HOP HING GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 47

INTERIM REPORT 2008

The Board of Directors (the "Board") of Hop Hing Group Holdings Limited (the "Company") herein present their unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2008, together with the comparative amounts.

This interim financial report has not been audited, but has been reviewed by the Company's audit committee and the Company's auditors.

CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited For the six months ended 30 June	
		2008	2007
	Notes	**HK$'000**	HK$'000
TURNOVER	4	**523,228**	368,306
Direct cost of stocks sold and services provided		**(401,065)**	(275,218)
Other production and service costs (including depreciation and amortisation of HK$9,969,000 (2007: HK$11,302,000))		**(31,300)**	(30,288)
Selling and distribution costs		**(47,080)**	(38,809)
General and administrative expenses		**(22,098)**	(17,220)
PROFIT FROM OPERATING ACTIVITIES	5	**21,685**	6,771
Finance costs, net	6	**(6,247)**	(5,209)
Share of losses of associates		**(37)**	—
PROFIT BEFORE TAX		**15,401**	1,562
Tax	7	**(2,902)**	(1,333)
PROFIT FOR THE PERIOD		**12,499**	229
ATTRIBUTABLE TO:			
Equity holders of the Company		**12,118**	449
Minority interests		**381**	(220)
		12,499	229
EARNINGS PER SHARE	8		
— Basic		**HK2.71 cents**	HK0.11 cent
— Diluted		**HK2.48 cents**	HK0.10 cent

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	Unaudited 30 June 2008 HK$'000	Audited 31 December 2007 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	**257,818**	255,792
Prepaid land lease payments		**28,115**	26,695
Trademarks		**123,766**	123,718
Interests in associates		**(1,462)**	(1,425)
Deferred tax assets		**3,433**	4,733
Total non-current assets		**411,670**	409,513
CURRENT ASSETS			
Stocks		**220,122**	139,351
Accounts receivable	10	**101,807**	109,082
Prepayments, deposits and other receivables		**44,839**	23,167
Pledged bank deposits		**11,939**	9,161
Cash and cash equivalents		**36,198**	33,573
Total current assets		**414,905**	314,334
CURRENT LIABILITIES			
Accounts payable	11	**77,522**	64,341
Bills payable		**39,796**	30,538
Other payables and accrued charges		**55,360**	53,094
Interest-bearing bank and other loans	12	**191,361**	147,968
Tax payable		**1,832**	505
Total current liabilities		**365,871**	296,446
NET CURRENT ASSETS		**49,034**	17,888
TOTAL ASSETS LESS CURRENT LIABILITIES		**460,704**	427,401
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**3,184**	3,212
NET ASSETS		**457,520**	424,189

CONDENSED CONSOLIDATED BALANCE SHEET (continued)

	Notes	Unaudited 30 June 2008 HK$'000	Audited 31 December 2007 HK$'000
EQUITY			
Equity attributable to equity holders of the Company			
Issued share capital	13	**49,267**	43,586
Reserves		**397,832**	370,941
		447,099	414,527
Minority interests		**10,421**	9,662
Total equity		**457,520**	424,189

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2008 (Unaudited)

	Attributable to equity holders of the Company							
	Issued share capital HK$'000	Share premium account HK$'000	Other properties revaluation reserve HK$'000	Capital and other reserves HK$'000	Accumulated losses HK$'000	Sub-total HK$'000	Minority interests HK$'000	Total HK$'000
Balance at 1 January 2008	43,586	377,129	2,659	71,288	(80,135)	414,527	9,662	424,189
Exchange realignment	—	—	—	6,252	—	6,252	378	6,630
Total income and expenses recognised directly in equity	—	—	—	6,252	—	6,252	378	6,630
Profit for the period	—	—	—	—	12,118	12,118	381	12,499
Total income and expenses for the period	—	—	—	6,252	12,118	18,370	759	19,129
Shares issued by Hop Hing Holdings Limited ("HHHL") upon exercise of HHHL's warrants (note 13)	3	4	—	—	—	7	—	7
Cancellation of HHHL's shares upon group reorganisation	(43,589)	—	—	—	—	(43,589)	—	(43,589)
Transfer of share premium to capital reserve upon group reorganisation	—	(377,133)	—	377,133	—	—	—	—
Issue of shares	43,589	—	—	—	—	43,589	—	43,589
Issue of shares upon exercise of warrants (note 13)	5,678	8,517	—	—	—	14,195	—	14,195
Balance at 30 June 2008	49,267	8,517*	2,659*	454,673*	(68,017)*	447,099	10,421	457,520

