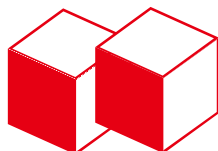


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HUNG HING

HUNG HING PRINTING GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 450)

DISPOSAL OF EQUITY INTERESTS IN PAPER MILL ENTITIES

THE DISPOSALS

The Board is pleased to announce that on 31 July 2013, the Company (as seller), among others, entered into the Equity Transfer Agreements with Zhongshan Yong Fa (as purchaser) pursuant to which the Company agreed to dispose its Paper Mill Interests to Zhongshan Yong Fa at an aggregate consideration of RMB18,179,000.

The completion of the Disposals is subject to the fulfillment of a number of conditions precedent and the Disposals may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

INTRODUCTION

On 31 July 2013, the Company (as seller), among others, entered into the Equity Transfer Agreements with Zhongshan Yong Fa (as purchaser) pursuant to which the Company agreed to dispose its Paper Mill Interests to Zhongshan Yong Fa at an aggregate consideration of RMB18,179,000.

EQUITY TRANSFER AGREEMENTS

Equity Transfer Agreements

Set out below is a summary of the principal terms of the Equity Transfer Agreements.

Date: 31 July 2013

Parties: **As sellers:**
(1) The Company;
(2) Rengo;
(3) LeMonde; and
(4) Homegrace;

As purchaser:
(5) Zhongshan Yong Fa; and

As target company:
(6) Paper Mill Entities

Nature and Consideration of the Disposal: The sellers under the Equity Transfer Agreements shall dispose and Zhongshan Yong Fa shall acquire equity interests in the Paper Mill Entities for cash consideration as follows:

Sellers under the Equity Transfer Agreements	Zhongshan Rengo		Zhongshan Ren Hing	
	Equity Interests to be disposed	Consideration (in RMB)	Equity Interests to be disposed	Consideration (in RMB)
The Company	7.5%	11,526,000	7.5%	6,653,000
Rengo	32.8%	50,207,000	32.8%	28,981,000
LeMonde	15.3%	23,537,000	15.3%	13,586,000
Homegrace	3.1%	4,707,000	3.1%	2,717,000
Total	58.7%	89,977,000	58.7%	51,937,000

Basis of the Consideration

The consideration of the Equity Transfer Agreements was determined after arm's length negotiation among the parties to the Equity Transfer Agreements with reference to, among other things, the respective net asset value of the Paper Mill Entities as of 31 December 2012, latest development and the business prospects of the Paper Mill Entities.

Reasons for and benefits of the Disposals

The Group's management conducted a review over business portfolio of the Group and concluded that in light of the challenging global business environment it is in the best interests of the Group to focus on its resources on its core printing and packaging business and to reduce its shareholding in the Paper Mill Entities. The Directors consider that the Equity Transfer Agreements were entered into on normal commercial terms which were arrived at after arm's length negotiations among the parties, and the Disposals are fair and reasonable and in the interests of the Group and the Shareholders taken as a whole.

INFORMATION ON THE GROUP, ZHONGSHAN YONG FA AND THE PAPER MILL ENTITIES

The Group is principally engaged in integrated and technologically-advanced operations in book and packaging printing, consumer products packaging, corrugated box manufacturing and paper trading.

Zhongshan Yong Fa is a limited liability company established in the PRC and is principally engaged in paper manufacturing. It is a subsidiary of Zhengye International, a company incorporated in Bermuda and listed on the Stock Exchange which engages principally in paper-based packaging business.

Both Paper Mill Entities are Sino-foreign joint venture companies established under the laws of the PRC, and are principally engaged in paper manufacturing. As at the date of this announcement and prior to the completion of the Equity Transfer Agreements, the shareholding of each of the Paper Mill Entities is as follows:

Holders of equity in the Paper Mill Entities	Zhongshan Rengo	Zhongshan Ren Hing
The Company	11.3%	11.3%
Zhongshan Packaging	7.5%	7.5%
Rengo	62.8%	62.8%
LeMonde	15.3%	15.3%
Homegrace	3.1%	3.1%
Total	100%	100%

The following table contains the combined financial information of the Paper Mill Entities for the two years ended 31 December 2011 and 2012 according to their respective audited accounts prepared in accordance with the PRC Generally Accepted Accounting Principles:

	From 1 January 2011 to 31 December 2011	From 1 January 2012 to 31 December 2012
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Profit/(Loss) before taxation	(98,651)	(96,152)
Profit/(Loss) after taxation	(98,651)	(96,152)

In addition, according to their respective audited accounts prepared in accordance with the PRC Generally Accepted Accounting Principles, the Paper Mill Entities had combined net assets value of approximately RMB323.8 million as at 31 December 2012.

The completion of the Disposals is subject to the fulfillment of a number of conditions precedent and the Disposals may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following terms shall have the meanings set out below, unless the context otherwise requires:

“associate(s)”	has the same meaning as ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Company”	Hung Hing Printing Group Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Disposals”	the disposals by the Company of its Paper Mill Interests pursuant to the Equity Transfer Agreements
“Equity Transfer Agreements”	the equity transfer agreements dated 31 July 2013 entered into, among other parties, the Company as seller and Zhongshan Yong Fa as purchaser in connection with, among other things the disposal of 7.5% equity interests in each of Zhongshan Rengo and Zhongshan Ren Hing, respectively
“Group”	the Company and its subsidiaries
“Homegrace”	Homegrace Consultants Limited, an investment holding company incorporated under the laws of Hong Kong wholly owned by Mr. Sung Chee Keung, a Director, and his associates
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“independent third party”	individual or company who/which is not connected with (within the meaning of the Listing Rules) any directors, chief executive or substantial shareholders or the Company or any of its subsidiaries, or their respective associates
“LeMonde”	LeMonde Inc., an investment holding company incorporated in the British Virgin Islands and an independent third party
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Paper Mill Entities”	Zhongshan Rengo and Zhongshan Ren Hing
“Paper Mill Interests”	the 7.5% equity interests in Zhongshan Rengo and the 7.5% equity interests in Zhongshan Ren Hing to be disposed by the Company pursuant to the Equity Transfer Agreements
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
“Rengo”	Rengo Co., Ltd. a paper and packaging materials manufacturer listed on the Tokyo Stock Exchange (Stock Code: 3941)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning as ascribed to this term under the Listing Rules
“Zhengye International”	Zhengye International Holdings Company Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange (Stock Code: 3363)
“Zhongshan Packaging”	Zhongshan Hung Hing Printing & Packaging Company Limited* (中山鴻興印刷包裝有限公司), a Sino-foreign joint venture company established under the laws of the PRC, a subsidiary of the Company
“Zhongshan Ren Hing”	Zhongshan Ren Hing Paper Manufacturing Company Limited* (中山聯興造紙有限公司), a Sino-foreign joint venture company established under the laws of the PRC
“Zhongshan Rengo”	Zhongshan Rengo Hung Hing Paper Manufacturing Company Limited* (中山聯合鴻興造紙有限公司), a Sino-foreign joint venture company established under the laws of the PRC

“Zhongshan Yong Fa”

Zhongshan Yong Fa Industry Company Limited (中山永發紙業有限公司), a limited liability company established in the PRC, a subsidiary of Zhengye International and an independent third party of the Company

“%”

per cent.

* *For identification purposes only*

By order of the Board
HUNG HING PRINTING GROUP LIMITED
Yum Chak Ming, Matthew
Executive Chairman

Hong Kong, 31 July 2013

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. Shigechika Ishida, Mr. Yoshitaka Ozawa, Mr. Katsuaki Tanaka 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.