



HOP HING GROUP HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)



Corporate Presentation

November 2012



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Business Overview



Overview of QSR Business

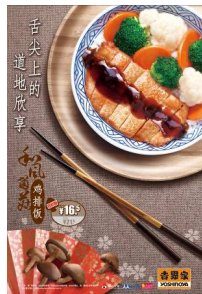


Offers a variety of products including primarily rice bowls with beef, chicken or pork



Offers a range of ice-cream cakes, frozen treats and beverages, including the "Blizzard" treats

- Exclusive franchisee in Franchise Regions (including Beijing, Tianjin, Hebei, Liaoning, Heilongjiang, Jilin and Inner Mongolia)
- Remaining terms of no less than ~20 years
- Franchisors generally do not have early termination rights except in very limited circumstances, e.g. default or breach of franchise agreements without remedy, bankruptcy, etc
- Attractive franchise agreement terms with minimal restrictions on business operations (e.g. store opening, product development, pricing, ingredients procurement, etc)

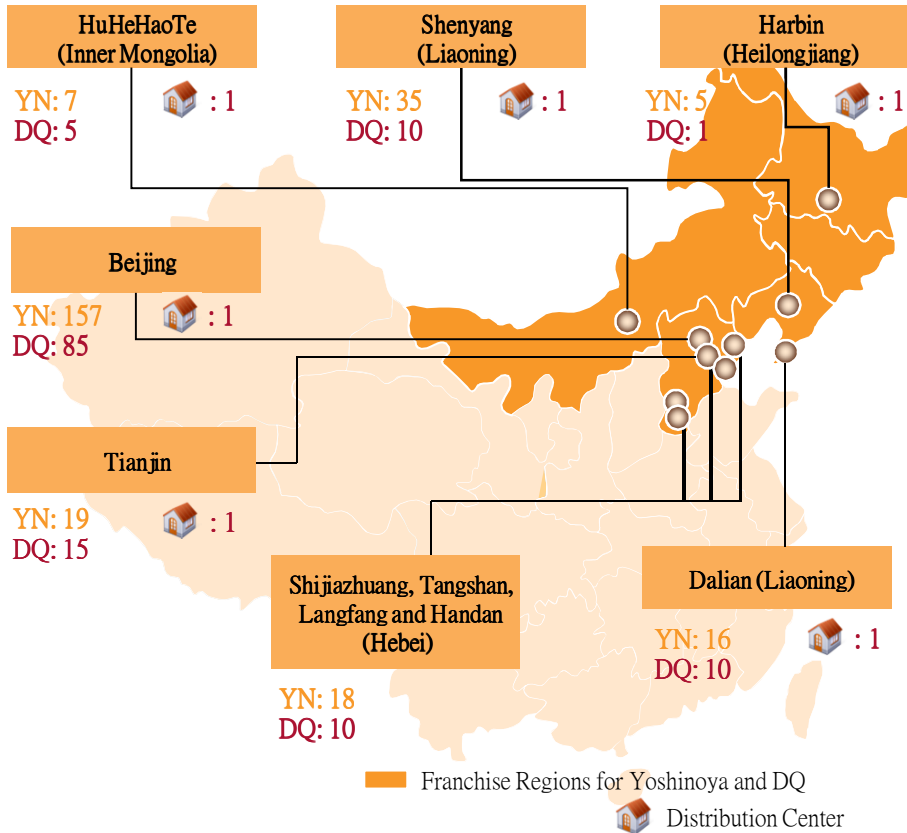




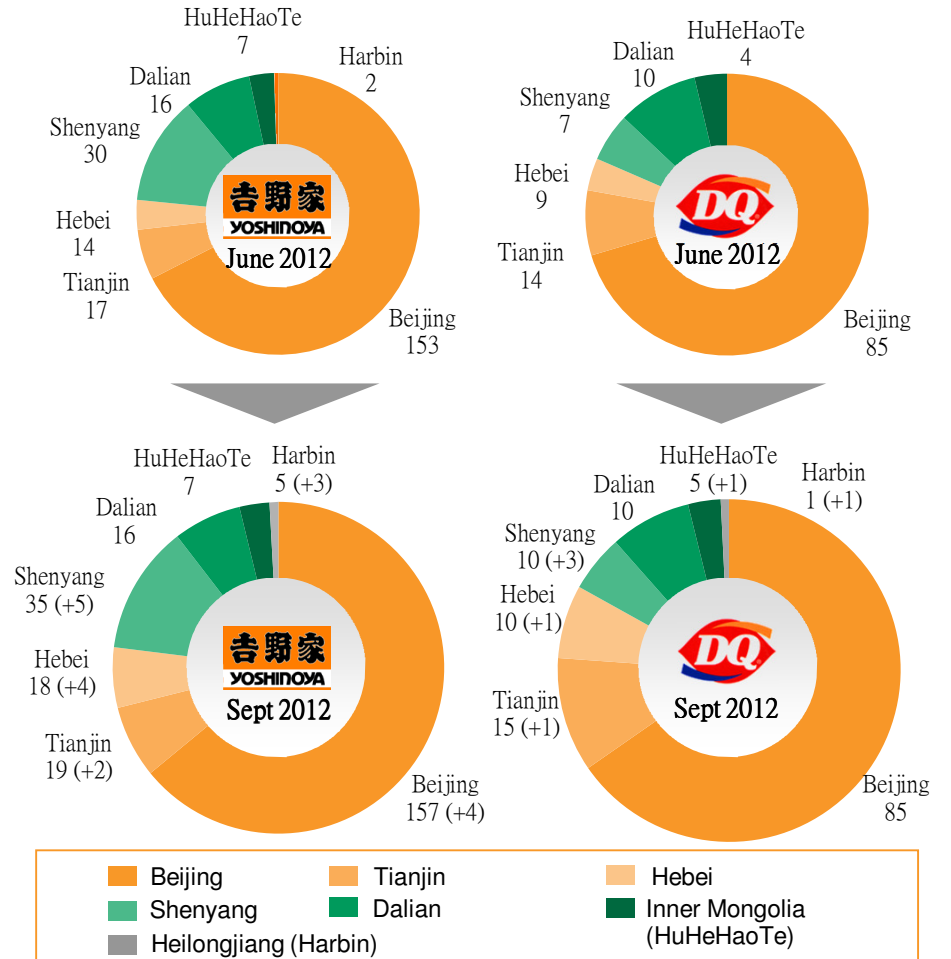
QSR Business - 25 New Stores in Q3 2012

257 Yoshinoya Stores and 136 DQ Stores

As of September 30, 2012



Store Number and Expansion Summary





Leveraging Our Competitive Strengths

Management Advantage



Experienced management with over 20 years of track record in the QSR business in China



Management synergy achieved via combining local-rooted retail experience and international vision and corporate governance

Proven Track Record of Creating Multiple QSR Brands



QSR Business accounted for 68.9% and 94.6% of the Group's revenue and operating EBIT in 1H2012, respectively



Record net store rollouts = 76 stores (As at 30 September 2012)

Cost Advantage



Focused on forming strategic alliances with local farmers (农餐对接)



Control rental cost through systematic store opening procedure; labor cost through enhancing store-level productivity by introducing standardized performance measures

System Advantage



