total assets) of the Group is expected to be improved because the Oils Business will no longer be part of the Group.

As such, we concur with the management of the Company that the Proposed Disposal will improve the Company's capital structure and reduce its gearing.

In light of the above, we are of the view that the reasons for and benefits of the Proposed Disposal are in the interests of the Company and the Shareholders as a whole.

4. Principal terms of the Proposed Disposal

Set out below are the principal terms of the Agreement:

THE AGREEMENT

(A) Date

April 25, 2013

(B) Parties

(i) Seller: The Company
(ii) Purchaser: Harvest Trinity Limited

The Purchaser is an investment holding company incorporated in the British Virgin Islands and wholly-owned by the Hung Family, a substantial shareholder who, together with its associates, is interested in approximately 75% of the issued share capital of the Company as at the Latest Practicable Date. Under the Listing Rules, the Purchaser is a connected person of the Company.

(C) Assets to be disposed of

The Sale Shares, representing the entire issued share capital of the Sale Entity which is an investment holding company.

(D) Consideration

The Base Consideration payable by the Purchaser to the Company pursuant to the Agreement is HK$400 million, which will be satisfied in cash. The Base Consideration shall be paid in two instalments, as follows:

(a) 10% of the Base Consideration, equivalent to HK$40 million, has been paid upon signing of the Agreement; and

(b) 90% of the Base Consideration, equivalent to HK$360 million, is payable upon Completion.

In the event Completion does not take place on or before June 30, 2013 (or on such other date as agreed between the parties in writing), the amount set out in paragraph (a) above shall be refunded to the Purchaser without interest.

The Base Consideration (including the adjustment mechanism described below) was determined after arm's length negotiations between the parties and taking into account various factors, including (i) the operating and financial performance of the Sale Group, including the fact that it incurred a net loss during 2012; (ii) the prospects of and competition and challenges faced by the Sale Group's business; (iii) the future earnings outlook of the Sale Group's business in light of the continuing increase in raw material and production costs; (iv) the book value of the net assets of approximately HK$473 million of the Sale Group as at December 31, 2012 based on the management accounts of the Sale Group; and (v) the current price to net asset value ratio of comparable companies. The Sale Group's comparable companies listed on the Stock Exchange which have been considered include a listed company with a market capitalization of HK$1.1 billion and with a current price to net asset value ratio of 0.75 times as at the date of the Agreement and another listed company with a market capitalization of HK$21.3 billion and with a current price to net asset value ratio of 0.73 times as at the date of the Agreement.

Pursuant to the Agreement, the Base Consideration may be adjusted as follows:

(i) if the Sale Group records a net loss between the period from January 1, 2013 up to the Completion Date (inclusive of the Completion Date) as shown in the Completion Date P&L Accounts, the Company shall repay to the Purchaser an amount equal to such net loss as a reduction in the Consideration; and

(ii) if the Sale Group records a net profit between the period from January 1, 2013 up to the Completion Date (inclusive of the Completion Date) as shown in the Completion Date P&L Accounts, the Purchaser shall pay to the Company an amount equal to such net profit as an increase in the Consideration;

and any payments pursuant to such adjustments shall be paid within 10 business days after delivery of the final Completion Date P&L Accounts as agreed upon by the parties to the Purchaser.

(E) Conditions precedent

Completion of the Proposed Disposal is subject to the following conditions precedent:

(i) the passing, in accordance with the relevant requirements under the Listing Rules, by the Shareholders (other than those who are required by the Listing Rules to abstain from voting) at the EGM of resolution(s) approving the Proposed Disposal and the transactions contemplated under the Agreement;

(ii) all necessary consents (including the consents from the lending banks to the Sale Group) and approvals (if any) from the relevant governmental or regulatory authorities or other third parties required for the execution and performance of the Agreement by the Company and the Purchaser and the transactions contemplated under the Agreement having been obtained; and

(iii) the respective representations, warranties and undertakings given by the Company and the Purchaser as set out in the Agreement remaining true and accurate and not misleading in all material respects at Completion as if repeated at Completion.

Pursuant to the Agreement, each of the Company and the Purchaser may, in its respective absolute discretion by written notice to the other party, waive condition (iii) above in whole or in part in respect of the representations, warranties and undertakings given by the other party as set out in the Agreement. If all of the conditions precedent under the Agreement is not satisfied or (in respect of condition (iii)) waived by the Company and/or the Purchaser (as the case may be) on or before June 30, 2013, (or on such other date as agreed between the parties in writing), the Agreement shall automatically terminate with immediate effect and, subject to the refund of the amount received by the Company to the Purchaser as set out in the section headed "4. The Agreement – (D) Consideration" above, no party shall have any claim of any nature whatsoever against the other party under the Agreement (save in respect of its accrued rights arising from any prior breach of the Agreement). In addition, in the event of any material adverse change to the Sale Group during the period between signing of the Agreement and Completion, the Purchaser shall have the right to rescind the Agreement.

(F) Completion

Completion shall take place on the Completion Date. Upon Completion, the Sale Group will cease to be subsidiaries of the Company.

To ensure that the Company has the right to continue using the Relevant Marks which are owned by the Sale Group following Completion, it is a term of the Agreement that the Company and the Licensor (which is a member of the Sale Group) shall enter into a trademark license agreement prior to Completion under which the Group is granted a non-exclusive and non-transferrable license to use the Relevant Marks as its corporate logo (otherwise than as the owner or operator of edible oils business), in connection with the business operation of its quick service restaurant business and/or (provided that prior written consent shall be obtained from the Licensor which consent shall not be unreasonably withheld) any other business operations for nil consideration after Completion for a period of 10 years with an option to automatically renew the term of the trademark license agreement for another 10 years (the "**Trademark Licensing Arrangement**"). The Trademark Licensing Arrangement will constitute a continuing connected transaction under Chapter 14A of the Listing Rules as the Sale Group will become wholly-owned by the Hung Family. However, since all the applicable percentage ratios for the Trademark Licensing Arrangement are less than 0.1% for the Group, the Trademark Licensing Arrangement is exempt from all the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

Upon Completion, the Company will also grant a tax indemnity in favour of the Purchaser in respect of the tax liabilities accrued to or incurred by the Sale Group prior to the Completion Date.

5. Basis of determining the Consideration

(i) Base Consideration

As stated in the letter from the Board in the Circular, the Base Consideration (including the adjustment mechanism described below) was determined after arm's length negotiations between the parties and taking into account various factors, including (i) the operating and financial performance of the Sale Group, including the fact that it incurred a net loss during 2012; (ii) the prospects of and competition and challenges faced by the Sale Group's business; (iii) the future earnings outlook of the Sale Group's business in light of the continuing increase in raw material and production costs; (iv) the book value of the net assets of approximately HK$473 million of the Sale Group as at December 31, 2012 based on the management accounts of the Sale Group; and (v) the current price to net asset value ratio of comparable companies. The Sale Group's comparable companies listed on the Stock Exchange which have been considered include a listed company with a market capitalization of HK$1.1 billion and with a current price to net asset value ratio of 0.75 times as at the date of the Agreement and another listed company with a market capitalization of HK$21.3 billion and with a current price to net asset value ratio of 0.73 times as at the date of the Agreement.

