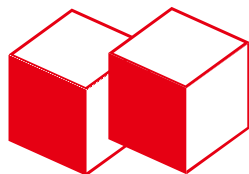


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HUNG HING

HUNG HING PRINTING GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 450)

SUPPLEMENTAL ANNOUNCEMENT

**SUPPLEMENTAL AGREEMENT RELATING TO THE DISPOSAL OF
LAND AND PROPERTIES IN RELATION TO LAND RESUMPTION**

Reference is made to the circular of Hung Hing Printing Group Limited (the “**Company**”) dated 25 May 2020 (the “**Circular**”) and the announcements of the Company dated 6 April 2020, 17 April 2020, 29 April 2020 and 28 July 2020 (the “**Announcements**”) in relation to, among other things, the major transaction relating to the disposal of land and properties in relation to the Land Resumption. Unless otherwise defined, capitalized terms used herein shall have the same meaning as defined in the Circular.

INTRODUCTION

The Board announces that on 26 August 2020 (after trading hours), Hung Hing Packaging and Wuxi Local Administration entered into a supplemental agreement to the Land Resumption Agreements (the “**Supplemental Agreement**”) as a result of the Wuxi Local Administration’s proposal for further amendments to the Land Resumption Agreements offering further incentives to Hung Hing Packaging in return for modifications to its existing funding structure in relation to the investment in the New Land.

The following key amendments, among others, have been made on the Land Resumption Agreements pursuant to the Supplemental Agreement:

- (a) the modifications to the existing funding structure in relation to the investment in the New Land without changing the total investment amount, being RMB300 million (or the USD equivalent);
- (b) the increase of RMB2,000,000 in subsidy to be granted by Wuxi Local Administration;

- (c) the expedited delivery of the New Land; and
- (d) the adoption of a lower valuation for the base price of the New Land.

The Directors understand that certain amendments are proposed by the Wuxi Local Administration pursuant to the recently promulgated regulations by the government office of Wuxi Municipality Government. Details of such regulations and the Supplemental Agreement are set out below.

THE SUPPLEMENTAL AGREEMENT

Date: 26 August 2020 (after trading hours)

Parties: Hung Hing Packaging, as the vendor; and
Wuxi Local Administration, as the purchaser.

A summary of amendments to the terms of the Land Resumption Agreements are set out as follows:

(1) Amendments to the funding structure in relation to the investment in the New Land

The Wuxi Local Administration and Hung Hing Packaging agreed to modify the funding structure in relation to the investment in the New Land without changing the total investment amount for the further incentives which shall be provided by Wuxi Local Administration to Hung Hing Packaging as further described below. The Directors understand that such modification proposed by Wuxi Local Administration was primarily pursuant to the Notice on Optimizing Mechanism of Granting of Urban Industrial Land and Boosting High-quality Development of Industry (Trial Implementation) promulgated by the government office of Wuxi Municipality Government* (關於優化市區工業用地出讓機制助推產業高質量發展的通知(試行)), and the new regulations and policies applicable in Xinwu District promulgated by Xinwu District Government on the basis of the above-mentioned Notice* (新吳區政府在這份文件基礎上制定的區一級相關規定和政策) (collectively the “**New Regulations**”).

Prior to the amendment and pursuant to the Land Resumption Agreements, Hung Hing Packaging planned on increasing its share capital through an injection of USD20 million from the Company’s internal financial resources within nine months from the grant of the New Land (the “**Previous Capital Injection**”).

Pursuant to the Supplemental Agreement, the above term has been amended to Hung Hing Packaging plans on increasing its share capital by USD30 million through two capital injections:

- (a) an injection of USD20 million within one month after Hung Hing Packaging obtains the real estate registration certificate evidencing the use right over the New Land by the Company through its internal financial resources (the “**First Capital Injection**”); and

* For identification purpose only

- (b) a further injection of USD10 million by the Company through its internal financial resources at the earlier of (i) 12 months from the date of the First Capital Injection and (ii) the date on which Hung Hing Packaging has received third installment of compensation in the amount of RMB64,686,159.30, representing approximately 21.84% of the total compensation payable by Wuxi Local Administration to Hung Hing Packaging as stipulated under the Land Resumption Agreements (the “**Second Capital Injection**”).

(collectively, the “**Modified Funding Structure**”)

(2) Amendments to the subsidy to be granted by Wuxi Local Administration

In return for the Modified Funding Structure, Wuxi Local Administration agreed to an increase of subsidy in the amount of RMB2,000,000 to be granted to Hung Hing Packaging under the Supplemental Agreement.

