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 2011

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 2011, 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 **2011** ***HK$'000***	 2010 *HK$'000*
TURNOVER	4	**385,257**	334,976
Direct cost of stocks sold and services provided		**(283,546)**	(240,638)
Other income and gains, net		**1,290**	739
Other production and service costs (including depreciation and amortisation of HK$9,183,000 (2010: HK$9,121,000))		**(27,188)**	(26,300)
Selling and distribution costs		**(50,130)**	(49,402)
General and administrative expenses		**(22,628)**	(21,267)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES	5	**3,055**	(1,892)
Finance costs	6	**(5,001)**	(3,998)
LOSS BEFORE TAX		**(1,946)**	(5,890)
Income tax expense	7	**(1,034)**	(1,048)
LOSS FOR THE PERIOD		**(2,980)**	(6,938)
LOSS ATTRIBUTABLE TO:			
Equity holders of the Company		**(1,892)**	(6,789)
Non-controlling interests		**(1,088)**	(149)
		(2,980)	(6,938)
LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	8		
Basic		**HK(0.37 cent)**	HK(1.33 cents)
Diluted		**HK(0.37 cent)**	HK(1.33 cents)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited For the six months ended 30 June 2011 *HK$'000*	2010 *HK$'000*
LOSS FOR THE PERIOD	**(2,980)**	(6,938)
OTHER COMPREHENSIVE INCOME		
Exchange differences on translation of foreign operations	**3,029**	–
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	**3,029**	–
TOTAL COMPREHENSIVE INCOME/ (EXPENSE) FOR THE PERIOD	**49**	(6,938)
TOTAL COMPREHENSIVE INCOME/ (EXPENSE) ATTRIBUTABLE TO:		
Equity holders of the Company	**1,109**	(6,789)
Non-controlling interests	**(1,060)**	(149)
	49	(6,938)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**Unaudited 30 June 2011** *HK$'000*	Audited 31 December 2010 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**212,002**	226,743
Prepaid land lease payments		**26,973**	27,017
Trademarks		**124,278**	124,274
Deferred tax assets		**989**	989
Total non-current assets		**364,242**	379,023
CURRENT ASSETS			
Stocks		**151,571**	158,028
Accounts receivable	9	**83,643**	109,928
Prepayments, deposits and other receivables		**31,352**	21,561
Non-current assets held for disposal		**10,706**	–
Tax recoverable		**1,400**	1,511
Pledged bank deposits		**49,576**	43,477
Cash and cash equivalents		**99,571**	80,608
Total current assets		**427,819**	415,113
CURRENT LIABILITIES			
Accounts payable	10	**37,971**	60,613
Bills payable		**38,253**	17,925
Other payables and accrued charges		**54,320**	42,857
Interest-bearing bank loans		**166,831**	176,191
Tax payable		**1,598**	730
Total current liabilities		**298,973**	298,316
NET CURRENT ASSETS		**128,846**	116,797
TOTAL ASSETS LESS CURRENT LIABILITIES		**493,088**	495,820
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**1,890**	1,890
NET ASSETS		**491,198**	493,930
EQUITY			
Equity attributable to equity holders of the Company			
Issued share capital		**51,155**	51,154
Reserves		**435,113**	433,875
		486,268	485,029
Non-controlling interests		**4,930**	8,901
Total equity		**491,198**	493,930

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 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 condensed consolidated interim financial statements are the same as those used in the preparation of the annual financial statements for the year ended 31 December 2010.

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 condensed consolidated interim 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*
HKAS 24 (Revised)	*Related Party Disclosures*
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation – Classification of Rights Issues*
HK(IFRIC) – Int 14 Amendments	Amendments to HK(IFRIC) – Int 14 *Prepayments of a Minimum Funding Requirement*
HK(IFRIC) – Int 19	*Extinguishing Financial Liabilities with Equity Instruments*

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.

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.

3. 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 interim financial statements.

