

**HUIYIN HOUSEHOLD APPLIANCES (HOLDINGS) COMPANY LTD:
IF THE WELL-HEELED FUNDS WANT OUT,
THERE HAS TO BE A GOOD REASON**

One, always, has to stop in order to ponder as to the reason(s) that a well-heeled, corporate investor(s) of a company that is pitching an **Initial Public Offering (IPO)** would take the opportunity, at the time of a Global Offering, to offload a goodly part of its holdings in the issuing corporate entity.

The latest company, coming to the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) in order to raise money, is Huiyin Household Appliances (Holdings) Company Ltd ([I]) (Code: 1280, Main Board, The Stock Exchange of Hongkong Ltd).

Of the 319.80 million, \$US0.001 Shares, being put up for grabs in the Global Offering, 69.80 million Shares are those belonging to 2, existing corporate investors.

The Selling Shareholders, as they are described in the Global Offering Prospectus of Huiyin Household Appliances (Holdings) Company Ltd, and the number of shares that they are selling are:

| | |
|--|-------------------------|
| Pope Investments LLC of Delaware, the US | 60,263,944 shares; and, |
| Dalton Greater China (Master) Fund | |
| of the Cayman Islands | 9,536,056 shares. |

With regard to Pope Investments LLC, it invested in Huiyin Household Appliances (Holdings) Company Ltd in December 2005 by way of Convertible Loans to China Huiyin Group Pte Ltd of Singapore at the time that it was wholly owned by Mr Cao Kuan Ping (), the current Chairman of Huiyin Household Appliances (Holdings) Company Ltd.

At the time of its investment in China Huiyin Group Pte Ltd, that company was preparing to obtain a listing on The London Stock Exchange on what is known as '*The AIM Market*'.

As for Dalton Greater China (Master) Fund, it went along for the ride with Pope Investments LLC and afforded China Huiyin Group Pte Ltd Convertible Loans in order to oil the wheels in respect of obtaining a listing on The AIM Market of The London Stock Exchange.

The amount of money, lent by Pope Investments LLC to China Huiyin Group Pte Ltd was \$US9,325,000 (about \$HK72.74 million) and the amount of money, lent by Dalton Greater China (Master) Fund to China Huiyin Group Pte Ltd was \$US2,000,000 (about \$HK15.60 million).

The Global Offering of Huiyin Household Appliances (Holdings) Company Ltd is for the entire 319.80 million Shares and the Offer Price is not less than \$HK1.29 per Share and not greater than \$HK1.69 per Share.

If the Offer Price is determined at \$HK1.29 per Share, then:

1. Pope Investments LLC will receive about \$HK77.74 million, gross; and,

2. Dalton Greater China (Master) Fund will receive about \$HK12.30 million, gross.

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