(ii) Comparable Companies

Since the Group (including the Oils Business) is a company listed on the Stock Exchange and is engaged in the manufacturing and distribution of the edible oils that covers markets in Hong Kong and PRC, in order to assess the fairness and reasonableness of the Base Consideration, we have attempted to identify comparable companies (the "Comparable Companies") that (i) are currently listed on the Stock Exchange; and (ii) are engaged in the manufacturing and distribution of the edible oils business in Hong Kong and the PRC.

The Comparable Companies have been selected exhaustively based on the above criteria, which have been identified, to the best of our endeavours, in our research through public information.

In our assessment, we have considered price-to-earnings ratio (the "P/E") and price-to-book value (the "P/B"), which are commonly used to assess the financial valuation of a company engaged in edible oils business. Nevertheless, given the Sale Group recorded a net loss in FY2012, we considered the P/E of the Sale Group is not representative and hence, should not be evaluated against the P/E of the Comparable Companies. The P/B analysis on the Comparable Companies is shown in Table 4 below.

Table 4 – Comparable Companies analysis on P/B

Company name	**Ticker**	**P/B ratio** *Times* *(Note 1)*
Lam Soon (Hong Kong) Limited	411 HK	0.75
China Agri-Industries Holdings Limited	606 HK	0.73
Average		**0.74**
The Base Consideration *(Note 2)*		**0.85**

Source: Bloomberg and annual reports of the Comparable Companies

Notes:

1. The P/B of the Comparable Companies is calculated by dividing their respective market capitalisation as at April 25, 2013 (i.e. the date of the Agreement) to their respective net asset value attributable to shareholders of the Company as at December 31, 2012.

2. The P/B of the Base Consideration is calculated by dividing the Base Consideration to the net asset value of the Sale Group of approximately HK$473.0 million as at December 31, 2012 as disclosed in the announcement made by the Company on April 25, 2013.

As illustrated in Table 4 above, the P/B of the Comparable Companies ranged from approximately 0.73 times to approximately 0.75 times (the "P/B" Range), with an average of approximately 0.74 times (the "Average P/B"). We note that the P/B of the Base Consideration is higher than the Average P/B and above the P/B Range.

(iii) Consideration adjustment

As stated in the letter from the Board in the Circular, the Base Consideration may be adjusted as follows:

(a) if the Sale Group records a net loss between the period from January 1, 2013 up to the Completion Date (inclusive of the Completion Date) as indicated in the Completion Date P&L Accounts, the Company shall repay to the Purchaser an amount equal to such net loss as a reduction in the Consideration; and

(b) if the Sale Group records a net profit between the period from January 1, 2013 up to the Completion Date (inclusive of the Completion Date) as indicated in the Completion Date P&L Accounts, the Purchaser shall pay to the Company an amount equal to such net profit as an increase in the Consideration.

Given the consideration adjustment is a dollar-to-dollar adjustment between the period from January 1, 2013 up to the Completion Date (inclusive of the Completion Date), we consider the adjustment mechanism is fair and reasonable.

Given (i) the P/B of the Base Consideration is higher than the Average P/B and above the P/B Range; and (ii) the adjustment mechanism is fair and reasonable, we are of the view that the Consideration is fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

6. Proposed Disposal to the Hung Family

We understand from the management of the Company that the Company, together with its financial adviser, had conducted a sale process in relation to the Proposed Disposal which had also explored interests with a few potential buyers (including selected strategic and financial investors as well as the Hung Family). We note that all the potential buyers other than the Hung Family indicated that they would not proceed with acquiring the Oils Business. In addition, the Hung Family submitted an acquisition proposal in respect of the Oils Business to the Board.

Given that i) the Company had conducted a sale process by approaching a few potential buyers apart from the Hung Family in relation to the Proposed Disposal; and ii) the Company only received an acquisition proposal in respect of the Oils Business from the Hung Family, we are of the view that the Proposed Disposal to the Hung Family is in the interests of the Company and the Shareholders as a whole.

7. Financial impacts of the Proposed Disposal

(i) Effect on the NAV and NAV per share

As stated in the letter from the Board in the Circular, the Base Consideration of approximately HK$400.0 million is lower than the net asset value of the Sale Group of approximately HK$473.0 million as at December 31, 2012.

As such, we consider the Proposed Disposal will have a negative effect on the NAV and NAV per share of the Group.

Although the Base Consideration is at discount to the net asset value of the Sale Group, the P/B of the Base Consideration of approximately 0.85 times is higher than the Average P/B and above the P/B Range, as illustrated in Table 4 above. As such, we consider the Base Consideration is fair and reasonable.

(ii) Effect on the earnings

As disclosed in the 2012 Annual Report, the audited net profit for the year ended 31 December 2012 was approximately HK$144.2 million which was primarily contributed by the QSR Business since the Oils Business was loss making.

As such, we consider the Proposed Disposal will have a positive effect on the earnings of the Group.

(iii) Effect on the cash and working capital

As disclosed in the 2012 Annual Report, the Group had cash and cash equivalents and pledged bank deposits of approximately HK$240.1 million in total. Since the Company intends to apply the net proceeds from the Proposed Disposal partly for working capital purposes. The cash position and working capital of the Company will be strengthened upon completion of the Proposed Disposal.

As such, we consider the Proposed Disposal will have a positive effect on the cash position and the working capital of the Group.

(iv) Effect on the gearing

According to the unaudited financial information of the Oils Business and the QSR Business, As at December 31, 2012, the Oils Business which is relatively asset-heavy in nature had a total bank borrowings of approximately HK$123.0 million with a gearing ratio (total bank borrowings/ total assets) of approximately 15.37% whereas the QSR Business which is asset-light in nature had a total bank borrowings of approximately HK$26.3 million with a gearing ratio (total bank borrowings/total assets) of approximately 3.94% respectively. Upon Completion of the Proposed Disposal, with the other circumstances unchanged, the overall level of borrowings by the Group is expected to be reduced and the gearing ratio of the Group is expected to be improved because the Oils Business will no longer be part of the Group.

As such, we consider the Proposed Disposal will have a positive effect on the gearing of the Group.

In light of:

(a) the negative effect on the NAV and NAV per share of the Group; yet the Base Consideration is fair and reasonable;

(b) the positive effect on the earnings of the Group;

(c) the positive effect on the cash position and the working capital of the Group; and

(d) the positive effect on the gearing of the Group,

we are of the view that the Proposed Disposal, on an overall basis, will have a positive financial effect on the Group and are in the interests of the Company and the Shareholders as a whole.

8. Proposed Special Dividend

As stated in the letter from the Board in the Circular, the Company intends to apply the net proceeds from the Proposed Disposal partly for working capital purposes (including but not limited to repayment of debts) and partly for the distribution of the Proposed Special Dividend. As discussed with the management of the Company, we have gained understanding of the working capital requirement of the

Group after the completion of the Proposed Disposal. We also understand that after performing an analysis on the sufficiency of the working capital requirement by the Company which was reviewed by the auditor, the Company decided to distribute the excess cash of approximately HK$280 million as a return to the shareholders.