* These reserve accounts comprise the reserves of HK$397,832,000 in the condensed consolidated balance sheet as at 30 June 2008.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the six months ended 30 June 2007 (Unaudited)

	Attributable to equity holders of the Company							
	Issued share capital HK$'000	Share premium account HK$'000	Other properties revaluation reserve HK$'000	Capital and other reserves HK$'000	Accumulated losses HK$'000	Sub-total HK$'000	Minority interests HK$'000	Total HK$'000
Balance at 1 January 2007	41,943	375,090	2,659	64,830	(80,312)	404,210	12,388	416,598
Exchange realignment	—	—	—	2,065	—	2,065	113	2,178
Total income and expenses recognised directly in equity	—	—	—	2,065	—	2,065	113	2,178
Profit/(loss) for the period	—	—	—	—	449	449	(220)	229
Total income and expenses for the period	—	—	—	2,065	449	2,514	(107)	2,407
Shares issued by HHHL (note 13)	413	346	—	—	—	759	—	759
Balance at 30 June 2007	42,356	375,436	2,659	66,895	(79,863)	407,483	12,281	419,764

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited For the six months ended 30 June	
	2008	2007
	HK$'000	HK$'000
NET CASH INFLOW/(OUTFLOW) FROM:		
OPERATING ACTIVITIES	**(39,724)**	17,221
INVESTING ACTIVITIES	**(56)**	(1,052)
FINANCING ACTIVITIES	**42,405**	(15,093)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**2,625**	1,076
Cash and cash equivalents at beginning of period	**33,573**	20,250
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**36,198**	21,326
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**36,198**	21,326

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. REORGANISATION AND BASIS OF PRESENTATION

The Company is a limited liability company incorporated in the Cayman Islands on 1 August 2007. On 25 April 2008, pursuant to a reorganisation (the "Reorganisation"), Hop Hing Holdings Limited ("HHHL"), the then ultimate holding company of its subsidiaries, became a wholly-owned subsidiary of the Company. The Company became the new holding company of the Group, comprising the Company, HHHL and its subsidiaries. Details of the Reorganisation have been set out in HHHL's scheme document dated 14 March 2008.

The shares of the Company were listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 29 April 2008.

The condensed consolidated interim financial statements have been prepared based on the principles of merger accounting as if the Reorganisation had been completed as at the beginning of the six months ended 30 June 2007. Under such accounting guideline, the Company's acquisition of the companies now comprising the Group on 25 April 2008 should be regarded as a business combination under common control as the Company and the companies now comprising the Group are all ultimately controlled by the same group of ultimate shareholders immediately before and after the Reorganisation.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" and other relevant HKASs and Interpretations, Hong Kong Financial Reporting Standards (collectively, the "HKFRSs") issued by the HKICPA and the disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). Save for those new HKFRSs adopted during the period as set out in note 3 below, the accounting policies and basis of preparation adopted in the preparation of the interim financial statements are the same as those used in the preparation of the annual financial statements for the year ended 31 December 2007.

3. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The HKICPA has issued a number of new and revised HKFRSs that are effective for accounting periods commencing on or after 1 January 2008. The adoption of the following HKFRSs does not have any material effect on the financial statements of the Group:

HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

4. TURNOVER AND SEGMENT INFORMATION

The Group's primary segment is the edible oils and food related business segment. Since it is the only business segment of the Group, no further analysis thereof is presented.

Segment information is presented below in respect of the Group's geographical segment, which is regarded as the secondary segment.

	Unaudited For the six months ended 30 June					
	Hong Kong		Mainland China		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Revenue from external customers	**285,704**	199,095	**237,524**	169,211	**523,228**	368,306

5. PROFIT FROM OPERATING ACTIVITIES

The Group's profit from operating activities is arrived at after charging:

	Unaudited For the six months ended 30 June	
	2008	2007
	HK$'000	HK$'000
Cost of stocks sold and services provided	**401,065**	275,218
Depreciation	**9,638**	10,959
Amortisation of prepaid land lease payments	**331**	343

6. FINANCE COSTS, NET

	Unaudited For the six months ended 30 June	
	2008	2007
	HK$'000	HK$'000
Interest on bank borrowings	**6,384**	5,540
Interest on a loan from a related company (note 16(h))	**141**	—
Less: Bank interest income	**(278)**	(331)
	6,247	5,209

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profits arising in Hong Kong during the period. Overseas taxes have been provided for at the applicable tax rates, if required.