Localized procurement, logistics, processing, and quality control systems developed over the past 20 years of presence in China



Highly standardize and scalable business built upon international standards

Conscientiousness Towards Quality (良心品质)



Stringent internal control to achieve consistency in delivering safe and delicious food products



快子大学(“Kuai Zi University”) – promotes awareness and corporate culture among employees to focus on producing the best quality products

High Quality and Safe Food Offering Sold at Affordable Price



Sophisticated Supply and Production Chain Management

Well-Designed Supply Chain Under Best-In-Class Management

Upstream Sourcing



- Stringent requirement for selection of suppliers ensuring stable supply of high quality food supply at a reasonable cost
- Conscientiousness towards Quality (良心品质)
 - Quality rice from Northeast
 - Strong internal control
 - Strategic alliance with local farmers

Quality Inspection



- Maintain high hygiene standards throughout food production process from procurement, storage and processing to food preparation at store level

State-of-the-Art Logistics Facilities



- Transportation, warehouse, distribution centers are all well-designed, maintained and managed

Standardized Food Processing



- Centralized and standardized food processing & preparation procedures
- Generally purchases processed ingredients to maximize food safety

Stringent Quality Control



- Award winning quality control system ensuring highest food quality

- Continuous Improvement
- Research and Investment
- Sophisticated IT system
- Human Resources Management
- Senior Management's Support and Vision



Business Update (Jan- Sept 2012)

Completed Acquisition of QSR Business

- Successfully completed acquisition of Yoshinoya and Dairy Queen in March 2012.
- Completed conversion of the convertible securities in September 2012 and placed shares to high quality institutional investors (e.g. Arisaig Partners) ; broadening the shareholders base and enhanced the liquidity of shares.

