HOP HING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 47)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2006

The Board of Directors (the "Board") of Hop Hing 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 2006, together with the comparative amounts.

These interim financial results have not been audited, but have 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	
		2006	2005
	Notes	***HK$'000***	*HK$'000*
TURNOVER	*3*	**297,502**	349,412
Direct cost of stocks sold and services provided		**(213,213)**	(263,655)
Other production and service costs (including depreciation and amortisation of HK$10,977,000 and HK$210,000 (2005: HK$12,188,000 and HK$203,000), respectively)		**(30,980)**	(29,871)
Selling and distribution costs		**(33,993)**	(35,220)
General and administrative expenses		**(16,667)**	(19,005)
PROFIT FROM OPERATING ACTIVITIES	*4*	**2,649**	1,661
Finance costs, net	*5*	**(4,573)**	(6,586)
LOSS BEFORE TAX		**(1,924)**	(4,925)
Tax	*6*	**(678)**	(1,125)
LOSS FOR THE PERIOD		**(2,602)**	(6,050)

	Notes	Unaudited For the six months ended 30 June **2006** ***HK$'000***	2005 *HK$'000*
ATTRIBUTABLE TO:			
Equity holders of the Company		**(2,558)**	(6,073)
Minority interests		**(44)**	23
		(2,602)	(6,050)
LOSS PER SHARE	*7*		
– Basic		**HK(0.61) cent**	HK(1.48) cents
– Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	**Unaudited 30 June 2006** ***HK$'000***	Audited 31 December 2005 *HK$'000*
ASSETS			
Non-Current assets			
Property, plant and equipment		**282,550**	290,575
Prepaid land lease payments		**15,990**	15,802
Trademarks		**123,210**	122,944
Interests in associates		**(1,425)**	(1,425)
Deferred tax assets		**6,271**	6,271
Total non-current assets		**426,596**	434,167
Current assets			
Stocks		**90,414**	83,415
Accounts receivable	*8*	**68,076**	81,226
Prepayments, deposits and other receivables		**40,140**	36,411
Pledged cash deposits		**1,894**	1,226
Cash and cash equivalents		**20,025**	24,552
Total current assets		**220,549**	226,830
Total assets		**647,145**	660,997

	Notes	**Unaudited 30 June 2006 *HK$'000***	Audited 31 December 2005 *HK$'000*
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Issued share capital	*11*	**41,736**	41,709
Reserves		**363,216**	365,808
		404,952	407,517
Minority interests		**11,842**	11,693
Total equity		**416,794**	419,210
Non-current liabilities			
Interest-bearing bank loans	*9*	**6,000**	8,000
Deferred tax liabilities		**4,958**	4,983
Total non-current liabilities		**10,958**	12,983
Current liabilities			
Accounts payable	*10*	**30,002**	40,020
Bills payable		**5,825**	4,099
Other payables and accrued charges		**32,819**	35,032
Interest-bearing bank loans	*9*	**149,358**	148,463
Tax payable		**1,389**	1,190
Total current liabilities		**219,393**	228,804
Total liabilities		**230,351**	241,787
Total equity and liabilities		**647,145**	660,997

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. 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 Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Save for those new HKFRSs adopted during the period as set out in note 2 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 annual financial statements for the year ended 31 December 2005.

2. 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 2006. The adoption of the following HKFRSs does not have any material effect on the financial statements of the Group:

HKAS 19 Amendment	Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 21 Amendment	Net Investment in a Foreign Operation
HKAS 39 Amendment	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 Amendment	The Fair Value Option
HKAS 39 and HKFRS 4 Amendments	Financial Guarantee Contracts
HKFRS – Int 4	Determining whether an Arrangement contains a Lease

The Group has not early applied the following new HKFRSs that have been issued but are not yet effective. The Group expects that application of these new HKFRSs will have no material impact on how the results and financial position of the Group are prepared and presented:

HKAS 1 Amendment	Presentation of Financial Statements "Capital Disclosures"[1]
HKFRS 7	Financial Instruments: Disclosures[1]
HK (IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies[2]
HK (IFRIC)-Int 8	Scope of HKFRS 2[3]
HK (IFRIC)-Int 9	Reassessment of Embedded Derivates[4]

[1] *Effective for accounting periods beginning on or after 1 January 2007*
[2] *Effective for accounting periods beginning on or after 1 March 2006*
[3] *Effective for accounting periods beginning on or after 1 May 2006*
[4] *Effective for accounting periods beginning on or after 1 June 2006*

3. 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.

	Hong Kong Unaudited For the six months ended 30 June		**Mainland China Unaudited For the six months ended 30 June**		**Consolidated Unaudited For the six months ended 30 June**	
	2006	2005	**2006**	2005	**2006**	2005
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**188,911**	198,930	**108,591**	150,482	**297,502**	349,412

4. PROFIT FROM OPERATING ACTIVITIES

The Group's profit from operating activities is arrived at after charging/(crediting):

	Unaudited For the six months ended 30 June 2006 HK$'000	2005 HK$'000
Cost of stocks sold	**213,213**	262,759
Gain on disposal of subsidiaries	**(430)**	(452)

5. FINANCE COSTS, NET

	Unaudited For the six months ended 30 June 2006 HK$'000	2005 HK$'000
Interest on bank borrowings	**4,847**	6,697
Less: interest income	**(274)**	(111)
	4,573	6,586

6. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 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 2006 HK$'000	2005 HK$'000
Tax in the income statement represents:		
Provision for Hong Kong profits tax	**572**	1,040
Provision for tax elsewhere	**131**	60
	703	1,100
Deferred tax	**(25)**	25
	678	1,125

Note: The Group has received notices of assessment from the Inland Revenue Department in Hong Kong in respect of the Group's assessable profits arising from royalty income, which is under objection.

7. LOSS PER SHARE

a. Basic loss per share

Basic loss per share is calculated based on the net loss attributable to equity holders of the Company of HK$2,558,000 (2005: HK$6,073,000) and the weighted average of 417,206,107 shares (2005: 410,830,020 shares) in issue during the period.

b. Diluted loss per share

Diluted loss per share for both periods have not been presented as the share options and warrants outstanding during the periods had an anti-dilutive effect on the basic loss per share for these periods.

8. ACCOUNTS RECEIVABLE

The aged analysis of accounts receivable as at the balance sheet date is as follows:

	Unaudited 30 June 2006 *HK$'000*	Audited 31 December 2005 *HK$'000*
Current and less than 60 days	**66,823**	79,202
Over 60 days	**1,253**	2,024
	68,076	81,226

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, the concentration of credit risk is not considered significant. Accounts receivable are non-interest-bearing.

Included in the Group's accounts receivable are amounts due from the Group's jointly-controlled entities of HK$4,538,000 (31 December 2005: HK$5,692,000) which are repayable on credit terms comparable to those offered to other unrelated customers of the Group.

9. INTEREST-BEARING BANK LOANS

	Unaudited 30 June 2006 *HK$'000*	Audited 31 December 2005 *HK$'000*
Current		
Unsecured	**31,766**	27,771
Secured *(Note)*	**117,592**	120,692
	149,358	148,463
Non-current		
Secured – Hong Kong	**6,000**	8,000
	155,358	156,463

Note: Secured interest-bearing bank loans included certain of the Group's bank loans in mainland China (the "PRC Bank Loans") of approximately HK$112 million which were borrowed by a PRC subsidiary of the Group and secured on certain property, plant and equipment and land use rights of certain PRC subsidiaries and have no recourse to other members of the Group.