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 Adoptors* [1]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets* [1]
HKFRS 9	*Financial Instruments* [4]
HKFRS 10	*Consolidated Financial Statements* [4]
HKFRS 11	*Joint Arrangements* [4]
HKFRS 12	*Disclosure of Interests in Other Entities*[4]
HKFRS 13	*Fair Value Measurement* [4]
HKAS 1 (Revised)	Amendments to HKAS 1 (Revised) *Presentation of Financial Statement* [3]
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets* [2]
HKAS 19 (2011)	*Employee Benefits* [4]
HKAS 27 (2011)	*Separate Financial Statements* [4]
HKAS 28 (2011)	*Investments in Associates and Joint Ventures* [4]

[1] Effective for annual periods beginning on or after 1 July 2011

[2] Effective for annual periods beginning on or after 1 January 2012

[3] Effective for annual periods beginning on or after 1 July 2012

[4] 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. 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 edible oils and food related business. Since it is the only operating segment of the Group, no further analysis thereof is presented.

5. PROFIT/(LOSS) FROM OPERATING ACTIVITIES

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

	Unaudited For the six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
Direct cost of stocks sold and services provided	**283,546**	240,638
Depreciation	**8,828**	8,780
Amortisation of prepaid land lease payments	**355**	341
Gain on disposal of items of property, plant and equipment, net	**(52)**	(501)

6. FINANCE COSTS

	Unaudited For the six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
Interest on bank loans wholly repayable within five years	**5,001**	3,998

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 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.

	Unaudited For the six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
Tax in the income statement represents:		
Provision for Hong Kong profits tax	**1,034**	987
	1,034	987
Deferred tax	**–**	61
	1,034	1,048

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

(a) Basic loss per share

The calculation of basic loss per share is based on the consolidated loss for the period attributable to equity holders of the Company of HK$1,892,000 (2010: 6,789,000), and the weighted average number of 511,548,211 (2010: 511,265,476) ordinary shares in issue during the period.

(b) Diluted loss per share

No adjustment in respect of a dilution has been made to the basic loss per share amounts presented for both periods as the impact of the warrants and share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

9. ACCOUNTS RECEIVABLE

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

	Unaudited 30 June 2011 *HK$'000*	Audited 31 December 2010 *HK$'000*
Current (neither past due nor impaired)	**62,921**	76,042
Within 60 days past due	**14,545**	26,108
Over 60 days past due	**6,177**	7,778
	83,643	109,928

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

	Unaudited 30 June 2011 *HK$'000*	Audited 31 December 2010 *HK$'000*
Current and less than 60 days	**36,357**	58,441
Over 60 days	**1,614**	2,172
	37,971	60,613

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

BUSINESS REVIEW AND OUTLOOK

For the six months ended 30 June 2011, the loss attributable to equity holders of the Company was HK$1.9 million, as compared to HK$6.8 million for the six months ended 30 June 2010. The loss per share for the period was 0.37 HK cent (2010: 1.33 HK cents).

Earnings before interest, tax, depreciation and amortisation (EBITDA) for the period under review was HK$12.2 million, against HK$7.2 million for the same period in 2010.

DIVIDEND

The Directors do not recommend payment of any interim dividend for the six months ended 30 June 2011 (2010: Nil).

REVIEW OF OPERATION

In the period under review, the financial events in the western world impacted our business environment significantly. The upward trend of edible oil costs that started in the latter half of 2010 continued into the first half of 2011. Although the increase in raw material costs exerted pressure on the gross margins of our products, the efficient production facilities that the management put focus on in the past years enabled the Group to maintain its operating costs at a reasonable level. Together with the management's focus on relatively high margin products and providing edible oil related services to other market players, the Group was able to reduce its reported loss attributable to equity holders of the Company by 72% to HK$1.9 million for the period under review.

In Hong Kong, providing our health conscious customers with healthy and quality products remains our key selling strategy. Adding to our family of healthy products, including Olive Canola Oil, Olive Sunflower Oil, Rice Bran Oil and Grapeseed Canola Oil, we launched in the period under review DHA Canola Oil which is particularly good for customers who care about brain development. 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. This reassures our belief that care about the needs of our customers is a key to our success.