Successful Expansion

- Total number of stores as at 30 September 2012 is 393. (257 Yoshinoya stores and 136 DQ stores)
- 90-store expansion plan for 2012 remains unchanged.
- Per capita consumption remains strong in the Northern China region.

Q3 Operational Update

- Sales growth rate reached 14.3% YoY.
- Same-store-sales growth (“SSSG”) of 2.0% is recorded due to the short term impact from sluggish Chinese economy, heavy rainfall and flooding in Beijing in July and August as well as the Anti-Japanese sentiment in September.
- Optimistic in the medium-long term of the Chinese economy.

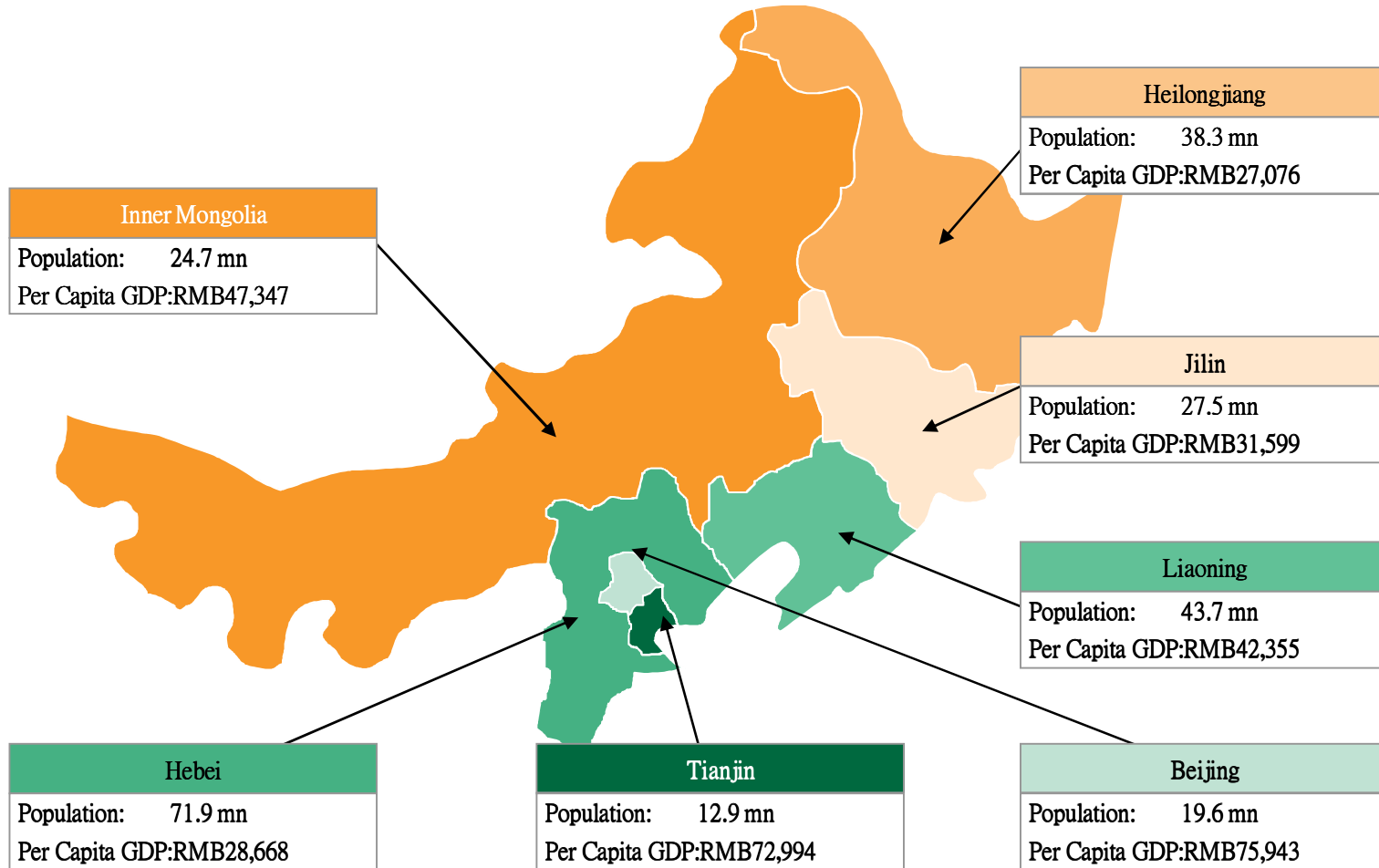


Future Outlook



Significant Growth Opportunities in Existing Franchise Regions

>230 mn Addressable Market in Existing Franchise Regions



Source: CEIC; 2010 data.



Future Strategies

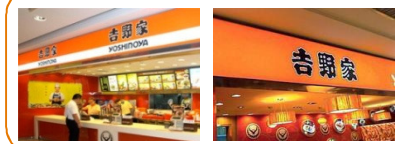
Continuously Improve Customer Satisfaction

- Enhance delivery service to serve a broader customer base
- New product development to match customer dynamic taste
- Systematic approach to customer satisfaction management



Open New Stores with High Quality Earnings and Returns

- Leverage localized relationships with landlords and regulatory bodies to shorten lead time for new store openings
- Customized regional store rollout plans
- Further increase penetration into existing franchise regions



Improve Brand Competitiveness and Increase SSSG