Given that i) the Company has reviewed the sufficiency of the working capital requirement after the completion of the Proposed Disposal; and ii) the distribution of excess cash of approximately HK$280 million as a return to the shareholders, we are of the view that the Proposed Special Dividend is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

RECOMMENDATION

We have considered the above principal factors and reasons and, in particular, having taken into account the following in arriving at our opinion:

(a) the reasons and benefits of the Proposed Disposal are in the interests of the Company and the Shareholders as a whole;

(b) the Consideration is fair and reasonable and are in the interests of the Company and the Shareholders as a whole;

(c) the Proposed Disposal to the Hung Family is in the interests of the Company and the Shareholders as a whole;

(d) the Proposed Disposal, on an overall basis, will have a positive financial effect on the Group and are in the interests of the Company and the Shareholders as a whole; and

(e) the Proposed Special Dividend is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Having considered the above, we are of the view that the terms of the Proposed Disposal and the transactions contemplated under the Agreement are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Proposed Disposal and the transactions contemplated under the Agreement.

Yours faithfully,
For and on behalf of
Platinum Securities Company Limited

Lenny Li	**Karen Chan**
Director	*Assistant Director*

1. WORKING CAPITAL

Taking into account the financial resources available to the Group, including the internal resources and available banking facilities, the Directors are of the view that in the absence of unforeseeable circumstances, the Group will, following the completion of the Proposed Disposal and after the distribution of the proposed final dividend for the year ended December 31, 2012 and the Proposed Special Dividend, have sufficient working capital for its present requirement for at least the next twelve months from the date of this circular.

2. INDEBTEDNESS, LIQUIDITY AND FINANCIAL RESOURCES

(a) Borrowings

As at the close of business on March 31, 2013, the Group had outstanding bank loans of approximately HK$146.4 million comprising secured bank loans of approximately HK$26.3 million, unsecured bank loans of approximately HK$120.1 million, all of them are repayable within one year.

As at March 31, 2013, the bank loans of the Group in Hong Kong were approximately HK$120.1 million. The other bank loans of the Group as at the period end were PRC bank loans of approximately HK$26.3 million, which were borrowed by a PRC subsidiary of the Group and secured by time deposits amounting to approximately HK$43.8 million.

The Group also had a total amount of approximately HK$57.3 million payable to related companies in respect of the outstanding dividend payable to a subsidiary's former shareholders and an amount of approximately HK$50.0 million due to a related company as at March 31, 2013.

(b) Mortgages and charges

As at March 31, 2013, certain leasehold land and buildings and plant and machinery of the Group with a net carrying value of approximately HK$12.4 million were pledged to secure general banking facilities granted to the Group.

(c) Contingent liabilities

The Group had contingent liabilities in respect of following as at March 31, 2013:

During the year ended December 31, 2010, the Hong Kong Inland Revenue Department (the "**IRD**") issued protective assessment for the year of assessment 2003/2004 to a jointly-controlled entity of the Group, in respect of which a tax reserve certificate amounted to HK$2.8 million was purchased. During the year ended December 31, 2011, the IRD issued protective assessments for the year of assessment 2004/2005 to the jointly-controlled entity and a subsidiary of the Group, in respect of which tax reserve certificates amounted to HK$4.0 million and HK$1.5 million were purchased, respectively. During the year ended December 31, 2012, the IRD further issued protective assessments for the year of assessment 2005/2006 to certain jointly-controlled entities and certain subsidiaries of the Group, in respect of which tax reserve certificates amounted to HK$6.8 million were purchased by the jointly-controlled entities. During the period ended March 31, 2013, the IRD further issued protective assessments for the year of assessment 2006/2007 to certain jointly-controlled entities and certain subsidiaries of the Group, in respect of which tax reserve certificates amounted to HK$10.5 million were purchased by the jointly-controlled entities. The jointly-controlled entities and the Group have lodged objections with the IRD against these assessments.

In the opinion of the Directors, the Group has grounds to contest the protective tax assessments, thus provision for Hong Kong profits tax in respect of theses assessments at this stage is not considered necessary.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and trade payables arising in the ordinary course of business, as at the close of business on March 31, 2013, the Group did not have any debt securities issued and outstanding or agreed to be issued, borrowings, loans, bank overdrafts or other similar indebtedness, liabilities under acceptances, acceptance credits, hire purchase commitments, mortgages, charges, guarantees or contingent liabilities of a material nature.

3. TRADING AND FINANCIAL PROSPECTS OF THE GROUP AFTER COMPLETION

After the Completion, while the Group will focus the management and its financial resources to strengthen the existing QSR Business which demonstrates significant growth potential and generates higher investment returns to the Group, the Board will continue to explore other suitable investment opportunities in order to enhance the overall business performance and expand the QSR Business of the Group and to maximize Shareholders' value.

In rolling out the Group's strategic store expansion plan for the QSR Business, more weight will be put on street level stores, and stores in second-to-third tier cities which have benefited from urbanisation over the last few years. Further, the Group will continue to focus on increasing the variety of products and offer more menu choices. In addition, the Group will also enhance its in-store dining environment. The Company believes that this will not only strengthen its brand image but also attract more customers to spend more time, and hence increase their consumption, in its stores.

Whilst the cost of production, including raw material and labour costs, continues to increase, the Group will strive to improve operating efficiency by implementing various measures, such as standardization and automation of production processes. With efficient operations and effective cost control measures in place, the impact of the rise in food and labour costs could be managed and minimised.

Alongside the expansion of the existing QSR Business of the Group, the Board will also actively explore potential acquisition targets operating primarily in the food and beverages business with the view to create cost efficiency and synergies, as well as other business operations.

The following is the text of a letter, summary of values and valuation certificate, prepared for the purpose of incorporation in this circular and received from Savills Valuation and Professional Services Limited, an independent property valuer, in connection with their valuations as at March 31, 2013 of the properties held by the Group.

Savills Valuation and
Professional Services Limited
23/F Two Exchange Square
Central, Hong Kong

T : (852) 2801 6100
F : (852) 2530 0756

EA Licence: C-023750
savills.com

The Directors
Hop Hing Group Holdings Limited
Units E and F, 2/F
Hop Hing Building
9 Ping Tong Street East
Tong Yan Sun Tsuen
Yuen Long
New Territories
Hong Kong

May 20, 2013

Dear Sirs,

In accordance with your instructions for us to value various properties held by Hop Hing Group Holdings Limited (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") situated in Hong Kong and the People's Republic of China (the "PRC"), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of values of such properties as at March 31, 2013 ("date of valuation") for circular purpose.

Our valuation of each of the properties is our opinion of its market value which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

In the course of our valuation of the properties in the PRC, we have assumed that transferable land use rights in respect of the properties for specific terms at nominal land use fees have been granted and that any land grant premium payable has been fully paid. We have also assumed that the grantees have enforceable titles to the properties and have free and uninterrupted rights to use, occupy or assign the properties for the whole of the unexpired terms as granted.

In valuing the properties in Hong Kong the Government leases of which had expired before June 30, 1997, we have taken account of the provisions contained in the New Territories Leases (Extension) Ordinance and have assumed that these leases had been extended upon expiry until June 30, 2047 without payment of premia but at revised annual rents equivalent to 3% of the rateable values for the time being of these properties with effect from the date of extension.

The properties in Groups I and II are occupied by the Group for owner-occupation. In undertaking our valuation, except for Property No. 4, we have valued the properties by making reference to comparable market transactions and assuming that vacant possession of the properties would be available upon completion of sale.

In valuing Property No. 4, due to the specific nature for which the buildings and structures were constructed, there are no readily available market comparables and thus the property cannot be valued on the basis of direct comparison. Therefore, we have adopted the Depreciated Replacement Cost ("DRC") Approach to value this property. The DRC approach is recognised as an application of the Cost Approach to derive at the market value of a property. The assessed DRC represents the estimated cost of replacing the property and is based on an estimate of the market value for the existing use of the land plus the current replacement costs of the buildings and structures, from which deductions are made to allow for physical deterioration and all relevant forms of obsolescence and optimization. The DRC is subject to adequate potential profitability of the concerned business. Our valuation applies to the whole of the complex or development as a unique interest and no piecemeal transaction of the complex or development is assessed.

