



鴻興印刷集團有限公司

Hung Hing Printing Group Limited

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PRESS RELEASE

Hung Hing Announces Interim Results 2012/13

Reported significant increase in profit led by double digit growth in export business

- Group revenue rose 8% to HK\$1,707 million
- Operating profit increased by 27% to HK\$71 million
- Profit attributable to shareholders rose 46% to HK\$45 million
- Balance sheet remains strong with net cash of HK\$134 million
- Interim dividend of HK3 cents per ordinary share

Hong Kong, 20 November 2012 – Hung Hing Printing Group Limited (HKSE: 450) today announced its interim results for the six months ended 30 September 2012, reporting a significant rise the Group's sales revenue.

Revenue for the period rose 8% to HK\$1,707 million, led by strong growth in the Book and Package Printing business. Despite minimal economic recovery in key global markets and rising labour costs in China, the Group's operating profit increased by 27% to HK\$71 million. Profit attributable to equity holders of the Company was up by 46% to HK\$45 million, while basic earnings per share were HK5 cents.

As of 30 September 2012 the Group maintained a solid net cash position of HK\$134 million. Backed by the Group's solid cash-flow and financial position, the Board of Directors has declared an interim dividend of HK3 cents per share.

Mr. Matthew C.M. Yum, Executive Chairman of Hung Hing Printing Group Limited, said, "Despite the challenging macro-economic situation, the Group has been able to take advantage of consolidation in the export book printing industry combined with a determined drive to boost sales to post strong revenue growth in the first half. We have also continued to invest in our plants to open up new export and domestic China markets and this, combined with tighter cost controls and production efficiency improvements, has enabled the Group to increase operating profit year-on-year."

Business Unit Review

The **Book and Package Printing** business unit, the Group's largest, reported strong revenue growth of 19% to HK\$1,024 million, representing 62% of the Group revenue. The business unit has benefited from consolidation in the export book printing industry and an efficiency drive to overcome slow global growth and increasing labour costs to make a profit contribution up by 204% to HK\$42 million.

The **Consumer Product Packaging** business unit saw revenues decrease by 4% to HK\$373 million, largely due to severe price competition brought on by over-investment in the industry. This also resulted in a lower profit contribution of HK\$4 million.

The **Corrugated Box** business unit, with a significant focus on export manufacturers in the Pearl River Delta, reported a decrease of 1% in revenue to HK\$145 million, reflecting the still weak consumer demand in the U.S. and Europe. Profit contribution also decreased to HK\$17 million, representing a 16% decline year-on-year.

The **Paper Trading** business saw revenue decline by 6% to HK\$165 million due to the slowdown in export activities across the Pearl River Delta. Profit contribution fell 45% to HK\$12 million. The trend of softening paper prices in the first half coupled with reduced demand led to intensified price competition and lower profit margins for the business.

Outlook

While demand from the main export markets in the U.S. and Europe is likely to remain weak, the Group expects consolidation in the book printing industry and the growing China market to continue to present more opportunities. Investments in tighter cost controls and more efficient production processes will also remain a focus to underpin ongoing growth.

Mr. Yum said, “We expect the Group to continue to benefit from further industry consolidation, as well as diversification into new geographic markets and a refocusing of our expertise on China. The Group maintains a sound financial position, which, along with our diverse production capabilities, value added services and excellent reputation will continue to attract and retain customers, even in this unpredictable global economic environment.”

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About Hung Hing Printing Group Limited (HKSE: 450)

Hung Hing was founded by the Company’s former Honorary Chairman Mr Yam Cheong Hung in 1950. Over the past six decades, the Company has developed into one of the largest printers in Asia, with significant operations in book and packaging printing, consumer product packaging, corrugated box manufacturing and paper trading. Headquartered in Hong Kong, the Company has four plants in China: three in the Guangdong province (Shenzhen, Zhongshan and Heshan) and one in Wuxi, near Shanghai. With its main focus on customers’ success, the Company harnesses the latest in technology and ideas to create print solutions through sustainable operating practice, and services multinational corporations from the U.S. and Europe as well as from domestic companies in China. The Company has a workforce of over 12,000 employees. It has been listed on The Hong Kong Stock Exchange since 1992.

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