- Extend operating hours to drive sales per store
- Upgrade existing store layouts to support continued SSSG
- Target to maintain similar momentum in SSSG as in the past 2 years and continue to mitigate cost pressure in 2012



Ensure Food Safety and Quality of Operation

- Integration of supply chain from food-source to end-product (农餐对接) to ensure control over all stages of the procurement process
- 5-step quality control standard operating procedure



Enhance HR Management and Minimize Staff Turnover

- 快子大学(“Kuai Zi University”) - internal training program to aimed to develop quality employees and foster Hop Hing’ s management culture: 合兴伴我兴 无处不年轻
- “Spring Sprout” initiative (春芽计划) - management trainee program that recruits future middle management candidate from selected universities



Economies of Scale

Multi-Brand Development



Overview of Consolidated 1H2012 Results

For the Six Months Ended 30 June

(HK\$ mm)	1H2012	1H2011	Change (%)
Turnover	1,389	1,128	+23.1%
Gross Profit	677	547	+23.7%
EBITDA	169	149	+13.7%
Operating Profit	118	99	+18.8%
Net Profit	74	62	+19.9%
Basic EPS (HK\$ cents) ⁽¹⁾	11.47	5.88	+95.1%
Diluted EPS (HK\$ cent) ⁽¹⁾	0.60	0.30	+100.0%
GP Margin (%)	48.7%	48.5%	+0.2pp
EBITDA Margin (%)	12.2%	13.2%	-1.0pp
OP Margin (%)	8.5%	8.8%	-0.3pp
Net profit Margin (%)	5.3%	5.5%	-0.2pp

(1) Earnings per share attributable to equity holders of the Company.