	Unaudited For the six months ended 30 June 2008 HK$'000	2007 HK$'000
Tax in the income statement represents:		
Provision for Hong Kong profits tax	**1,140**	1,265
Provision for tax elsewhere	**490**	105
	1,630	1,370
Deferred tax	**1,272**	(37)
	2,902	1,333

8. EARNINGS PER SHARE

a. Basic earnings per share

The calculation of the basic earnings per share for the period is based on the consolidated profit attributable to equity holders of the Company of HK$12,118,000 (2007: HK$449,000) and the weighted average of 446,486,340 (2007: 419,946,334) shares in issue during the period.

8. EARNINGS PER SHARE (continued)

b. Diluted earnings per share

The calculation of the diluted earnings per share for the period is based on the consolidated profit attributable to equity holders of the Company of HK$12,118,000 (2007: HK$449,000) and the weighted average of 488,212,953 (2007: 457,738,821) shares in issue during the period after adjusting for the effect of all dilutive potential ordinary shares of 41,726,613 (2007: 37,792,487) shares for the six months ended 30 June 2008, calculated as follows:

	Unaudited For the six months ended 30 June	
	2008	2007
	HK$'000	HK$'000
Consolidated profit attributable to equity holders of the Company	**12,118**	449

	Number of shares	
	2008	2007
Weighted average number of shares in calculating diluted earnings per share:		
Weighted average of ordinary shares for the purpose of basic earnings per share	**446,486,340**	419,946,334
Effect of dilution:		
Share options	**—**	5,799,925
Warrants	**41,726,613**	31,992,562
	488,212,953	457,738,821

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2008, the Group acquired items of property, plant and equipment with a cost of HK$1,485,000 (2007: HK$852,000). Items of property, plant and equipment with a net book value of HK$587,000 (2007: HK$53,000) were disposed of during the six months ended 30 June 2008.

10. ACCOUNTS RECEIVABLE

	Unaudited 30 June 2008 HK$'000	Audited 31 December 2007 HK$'000
Accounts receivable	**117,356**	122,984
Impairment	**(15,549)**	(13,902)
	101,807	109,082

An aged analysis of the accounts receivable as at the balance sheet date, based on payment due date and net of provisions, is as follows:

	Unaudited 30 June 2008 HK$'000	Audited 31 December 2007 HK$'000
Current (neither past due nor impaired)	**75,476**	87,475
Within 60 days and past due	**19,895**	18,541
Over 60 days and past due	**6,436**	3,066
	101,807	109,082

The Group's products are sold either on a cash on delivery basis, or on an open account basis ranging from 7 to 70 days of credit. Each customer has a maximum credit limit and overdue balances are regularly reviewed by the senior management. In view of the aforementioned and the fact that the Group's accounts receivable relate to a large number of diversified customers, there is no significant concentration of credit risk. Accounts receivable are non-interest-bearing.

Included in the Group's accounts receivable are amounts totalling HK$9,622,000 (31 December 2007: HK$8,844,000) due from the Group's jointly-controlled entities which are repayable on credit terms comparable to those offered to other unrelated customers of the Group.

At 30 June 2008, certain accounts receivable were discounted to a bank for cash advances of HK$17,981,000 (31 December 2007: Nil) which have been disclosed as "Interest-bearing bank loans on factored accounts receivable" in note 12.

11. ACCOUNTS PAYABLE

An aged analysis of accounts payable as at the balance sheet date, based on the payment due date, is as follows:

	Unaudited 30 June 2008 HK$'000	Audited 31 December 2007 HK$'000
Current and less than 60 days	**72,038**	63,147
Over 60 days	**5,484**	1,194
	77,522	64,341

The accounts payable are non-interest-bearing and are normally settled within credit terms of 7 to 60 days.

Included in the Group's accounts payable are amounts of HK$25,036,000 (31 December 2007: HK$6,077,000) due to certain companies associated with another venturer of the Group's jointly-controlled entities which are payable on credit terms comparable to those offered by other unrelated suppliers of the Group.

12. INTEREST-BEARING BANK AND OTHER LOANS

	Unaudited 30 June 2008 HK$'000	Audited 31 December 2007 HK$'000
Interest-bearing bank loans		
Unsecured	**64,289**	48,193
Secured (Note a)	**97,727**	99,775
	162,016	147,968
Interest-bearing bank loans on factored accounts receivable	**17,981**	—
Loan from a related company (Note b)	**11,364**	—
	191,361	147,968

12. INTEREST-BEARING BANK AND OTHER LOANS (continued)

Notes:

a. Secured interest-bearing bank loans included certain of the Group's bank loans of approximately HK$96,591,000 (31 December 2007: HK$93,358,000) in Mainland China which were borrowed by a PRC subsidiary of the Group and secured on certain property, plant and equipment and prepaid land lease payments of certain PRC subsidiaries and have no recourse to other members of the Group. Bank loans amounting to HK$5,682,000 (31 December 2007: HK$5,340,000) are also guaranteed by corporate guarantees given by an independent third party.

b. The loan is unsecured, interest-bearing at the prevailing market rate and repayable within one year.

