
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

A copy of this prospectus, together with copies of the PAL, the EAF and (where applicable) the documents specified in the paragraph headed "Document registered with the Registrar of Companies" in Appendix III to this prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance, Chapter 32 of the Laws of Hong Kong. The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of these documents.

Dealings in the Shares and the Rights Shares in their nil-paid form and fully-paid form may be settled through CCASS and you should consult your stockbroker or other registered securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

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合豐集團控股有限公司

HOP FUNG GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 2320

PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE

Financial adviser to Hop Fung Group Holdings Limited



The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Wednesday, 27 June 2012. The procedure for acceptance and transfer of the Rights Shares are set out in the paragraph headed "Procedure for acceptance and payment or transfer" on pages 12 and 13 of this prospectus.

The Shares have been dealt in on an ex-rights basis since Wednesday, 6 June 2012 and the Rights Shares are expected to be dealt with in their nil-paid form from Friday, 15 June 2012 to Friday, 22 June 2012 (both days inclusive). It is expected that the conditions referred to in the paragraph headed "Conditions of the Rights Issue" in this prospectus are to be fulfilled on or before 4:00 p.m. on Friday, 29 June 2012. If the conditions referred to in that paragraph are not fulfilled or waived or the Underwriting Agreement has been terminated in accordance with the terms thereof, the Rights Issue will not proceed. Any person contemplating buying or selling Shares from the date of this prospectus up to the date on which all the conditions of the Rights Issue are fulfilled, and any dealings in Rights Shares in their nil-paid form between Friday, 15 June 2012 and Friday, 22 June 2012 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any persons contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional adviser.

It should be noted that the Underwriting Agreement contains provisions entitling the Underwriter by notice in writing to the Company at any time prior to the Latest Time for Termination to terminate the obligations of the Underwriter thereunder on the occurrence of certain events including force majeure. These events are set out under the section headed "Termination of the Underwriting Agreement" on pages 6 and 7 of this prospectus. If the Underwriter terminates the Underwriting Agreement in accordance with the terms thereof, the Rights Issue will not proceed. In addition, the Rights Issue is conditional on all conditions set out on pages 15 and 16 of this prospectus being fulfilled. If prior to the Latest Time for Termination any such notice as referred to above is given by the Underwriter, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Underwriting Agreement, provided however that the Company shall remain liable to pay to the Underwriter the fees and expenses incurred in connection with the Rights Issue.

13 June 2012

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EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

2012

Register of members of the Company re-opens	Wednesday, 13 June
Despatch of the Rights Issue Documents	Wednesday, 13 June
First day of dealings in nil-paid Rights Shares	Friday, 15 June
Latest time for splitting of nil-paid Rights Shares	4:00 p.m. on Tuesday, 19 June
Last day of dealings in nil-paid Rights Shares	Friday, 22 June
Latest time for acceptance of, and payment for the Rights Shares and for application and payment for excess Rights Shares	4:00 p.m. on Wednesday, 27 June
Latest time for the Rights Issue to become unconditional	4:00 p.m. on Friday, 29 June
Announcement of results of acceptance of and excess applications for the Rights Issue	Friday, 6 July
Despatch of refund cheques in respect of unsuccessful or partially unsuccessful excess applications for excess Rights Shares on or before	Monday, 9 July
Despatch of certificates for fully-paid Rights Shares on or before	Monday, 9 July
Commencement of dealings in fully-paid Rights Shares	Tuesday, 10 July (<i>Note</i>)

Note: The commencement of dealings in fully-paid Rights Shares shall be on Tuesday, 10 July 2012 instead of Wednesday, 11 July 2012 as stated in the Announcement.

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

Dates or deadlines specified herein may be varied or extended by the Company and the Underwriter and are therefore tentative and indicative only. Further announcement(s) will be made by the Company on any changes to the above expected timetable, if and when appropriate.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take effect if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning:

- (1) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (2) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take effect at 4:00 p.m. on the Acceptance Date, the dates mentioned above may be affected. An announcement will be made by the Company in such event as soon as practicable.

DEFINITIONS

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

“Acceptance Date”	Wednesday, 27 June 2012, being the last day for acceptance and payment of the Rights Shares, or such other time or date as the Company and the Underwriter may agree
“Allotment Posting Date”	Wednesday, 13 June 2012, being the date on which the Rights Issue Documents are despatched, or such other date as the Company and the Underwriter may agree
“Announcement”	the announcement of the Company dated 23 May 2012 in relation to the Rights Issue
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturdays, Sundays or public holidays) on which banks are generally open for business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Hop Fung Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange
“Controlling Shareholder”	Hop Fung Industries Limited, being the controlling Shareholder
“Director(s)”	director(s) of the Company
“EAF(s)”	the form(s) of application for excess Rights Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Irrevocable Undertaking”	the irrevocable undertaking in the Underwriting Agreement given by the Underwriter in favour of the Company and is referred to in the paragraph headed “Irrevocable Undertaking from the Controlling Shareholder” of this prospectus
“Latest Practicable Date”	11 June 2012, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information for inclusion herein
“Latest Time for Termination”	4:00 p.m. on the second Business Day following the Acceptance Date
“Listing Committee”	has the meaning ascribed thereto in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) for the Rights Shares
“PRC” or “China”	the People’s Republic of China
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date. Based on the register of members of the Company as at the Record Date and legal advice received in respect of the legal restrictions under the laws of the relevant jurisdiction, no Overseas Shareholder(s) will be excluded from the Rights Issue
“Record Date”	Tuesday, 12 June 2012, the record date to determine entitlements to the Rights Issue
“Registrar”	Tricor Abacus Limited, the branch share registrar of the Company in Hong Kong, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the issue of 241,462,000 Rights Shares at the Subscription Price on the basis of one Rights Share for every two existing Shares held on the Record Date payable in full on acceptance
“Rights Issue Documents”	this prospectus, the PAL and the EAF
“Rights Share(s)”	new Share(s) to be allotted and issued under the Rights Issue

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Share Options”	the options to subscribe for Shares granted to eligible participants of the Company under the share option scheme of the Company adopted pursuant to a resolution passed on 4 September 2003 for the primary purpose of providing incentives or rewards to selected participants for their contribution to the Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	subscription price of HK\$0.18 per Rights Share
“Underwriter”	Hop Fung Industries (Holdings) Limited which is owned as to 11.81%, 11.81%, 38.19% and 38.19% by Mr. Hui Sum Kwok, Mr. Hui Sum Ping, Fullwood Holdings Limited and Goldspeed Holdings Limited respectively and interested in 78.86% of the issued share capital in the Controlling Shareholder as at the Latest Practicable Date
“Underwriting Agreement”	the underwriting agreement entered into among the Company, the Underwriter and the Controlling Shareholder dated 23 May 2012 in relation to the Rights Issue
“Underwritten Rights Shares”	the Rights Shares, other than those agreed to be taken up by the Controlling Shareholder pursuant to the Irrevocable Undertaking, subject to the terms and conditions of the Underwriting Agreement
“%”	per cent

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter has the right to terminate the arrangements set out in the Underwriting Agreement by notice in writing given by the Underwriter to the Company at any time prior to 4:00 p.m. on the second Business Day following the Acceptance Date if any of the following occurs:

- (a) in the sole and absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic, currency or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities, armed conflict or act of terrorism, or affecting local securities market which may, in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudices the success of the Rights Issue or otherwise makes it inexpedient or inadvisable for the Company or the Underwriter to proceed with the Rights Issue; or
 - (iii) any material adverse change in the business or in the financial or trading position of the Group as a whole; or
- (b) any change in market conditions (including without limitation, any change in fiscal and monetary policy, or foreign exchange or currency markets, suspension or material restriction of trading in securities) occurs which in the sole and absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (c) there is any change in the circumstances of the Company or any member of the Group which in the sole and absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (d) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement or the Rights Issue Documents or other announcements or circulars in connection with the Rights Issue, or
- (e) the Rights Issue Documents or announcements of the Company published since the date of the Underwriting Agreement when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company and which may in the sole and absolute opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it.