10. ACCOUNTS PAYABLE

The aged analysis of accounts payable as at the balance sheet date is as follows:

	Unaudited 30 June 2006	Audited 31 December 2005
	HK$'000	*HK$'000*
Current and less than 60 days	**26,587**	37,376
Over 60 days	**3,415**	2,644
	30,002	40,020

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

Included in the Group's accounts payable are amounts due to certain companies associated with another venturer of the Group's jointly-controlled entities of HK$3,123,000 (31 December 2005: HK$7,612,000) which are payable on credit terms comparable to those offered by other unrelated suppliers of the Group.

11. SHARE CAPITAL

During the period, 267,027 shares of HK$0.10 each were issued for cash at a subscription price of HK$0.25 per share for cash pursuant to the exercise of 267,027 warrants of the Company for a total cash consideration, before expenses, of approximately HK$67,000.

12. PLEDGE OF ASSETS

As at 30 June 2006, 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$167,984,000 (31 December 2005: HK$193,166,000), certain accounts receivable and stocks of the Group of approximately HK$28,341,000 (31 December 2005: HK$23,324,000), and a cash deposit of the Group of approximately HK$1,894,000 (31 December 2005: HK$1,226,000) were pledged to banks to secure banking facilities granted to the Group.

BUSINESS REVIEW AND OUTLOOK

For the six months ended 30 June 2006, the Group's turnover decreased as compared to the corresponding period in last year. This is mainly attributable to the Group's reduced activities in the low profit margin bulk trading business in PRC in the period under review.

The loss attributable to equity holders of the Company was HK$2.6 million, an improvement of 57% when compared to the net loss of HK$6.1 million for the same period in 2005. The loss per share for the period was 0.61 HK cent (2005: loss per share 1.48 HK cents).

The profit from operating activities for the six months ended 30 June 2006 was HK$2.65 million, representing an increase of 59% from HK$1.66 million for the first half of 2005.

Dividend

The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2006 (2005: Nil).

Review of Operation

During the period under review, the edible oil markets remained to be competitive and the fuel cost continued to stay at a high level. With the improving market sentiment, the market began to accept sharing their suppliers' increasing material and operational costs. Together with the benefit of the record high market refinery premium enjoyed by the Group's refineries in Hong Kong and PRC in the period, the Group's gross profit margin increased to 28.3%, a 16% improvement when compared to that for the first half of 2005. Streamlining operational costs and improving operational efficiency have always been the management's continuing tasks. The general and administrative expenses decreased by 12% to HK$16.7 million this year from HK$19.0 million for the same period in 2005.

The Group's disposal of certain of its subsidiaries whose major assets and liabilities were certain properties in Hong Kong and a syndicated bank loan in April last year has offset the impact of increases in interest rates during the first half of 2006. The net interest expenses for the six months under review decreased by HK$2.0 million, or 30.6%, when compared to the first half of last year.

In Hong Kong, the Group continued its strategy to strengthen its brand loyalty and provide variety of quality products for its customers to choose. As the Group has the only refinery facilities in Hong Kong, the Group has the edge of providing its customers with products freshly refined, blended and bottled in Hong Kong. Various new and healthy products, such as Olive Sunflower oil, had been launched into the market. In the period under review, the Group maintained its significant market share in Hong Kong and recorded an increasing contribution from this segment.

Apart from continuously receiving awards confirming the quality and market recognition of the Group's products, the integrated management system of Hop Hing Oil Investment Limited, one of the wholly-owned subsidiaries of the Group, received ISO 9001:2000 and ISO 14001:2004 certification in the period under review.

The Group's PRC retail edible oil segment recorded an increase in sales tonnage despite the competitive market during the period. Providing OEM services to the Group's retailing customers also enabled the Group to improve the utilisation and operational efficiency of its facilities in PRC. Although the Group's PRC operation reported operating losses after depreciation of properties, plant and equipment and amortisation of prepaid land lease payments, it continued to contribute to the Group's earnings before interest, taxes, depreciation and amortisation (EBITDA) positively during the period under review.