QSR Business - Revenue Composition Remains Unchanged

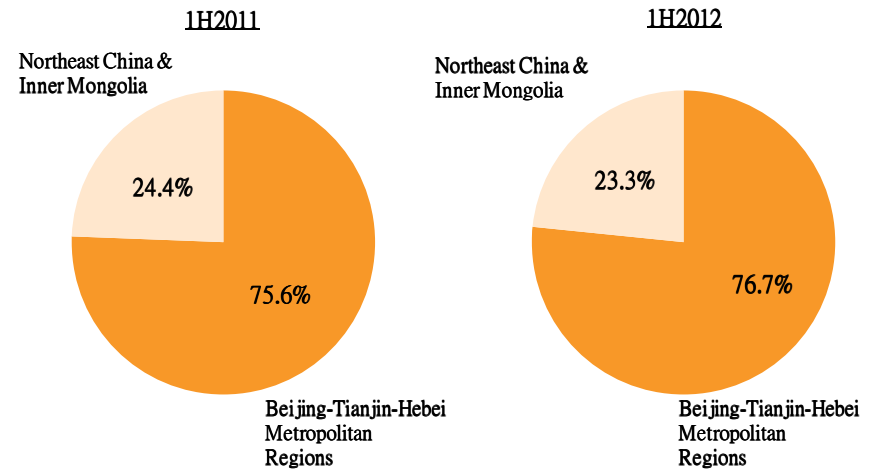
QSR Business Overview

As of 30 June

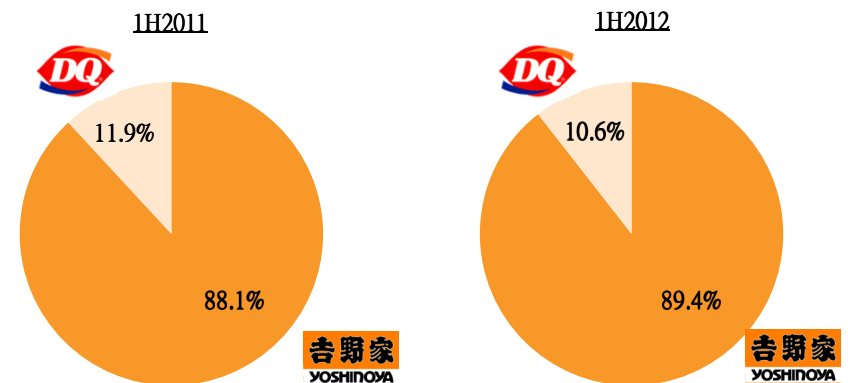
(All in HK\$ mm, unless otherwise stated)

	1H2012	1H2011	Change
Revenue	956.5	743.1	+28.7%
Gross Profit	572.1	445.6	+28.4%
Operating Profit ⁽¹⁾	115.6	95.9	+20.6%
Gross Margin	59.8%	60.0%	-0.2pp
Operating Profit Margin ⁽¹⁾	12.1%	12.9%	-0.8pp

QSR Business Revenue by Region



QSR Business Revenue by Brand

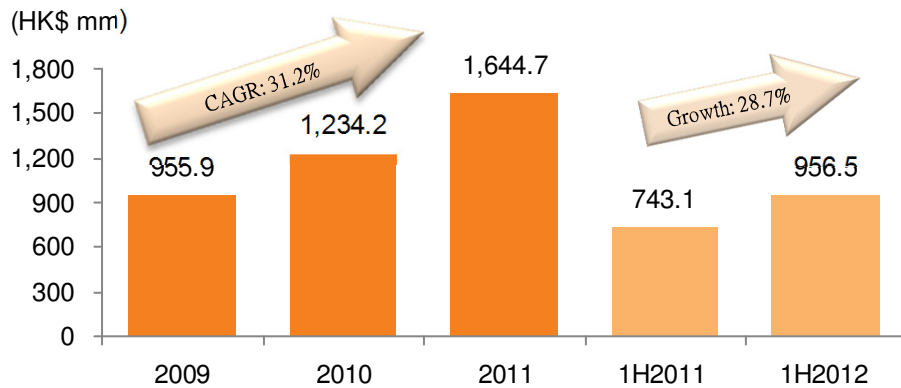


(1) Before unallocated head office expenses of HK\$4.1mm in 1H2012 and HK\$1.9mm in 1H2011.