In the PRC, the fierce competition together with the control on the retail prices of edible oil products imposed by the government during the period exerted pressure on the sales volume and gross profit margin of our PRC operation. As a result, the performance of our PRC operation in the first half of this year was not up to expectation.

As announced on 7 June 2011, to comply with the land policy of the local government, our non wholly-owned subsidiary in the PRC had to dispose its property, the only manufacturing facilities of that subsidiary, to a third party property developer. In view of such surrender and the unfavourable operating conditions, the shareholders of the non wholly-owned subsidiary resolved to cease the business operation of such subsidiary.

FINANCIAL REVIEW

Equity

The number of issued shares of HK$0.10 each of the Company as at 30 June 2011 was 511,549,861 (31 December 2010: 511,539,906). At 1 January 2011, the Company had outstanding 101,524,177 units of warrants carrying rights to subscribe for an aggregate of 101,524,177 new shares of HK$0.10 each at an initial subscription price of HK$0.20 per share. During the period under review, 9,955 units of the warrants of the Company were exercised for 9,955 shares of HK$0.10 each at a price of HK$0.20 per share.

Liquidity and gearing

As at 30 June 2011, the Group's Hong Kong bank borrowing was bank loans of HK$67.2 million. The Group's PRC bank borrowings as at the period end were bank loans and bills payable totaling HK$137.9 million, of which approximately HK$72.2 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 of the Group and have no recourse to the Group other than those PRC subsidiaries.

As at 30 June 2011, the Group's total bank loans amounting to HK$166.8 million (31 December 2010: HK$176.2 million) were either repayable or subject to renewal within one year.

The Group's gearing ratio (expressed as a percentage of interest-bearing bank loans over equity attributable to equity holders of the Company) as at 30 June 2011 was 34% (31 December 2010: 36%).

The interest expense for the period was HK$5 million (2010: HK$4 million). The increase in interest expenses was mainly attributable to the increase in interest rates for the loans during the period under review.

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, 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 period under review was HK$28.1 million (2010: HK$25 million). As at 30 June 2011, the Group had 428 full time and temporary employees (30 June 2010: 419).

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.

Contingent liabilities

(a) As at 31 December 2010, 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.

(b) During the year ended 31 December 2010, the Hong Kong Inland Revenue Department (the "IRD") issued protective assessments for the years 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. During the period, 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.

Pledge of assets

As at 30 June 2011, 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$27,678,000 (31 December 2010: HK$27,541,000) and HK$94,287,000 (31 December 2010: HK$102,228,000), respectively, and bank deposits of the Group of approximately HK$49,576,000 (31 December 2010: HK$43,477,000) were pledged to banks to secure banking facilities granted to the Group.

OUTLOOK

It is expected that the business environment will hinge on the financial stability of the western countries in the near future. Severe competition will continue to be a challenge that the management has to face with. The management believes that meeting the needs of our customers and providing them with healthy and quality products will enable the Group to stand against any challenges that may come. For the PRC operation, resources will continue be invested in selective and more profitable products and markets. The management has a determination to explore opportunities to improve the financial contribution of the Group's PRC operation.

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 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 the Rules Governing the Listing of Securities on The Stock Exchange (the "Listing Rules").

Save as announced by the Company on 7 June 2011 the inadvertent delay in disclosure of the disposal of a property situated in Pinghu, Zhejiang Province in the PRC by non-wholly owned subsidiary of the Company which constituted a discloseable transaction of the Company under 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 2011 to 30 June 2011.

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 accounting period covered by the interim report.

PURCHASE, SALE OR REDEMPTION OF OWN LISTED SECURITIES

During the six months ended 30 June 2011, 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 interim results 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 in due course.

By Order of the Board
Hung Hak Hip, Peter
Chairman

Hong Kong, 29 August 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. 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.