13. SHARE CAPITAL

a. During the period ended 30 June 2008, 25,920 shares of HHHL of HK$0.10 each were issued for cash at a subscription price of HK$0.25 per share, pursuant to the exercise of HHHL's warrants for a total cash consideration, before expenses, of approximately HK$7,000.

b. During the period ended 30 June 2008, all the 435,887,212 ordinary shares of HHHL outstanding as at 25 April 2008 were cancelled and extinguished and the issued share capital of HHHL was reduced accordingly. On 25 April 2008, HHHL allotted and issued 1,000 new ordinary shares of HK$0.10 each, credited as fully paid, to the Company and became a wholly-owned subsidiary of the Company.

c. In consideration of the cancellation and extinguishment of the 435,887,212 ordinary shares of HHHL outstanding as at 25 April 2008, the holders of the ordinary shares of HHHL received the ordinary shares of the Company issued and credited as fully paid, on the basis of one ordinary share of the Company for every one ordinary share of HHHL then held.

d. During the period ended 30 June 2008, 56,779,201 shares of the Company of HK$0.10 each were issued for cash at a subscription price of HK$0.25 per share, pursuant to the exercise of the Company's warrants for a total cash consideration, before expenses, of approximately HK$14,195,000.

e. During the period ended 30 June 2007, 33,094 shares of HHHL of HK$0.10 each were issued for cash at a subscription price of HK$0.25 per share, pursuant to the exercise of HHHL's warrants for a total cash consideration, before expenses, of approximately HK$8,000.

13. SHARE CAPITAL (continued)

f. During the period ended 30 June 2007, the subscription rights attaching to 4,091,130 share options of HHHL were exercised at a price of HK$0.1834 per share resulting in the issue of 4,091,130 shares of HHHL of HK$0.10 each for a total cash consideration, before expenses, of approximately HK$751,000.

14. CAPITAL COMMITMENTS

	Unaudited 30 June 2008 HK$'000	Audited 31 December 2007 HK$'000
Capital commitments for the acquisition of property, plant and equipment:		
Contracted for	**9**	9
Authorised, but not contracted for	**1,283**	1,198

15. CONTINGENT LIABILITIES

a. At 30 June 2008, 42 (31 December 2007: 31) employees had completed the required number of years of service under the Hong Kong Employment Ordinance (the "Employment Ordinance") to be eligible for long service payments on termination of their employment. The Group is only liable to make such payments where the termination meets the required circumstances specified in the Employment Ordinance. If the termination of all these employees met the circumstances required by the Employment Ordinance, the Group's liability at 30 June 2008 would be approximately HK$464,000 (31 December 2007: HK$356,000).

b. At 30 June 2008, the contingent liabilities in respect of guarantees given to a bank to secure banking facilities utilised by a jointly-controlled entity of the Group amounted to HK$22,502,000 (31 December 2007: 13,628,000).

16. RELATED PARTY TRANSACTIONS

In addition to those transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following material transactions with related parties during the period:

	Notes	Unaudited For the six months ended 30 June 2008 HK$'000	2007 HK$'000
Transactions with jointly-controlled entities*:			
Sales of goods	a	**56,018**	20,416
Purchases of goods/services	b	**37**	111
Production and oil refinement income	c	**19,924**	20,266
Royalty income	d	**6,858**	5,216
Property rental income	e	**172**	172
Management fee income	f	**2,320**	2,320
Transactions with companies associated with the controlling shareholders of the Company:			
Sales of goods	a	**4,986**	1,933
Rental expenses	g	**1,751**	1,751
Interest expenses	h	**141**	—
Transactions with a company in which a director of the Company has an indirect interest:			
Management fee expenses	i	**330**	330

* The Group has proportionately consolidated 50% of the transactions with its jointly-controlled entities in its consolidated income statement.

