



鴻興印刷集團有限公司

Hung Hing Printing Group Limited

PRESS RELEASE

Hung Hing Reports Strong Growth in Revenue, Profit for Interim 2010

- Revenue reached HK\$1.56 billion in the six months to September 2010, up 18% compared to same period 2009
- Operating profit of HK\$179 million represents a 17% increase compared to prior year period
- Profit attributable to shareholders was HK\$129 million, up 28%
- Basic earnings per share was HK14.3 cents, up 31%
- Balance sheet remains strong with a net cash position of HK\$394 million as of September 30, 2010
- Board of Directors declares an interim dividend of HK5 cents and a special dividend of HK17 cents, bringing the total dividends to HK22 cents per share.

Hong Kong, 29 November 2010 – Hung Hing Printing Group Limited (HKSE: 450) today announced interim results for the six months ended 30 September 2010. Building on a gradual recovery of the global economy, the Group increased sales across all its major business units and delivered significant growth in both revenue and profit.

Revenue was HK\$1.56 billion during the period, representing growth of 18% compared with the same period of 2009. Operating profits were HK\$179 million, up 17%. Profit attributable to equity holders of the Company was HK\$129 million, an increase of 28%. Basic earnings per share rose 31% to HK14.3 cents.

Strong revenue growth of 27% in the Group's largest business unit, Book and Package Printing, and 38% in its Corrugated Box unit were driven by recovery of markets in North America and Europe. Despite keen competition from regional companies in the China market, Hung Hing's Consumer Product Packaging unit was able to grow revenue by 5%.

As of 30 September 2010 the Group maintained a solid net cash position of HK\$394 million. The Board of Directors has declared an interim dividend of HK5 cents and a special dividend of HK17 cents, bringing the total dividends to HK22 cents per share.

Mr. Matthew C.M. Yum, Executive Chairman of Hung Hing Printing Group Limited, said, "We are encouraged by the trends we are seeing in some of Hung Hing's biggest markets and believe that we are well positioned for further growth as the global economy improves. Rising costs, particularly in regard to paper prices and worker wages, will bear close watch moving forward. We have produced strong results through well thought out set of initiatives. These and other efforts will help position Hung Hing as a leader in cost-efficiency in the highly competitive printing and packaging industry. We will continue to look for ways to successfully address these challenges in the future."

Business Unit Review

The **Book and Package Printing** business unit, the Group's largest, generated revenue of HK\$866 million during the period, up 27% year-on-year, accounting for 56% of Group revenue compared with 52% during the same period last year. Profit contribution was HK\$105 million, up 7% compared to the same period of 2009. Cost challenges impacted margins. Rising paper prices, increased labour wages and the appreciation of the RMB marginally affected the unit's profit margin which was 12%.

The **Consumer Product Packaging** business unit saw revenues increase 5% to HK\$340 million. However, profit contribution declined 57% to HK\$10 million, profit margin was reduced from 7% to 3%. Profitability was impacted by rising costs, which were partially offset by a number of pricing initiatives and automation projects.

The **Corrugated Box** business unit, with a significant focus on export manufacturers in the Pearl River Delta, reported revenue of HK\$170 million for the period, representing a 38% increase compared to the same period in 2009. Profit contribution increased 107% to HK\$36 million, and profit margin rose by 5% to 15%. Strong results were driven by recovery of the Pearl River Delta export manufacturing sector, but also various productivity and cost control initiatives that the management is implementing.

Paper Trading, which sells to external customers and also supplies the Group's manufacturing business, saw external revenue decline 5% to HK\$183 million. Profit contribution rose 86% to HK\$46 million, and profit margin increased from 7% to 11%. The business unit benefited from increases in paper prices during the first half of the year.

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About Hung Hing Printing Group Limited (HKSE: 450)

Hung Hing was founded by the Company's 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 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, and over 13,000 employees. With its main focus on customers' success, the Company harnesses the latest in technology and ideas to create print solutions through sustainable operating practices, and serves clients in China and around the world. Hung Hing was listed on the Hong Kong Stock Exchange in 1992.

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