In valuing Property No. 6 in Group III, which is held by the Group for investment in the PRC, we have valued this property by making reference to comparable market transactions as available in the market and have considered the existing rentals generated from this property.

We have been provided with extracts of documents relating to the properties in the PRC and have caused searches to be made at the Land Registry for the properties in Hong Kong. However, we have not inspected the original documents to verify the ownership or to ascertain the existence of any amendments which may not appear on the copies provided to us.

We have relied to a very considerable extent on information given by the Group and its legal adviser, Deheng Law Firm Shenzhen Office, regarding the titles to the properties in the PRC. We have also accepted advice on such matters as planning approvals or statutory notices, easements, tenure, particulars of occupancy, site and floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided by the Group to us and are therefore only approximations. No on-site measurements have been taken. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group, which is material to our valuation. We have also sought confirmation from the Group that no material facts have been omitted from the information supplied.

We have inspected the exterior and wherever possible, the interior of the properties. During the course of our inspections, we did not note any serious defects. However, no structural survey has been made, we are therefore unable to report whether the properties are free from rot, infestation or any other defects. No tests were carried out on any of the services.

For Property Nos. 2 and 3, in the absence of a proper land survey conducted by a qualified land surveyor, we are unable to report on the exact lot boundaries of the properties. In the course of our valuation, we have made reference to the Lot Index Plans obtained from the Lands Department of the Hong Kong SAR Government for the boundaries of the properties.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

The site inspections were carried out on April 10, 2013, April 18, 2013 and May 3, 2013 by the following professional valuers:

Steven J Liao – A China Registered Real Estate Appraiser and China Registered Land Valuer

Marco Y K Zhu – A China Registered Real Estate Appraiser and China Registered Land Valuer

Bosco Cheung – a professional member of The Royal Institution of Chartered Surveyors

In valuing the properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on the Stock Exchange Hong Kong Limited and The HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

Unless otherwise stated, all monetary amounts stated in our valuation are in Hong Kong dollars. The exchange rates adopted in our valuation is HK$1 = RMB0.795, which was the approximate exchange rate prevailing as at the date of valuation.

We enclose herewith our summary of values and valuation certificate.

Yours faithfully,
For and on behalf of
Savills Valuation and Professional Services Limited
Anthony C.K. Lau
MRICS MHKIS RPS(GP)
Director

Note: Mr Anthony C K Lau is a qualified surveyor and has over 20 years' post-qualification experience in the valuation of properties in Hong Kong and the PRC.

SUMMARY OF VALUES

Group I – Properties held and occupied by the Group in Hong Kong

No.	Property	Market value in existing state as at March 31, 2013
1.	Car Parking Space Nos. 7, 8 and 10 on Ground Floor, Hop Hing Industrial Building, 704 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong	HK$3,600,000
2.	The Remaining Portion of Section G of Lot No. 2008 in Demarcation District No. 121 Tong Yan San Tsuen, Yuen Long, New Territories, Hong Kong	HK$10,000,000
3.	The Remaining Portion of Section A of Lot No. 32 in Demarcation District No. 127, Kiu Tau Wai, Ping Shan, Yuen Long, New Territories, Hong Kong	HK$27,000,000
	Sub-total	HK$40,600,000

Group II – Properties held and occupied by the Group in the PRC

No.	Property		Market value in existing state as at March 31, 2013
4.	An industrial complex situated at 18 and 20 Hexing Road, Hengli Town, Nansha, Guangzhou, Guangdong Province, PRC		HK$155,200,000
5.	Unit No. 504, Block 3, Yi'an Garden, Dayuan New Area, Hengli Town, Nansha, Guangzhou, Guangdong Province, PRC		HK$277,000
		Sub-total	HK$155,477,000

Group III – Property held by the Group for investment in the PRC

6.	Unit Nos. 1501, 1502 and 1506 New Century Plaza, 2-6 Hongde Road, Haizhu District, Guangzhou, Guangdong Province, PRC		HK$4,200,000
		Sub-total	HK$4,200,000
		Grand – total:	**HK$200,277,000**

VALUATION CERTIFICATE

Group I – Properties held and occupied by the Group in Hong Kong

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at March 31, 2013
1	Car Park Nos. 7, 8 and 10 on Ground Floor, Hop Hing Industrial Building, 704 Castle Peak Road, Cheung Sha Wan, Kowloon 3/1727th part or share of and in New Kowloon Inland Lot No. 2118	Hop Hing Industrial Building is situated on the north western side of Castle Peak Road at its junction with Kom Tsun Street in Cheung Sha Wan district. The immediate locality is mainly characterized by industrial buildings. The building is a 13-storey industrial building with ancillary car parking spaces completed in 1980. The property comprises 3 covered lorry parking spaces on the Ground Floor of the building for parking and loading/ unloading purposes. New Kowloon Inland Lot No. 2118 is held from the Government under a Government Lease for a term of 75 years commencing on July 1, 1898 renewable for a further term of 24 years less the last three days and was extended upon expiry until June 30, 2047 without premium but at an annual Government rent of 3% of the rateable value for the time being of the lot.	The property is currently vacant.	HK$3,600,000

Notes:

1. The registered owner of the property is Knight Investment Limited, an indirect wholly-owned subsidiary of the Company, via an assignment dated April 29, 2005 vide Memorial No. 05052703201204.

2. The property is subject to, inter alia, the following encumbrances:

   (i) Deed of Mutual Covenant dated April 2, 1981 vide Memorial No. UB2075825;

   (ii) mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited dated April 29, 2005 vide Memorial No. 05052703201315; and

   (iii) rental assignment in favour of The Hongkong and Shanghai Banking Corporation Limited dated April 29, 2005 vide Memorial No. 05052703201328.

3. The property lies within an area zoned "Other Specified Uses (Business 1)" under the Cheung Sha Wan Outline Zoning Plan No. S/K5/34 dated April 19, 2013.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at March 31, 2013
2	The Remaining Portion of Section G of Lot No. 2008 in Demarcation District No. 121, Tong Yan San Tsuen, Yuen Long, New Territories	The property is situated on the northern side of Tong Yan San Tsuen Road near its junction with Sha Tseng Road in Yuen Long district. The immediate locality is rural in nature and characterized by mainly low-rise factories, workshops and storages intermingled with some low-rise residential blocks. The property comprises a site roughly in triangular shape with a registered site area of approximately 1,229.19 sq m (13,231 sq ft). Currently erected on the site are 2 single storey structures with a total covered area of approximately 770.00 sq m (8,288 sq ft) and a number of oil tanks. Lot No. 2008 in Demarcation District No. 121 is held from the Government under New Grant No. 3493 for a term of 99 years commencing on July 1, 1898 less the last three days and was extended upon expiry until June 30, 2047 without premium but at an annual Government rent of 3% of the rateable value for the time being of the lot.	The property is currently occupied by the Group as warehouse and storage of edible oil.	HK$10,000,000

Notes:

1. The registered owner of the property is Knight Investment Limited, an indirect wholly-owned subsidiary of the Company, via an assignment dated April 29, 2005 vide Memorial No. 05052703201242.

