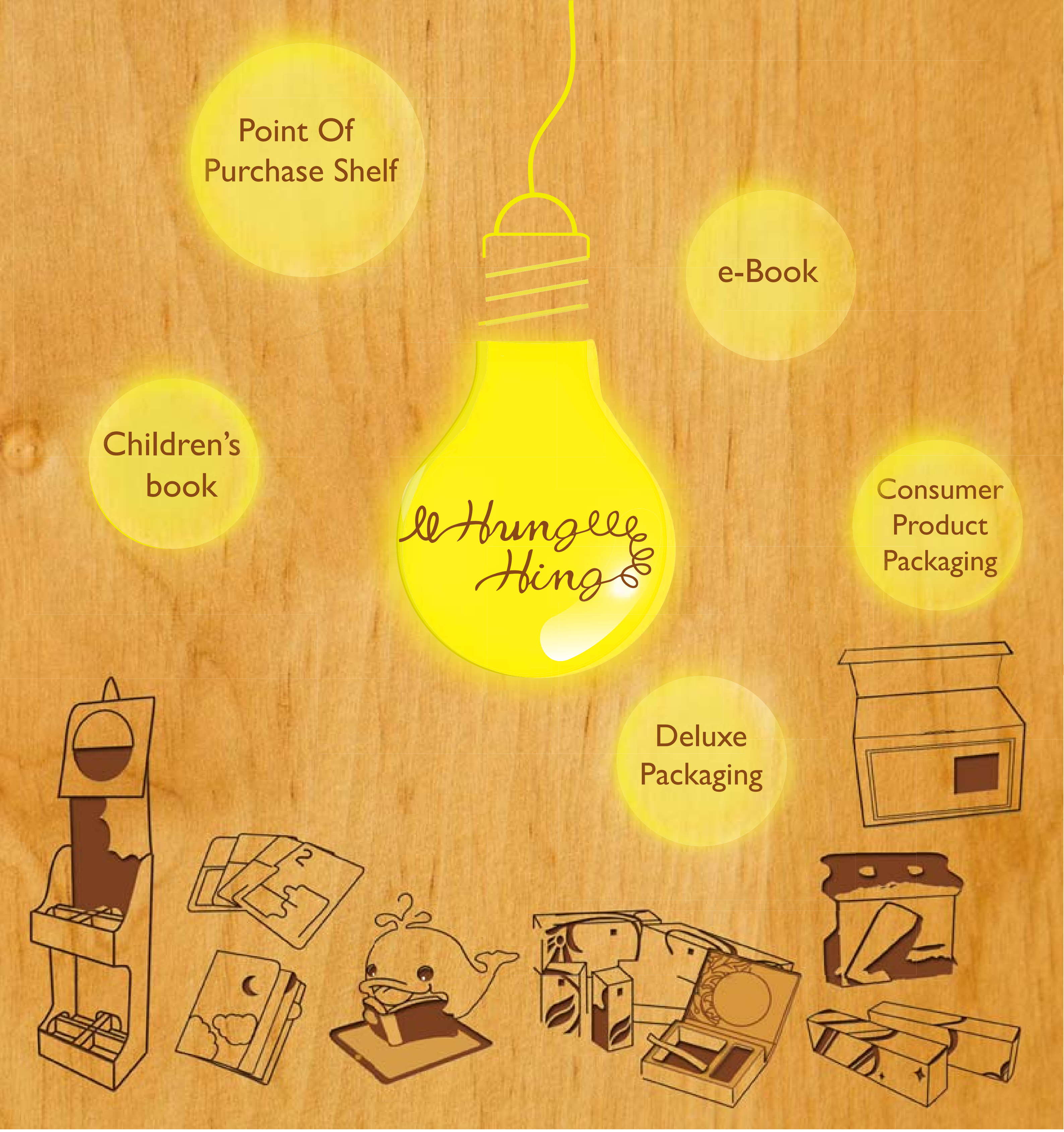

中期報告

INTERIM REPORT

2012

股份代號 STOCK CODE : 0450

60 plus HUNG HING
YEARS OF PRINTING EXCELLENCE

鴻興印刷集團有限公司
HUNG HING Printing Group Limited

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Corporate Information

EXECUTIVE DIRECTORS	Yum Chak Ming, Matthew, Executive Chairman Sung Chee Keung
NON-EXECUTIVE DIRECTORS	Hiroyuki Kimura Yoshitaka Ozawa Katsuaki Tanaka Yam Hon Ming, Tommy
INDEPENDENT NON-EXECUTIVE DIRECTORS	Lo Chi Hong Luk Koon Hoo Yap, Alfred Donald
COMPANY SECRETARY	Tung Yu Biu
REGISTERED OFFICE	Hung Hing Printing Centre 17–19 Dai Hei Street Tai Po Industrial Estate New Territories, Hong Kong Tel: (852) 2664 8682 Fax: (852) 2664 2070 E-mail: info@hunghingprinting.com
PRINCIPAL BANKERS	The Hongkong and Shanghai Banking Corporation Limited Hang Seng Bank Limited The Bank of Tokyo-Mitsubishi UFJ, Ltd. BNP Paribas
AUDITOR	PricewaterhouseCoopers
SHARE REGISTRAR	Tricor Tengis Limited 26/F, Tesbury Centre 28 Queen's Road East Wanchai Hong Kong

Interim Results

The directors of Hung Hing Printing Group Limited (the "Company") are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2012 as follows:

Condensed Consolidated Income Statement

	Note	For the six months ended 30 September **2012** **(Unaudited)** **HK$'000**	 2011 (Unaudited) HK$'000
Revenue	5	**1,706,692**	1,573,062
Cost of sales	7	**(1,453,551)**	(1,364,340)
Gross profit		**253,141**	208,722
Other income and gains	5	**13,594**	21,109
Distribution costs		**(46,160)**	(38,925)
Administrative and selling expenses	7	**(142,916)**	(134,764)
Other expenses	7	**(7,112)**	(352)
Operating profit		**70,547**	55,790
Finance costs	6	**(5,312)**	(4,670)
Share of losses of associates		**(9,741)**	(6,291)
Profit before income tax		**55,494**	44,829
Income tax expense	8	**(10,970)**	(12,391)
Profit for the period		**44,524**	32,438
Profit/(loss) attributable to:			
Owners of the Company		**45,124**	30,986
Non-controlling interests		**(600)**	1,452
		44,524	32,438
		HK cents	HK cents
Earnings per share attributable to owners of the Company	9		
Basic		**5.0**	3.4
Diluted		**5.0**	3.4
		HK$'000	HK$'000
Dividend	10	**27,236**	18,157

The notes on pages 9 to 27 form part of the condensed consolidated interim financial information.

Condensed Consolidated Statement of Comprehensive Income

	For the six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Profit for the period	**44,524**	32,438
Other comprehensive income/(loss):		
Cash flow hedges, net of tax	**–**	(326)
Currency translation differences	**363**	22,707
Fair value change of intangible assets	**(800)**	1,400
Fair value change of available-for-sale financial assets	**(162)**	(503)
Other comprehensive income/(loss) for the period, net of tax	**(599)**	23,278
Total comprehensive income for the period	**43,925**	55,716
Total comprehensive income/(loss) for the period attributable to:		
Owners of the Company	**44,451**	50,814
Non-controlling interests	**(526)**	4,902
Total comprehensive income for the period	**43,925**	55,716

The notes on pages 9 to 27 form part of the condensed consolidated interim financial information.

Condensed Consolidated Statement of Financial Position

	Note	30 September 2012 (Unaudited) HK$'000	31 March 2012 (Audited) HK$'000
Non-current assets			
Property, plant and equipment	11	**1,328,966**	1,366,117
Land use rights	12	**107,620**	109,215
Intangible assets	13	**9,285**	11,140
Available-for-sale financial assets	14	**7,872**	8,034
Properties under construction	15	**26,764**	19,391
Interests in associates		**31,269**	41,080
Deferred income tax assets		**10,601**	14,103
Deposits paid for acquisition of property, plant and equipment		**6,831**	3,064
Total non-current assets		**1,529,208**	1,572,144
Current assets			
Inventories		**645,829**	711,398
Trade and bills receivables	16	**929,994**	647,950
Prepayments, deposits and other receivables		**30,687**	62,467
Derivative financial instruments		**834**	253
Amounts due from associates		**906**	5,024
Tax recoverable		**5,257**	6,384
Pledged time deposits	17	**45,531**	17,321
Cash and cash equivalents	17	**516,175**	763,625
Total current assets		**2,175,213**	2,214,422
Total assets		**3,704,421**	3,786,566
EQUITY			
Equity attributable to owners of the Company			
Share capital	20	**90,787**	90,787
Reserves		**2,571,423**	2,552,939
Proposed dividend		**27,236**	18,157
		2,689,446	2,661,883
Non-controlling interests		**146,008**	142,064
Total equity		**2,835,454**	2,803,947

Condensed Consolidated Statement of Financial Position (Continued)

	Note	**30 September 2012 (Unaudited) HK$'000**	31 March 2012 (Audited) HK$'000
Non-current liabilities			
Borrowings	19	**276,607**	313,614
Deferred income tax liabilities		**45,034**	44,568
Total non-current liabilities		**321,641**	358,182
Current liabilities			
Trade and bills payables	18	**191,416**	223,909
Current income tax liabilities		**21,837**	22,156
Other payables and accrued liabilities		**173,319**	157,235
Amounts due to associates		**9,757**	4,540
Borrowings	19	**150,997**	216,597
Total current liabilities		**547,326**	624,437
Total liabilities		**868,967**	982,619
Total equity and liabilities		**3,704,421**	3,786,566
Net current assets		**1,627,887**	1,589,985
Total assets less current liabilities		**3,157,095**	3,162,129

The notes on pages 9 to 27 form part of the condensed consolidated interim financial information.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2011 (Unaudited)

