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HOP HING GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 47)

ANNOUNCEMENT OF 2009 RESULTS

RESULTS

The board of directors (the "Board") of Hop Hing Group Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2009 together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2009

	Notes	2009 HK\$'000	2008 HK\$'000
TURNOVER	4	861,057	1,013,020
Direct cost of stocks sold and services provided		(639,298)	(788,215)
Other income and gains, net	4	6,280	11,081
Other production and service costs (including depreciation and amortisation of HK\$18,137,000 (2008: HK\$20,271,000))		(54,038)	(58,751)
Selling and distribution costs		(102,447)	(97,308)
General and administrative expenses		<u>(43,862)</u>	<u>(46,384)</u>
PROFIT FROM OPERATING ACTIVITIES	5	27,692	33,443
Finance costs	6	(9,718)	(13,111)
Share of losses of associates		<u>(23)</u>	<u>(182)</u>
PROFIT BEFORE TAX		17,951	20,150
Income tax expense	7	<u>(3,435)</u>	<u>(4,275)</u>
PROFIT FOR THE YEAR		<u>14,516</u>	<u>15,875</u>
ATTRIBUTABLE TO:			
Equity holders of the Company		12,784	14,698
Minority interests		<u>1,732</u>	<u>1,177</u>
		<u>14,516</u>	<u>15,875</u>
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	8		
Basic		<u>HK2.53 cents</u>	<u>HK3.13 cents</u>
Diluted		<u>HK2.40 cents</u>	<u>HK2.97 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	2009 HK\$'000	2008 HK\$'000
PROFIT FOR THE YEAR	<u>14,516</u>	<u>15,875</u>
OTHER COMPREHENSIVE INCOME		
Exchange differences on translation of foreign operations	4	6,630
Deferred tax reversed upon disposal	-	127
Deferred tax credit resulting from a change in tax rate	<u>-</u>	<u>24</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>4</u>	<u>6,781</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>14,520</u>	<u>22,656</u>
ATTRIBUTABLE TO:		
Equity holders of the Company	12,788	21,101
Minority interests	<u>1,732</u>	<u>1,555</u>
	<u>14,520</u>	<u>22,656</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2009

	Notes	2009 HK\$'000	2008 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		232,706	248,700
Prepaid land lease payments		26,784	27,462
Trademarks		124,162	123,968
Interests in associates		(1,381)	(1,607)
Deferred tax assets		2,033	3,016
Total non-current assets		<u>384,304</u>	<u>401,539</u>
CURRENT ASSETS			
Stocks		131,296	158,386
Accounts receivable	9	106,332	120,289
Prepayments, deposits and other receivables		19,255	19,139
Tax recoverable		326	1,816
Pledged bank deposits		10,961	10,466
Cash and cash equivalents		114,364	42,337
Total current assets		<u>382,534</u>	<u>352,433</u>
CURRENT LIABILITIES			
Accounts payable	10	39,317	54,954
Bills payable		36,538	28,636
Other payables and accrued charges		42,508	43,561
Interest-bearing bank and other loans		165,419	162,083
Tax payable		286	880
Total current liabilities		<u>284,068</u>	<u>290,114</u>
NET CURRENT ASSETS		<u>98,466</u>	<u>62,319</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		482,770	463,858
NON-CURRENT LIABILITIES			
Deferred tax liabilities		2,269	2,651
NET ASSETS		<u>480,501</u>	<u>461,207</u>
EQUITY			
Equity attributable to equity holders of the Company			
Issued share capital		51,095	49,331
Reserves		419,958	400,659
Minority interests		<u>471,053</u> 9,448	<u>449,990</u> 11,217
Total equity		<u>480,501</u>	<u>461,207</u>

NOTES

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain land and buildings which were carried at 1993 valuation. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