2. The property is subject to, inter alia, the following encumbrances:

   (i) mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited dated April 29, 2005 vide Memorial No. 05052703201315; and

   (ii) rental assignment in favour of The Hongkong and Shanghai Banking Corporation Limited dated April 29, 2005 vide Memorial No. 05052703201328.

3. The property is also subject to a short term waiver No. 3416 dated June 30, 2011 granted by District Lands Office, Yuen Long. Salient terms of the said waiver are extracted below:–

Term	:	January 1, 2011 to March 31, 2011 and renewable quarterly
User	:	"…manufacture and storage of edible oil…"
Waiver Fee	:	HK$13,860 per quarter
Permitted structures	:	Total site coverage not exceeding 876.00 sq m (9,429 sq ft) Building height not exceeding 7.00 m (23 ft)

4. The property lies within an area zoned "Industrial (Group D)" under the Tong Yan San Tsuen Outline Zoning Plan No. S/YL-TYST/10 dated February 7, 2006.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at March 31, 2013
3	The Remaining Portion of Section A of Lot No. 32 in Demarcation District No. 127, Kiu Tau Wai, Ping Shan, Yuen Long, New Territories	The property is situated on the western side of a local settlement, namely Kiu Tau Wai, with access roads branching off from Kiu Shing Street and Kiu Hung Road in Yuen Long district. The immediate locality is rural in nature and characterized by mainly low-rise factories, storages and village houses. The property comprises a site roughly in rhombic shape with a registered site area of approximately 5,268.67 sq m (56,712 sq ft). Currently erected on the site are 2 single storey structures with a total covered area of approximately 784.50 sq m (8,444 sq ft). Lot No. 32 in Demarcation District No. 127 is held from the Government under Tai Po New Grant No. 2681 for a term of 75 years commencing on July 1, 1898 renewable for a further term of 24 years less the last three days and was extended upon expiry until June 30, 2047 without premium but at an annual Government rent of 3% of the rateable value for the time being of the lot.	The property is currently occupied by the Group as warehouse and storage of empty drum.	HK$27,000,000

Notes:

1. The registered owner of the property is Knight Investment Limited, an indirect wholly-owned subsidiary of the Company, via an assignment dated April 29, 2005 vide Memorial No. 05052703201223.

2. The property is subject to, inter alia, the following encumbrances:

   (i) mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited dated April 29, 2005 vide Memorial No. 05052703201315; and

   (ii) rental assignment in favour of The Hongkong and Shanghai Banking Corporation Limited dated April 29, 2005 vide Memorial No. 05052703201328.

3. The property is also subject to a short term waiver No. 3409 dated September 16, 2010 granted by District Lands Office, Yuen Long. Salient terms of the said waiver are extracted below:–

Term	:	1 year commencing from January 1, 2010 and thereafter quarterly
User	:	"…production of vegetable oil and liquid detergent and/or general storage (excluding dangerous goods)"
Waiver Fee	:	From January 1, 2010 to March 31, 2010: HK$21,150 per quarter From April 1, 2010 onwards: HK$22,830 per quarter
Permitted structures	:	Total site coverage not exceeding 835.85 sq m (8,997 sq ft) Building height not exceeding 7.50 m (25 ft)

4. The property lies within an area zoned "Industrial (Group D)" and another area zoned "Green Belt" under the Ping Shan Outline Zoning Plan No. S/YL-PS/14 dated May 8, 2012.

Group II – Properties held and occupied by the Group in the PRC

<table>
<tr><th>No.</th><th>Property</th><th>Description and tenure</th><th>Particulars of occupancy</th><th>Market value in existing state as at March 31, 2013</th></tr>
<tr>
<td>4</td>
<td>An industrial complex situated at 18 and 20 Hexing Road, Hengli Town, Nansha, Guangzhou, Guangdong Province, PRC</td>
<td>The property comprises an industrial complex erected on 2 contiguous parcels of land with a total site area of approximately 131,357.77 sq m (1,413,935 sq ft) and an adjoining piece of land with a site area of approximately 73,056.00 sq m (786,375 sq ft).

The property is located at Hexing Road, Hengli Town. It takes about a 10-minute drive to the centre of Hengli Town. Developments in the neighbourhood comprise mainly industrial developments intermingled with some village-type houses.

The industrial complex comprises 9 blocks of buildings (title certificates have been issued), various buildings and structures (title certificates have not yet been issued) and a pier for vessels of 5,000 tons completed in 1997.

The details of the gross floor areas of the property with title certificates are as follows:

<table>
<tr><th>Use</th><th>Approximate gross floor area
(sq m)</th><th>
(sq ft)</th></tr>
<tr><td>Factory</td><td>12,591.50</td><td>135,535</td></tr>
<tr><td>Warehouse and bottling plant</td><td>19,800.00</td><td>213,127</td></tr>
<tr><td>Staff Quarters and Canteen</td><td>9,253.83</td><td>99,608</td></tr>
<tr><td>Total</td><td>41,645.33</td><td>448,270</td></tr>
</table>

The land use rights of the property have been granted for the respective terms of 50 years from June 20, 1995, August 28, 1995, December 18, 1995, August 19, 1996 and August 16, 1999 for industrial use.</td>
<td>The main portion of the property is occupied by Group for production and storage of oil products with the exception for a gross floor area of approximately 50 sq m which is let out to an independent third party for a term due to expire on March 5, 2014 at a rent of RMB800 per month.

Approximately 30 mu of the parcel of land with a site area of 73,056 sq m is let to another independent third party on monthly basis at a rent of RMB20,000 per month. The lease is terminable upon serving a one-month written notice in advance by either the landlord or tenant. The remaining portion of the land is vacant.</td>
<td>HK$155,200,000
(see Note 5)</td>
</tr>
</table>

Notes:

1. Pursuant to the Land Use Rights Certificate – Pan Guo Yong (2000) Zi Nos. 20-000607 & 20-000047, issued by the People's Government of Panyu, the land use rights of a parcel of land comprising a site area of approximately 73,056.00 sq m have been granted to Panyu Hop Hing Oils & Fats Co., Ltd. ("Panyu Hop Hing"), an indirect wholly-owned subsidiary of the Company, for a term of 50 years due to expire on August 15, 2049 for industrial use.

2. Pursuant to the Real Estate Title Certificate – Yue Fang Di Quan Zheng Sui Zi No. 0440002743, issued by Guangzhou Land Resources & Housing Administrative Bureau, the land use rights of a parcel of land comprising a site area of 31,046.48 sq m have been granted to Panyu Hop Hing for a term of 50 years due to expire on August 18, 2046 for industrial use and the building ownership of various buildings with a total gross floor area ("GFA") of approximately 12,591.50 sq m is vested in Panyu Hop Hing.

3. Pursuant to the Real Estate Title Certificate – Yue Fang Di Quan Zheng Sui Zi No. 0440002744, issued by Guangzhou Land Resources & Housing Administrative Bureau, the land use rights of a parcel of land comprising a total site area of 100,311.29 sq m have been granted to Panyu Kwong Hing Packaging Co., Ltd. ("Panyu Kwong Hing"), an indirect wholly-owned subsidiary of the Company, and the building ownership of various buildings with a total GFA of approximately 29,053.83 sq m is vested in Panyu Kwong Hing for three concurrent terms of 50 years due to expire on June 19, 2045, August 27, 2045 and December 17, 2045 respectively for industrial use.