Prior to the amendment and pursuant to the Land Resumption Agreements, Wuxi Local Administration agreed to grant a one-off subsidy in the amount of RMB4,000,000 to Hung Hing Packaging within 30 days after the procedures for the Previous Capital Injection are completed and such share capital is paid-up.

Pursuant to the Supplemental Agreement, the above term has been amended to “Wuxi Local Administration agreed to grant a subsidy to Hung Hing Packaging in the amount of RMB6,000,000, of which RMB4,000,000 is payable within 30 days after the First Capital Injection is completed and RMB2,000,000 is payable within 30 days after the Second Capital Injection is completed.”

(3) Amendments to the undertakings by the Wuxi Local Administration

In return for the Modified Funding Structure, Wuxi Local Administration also agreed to expedite the delivery of the New Land under the Supplemental Agreement.

Prior to the amendment and pursuant to the Land Resumption Agreements, “Wuxi Local Administration undertook that within **nine** months of the date of the Land Resumption Agreements, Wuxi Local Administration shall procure Hung Hing Packaging to take steps, through a tender, auction or listing-for-sale for the New Land, to obtain the real estate registration certificate evidencing the use right over the New Land. In addition, the New Land shall be delivered to Hung Hing Packaging within **ten** months after the date of the Land Resumption Agreements. In the event that the New Land cannot be provided to Hung Hing Packaging within **nine** months after the date of the Land Resumption Agreements...”.

Pursuant to the Supplemental Agreement, the above term has been amended to “Wuxi Local Administration undertook that within **eight** months of the date of the Land Resumption Agreements, Wuxi Local Administration shall procure Hung Hing Packaging to take steps, through a tender, auction or listing-for-sale for the New Land, to obtain the real estate registration certificate evidencing the use right over the New Land. In addition, the New Land shall be delivered to Hung Hing Packaging within **nine** months after the date of the Land Resumption Agreements. In the event that the New Land cannot be provided to Hung Hing Packaging within **eight** months after the date of the Land Resumption Agreements...”.

(4) Additional terms under the Supplemental Agreement

In return for the Modified Funding Structure, Wuxi Local Administration further agreed to adopt a lower valuation for the base price of the New Land and provide further undertakings to protect Hung Hing Packaging’s interests under the New Regulations in the Supplemental Agreement.

Pursuant to the Supplemental Agreement, Wuxi Local Administration undertook that, the base price of the New Land will be valued at 5% less than the valuation conducted by the relevant governmental authorities if certain marking points are met by Hung Hing Packaging under the New Regulations.

Pursuant to the Supplemental Agreement, the following term has been added to reaffirm the understanding between Wuxi Local Administration and Hung Hing Packaging: “Wuxi Local Administration undertook that the project in relation to the production plant on the New Land (the “**Project**”) is in full compliance with the laws, regulations, the New Regulations and other regulations and policies of Xinwu District and Wuxi City. Except as otherwise stipulated in the Supplemental Agreement, Hung Hing Packaging’s rights and interests under the Land Resumption Agreements shall not be adversely affected with regards to the resumption and compensation of the Resumed Land and the production plant erected on the Resumed Land, the transfer of the New Land and the investment, construction, and operation of the Project. Hung Hing Packaging shall not be subject to any terms and conditions less favorable to the Land Resumption Agreements. If Hung Hing Packaging suffers any losses due to the New Regulations or any such regulations and policies formulated after the date of the Land Resumption Agreements (including which as a result Hung Hing Packaging can no longer enjoy its rights under the Land Resumption Agreements), Wuxi Local Administration shall make full compensation for the loss of Hung Hing Packaging.”

Save as disclosed above, all other terms and conditions under the Land Resumption Agreements remain unchanged and in full force and effect. The Directors consider that the terms of the Supplemental Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors confirm that the amendments under the Supplemental Agreement will not result in a re-classification of the transaction from a major transaction to a very substantial disposal under Chapter 14 of the Listing Rules.

The Company will make further announcement(s) as and when appropriate to inform the Shareholders and potential investors of any material development in relation to the Land Resumption. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Hung Hing Printing Group Limited
Shek Kwok Man
Chief Financial Officer & Company Secretary

Hong Kong, 26 August 2020

As at the date of this announcement, the Board comprises Mr. Yum Chak Ming, Matthew and Mr. Sung Chee Keung, who are executive directors; Mr. Hirofumi Hori, Mr. Masashi Nakashima, Mr. Yoshihisa Suzuki and Mr. Yam Hon Ming, Tommy, who are non-executive directors; Mr. Yap, Alfred Donald, Mr. Luk Koon Hoo and Mr. Lo Chi Hong, who are independent non-executive directors.