



VISIONS AHEAD

HANNY HOLDINGS LIMITED

錦興集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 275)

**(1) RESULTS OF THE SPECIAL GENERAL MEETING,
(2) CAPITAL REORGANISATION AND CHANGE IN BOARD LOT SIZE,
(3) RIGHTS ISSUE,
AND
(4) ADJUSTMENT TO THE CONVERSION PRICE OF THE 2011 CONVERTIBLE
NOTES**

RESULTS OF THE SGM

At the SGM held on 3 November 2008, the special resolution approving the Capital Reorganisation was duly passed but the ordinary resolution approving the Rights Issue was not passed.

CAPITAL REORGANISATION AND CHANGE IN BOARD LOT SIZE

As all the conditions of the Capital Reorganisation have been fulfilled, the Capital Reorganisation will become effective from 4:10 p.m. on 3 November 2008. Dealings in the Reorganised Shares will commence at 9:30 a.m. on Tuesday, 4 November 2008, upon which the board lot size of the shares of the Company for trading on the Stock Exchange will be changed from 8,000 Shares to 2,000 Reorganised Shares.

RIGHTS ISSUE

As the resolution approving the Rights Issue was not passed at the SGM, the Rights Issue will not proceed. **Any Shareholder or other person contemplating selling or purchasing Shares or Reorganised Shares (as the case may be), who is in doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.**

ADJUSTMENT TO THE CONVERSION PRICE OF THE 2011 CONVERTIBLE NOTES

Pursuant to the terms and conditions of the instrument constituting the 2011 Convertible Notes, the conversion price of the outstanding 2011 Convertible Notes will be adjusted as a result of the Capital Reorganisation.

Reference is made to the circular issued by the Company on 8 October 2008 (the “Circular”) in relation to, among others, the Capital Reorganisation and the Rights Issue. Terms defined in the Circular shall have the same meanings when used herein, unless the context requires otherwise.

RESULTS OF THE SGM

The Company announces that at the SGM held on 3 November 2008, (i) the special resolution to approve the Capital Reorganisation (“Special Resolution 1”) was duly passed by the Shareholders by way of a poll; and (ii) the ordinary resolution to approve the Rights Issue (“Ordinary Resolution 2”) was not passed by the Independent Shareholders by way of a poll.

As at the date of the SGM, the total number of Shares in issue was 5,012,823,309. As stated in the Circular, ITC, Dr. Chan and Dr. Yap and their respective associates (who held an aggregate of 2,565,197,436 Shares, representing approximately 51.17% of the issued share capital of the Company as at the date of the SGM) have abstained from voting in favour of the Ordinary Resolution 2 at the SGM. As such, a total of 2,447,625,873 Shares, representing approximately 48.83% of the issued share capital of the Company as at the date of the SGM, were held by the Independent Shareholders who were entitled to attend and vote for or against the Ordinary Resolution 2 at the SGM. None of the Shareholders were entitled to vote only against the Ordinary Resolution 2 at the SGM.

The results of the voting on the Special Resolution 1 and the Ordinary Resolution 2 taken by way of poll at the SGM were as follows:-

Resolution proposed at the SGM	FOR	AGAINST	Total number of votes
	Number of votes (%)	Number of votes (%)	
Special Resolution 1	2,676,465,158 (94.61%)	152,519,826 (5.39%)	2,828,984,984
Ordinary Resolution 2	91,806,906 (30.25%)	211,707,026 (69.75%)	303,513,932

The Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited (the “Registrar”), acted as the scrutineer for the purpose of ascertaining the number of votes at the SGM.

CAPITAL REORGANISATION AND CHANGE IN BOARD LOT SIZE

The Company announces that as all the conditions of the Capital Reorganisation have been fulfilled, the Capital Reorganisation will become effective from 4:10 p.m. on 3 November 2008. Dealings in the Reorganised Shares will commence at 9:30 a.m. on Tuesday, 4 November 2008, upon which the

board lot size of the shares of the Company for trading on the Stock Exchange will be changed from 8,000 Shares to 2,000 Reorganised Shares. Original counter for trading in Shares (in board lots of 8,000 Shares) will be closed as from 9:30 a.m., Tuesday, 4 November 2008. Temporary trading arrangement of the Reorganised Shares from Tuesday, 4 November 2008 until Monday, 8 December 2008 are set out below:

	Date opened	Date closed	Share certificates
Temporary counter for trading in Reorganised Shares in board lots of 160 Reorganised Shares	9:30 a.m., Tuesday, 4 November 2008	4:10 p.m., Monday, 8 December 2008	Existing certificates of Shares in yellow colour
Original counter for trading in Reorganised Shares in board lots of 2,000 Reorganised Shares	9:30 a.m., Tuesday, 18 November 2008	N/A	Existing certificates of Shares in yellow colour / New certificates of Reorganised Shares in pink colour

Shareholders may submit existing certificates of Shares in yellow colour to the Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong from 4 November 2008 to 16 December 2008 (both dates inclusive) to exchange, at the expense of the Company, for certificates of Reorganised Shares in pink colour. Thereafter, certificates of Shares will be accepted for exchange only on payment of a fee.

RIGHTS ISSUE

As the resolution approving the Rights Issue was not passed at the SGM, the Rights Issue will not proceed. Pursuant to the Underwriting Agreement, all the obligations of the parties thereto shall cease and determine and neither party shall have any claim against the other save that all such reasonable costs, fees and other out-of-pocket expenses (excluding sub-underwriting fee and related expenses) as have been reasonably and properly incurred by the Underwriter in connection with the underwriting of the Underwritten Shares by the Underwriter shall, to the extent agreed by the Company, be borne by the Company.

Although the Rights Issue cannot be proceeded with, the Directors consider that there is no material adverse impact on the operations and the financial position of the Group.

Any Shareholder or other person contemplating selling or purchasing Shares or Reorganised Shares (as the case may be), who is in doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

ADJUSTMENT TO THE CONVERSION PRICE OF THE 2011 CONVERTIBLE NOTES

Pursuant to the terms and conditions of the instrument constituting the 2011 Convertible Notes, the conversion price of the outstanding 2011 Convertible Notes would be adjusted from HK\$0.67 per Share to HK\$33.50 per Reorganised Share with effect from 4 November 2008 as a result of the Capital Reorganisation. The adjustment was computed by the Company in accordance with the provisions of the instrument constituting the 2011 Convertible Notes and has been reviewed and confirmed by Menlo Capital Limited, the advisor appointed for the purpose of providing opinion on the adjustment to the conversion price.

On behalf of the Board
Hanny Holdings Limited
Dr. Yap, Allan
Chairman

Hong Kong, 3 November 2008

As at the date of this announcement, the Directors are as follows:

Executive Directors:

Dr. Yap, Allan (*Chairman*)
Mr. Lui Siu Tsuen, Richard (*Managing Director*)
Mr. Chan Kwok Chuen, Augustine

Independent Non-Executive Directors:

Mr. Kwok Ka Lap, Alva
Mr. Poon Kwok Hing, Albert
Mr. Sin Chi Fai

** For identification purpose only*