4. We have been provided with a legal opinion issued by the Group's PRC legal adviser, which contains, inter-alia, the following information:

   (i) Panyu Hop Hing and Panyu Kwong Hing legally own the property and are entitled to use, transfer, lease and mortgage the property; and

   (ii) the property was mortgaged to Bank of China Nansha Sub-branch in March 2012. As advised by the Group, they are in the process of applying for the cancellation of the mortgage registration as the loans were all repaid.

5. As advised by the Group, there are various buildings with a total gross floor area of approximately 1,173.93 sq m and various structures erected on the industrial complex, of which relevant title certificates have not been obtained. In the course of our valuation, we have assigned no commercial value to such buildings and structures of the property.

6. We have been provided by the Group with a copy of the "Reply to the issues relating to the 'Three Old Transformation' (三舊改造) for the workshops located at 18 and 20 Hexing Road" dated November 16, 2012 issued by Nansha District Three Old Transformation Office(南沙區三舊改造工作辦公室). According to the said document, the two parcels of land as mentioned in Note 2 and Note 3, and a portion of the parcel of land as mentioned in Note 1 with the total site area of approximately 178,860.87 sq m fall within the "Nansha Three Old Transformation Plan (南沙區三舊改造規劃)". We understand from the Group that the "Nansha Three Old Transformation Plan (南沙區三舊改造規劃)" is still in progress such that the planning details of the affected area such as land usage, plot ratio, building density and the land premium to be payable for the change of land use etc. are not available, therefore the potential impact (if any) of the "Nansha Three Old Transformation Plan (南沙區三舊改造規劃)" to the affected area cannot be reflected in our valuation.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at March 31, 2013
5	Unit No. 504, Block 3, Yi'an Garden, Dayuan New Area, Hengli Town, Nansha, Guangzhou, Guangdong Province, PRC	The property comprises a residential unit on Level 5 of a 7-storey residential building completed in 1995. The property is situated at Hengli Town and is at about 5-minute drive from the centre of Hengli Town. Adjoining developments are predominantly village-type houses and agricultural land intermingled with a few industrial developments. Public facilities such as schools, hospital and daily market can be found in the vicinity. The property has a gross floor area of approximately 108.55 sq m (1,168 sq ft). The land use rights of the property have been granted for a term due to expire on December 9, 2063 for commercial and residential uses.	The property is vacant.	HK$277,000

Notes:

1. Pursuant to the Real Estate Title Certificate – Yue Fang Di Quan Zheng Sui Zi No. 0440006259, the building ownership of the property with a gross floor area of 108.55 sq m is vested in Panyu Kwong Hing, an indirect wholly-owned subsidiary of the Company.

2. We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, inter-alia, the following information:

   (i) Panyu Kwong Hing legally owns the property and is entitled to use, transfer, lease and mortgage the property; and

   (ii) the property is not subject to any mortgages or seizure.

Group III – Property held by the Group for investment in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at March 31, 2013
6	Unit Nos. 1501, 1502 and 1506, New Century Plaza, 2-6 Hongde Road, Haizhu District, Guangzhou, Guangdong Province, PRC	The property comprises 3 office units on Level 15 of a 28-storey commercial building completed in 1994. The property is situated in Haizhu District, southwest to Guangzhou City. Developments in the neighbourhood comprises mainly residential developments intermingled with some commercial developments. Public facilities such as schools, hospital and park can be found in the vicinity. The property has a total gross floor area of approximately 344.01 sq m (3,703 sq ft). The land use rights of the property have been granted for a term of 50 years from April 30, 1994 for office use.	The property is subject to three tenancy agreements with the latest one due to expire on December 31, 2013 at a total monthly rent of RMB16,000.	HK$4,200,000

Notes:

1. Pursuant to the following three Real Estate Title Certificates, the building ownership of the property is vested in Panyu Hop Hing, an indirect wholly-owned subsidiary of the Company, for office use. The details are summarized as follows:

Certificate No.	**Unit No.**	**Commencement Date of Land Use Term**	**Approximate Gross Floor Area** *(sq m)*
Yue Fang Di Quan Zheng Sui Zi No. 0840029962	1501	April 30, 1994	147.76
Yue Fang Di Quan Zheng Sui Zi No. 0840029963	1502	April 30, 1994	96.66
Yue Fang Di Quan Zheng Sui Zi No. 0840029961	1506	April 30, 1994	99.59
			344.01

2. We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, inter-alia, the following information:

   (i) Panyu Hop Hing legally owns the property and is entitled to use, transfer, lease and mortgage the property within the residual terms of its land use rights;

   (ii) the property is not subject to any mortgages or seizure; and

   (iii) the tenancy agreements have been registered and are legally binding on both the landlord and the respective tenants.

3. In undertaking our valuation, we have made reference to the recent property listings of the same development with prices ranging from RMB9,500 – RMB11,000 per sq m.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes the particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' INTEREST IN SECURITIES

As at the Latest Practicable Date, the interests of the Directors and chief executive of the Company in the shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or chief executive had taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**"), to be notified to the Company and the Stock Exchange were as follows:

Interests in Ordinary Shares of the Company

Name of Director	Number of shares held, capacity and nature of interest: Directly and beneficially owed	Through spouse or minor children	Through controlled corporation	Beneficiary of a trust	Total	Percentage of the Company's issued share capital
Hung Hak Hip, Peter	–	1,675,974	4,185,690,991 *Note (i) to (iv)*	–	4,187,366,965	42.186%
Hung Ming Kei, Marvin	104,163	–	–	–	104,163	0.001%
Wong Yu Hong, Philip	2,,454,678	–	–	–	2,454,678	0.025%
Sze Tsai To, Robert	2,454,678	–	–	–	2,454,678	0.025%
Cheung Wing Yui, Edward	3,027,798	–	–	–	3,027,798	0.031%
Seto Gin Chung, John	500,847	–	–	–	500,847	0.005%
Shek Lai Him, Abraham	–	–	–	–	–	–
Siu Wai Keung	7,400,000	–	–	–	7,400,000	0.075%
Lee Pak Wing	2,376,052	–	–	438,457,296 *Note (iii)*	440,833,348	4.441%
Wong Kwok Ying	–	–	–	–	–	–
Lam Fung Ming, Tammy	–	–	–	–	–	–

Notes:

(i) 3,412,399,373 shares were beneficially owned by a discretionary trust whose discretionary beneficiaries included Mr. Hung Hak Hip, Peter and his spouse. Both of them are beneficial owners of the trustee of the discretionary trust.

(ii) 327,034,536 shares were beneficially owned by two family discretionary trusts whose discretionary beneficiaries included Mr. Hung Hak Hip, Peter. He is the sole beneficial owner of the trustee of the family discretionary trusts.

(iii) 438,457,296 shares were beneficially owned by a discretionary trust whose discretionary beneficiaries included Mr Hung Hak Hip, Peter and Mr. Lee Pak Wing. Mr. Hung is the sole beneficial owner of the trustee of the discretionary trust.

(iv) 7,799,786 shares held by Mr. Hung Hak Hip, Peter through a controlled corporation.