		Attributable to owners of the Company													
	Note	Share capital HK$'000	Share premium HK$'000	Other capital reserves HK$'000	Hedging reserve HK$'000	Intangible assets revaluation reserve HK$'000	Available-for-sale investment revaluation reserve HK$'000	Legal reserve HK$'000	Exchange fluctuation reserve HK$'000	Equity compensation reserve HK$'000	Retained earnings HK$'000	Proposed dividend HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2011		90,787	1,559,461	(7,354)	(285)	4,400	(79)	118,699	116,769	10,299	735,654	45,393	2,673,744	138,427	2,812,171
Comprehensive income															
Profit for the period		–	–	–	–	–	–	–	–	–	30,986	–	30,986	1,452	32,438
Other comprehensive income/(loss)															
Cash flow hedges, net of tax		–	–	–	(326)	–	–	–	–	–	–	–	(326)	–	(326)
Gain/(loss) on revaluation		–	–	–	–	1,400	(503)	–	–	–	–	–	897	–	897
Currency translation differences		–	–	–	–	–	–	–	19,257	–	–	–	19,257	3,450	22,707
Total other comprehensive income/(loss) for the period		–	–	–	(326)	1,400	(503)	–	19,257	–	–	–	19,828	3,450	23,278
Total comprehensive income/(loss) for the period		–	–	–	(326)	1,400	(503)	–	19,257	–	30,986	–	50,814	4,902	55,716
Transactions with owners															
Final 2011 dividend declared		–	–	–	–	–	–	–	–	–	–	(45,393)	(45,393)	–	(45,393)
Purchase of shares for restricted share award scheme	25	–	–	(9,737)	–	–	–	–	–	–	–	–	(9,737)	–	(9,737)
Shares vested under restricted share award scheme		–	–	3,049	–	–	–	–	–	(3,049)	–	–	–	–	–
Equity compensation expenses		–	–	–	–	–	–	–	–	3,359	–	–	3,359	–	3,359
Allocation to legal reserve		–	–	–	–	–	–	23	–	–	(23)	–	–	–	–
Dividend paid to non-controlling interests		–	–	–	–	–	–	–	–	–	–	–	–	(2,909)	(2,909)
Interim dividend	10	–	–	–	–	–	–	–	–	–	(18,157)	18,157	–	–	–
Total transactions with owners		–	–	(6,688)	–	–	–	23	–	310	(18,180)	(27,236)	(51,771)	(2,909)	(54,680)
At 30 September 2011		90,787	1,559,461	(14,042)	(611)	5,800	(582)	118,722	136,026	10,609	748,460	18,157	2,672,787	140,420	2,813,207

The notes on pages 9 to 27 form part of the condensed consolidated interim financial information.

Condensed Consolidated Statement of Changes in Equity (Continued)

For the six months ended 30 September 2012 (Unaudited)

		Attributable to owners of the Company												
	Note	Share capital HK$'000	Share premium HK$'000	Other capital reserves HK$'000	Intangible assets revaluation reserve HK$'000	Available-for-sale investment revaluation reserve HK$'000	Legal reserve HK$'000	Exchange fluctuation reserve HK$'000	Equity compensation reserve HK$'000	Retained earnings HK$'000	Proposed dividend HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2012		90,787	1,559,461	(14,042)	6,400	(698)	120,975	145,913	10,673	724,257	18,157	2,661,883	142,064	2,803,947
Comprehensive income/(loss)														
Profit/(loss) for the period		-	-	-	-	-	-	-	-	45,124	-	45,124	(600)	44,524
Other comprehensive income/(loss)														
Loss on revaluation		-	-	-	(800)	(162)	-	-	-	-	-	(962)	-	(962)
Currency translation differences		-	-	-	-	-	-	289	-	-	-	289	74	363
Total other comprehensive income/(loss) for the period		-	-	-	(800)	(162)	-	289	-	-	-	(673)	74	(599)
Total comprehensive income/(loss) for the period		-	-	-	(800)	(162)	-	289	-	45,124	-	44,451	(526)	43,925
Transactions with owners														
Final 2012 dividend declared		-	-	-	-	-	-	-	-	-	(18,157)	(18,157)	-	(18,157)
Shares vested under restricted share award scheme		-	-	4,739	-	-	-	-	(4,739)	-	-	-	-	-
Equity compensation expenses		-	-	-	-	-	-	-	1,269	-	-	1,269	-	1,269
Allocation to legal reserve		-	-	-	-	-	1,609	-	-	(1,609)	-	-	-	-
Contributions from non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	4,470	4,470
Interim dividend	10	-	-	-	-	-	-	-	-	(27,236)	27,236	-	-	-
Total transactions with owners		-	-	4,739	-	-	1,609	-	(3,470)	(28,845)	9,079	(16,888)	4,470	(12,418)
At 30 September 2012		90,787	1,559,461	(9,303)	5,600	(860)	122,584	146,202	7,203	740,536	27,236	2,689,446	146,008	2,835,454

The notes on pages 9 to 27 form part of the condensed consolidated interim financial information.

Condensed Consolidated Statement of Cash Flows

	For the six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Net cash (outflow)/inflow from:		
Operating activities	**(73,419)**	(130,302)
Investing activities	**(31,353)**	(192,902)
Financing activities	**(126,165)**	148,656
Net decrease in cash and cash equivalents	**(230,937)**	(174,548)
Cash and cash equivalents at beginning of period	**640,555**	692,940
Effect of foreign exchange rate changes, net	**514**	5,675
Cash and cash equivalents at end of period	**410,132**	524,067
Analysis of balances of cash and cash equivalents		
Cash and bank balances	**275,058**	266,547
Time deposits with original maturity of less than three months when acquired	**135,074**	257,520
	410,132	524,067

The notes on pages 9 to 27 form part of the condensed consolidated interim financial information.

Notes to the Condensed Consolidated Interim Financial Information

1. General information

Hung Hing Printing Group Limited (the "Company") is a limited liability company incorporated in Hong Kong. The address of its registered office is Hung Hing Printing Centre, 17-19 Dai Hei Street, Tai Po Industrial Estate, New Territories, Hong Kong.

The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company and its subsidiaries are collectively referred to as the "Group". The Group is engaged in the following principal activities:

- Book and package printing;
- Consumer product packaging;
- Corrugated box; and
- Trading of paper.