16. RELATED PARTY TRANSACTIONS (continued)

Notes:

a. The sales of goods were on normal commercial terms in the ordinary and usual course of business of the Group.

b. The purchases of goods/services were at prices comparable to those offered by other unrelated suppliers/providers of the Group.

c. The production and oil refinement income was based on agreements entered into with the jointly-controlled entities after an arm's length negotiation and was at rates comparable to those offered to other unrelated customers of the Group.

d. Pursuant to trademark license agreements entered into between the Group and the jointly-controlled entities, the royalties received for the use of the trademarks are calculated based on a percentage, as agreed between the parties from time to time, on the gross sales value of licensed products sold by the jointly-controlled entities within Hong Kong and Macau.

e. The property rental income related to the subletting of certain properties. The property rental income was charged by reference to open market rental and was subject to review on a regular basis.

f. The management fee income was based on the cost incurred for providing such services.

g. The rental expenses were paid by reference to open market rental and were subject to the terms of the relevant tenancy agreements.

h. The interest expenses represented payment of interest on a loan from a related company at the prevailing market rate.

i. The management fee expenses represented the payment for services by a director of the Company and his staff through a company in which the director has an indirect interest.

j. Certain of the Group's bank loans in the PRC are secured by a personal guarantee of HK$6,818,000 (31 December 2007: HK$6,408,000) given by a senior executive of the Group.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. PLEDGE OF ASSETS

As at 30 June 2008, certain prepaid land lease payments, certain leasehold land and buildings and certain plant and machinery of the Group with an aggregate carrying value of approximately HK$155,121,000 (31 December 2007: HK$153,438,000), certain accounts receivable and stocks of the Group of approximately HK$66,444,000 (31 December 2007: HK$53,148,000), and a cash deposit of the Group of approximately HK$11,939,000 (31 December 2007: HK$9,161,000) were pledged to banks to secure banking facilities granted to the Group.

18. COMPARATIVE AMOUNTS

Management fee income which was included as "property rental income" in note 15 to the condensed consolidated financial statements for the period ended 30 June 2007 has been reclassified as "management fee income" to conform with the current period's presentation. The directors are in the opinion that such presentation would give a fairer presentation of the operation of the Group.

19. APPROVAL OF THE INTERIM FINANCIAL REPORT

These condensed consolidated interim financial report were approved and authorised for issue by the Board on 24 September 2008.

BUSINESS REVIEW AND OUTLOOK

For the six months ended 30 June 2008, the profit attributable to equity holders of the Company was HK$12.1 million, as compared to the profit of HK$0.5 million for the same period in 2007. The basic earnings per share for the period was 2.71 HK cents (2007: 0.11 HK cent).

The profit from operating activities for the six months ended 30 June 2008 was HK$21.7 million, representing an increase of 219% over HK$6.8 million for the same period in 2007. Earnings before interest, tax, depreciation and amortization (EBITDA) for the period under review also increased by 75% from HK$18.1 million for the first half of 2007 to HK$31.6 million for the first 6 months in 2008.

Dividend

The Directors do not recommend payment of any interim dividend for the six months ended 30 June 2008 (2007: Nil).

Review of operation

In the first half of 2008, the edible oil market was continuously affected by the upsurge of raw material costs. After a non-stop increase over the last 12 to 18 months, the market prices of our major raw material costs went up by 80 – 120 percents when compared to the prices in early 2007 and reached their record high in the period under review. To minimize the adverse impact of such cost increases, the Group had to raise the selling prices of our products. Together with the Group's efficient operation in place, the Group was able to report a profit of HK$12.1 million for a six-month period, which is the first time since 2001.

Hong Kong economy was booming in the first half of 2008. More and more people are willing to pay for quality healthy oil products which include Canola oil, Sunflower oil and Olive oil. The total market sales value of these three oil products, which the Group has always placed emphasis on, recorded double-digit percentage growth in each of the last 4 years. The Nielsen Edible Oil MarketTrack Supermarket Service data collected by The Nielsen Company (Hong Kong) Limited, one of the most reputable international research companies in Hong Kong, revealed that Lion & Globe Canola oil products continued to rank first in sales value in the Canola oil segment in the 12 months to June 2008. Placing resources on the right market segments contributes to the improved contribution recorded by the Group's Hong Kong edible oil segment in the period under review.

Review of operation (continued)

In PRC, the Group continued to focus on the more profitable Southern China sales region. Although the raw material costs went up significantly, our efficient operation and appropriate selling strategies enabled our PRC edible oil segment to maintain its gross profit margin percentage. The first half of 2008 is the first six-month period in the last 7 years for which a positive profit before tax was recorded.

The scheme of arrangement to change the domicile of ultimate holding company of the Group from Bermuda to the Cayman Islands was approved by the shareholders of HHHL on 7 April 2008 and sanctioned by the Supreme Court of Bermuda on 11 April 2008. The Company became the ultimate holding company of the Group on 25 April 2008 and its shares were listed on the main board of the Stock Exchange on 29 April 2008.