Upon the giving of notice of termination, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter the fees and expenses incurred in connection with the Rights Issue. If the Underwriter exercises such right, the Rights Issue will not proceed.



HOP FUNG GROUP

合豐集團控股有限公司

HOP FUNG GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2320

Executive Directors:

Mr. Hui Sum Kwok (*Chairman*)
Mr. Hui Sum Ping (*Vice Chairman*)
Mr. Hui Sum Tai (*Chief Executive Officer*)
Ms. Hui Yuen Li

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent Non-executive Directors:

Mr. Chee Man Sang, Eric
Mr. Yip Kwok Kwan
Mr. Wong Chu Leung

Hong Kong Office:

Workshops E, F and H, 22nd Floor
Superluck Industrial Centre (Phase 2)
No. 57 Sha Tsui Road and
Nos. 30-38 Tai Chung Road, Tsuen Wan
New Territories
Hong Kong

13 June 2012

To the Qualifying Shareholders

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES
HELD ON THE RECORD DATE**

INTRODUCTION

It was announced on 23 May 2012 that the Company proposed the Rights Issue at the subscription price of HK\$0.18 per Rights Share on the basis of one Rights Share for every two existing Shares held on the Record Date.

The purpose of this prospectus is to provide you, among other things, details of the Rights Issue.

LETTER FROM THE BOARD

THE RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	: One Rights Share for every two existing Shares held on the Record Date
Number of existing Shares in issue as at the Latest Practicable Date	: 482,924,000 Shares
Number of Rights Shares	: 241,462,000 Rights Shares
Nominal value of Rights Shares	: HK\$24,146,200
Subscription Price	: HK\$0.18 per Rights Share
Enlarged issued share capital upon completion of the Rights Issue	: 724,386,000 Shares

The 241,462,000 Rights Shares to be issued pursuant to the terms of the Rights Issue represent 50.00% of the existing issued share capital of the Company and approximately 33.33% of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue.

As at the Latest Practicable Date, there were 25,052,000 Share Options outstanding, all of which were vested with the rights to subscribe for 25,052,000 Shares. The latest date for those Share Options to be exercised in order to enable the holders of the Share Options to have become Shareholders on or before the date of closure of the register of members, and to thereby qualify for the Rights Issue, has already passed.

As at the Latest Practicable Date, save for the Share Options as detailed above, the Company has no other outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into Shares.

Subscription Price

The subscription price of HK\$0.18 per Rights Share is payable in full when a Qualifying Shareholder accepts his/her/its provisional allotment under the Rights Issue or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares subscribes for the Rights Shares.

LETTER FROM THE BOARD

The Subscription Price represents:

- (i) a discount of approximately 56.10% to the closing price of HK\$0.41 per Share as quoted on the Stock Exchange on 23 May 2012, being the last trading day prior to the publication of the Announcement;
- (ii) a discount of approximately 57.55% to the average closing price of approximately HK\$0.424 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 23 May 2012;
- (iii) a discount of approximately 59.46% to the average closing price of approximately HK\$0.444 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including 23 May 2012;
- (iv) a discount of approximately 45.95% to the theoretical ex-rights price of approximately HK\$0.333 per Share based on the closing price as quoted on the Stock Exchange on 23 May 2012;
- (v) a discount of approximately 91.47% to the audited consolidated net tangible asset value per Share of approximately HK\$2.11 (based on the latest published audited consolidated net tangible asset value of the Group of approximately HK\$1,019.81 million as at 31 December 2011 as set out in Appendix II to this prospectus and 482,924,000 Shares in issue as at the Latest Practicable Date); and
- (vi) a discount of approximately 21.74% to the closing price of HK\$0.23 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the prevailing market price and trading liquidities of the Shares prior to the last trading day prior to the publication of the Announcement. The Directors consider that the terms of the Rights Issue, including the Subscription Price which has been set at a deep discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their entitlements so as to participate in the potential growth of the Group in the future, to be fair and reasonable and is in the best interests of the Company and the Shareholders as a whole.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, shall rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment of the Rights Shares, including the right to receive all dividends and distributions the record dates of which are on or after the date of allotment and issue of the Rights Shares.

Rights of the Overseas Shareholders

This prospectus has not been registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. As of the Latest Practicable Date, there was one Overseas Shareholder whose address as shown on the register of members of

LETTER FROM THE BOARD

the Company was in the British Virgin Islands, holding in aggregate 240,842,000 Shares. The Company has made enquiries regarding the legal restrictions under the laws of the British Virgin Islands and the requirements of the relevant regulatory bodies or stock exchanges. On the basis of the advice received and taking into account that there was one Overseas Shareholder as at the Latest Practicable Date, the Board considers that it is in the interests of the Company and Shareholders as a whole to offer the Rights Shares to the Overseas Shareholder.

No action has been taken to permit the offering of the Rights Shares, or the distribution of this prospectus or any of the PAL or EAF, in any territory or jurisdiction outside Hong Kong. Accordingly, no person receiving a copy of this prospectus or any of the PAL or EAF in any territory or jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares or excess Rights Shares, unless in the relevant jurisdiction such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements.

It is the responsibility of any person (including but without limitation to nominee, agent and trustee) receiving a copy of this prospectus or any of the PAL or EAF outside Hong Kong and wishing to take up the Rights Shares or make an application for the excess Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction including the obtaining of any governmental or other consents for observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. The Company will not be responsible for verifying the legal qualification of such Overseas Shareholder and/or resident in such territory or jurisdiction, thus, should the Company suffer any losses or damages due to non-compliance with the relevant laws of such territory or jurisdiction by any such Overseas Shareholder and/or resident, the Overseas Shareholder and/or resident shall be responsible to compensate the Company for the same. The Company shall not be obliged to issue the nil-paid Rights Shares or fully-paid Rights Shares to any such Overseas Shareholder and/or resident, if at the Company's absolute discretion issuing the nil-paid Rights Shares or fully-paid Rights Shares to it does not comply with the relevant laws of such territory or jurisdiction. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been complied with. If you are in any doubt as to your position, you should consult your professional advisers.

