HOP HING GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 47)

ANNOUNCEMENT OF 2010 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 2010 together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2010

	Notes	2010 HK$'000	2009 HK$'000
TURNOVER	4	769,147	861,057
Direct cost of stocks sold and services provided		(558,277)	(639,298)
Other income and gains, net	4	1,707	6,280
Other production and service costs (including depreciation and amortisation of HK$18,381,000 (2009: HK$18,137,000))		(53,961)	(54,038)
Selling and distribution costs		(98,927)	(102,447)
General and administrative expenses		(41,120)	(43,862)
PROFIT FROM OPERATING ACTIVITIES	5	18,569	27,692
Finance costs	6	(8,535)	(9,718)
Share of losses of associates		-	(23)
PROFIT BEFORE TAX		10,034	17,951
Income tax expense	7	(3,500)	(3,435)
PROFIT FOR THE YEAR		6,534	14,516
ATTRIBUTABLE TO:			
Equity holders of the Company		7,179	12,784
Non-controlling interests		(645)	1,732
		6,534	14,516
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	8		
Basic		HK1.40 cents	HK2.53 cents
Diluted		HK1.27 cents	HK2.40 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

	2010 HK$'000	2009 HK$'000
PROFIT FOR THE YEAR	6,534	14,516
OTHER COMPREHENSIVE INCOME		
Exchange differences on translation of foreign operations	4,511	4
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	4,511	4
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	11,045	14,520
ATTRIBUTABLE TO:		
Equity holders of the Company	11,592	12,788
Non-controlling interests	(547)	1,732
	11,045	14,520

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2010

	Notes	2010 HK$'000	2009 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		226,743	232,706
Prepaid land lease payments		27,017	26,784
Trademarks		124,274	124,162
Investments in associates		-	(1,381)
Deferred tax assets		989	2,033
Total non-current assets		379,023	384,304
CURRENT ASSETS			
Stocks		158,028	131,296
Accounts receivable	9	109,928	106,332
Prepayments, deposits and other receivables		21,561	19,255
Tax recoverable		1,511	326
Pledged bank deposits		43,477	10,961
Cash and cash equivalents		80,608	114,364
Total current assets		415,113	382,534
CURRENT LIABILITIES			
Accounts payable	10	60,613	39,317
Bills payable		17,925	36,538
Other payables and accrued charges		42,857	42,508
Interest-bearing bank and other loans		176,191	165,419
Tax payable		730	286
Total current liabilities		298,316	284,068
NET CURRENT ASSETS		116,797	98,466
TOTAL ASSETS LESS CURRENT LIABILITIES		495,820	482,770
NON-CURRENT LIABILITIES			
Deferred tax liabilities		1,890	2,269
NET ASSETS		493,930	480,501
EQUITY			
Equity attributable to equity holders of the Company			
Issued share capital		51,154	51,095
Reserves		433,875	419,958
		485,029	471,053
Non-controlling interests		8,901	9,448
Total equity		493,930	480,501

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 (Revised)	*First-time Adoption of Hong Kong Financial Reporting Standards*
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Group Cash-settled Share-based Payment Transactions*
HKFRS 3 (Revised)	*Business Combinations*
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*
HK(IFRIC)-Int 17	*Distributions of Non-cash Assets to Owners*
HKFRS 5 Amendments included in *Improvements to HKFRSs* issued in October 2008	Amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary*
Improvements to HKFRSs 2009	Amendments to a number of HKFRSs issued in May 2009
HK Interpretation 4 Amendment	Amendments to HK Interpretation 4 *Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases*
HK Interpretation 5	*Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*

Other than as further explained below regarding the impact of HKFRS 3 (Revised), HKAS 27 (Revised), amendments to HKAS 7 and HKAS 17 included in *Improvements to HKFRSs 2009*, the adoption of these new and revised HKFRSs has had no significant financial effect on these financial statements.