As the Group does not intend to continue with the joint venture agreement (the "Joint Venture Agreement") with Lam Soon Food Industries Limited and one of its subsidiaries ("Lam Soon") on its existing terms after 30 June 2009, HHHL, pursuant to the terms of the Joint Venture Agreement, served a notice of termination on Lam Soon on 27 June 2008 to terminate the Joint Venture Agreement with effect from 1 July 2009. As explained in the Group's announcement on 30 June 2008, the service of the notice of termination does not preclude the Group from having further discussions with Lam Soon on the Joint Venture Agreement.

Financial Review

Equity

The number of issued shares of HK$0.10 each of the Company as at 30 June 2008 was 492,666,413 (the number of issued shares of HK$0.10 each of HHHL as at 31 December 2007: 435,861,292). During the period under review, 56,779,201 warrants of the Company were exercised for 56,779,201 shares of HK$0.10 each at a price of HK$0.25 per share.

At 1 January 2008, HHHL had outstanding 81,621,170 warrants carrying rights to subscribe for an aggregate of 81,621,170 new shares of HK$0.10 each in HHHL at an initial subscription price of HK$0.25 per share. During the period under review, 25,920 warrants of HHHL were exercised for 25,920 shares of HK$0.10 each at a price of HK$0.25 per share. On 25 April 2008, the warrantholders of HHHL received one warrant of the Company for every one warrant of HHHL then held.

Financial Review (continued)

Liquidity and gearing

As at 30 June 2008, the Group's Hong Kong bank borrowing was bank loans of HK$76.6 million. The Group's PRC bank borrowings as at the period end were bank loans and bills payable totalling HK$143.2 million, of which approximately HK$96.6 million were secured by assets of certain PRC subsidiaries of the Group and have no recourse to other members of the Group.

As at the balance sheet date, the Group's total bank loans amounted to HK$180.0 million (31 December 2007: HK$148.0 million), all of them were either repayable or subject to renewal within one year.

The Group's gearing ratio (expressed as a percentage of interest-bearing bank and other loans over equity attributable to equity holders of the Company) as at 30 June 2008 was 43% (31 December 2007: 36%). The increase in gearing ratio of the Group was mainly attributable to the increase in bank borrowings resulting from the increase in market prices of our raw material costs during the period.

The net interest expense for the period was HK$6.2 million (2007: HK$5.2 million). The increase in net interest expenses was mainly attributable to the increase in PRC interest rates.

The Group's funding policy is to finance the business operations with internally generated cash and bank facilities. The Group's bank borrowings are denominated in Hong Kong dollars and Renminbi. The Group continues to adopt the policy of hedging foreign currency liabilities with foreign currency assets.

Remuneration policies and share option scheme

Remuneration packages comprised salary and bonuses based on individual merits. The total remuneration paid to the employees (including pension costs and the directors' remuneration) of the Group in the period under review was HK$24 million (2007: HK$22 million). As at 30 June 2008, the Group had 419 full time and temporary employees (30 June 2007: 428).

BUSINESS REVIEW AND OUTLOOK (continued)

Financial Review (continued)

Segmented information

In the period under review, the Group's edible oil business in Hong Kong continued to account for a major proportion of the Group's turnover.

Details of the segmented information are set out in note 4.

Pledge of assets

Details of the pledge of assets are set out in note 17.

Outlook

Fluctuation in market prices of edible oil costs will continue to be a major challenge that the Group has to meet with in the foreseeable future. Price revisions of edible oil products in PRC are subject to the approval of National Development and Reform Commission in PRC. The recent financial events in the United States also add uncertainty to the world economy.

With the Group's proven business strategies and efficient operation, the management has confidence to face up with the challenges lying ahead. The management will continue to explore opportunities to provide edible oil related services to our customers to improve our operational efficiency and to develop other edible oil related products. In addition, the Directors will act more proactively to try to diversify the Group's business to other related sectors so as to balance and enhance the overall financial performance of the Group to create value for shareholders.

