

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## HUABAO INTERNATIONAL HOLDINGS LIMITED

華寶國際控股有限公司\*

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 336)

### PLACING OF EXISTING SHARES AND RESUMPTION OF TRADING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Company has been informed by Mogul Enterprises that the Placing Agreement has been signed pursuant to which, 277,251,556 Shares shall be placed at a placing price of HK\$4.56 per Placing Share by the Placing Agent, subject to the terms and conditions of the Placing Agreement.

The Placing Shares represent approximately 9.11% of the existing issued share capital of the Company. Upon completion of the Placing, Mogul Enterprises' interests in the Company will be reduced from 749,119,445 Shares or approximately 24.62% to 471,867,889 Shares or approximately 15.51% of the existing issued share capital of the Company.

**Trading in the shares of the Company on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 16 January 2007 pending the release of this announcement. The Company has applied to the Stock Exchange for a resumption of trading in its Shares with effect from 9:30 a.m on Wednesday, 17 January 2007.**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

### PLACING OF EXISTING SHARES

The Company has been informed by Mogul Enterprises that the Placing Agreement has been signed on the terms summarised below.

#### **Parties:**

The parties to the Placing Agreement are:

- (1) Ms. Chu;
- (2) Mogul Enterprises Limited; and
- (3) Deutsche Bank AG, Hong Kong Branch as the Placing Agent (which are not connected persons of the Company under the Listing Rules).

Mogul Enterprises, a company wholly owned by Ms. Chu, is a substantial shareholder of the Company and currently holds 749,119,445 Shares representing approximately 24.62% of the existing issued share capital of the Company. Ms. Chu is, through Mogul Enterprises and four other companies wholly owned by her, interested in an aggregate of 2,278,850,971 Shares representing approximately 74.89% of the existing issued share capital of the Company.

**Number of Placing Shares:**

277,251,556 Shares, representing approximately 9.11% of the existing issued share capital of the Company.

**Placing Price:**

The placing price shall be HK\$4.56 per Placing Share, representing a discount of approximately 7.51% to the closing price of HK\$4.93 per Share as quoted on the Stock Exchange on Monday, 15 January 2007, the last trading day before suspension, and a discount of approximately 4.20% to the average closing price of approximately HK\$4.76 per Share as quoted on the Stock Exchange on the last five trading days before suspension.

**Conditions of the Placing:**

The Placing is conditional upon, inter alia, there having been, prior to completion of the Placing, no breach of the representations, warranties and undertakings given by Mogul Enterprises and Ms. Chu.

**Completion of the Placing:**

Completion of the Placing is currently expected to take place on 19 January 2007.

Upon completion of the Placing pursuant to the terms and conditions of the Placing Agreement, Mogul Enterprises' interests in the Company will be reduced to 471,867,889 Shares (representing approximately 15.51% of the issued share capital of the Company) and Ms. Chu's interests in the Company will be reduced to 2,001,599,415 Shares (representing approximately 65.78% of the issued share capital of the Company). Accordingly, the Company will maintain a public float of approximately 34.22% after the Placing.

To the best of the Company's directors' knowledge, information and belief and having made all reasonable enquiry, the placees are institutional investors while the Placing Agent and the placees and their respective ultimate beneficial owners are all independent from and not connected with the Company, any of the connected persons of the Company or any of their respective associates as defined under the Listing Rules, and there will not be any new substantial shareholder within the meaning of the Listing Rules as a result of the Placing.

The following table illustrates the shareholding structure of the Company immediately before and after the Placing:

Shareholders	Immediately before the Placing		Immediately after the Placing	
	No. of Shares	% (Approximate)	No. of Shares	% (Approximate)
Ms. Chu	2,278,850,971 <i>Note 1</i>	74.89	2,001,599,415	65.78
Public	764,089,990	25.11	1,041,341,546	34.22
Total	3,042,940,961	100.00	3,042,940,961	100.00

*Note 1:* Such shares are beneficially owned by Ms. Chu through Mogul Enterprises and four other companies wholly owned by her.

## RESUMPTION OF TRADING

Trading in the shares of the Company on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 16 January 2007 pending the release of this announcement. The Company has applied to the Stock Exchange for a resumption of trading in its Shares with effect from 9:30 a.m on Wednesday, 17 January 2007.

## DEFINITIONS

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

“Board”	the board of directors of the Company
“Company”	Huabao International Holdings Limited, a company established in Bermuda on 11 October 1991, the shares of which are listed on the Main Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Mogul Enterprises”	Mogul Enterprises Limited, a limited company incorporated in British Virgin Islands and is wholly owned by Ms. Chu
“Placing”	the placing of the Placing Shares at a placing price of HK\$4.56 per Placing Share by the Placing Agent, subject to the terms and conditions of the Placing Agreement
“Ms. Chu”	Ms. Chu Lam Yiu, a director of the Company and beneficial owner of 74.89% shareholding interest in the Company as at the date hereof
“Placing Agent”	Deutsche Bank AG, Hong Kong Branch
“Placing Agreement”	the placing and underwriting agreement dated 16 January 2007 between Ms. Chu, Mogul Enterprises and the Placing Agent
“Placing Shares”	277,251,556 Shares legally and beneficially owned by Mogul Enterprises
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board  
**POON Chiu Kwok**  
*Executive Director*

Hong Kong, 16 January 2007

*As at the date of this announcement, the Board comprises Ms. CHU Lam Yiu<sup>+</sup>, Messrs. CHEN Yong Chang<sup>+</sup>, WANG Guang Yu<sup>+</sup>, POON Chiu Kwok<sup>+</sup>, XIA Liqun<sup>+</sup>, MAK Kin Kwong, Peter<sup>#</sup>, Ms. MA Yun Yan<sup>#</sup> and Mr. LEE Luk Shiu<sup>#</sup>.*

<sup>+</sup> *Executive director*

<sup>#</sup> *Independent non-executive director*

<sup>\*</sup> *For identification purposes only*

“Please also refer to the published version of this announcement in The Standard”