These unaudited condensed consolidated interim financial information are presented in thousands of HK dollars (HK$'000), unless otherwise stated. These unaudited condensed consolidated interim financial information were approved by the Board of Directors for issue on 20 November 2012.

2. Basis of Preparation

These condensed consolidated interim financial information for the six months ended 30 September 2012 are unaudited and have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements as set out in Appendix 16 of the Rules Governing the Listing of Securities (the "Listing Rule") on the Stock Exchange. The unaudited condensed consolidated interim financial statement have been prepared under the historical cost convention except that certain financial assets are stated at fair values and which should be read in conjunction with the annual financial statements for the year ended 31 March 2012.

3. Accounting Policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2012, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) The following amendments to existing standards are mandatory for the Group's accounting period beginning 1 April 2012. The adoption of these amendments to existing standards does not have any significant impact to the results and financial position of the Group:

- HKAS 12 (Amendment) — Deferred tax: Recovery of underlying assets
- HKFRS 7 (Amendment) — Disclosures – Transfers of financial assets

Notes to the Condensed Consolidated Interim Financial Information (Continued)

3. Accounting Policies (Continued)

(b) The following new and revised standards and amendments to the existing standards have been issued but are not effective for the Group's accounting period beginning 1 April 2012 and have not been early adopted:

•	HKAS 1 (Amendment)	Presentation of financial statements
•	HKAS 19 (Amendment)	Employee benefits
•	HKAS 27 (Revised 2011)	Separate financial statements
•	HKAS 28 (Revised 2011)	Investments in associates and joint ventures
•	HKAS 32 (Amendment)	Offsetting financial assets and financial liabilities
•	HKFRS 7 and HKFRS 9 (Amendment)	Mandatory effective date and transition disclosures
•	HKFRS 9	Financial instruments
•	HKFRS 10	Consolidated financial statements
•	HKFRS 11	Joint arrangements
•	HKFRS 12	Disclosures of interests in other entities
•	HKFRS 13	Fair value measurement

The Group is currently assessing the impact of the adoption of these new and revised standards and amendments to existing standards to the Group in future period. So far, it has concluded that the adoption of the above does not have material impact on the Group's financial statements.

4. Segment Information

The management committee (being the chief operating decision-maker) has determined the operating segments based on the reports reviewed by the management committee. The management committee, comprising the executive chairman, the chief executive officer and other senior management, that are used to make strategic decisions and assess performance.

Management has determined the operating segments based on these reports. The Group is organised into four business segments:

(a) Book and Package Printing segment;
(b) Consumer Product Packaging segment;
(c) Corrugated Box segment; and
(d) Paper Trading segment.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-marker.

Management assesses the performance of the operating segments based on a measure of gross profit less distribution costs, administrative and selling expenses, and other expenses that are allocated to each segment. Other information provided is measured in a manner consistent with that in the financial statements.

Sales between segments are carried out at arm's length.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

4. Segment Information (Continued)

	For the six months ended 30 September 2012					
	Book and Package Printing (Unaudited) HK$'000	Consumer Product Packaging (Unaudited) HK$'000	Corrugated Box (Unaudited) HK$'000	Paper Trading (Unaudited) HK$'000	Eliminations (Unaudited) HK$'000	Total (Unaudited) HK$'000
Segment revenue						
Sales to external customers	1,023,885	372,654	145,368	164,785	–	1,706,692
Inter-segment sales	726	10,045	54,194	231,616	(296,581)	–
Total	1,024,611	382,699	199,562	396,401	(296,581)	1,706,692
Segment results	42,058	4,452	17,056	11,659	1,875	77,100
Interest, dividend income and other gains						7,502
Corporate and unallocated expenses						(14,055)
Operating profit						70,547
Finance costs						(5,312)
Share of losses of associates						(9,741)
Profit before income tax						55,494
Income tax expense						(10,970)
Profit for the period						44,524

Notes to the Condensed Consolidated Interim Financial Information (Continued)

4. Segment Information (Continued)

	For the six months ended 30 September 2011					
	Book and Package Printing (Unaudited) HK$'000	Consumer Product Packaging (Unaudited) HK$'000	Corrugated Box (Unaudited) HK$'000	Paper Trading (Unaudited) HK$'000	Eliminations (Unaudited) HK$'000	Total (Unaudited) HK$'000
Segment revenue						
Sales to external customers	860,058	389,406	147,456	176,142	–	1,573,062
Inter-segment sales	1,331	5,390	55,635	275,449	(337,805)	–
Total	861,389	394,796	203,091	451,591	(337,805)	1,573,062
Segment results	13,820	10,479	20,387	21,338	(893)	65,131
Interest, dividend income and other gains						5,675
Corporate and unallocated expenses						(15,016)
Operating profit						55,790
Finance costs						(4,670)
Share of losses of associates						(6,291)
Profit before income tax						44,829
Income tax expense						(12,391)
Profit for the period						32,438

Notes to the Condensed Consolidated Interim Financial Information (Continued)

5. Revenue, Other Income and Gains

The Group's revenue, other income and gains consists of the following:

	For the six months ended 30 September 2012 (Unaudited) HK$'000	2011 (Unaudited) HK$'000
Revenue:		
Sale of goods	**1,706,692**	1,573,062
Other income and gains:		
Bank interest income	**6,472**	4,395
Dividend income from available-for-sale financial assets	**279**	278
Fair value gain on derivative financial instruments not qualified as hedges, net	**751**	283
Foreign exchange gain, net	**–**	10,808
Sundry income	**6,092**	5,345
	13,594	21,109