2.1 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (continued)

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 3 (Revised) *Business Combinations* and HKAS 27 (Revised) *Consolidated and Separate Financial Statements*

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that affect the initial measurement of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Consequential amendments were made to various standards, including, but not limited to HKAS 7 *Statement of Cash Flows*, HKAS 12 *Income Taxes*, HKAS 21 *The Effects of Changes in Foreign Exchange Rates*, HKAS 28 *Investments in Associates* and HKAS 31 *Interests in Joint Ventures*.

The changes introduced by these revised standards are applied prospectively and affect the accounting of acquisitions, loss of control and transactions with non-controlling interests after 1 January 2010.

(b) *Improvements to HKFRSs 2009* issued in May 2009 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments results in changes in accounting policies, none of these amendments has had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

- HKAS 7 *Statement of Cash Flows*: Requires that only expenditures that result in a recognised asset in the statement of financial position can be classified as a cash flow from investing activities.

- HKAS 17 *Leases*: Removes the specific guidance on classifying land as a lease. As a result, leases of land should be classified as either operating or finance leases in accordance with the general guidance in HKAS 17.

  Upon the adoption of the amendments, the Group has reassessed its leases in Mainland China and the classification of those leases remained as operating leases.

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 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters* [2]
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* [4]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets* [4]
HKFRS 9	*Financial Instruments* [6]
HKAS 12 Amendments	Amendments to HKAS 12 Income Taxes *–Deferred Tax: Recovery of Underlying Assets*[5]
HKAS 24 (Revised)	*Related Party Disclosures* [3]
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation – Classification of Rights Issues* [1]
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement* [3]
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments* [2]

Apart from the above, the HKICPA has issued *Improvements to HKFRSs 2010* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 3 and HKAS 27 are effective for annual periods beginning on or after 1 July 2010, whereas the amendments to HKFRS 1, HKFRS 7, HKAS 1, HKAS 34 and HK(IFRIC)-Int 13 are effective for annual periods beginning on or after 1 January 2011 although there are separate transitional provisions for each standard.

[1] Effective for annual periods beginning on or after 1 February 2010
[2] Effective for annual periods beginning on or after 1 July 2010
[3] Effective for annual periods beginning on or after 1 January 2011
[4] Effective for annual periods beginning on or after 1 July 2011
[5] Effective for annual periods beginning on or after 1 January 2012
[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 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		Mainland China		Total	
	2010	2009	2010	2009	2010	2009
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue from external customers	436,909	460,834	332,238	400,223	769,147	861,057
Non-current assets	155,201	155,542	222,833	228,110	378,034	383,652
Capital expenditure *	6,388	1,428	203	237	6,591	1,665

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

4. TURNOVER AND OTHER INCOME AND GAINS, NET

Turnover represents 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.

An analysis of turnover, other income and gains is as follows:

	Group	
	2010	2009
	HK$'000	HK$'000
Turnover		
Sales of goods and services	762,695	854,641
Royalties	5,970	6,215
Rental and other income	482	201
	769,147	861,057
Other income and gains, net		
Bank interest income	629	475
Foreign exchange differences, net	423	(172)
Gain on disposal of items of property, plant and equipment, net	655	3
Recovery of prepayments and deposits written off in prior years	-	5,974
	1,707	6,280

5. PROFIT FROM OPERATING ACTIVITIES

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

	2010 HK$'000	2009 HK$'000
Net rental income	(473)	(180)
Foreign exchange differences, net	(423)	172
Direct cost of stocks sold and services provided	558,277	639,298
Gain on disposal of items of property, plant and equipment, net	(655)	(3)
Employee benefit expenses (including directors' emoluments):		
Wages and salaries	47,532	46,991
Equity-settled share option expense	2,266	4,040
Pension scheme contributions	1,773	1,705
	51,571	52,736
Depreciation *	17,694	17,455
Amortisation of prepaid land lease payments *	687	682
Minimum lease payments under operating leases in respect of land and buildings	7,881	7,907
Auditors' remuneration	1,257	1,223
Impairment of accounts receivable **	31	296
Reversal of impairment of accounts receivable **	-	(439)
Recovery of prepayments and deposits written off in prior years	-	(5,974)

Notes:

* 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.