2.1 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

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

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of HKFRSs</i> and HKAS 27 <i>Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>
HKFRS 2 Amendments	Amendments to HKFRS 2 <i>Share-based Payment – Vesting Conditions and Cancellations</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments</i>
HKFRS 8	<i>Operating Segments</i>
HKAS 1 (Revised)	<i>Presentation of Financial Statements</i>
HKAS 18 Amendment*	Amendment to Appendix to HKAS 18 <i>Revenue – Determining whether an entity is acting as a principal or as an agent</i>
HKAS 23 (Revised)	<i>Borrowing Costs</i>
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation</i> and HKAS 1 <i>Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation</i>
HK(IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC)-Int 9 <i>Reassessment of Embedded Derivatives</i> and HKAS 39 <i>Financial Instruments: Recognition and Measurement – Embedded Derivatives</i>
HK(IFRIC)-Int 13	<i>Customer Loyalty Programmes</i>
HK(IFRIC)-Int 15	<i>Agreements for the Construction of Real Estate</i>
HK(IFRIC)-Int 16	<i>Hedges of a Net Investment in a Foreign Operation</i>
HK(IFRIC)-Int 18	<i>Transfers of Assets from Customers (adopted from 1 July 2009)</i>
Improvements to HKFRSs (October 2008) **	Amendments to a number of HKFRSs

* Included in *Improvements to HKFRSs 2009* (as issued in May 2009).

** The Group adopted all the improvements to HKFRSs issued in October 2008 except for the amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary*, which is effective for annual periods beginning on or after 1 July 2009.

Other than as further explained below regarding the impact of HKAS 1 (Revised), the adoption of these new and revised HKFRSs has had no significant financial effect on these financial statements and there have been no significant changes to the accounting policies applied in these financial statements.

NOTES (continued)

2.1 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (continued)

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.

2.2 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

HKFRS 1 (Revised)	<i>First-time Adoption of Hong Kong Financial Reporting Standards</i> ¹
HKFRS 1 Amendments	<i>Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters</i> ²
HKFRS 1 Amendment	<i>Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards - Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters</i> ⁴
HKFRS 2 Amendments	<i>Amendments to HKFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions</i> ²
HKFRS 3 (Revised)	<i>Business Combinations</i> ¹
HKFRS 9	<i>Financial Instruments</i> ⁶
HKAS 24 (Revised)	<i>Related Party Disclosures</i> ⁵
HKAS 27 (Revised)	<i>Consolidated and Separate Financial Statements</i> ¹
HKAS 32 Amendment	<i>Amendment to HKAS 32 Financial Instruments: Presentation – Classification of Rights Issues</i> ³
HKAS 39 Amendment	<i>Amendment to HKAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items</i> ¹
HK(IFRIC)-Int 14 Amendments	<i>Amendments to HK(IFRIC)-Int 14 Prepayments of a Minimum Funding Requirement</i> ⁵
HK(IFRIC)-Int 17	<i>Distributions of Non-cash Assets to Owners</i> ¹
HK(IFRIC)-Int 19	<i>Extinguishing Financial Liabilities with Equity Instruments</i> ⁴
Amendments to HKFRS 5 included in <i>Improvements to HKFRSs</i> issued in October 2008	<i>Amendments to HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary</i> ¹
HK Interpretation 4 (Revised in December 2009)	<i>Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases</i> ²

Apart from the above, the HKICPA has issued *Improvements to HKFRSs 2009* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 2, HKAS 38, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16 are effective for annual periods beginning on or after 1 July 2009 while the amendments to HKFRS 5, HKFRS 8, HKAS 1, HKAS 7, HKAS 17, HKAS 36 and HKAS 39 are effective for annual periods beginning on or after 1 January 2010 although there are separate transitional provisions for each standard or interpretation.

NOTES (continued)

2.2 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

- ¹ Effective for annual periods beginning on or after 1 July 2009
- ² Effective for annual periods beginning on or after 1 January 2010
- ³ Effective for annual periods beginning on or after 1 February 2010
- ⁴ Effective for annual periods beginning on or after 1 July 2010
- ⁵ Effective for annual periods beginning on or after 1 January 2011
- ⁶ Effective for annual periods beginning on or after 1 January 2013

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

3. OPERATING 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. In determining the Group's geographical information, the revenue information is based on the location of the customers, and the total non-current assets information is based on the location of the assets and excludes deferred tax assets.

Geographical Information

	Hong Kong HK\$'000	Mainland China HK\$'000	Total HK\$'000
Year ended 31 December 2009			
Revenue from external customers	<u>460,834</u>	<u>400,223</u>	<u>861,057</u>
Non-current assets	<u>155,542</u>	<u>228,110</u>	<u>383,652</u>
Capital expenditure *	<u>1,428</u>	<u>237</u>	<u>1,665</u>
Year ended 31 December 2008			
Revenue from external customers	<u>572,492</u>	<u>440,528</u>	<u>1,013,020</u>
Non-current assets	<u>158,806</u>	<u>241,324</u>	<u>400,130</u>
Capital expenditure *	<u>3,314</u>	<u>1,137</u>	<u>4,451</u>

* Capital expenditure consists of additions to property, plant and equipment and trademarks.

