

**HOP HING GROUP HOLDINGS LTD:
MANAGEMENT IS, OBVIOUSLY, HOPELESS**

As the price of crude oil scales to new, historic highs, so farmers, around the world, try to catch the 'gravy train' before it stops.

They accomplish this by switching from the growing of crops for food to the growing of crops that have the ability to be turned into oils which, in turn, may be used as a substitute, or additive, for fossil fuels.

This has caused there to be a bit of an international food shortage because farmers prefer to plant crops for fuel rather than crops for food: Easy money.

It will only be a matter of time, of course, before things will right themselves, again, and the plethora of crops for fuel will result in it being uneconomic for farmers to continue with their modus operandi of today.

Then, with the price of crops for food, scaling new highs, it will be economic to replant food crops, once more, forsaking the current craze of raising crops for fuel.

It was interesting to **TARGET** (), therefore, on scanning the recently released, 2007 Annual Report of Hop Hing Group Holdings Ltd () (Code: 47, Main Board, The Stock Exchange of Hongkong Ltd) to note the following statement of the Chairman, Mr Peter Hung Hak Hip ():

'REVIEW OF OPERATION

'During the year under review, the edible oil market was mainly driven by the soaring raw material costs which was mainly due to the increasing market tendency of using agricultural raw materials to produce bio-diesel and fuel ethanol which can be used as a gasoline blending additive. The market prices of our major raw materials went up by 50 percent to over 120 percent in 2007. These prices kept on climbing up to their record high prices in the first quarter of 2008, resulting in accumulated increases of 80 percent to over 200 percent from the beginning of 2007. Although revising prices of our products could release part of the pressure brought about by the raw material cost increases, the gross margin of the Group for the year under review dropped and the sales-related selling expenses went up significantly ...'.

It all sounds very reasonable, but **TARGET** has a small problem with the Chairman's scenario: Hop Hing Holdings Ltd (), the current operating company of Hop Hing Group Holdings Ltd, has lost money, consistently, over the past 5 Financial Years.

The following table is lifted from the database of **TOLFIN** () (The Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider):

	Financial Year, Ended December 31				
	2007	2006	2005	2004	2003
	All Figures Are Denominated In \$HK'000				

Turnover	851,325	672,792	677,425	699,674	654,438
Profit/(Loss) From Operating Activities	10,836	12,879	3,002	4,566	(7,587)
Net Loss Attributable To Shareholders	(2,925)	(6,423)	(9,985)	(11,760)	(26,232)

The ... [CLICK TO ORDER FULL ARTICLE](#)

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

*If readers feel that they would like to voice their opinions about that which they have read in **TARGET**, please feel free to e-mail your views to editor@targetnewspapers.com. **TARGET** does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*