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*(Incorporated in the British Virgin Islands and re-domiciled and continued in Bermuda with limited liability)*  
**(Stock Code: 396)**

## **PROPOSED BONUS ISSUE OF SHARES**

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Reference is made to the interim results announcement of the Company dated 25 August 2014 for the six months ended 30 June 2014, in which the Board proposes a bonus issue to the Qualifying Shareholders on the basis of two (2) Bonus Shares for every existing Share held by the Qualifying Shareholders on the Record Date subject to the approval by the Shareholders at the SGM. The Bonus Shares will be credited as fully paid at par by way of capitalization of an amount equal to the total par value of the Bonus Shares standing to the credit of the share premium account of the Company. The register of members of the Company will be closed from Tuesday, 21 October 2014 to Thursday, 23 October 2014 (both days inclusive) in order to determine the entitlement of the Shareholders under the Bonus Issue.

Application will be made to the Listing Committee for the listing of, and permission to deal in the Bonus Shares. The Bonus Shares, upon issue, will rank pari passu with the then existing Shares in all respects.

### **GENERAL INFORMATION**

A circular containing, further information on the Bonus Issue, the trading arrangements in respect of the Bonus Shares, together with the notice of the SGM will be dispatched to the Shareholders as soon as practicable.

## **PROPOSED BONUS ISSUE OF SHARES**

Reference is made to the interim results announcement of the Company dated 25 August 2014 for the six months ended 30 June 2014, in which the Company is pleased to announce that the Board recommended a bonus issue to the Qualifying Shareholders on the basis of two (2) Bonus Shares for every existing Share held by the Qualifying Shareholders on the Record Date subject to the approval by the Shareholders at the SGM. The Bonus Shares will be credited as fully paid at par by way of capitalization of an amount equal to the total par value of the Bonus Shares standing to the credit of the share premium account of the Company. The terms of the Bonus Issue are set out below.

### **Basis of the Bonus Issue**

Subject to the conditions as set out under the heading “Conditions of the Bonus Issue” below, the Bonus Shares will be issued and credited as fully paid at par on the basis of two (2) Bonus Shares for every existing Share held by the Qualifying Shareholders on the Record Date.

Assuming that no further Shares will be issued or repurchased on or before the Record Date, on the basis of 242,398,675 existing Shares in issue as at the date of this announcement, 484,797,350 Bonus Shares will be issued representing 200% of the existing issued share capital as at the date hereof. After the completion of the Bonus Issue, there will be a total of 727,196,025 Shares in issue as enlarged by the Bonus Issue. The Bonus Shares will be credited as fully paid at par value by way of capitalization of an amount of HK\$4,847,973.50 in the share premium account of the Company pursuant to the Bonus Issue. The Bonus Shares, upon issue, will rank pari passu with the then existing Shares in all respects and the Company will not allot any fractions of the Bonus Shares.

### **Adjustments to the share options granted under the Share Option Scheme**

Implementation of the Bonus Issue will lead to adjustments to the subscription price and/or the number of Shares to be issued upon exercise of the share options granted under the Share Option Scheme. In view that the exact number of the Bonus Shares will not be determined until the Record Date, the Company will make further announcement for the adjustments to the share options granted under the Share Option Scheme and notify the respective holders of the share options regarding the adjustments to be made pursuant to the respective terms and conditions applicable to such share options.

## **Conditions of the Bonus Issue**

The Bonus Issue is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the SGM for approving the Bonus Issue;
- (ii) the Listing Committee granting the listing of, and permission to deal in, the Bonus Shares; and
- (iii) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of Bermuda and the bye-laws of the Company to effect the Bonus Issue.

Application will be made to the Listing Committee for the listing of, and permission to deal in the Bonus Shares.

## **Overseas Shareholders**

The Company will make enquiry and, if necessary, seek legal advice(s) from overseas counsel(s) on the applicable procedural requirements for extending the Bonus Issue to the Overseas Shareholders. Upon such enquiry, if the Board is of the view that the exclusion of the Overseas Shareholders is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Bonus Shares will not be issued to those Overseas Shareholders, i.e. the Non-Qualifying Shareholders. In such circumstances, arrangements will be made for the Bonus Shares, which would otherwise have been issued to the Non-Qualifying Shareholders, if any, to be sold in the market as soon as practicable after dealings in the Bonus Shares commence. Any net proceeds of sale, after deduction of the related expenses, will be distributed in Hong Kong dollars to the Non-Qualifying Shareholders, if any, pro-rata to their respective shareholdings and remittances therefor will be posted to them, at their own risk, unless the amount falling to be distributed to any such persons is less than HK\$100.00, in which case it will be retained for the benefit of the Company.

## **Status of the Bonus Shares and fractional entitlements**

The Bonus Shares, upon issue, will rank pari passu with the then existing Shares in all respects, including the entitlement of receiving dividends and other distributions on the record date for which is on or after the date of allotment and issue of those Bonus Shares.

