HOP HING GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 47)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

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 2009, 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

	Notes	Unaudited For the six months ended 30 June 2009 HK$'000	2008 HK$'000
TURNOVER	4	**436,349**	523,228
Direct cost of stocks sold and services provided		**(329,459)**	(401,065)
Other production and service costs (including depreciation and amortisation of HK$10,172,000 (2008: HK$9,969,000))		**(26,278)**	(31,300)
Selling and distribution costs		**(52,408)**	(47,080)
General and administrative expenses		**(20,003)**	(22,098)
PROFIT FROM OPERATING ACTIVITIES	5	**8,201**	21,685
Finance costs, net	6	**(4,794)**	(6,247)
Share of losses of associates		**(23)**	(37)
PROFIT BEFORE TAX		**3,384**	15,401
Tax	7	**(1,371)**	(2,902)
PROFIT FOR THE PERIOD		**2,013**	12,499
ATTRIBUTABLE TO:			
Equity holders of the Company		**145**	12,118
Minority interests		**1,868**	381
		2,013	12,499
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	8		
Basic		**HK0.03 cent**	HK2.71 cents
Diluted		**HK0.03 cent**	HK2.48 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited For the six months ended 30 June	
	2009	2008
	HK$'000	*HK$'000*
PROFIT FOR THE PERIOD	**2,013**	12,499
Exchange differences on translation of foreign operations	**—**	6,630
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	**—**	6,630
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**2,013**	19,129
ATTRIBUTABLE TO:		
Equity holders of the Company	**145**	18,370
Minority interests	**1,868**	759
	2,013	19,129

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**Unaudited 30 June 2009 *HK$'000***	Audited 31 December 2008 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**239,226**	248,700
Prepaid land lease payments		**27,121**	27,462
Trademarks		**123,978**	123,968
Interests in associates		**(1,381)**	(1,607)
Deferred tax assets		**3,354**	3,016
Total non-current assets		**392,298**	401,539
CURRENT ASSETS			
Stocks		**127,841**	158,386
Accounts receivable	9	**88,385**	120,289
Prepayments, deposits and other receivables		**30,386**	19,139
Tax recoverable		**1,692**	1,816
Pledged bank deposits		**11,139**	10,466
Cash and cash equivalents		**88,988**	42,337
Total current assets		**348,431**	352,433
CURRENT LIABILITIES			
Accounts payable	10	**41,398**	54,954
Bills payable		**37,131**	28,636
Other payables and accrued charges		**36,263**	43,561
Interest-bearing bank and other loans		**155,950**	162,083
Tax payable		**2,194**	880
Total current liabilities		**272,936**	290,114
NET CURRENT ASSETS		**75,495**	62,319
TOTAL ASSETS LESS CURRENT LIABILITIES		**467,793**	463,858
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**2,795**	2,651
NET ASSETS		**464,998**	461,207

	Notes	Unaudited 30 June 2009 *HK$'000*	Audited 31 December 2008 *HK$'000*
EQUITY			
Equity attributable to equity holders of the Company			
Issued share capital		**51,090**	49,331
Reserves		**404,324**	400,659
		455,414	449,990
Minority interests		**9,584**	11,217
Total equity		**464,998**	461,207

Notes

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 (the "Listing Rules") on The Stock Exchange of Hong Kong Limited. Save for the adoption of new and revised HKFRSs 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 preparation of the annual financial statements for the year ended 31 December 2008.

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

The Group has adopted the following new and revised HKFRSs for the first time for the current period's consolidated interim financial statements.