Interests in Warrants of the Company

Name of Director	Number of warrants held, capacity and nature of interest: Directly and beneficially owned	Through spouse or minor children	Through controlled corporation	Beneficiary of a trust	Total
Hung Hak Hip, Peter	–	335,194	66,966,862	–	67,302,056
Hung Ming Kei, Marvin	20,832	–	–	–	20,832
Wong Yu Hong, Philip	–	–	–	–	–
Sze Tsai To, Robert	–	–	–	–	–
Cheung Wing Yui, Edward	–	–	–	–	–
Seto Gin Chung, John	–	–	–	–	–
Shek Lai Him, Abraham	–	–	–	–	–
Siu Wai Keung	–	–	–	–	–
Lee Pak Wing	475,210	–	–	–	475,210
Wong Kwok Ying	–	–	–	–	–
Lam Fung Ming, Tammy	–	–	–	–	–

Save as disclosed above and the share options granted to the Directors as disclosed under the paragraph headed "3. Share Option Scheme" in this Appendix, as at the Latest Practicable Date, none of the Directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

3. SHARE OPTION SCHEME

The following share options were granted under the share option scheme adopted by ordinary resolution of the sole shareholder passed on March 12, 2008 with effective date of April 25, 2008, details of which are set out below:

Name or category of participant	Date of grant *(Note 2)*	Exercise period	Share options granted	Exercise price *(Note 3)* HK$ per share	Share price at date of grant *(Note 4)* HK$ per share	No. of share options outstanding as at the Latest Practicable Date
Directors						
Hung Hak Hip, Peter	April 27, 2009	April 27, 2010 to April 26, 2019	4,928,000	0.35	0.35	4,928,000
Wong Yu Hong, Philip	April 27, 2009	April 27, 2010 to April 26, 2019	2,464,000	0.35	0.35	2,464,000
Sze Tsai To, Robert	April 27, 2009	April 27, 2010 to April 26, 2019	2,464,000	0.35	0.35	2,464,000
Cheung Wing Yui, Edward	April 27, 2009	April 27, 2010 to April 26, 2019	2,464,000	0.35	0.35	2,464,000
Seto Gin Chung, John	April 27, 2009	April 27, 2010 to April 26, 2019	2,464,000	0.35	0.35	2,464,000
Shek Lai Him, Abraham	April 27, 2009	April 27, 2010 to April 26, 2019	2,464,000	0.35	0.35	2,464,000
Lee Pak Wing	April 27, 2009	April 27, 2010 to April 26, 2019	2,464,000	0.35	0.35	2,464,000
Wong Kwok Ying	April 27, 2009	Commencement subject to *(Note 1)* below and up to April 26, 2019	4,928,000	0.35	0.35	4,928,000
Lam Fung Ming, Tammy	April 27, 2009	Commencement subject to *(Note 1)* below and up to April 26, 2019	2,464,000	0.35	0.35	2,464,000
Sub-total	–	–	**27,104,000**	–	–	**27,104,000**
Employees	April 27, 2009	Commencement subject to *(Note 1)* below and up to April 26, 2019	4,500,000	0.35	0.35	2,500,000
Total	–	–	**31,604,000**	–	–	**29,604,000**

Note:

(1) Subject to certain performance targets being met by the participants, the participants may, at any time as may be prescribed by the Board at its discretion, be notified (the "**Date of Notification**") of the vesting of the share options and the number of shares comprised in vested share options. Thereafter, the participants shall have the right to exercise the vested share options within the exercise period from the respective Date of Notification and up to April 26, 2019 in accordance with the terms of their grant.

(2) Subject to note (1) above, the share options are subject to vesting periods which run from the date of grant to the commencement of the exercise period.

(3) The exercise price of the share options is subject to adjustments.

(4) The price of the Company's shares disclosed is the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the day specified.

4. DIRECTORS' SERVICE CONTRACTS

None of the directors was a party to any service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, to the best knowledge of the Directors, none of the Directors or their respective associates (within the meaning defined in the Listing Rules) had any interest in any business which might compete with the business of the Group.

6. INTERESTS IN ASSETS AND CONTRACTS OF THE GROUP

As at the Latest Practicable Date, other than the contracts and arrangement disclosed below and the Proposed Disposal disclosed in the "Letter from the Board" in this circular, none of the Directors is materially interested in any contract or arrangement subsisting at the date of this circular which is significant in relation to the business of the Group:

(a) Tenancy Agreements

On September 28, 2012, Hop Hing Oil Factory Limited ("**HHOF**"), an indirect wholly-owned subsidiary of the Company, as the tenant, entered into two tenancy agreements (the "**Tenancy Agreements**") with Wytak Limited ("**Wytak**"), as the landlord, to extend the terms for the renting of certain premises from Wytak for the period from August 1, 2012 to July 31, 2014. The aggregate annual rent payable by the Group under the Tenancy Agreements during the terms of the Tenancy Agreements is HK$9,480,000.

(b) Sales Agreement

Panyu Hop Hing Oils & Fats Co. Ltd. ("**Panyu Hop Hing**") and Shenzhen You Rong Retail Co. Ltd. ("**Shenzhen You Rong**") entered into a sales agreement on November 24, 2010 for the selling of various edible oils products manufactured by the Group to Shenzhen You Rong for the three financial years ending December 31, 2013. The transactions under such sales agreement constitute continuing connected transactions under the Listing Rules. The maximum aggregate annual value of the sales by Panyu Hop Hing to Shenzhen You Rong for each of the three financial years ending December 31, 2013 is estimated not to exceed RMB7,200,000 (equivalent to approximately HK$8,899,876 at the exchange rate when the agreement was entered into).

Wytak and Shenzhen You Rong were associates of Mr. Hung Hak Hip, Peter (a non-executive Director, and a substantial shareholder of the Company who is deemed under Part XV of the SFO to be interested in approximately 42.186% of the issued share capital of the Company as at the Latest Practicable Date) and constituted connected persons of the Company under the Listing Rules for the respective reason as set out below:

(i) the voting power at general meetings of Wytak was indirectly controlled by the trustee of a discretionary trust. Such trustee was wholly-owned by Mr. Hung Hak Hip, Peter and his spouse; and

(ii) the voting power at general meetings of Shenzhen You Rong was indirectly controlled by the trustee of a discretionary trust. The sole shareholder of such trustee was a brother of Mr. Hung Hak Hip, Peter.

As at the Latest Practicable Date, save as disclosed above and the Proposed Disposal disclosed in the "Letter from the Board" in this circular, none of the Directors or experts named in the section headed "Experts and consents" in this Appendix had any direct or indirect interest in any assets which have been since December 31, 2012, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

7. MATERIAL CONTRACTS

Set out below are the material contracts (not being contracts entered into in the ordinary course of business) entered or to be entered into by any member of the Group within the two years immediately preceding the Latest Practicable Date:

(i) the Agreement;

(ii) the sale and purchase agreement dated September 28, 2012 between Dragon Bloom Investments Limited, a wholly-owned subsidiary of the Company, and Beijing Hop Hing Long Catering Limited in relation to the acquisition by Dragon Bloom Investments Limited of the entire equity interests in Beijing Nanhe Hua Nong Agricultural Company Limited, for a total consideration of RMB1,560,000;

(iii) the sale and purchase agreement dated December 1, 2011 between Queen Board Limited and the Company in relation to the acquisition by the Company of the entire issued share capital of Hop Hing Fast Food Group Holdings Limited (formerly known as Summerfield Profits Limited) and of loans in the amount of approximately HK$44 million owed by Hop Hing Fast Food Group Holdings Limited (formerly known as Summerfield Profits Limited) to Queen Board Limited and its associates, for a total consideration of HK$3,475,000,000;

