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## **HOP HING GROUP HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 47)**

### **PROFIT ALERT ANNOUNCEMENT**

The board of directors (the “**Board**”) of Hop Hing Group Holdings Limited (the “**Company**”) together with its subsidiaries, (the “**Group**”) makes this announcement 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**”).

The Board wishes to inform the shareholders of and potential investors in the Company that, based on the preliminary review of the Group’s currently available unaudited consolidated management accounts for the year ended 31 December 2015, the Group is expected to record an increase of not less than 60% in its consolidated profit attributable to the shareholders of the Company for the year ended 31 December 2015 as compared to that for the year ended 31 December 2014.

In 2015, the business environment in which the Group operates has remained challenging. The sluggish Chinese economy, the change in consumption pattern brought about by the influence of internet, the severe competition in the mid-price and low-end markets and the adverse weather conditions in the regions where the Group operates franchises have all together resulted in negative sales growth of many Quick Service Restaurant (“**QSR**”) players in China, including our Group. Working in such a difficult business environment, the management has revised its business model to build stores of smaller size to serve delivery and takeaway orders and at the same time increase the store operating efficiency. Together with its successful marketing strategies to tap the expanding presence and use of the internet, the Group was able to offset to some extent the negative impact of the challenging environment. Based on the information currently available to the Board, the expected increase in the consolidated profit attributable to the shareholders of the Company is mainly because:

1. In 2014, the management started actively evaluating the performance of our stores with an aim to further improve the quality of our store network. Certain stores that did not meet internal profitability requirements were therefore closed in 2014 and provisions were made in 2014 for the stores that would be closed in the near future. As a result, the depreciation and amortization expenses and store rental expenses in 2015 were less than those of 2014. In addition, the provision for store closure made in the Group’s consolidated financial statements for the year was less than that made in 2014.
2. The change in the business model, the implementation of successful marketing strategies and more effective management control have resulted in decreases in the Group’s store operating costs, including utility and repair expenses, and advertising and marketing expenses when compared to those in 2014.

The information in this announcement is based on a preliminary review and assessment by the Company's management according to the currently available unaudited consolidated management accounts of the Group for the year ended 31 December 2015 and the information available for the time being, which have neither been confirmed nor reviewed by the Company's auditors or audit committee of the Company. Details of the audited financial information of the Group shall be disclosed in the Company's annual results announcement for the year ended 31 December 2015 which is expected to be published in March 2016.

*Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.*

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

Hong Kong, 18 January 2016

*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 Mr. Seto Gin Chung, John (Vice Chairman), Dr. Hon. Wong Yu Hong, Philip, GBS, Mr. Sze Tsai To, Robert, Mr. Cheung Wing Yui, Edward, BBS and Hon. Shek Lai Him, Abraham, GBS, JP.*