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HOP HING GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 47)

PROFIT WARNING ANNOUNCEMENT

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

The Board wishes to inform the shareholders of and the potential investors in the Company that, based on the preliminary review of the Group's currently available unaudited consolidated management accounts for the 11 months ended 30 November 2013 and the information available for the time being, the Group expects to record a significant decrease in the consolidated profit attributable to the shareholders of the Company for the year ending 31 December 2013 as compared to that for the year ended 31 December 2012.

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

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 11 months ended 30 November 2013, the Group expects to record a significant decrease in the consolidated profit attributable to the shareholders of the Company for the year ending 31 December 2013 as compared to that for the year ended 31 December 2012. Based on the information currently available to the Board, the expected decline in the consolidated profit attributable to the shareholders of the Company is mainly attributable to:

Operational factors

1. The sales performance of the quick service restaurants (“QSR”) of the Group was impacted by the weakened consumption sentiment due to the sluggish growth of the Chinese economy and the adverse weather in Northern China;
2. Additional advertising and promotional expenses incurred for introducing new products, strengthening the brand and image of the QSR business and countering the effects of heavy advertising and promotional activities undertaken by market peers amid the sluggish economy, adverse weather and avian influenza in China;
3. Costs incurred and write-offs for certain stores that did not meet internal profitability requirements and were subsequently closed;

Non-operational factors

4. The loss on the disposal of Oleo Chartering Inc., a wholly-owned subsidiary of the Company whose subsidiaries were engaged in the edible oils and fats businesses, with the disposal approved by the independent shareholders of the Company at an extraordinary general meeting on 6 June 2013 and which was completed on 28 June 2013 and the details of which were set out in the Company’s circular dated 20 May 2013 and the 2013 Interim Report, and
5. Provision made for the probable settlement amount relating to the protective tax assessments issued by the Hong Kong Inland Revenue Department to certain jointly-controlled entities and subsidiaries of the Group.

While the Group’s performance during the current year has been impacted by the challenging business environment, the management of the Company remains optimistic about the medium to long term prospects of the QSR business in China owing to the country’s rapid urbanization. Notwithstanding the impact of the above-mentioned factors, the Board is of the view that the Group’s overall financial position remains healthy.

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 11 months ended 30 November 2013 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 ending 31 December 2013 which is expected to be published by the end of March 2014.

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, 20 December 2013

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 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, Mr. Seto Gin Chung, John, Hon. Shek Lai Him, Abraham, GBS, JP and Mr. Siu Wai Keung.