Fractional entitlement to the Rights Shares

The Company has not provisionally allotted fractions of Rights Shares. All fractions of Rights Shares will be aggregated and sold in the market, if a premium (net of expenses) can be achieved, the Company will keep the net proceeds for its own benefit. Any unsold fractions of Rights Shares will be available for excess application.

LETTER FROM THE BOARD

Procedure for acceptance and payment or transfer

For each Qualifying Shareholder, a PAL is enclosed with this prospectus which entitles Qualifying Shareholders to subscribe for the number of Rights Shares shown therein. If Qualifying Shareholders wish to exercise their rights to subscribe for all the Rights Shares specified in the enclosed PALs, Qualifying Shareholders must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, by not later than 4:00 p.m. on Wednesday, 27 June 2012. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "**Hop Fung Group Holdings Limited — Rights Issue Account**" and crossed "**Account Payee Only**".

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Registrar by not later than 4:00 p.m. on Wednesday, 27 June 2012, whether by the original allottee or any person to whom the rights have been validly transferred, the relevant provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders.

If Qualifying Shareholders wish to accept only part of their provisional allotment, to transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them or to transfer their rights to more than one person, the entire original PALs must be surrendered and lodged for cancellation by not later than 4:00 p.m. on Tuesday, 19 June 2012 to the Registrar which will cancel the original PALs and issue new PALs in the denominations required. The new PALs will be available for collection at the office of the Registrar during normal business hours after 9:00 a.m. on the second Business Day after the surrender of the original PALs. It should be noted that Hong Kong stamp duty is payable in connection with the transfer of the rights to subscribe for the Rights Shares.

The PAL contains the full information regarding the procedure to be followed if Qualifying Shareholders wish to accept only part of their provisional allotment or if they wish to renounce all or part of their provisional allotment.

All cheques and banker's cashier orders will be presented for payment immediately upon receipt and all interest earned on such monies, if any, will be retained for the benefit of the Company. Completion and return of the PAL together with a cheque or banker's cashier order in payment for the Rights Shares accepted will constitute a warranty by the applicant that the cheque or banker's cashier order will be honoured on first presentation. If any cheque or banker's cashier order is dishonoured on first presentation, the PAL is liable to be rejected, and in that event the provisional allotment and all rights given pursuant to it will be deemed to have been declined and will be cancelled. No receipt will be issued in respect of any application received.

If the conditions of the Rights Issue are not fulfilled by the Latest Time for Termination, the Rights Issue will not proceed and the application monies, without interest, will be returned to the applicants by means of cheques crossed "**Account Payee Only**" to be

LETTER FROM THE BOARD

despatched by ordinary post to their registered addresses and, in the case of joint applicants, to the registered address of the applicant whose name first appears on the register of members of the Company or the transfer form at the risk of such applicants on or before Monday, 9 July 2012.

Application for excess Rights Shares

Qualifying Shareholders are entitled to apply for any unsold Rights Shares created by adding together fractions of the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders.

The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (1) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to top up odd-lot holdings to whole-lot holdings and that such applications are not made with the intention to abuse this mechanism; and
- (2) subject to availability of excess Rights Shares after allocation under principle (1) above, any further remaining excess Rights Shares will be proportionally allocated to their respective shareholdings in the Company as at the Record Date.

The Rights Issue provides an opportunity for the Shareholders to subscribe for new Shares that allows them to maintain their respective shareholding interests in the Company. The allotment of excess Rights Shares to applicants with reference to their respective shareholdings in the Company as at the Record Date is a measure for the Shareholders who subscribe for excess Rights Shares to largely maintain their respective shareholdings after completion of the Rights Issue. All applicants are treated fairly. This allocation basis is also in line with the spirit of the pre-emptive rights that new shares shall be offered to Shareholders pro rata to their existing holdings. As such, the Directors consider that the allocation method is fair and equitable and in the interests of the Shareholders as a whole.

Shareholders with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders whose Shares are registered in the name of a nominee company should note that the aforesaid arrangement in relation to (1) the top-up of odd-lots; and (2) with reference to their respective shareholdings in the Company as at Record Date for allocation of excess Rights Shares will not be extended to ultimate beneficial owners individually.

Application for excess Rights Shares may be made by completing and signing the enclosed EAF in accordance with the instructions printed thereon and lodging it, together with a separate remittance for the full amount payable on application in respect of the excess Rights Shares applied for, with the Registrar by not later than 4:00 p.m. on Wednesday, 27 June 2012. All remittances must be made in Hong Kong dollars. Cheques

LETTER FROM THE BOARD

must be drawn on an account with, and banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "**Hop Fung Group Holdings Limited — Excess Rights Issue Account**" and crossed "**Account Payee Only**".

If no excess Rights Shares are allotted to the Qualifying Shareholders, the amount tendered on application is expected to be returned to such Qualifying Shareholders in full by ordinary post at their own risk to their registered addresses on or before Monday, 9 July 2012. If the number of excess Rights Shares allotted to the Qualifying Shareholders is less than that applied for, the surplus application money is also expected to be returned to them by ordinary post at their own risk to their registered addresses on or before Monday, 9 July 2012. All cheques or banker's cashier orders will be presented for payment immediately upon receipt and all interest earned on such monies, if any, will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or banker's cashier order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or banker's cashier order will be honoured on first presentation. If the cheque or banker's cashier order is dishonoured on first presentation, the application for excess Rights Shares is liable to be rejected.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or banker's cashier orders for amounts due, will be sent by ordinary post at the risk of the persons entitled thereto to their registered addresses by the Registrar.

If the conditions of the Rights Issue are not fulfilled by the Latest Time for Termination, the Rights Issue will not proceed and the monies received in respect of application for excess Rights Shares without interest will be returned to the applicants by means of cheques crossed "**Account Payee Only**" to be despatched by ordinary post to their registered addresses and, in the case of joint applicants, to the registered address of the applicant whose name first appears on the register of members of the Company at the risk of such applicants on or before Monday, 9 July 2012.

The Controlling Shareholder currently has not decided whether to apply for the excess Rights Shares.

Application for listings

The Company has applied to the Listing Committee for the listings of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

The primary listing of the Shares is on the Stock Exchange. Subject to the granting of the listings of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the

LETTER FROM THE BOARD

Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms (both in board lots of 2,000 Shares) which are registered in Hong Kong will be subject to the payment of stamp duty and other applicable fees in Hong Kong.

Share certificates and refund cheques for the Rights Shares

Subject to the fulfilment or waiver of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares and refund cheques in respect of wholly or partly unsuccessful applications for excess Rights Shares (if any) are expected to be posted to those entitled thereto by Monday, 9 July 2012 by ordinary post at their own risk. One share certificate will be issued for all the Rights Shares allotted to an applicant.

