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King Right Holdings Limited

(Incorporated in the British Virgin Islands with limited liability)



Hing Lee (HK) Holdings Limited

興利（香港）控股有限公司

*(Incorporated in the British Virgin Islands and re-domiciled
and continued in Bermuda with limited liability)*

(Stock code: 396)

JOINT ANNOUNCEMENT

**(1) ACQUISITION OF THE SALE SHARES
IN HING LEE (HK) HOLDINGS LIMITED;**

**(2) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER BY
SHENYIN WANGUO SECURITIES (H.K.) LIMITED**



Shenyin Wanguo Securities (H.K.) Limited

**FOR AND ON BEHALF OF KING RIGHT HOLDINGS LIMITED TO ACQUIRE
ALL THE ISSUED SHARES OF HING LEE (HK) HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE
ACQUIRED BY KING RIGHT HOLDINGS LIMITED AND
PARTIES ACTING IN CONCERT WITH IT);**

AND

**(3) RESUMPTION OF TRADING IN THE SHARES OF
HING LEE (HK) HOLDINGS LIMITED**

Financial Adviser to King Right Holdings Limited



Shenyin Wanguo Capital (H.K.) Limited

THE SALE AND PURCHASE AGREEMENT

The Offeror and the Company jointly announced that on 11 December 2013, the Vendor and the Offeror entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Offeror has conditionally agreed to acquire the 67,964,104 Sale Shares beneficially owned by the Vendor, representing approximately 28.04% of the existing issued share capital of the Company as at the date of this joint announcement. The Consideration for the Sale Shares pursuant to the Sale and Purchase Agreement is HK\$69,323,386.08, equivalent to HK\$1.02 per Sale Share.

All conditions precedent to the Sale and Purchase Agreement have been duly satisfied as at the date of this joint announcement. Completion shall take place within five (5) Business Days after the date of this joint announcement. Upon Completion, the Offeror's equity interest in the Company shall increase from 18,280,155 Shares to 86,244,259 Shares, representing approximately 7.54% and 35.58% of the existing issued share capital of the Company respectively.

POSSIBLE UNCONDITIONAL MANDATORY GENERAL OFFER

Prior to entering into the Sale and Purchase Agreement, the Offeror, Mr. Sung and parties acting in concert with any of them (including Mr. Chan, Mr. Cheung and Mr. Huang) were interested in a total of 72,035,896 Shares, representing approximately 29.72% of the entire issued share capital of the Company. Upon Completion, the Offeror, Mr. Sung and parties acting in concert with any of them will become interested in a total of 140,000,000 Shares, representing approximately 57.76% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror will be required to make an unconditional mandatory general offer in cash for all the issued Shares other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it.

SW Securities will make the Share Offer, which will be unconditional in all respects pursuant to Note 1 to Rule 26.2 of the Takeovers Code, for and on behalf of the Offeror in compliance with the Takeovers Code on the following terms:

For every Offer Share HK\$1.02 in cash

On the basis of the Offer Price of HK\$1.02 per Offer Share and 242,398,675 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company would be valued at approximately HK\$247.2 million. The Offeror and parties acting in concert with it will become interested in 140,000,000 Shares upon Completion. Assuming all outstanding Pre-IPO Options and Options will not be exercised, the Share Offer based on the Offer Price values the Offer Shares (other than the 36,404,000 Shares held by Top Prospect which has given an irrevocable undertaking dated 11 December 2013 to the Offeror and the Company pursuant to which Top Prospect has irrevocably undertaken not to accept the Share Offer and not to take any other action to make those Shares available for acceptance of the Share Offer) at approximately HK\$67,314,569 in respect of an aggregate of 65,994,675 Offer Shares.

As at the date of this joint announcement, there are 8,992,020 Pre-IPO Options and 4,000,000 Options outstanding, each entitling the holder thereof to subscribe for one Share at an exercise price of HK\$1.0647 and HK\$1.80 per Share respectively. All the Pre-IPO Options holders and Option holders have given an irrevocable and unconditional undertaking to the Offeror and the Company pursuant to which the Pre-IPO Option holders and Option holders have irrevocably and unconditionally undertaken (i) not to exercise any subscription rights attached to the Pre-IPO Options and Options held by them prior to the close of the Share Offer; (ii) not to accept the Option Offer; and (iii) not to take any other action to make those Pre-IPO Options and Options available for acceptance of the Option Offer. Accordingly, no Option Offer will be made for the outstanding Pre-IPO Options and Options.