*** At 31 December 2010, 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 (2009: Nil).

6. FINANCE COSTS

	Group 2010 HK$'000	Group 2009 HK$'000
Interest on bank and other loans wholly repayable within five years	8,535	9,718

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 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.

	2010 HK$'000	2009 HK$'000
Group:		
Current – Hong Kong		
Charge for the year	2,798	2,382
Under/(over)provision in prior years	(7)	60
	2,791	2,442
Current – Elsewhere	44	392
Deferred	665	601
Total tax charge for the year	3,500	3,435

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$7,179,000 (2009: HK$12,784,000), and the weighted average number of 511,390,491 (2009: 505,265,336) 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$7,179,000 (2009: HK$12,784,000) and the weighted average number of 566,827,084 (2009: 532,900,371) ordinary shares in issue after adjusting for the effect of all dilutive potential ordinary shares of 55,436,593 (2009: 27,635,035) for the year ended 31 December 2010 calculated as follows:

	2010 HK$'000	2009 HK$'000
Consolidated profit attributable to equity holders of the Company	7,179	12,784

	Number of shares 2010	 2009
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	511,390,491	505,265,336
Effect of dilution – weighted average number of ordinary shares:		
Warrants	51,051,939	27,417,953
Share options	4,384,654	217,082
	566,827,084	532,900,371

9. ACCOUNTS RECEIVABLE

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

	Group	
	2010	2009
	HK$'000	HK$'000
Current (neither past due nor impaired)	76,042	82,097
Within 60 days past due	26,108	18,951
Over 60 days past due	7,778	5,284
	109,928	106,332

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 payment due dates, is as follows:

	Group	
	2010	2009
	HK$'000	HK$'000
Current and less than 60 days	58,441	38,338
Over 60 days	2,172	979
	60,613	39,317

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

11. EVENT AFTER THE REPORTING PERIOD

Subsequent to the year end and for the purpose of coordinating with the land policy of the local government, the board of directors of Pinghu Hop Hing Vegetable Oils Company, Limited ("Pinghu Hop Hing"), a 51% owned subsidiary of the Group, resolved to sell its land to a third party property developer and the shareholders of Pinghu Hop Hing also resolved to liquidate Pinghu Hop Hing in June 2011.

REVIEW OF OPERATION AND PROSPECTS

For the year ended 31 December 2010, the profit for the year was HK$6.5 million, as compared to HK$14.5 million for the year ended 31 December 2009. The profit attributable to equity holders of the Company was HK$7.2 million, decreased by HK$5.6 million from HK$ 12.8 million of last year.

Earnings before interest, tax, depreciation and amortization ("EBITDA") for the year under review was HK$37.0 million, against HK$45.8 million for the year ended 31 December 2009.

The basic earnings per share for the year was 1.40 HK cents (2009: 2.53 HK cents).

DIVIDEND

No interim dividend was paid (2009: Nil) and the Directors do not recommend payment of any final dividend for the year under review (2009: Nil).

REVIEW OF OPERATION

In the year under review, our business environment continued to be impacted by the financial events in the western world significantly. While the local economy shows a steady trend of recovery, people begin to feel the heat of inflation. Edible oil cost started surging in the last quarter of the year after a less volatile period in the first three quarters of 2010. Although the fluctuation of price gap between crude and refined oil and the severe competition, which caused us to report a less than satisfactory performance in the first half of the year, remained, the management was able to improve the Group's performance in the second half of the year by focusing on relatively high margin products and better utilizing its efficient production facilities to provide edible oil related services to other market players. Despite decrease in top line, the gross profit margin for the year under review went up slightly to 27.4% and the bottom line of the Group in the last six months of 2010 showed an improvement when compared to the corresponding period in 2009.