NOTES (continued)

4. TURNOVER AND OTHER INCOME AND GAINS, NET

Turnover represents the aggregate of the net invoiced value of goods sold, after allowances for returns and trade discounts, the value of services rendered, gross rental income received and royalties during the year.

	2009 HK\$'000	2008 HK\$'000
<u>Turnover</u>		
Sales of goods and services	854,641	1,005,638
Royalties	6,215	7,188
Rental and other income	<u>201</u>	<u>194</u>
	<u>861,057</u>	<u>1,013,020</u>
<u>Other income and gains, net</u>		
Bank interest income	475	533
Foreign exchange differences, net	(172)	2,293
Gain on disposal of items of property, plant and equipment, net	3	8,255
Recovery of prepayments and deposits written off in prior years	<u>5,974</u>	<u>-</u>
	<u>6,280</u>	<u>11,081</u>

NOTES (continued)

5. PROFIT FROM OPERATING ACTIVITIES

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

	2009 HK\$'000	2008 HK\$'000
Net rental income	(180)	(191)
Foreign exchange differences, net	172	(2,293)
Direct cost of stocks sold and services provided	639,298	788,215
Gain on disposal of items of property, plant and equipment, net	(3)	(8,255)
Employee benefit expenses (including directors' emoluments):		
Wages and salaries	46,991	45,530
Equity-settled share option expense	4,040	-
Pension scheme contributions	1,705	1,649
Less: Unvested contributions forfeited *	-	(17)
	<u>1,705</u>	<u>1,632</u>
	<u>52,736</u>	<u>47,162</u>
Depreciation **	17,455	19,598
Amortisation of prepaid land lease payments **	682	673
Minimum lease payments under operating leases in respect of land and buildings	7,907	7,883
Auditors' remuneration	1,223	1,393
Impairment of accounts receivable ***	296	916
Reversal of impairment of accounts receivable ***	(439)	-
Recovery of prepayments and deposits written off in prior years	<u>(5,974)</u>	<u>-</u>

Notes:

* At 31 December 2009, the Group had no forfeited contributions available to reduce its future contributions to the scheme registered under the Occupational Retirement Schemes Ordinance which has been exempted under the Mandatory Provident Fund Schemes Ordinance (2008: Nil).

** Depreciation and amortisation of prepaid land lease payments are included in "Other production and service costs" in the consolidated income statement.

*** Impairment/(reversal of impairment) of accounts receivable are included in "General and administrative expenses" in the consolidated income statement.

NOTES (continued)

6. FINANCE COSTS

	Group	
	2009	2008
	HK\$'000	HK\$'000
Interest on bank and other loans wholly repayable within five years	<u>9,718</u>	<u>13,111</u>

7. INCOME 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 year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2009	2008
	HK\$'000	HK\$'000
Group:		
Current - Hong Kong		
Charge for the year	2,382	2,774
Under/(over)provision in prior years	<u>60</u>	<u>(44)</u>
	<u>2,442</u>	<u>2,730</u>
Current - elsewhere		
Charge for the year	392	259
Overprovision in prior years	<u>-</u>	<u>(21)</u>
	<u>392</u>	<u>238</u>
Deferred tax	<u>601</u>	<u>1,307</u>
Total tax charge for the year	<u>3,435</u>	<u>4,275</u>

Note: Pursuant to the PRC Corporate Income Tax Law being effective on 1 January 2008, the PRC corporate income tax rate for the Group's major operating PRC subsidiaries is unified at 25%.

NOTES (continued)

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

(a) Basic earnings per share

The calculation of basic earnings per share is based on the consolidated profit for the year attributable to equity holders of the Company of HK\$12,784,000 (2008: HK\$14,698,000), and the weighted average number of 505,265,336 (2008: 469,928,119) ordinary shares in issue during the year.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the consolidated profit for the year attributable to equity holders of the Company of HK\$12,784,000 (2008: HK\$14,698,000) and the weighted average number of 532,900,371 (2008: 494,711,755) ordinary shares in issue after adjusting for the effect of all dilutive potential ordinary shares of 27,635,035 (2008: 24,783,636) shares for the year ended 31 December 2009 calculated as follows:

	2009 HK\$'000	2008 HK\$'000
Consolidated profit attributable to equity holders of the Company	<u>12,784</u>	<u>14,698</u>
	Number of shares	
	2009	2008
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	505,265,336	469,928,119
Effect of dilution:		
Warrants	27,417,953	24,783,636
Share options	<u>217,082</u>	<u>-</u>
	<u>532,900,371</u>	<u>494,711,755</u>

NOTES (continued)

9. ACCOUNTS RECEIVABLE

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

	Group	
	2009	2008
	HK\$'000	HK\$'000
Current (neither past due nor impaired)	82,097	95,029
Within 60 days past due	18,951	16,513
Over 60 days past due	<u>5,284</u>	<u>8,747</u>
	<u>106,332</u>	<u>120,289</u>

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 the accounts payable as at the end of the reporting period, based on the payment due date, is as follows:

	Group	
	2009	2008
	HK\$'000	HK\$'000
Current and less than 60 days	38,338	43,376
Over 60 days	<u>979</u>	<u>11,578</u>
	<u>39,317</u>	<u>54,954</u>

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

REVIEW OF OPERATION AND PROSPECTS

For the year ended 31 December 2009, the profit for the year was HK\$14.5 million, as compared to HK\$15.9 million for the year ended 31 December 2008. The profit attributable to equity holders of the Company was HK\$12.8 million, decreased by HK\$1.9 million from HK\$14.7 million of last year.

Earnings before interest, tax, depreciation and amortization ("EBITDA") for the year under review was HK\$45.8 million, against HK\$53.5 million for the year ended 31 December 2008.

The basic earnings per share for the year was 2.53 HK cents (2008: 3.13 HK cents).

DIVIDEND

No interim dividend was paid (2008: Nil) and the directors do not recommend the payment of any final dividend for the year under review (2008: Nil).

REVIEW OF OPERATION

In the year under review, the world economy was still being impacted by the financial tsunami started off in 2008. People were waiting for signs of recovery to build up their confidence on the future before increasing their personal spending. Advertising and promotional activities had to be increased to meet with the keen competition from our competitors and stimulate the spending initiative of consumers. After experiencing a roller-coaster like fluctuation in 2008, the edible oil prices were relatively less volatile in the year under review. Together with the Group's improving operating efficiency, the gross margin of the Group had been increased from 22.2% of last year to 25.8% this year and the Group's inventory holding was reduced by 17% to HK\$131.3 million. The net current asset of the Group was up by 58% to HK\$98.5 million. In addition, the net bank and other borrowings (bank and other loans and bill payable less cash and bank deposits) have been significantly reduced from HK\$137.9 million as at 31 December 2008 to HK\$76.6 million as at the end of the year under review. All these give the management an indication that the Group is now back to its financial health.

Healthy living has been a talk-of-the-town in Hong Kong in recent years. The management believes that this will definitely be the trend in the years to come. To ride on this trend, the Group continues to launch different healthy products to meet with the needs of our customers. In the year under review, the Group's newly introduced Grapeseed Canola oil was well-received by the consumers. Together with other healthy products that the Group launched in the last few years, the Group has been able to establish a healthy image amongst the people in Hong Kong. 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 three consecutive years from October 2006 to September 2009.

During the year, the Group's flagship brand, Lion & Globe, was awarded "2009 Hong Kong Top Brand Ten Year Achievement Award" by the Hong Kong Brand Development Council & Chinese Manufacturers' Association of Hong Kong and "Fondly Recognized Hong Kong Brand 2010" by Zonta Club of the New Territories. Apart from receiving awards recognizing the achievement of our products, the Group's also received recognition for its effort in keeping our environment green, including "Green Medal of the One Factory – One Year – One Environmental Project (One-One-One) Programme 2008/2009" awarded by Federation of Hong Kong Industries and "U Green Awards 2009" from U Magazine.

REVIEW OF OPERATION (continued)

In PRC, the steps taken by the Chinese government to stimulate her domestic consumption had been effective. The Group's PRC edible oil segment recorded an increase in its sales volume. The provision of OEM edible oil services to our customers, which improved the utilization of our production facilities without engaging much of the working capital of our PRC operation, had been increasing. Together with the relatively less volatile edible oil price in the year, our PRC edible oil segment continued to report a positive EBITDA in 2009.