The principal terms of the Share Offer are summarised in the section headed “Possible unconditional mandatory general offer” in this joint announcement.

The financial resources of the Offeror to fund the Share Offer amounting to an aggregate of approximately HK\$67,314,569 are financed by the Facility granted by SW Securities. SW Capital has been appointed as the financial adviser to the Offeror in respect of the Share Offer and is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Share Offer.

GENERAL

The Independent Board Committee comprising all three independent non-executive Directors, namely Mr. Sun Jian, Ms. Shao Hanqing and Mr. Kong Hing Ki, has been established by the Company to make recommendation to the Independent Shareholders as to whether the Share Offer is fair and reasonable and as to the acceptance of the Share Offer. Octal Capital Limited has been appointed by the Company as the Independent Financial Adviser after approval by the Independent Board Committee to advise the Independent Board Committee in respect of the Share Offer.

It is the intention of the Offeror and the Company that the offer document and the offeree board circular be combined in a composite document.

Pursuant to Rule 8.2 of the Takeovers Code, the composite document containing, among other things, (i) details of the Share Offer (including the expected timetable); (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Share Offer; and (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Share Offer, together with the relevant form of acceptance, is required to be despatched to the Shareholders as soon as practicable within 21 days of the date of this joint announcement or such later date as the Executive may approve.

WARNING

The Share Offer is a possible unconditional mandatory cash offer and will only be made if Completion takes place. Accordingly, the Share Offer may or may not proceed. Shareholders and potential investors in the Company are advised to exercise caution when dealing in the Shares.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 12 December 2013, pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 19 December 2013.

INTRODUCTION

The Offeror and the Company jointly announced that on 11 December 2013, the Vendor and the Offeror entered into the Sale and Purchase Agreement, details of which are set out below:

THE SALE AND PURCHASE AGREEMENT

Date: 11 December 2013

Parties: (i) Triple Express Enterprises Limited as the Vendor
(ii) the Offeror as the purchaser

Sale Shares and the Consideration

Pursuant to the terms of the Sale and Purchase Agreement, the Offeror has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, being 67,964,104 Shares, free from all claim, charge, mortgage, security, lien, option, equity, power of sale, hypothecation or other third party rights, retention of title, right of pre-emption, right of first refusal or security interest of any kind and together with all rights and benefits attaching or accruing thereto as at the Completion Date, including all dividends and distributions declared, made or paid on or after the Completion Date. The Sale Shares represent approximately 28.04% of the entire issued share capital of the Company as at the date of this joint announcement.

The Consideration for the Sale Shares pursuant to the Sale and Purchase Agreement is HK\$69,323,386.08, equivalent to HK\$1.02 per Sale Share, which was determined following arm's length negotiations between the Offeror and the Vendor and shall be payable by the Offeror to the Vendor at Completion by way of cashier orders drawn on a licensed bank in Hong Kong or such other payment method as agreed by the Vendor and the Offeror.

Completion

All conditions precedent to the Sale and Purchase Agreement have been duly satisfied as at the date of this joint announcement. Completion of the Sale and Purchase Agreement shall take place within five (5) Business Days after the date of this joint announcement.

Upon Completion, the Offeror's equity interest in the Company shall increase from 18,280,155 Shares to 86,244,259 Shares, representing approximately 7.54% and 35.58% of the existing issued share capital of the Company respectively.

POSSIBLE UNCONDITIONAL MANDATORY GENERAL OFFER

Prior to entering into the Sale and Purchase Agreement, the Offeror, Mr. Sung and parties acting in concert with any of them (including Mr. Chan, Mr. Cheung and Mr. Huang) were interested in a total of 72,035,896 Shares, representing approximately 29.72% of the entire issued share capital of the Company. Upon Completion, the Offeror, Mr. Sung and parties acting in concert with any of them will become interested in a total of 140,000,000 Shares, representing approximately 57.76% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror will be required to make an unconditional mandatory general offer in cash for all the issued Shares other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it.