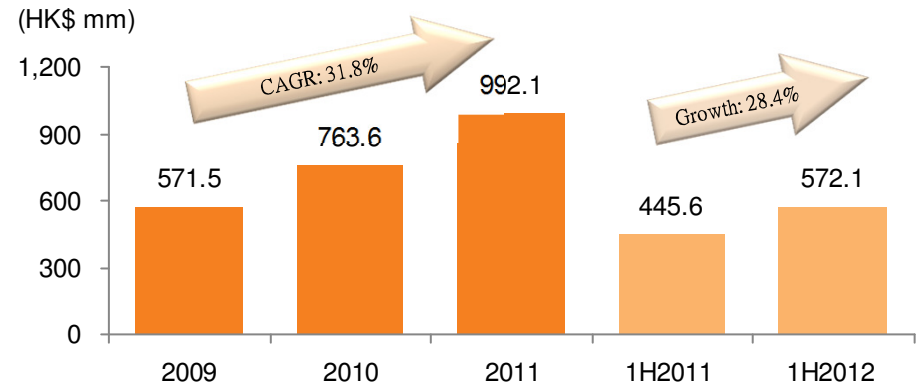


QSR Achieving Solid Revenue Growth and Resilient Profitability

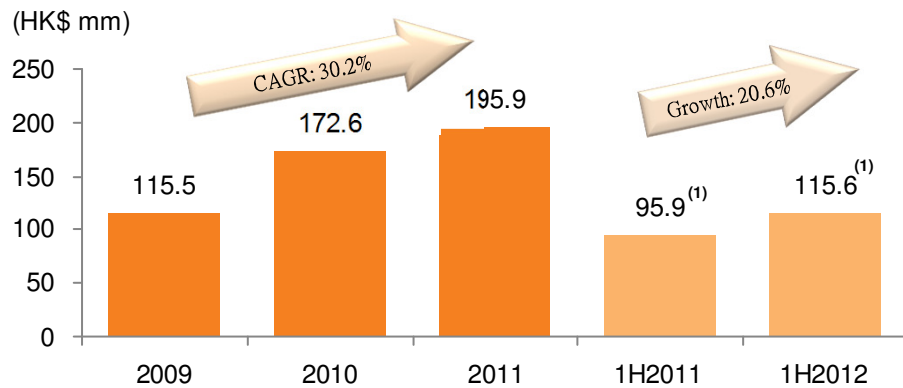
QSR Business Revenue



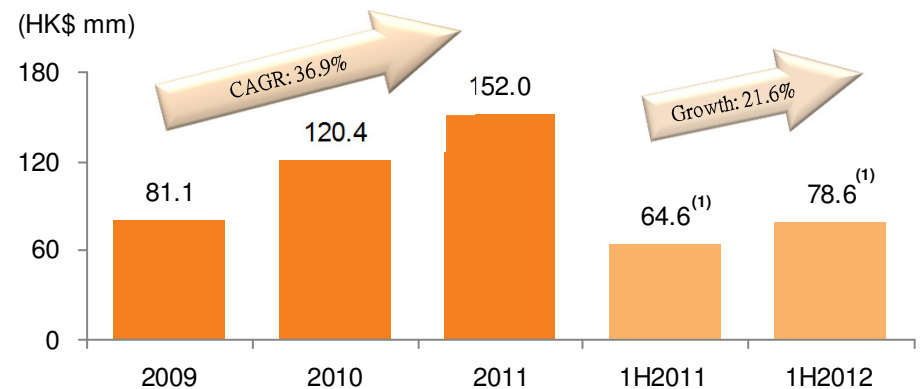
QSR Business Gross Profit



QSR Business EBIT



QSR Business Net Profit



(1) Before unallocated head office expenses of HK\$4.1mm in 1H2012 and HK\$1.9mm in 1H2011.

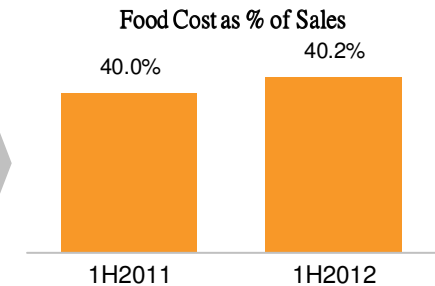


QSR Business - Effective Cost Control in an Inflationary Environment

QSR Business Cost Savings Initiatives

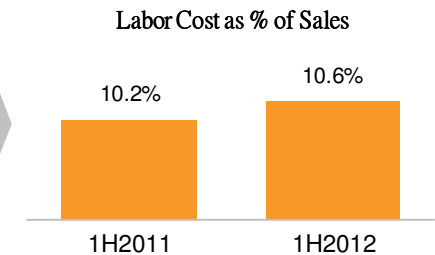
Food Cost

- Food cost as % of revenue increased by 0.2 pp to 40.2%
- Maintained cost at ~40% of revenue via
 - Strategic alliances with local farmers (农餐对接)
 - Improvements in procurement efficiencies via direct purchases from state-owned enterprises
 - Balanced menu price adjustment