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 *First-time Adoption of HKFRSs* and HKAS 27 *Consolidated and Separate Financial Statements — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment — Vesting Conditions and Cancellations*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures — Improving Disclosures about Financial Instruments*
HKFRS 8	*Operating Segments*
HKAS 1 (Revised)	*Presentation of Financial Statements*
HKAS 23 (Revised)	*Borrowing Costs*
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation* and HKAS 1 *Presentation of Financial Statements — Puttable Financial Instruments and Obligations Arising on Liquidation*
HK(IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC)-Int 9 *Reassessment of Embedded Derivatives* and HKAS 39 *Financial Instruments: Recognition and Measurement — Embedded Derivatives*
HK(IFRIC)-Int 13	*Customer Loyalty Programmes*
HK(IFRIC)-Int 15	*Agreements for the Construction of Real Estate*
HK(IFRIC)-Int 16	*Hedges of a Net Investment in a Foreign Operation*

Apart from the above, the HKICPA has issued Improvements to HKFRSs* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. Except for the amendment to HKFRS 5 which is effective for annual periods beginning on or after 1 July 2009, other amendments are effective for annual periods beginning on or after 1 January 2009 although there are separate transitional provisions for each standard.

* *Improvements to HKFRSs contain amendments to HKFRS 5, HKFRS 7, HKAS 1, HKAS 8, HKAS 10, HKAS 16, HKAS 18, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 34, HKAS 36, HKAS 38, HKAS 39, HKAS 40 and HKAS 41.*

Except for the adoption of HKAS 1 (Revised) resulted in new or amended disclosures, the adoption of these new and revised HKFRSs has had no significant financial effect on these condensed consolidated interim financial statements and there have been no significant changes to the accounting policies applied in these condensed consolidated interim financial statements.

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present two statements.

3. IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not early applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these interim financial statements.

HKFRS 1 (Revised)	*First-time Adoption of Hong Kong Financial Reporting Standards*[1]
HKFRS 3 (Revised)	*Business Combinations*[1]
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*[1]
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement — Eligible Hedged Items*[1]
HK(IFRIC)-Int 17	*Distributions of Non-cash Assets to Owners*[1]
HK(IFRIC)-Int 18	*Transfers of Assets from Customers*[1]

[1] *Effective for annual periods beginning on or after 1 July 2009*

[2] *Improvements to HKFRSs issued in May 2009 contains amendments to HKFRS 2, HKFRS 5, HKFRS 8, HKAS 1, HKAS 7, HKAS 17, Appendix to HKAS 18, HKAS 36, HKAS 38, HKAS 39, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16. Except for the amendments to HKFRS 2, HKAS 38, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16, which are effective for annual periods beginning on or after 1 July 2009, and no transitional provisions for amendment to Appendix to HKAS 18 has been specified, other amendments are effective for annual periods beginning on or after 1 January 2010 although there are separate transitional provisions for each standard.*

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. However, it is not yet in a position to state whether they would have a significant impact on the Group's results of operations and financial position.

4. TURNOVER AND SEGMENT INFORMATION

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

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	
	2009	2008
	HK$'000	*HK$'000*
Direct cost of stocks sold and services provided	**329,459**	401,065
Depreciation	**9,831**	9,638
Amortisation of prepaid land lease payments	**341**	331

6. FINANCE COSTS, NET

	Unaudited For the six months ended 30 June	
	2009	2008
	HK$'000	*HK$'000*
Interest on bank and other loans wholly repayable within five years	**4,900**	6,525
Less: Bank interest income	**(106)**	(278)
	4,794	6,247

7. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	Unaudited For the six months ended 30 June	
	2009	2008
	HK$'000	*HK$'000*
Tax in the income statement represents:		
Provision for Hong Kong profits tax	**1,272**	1,140
Provision for tax elsewhere	**293**	490
	1,565	1,630
Deferred tax	**(194)**	1,272
	1,371	2,902

8. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

a. Basic earnings per share

The calculation of basic earnings per share for the period is based on the consolidated profit attributable to equity holders of the Company of HK$145,000 (2008: HK$12,118,000) and the weighted average of 499,504,727 (2008: 446,486,340) shares in issue during the period.

b. **Diluted earnings per share**

The calculation of diluted earnings per share for the period is based on the consolidated profit attributable to equity holders of the Company of HK$145,000 (2008: HK$12,118,000) and the weighted average of 511,468,108 (2008: 488,212,953) shares in issue during the period after adjusting for the effect of all dilutive potential ordinary shares of 11,963,381 (2008: 41,726,613) shares for the six months ended 30 June 2009, calculated as follows:

	Unaudited For the six months ended 30 June	
	2009	2008
	HK$'000	*HK$'000*
Consolidated profit attributable to equity holders of the Company	**145**	12,118

	Number of shares	
	2009	2008
Weighted average number of ordinary shares in calculating diluted earnings per share:		
Weighted average number of ordinary shares for the purpose of the basic earnings per share calculation	**499,504,727**	446,486,340
Effect of dilution:		
Share options	**751,319**	—
Warrants	**11,212,062**	41,726,613
	511,468,108	488,212,953

9. ACCOUNTS RECEIVABLE

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

	Unaudited	Audited
	30 June	31 December
	2009	2008
	HK$'000	*HK$'000*
Current (neither past due nor impaired)	**63,732**	95,029
Within 60 days past due	**19,527**	16,513
Over 60 days past due	**5,126**	8,747
	88,385	120,289

The Group's products are sold either on a cash on delivery basis, or on an open account basis with credit terms ranging from 7 to 70 days.

10. ACCOUNTS PAYABLE

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

	Unaudited 30 June 2009 *HK$'000*	Audited 31 December 2008 *HK$'000*
Current and less than 60 days	**40,545**	43,376
Over 60 days	**853**	11,578
	41,398	54,954

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

BUSINESS REVIEW AND OUTLOOK

For the six months ended 30 June 2009, the profit attributable to equity holders of the Company was HK$0.1 million, as compared to the profit of HK$ 12.1 million for the same period in 2008. Earnings before interest, tax, depreciation and amortisation (EBITDA) for the period under review was HK$18.4 million, against HK$31.6 million for the corresponding period in 2008.

The basic earnings per share for the period was 0.03 HK cent (2008: 2.71 HK cents).

DIVIDEND

The Directors do not recommend payment of any interim dividend for the six months ended 30 June 2009 (2008: Nil).

REVIEW OF OPERATION

In the period under review, the business environment and market sentiment were fragile and significantly affected by any development of the financial tsunami caused by the subprime mortgage crisis. There was a general belief that the difficult situation had not yet been over and the worst had yet to come. People became cautious in their investment decisions and personal spending. Additional advertising and promotional expenses had to be spent to stimulate sales and counter the promotional activities of competitors. In addition, the volatility of the edible oil prices imposed further challenges to the edible oil industry. While the efficient operation which the management had strived for in the last few years enabled our Group to keep its inventory to a minimum, selling products with raw materials, the prices of which went up and down like a roller-coaster, had never been easy. Despite operating under all these difficult conditions, the management had been able to improve the net current assets of the Group from HK$49 million as at 30 June 2008 to HK$75 million as at the end of the period under review. In addition, the net bank borrowings (bank loans and bill payable less cash on hand) have been improved from HK$184 million as at 30 June 2008 to HK$98 million as at the end of June this year. This is particularly important in an uncertain business environment.

Being an international city, Hong Kong is inevitably affected by the down-turning economy that the other countries are experiencing. As more people prefer home-cooking to dining-out in an uncertain environment, the total sales value of the Group's healthy edible oil products, including Canola oil, Sunflower oil, Olive oil, Rice Bran oil, Olive Canola oil, Olive Sunflower oil and Olive Rice Bran oil, showed a growth as compared to the corresponding period in last year. In addition, the newly introduced Grapeseed Canola oil was well received by our customers. Furthermore, 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 for two consecutive years from November 2006 to October 2008.

In PRC, although the Chinese government's decisive administrative actions had effectively reduced the impact of the financial tsunami on the China economy, companies in PRC, in particular those with global trading or multinational presence, are bound to be affected by this world-wide recession. Our PRC edible oil segment had to face with competition from companies which needed to increase their inventory turnover for reducing their inventory loss in a volatile raw material cost environment. In the period under review, our strategy of providing OEM edible oil services to improve the efficiency of our PRC operation paid back. Our PRC edible oil segment continued to report a positive EBITDA in the six months period ended 30 June 2009.