Principal terms of the Share Offer

SW Securities will make the Share Offer, which will be unconditional in all respects pursuant to Note 1 to Rule 26.2 of the Takeovers Code, for and on behalf of the Offeror in compliance with the Takeovers Code on the following terms:

The Share Offer

For every Offer Share HK\$1.02 in cash

The Offer Price is the same as the price per Sale Share payable by the Offeror under the Sale and Purchase Agreement.

The Pre-IPO Options and Options

In compliance with Rule 13 of the Takeovers Code, the Offeror is required to make appropriate offers to the holders of the Pre-IPO Options and the Options other than those already held by the Offeror and parties acting in concert with it.

As at the date of this joint announcement, there are 8,992,020 Pre-IPO Options and 4,000,000 Options outstanding, each entitling the holder thereof to subscribe for one Share at an exercise price of HK\$1.0647 and HK\$1.80 per Share respectively. As at the date of this joint announcement, 5,994,680 Pre-IPO Options and 4,000,000 Options are held by the Offeror and parties acting in concert with it. As the respective exercise prices of the Pre-IPO Options and Options are higher than the Offer Price of HK\$1.02, the Pre-IPO Options and Options are out-of-money.

All the Pre-IPO Option holders and Option holders have given an irrevocable and unconditional undertaking to the Offeror and the Company pursuant to which the Pre-IPO Option holders and Option holders have irrevocably and unconditionally undertaken (i) not to exercise any subscription rights attached to the Pre-IPO Options and Options held by them prior to the close of the Share Offer; (ii) not to accept the Option Offer; and (iii) not to take any other action to make those Pre-IPO Options and Options available for acceptance of the Option Offer. Accordingly, no Option Offer will be made for the outstanding Pre-IPO Options and Options.

Pursuant to the Pre-IPO Share Option Scheme and the Share Option Scheme, the Company shall within seven (7) days of the Share Offer becoming or being declared unconditional give notice thereof to the Pre-IPO Option holders and Option holders, whereupon such holders shall be entitled at any time within the period of 14 days after the date of such notice (the “**Notice Period**”) to exercise all or any of their outstanding Pre-IPO Options and Options in whole or in part (to the extent that such Pre-IPO Options and Options have become exercisable but not already exercised), and any Pre-IPO Options and Options not so exercised shall upon the expiry of such period lapse and determine. As the Pre-IPO Option holders and Option holders have irrevocably and unconditionally undertaken not to exercise any subscription rights attached to the Pre-IPO Options and Options held by them prior to the close of the Share Offer as mentioned above, the outstanding Pre-IPO Options and Options shall upon the expiry of the Notice Period lapse and determine.

Save as disclosed above, the Company has no outstanding warrants, options, derivatives or securities convertible into Shares and has not entered into any agreement for the issue of such securities, options, derivatives or warrants of the Company.

Offer Price

The Offer Price of HK\$1.02 per Offer Share represents:

- (i) a discount of approximately 20.93% to the closing price of HK\$1.29 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 20.93% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day of HK\$1.29 per Share; and
- (iii) a discount of approximately 19.69% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day of HK\$1.27 per Share.

Highest and lowest Share prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding the Last Trading Day from 12 June 2013 to the Last Trading Day were HK\$1.30 per Share on 2 December 2013 and 3 December 2013 and HK\$0.58 per Share on 5 July 2013 respectively.

Total consideration for the Share Offer

On the basis of the Offer Price of HK\$1.02 per Offer Share and 242,398,675 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company would be valued at approximately HK\$247.2 million. The Offeror and parties acting in concert with it will become interested in 140,000,000 Shares upon Completion. Assuming all outstanding Pre-IPO Options and Options will not be exercised, the Share Offer based on the Offer Price values the Offer Shares (other than the 36,404,000 Shares held by Top Prospect which has given an irrevocable undertaking dated 11 December 2013 to the Offeror and the Company pursuant to which Top Prospect has irrevocably undertaken not to accept the Share Offer and not to take any other action to make those Shares available for acceptance of the Share Offer) at approximately HK\$67,314,569 in respect of an aggregate of 65,994,675 Offer Shares.

Financial resources available for the Share Offer

The financial resources of the Offeror to fund the Share Offer amounting to an aggregate of approximately HK\$67,314,569 are financed by the Facility granted by SW Securities.

SW Capital has been appointed as the financial adviser to the Offeror in respect of the Share Offer and is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Share Offer.