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of the holding or disposal of, or dealings in the Rights Shares in both their nil-paid and fully-paid forms. It is emphasised that none of the Company, the Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following being fulfilled or waived on or before 4:00 p.m. on Friday, 29 June 2012, the second Business Day following the Acceptance Date:

- (1) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Rights Issue Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Board (and all other documents required to be attached thereto) not later than the Allotment Posting Date and otherwise in compliance with the Listing Rules and the Companies Ordinance;
- (2) the posting of the Rights Issue Documents to Qualifying Shareholders on or before the Allotment Posting Date;
- (3) the Listing Committee granting or agreeing to grant (subject to allotment), and not having withdrawn or revoked listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms) by no later than the Allotment Posting Date;

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- (4) compliance with and performance of all the undertakings and obligations of the Company under the Underwriting Agreement; and
- (5) compliance with and performance of all the undertakings and obligations of the Controlling Shareholder under the Underwriting Agreement.

The Rights Issue is not subject to the approval of the Shareholders. The Rights Issue will lapse if any of the above conditions has not been fulfilled or has not been waived on or before the respective dates aforesaid (or such later date or dates which may be agreed between the Company and the Underwriter). As at the Latest Practicable Date, none of the conditions had been fulfilled.

UNDERWRITING ARRANGEMENTS FOR THE RIGHTS ISSUE

Underwriting Agreement dated 23 May 2012

Parties	: the Company; the Underwriter; and the Controlling Shareholder
Number of Underwritten Rights Shares	: 115,462,000 Rights Shares, being the total number of Rights Shares under the Rights Issue excluding 126,000,000 Rights Shares undertaken to be subscribed by the Controlling Shareholder pursuant to the Irrevocable Undertaking
Underwriting commission	: 1% of the aggregate Subscription Price of the Underwritten Rights Shares
Subscription Price	: HK\$0.18 per Rights Share

It is not in the ordinary course of business for the Underwriter to underwrite issues of securities.

Irrevocable Undertaking from the Controlling Shareholder

Under the Underwriting Agreement, the Controlling Shareholder has given an irrevocable undertaking in favour of the Company and the Underwriter (i) to subscribe for or procure subscriptions of 126,000,000 Rights Shares to which it is entitled pursuant to the Rights Issue; (ii) the Shares registered in the name of and beneficially owned by the Controlling Shareholder will remain registered in its name from the date of the Underwriting Agreement to the Record Date; and (iii) to lodge the PAL in respect of the Rights Shares accompanied by appropriate remittances which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the Rights Issue Documents prior to the Acceptance Date.

LETTER FROM THE BOARD

Underwriting commitment of the Underwriter

The Underwriter has conditionally agreed to fully underwrite all the Rights Shares other than those agreed to be taken up by the Controlling Shareholder pursuant to the Irrevocable Undertaking.

The Underwriter is an associate of the Controlling Shareholder and therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Underwriting Agreement constitute a connected transaction of the Company under the Listing Rules. Pursuant to rule 14A.31(3)(c) of the Listing Rules, the above connected transaction is exempt from all reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Termination of the Underwriting Agreement

The Underwriter has the right to terminate the arrangements set out in the Underwriting Agreement by notice in writing given by the Underwriter to the Company at any time prior to 4:00 p.m. on the second Business Day following the Acceptance Date if any of the following occurs:

- (a) in the sole and absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic, currency or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities, armed conflict or act of terrorism, or affecting local securities market which may, in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudices the success of the Rights Issue or otherwise makes it inexpedient or inadvisable for the Company or the Underwriter to proceed with the Rights Issue; or
 - (iii) any material adverse change in the business or in the financial or trading position of the Group as a whole; or

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- (b) any change in market conditions (including without limitation, any change in fiscal and monetary policy, or foreign exchange or currency markets, suspension or material restriction of trading in securities) occurs which in the sole and absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (c) there is any change in the circumstances of the Company or any member of the Group which in the sole and absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (d) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement or the Rights Issue Documents or other announcements or circulars in connection with the Rights Issue, or
- (e) the Rights Issue Documents or announcements of the Company published since the date of the Underwriting Agreement when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company and which may in the sole and absolute opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it.

Upon the giving of notice of termination, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter the fees and expenses incurred in connection with the Rights Issue. If the Underwriter exercises such right, the Rights Issue will not proceed.

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CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

Set out below is the shareholding structures of the Company (i) as at the Latest Practicable Date; and (ii) immediately after completion of the Rights Issue under different scenarios:

Shareholders	As at the Latest Practicable Date		Immediately after completion of the Rights Issue (assuming nil acceptance by the Shareholders other than the Controlling Shareholder)		Immediately after completion of the Rights Issue (assuming 100% acceptance by the Shareholders)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Controlling Shareholder	252,000,000	52.18	378,000,000	52.18	378,000,000	52.18
The Underwriter	—	—	115,462,000	15.94	—	—
Directors:						
Mr. Hui Sum Kwok	10,628,000	2.20	10,628,000	1.47	15,942,000	2.20
Mr. Hui Sum Ping	7,894,000	1.63	7,894,000	1.09	11,841,000	1.63
Mr. Hui Sum Tai	6,246,000	1.29	6,246,000	0.86	9,369,000	1.29
Ms. Hui Yuen Li	3,670,000	0.76	3,670,000	0.51	5,505,000	0.76
Mr. Chee Man Sang, Eric	96,000	0.02	96,000	0.01	144,000	0.02
Hallgain Management Limited (Note)	67,794,000	14.04	67,794,000	9.36	101,691,000	14.04
Public Shareholders	134,596,000	27.88	134,596,000	18.58	201,894,000	27.88
Total public Shareholders	134,596,000	27.88	202,390,000	27.94	201,894,000	27.88
	<u>482,924,000</u>	<u>100.00</u>	<u>724,386,000</u>	<u>100.00</u>	<u>724,386,000</u>	<u>100.00</u>

The Underwriter has entered into a sub-underwriting agreement with an independent third party whereby the independent third party will take up such number of Rights Shares to the extent that the Company will comply with the public float requirements under rule 8.08(1) of the Listing Rules after completion of the Rights Issue.

Note: Hallgain Management Limited will be classified as a public Shareholder if its shareholding interest is reduced to below 10% after completion of the Rights Issue.

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REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Group is principally engaged in manufacture and sale of containerboard, and corrugated packaging.

The gross proceeds from the Rights Issue are expected to be approximately HK\$43.46 million before expenses. The net proceeds from the Rights Issue after deducting the expenses are estimated to be approximately HK\$42.17 million. The net Subscription Price per Rights Share is expected to be approximately HK\$0.175. The expenses in connection with the Rights Issue including, among others, financial, legal and other professional advisory fees, underwriting commission, printing and translation and application for listing of Right Shares expenses are estimated to be approximately HK\$1.3 million and will be payable by the Company.

Pursuant to the annual report of the Group for the financial year ended 31 December 2011, the balance of bank borrowings amounted to approximately HK\$769,102,000, with a gearing ratio of 0.37 (calculated on the basis of unsecured bank borrowings divided by total assets). The net proceeds from the Rights Issue will be applied to repay for the remaining balance of bank borrowings of the Group and strengthen the financial position of the Group under the prevailing global market uncertainty.

The Directors have considered other alternative fund raising methods such as issue of new shares and bank borrowings and consider that the Rights Issue has the benefits of allowing the Shareholders to maintain their respective pro rata shareholdings if they take up their entitled Rights Shares and participate in the future growth of the Group.