FINANCIAL REVIEW

Equity

The number of issued shares of HK$0.10 each of the Company as at 30 June 2009 was 510,895,406 (31 December 2008: 493,306,988). At 1 January 2009, the Company had outstanding 24,175,474 units of 2009 warrants carrying rights to subscribe for an aggregate of 24,175,474 new shares of HK$0.10 each at an initial subscription price of HK$0.25 per share. During the period under review, 17,579,748 units of the 2009 warrants of the Company were exercised for 17,579,748 shares of HK$0.10 each at a price of HK$0.25 per share. The unexercised 6,595,726 units of the 2009 warrants were lapsed upon their expiration on 30 April 2009.

On 27 April 2009, a total of 34,068,000 share options were granted to directors and certain employees of the Company.

On 8 June 2009, 102,177,347 units of 2013 warrants were issued to shareholders of the Company whose registered addresses in the register of members of the Company on 3 June 2009 were in Hong Kong and overseas other than Canada. During the period under review, 8,670 units of the 2013 warrants were exercised for 8,670 shares of HK$0.10 each at a price of HK$0.20 per share.

Liquidity and gearing

As at 30 June 2009, the Group's Hong Kong bank borrowing was bank loans of HK$48 million. The Group's PRC bank borrowings as at the period end were bank loans and bills payable totaling HK$139.4 million, of which approximately HK$95.5 million were secured by assets of certain PRC subsidiaries of the Group and have no recourse to other members of the Group.

As at 30 June 2009, the Group's total bank loans amounting to HK$150.3 million (31 December 2008: HK$150.7 million) 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 2009 was 34% (31 December 2008: 36%).

The net interest expense for the period was HK$4.8 million (2008: HK$6.2 million). The decrease in net interest expenses was mainly attributable to the decrease in interest rates of the PRC loans.

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

Staff remuneration packages of the staff of the Group are comprised of salary and discretionary bonuses and are determined with reference to the market conditions and the performance of the Group and the individuals concerned. The Group also provided other staff benefits including medical insurance, continuing education allowances and share options to eligible staff of the Group. The total remuneration paid to the employees (including pension costs and the directors' remuneration) of the Group in the period under review was HK$25 million (2008: HK$24 million). As at 30 June 2009, the Group had 412 full time and temporary employees (30 June 2008: 419).

Segmented information

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

Contingent liabilities

As at 30 June 2009, the Group had no material contingent liabilities.

Pledge of assets

As at 30 June 2009, certain land use rights, classified as prepaid land lease payments, and certain leasehold land and buildings and plant and machinery of the Group with an aggregate carrying values of approximately HK$27,618,000 (31 December 2008: HK$27,957,000) and HK$115,622,000 (31 December 2008: HK$121,009,000), respectively, were pledged to banks to secure banking facilities granted to the Group.

OUTLOOK

Although the market sentiment is getting better at the beginning of the second half of 2009, recovery of the global economy has yet to be confirmed. Volatility of edible oil costs and keen competition will be still the major challenges that the Group has to meet within the foreseeable future. The management will be cautious in operating under this uncertain environment.

The Group will continue using its current proven strategy of reinforcing the loyalty of our customers and providing healthy products to meet the needs of health conscious customers. The management will further 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.

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 (the "CG Code") based on the principles set out in the Code of Corporate Governance Practices contained in Appendix 14 of 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 CG Code for any part of the period from 1 January 2009 to 30 June 2009.

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 the CG Code.

Based on specific enquiry of the Company's directors, the directors confirmed that they complied with the required standards in the Model Code adopted by the Company 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 2009, there were no purchases, sales or redemptions by the Company or any of its subsidiaries of the Company's listed securities.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This result announcement is published on the Company's website at www.hophing.com and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. The interim report will be despatched to shareholders of the Company and made available at the aforesaid websites.

By Order of the Board
Hung Hak Hip, Peter
Chairman

Hong Kong, 21 September 2009

As at the date hereof, 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, GBS, Mr. Sze Tsai To, Robert, Mr. Cheung Wing Yui, Edward, Mr. Seto Gin Chung, John and Hon. Shek Lai Him, Abraham, SBS, JP.