Vote of Thanks

We would like to thank all of our customers, suppliers, business associates and bankers for their continued support and all members of our management team and staff for their hard work during the period under review.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2008, the interests of the directors and chief executive in the shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, were as follows:

Interests in ordinary shares of the Company

	Number of shares held, capacity and nature of interest					Percentage
Name of director	Directly and beneficially owned	Through spouse or minor children	Through controlled corporation	Beneficiary of a trust	Total	of the Company's issued share capital
Hung Hak Hip, Peter	—	1,675,974	4,321,928	2,808,903*	8,806,805	1.8%
Wong Yu Hong, Philip	2,045,565	—	—	—	2,045,565	0.4%
Sze Tsai To, Robert	2,045,565	—	—	—	2,045,565	0.4%
Cheung Wing Yui, Edward	2,443,565	—	—	—	2,443,565	0.5%
Seto Gin Chung, John	417,373	—	—	—	417,373	0.1%
Shek Lai Him, Abraham	—	—	—	—	—	—
Hung Chiu Yee	2,460,238	—	—	—	2,460,238	0.5%
Lee Pak Wing	2,376,052	—	—	—	2,376,052	0.5%
Wong Kwok Ying	—	—	—	—	—	—
Lam Fung Ming, Tammy	—	—	—	—	—	—

* 2,808,903 shares were beneficially owned by a discretionary trust whose discretionary beneficiaries include certain associates of Mr. Hung Hak Hip, Peter.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES
(continued)

Interests in warrants of the Company

	Number of warrants held, capacity and nature of interest				
Name of director	**Directly and beneficially owned**	**Through spouse or minor children**	**Through controlled corporation**	**Beneficiary of a trust**	**Total**
Hung Hak Hip, Peter	—	—	—	—	—
Wong Yu Hong, Philip	—	—	—	—	—
Sze Tsai To, Robert	—	—	—	—	—
Cheung Wing Yui, Edward	79,600	—	—	—	79,600
Seto Gin Chung, John	—	—	—	—	—
Shek Lai Him, Abraham	—	—	—	—	—
Hung Chiu Yee	154,534	—	—	—	154,534
Lee Pak Wing	—	—	—	—	—
Wong Kwok Ying	—	—	—	—	—
Lam Fung Ming, Tammy	—	—	—	—	—

Save as disclosed above, as at 30 June 2008, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO.

SHARE OPTION SCHEME

On 12 March 2008, the Company adopted a new share option scheme which became effective on 25 April 2008. During the period from the effective date of the new share option scheme to 30 June 2008, no share option was granted.

On 7 April 2008, the shareholders of HHHL approved the termination of the share option scheme adopted by HHHL on 25 June 2004 (the "2004 Share Option Scheme"). Upon termination of the 2004 Share Option Scheme, no further share options can be granted thereunder. As at 30 June 2008, there were no outstanding share options under the 2004 Share Option Scheme.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the headings "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" above, at no time during the period was the Company or HHHL or any of its subsidiaries a party to any arrangements to enable the directors of the Company or their respective spouse or minor children to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2008, the interests of substantial shareholders/other persons (other than the directors and chief executive) in the shares and underlying shares of the Company, as notified to the Company and recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:

Interests in ordinary shares of the Company

Name of holder	Notes	Number of ordinary shares held	Percentage of the Company's issued share capital
Hung's (1985) Limited ("Hung's")	(i)	140,563,299	28.5%
Hop Hing Oil (1985) Limited ("HHO")	(ii)	186,471,237	37.9%
GZ Trust Corporation ("GZTC")	(iii)	327,034,536	66.4%
Hung Cheung Pui	(iv)	327,034,536	66.4%
Hap Seng Consolidated Berhad ("HSCB")		21,335,277	4.3%
Gek Poh (Holdings) Sdn. Bhd ("GPHSB")	(v)	21,335,277	4.3%
Datuk Seri Panglima Lau Cho Kun ("DSPL")	(vi)	21,335,277	4.3%

Notes:

(i) Hung's is the registered holder of the shares disclosed above.

(ii) HHO is the registered holder of the shares disclosed above.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

Interests in ordinary shares of the Company (continued)

(iii) GZTC is the registered holder of the units of certain unit trusts, of which Hung's and HHO are trustees. By virtue of the SFO, GZTC is deemed to be interested in the shares held by Hung's and HHO.

(iv) Hung Cheung Pui is the founder of two discretionary trusts, of which GZTC is the trustee. By virtue of the SFO, Hung Cheung Pui is deemed to be interested in the disclosed interest of GZTC mentioned in note (iii).

(v) HSCB is held as to 57.31% by GPHSB. By virtue of the SFO, GPHSB is deemed to be interested in the disclosed interest of HSCB mentioned above.

(vi) DSPL holds 56% interest in GPHSB. By virtue of the SFO, DSPL is deemed to be interested in the disclosed interest of GPHSB mentioned in note (v).