ALTERATIONS TO THE SHARE OPTIONS

In accordance with the terms of the share option scheme of the Company, the Rights Issue may lead to alteration to the number or nominal amount of Shares subject to the Share Options so far as unexercised and/or the subscription price of the Share Options. If there is any such alteration, further announcement will be made by the Company in this regard.

FUND RAISING EXERCISE OF THE COMPANY DURING THE PAST 12 MONTHS

The Company has not conducted other equity fund raising exercise in the 12 months immediately preceding the Latest Practicable Date.

WARNING OF THE RISK OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

The Shares have been dealt in on an ex-rights basis since Wednesday, 6 June 2012. Dealings in the Rights Shares in the nil-paid form will take place from Friday, 15 June 2012 to Friday, 22 June 2012 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or waived on or before 4:00 p.m. on Friday, 29 June 2012 (or such later time and/or

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date as the Company and the Underwriter may determine in writing), or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed and the Rights Issue will lapse.

Any persons contemplating buying or selling Shares from the date of this prospectus up to the date on which all the conditions of the Rights Issue are fulfilled or waived (as the case may be), and any dealings in the Rights Shares in their nil-paid form between Friday, 15 June 2012 to Friday, 22 June 2012 (both days inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed.

Any Shareholders or other persons contemplating dealing in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this prospectus.

Yours faithfully,
On behalf of the Board
HOP FUNG GROUP HOLDINGS LIMITED
Hui Sum Kwok
Chairman

1. SHARE CAPITAL

The authorised and issued share capitals of the Company as at the Latest Practicable Date were, and immediately after completion of the Rights Issue will be, as follows:

HK\$

Authorised:

<u>1,000,000,000</u>	Shares	<u>100,000,000</u>
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Issued and to be issued, fully paid or credited as fully paid:

482,924,000	Shares in issue as at the Latest Practicable Date	48,292,400
<u>241,462,000</u>	Rights Shares to be issued	<u>24,146,200</u>
<u>724,386,000</u>	Shares	<u>72,438,600</u>

All the existing issued Shares rank pari passu in all respects including all rights as to dividends, voting and capital.

As at the Latest Practicable Date, save for the Share Options, the Company had no outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into Shares.

There had been no alteration in the number of Shares issued since 31 December 2011, the day on which the latest audited financial statements of the Group were made up, up to the Latest Practicable Date.

2. THREE-YEAR FINANCIAL INFORMATION

Financial information with respect to the profits and losses, financial record and position, set out as a comparative table and the latest published audited statements of financial position together with the notes on the annual accounts of the Group for each of the three years ended 31 December 2009, 2010 and 2011 are disclosed in pages 50 to 120 of annual report 2009, pages 46 to 124 of annual report 2010 and pages 46 to 120 of annual report 2011 of the Company respectively, which are published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.hopfunggroup.com).

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, after taking into account the present financial resources available to the Group, including the borrowings and the estimated net proceeds to be raised from the Rights Issue, in the absence of unforeseen circumstances, the Group will have sufficient working capital for at least twelve months from the date of this prospectus.

4. INDEBTEDNESS

Statement of Indebtedness

As at the close of business on 30 April 2012, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this prospectus, the Group had the borrowings amounting to approximately HK\$754 million, details of which are as follows:

Borrowings

The following table illustrates the Group's unsecured bank borrowings as at 30 April 2012:

	<i>HK\$'000</i>
Bank loans	528,391
Other bank borrowings	209,516
Trust receipt loans	<u>15,607</u>
	<u><u>753,514</u></u>

Contingent liabilities

At 30 April 2012, the Group had the following contingent liabilities:

For the years of assessment 2004/2005 to 2010/2011, the tax audits conducted by the Inland Revenue Department in Hong Kong ("IRD") on the Company and its subsidiaries are still on-going.

The IRD had previously issued additional assessments to Gong Ming Hop Fung Paper Ware Factory Limited ("GMHF") for the years of assessment 2004/2005 and 2005/2006 on 2 June, 2006 and 19 October, 2006 respectively. The taxes demanded under the additional assessments amounted to HK\$11,220,917 in aggregate. The Group had lodged objections with the IRD against these additional assessments.

Subsequent to the lodgement of objections by GMHF, tax payment of HK\$1,992,965 was made. Further, tax reserve certificates of HK\$1,717,279 in respect of the 2005/2006 assessments for GMHF, pending the outcome of the tax audits and the objections, were purchased in December 2006. Also, banker's undertakings of HK\$3,828,453 were arranged by the Group and had been accepted by the IRD as security for payment of the mentioned tax. The remaining amounts of tax of HK\$3,682,220 demanded by the IRD have been held over unconditionally.

In addition, the IRD issued protective assessments to certain subsidiaries of the Group for the year of assessment 2005/2006 in March 2012. The Group would lodge objections with the IRD against these protective assessments.

The Directors believe that no additional provision for Hong Kong Profits Tax in respect of the tax audit for the years of assessment 2004/2005 and onwards is necessary at the present stage. The Directors consider that the inquiries from the IRD are still at a fact-finding stage and the IRD has not yet expressed any formal opinion on the potential tax liability, if any. The potential tax liability, if any, cannot be readily ascertained at this stage.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have outstanding at the close of business on 30 April 2012 any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

To the best knowledge of the Directors, having made all reasonable enquiries, there had been no material change in indebtedness or contingent liabilities of the Group since 30 April 2012 and up to the Latest Practicable Date.

5. 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 31 December 2011, being the date to which the latest published audited consolidated financial statements of the Company were made up.

6. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The coming year is filled with challenges and opportunities. The Group does not believe the United States or European economies will see improvements. Production costs are rising in China, which will weigh on the Group's performance. Despite this, the rise in income in China should drive demand for consumption and hence for corrugated packaging products. The Group's facilities in Dongguan, Shenzhen and Qingyuan give it geographic supply advantages as well as economies of scale.

The Group's vertically integrated business model (the upstream containboard business in manufacturing linerboard and corrugating medium, the main raw materials for the downstream corrugated packaging business in manufacturing corrugated paper boards and carton boxes) helps lower the production costs and raise the profit margins. The Group is basically self-sufficient in terms of raw materials, reducing the impact of raw materials supply disruptions and price fluctuations and improving the overall production capacity. It also gives us flexibility, supplying to our customers economically advantageous packaging products that also meet their needs in pace, effectiveness and flexibility, creating a win-win situation for the Group and its customers.

The Group is striving for stable growth on the back of market development and production capacity growth, keeping operating costs spending effective and stable. The Group is still managed on the principle of maintaining profitability and minimising risk, increasing its competitiveness. When the business environment improves, the Group will be in a position to improve returns through pricing power and transferring the costs to its customers in a reasonable manner.

As a whole, the Directors see the China market as offering the best growth potential in the next few years despite volatility in growth rates due to various factors. The Directors see economic growth momentum as sustained by real forces and we feel assured that the Group can bring better returns to shareholders as it sticks to its strategy of maintaining its financial strength, looking for gains in a stable environment, and solidifying its position.

1. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY

The unaudited pro forma statement of adjusted consolidated net tangible assets attributable to owners of the Company prepared in accordance with Rule 4.29 of the Listing Rules is set out below to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group as if it had taken place on 31 December 2011.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Rights Issue been completed as at 31 December 2011 or at any future date.

The following unaudited pro forma statement of the adjusted consolidated net tangible assets of the Group attributable to owners of the Company is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2011, as extracted from the published annual report of the Group for the year ended 31 December 2011 and adjusted to reflect the effect of the Rights Issue.

	Audited consolidated net tangible assets attributable to owners of the Company as at 31 December 2011	Unaudited estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company as at 31 December 2011	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share immediately after completion of the Rights Issue
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$</i>
	<i>(Note 1)</i>	<i>(Note 2)</i>		<i>(Note 3)</i>
Based on 241,462,000 Rights Shares at Subscription Price of HK\$0.18 per Rights Share	<u>1,019,805</u>	<u>42,170</u>	<u>1,061,975</u>	<u>1.47</u>

Notes:

- The audited consolidated net tangible assets attributable to owners of the Company as at 31 December 2011 is extracted from the published annual report of the Company for the year ended 31 December 2011. The consolidated net tangible assets attributable to owners of the Company per Share as at 31 December 2011 is approximately HK\$2.11 which is based on 482,924,000 Shares in issue as at 31 December 2011.

2. The estimated net proceeds from the Rights Issue of approximately HK\$42,170,000 are based on 241,462,000 Rights Shares to be issued at the Subscription Price of HK\$0.18 per Rights Share of the Company and after deduction of estimated related expenses of approximately HK\$1,293,000.
3. The calculation of the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share immediately after completion of the Rights Issue is based on 724,386,000 Shares which comprise 482,924,000 Shares in issue as at 31 December 2011 and 241,462,000 Rights Shares to be issued under the Rights Issue as if the Rights Issue had been completed on 31 December 2011.
4. The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company is prepared on the assumption that none of the outstanding Share Options was exercised on or before the Record Date.

**2. ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE GROUP**

The following is the text of a report, prepared for the sole purpose of inclusion in this prospectus, received from the independent reporting accountants of the Company namely Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, in respect of the Group's unaudited pro forma financial information.

**ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE GROUP**

TO THE DIRECTORS OF HOP FUNG GROUP HOLDINGS LIMITED

We report on the unaudited pro forma financial information of Hop Fung Group Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the proposed rights issue on the basis of one rights share for every two existing shares held on the record date might have affected the financial information presented, for inclusion in Appendix II to the prospectus dated 13 June 2012 (the "Prospectus"). The basis of preparation of the unaudited pro forma financial information is set out in Appendix II to the Prospectus.

Respective responsibilities of directors of the Company and reporting accountants

It is the responsibility solely of the directors of the Company to prepare the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The unaudited pro forma financial information is for illustrative purpose only, based on the judgments and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 31 December 2011, or any future date.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
13 June 2012

1. RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes 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 document 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 prospectus misleading.

2. DIRECTORS AND SENIOR MANAGEMENT

Name	Residential or Business address
<i>Executive Directors</i>	
Mr. Hui Sum Kwok	Workshops E, F and H, 22nd Floor Superluck Industrial Centre (Phase 2) No. 57 Sha Tsui Road and Nos. 30–38 Tai Chung Road, Tsuen Wan New Territories Hong Kong
Mr. Hui Sum Ping	Workshops E, F and H, 22nd Floor Superluck Industrial Centre (Phase 2) No. 57 Sha Tsui Road and Nos. 30–38 Tai Chung Road, Tsuen Wan New Territories Hong Kong
Mr. Hui Sum Tai	Workshops E, F and H, 22nd Floor Superluck Industrial Centre (Phase 2) No. 57 Sha Tsui Road and Nos. 30–38 Tai Chung Road, Tsuen Wan New Territories Hong Kong
Ms. Hui Yuen Li	Workshops E, F and H, 22nd Floor Superluck Industrial Centre (Phase 2) No. 57 Sha Tsui Road and Nos. 30–38 Tai Chung Road, Tsuen Wan New Territories Hong Kong

Name	Residential or Business address
<i>Independent Non-Executive Directors</i>	
Mr. Chee Man Sang, Eric	19th Floor, Beverly House Nos. 93–107 Lockhart Road Wanchai, Hong Kong
Mr. Yip Kwok Kwan	2A, Mountain Lodge 44 Mount Kellett Road, Hong Kong
Mr. Wong Chu Leung	Workshops F and G, 2nd Floor Superluck Industrial Centre (Phase 2) No. 57 Sha Tsui Road and Nos. 30–38 Tai Chung Road, Tsuen Wan New Territories Hong Kong

Executive Directors

Mr. Hui Sum Kwok, aged 52, is the chairman of the Board, an executive Director of the Company and a co-founder of the Group. Mr. Hui is responsible for the overall corporate planning, business development and management of the Group. Mr. Hui has over 27 years of experience in the corrugated packaging industry in Hong Kong and the PRC.

Mr. Hui Sum Kwok is a brother of Mr. Hui Sum Ping (vice chairman of the Board, executive Director, and substantial Shareholder of the Company) and Mr. Hui Sum Tai (executive Director and chief executive officer of the Company), and the spouse of Ms. Wong Mui (deputy general manager of the Company). Mr. Hui did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

Mr. Hui Sum Ping, aged 50, is the vice chairman of the Board, an executive Director of the Company and a co-founder of the Group. Mr. Hui is responsible for the business development of the Group. Mr. Hui has over 27 years of experience in the corrugated packaging industry in Hong Kong and the PRC.

Mr. Hui Sum Ping is a brother of Mr. Hui Sum Kwok (chairman of the Board, executive Director, and substantial Shareholder of the Company), and Mr. Hui Sum Tai (executive Director and chief executive officer of the Company). Mr. Hui did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

Mr. Hui Sum Tai, aged 45, is the chief executive officer and an executive Director of the Company. Mr. Hui has joined the Group since its establishment and is responsible for the strategic planning and day-to-day management of the Group. Mr. Hui has over 25 years of experience in the corrugated packaging industry in Hong Kong and the PRC.

Mr. Hui Sum Tai is a brother of Mr. Hui Sum Kwok (chairman of the Board, executive Director, and substantial Shareholder of the Company) and Mr. Hui Sum Ping (vice chairman of the Board, executive Director, and substantial Shareholder of the Company). Mr. Hui did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

Ms. Hui Yuen Li, aged 41, is an executive Director and the company secretary of the Company. Ms. Hui is responsible for the financial management of the Group. Ms. Hui is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Ms. Hui worked in an international accounting firm prior to joining the Group in May 1997.

Ms. Hui obtained a Degree of Bachelor of Arts with Honours in Accountancy from the City University of Hong Kong in 1992. Ms. Hui did not have any relationship with any Directors, substantial Shareholders and senior management of the Company. Ms. Hui did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

Independent Non-executive Directors

Mr. Chee Man Sang, Eric, aged 50, was appointed as an independent non-executive Director of the Company on 4 September 2003. Mr. Chee is a practising Certified Public Accountant in Hong Kong and a senior partner of Chan Chee Cheng & Co., a firm of Certified Public Accountants. Mr. Chee had worked in two international accounting firms in Canada and Hong Kong. Mr. Chee is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants of Ontario, Canada.