There will not be any fractional entitlements to the Bonus Shares. Bonus Shares representing fractional entitlement will be aggregated and issued to a nominee to be nominated by the Board. Such Bonus Shares (if any) will be sold and the net proceeds, after deducting the related expenses therefrom, will be retained by the Company for its own benefits.

### **Record Date and closure of register of members**

The Bonus Shares will be issued to the Qualifying Shareholders. Arrangement for the Non-Qualifying Shareholders are further elaborated under the heading “Overseas Shareholders” above.

The register of members of the Company will be closed from Tuesday, 21 October 2014 to Thursday, 23 October 2014 (both days inclusive) in order to determine the entitlement of the Shareholders under the Bonus Issue.

Shareholders are reminded that in order to qualify for the Bonus Issue, they must ensure that all transfers accompanied by the relevant share certificates are lodged with the branch share registrar of the Company in Hong Kong. Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 20 October 2014.

The exact total number of the Bonus Share to be issued under the Bonus Issue will not be capable of determination until the Record Date.

### **Reasons and Benefits for the Bonus Issue**

The Board proposes the Bonus Issue in recognition of the Shareholders’ continual supports to the Company. The Board believes that the Bonus Issue will also enhance the liquidity of the Shares in the market and thereby enlarge the shareholder and capital base of the Company.

### **Certificates for the Bonus Shares**

It is expected that certificates for the Bonus Shares will be posted by ordinary post on or before Tuesday, 28 October 2014 upon fulfillment of all the conditions of the Bonus Issue at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company on the Record Date. Dealings in the Bonus Shares are expected to commence on Wednesday, 29 October 2014.

**EXPECTED TIMETABLE**

The expected timetable of the Bonus Issue is set out below:-

**2014**  
(Hong Kong time)

Despatch of the Circular (including the notice of . . . . . Friday, 12 September  
the SGM) and proxy form for the SGM

Latest time for lodging the proxy form for the SGM. . . . . 10:30 a.m., Monday,  
(not less than 48 hours prior to time appointed for . . . . . 13 October  
the holding of the SGM)

Expected date and time of the SGM . . . . . 10:30 a.m., Wednesday,  
15 October

Announcement of poll results of the SGM . . . . . Wednesday, 15 October

Last day of trading in Shares cum-entitlements to. . . . . Thursday, 16 October  
the Bonus Issue

First day of trading in Shares ex-entitlements to . . . . . Friday, 17 October  
the Bonus Issue

Latest time for lodging transfer of Shares . . . . . 4:30 p.m., Monday,  
to qualify for the Bonus Issue . . . . . 20 October

Closure of register of members . . . . . Tuesday, 21 October to  
Thursday, 23 October  
(both days inclusive)

Record Date . . . . . Thursday, 23 October

Register of members re-opens . . . . . Friday, 24 October

Certificates for the Bonus Shares . . . . . Tuesday, 28 October  
expected to be despatched

Dealings in Bonus Shares commence . . . . . Wednesday, 29 October

Dates or deadlines specified in this announcement are indicative only and may be  
varied by the Company. Any consequential changes to the expected timetable will be  
announced or notified to the Shareholders as and when appropriate.

## **GENERAL**

A circular containing further information on the Bonus Issue, the trading arrangements in respect of the Bonus Shares, together with a notice convening the SGM will be dispatched to the Shareholders as soon as practicable. To the best knowledge, belief and information of the Directors having made all reasonable enquiries, no Shareholder is required to abstain from voting on the ordinary resolution to approve the Bonus Issue at the SGM.

## **DEFINITIONS**

In this announcement, the following terms shall have the meanings respectively set opposite them unless the context requires otherwise:–

“Board”	the board of Directors
“Bonus Issue”	the proposed issue of the Bonus Shares to the Qualifying Shareholders on the basis of two (2) Bonus Shares for every existing Share held by the Qualifying Shareholders on the Record Date
“Bonus Share(s)”	new Share(s) to be issued by way of the Bonus Issue by the Company as described herein
“Company”	Hing Lee (HK) Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and was subsequently re-domiciled and continued in Bermuda with limited liability, whose shares are listed on the main board of the Stock Exchange
“Director(s)”	the directors of the Company
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Committee”	the listing committee of the Stock Exchange
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) whom the Board, after making enquiries, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant foreign regulatory body or stock exchange in that place not to extend the Bonus Issue to them

“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as shown on the register of members of the Company on the Record Date is/are outside Hong Kong
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date (excluding the Non-Qualifying Shareholders), who are entitled to the Bonus Issue
“Record Date”	Thursday, 23 October 2014, being the date for determining the entitlement to the Bonus Issue
“SGM”	the special general meeting of the Company to be convened for the Shareholders to consider and, if thought fit, approve the Bonus Issue
“Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 29 May 2009
“Shareholder(s)”	registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 5 September 2014

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