6. Finance Costs

	For the six months ended 30 September 2012 (Unaudited) HK$'000	2011 (Unaudited) HK$'000
Interest on bank borrowings wholly repayable within five years	**5,312**	4,670

Notes to the Condensed Consolidated Interim Financial Information (Continued)

7. Expenses by Nature

Expenses included in cost of sales, administrative and selling expenses and other expenses are analysed as follows:

	For the six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Depreciation (Note 11)	**56,698**	54,953
Amortisation of land use rights (Note 12)	**1,591**	1,581
Amortisation of intangible assets (Note 13)	**590**	344
Employee benefit expense (including directors' emoluments)	**397,117**	357,545
Foreign exchange loss, net	**2,109**	–
Provision for impairment of inventories, net	**875**	13,836
Loss on disposals of property, plant and equipment	**1,326**	2,336
Provision for impairment/(reversal of provision for impairment) of trade receivables	**3,038**	(1,984)

8. Income Tax Expense

Hong Kong profits tax has been provided at the rate of 16.5% (30 September 2011: 16.5%) on the estimated assessable profits for the period. Taxation on overseas profit has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

	For the six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Current income tax		
– Hong Kong profits tax	**3,112**	4,223
– PRC corporate income tax	**4,049**	6,292
Total current tax	**7,161**	10,515
Deferred income tax	**3,809**	1,876
Income tax expense	**10,970**	12,391

Notes to the Condensed Consolidated Interim Financial Information (Continued)

8. Income Tax Expense (Continued)

For the six months ended 30 September 2012, there was no tax charge relating to components of other comprehensive income.

For the six months ended 30 September 2011, the tax credit relating to components of other comprehensive income/(loss) was as follows:

	Before tax (Unaudited) HK$'000	Tax credit (Unaudited) HK$'000	After tax (Unaudited) HK$'000
Cash flow hedges	(390)	64	(326)
Currency translation differences	22,707	–	22,707
Fair value gain/(loss):			
– Intangible assets	1,400	–	1,400
– Available-for-sale financial assets	(503)	–	(503)
Other comprehensive income	23,214	64	23,278

9. Earnings Per Share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period excluding ordinary shares purchased by the Company.

	For the six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Profit attributable to owners of the Company	**45,124**	30,986
Weighted average number of ordinary shares in issue excluding own held shares (thousands)	**903,028**	903,633
Basic earnings per share (HK cents per share)	**5.0**	3.4

Notes to the Condensed Consolidated Interim Financial Information (Continued)

9. Earnings Per Share (Continued)

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has only one category of dilutive potential ordinary shares: shares repurchased for the purpose of share award scheme (Note 25). A calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares) based on the monetary value of the outstanding shares to be granted.

	For the six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Profit attributable to owners of the Company	**45,124**	30,986
Weighted average number of ordinary shares in issue excluding own held shares (thousands)	**904,685**	906,472
Diluted earnings per share (HK cents per share)	**5.0**	3.4

10. Dividend

	For the six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interim dividend of HK 3 cents (30 September 2011: HK 2 cents) per ordinary share	**27,236**	18,157

Notes to the Condensed Consolidated Interim Financial Information (Continued)

11. Property, Plant and Equipment

	30 September 2012 (Unaudited) HK$'000	31 March 2012 (Audited) HK$'000
Opening net book amount at 1 April	**1,366,117**	1,330,903
Additions	**17,106**	111,173
Transfer from properties under construction (Note 15)	**3,216**	38,680
Transfer from deposits paid for acquisition of property, plant and equipment	**2,714**	6,934
Disposals	**(3,571)**	(30,826)
Depreciation	**(56,698)**	(111,981)
Exchange differences	**82**	21,234
Closing net book amount at 30 September/31 March	**1,328,966**	1,366,117

Certain buildings of the Group with a total net book amount of HK$77,173,000 (31 March 2012: HK$78,578,000) have been pledged to banks to secure banking facilities granted to the Group.

12. Land Use Rights

	30 September 2012 (Unaudited) HK$'000	31 March 2012 (Audited) HK$'000
Opening net book amount at 1 April	**109,215**	110,951
Amortisation	**(1,591)**	(3,173)
Exchange differences	**(4)**	1,437
Closing net book amount at 30 September/31 March	**107,620**	109,215

Certain land use rights of the Group with a total net book amount of HK$17,537,000 (31 March 2012: HK$17,791,000) have been pledged to banks to secure banking facilities granted to the Group.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

13. Intangible Assets

	30 September 2012 (Unaudited) HK$'000	31 March 2012 (Audited) HK$'000
Opening net book amount at 1 April	**11,140**	9,405
Additions	**173**	582
Fair value changes	**(800)**	2,000
Disposals	**(639)**	–
Amortisation	**(590)**	(849)
Exchange differences	**1**	2
Closing net book amount at 30 September/31 March	**9,285**	11,140

14. Available-for-sale Financial Assets

	30 September 2012 (Unaudited) HK$'000	31 March 2012 (Audited) HK$'000
Unlisted equity investments, at cost	**80**	80
Club debentures, at fair value	**566**	566
Hong Kong listed equity investments, at fair value	**7,226**	7,388
	7,872	8,034

During the period, a fair value loss of the Group's available-for-sale financial assets of HK$162,000 (30 September 2011: HK$503,000) was recognised directly in the available-for-sale investment revaluation reserve.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

15. Properties Under Construction

	30 September 2012 (Unaudited) HK$'000	31 March 2012 (Audited) HK$'000
Opening net book amount at 1 April	**19,391**	35,255
Additions	**10,589**	21,171
Transfer from deposits paid for acquisition of property, plant and equipment	**–**	1,558
Transfer to property, plant and equipment (Note 11)	**(3,216)**	(38,680)
Exchange differences	**–**	87
Closing net book amount at 30 September/31 March	**26,764**	19,391

The properties under construction are located in Hong Kong and the PRC.