(iv) the termination agreement dated September 30, 2011 between Lawshun Holdings Limited, a wholly-owned subsidiary of the Company, and Lam Soon Edible Oils Company Limited in relation to the termination of the joint venture arrangement between the parties in respect of the operation of Evergreen Oils & Fats Limited;

(v) the sale and purchase agreement dated June 7, 2011 (the "**Relevant Framework Agreement**") between Pinghu Hop Hing Vegetable Oils Company, Limited (the "**Pinghu JV**"), a non-wholly owned subsidiary of Hop Hing Properties Company Limited ("**Hop Hing Properties**") (a wholly-owned subsidiary of the Company) in which Hop Hing Properties through Hong Kong Hop Hing Oil Refinery (Pinghu) Limited had 51% equity interests, and Jiaxing Huiyuantang Shenrong Co., Ltd. ("**Huiyuantang**") in relation to the disposal by the Pinghu JV of its assets including certain equipment, machinery, office supplies, automobiles and trademark. Pursuant to the terms of the Relevant Framework Agreement, Hop Hing Properties shall enter into a separate sale and purchase agreement with Huiyuantang (or its nominee(s)) to document the transfer of the 51% equity interests held by it in the Pinghu JV to Huiyuantang (or its nominee(s)) and in relation thereto, Hop Hing Properties and Hin Keung International Limited (a nominee of Huiyuantang) entered into a separate sale and purchase agreement on February 9, 2012 regarding the transfer of the entire issued share capital of Hong Kong Hop Hing Oil Refinery (Pinghu) Limited to Hin Keung International Limited for a consideration of RMB5,407,222.99; and

(vi) the sale and purchase agreement dated May 25, 2011 between Sino Can Edible Oil Manufacturing & Technology Co. Ltd., a wholly-owned subsidiary of the Company, and two individuals, who are independent third parties from the Company, jointly, in relation to the disposal by Sino Can Edible Oil Manufacturing & Technology Co. Ltd. of a property located at No. 8 Hexing Road, Nantou Zhen, Zhongshan City, Guangdong Province, the PRC for a total consideration of RMB11,000,000 (equivalent to approximately HK$13,200,000 at the exchange rate when the agreement was entered into).

8. LITIGATION

So far as the Directors are aware, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was pending or threatened against the Company or any of its subsidiaries.

9. EXPERTS AND CONSENTS

The following sets out the qualifications of the experts who have given opinion or advice which are contained in this circular:

Name	Qualification
Platinum Securities Company Limited	A licensed corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Savills Valuation and Professional Services Limited	Independent property valuer

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and report (as the case may be) and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of the above experts had any shareholding interest in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

10. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since December 31, 2012, being the date to which the latest published audited consolidated financial statements of the Company were made up.

11. MISCELLANEOUS

(a) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited, situated at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

(b) The secretary of the Company is Wong Kwok Ying, a certified public accountant (practising) in Hong Kong and a fellow member of the Hong Kong Institute of Certified Public Accountants.

(c) The English text of this circular shall prevail over the Chinese text in case of inconsistency.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business of the Company at Units E&F, 2nd Floor, Hop Hing Building, 9 Ping Tong Street East, Tong Yan San Tsuen, Yuen Long, New Territories, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this circular:

(a) the memorandum and articles of association of the Company;

(b) the contracts referred to in the paragraphs headed "6. Interests in Assets and Contracts of the Group" and "7. Material Contracts" in this Appendix;

(c) the letter of recommendation from the Independent Board Committee dated May 20, 2013, the text of which is set out on page 18 of this circular;

(d) the letter of advice issued by Platinum Securities dated May 20, 2013, the text of which is set out on pages 19 to 31 of this circular;

(e) the valuation report of the property interests held by the Sale Group issued by Savills Valuation and Professional Services Limited dated May 20, 2013, the text of which is set out Appendix II to this circular;

(f) the written consents given by each of Platinum Securities and Savills Valuation and Professional Services Limited as referred to in the paragraph headed "Experts and Consents" in this Appendix;

(g) the annual reports of the Company for each of the two financial years ended December 31, 2011 and 2012; and

(h) a copy of this circular.

HOP HING GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 47)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of Hop Hing Group Holdings Limited (the "**Company**") will be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Thursday, June 6, 2013, at 11:00 a.m. (or as soon thereafter as the annual general meeting convened for the same day and place shall have concluded or adjourned) for the following purposes:

ORDINARY RESOLUTIONS

1. "**THAT** the conditional agreement (the "**Agreement**") dated April 25, 2013 for the disposal of the entire issued share capital of Oleo Chartering Inc. by the Company to Harvest Trinity Limited for a cash consideration of HK$400 million (subject to adjustment) upon and subject to the terms and conditions therein, the entering into by the Company of the Agreement and the transactions contemplated thereunder be and are hereby approved; and any director of the Company be and is hereby authorized to sign, execute, perfect, deliver, negotiate, agree and do all such documents, deeds, acts, matters and things, as he may in his opinion or discretion consider reasonable, necessary, desirable or expedient, to implement and/or give effect to the Agreement and all the transactions contemplated thereunder with any changes as such director may consider reasonable, necessary, desirable or expedient."

2. "**THAT** conditional upon the completion of the Agreement (as defined in the ordinary resolution number 1 set out in this notice of meeting), the distribution of a special dividend of HK$0.028 per share (the "**Distribution**") in cash to the registered holders of the ordinary shares of HK$0.10 each in the issued share capital of the Company whose names appear in the register of members of the Company at the close of business of a record date as determined by the directors of the Company be and is hereby approved, and any director of the Company be and are hereby authorized to sign, execute, deliver, and do all such documents, deeds, acts, matters and things, as he may in his opinion or discretion consider reasonable, necessary, desirable or expedient to implement and/or give effect to the Distribution."

Yours faithfully,
By Order of the Board
Hop Hing Group Holdings Limited
Wong Kwok Ying
Company Secretary

Hong Kong, May 20, 2013

Head Office and Principal Place of Business:
Units E&F
2nd Floor
Hop Hing Building
9 Ping Tong Street East
Tong Yan San Tsuen
Yuen Long
New Territories
Hong Kong

Registered Office:
Clifton House
75 Fort Street
P.O. Box 1350 GT
Grand Cayman
KY1-1108
Cayman Islands

Notes:

1. A member entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company.

2. To be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, situated at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time fixed for the holding of the meeting.

3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s), and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

4. For the purpose of ascertaining shareholder's entitlement to attend and vote at the EGM, the transfer books and register of members of the Company will be closed from June 3, 2013 to June 6, 2013 (both days inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the EGM, all transfers of Shares, accompanied by the relevant Share certificates, must be lodged with the Company's branch share registrar 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 not later than 4:30 p.m. on May 31, 2013.

5. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the EGM or any adjournment thereof, and in such events, the form of proxy shall be deemed to be revoked.

6. For the purpose of ascertaining shareholder's entitlement to the proposed special dividend pursuant to the Distribution, the register of members of the Company will be closed from June 12, 2013 to June 17, 2013 (both days inclusive), during which period no transfer of Shares will be effected. In order to establish entitlements to the proposed special dividend, all transfers of Shares, accompanied by the relevant Share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on June 11, 2013.

7. As at the date of this notice, 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 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.