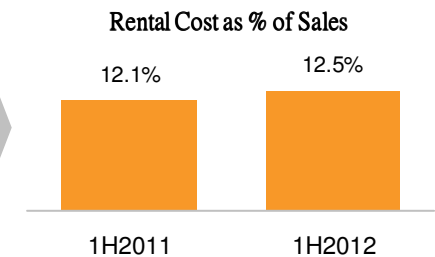
Labor Cost

- QSR Business' labor cost as % of revenue increased by 0.4 pp to 10.6%
 - In contrast to a ~10% average labor cost increase within the PRC consumer food service industry
- Stable labor cost as % of revenue despite significant store rollouts in the period
- Improved work process and system to continuously increase labor productivity



Rental Cost

- With faster urbanization rate, rental cost has gone up in recent years
- Rental cost as % of revenue increased by 0.4 pp to 12.5%
- Strategic relationship with key landlords allow for rapid store rollout at stable rental cost per store
- Long-term lease with 5-10 years, some of which may contain extension option for another 1-5 years





QSR Business - Sound Working Capital Management

Active Cost Management Results in Healthy Cash Conversion Cycle ⁽¹⁾

	As of 30 June	As of 31 December	As of 30 June
Days	2012	2011	2011
Receivable Turnover Days	0.9	0.8	1.0
Inventory Turnover Days	52.7	37.3	51.1
Payable Turnover Days	52.0	57.4	53.2
Cash Conversion Cycle	1.6	(19.3)	(1.1)

Note: Figures refer to QSR Business.

(1) Calculated based on average balance sheet figures.



QSR Business - Healthy Cash Flow and Financial Position

QSR Business Cash Flow Generation		
As of 30 June		
(HK\$ mm)	1H2012	1H2011
Net cash inflows from operation before adjusting for other cash flow items	85.7	84.7
Purchase of property, plant and equipment items	(68.6)	(42.8)
Interest payments and repayment of bank and non-controlling shareholder loans	(12.8)	(2.9)
Increase in cash before other cash flow items	4.3	38.9
Other cash flow items		
Fund movements between group companies	(45.4)	-
Dividends paid	(148.0)	-
Net Increase in Cash	(189.0)	38.9

QSR Business Gearing Summary		
	As of 30 June	As of 31 December
(HK\$ mm)	1H2012	2011
Cash	142.7	176.2 ⁽¹⁾
Total Debt	26.0	37.0
Net Cash	116.7	139.2

QSR Business Return on Equity ⁽²⁾		
	1H2012	2011
ROE	72.9%	84.5%

Note: Figures refer to Hop Hing's QSR Business.

(1) Adjusted for HK\$155.5mm dividend payable declared out of profit before 2010. (2) Calculated as net profit divided by average total equity. 1H2012 ROE is calculated by using LTM net profit as of June 30, 2012 and divided by the average total equity of June 30, 2011 and June 30, 2012.



Overview of Hop Hing's Edible Oils Business

Overview

- Hop Hing is engaged in the purchasing, extracting, refining, blending, bottling, marketing and distribution of edible oils and fats for consumption by households and restaurants and other catering establishments in Hong Kong, Macau, PRC and overseas countries and the provision of ancillary activities
- With over 70 years of experience in the importing, bottling and distribution of edible oils, Hop Hing is one of the leading edible oils manufacturers in Hong Kong producing various kind of edible oil products
- Hop Hing's brands include "Lion & Globe" (獅球嘜) and "Camel" (駱駝嘜), which are widely recognized