16. Trade and Bills Receivables

	30 September 2012 (Unaudited) HK$'000	31 March 2012 (Audited) HK$'000
Trade receivables	**947,368**	662,734
Less: provision for impairment of trade receivables	**(25,595)**	(23,025)
Trade receivables, net	**921,773**	639,709
Bills receivables	**8,221**	8,241
	929,994	647,950

The Group's trading terms with customers are mainly on credit. Invoices are normally payable between 30 and 90 days from date of issuance. The Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimise credit risk.

Overdue balances are regularly reviewed by senior management. In view of the aforementioned and the fact that the Group's trade and bills receivables relate to a number of diversified customers, there is no significant concentration of credit risk. Trade and bills receivables are non-interest-bearing.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

16. Trade and Bills Receivables (Continued)

The aging analysis of trade receivables at the end of the reporting period, based on invoice date and net of provisions, is as follows:

	30 September 2012 (Unaudited) HK$'000	31 March 2012 (Audited) HK$'000
1–30 days	**388,573**	242,701
31–60 days	**210,698**	185,672
61–90 days	**138,637**	67,440
Over 90 days	**183,865**	143,896
	921,773	639,709

17. Cash and Cash Equivalents

	30 September 2012 (Unaudited) HK$'000	31 March 2012 (Audited) HK$'000
Cash and bank balances	**275,058**	211,746
Time deposits	**286,648**	569,200
	561,706	780,946
Less: Pledged time deposits	**(45,531)**	(17,321)
	516,175	763,625
Less: Time deposits with original maturity over three months	**(106,043)**	(123,070)
	410,132	640,555

As of 30 September 2012, the pledged time deposits amounted to HK$45,531,000 (31 March 2012: HK$5,030,000) were pledged as collateral for the Group's banking facilities. As of 31 March 2012, the pledged deposits amounted to HK$12,291,000 were pledged as collateral for the insurance of bills payables.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

18. Trade and Bills Payables

	30 September 2012 (Unaudited) HK$'000	31 March 2012 (Audited) HK$'000
Trade payables	**174,519**	196,506
Bills payables	**16,897**	27,403
	191,416	223,909

As of 31 March 2012, the bills payables of HK$12,291,000 are secured by the pledged time deposits of HK$12,291,000.

The aging analysis of trade payables at the end of the reporting period, based on invoice date, is as follows:

	30 September 2012 (Unaudited) HK$'000	31 March 2012 (Audited) HK$'000
1–30 days	**109,562**	131,770
31–60 days	**45,803**	50,781
61–90 days	**7,605**	5,713
Over 90 days	**11,549**	8,242
	174,519	196,506

Notes to the Condensed Consolidated Interim Financial Information (Continued)

19. Borrowings

	30 September 2012 (Unaudited) HK$'000	31 March 2012 (Audited) HK$'000
Current		
Bank loans – unsecured (Note a)	**144,824**	205,888
Bank loans – secured (Note b)	**6,173**	10,709
	150,997	216,597
Non-current		
Bank loans – unsecured (Note a)	**276,607**	313,614
	427,604	530,211

Note:

(a) Bank loans amounting to HK$421,431,000 (31 March 2012: HK$519,502,000) are secured by the corporate guarantees issued by the Company (Note 24).

(b) Bank loans amounting to HK$6,173,000 (31 March 2012: HK$10,709,000) are secured by the pledge of certain of the Group's buildings, land use rights and time deposits, which had an aggregate net carrying value at the end of the reporting period of approximately HK$140,241,000 (31 March 2012: HK$101,399,000) (Notes 11,12 and 17).

20. Share Capital

	30 September 2012 Number of shares	31 March 2012 Number of shares	30 September 2012 (Unaudited) HK$'000	31 March 2012 (Audited) HK$'000
Authorised ordinary shares of HK$0.10 each	**1,200,000,000**	1,200,000,000	**120,000**	120,000
Issued and fully paid ordinary shares of HK$0.10 each	**907,864,974**	907,864,974	**90,787**	90,787

During the six months ended 30 September 2012, the Company did not repurchase any of its own shares (31 March 2012: nil).

Notes to the Condensed Consolidated Interim Financial Information (Continued)

21. Related Party Transactions

(a) Transactions with related parties

Rengo Co., Ltd. ("Rengo") is a substantial shareholder of the Company. Its subsidiaries Zhongshan Rengo Hung Hing Paper Manufacturing Company Limited and Zhongshan Ren Hing Paper Manufacturing Company Limited (collectively, the "Paper Mill Entities") are also the associates of the Company. The transactions between Rengo (or its subsidiaries) and the Company (or its subsidiaries) are related party transactions which also fall under the definition of continuing connected transaction of the Company as stipulated in the Listing Rule.