In Hong Kong, while the competition in the edible oil market remained keen, the long established loyalty amongst our customers, the quality of our products manufactured by the only one edible oil refinery plant in Hong Kong owned by the Group, and our care about needs of our customers differentiate us from the others. In previous years, we introduced a number of healthy products, including Olive Canola oil, Olive Sunflower oil, Rice Bran Oil and Grapeseed Canola oil, into the market. In the year under review, Organic Canola oil was launched to give a further choice to our health-conscious customers. As a result, 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 four consecutive years from October 2006 to September 2010. In addition, the awarding of “Outstanding Corporate Image Award 2010” to Lion & Globe brand by TVB Weekly Magazine has confirmed our continuous effort in establishing and strengthening the image of our flagship brand.

Despite fierce competition, which exerted pressure on the selling prices of our products and hence our gross profit margin, our long established strategies of focusing our effort on more profitable regions and cities enabled our PRC operation to report an improving positive EBITDA in the second half of the year.

FINANCIAL REVIEW

As at 31 December 2010, the Group's Hong Kong bank borrowing was bank loans of HK$60.2 million. The Group's PRC bank borrowings as at the year end were bank loans and bills payable totaling HK$133.9 million, of which approximately HK$70.5 million were borrowed by a PRC subsidiary and secured by certain assets of certain PRC subsidiaries of the Group and have no recourse to the Group other than those PRC subsidiaries. As at 31 December 2010, the Group's total bank loans amounting to HK$176.2 million (31 December 2009: HK$154.1 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 2010 was 36% (31 December 2009: 35%).

The interest expense for the year was HK$8.5 million (2009: HK$9.7 million). The decrease in interest expenses was mainly attributable to the decrease in interest rates on bank loans, when compared to those in the previous 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

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, provident funds 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$52 million (2009: HK$53 million). As at 31 December 2010, the Group had 453 full time and temporary employees (31 December 2009: 427).

With effect from 1 January 2011, the annual remuneration of Mr. Wong Kwok Ying and Ms. Lam Fung Ming, Tammy, the executive directors of the Company, have been increased to HK$1,781,100 and HK$1,153,200 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

(a) 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 granted to a third party amounted to HK$11,765,000 (2009: HK$11,364,000).

(b) During the year, the Hong Kong Inland Revenue Department (the "IRD") issued protective assessment for the year of assessment 2003/2004 to a jointly-controlled entity of the Group, in respect of which tax reserve certificate amounted to HK$2,800,000 was purchased. Subsequent to the year end, IRD issued protective assessments for the year of assessment 2004/2005 to the jointly-controlled entity and a subsidiary of the Group, in respect of which tax reserve certificates amounted to HK$4,000,000 and HK$1,500,000 were purchased respectively. The Group has lodged objections with the IRD against these assessments.

In the opinion of the directors, the Group has grounds to contest the protective tax assessments, thus provision for Hong Kong profits tax in respect of these assessments at this information gathering stage is not considered necessary.

Company

At the end of the reporting period, the contingent liabilities of the Company in respect of guarantees given to a bank to secure banking facilities utilised by subsidiaries amounted to HK$13,235,000 (2009: HK$3,651,000).

PLEDGE OF ASSETS

Group

As at 31 December 2010, 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$27,541,000 (31 December 2009: HK$27,280,000) and HK$102,228,000 (31 December 2009: HK$109,963,000), respectively, and bank deposits of the Group of approximately HK$43,477,000 (31 December 2009: HK$10,961,000) were pledged to banks 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

The improved performance of the Group in the second half of the year has proven that the management's realignment of its business strategies to meet the challenges brought about by the changing market situation was effective. The management will continue to hold onto its proven strategy of providing quality healthy products and choices to our health-conscious customers and invest its resources in selective and more profitable products and markets. It is believed that the long invested innovative and energetic image of Lion & Globe brand could provide our customers with confidence on the quality of our products and hence improve the performance of our Group.

Apart from focusing on the core business basing on the Group's core skill, the management has started looking for opportunities to diversify into other business areas, including food related businesses, so as to broaden the business scope of the Group 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 the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

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 2010.

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 2010.

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 2010.

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 3 June 2011. 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 31 May 2011 to 3 June 2011, 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 30 May 2011 for registration.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL 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 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, 25 March 2011

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. Hon. 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.