Product Portfolio



Peanut Oil



Corn Oil



Canola Oil



Olive Oil



Cooking Oil

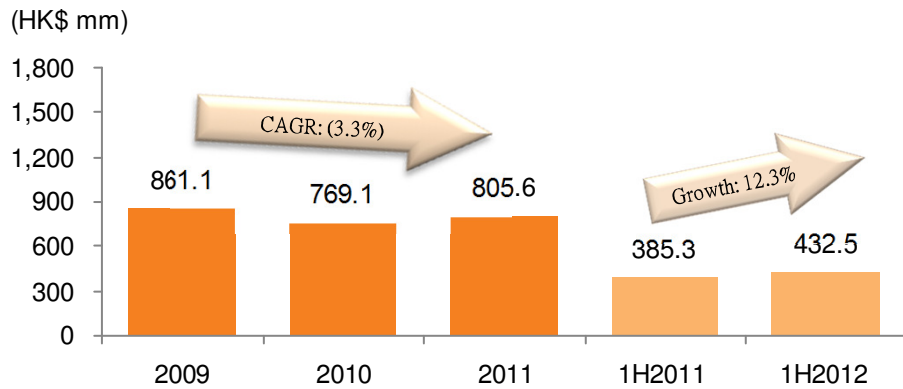


Healthy Oil

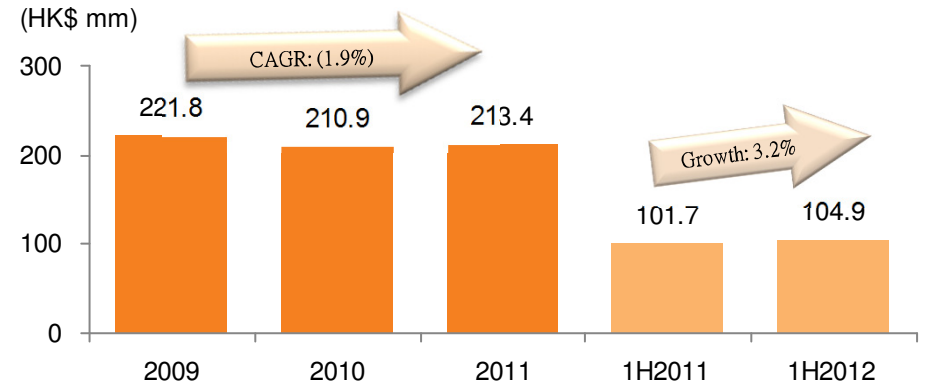


Edible Oils Business - Stable Performance

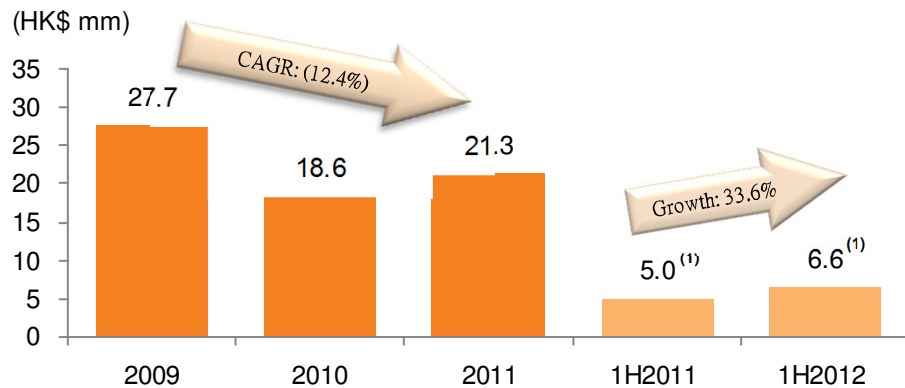
Edible Oils Business Revenue



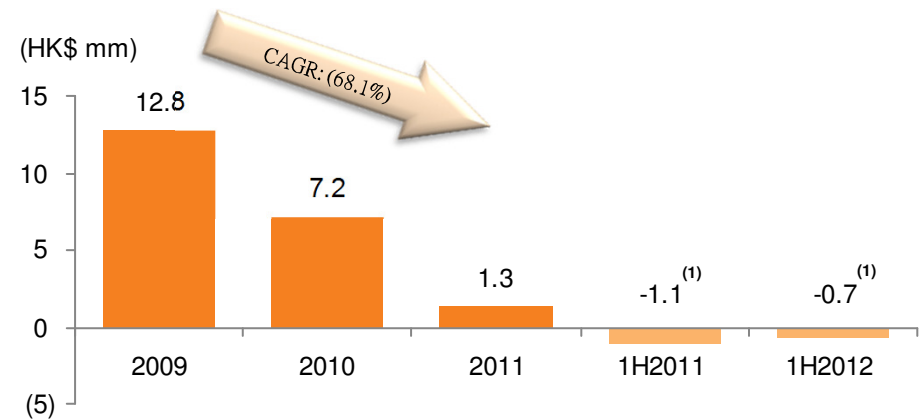
Edible Oils Business Gross Profit



Edible Oils Business EBIT



Edible Oils Business Net Profit



(1) Before unallocated head office expenses of HK\$4.1mm in 1H2012 and HK\$1.9mm in 1H2011.