FINANCIAL REVIEW

As at 31 December 2009, the Group's Hong Kong bank borrowing was bank loans of HK\$56.4 million. The Group's PRC bank borrowings as at the year end were bank loans and bills payable totalling HK\$134.2 million, of which approximately HK\$90.9 million were borrowed by a PRC subsidiary of the Group and secured by certain property, plant and equipment and prepaid land lease payments of certain PRC subsidiaries and have no recourse to other members of the Group other than those PRC subsidiaries. As at 31 December 2009, the Group's total bank loans amounting to HK\$154.1 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 31 December 2009 was 35% (31 December 2008: 36%).

The net interest expense for the year was HK\$9.2 million (2008: HK\$12.6 million). The decrease in net interest expenses was mainly attributable to the decrease in interest rates for 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 AND SHARE OPTION SCHEME

Staff remuneration packages of the staff of the Group are comprised of salary and bonuses and are determined with reference to the market conditions and the performance of 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 year under review was HK\$53 million (2008: HK\$47 million). As at 31 December 2009, the Group had 427 full time and temporary employees (31 December 2008: 428).

With effect from 1 January 2010, the annual remuneration of Mr. Wong Kwok Ying and Ms. Lam Fung Ming, Tammy, executive directors of the Company, have been increased to HK\$1,704,600 and HK\$1,104,900 respectively, with bonuses which will be payable according to the terms of the relevant bonus entitlement scheme of the Company.

OPERATING SEGMENT INFORMATION

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

CONTINGENT LIABILITIES

Group

At the end of the reporting period, the contingent liabilities of the Group in respect of guarantees given to a bank to secure a banking facility to a third party amounted to HK\$11,364,000 (2008: HK\$11,364,000).

Company

At the end of the reporting period, the contingent liabilities of the Company in respect of guarantees given to a bank to secure a banking facility utilised by subsidiaries amounted to HK\$3,651,000 (2008: HK\$348,000).

PLEDGE OF ASSETS

Group

As at 31 December 2009, certain of the Group's land use rights, classified as prepaid land lease payments, and certain leasehold land and buildings and plant and machinery, which had aggregate carrying values of approximately HK\$27,280,000 (31 December 2008: HK\$27,957,000) and HK\$109,963,000 (31 December 2008: HK\$121,009,000), respectively, and bank deposits of the Group of approximately HK\$10,961,000 (31 December 2008: HK\$10,466,000) were pledged to a bank to secure banking facilities granted to the Group.

Company

At the end of the reporting period, the Company did not pledge any of its assets.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group did not make any material acquisition or disposal of subsidiaries or affiliated companies during the year under review.

OUTLOOK

Although the impact of financial tsunami is getting less, full recovery of the global economy has yet to come. Volatility of our raw material costs and keen competition from competitors in Hong Kong and PRC will continue be the areas that the management has to monitor. It is believed that the Group's efficient operation and proven strategy of providing customers with products that meet their needs would enable the Group to meet up with any challenges lying ahead.

In addition, the management will further explore opportunities to develop other edible oil related products. The Directors will also 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 members of our management team and staff for their hard work during the year.

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 (the "Listing Rules") on The Stock Exchange of Hong Kong Limited.

The Company made an announcement on 16 April 2010 in respect of an inadvertent delay in the disclosure of certain guarantees provided by a non-wholly owned subsidiary of the Company to a bank in support of the provision of banking facilities by the bank to an independent third party, who provided guarantees, on a reciprocal basis, to certain entities in support of the provision of banking facilities by the entities to the non-wholly owned subsidiary of the Company. Save as disclosed above, 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 financial year ended 31 December 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 have complied with the required standards in the Model Code adopted by the Company throughout the financial year ended 31 December 2009.

AUDIT COMMITTEE

The Company established an 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.

The audit committee of the Company has met the external auditors of the Company, Messrs. Ernst & Young, to review the Group's results for the year ended 31 December 2009.

PURCHASE, SALE OR REDEMPTION OF OWN LISTED SECURITIES

There were no purchases, sales or redemptions by the Company or any of its subsidiaries of the listed securities of the Company during the year.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting ("AGM") of the Company will be held on 11 June 2010. A notice of the AGM will be published and despatched in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The transfer books and register of members of the Company will be closed from 8 June 2010 to 11 June 2010, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for attending the AGM, all transfers accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, situated at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 7 June 2010 for registration.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This result announcement is published on the Company's website at www.hopping.com and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. The annual 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, 23 April 2010

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.