Effects of accepting the Share Offer

By accepting the Share Offer, the relevant Shareholders will sell their Shares to the Offeror free from all liens, claims and encumbrances and with all rights attached to them, and all dividends and distributions recommended, declared, made or paid, if any, on or after the date on which the Share Offer is made.

Stamp duty

Seller's Hong Kong ad valorem stamp duty on acceptances of the Share Offer at a rate of 0.1% (HK\$1.00 for every HK\$1,000 (or part thereof)) of the consideration payable in respect of the relevant acceptance by the Shareholders or, if higher, the market value of the Offer Shares, will be deducted from the amount payable to Shareholders who accept the Share Offer. The Offeror will bear the buyer's Hong Kong ad valorem stamp duty as purchaser of the Offer Shares and will arrange for the payment of the stamp duty in connection with such sales and purchases.

Payment

Payment in cash in respect of acceptances of the Share Offer will be made as soon as possible but in any event within seven (7) business days (as defined under the Takeovers Code) of the date on which the duly completed acceptances of the Share Offer and the relevant documents of title of the Shares in respect of such acceptances are received by the Offeror to render each such acceptance complete and valid.

Dealings in the Company's securities

Save for the transaction contemplated under the Sale and Purchase Agreement, none of the Offeror or any party acting in concert with it has dealt in any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the six months prior to the date of this joint announcement.

Other arrangements or agreements

The Offeror confirms that as at the date of this joint announcement,

- (i) the Offeror, Mr. Sung and parties acting in concert with any of them have not received any irrevocable commitment to accept the Share Offer;
- (ii) there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror, Mr. Sung or any party acting in concert with any of them;
- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company and which may be material to the Share Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (iv) there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Share Offer; and
- (v) there is no relevant security (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, Mr. Sung or any party acting in concert with any of them has borrowed or lent.

Overseas Shareholders

Shareholders who have registered addresses outside Hong Kong and wish to accept the Share Offer should satisfy themselves as to the full observance of the applicable laws and regulations of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such accepting Shareholders in respect of such jurisdiction).

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company as at the date of this joint announcement and immediately after Completion and before the Share Offer (assuming there will be no other changes to the shareholding structure of the Company from the date of this joint announcement to the date of Completion and before the Share Offer):

	As at the date of this joint announcement		Immediately after Completion and before the Share Offer	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
The Vendor	67,964,104	28.04%	–	–
The Offeror	18,280,155	7.54%	86,244,259	35.58%
Golden Sunday Limited ¹	18,280,155	7.54%	18,280,155	7.54%
United Sino Limited ²	18,280,155	7.54%	18,280,155	7.54%
Top Right Trading Limited ³	17,195,431	7.10%	17,195,431	7.10%
Sub-total for the Offeror and parties acting in concert with it⁴	72,035,896	29.72%	140,000,000	57.76%
Top Prospect	36,404,000	15.02%	36,404,000	15.02%
Public Shareholders	65,994,675	27.22%	65,994,675	27.22%
Total	242,398,675	100.00%	242,398,675	100.00%

Notes:

1. The entire issued share capital of Golden Sunday Limited is owned by Mr. Chan.
2. The entire issued share capital of United Sino Limited is owned by Mr. Cheung.
3. The entire issued share capital of Top Right Trading Limited is owned by Mr. Huang.
4. Apart from an aggregate of 72,035,869 Shares held by the Offeror and parties acting in concert with it, as at the date of this joint announcement, (i) 1,498,670 Pre-IPO Options and 1,500,000 Options are held by Mr. Sung; (ii) 1,498,670 Pre-IPO Options are held by Mr. Chan; (iii) 1,498,670 Pre-IPO Options and 1,500,000 Options are held by Mr. Cheung; and (iv) 1,498,670 Pre-IPO Options and 1,000,000 Options are held by Mr. Huang.

INFORMATION ON THE OFFEROR

The Offeror was incorporated in the BVI with limited liability and is beneficially and wholly-owned by Mr. Sung. The principal activity of the Offeror is investment holding and the principal assets held by the Offeror are its equity interests in the Company. Prior to the date of the Sale and Purchase Agreement, the Offeror has not conducted any business since its incorporation.

Mr. Sung is the sole shareholder and sole director of the Offeror. He is also the Chairman and the Chief Executive Officer of the Company and has over 17 years of experience in the furniture industry.