Mr. Chee obtained a Bachelor's Degree of Commerce (Accounting) with Honours from Birmingham University in 1984. In addition to his appointment to the Company, Mr. Chee is also an executive director of Mastermind Capital Limited and used to be an independent non-executive director of Viva China Holdings Limited (formerly known as Coolpoint Energy Limited), both companies listed on The Stock Exchange of Hong Kong Limited. Mr. Chee did not have any relationship with any Directors, substantial Shareholders and senior management of the Company.

Mr. Yip Kwok Kwan, aged 62, was appointed as an independent non-executive Director of the Company on 15 July 2010. Mr. Yip is a managing director of Guosen Securities (HK) Capital Company Limited. Mr. Yip has over 30 years of experience in investment, corporate finance, financial advisory and business management. Mr. Yip has a long track record of working with various financial institutions, including UOB Asia (Hong Kong) Limited as a chief executive officer, and DBS Asia Capital Ltd, Hong Kong, DBS Securities (Hong Kong) Ltd., Hong Kong and First Chicago Hong Kong Limited as a managing director.

Mr. Yip obtained a Degree of Bachelor of Business Administration with Honours from the National University of Singapore (formerly known as the University of Singapore) in 1971. In addition to his appointment to the Company, Mr. Yip is also an independent non-executive director of Powerwell Pacific Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited. Mr. Yip did not have any relationship with any Directors, substantial Shareholders and senior management of the Company.

Mr. Wong Chu Leung, aged 64, was appointed as an independent non-executive Director of the Company on 15 September 2004. Mr. Wong has over 27 years of experience in enterprise management and manufacturing operation management. Mr. Wong is a shareholder and a director of certain metal ware and plastic ware manufacturing companies/corporations with manufacturing plants located in the PRC.

Mr. Wong did not have any relationship with any Directors, substantial Shareholders and senior management of the Company. Mr. Wong did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

Senior Management

Ms. Wong Mui, aged 46, is the deputy general manager of the Group. Ms. Wong has worked for the Group since its establishment and is responsible for the general administration of the Group. Ms. Wong is the spouse of Mr. Hui Sum Kwok (chairman of the Board, executive Director and substantial Shareholder of the Company).

Mr. Tsui Yung Wai, aged 50, is the deputy general manager of the Group. Mr. Tsui is responsible for the supervision of procurement, logistics and human resources of the Group. Mr. Tsui has over 16 years of experience in corrugated packaging industry in Hong Kong and the PRC. Prior to joining the Group in February 2008, he was a shareholder and a director of a corrugated packaging manufacturing company.

Mr. Tsui is a brother-in-law of Mr. Hui Sum Kwok (chairman of the Board, executive Director, and substantial Shareholder of the Company), Mr. Hui Sum Ping (vice chairman of the Board, executive Director and substantial Shareholder of the Company) and Mr. Hui Sum Tai (executive Director and chief executive officer of the Company).

Ms. Wong Yuk Kwan, aged 41, is the senior accounting manager of the Group. Ms. Wong is responsible for overseeing accounting operations of the Group. Ms. Wong obtained a Degree of Bachelor of Business Administration majoring in accounting from the University of Houston — Downtown in the United States in 1994. Ms. Wong worked in an international accounting firm prior to joining the Group in May 2002.

Save as disclosed above, all the senior management had not held any directorship in other publicly listed companies whether in Hong Kong or overseas in the past three years preceding the Latest Practicable Date and had no relationship with any directors, senior management, substantial Shareholders or Controlling Shareholder of the Company as at the Latest Practicable Date.

3. CORPORATE INFORMATION

Registered office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head office and principal place of business in Hong Kong	Workshops E, F and H, 22nd Floor Superluck Industrial Centre (Phase 2) No. 57 Sha Tsui Road and Nos. 30–38 Tai Chung Road, Tsuen Wan New Territories Hong Kong
Company secretary	Ms. Hui Yuen Li
Authorised representatives	Mr. Hui Sum Kwok Ms. Hui Yuen Li
Auditor	Deloitte Touche Tohmatsu Certified Public Accountants 35th Floor One Pacific Place 88 Queensway Hong Kong
Principal share registrar and transfer office	Butterfield Fulcrum Group (Cayman) Limited Butterfield House 68 Fort Street P.O. Box 609 Grand Cayman KY1-1107 Cayman Islands
Branch share registrar and transfer agent in Hong Kong	Tricor Abacus Limited 26th Floor, Tesbury Centre No. 28 Queen's Road East Wanchai Hong Kong

Principal bankers

Standard Chartered Bank (Hong Kong) Limited
13th Floor, Standard Chartered Bank Building
4–4A Des Voeux Road, Central
Hong Kong

Agricultural Bank of China
33 Qing He Da Dao
QingXin County
QingYuan City
Guangdong Province
The PRC

Citibank, N.A.
44th Floor Citibank Tower
Citibank Plaza
3 Garden Road
Central
Hong Kong

DBS Bank (Hong Kong) Limited
16th Floor, The Center
99 Queen's Road Central
Central, Hong Kong

CITIC Bank International Limited
9th Floor, Tower 1, Lippo Centre
89 Queensway
Hong Kong

Australia and New Zealand Banking Group
Limited
Hong Kong Branch
14th Floor Three Exchange Square
8 Connaught Place
Hong Kong

Mizhuo Corporate Bank, Ltd.
Hong Kong Branch
17th Floor, Two Pacific Place
88 Queensway
Hong Kong

Wing Hang Bank, Limited
161 Queen's Road Central
Hong Kong

4. PARTIES INVOLVED IN THE RIGHTS ISSUE

Underwriter	Hop Fung Industries (Holdings) Limited P.O. Box 957 Offshore Incorporations Centre Road Town Tortola British Virgin Islands
Financial adviser to the Company	Quam Capital Limited Room 3208, Gloucester Tower The Landmark, 11 Pedder Street Central Hong Kong
Legal advisers to the Company	<i>As to Hong Kong law</i> Squire Sanders 24th Floor Central Tower 28 Queen's Road Central Central, Hong Kong <i>As to the Cayman Islands law</i> Conyers Dill & Pearman (Cayman) Limited Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman, KY1-1111 Cayman Islands

5. DISCLOSURE OF INTERESTS

Interests of the Directors

As at the Latest Practicable Date, the interests of the Directors in the shares and underlying shares of the Company or any of 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 which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange (except the changes arising as a result of the Underwriting Agreement and any sub-underwriting agreement relates thereto) were as follows:

Name of Directors	Number of Shares				Approximate percentage of total interests in the shares in issue	Underlying shares (Share Options) (Note 3)	Approximate percentage of total interests (including underlying shares) in the shares in issue
	Beneficial interests	Family interests	Corporate interests	Total interests			
Mr. Hui Sum Kwok	10,128,000	500,000 (Note 1)	252,000,000 (Note 2)	262,628,000	54.38%	4,828,000	54.83%
Mr. Hui Sum Ping	7,894,000	—	252,000,000 (Note 2)	259,894,000	53.82%	4,828,000	54.27%
Mr. Hui Sum Tai	6,246,000	—	—	6,246,000	1.29%	4,828,000	2.27%
Ms. Hui Yuen Li	3,670,000	—	—	3,670,000	0.76%	1,100,000	0.99%
Mr. Chee Man Sang, Eric	96,000	—	—	96,000	0.02%	120,000	0.04%