Interests in warrants of the Company

Name of holder	Notes	Number of warrants held
HSCB		4,267,055
GPHSB	(i)	4,267,055
DSPL	(ii)	4,267,055

Notes:

(i) HSCB is held as to 57.31% by GPHSB. By virtue of the SFO, GPHSB is deemed to be interested in the disclosed interest of HSCB mentioned above.

(ii) DSPL holds 56% interest in GPHSB. By virtue of the SFO, DSPL is deemed to be interested in the disclosed interest of GPHSB mentioned in note (i).

Save as disclosed above, as at 30 June 2008, the Company had not been notified of any persons other than the directors of the Company whose interests are set out in the section "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" above, who had interests or short positions in the shares or underlying shares of the Company, which are required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

CORPORATE GOVERNANCE

Corporate Governance Practices

The Company is committed to maintaining a high standard of corporate governance practices and procedures. Both the Company and HHHL, one of the Company's wholly-owned subsidiaries, have adopted their codes on corporate governance (the "CG Code") based on the principles set out in the Code of Corporate Governance Practices contained in Appendix 14 of the Listing Rules.

None of the directors of the Company is aware of any information that would reasonably indicate that the Company and HHHL did not meet the applicable code provisions set out in the CG Code for any part of the period from 1 January 2008 to 30 June 2008 when their shares were listed on the main board of the Stock Exchange.

Model Code for Securities Transactions

The Company and HHHL have adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its code of conduct of dealings in securities of the Company and HHHL by the directors respectively. The Model Code also applies to "relevant employees" as defined in the CG Code.

Based on specific enquiry of the Company's directors, the directors confirmed that they complied with the required standard in the Model Code adopted by the Company and HHHL throughout the accounting period covered by the interim financial report when their shares were listed on the main board of the Stock Exchange.

Audit Committee

The directors have engaged the Group's external auditors to review the interim financial report for the six months ended 30 June 2008. The Group's external auditors have carried out their review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

CORPORATE GOVERNANCE (continued)

Audit Committee (continued)

The Company established audit committee with terms of reference aligned with the provisions of the CG Code for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The terms of reference of the audit committee are available to the public on request and have also been posted on the Company's website.

As at 30 June 2008, the audit committee was comprised of Mr. Sze Tsai To, Robert (chairman of the Committee), Mr. Cheung Wing Yui, Edward and Mr. Seto Gin Chung, John, all of them are independent non-executive directors, and Mr. Hung Hak Hip, Peter, the non-executive Chairman of the Company. The chairman of the audit committee has the required appropriate professional financial qualifications and experience.

The audit committee reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the interim financial report for the six months ended 30 June 2008.

Remuneration Committee

The remuneration committee was established with a particular responsibility to review the Company's remuneration policy for directors and members of the senior management. As at 30 June 2008, the remuneration committee was comprised of Mr. Hung Hak Hip, Peter (chairman of the Committee), the non-executive Chairman of the Company, Mr. Sze Tsai To, Robert, Mr. Cheung Wing Yui, Edward and Mr. Shek Lai Him, Abraham, the three independent non-executive directors of the Company.

The terms of reference of the remuneration committee align with the provisions of the CG Code and are available to the public on request and have also been posted on the Company's website.

PURCHASE, SALE OR REDEMPTION OF OWN LISTED SECURITIES

During the six months ended 30 June 2008, there were no purchases, sales or redemptions by the Company or any of its subsidiaries of the Company's listed securities.

BOARD OF DIRECTORS

As at the date of this interim financial report, the executive directors of the Company are Mr. Wong Kwok Ying and Ms. Lam Fung Ming, Tammy. The non-executive directors of the Company are Mr. Hung Hak Hip, Peter, Ms. Hung Chiu Yee and Mr. Lee Pak Wing. The independent non-executive directors of the Company are Dr. Wong Yu Hong, Philip, Mr. Sze Tsai To, Robert, Mr. Cheung Wing Yui, Edward, Mr. Seto Gin Chung, John and Mr. Shek Lai Him, Abraham.

By Order of the Board

Hung Hak Hip, Peter
Chairman

Hong Kong, 24 September 2008

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the board of directors of Hop Hing Group Holdings Limited

INTRODUCTION

We have reviewed the interim financial information set out on pages 1 to 17 which comprises the condensed consolidated balance sheet of Hop Hing Group Holdings Limited as at 30 June 2008 and the related condensed consolidated statements of income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants.

The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
(continued)

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young
Certified Public Accountants

18/F, Two International Finance Centre
8 Finance Street, Central
Hong Kong

24 September 2008