INFORMATION ON THE COMPANY

The Company was incorporated in the BVI on 20 April 2004 and was re-domiciled and continued in Bermuda with limited liability on 30 March 2007, and the Shares have been listed on the Stock Exchange since 22 June 2009. The principal business activities of the Group are the design, manufacture, sale and marketing of home furniture products including mainly wood-based furniture, sofa and mattresses, and licensing of its own brands and product designs. The following table sets out a summary of certain audited financial information of the Group for the two years ended 31 December 2011 and 31 December 2012 and unaudited financial information of the Group for the six months ended 30 June 2013:

	Six months ended 30 June 2013	Year ended 31 December 2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)	(audited)
Turnover	292,616	604,595	633,008
Gross profit	59,296	98,805	146,222
Profit/(loss) before taxation	5,975	(37,209)	48,637
Profit/(loss) for the year/period	4,457	(38,706)	45,723
	As at 30 June 2013	As at 31 December 2012	2011
Net assets	370,052	361,851	407,700

OFFEROR'S INTENTION ON THE GROUP

It is the intention of the Offeror that the Group will continue its existing principal business. The Offeror does not intend to introduce any major changes to the existing operation and business of the Group or re-deploy the fixed assets or the employees of the Group by reason only of the Share Offer. As at the date of this joint announcement, the Offeror has no intention or plan for any acquisition or disposal of assets and/or business by the Group.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Share Offer. In the event that after the close of the Share Offer, the public float of the Company falls below 25%, the Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that the minimum public float of not less than 25% of the issued Shares as required under the Listing Rules will be restored or maintained (as applicable) following the close of the Share Offer.

GENERAL

Independent Board Committee and Independent Financial Adviser

The Independent Board Committee comprising all three independent non-executive Directors, namely Mr. Sun Jian, Ms. Shao Hanqing and Mr. Kong Hing Ki, has been established by the Company to make recommendation to the Independent Shareholders as to whether the Share Offer is fair and reasonable and as to the acceptance of the Share Offer. Mr. Fang Yan Zau, Alexander, a non-executive Director, is the son of Mr. Fang Shin, who holds the entire equity interests in the Vendor, and will not form part of the Independent Board Committee. Octal Capital Limited has been appointed by the Company as the Independent Financial Adviser after approval by the Independent Board Committee to advise the Independent Board Committee in respect of the Share Offer.

Availability of the composite document

It is the intention of the Offeror and the Company that the offer document and the offeree board circular be combined in a composite document. Pursuant to Rule 8.2 of the Takeovers Code, the composite document containing, among other things, (i) details of the Share Offer (including the expected timetable); (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Share Offer; and (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Share Offer, together with the relevant form of acceptance, is required to be despatched to the Shareholders as soon as practicable within 21 days of the date of this joint announcement or such later date as the Executive may approve.

Disclosure of dealings in the Shares

In accordance with Rule 3.8 of the Takeovers Code, associates (as defined under the Takeovers Code) of the Offeror and the Company (including persons who own or control 5% or more of any class of relevant securities issued by the Company or the Offeror) are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

WARNING

The Share Offer is a possible unconditional mandatory cash offer and will only be made if Completion takes place. Accordingly, the Share Offer may or may not proceed. Shareholders and potential investors in the Company are advised to exercise caution when dealing in the Shares.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 12 December 2013, pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 19 December 2013.

DEFINITIONS

In this joint announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“associate(s)”	has the meaning ascribed thereto in the Takeovers Code
“Board”	the board of directors of the Company
“Business Day”	a day (other than Saturday, Sunday or public holiday and days on which a typhoon signal 8 or above or a black rainstorm is hosted in Hong Kong at 10:00 a.m.) on which banks in Hong Kong are open for general banking business
“BVI”	British Virgin Islands
“Company”	Hing Lee (HK) Holdings Limited, a company incorporated in the BVI and re-domiciled and continued in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the Sale and Purchase Agreement
“Completion Date”	the date on which Completion takes place
“Consideration”	the consideration of HK\$69,323,386.08 payable by the Offeror to the Vendor in the manner as stipulated in the Sale and Purchase Agreement
“Director(s)”	director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates

“Facility”	a standby loan facility of up to HK\$67,320,000 granted by SW Securities to the Offeror, which is secured by the personal guarantee provided by Mr. Sung, the 18,280,155 Shares legally and beneficially owned by the Offeror, the Sale Shares to be acquired by the Offeror, the Offer Shares to be acquired by the Offeror through the Share Offer, 18,280,155 Shares legally and beneficially owned by Golden Sunday Limited (a company wholly and beneficially owned by Mr. Chan), and 18,280,155 Shares legally and beneficially owned by United Sino Limited (a company wholly and beneficially owned by Mr. Cheung)
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all three independent non-executive Directors, namely Mr. Sun Jian, Ms. Shao Hanqing and Mr. Kong Hing Ki, established to give a recommendation to the Independent Shareholders regarding the terms of the Share Offer
“Independent Financial Adviser”	Octal Capital Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee in respect of the Share Offer
“Independent Shareholders”	Shareholders other than the Offeror and parties acting in concert with it
“Last Trading Day”	11 December 2013, being the last trading day on which the Shares were traded on the Main Board of the Stock Exchange prior to the issue and publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chan”	Mr. Chan Kwok Kin
“Mr. Cheung”	Mr. Cheung Kong Cheung, an executive Director

“Mr. Huang”	Mr. Huang Wei Ye
“Mr. Sung”	Mr. Sung Kai Hing, an executive Director and the chairman of the Board
“Offer Price”	HK\$1.02 for each Offer Share
“Offer Shares”	all existing issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it)
“Offeror”	King Right Holdings Limited, a company incorporated in the BVI with limited liability which is wholly owned by Mr. Sung
“Options”	options to subscribe for Shares granted under the Share Option Scheme
“Option Offer”	the offer which is required to be made by the Offeror for the outstanding Pre-IPO Options and Options other than those already held by the Offeror and parties acting in concert with it pursuant to the Takeovers Code
“PRC”	The People’s Republic of China which, for the purpose of this joint announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Pre-IPO Options”	options to subscribe for Shares granted under the Pre-IPO Share Option Scheme
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme adopted by the Company on 29 May 2009
“Sale and Purchase Agreement”	the sale and purchase agreement dated 11 December 2013 entered into between the Offeror and the Vendor for the acquisition of the Sale Shares
“Sale Shares”	67,964,104 Shares beneficially owned by the Vendor and to be sold by it to the Offeror pursuant to the Sale and Purchase Agreement
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Offer”	subject to Completion, the possible unconditional mandatory cash offer to be made by SW Securities for and on behalf of the Offeror to acquire all the issued Shares not already owned or agreed to be acquired by the Offeror or parties acting in concert with it at HK\$1.02 per Offer Share in accordance with the Takeovers Code
“Share Option Scheme”	the share option scheme adopted by the Company on 29 May 2009
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SW Capital”	Shenyin Wanguo Capital (H.K.) Limited, a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Offeror in respect of the Share Offer
“SW Securities”	Shenyin Wanguo Securities (H.K.) Limited, a corporation licensed to carry on type 1 (dealing in securities) regulated activity under the SFO
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers as in force and as amended from time to time
“Top Prospect”	Top Prospect International Limited, a company incorporated in the BVI which is wholly owned by Mr. Yuan Han Xiang who is not connected with the Offeror or any party acting in concert with it, being a substantial Shareholder holding approximately 15.02% of the equity interest in the Company as at the date of this joint announcement
“Vendor”	Triple Express Enterprises Limited, a company incorporated in the BVI with limited liability which is wholly owned by Mr. Fang Shin

By order of the board of director of
King Right Holdings Limited
Sung Kai Hing
Director

By order of the Board
Hing Lee (HK) Holdings Limited
Wong Kit Wai
Company Secretary

Hong Kong, 19 December 2013

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Sung Kai Hing and Mr. Cheung Kong Cheung, one non-executive Director, namely Mr. Fang Yan Zau, Alexander, and three independent non-executive Directors, namely Mr. Sun Jian, Ms. Shao Hanqing and Mr. Kong Hing Ki.

All the Directors jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than the information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the sole director of the Offeror is Mr. Sung Kai Hing.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group and the Vendor), and confirms, having made all reasonable enquires, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Group and the Vendor) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

In case of any inconsistency, the English text of this joint announcement shall prevail over the Chinese text.