In addition to the transactions detailed elsewhere in these financial information, the Group had the following transactions with related parties during the period:

		For the six months ended 30 September	
		2012	2011
		(Unaudited)	(Unaudited)
	Note	**HK$'000**	HK$'000
Sales of raw materials or finished goods to:	(i)		
Associates			
– Paper Mill Entities		**17,194**	9,325
– Other		**3,098**	11,898
A substantial shareholder		**784**	–
Subsidiaries of a substantial shareholder, other than Paper Mill Entities		**979**	–
Purchase of raw materials from:	(i)		
Associates			
– Paper Mill Entities		**35,142**	30,092
– Other		**2,178**	7,458
A subsidiary of a substantial shareholder, other than Paper Mill Entities		**1,070**	–
Rental income from an associate	(i)	**267**	9
Advisory fee paid to a company in which a former non-executive director of the Company is controlling shareholder	(ii)	**–**	57
Service fees paid to substantial shareholders	(iii)	**275**	143

Notes to the Condensed Consolidated Interim Financial Information (Continued)

21. Related Party Transactions (Continued)

(a) Transactions with related parties (Continued)

Note:

(i) The transactions were carried out in the normal course of business of the Group and on terms as agreed with the parties.

(ii) The advisory fee paid was charged based on a mutually agreed basis.

(iii) The service fees were payable respectively to Asia Packaging Company Limited and Rengo Co., Ltd., both are substantial shareholders of the Company. The service fees were charged on a mutually agreed basis.

(b) Compensation of key management personnel of the Group

	For the six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Short-term employment benefits, including share-based payments	**10,600**	13,994
Post-employment benefits	**254**	273
	10,854	14,267

22. Operating Lease Commitments

The Group leases certain of its office properties, warehouse, staff quarters and directors' quarters under non-cancellable operating lease arrangements.

At the end of the reporting period, the Group had total future aggregate minimum lease payments under non-cancellable operating leases falling due as follows:

	30 September	31 March
	2012	2012
	(Unaudited)	(Audited)
	HK$'000	HK$'000
Not later than one year	**5,840**	5,230
Later than one year and not later than five years	**15,390**	10,470
Later than five years	**68,005**	71,357
	89,235	87,057

Notes to the Condensed Consolidated Interim Financial Information (Continued)

23. Commitments

In addition to the operating lease commitments disclosed in Note 22 above, the Group had the following capital commitments at the end of the reporting period:

	30 September 2012 (Unaudited) HK$'000	31 March 2012 (Audited) HK$'000
Contracted for, but not provided for plant and machinery	**31,674**	18,673
Authorised but not contracted for	**–**	–

24. Contingent Liabilities

At the end of the reporting period, contingent liabilities not provided for in the condensed consolidated financial statements were as follows:

	Group		**Company**	
	30 September 2012 (Unaudited) HK$'000	31 March 2012 (Audited) HK$'000	**30 September 2012 (Unaudited) HK$'000**	31 March 2012 (Audited) HK$'000
Guarantees given to banks for banking and trading facilities granted to subsidiaries and associates of the Company	**26,204**	26,208	**2,002,491**	2,022,698
Amount of banking facilities guaranteed by the Company and utilised by subsidiaries and associates of the Company	**26,204**	26,208	**806,762**	816,322

At the end of the reporting period, the directors do not consider it is probable that a claim will be made against the Company under any of these guarantees.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

25. Restricted Share Award Scheme

The Restricted Share Award Scheme (the "Scheme") was adopted by the Company on 21 December 2009 as an incentive to attract, motivate and retain employees of the Group. The Scheme expired on 30 June 2012 and has been extended to 30 June 2015.

Eligible participants of the Scheme are senior management and directors of the Group.

Under the rules of the Scheme, shares will be awarded to the participants of the Scheme when certain performance target is met and shares will be awarded to the participants on or before 30 June of each financial year. There was no share offered and awarded to the participants during the six months ended 30 September 2012. In April 2011, a total of 4,084,486 shares were offered and awarded to the participants. These shares had been accounted for during the year ended 31 March 2011. The shares granted will be vested to the participants in three equal tranches upon certain vesting conditions are fulfilled. A total of 1,938,066 shares (30 September 2011: 1,283,985 shares) at an average fair value of HK$5,387,000 (30 September 2011: HK$3,049,000) were vested during the period. The total number of shares held by the Trustee was 4,504,672 shares (31 March 2012: 6,442,738 shares).

The fair value of the shares was determined based on the closing market price of the Company's shares that are publicly traded on the Stock Exchange on the grant date.

Share-based payment of HK$1,269,000 (30 September 2011: HK$3,359,000) has been recognised in the condensed consolidated income statement as employee benefit expense.

Movement in the number of shares awarded and their related average fair value is as follows:

	For the six months ended 30 September			
	2012		2011	
	Average fair value per share	**Number of shares awarded**	Average fair value per share	Number of shares awarded
At 1 April		**4,914,735**		7,726,723
Vested	**2.78**	**(1,938,066)**	2.37	(1,283,985)
At 30 September		**2,976,669**		6,442,738

Notes to the Condensed Consolidated Interim Financial Information (Continued)

25. Restricted Share Award Scheme (Continued)

Shares held by Law Debenture Trust (Asia) Limited as Trustee for the purpose of the Scheme are listed below:

	Number of shares	
	30 September 2012	31 March 2012
At 1 April	**6,442,738**	3,851,969
Shares purchased by the Trustee from the market during the period/year	**–**	3,874,754
Shares vested during the period/year	**(1,938,066)**	(1,283,985)
At 30 September/31 March	**4,504,672**	6,442,738

There was no purchase of share for the Scheme during the six months ended 30 September 2012. During the six months ended 30 September 2011, the total consideration paid for the purchase of 3,874,754 shares was HK$9,737,000.

