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HOP HING GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 47)

UNAUDITED OPERATIONAL UPDATE FOR THE SIX MONTHS ENDED 30 JUNE 2014

The Board announces the unaudited operational update of the Group's QSR Business for the six months ended 30 June 2014.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

The board of directors (the “**Board**”) of Hop Hing Group Holdings Limited (the “**Company**”) together with its subsidiaries, (the “**Group**”) announces the following operating information of the Group's quick service restaurant business (the “**QSR Business**”) for the six months ended 30 June 2014. This announcement is made by the Company pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”).

Based on the information currently available to the Board, the Group expects to record a significant decrease in the consolidated profit from the QSR Business for the six months ended 30 June 2014 as compared to that for the six months ended 30 June 2013. The expected decline in the consolidated profit from the QSR Business is mainly attributable to:

1. In the first half of 2014, the recovery pace of the Chinese economy was slow and the consumption sentiment in the franchise region remained weak. Businesses within the retail sector continue to face difficulties under the “Three Highs and One Low” operating environment. In response to the difficult environment, the Group has adjusted its operating strategies and consequently the sales performance of the QSR Business has recorded positive growth. However, the additional income and gross profit could not completely offset all of the increasing operating & administrative costs, including labor, rental, utility & advertising costs;
2. To further improve the quality of our store network and prepare for the future healthy growth of our Group, the management is actively evaluating the performance of our existing stores. Provisions have been made for certain stores that did not meet internal profitability requirements and that would be closed in the near future, and
3. The depreciation of the Renminbi has resulted in a currency exchange loss being recorded by the Group in the period under review.

In the first half of 2013, the Group recorded a loss of HK\$51.7 million which represented a book loss of HK\$46.3 million incurred upon disposal of its edible oil operation (the “**Discontinued Operation**”) and the loss of HK\$5.4 million incurred by the Discontinued Operation during the period from 1 January 2013 to the date of completion of the disposal transaction. As there were no such losses recorded in the first half of 2014, the Group expected that the profit attributable to equity holders of the Company for the six months ended 30 June 2014 would be increased compared to that for the same period in 2013 despite the expected decline in the consolidated profit from the QSR Business.

Since the economy in China has been recovering at a rate much lower than expected, the management of the Company is cautious about the short-term impact on the QSR Business in China. Notwithstanding these concerns, the Board is of the view that the Group’s overall financial position remains healthy.

Potential investors and shareholders of the Company are reminded that the above operating information has not been reviewed or audited by the Company’s independent auditors. Potential investors and shareholders of the Company should exercise caution when dealing in the securities of the Company.

By Order of the Board
Hop Hing Group Holdings Limited
Wong Kwok Ying
Executive Director and Company Secretary

Hong Kong, 11 July 2014

As at the date of this announcement, the executive directors of the Company are Mr. Hung Ming Kei, Marvin and Mr. Wong Kwok Ying. The non-executive directors of the Company are Mr. Hung Hak Hip, Peter (Chairman) and Ms. Lam Fung Ming, Tammy. 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, BBS, Mr. Seto Gin Chung, John, Hon. Shek Lai Him, Abraham, GBS, JP and Mr. Siu Wai Keung.