Notes:

- The family interests of Mr. Hui Sum Kwok are held by his wife, Ms. Wong Mui.
- The corporate interests are held by Hop Fung Industries Limited. The issued share capital of Hop Fung Industries Limited is owned as to 78.86%, 12.57% and 8.57% by Hop Fung Industries (Holdings) Limited, Delight Ocean Limited and Mr. Hui Sum Tai respectively. The issued share capital of Hop Fung Industries (Holdings) Limited is owned as to 11.81%, 11.81%, 38.19% and 38.19% by Mr. Hui Sum Kwok, Mr. Hui Sum Ping, Fullwood Holdings Limited and Goldspeed Holdings Limited respectively. The entire issued share capital of Fullwood Holdings Limited is indirectly held by HSBC International Trustee Limited through its 100% controlled corporation, Pinecity Investments Limited in its capacity as the trustee of Hui & Wong 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Kwok and the discretionary objects of which include family members of Mr. Hui Sum Kwok. The entire issued share capital of Goldspeed Holdings Limited is indirectly held by HSBC International Trustee Limited through its 100% controlled corporation, Goldkeen Assets Management Limited in its capacity as the trustee of HSP 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Ping and the discretionary objects of which include family members of Mr. Hui Sum Ping.

3. The exercise price of the Share Options is HK\$0.752. Holders of Share Options granted under the Company's share option scheme may only exercise their options during the exercisable periods as follows:

Exercisable periods	Maximum % of Share Options exercisable
1.5.2010–30.4.2011	up to 50%
1.5.2011–30.4.2012	up to 75% (to the extent not already exercised)
1.5.2012–30.4.2013	up to 100% (to the extent not already exercised)

The exercise price and exercisable period as illustrated above are applicable to all outstanding Share Options.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or any chief executive of the Company had an interest in any shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange (except the changes arising as a result of the Underwriting Agreement and any sub-underwriting agreement relates thereto).

Interests of the substantial Shareholders

As at the Latest Practicable Date, so far as was known to the Directors, the following persons (other than a Director or chief executive of the Company) had an interest in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO (except the changes arising as a result of the Underwriting Agreement and any sub-underwriting agreement relates thereto) or, who was, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long position in the Shares:

Name of Shareholders	Number of Shares	
	Beneficial interests	Approximate percentage of total interests in the Shares in issue
Hop Fung Industries Limited (Note 1)	252,000,000	52.18%
Hallgain Management Limited (Note 2)	67,794,000	14.04%

Notes:

1. The issued share capital of Hop Fung Industries Limited is owned as to 78.86%, 12.57% and 8.57% by Hop Fung Industries (Holdings) Limited, Delight Ocean Limited and Mr. Hui Sum Tai respectively. The issued share capital of Hop Fung Industries (Holdings) Limited is owned as to 11.81%, 11.81%, 38.19% and 38.19% by Mr. Hui Sum Kwok, Mr. Hui Sum Ping, Fullwood Holdings Limited and Goldspeed Holdings Limited respectively. The entire issued share capital of Fullwood Holdings Limited is indirectly held by HSBC International Trustee Limited through its 100% controlled corporation, Pinecity Investments Limited in its capacity as the trustee of Hui & Wong 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Kwok and the discretionary objects of which include family members of Mr. Hui Sum Kwok. The entire issued share capital of Goldspeed Holdings Limited is indirectly held by HSBC International Trustee Limited through its 100% controlled corporation, Goldkeen Assets Management Limited in its capacity as the trustee of HSP 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Ping and the discretionary objects of which include family members of Mr. Hui Sum Ping.
2. Hallgain Management Limited (“Hallgain”) is deemed to be interested in 67,794,000 Shares. Based on the information disclosed in the DI form on the website of The Stock Exchange of Hong Kong Limited on the date of the Announcement, Hallgain held 31.38% interest of Kingboard Chemical Holdings Limited (“Kingboard Chemical”) which is directly interested in 57,210,000 Shares. Jamplan (BVI) Limited (“Jamplan”) is a wholly-owned subsidiary of Kingboard Chemical. Jamplan wholly owns Kingboard Investments Limited which is directly interested in 10,584,000 Shares.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, no person had an interest or a short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group.

As at the Latest Practicable Date, no share capital of any member of the Group was under option or agreed conditionally or unconditionally to be put under option.

6. INTERESTS OF THE EXPERT IN THE GROUP

The expert named in the paragraph headed “Qualification of the expert” in this appendix does not have any shareholding in any company in the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any company in the Group.

7. INTERESTS IN CONTRACT OR ARRANGEMENT

None of the Directors had any interests in contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group taken as a whole.

8. INTERESTS IN ASSETS

None of the Directors or the expert named in the paragraph headed “Qualification of the expert” in this appendix has any direct or indirect interest in any assets acquired or disposed of by or leased to any member of the Group or is proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2011, being the date to which the latest published audited accounts of the Company were made up.

9. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or be determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

10. MATERIAL CONTRACT

The following contract (not being contract in the ordinary course of business) has been entered into by members of the Group within the two years preceding the date of this prospectus and is or may be material:

— the Underwriting Agreement.

11. LITIGATION

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

12. QUALIFICATION OF THE EXPERT

The qualification of the expert who has given opinion in this prospectus is as follow:

Name	Qualification
Deloitte Touche Tohmatsu	Certified Public Accountants

13. CONSENT

The expert named in the paragraph headed “Qualification of the expert” in this appendix has given and has not withdrawn its written consent to the issue of this prospectus with copy of its report and the references to its name included herein in the form and context in which they respectively appear.

14. LEGAL EFFECT

This prospectus, the PAL and the EAF, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong.

15. BINDING EFFECT

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

16. DOCUMENTS REGISTERED WITH THE REGISTRAR OF COMPANIES

A copy of this prospectus, together with copies of the PAL and EAF and the written consent referred to in the paragraph headed “Consent” in this appendix, has been delivered to the Registrar of Companies in Hong Kong for registration pursuant to section 342C of the Companies Ordinance.

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at Workshops E, F and H, 22nd Floor, Superluck Industrial Centre (Phase 2), No. 57 Sha Tsui Road and Nos. 30–38 Tai Chung Road, Tsuen Wan, New Territories, Hong Kong during normal business hours from the date of this prospectus up to and including 27 June 2012:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the two financial years ended 31 December 2010 and 31 December 2011;
- (c) the accountants’ report on the unaudited pro forma statement of adjusted consolidated net tangible asset of the Group, the text of which is set out in Appendix II to this prospectus;
- (d) the material contract referred to in the paragraph headed “Material contract” in this appendix; and
- (e) the written consent referred to in the paragraph headed “Consent” in this appendix.