Financial Review

Equity

The number of issued shares of HK$0.10 each as at 30 June 2006 was 417,357,738 (31 December 2005: 417,090,711). At 1 January 2006, the Company had outstanding 82,598,968 warrants carrying rights to subscribe for an aggregate of 82,598,968 new shares of HK$0.10 each in the Company at an initial subscription price of HK$0.25 per share. During the period under review, 267,027 warrants were exercised for 267,027 shares of HK$0.10 each at a price of HK$0.25 per share.

As at the period end date, there were outstanding share options granted to certain eligible employees entitling them to subscribe for 17,375,410 shares of the Company. Details of the share options outstanding are disclosed in the section under "Share Option Scheme" in the interim financial report.

Liquidity and gearing

As at 30 June 2006, the Group's bank borrowing in Hong Kong was HK$36.9 million. The Group's other bank borrowings as at the period end were PRC bank borrowings, amounted to HK$124.3 million. Loans of approximately HK$112 million were secured by assets of certain PRC subsidiaries of the Group and with no recourse to other members of the Group.

As at the balance sheet date, the Group's total bank loans amounted to HK$155.4 million (31 December 2005: HK$156.5 million), of which HK$149.4 million was either repayable or subject to renewal within one year and the balance was repayable within two to five years. The Group's gearing ratio (expressed as a percentage of total bank loans over shareholders' funds) as at 30 June 2006 was 38.4% (31 December 2005: 38.4%).

The net interest expenses for the period was HK$4.6 million (2005: HK$6.6 million). Such decrease was mainly attributable to the repayments of bank loans and the disposal of certain subsidiaries of the Group which carried certain of the Group's bank borrowings in Hong Kong in last year.

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$20.8 million (2005: HK$20.7 million). As at 30 June 2006, the Group had 435 full time and temporary employees (30 June 2005: 420).

Details of share options granted under the Share Option Scheme of the Company are set out in the section under "Share Option Scheme" in the interim financial report.

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 3.

Pledge of assets

Details of the pledge of assets are set out in note 12.

Outlook

With the improving market sentiment in Hong Kong, it is expected the consumers will be more willing than before to pay for premium products. The Group will continue with its proven existing strategies to reinforce its customer loyalty and provide its customers with wide range of quality and high value added products. Capturing opportunities created by Closer Economic Partnership Arrangement (CEPA) remained an objective of the Group.

Following the uplift of the PRC's quota system on controlling the import of edible oils at the beginning of this year, the fierce competition in the PRC edible oil market persists. Apart from continuing with our strategy to focus on Southern China sales region, the management will explore opportunities to provide its customers with OEM or other edible oil related services which the Group excels at.

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.

CORPORATE GOVERNANCE

Corporate Governance Practices

The Company is committed to maintaining a high standard of corporate governance practices and procedures. The Company has adopted its code on corporate governance based on the principles set out in the Code of Corporate Governance Practices (the "Code on CG Practices") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

None of the directors of the Company is aware of any information that would reasonably indicate that the Company did not meet the applicable code provisions set out in the Code on CG Practices for any part of the period from 1 January 2006 to 30 June 2006.

Model Code for Securities Transactions

The Company has 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 by the directors. The Model Code also applies to "relevant employees" as defined in code provision A.5.4 of the Code on CG Practices. Based on specific enquiry of the Company's directors, the directors confirmed that they have complied with the required standard set out in the Model Code throughout the accounting period covered by the interim financial report.

PURCHASE, SALE OR REDEMPTION OF OWN LISTED SECURITIES

During the six months ended 30 June 2006, there were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries.

BOARD OF DIRECTORS

As at the date of this announcement, 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 and Mr. Seto Gin Chung, John.

By Order of the Board
Hung Hak Hip, Peter
Chairman

Hong Kong, 22 September 2006

Please also refer to the published version of this announcement in China Daily.