Management Discussion and Analysis

For the six months ended 30 September, 2012, the Group's sales revenue rose by 8% to HK$1,707 million led by double digit growth in our export business. Profit attributable to shareholders rose by 46% to HK$45 million, primarily due to the slowdown in the inflation rate for input costs in China and the gains from a number of automation and productivity initiatives implemented by the Group.

The macro situation for exports remains challenging with limited economic recovery in the United States and no sign of recovery in the Eurozone. The international book market is faced with falling demand partly attributable to the decline of brick and mortar stores and the increasing use of e-books. This has accelerated the rate of consolidation in the export printing industry, particularly in southern China, where some companies have down-sized or switched their focus to the domestic packaging market.

This consolidation trend has benefitted Hung Hing, with publishers around the world seeking the reassurance of size and established reputation when selecting a printing partner. Together with our ongoing sales and marketing efforts, this has enabled the Group's largest business unit – Book and Package Printing – to grow first-half revenue by 19% over last year and increase its contribution to Group profits by over 200% to HK$42 million. Our diverse production capabilities and value added services, solid track record in quality, reliability and compliance have been instrumental in earning the trust of customers.

The Group has also embraced electronic books through BelugaBloo, a proprietary e-bookstore application that runs on popular tablets and smart phones. BelugaBloo offers e-conversion and reach-out capabilities to our children's book publishing clients. This additional option has served to deepen our relationship with these publishers and, in turn, strengthened our printing business.

The China domestic market presents a different set of challenges for our packaging business. Fast-growing and fragmented, the mainland packaging printing industry has seen over-investment leading to fierce price competition despite rapidly rising demand. A slowing economy and new entrants moving from book printing has made the situation worse.

In response, the Group has recruited more sales people to drive the Consumer Packaging Printing business, and installed dust-free manufacturing zones in our Zhongshan and Wuxi plants to meet the higher hygiene and quality requirements of the packaged food and personal care sectors. Even so, in our first half-year revenue for Consumer Packaging Printing was down by 4% to HK$373 million.

With many external uncertainties, the Group has focused on controlling costs and improving efficiency to maintain competitiveness. Significant investments have been made to redesign factory layouts and streamline production processes. Automation is playing a key role and more labor-intensive work is gradually moving from Shenzhen to Heshan to reduce payroll costs. Cost efficiency and optimal capacity utilization will be the most important drivers of profitability in the coming months and years.

The Group's balance sheet remains strong with a net cash position of HK$134 million at 30 September 2012. Backed by the Group's strong cash flow and solid financial position, the Board of Directors has declared an interim dividend of HK 3 cents per share.

Management Discussion and Analysis (Continued)

BUSINESS UNIT REPORTS

Book and Packaging Printing

Hung Hing is one of the world's leading producers of folding cartons and packaging for toys, cosmetics and other consumer products. It is also one of the world's largest manufacturers of conventional and children's novelty books.

Production of folding carton, packaging, conventional books and children's books is carried out at the Group's Shenzhen and Heshan plants in China's Guangdong province and at a plant in Hong Kong. The three plants have a combined production space of 2.5 million square feet and employ over 9,000 workers.

The Shenzhen and Heshan plants are ISO 9001, ISO 14001, ICTI-COBP and FSC/PEFC certified. Our Shenzhen plant has the honor of being the first printing facility in Asia to be PSAsm (Printing Standards Audit) accredited by the RIT (Rochester Institute of Technology), recognizing our high standards in data reception, proofing and printing.

The Group's global client base includes many of the world's most recognized toy, cosmetics, and consumer goods producers, as well as leading publishers. Book and Package Printing is the Group's largest business unit.

The Book and Package Printing business reported the following results for the first half-year:

- Revenue of HK$1,024 million, up 19% from HK$860 million the previous year
- Profit contribution of HK$42 million, up 204% from HK$14 million last year
- Profit contribution margin of 4%, up from 2% the previous year

Review of Operations

Economic recovery continues to be slow across our export markets. In addition, the increasing use of e-books and the gradual reduction of retail shelf space in developed economies have continued to impact the book market. These ongoing developments have accelerated the pace of industry consolidation, particularly among export printers in south China. As one of the largest and most reputable printers in the region, Hung Hing has emerged as a beneficiary of this process, growing sales revenue by 19% to HK$1,024 million in the first half year.

While commodity and other material costs remained flat, wages rose by more than 10% in south China since late last year. In response to these spiraling labor costs, we have tightened our cost controls and reviewed pricing, in particular for labor-intensive children's novelty books. In our ongoing drive for productivity improvements, we have introduced more efficient factory floor layouts and production processes, and continued the gradual transfer of manual work from Shenzhen to Heshan. Our growing market share coupled with tighter cost management have led to an improvement in profitability.

Management Discussion and Analysis (Continued)

Consumer Product Packaging

Hung Hing provides high quality packaging solutions for customers through its production plants at Zhongshan in southern China and Wuxi near Shanghai. With a workforce of 2,000 and wide-ranging capabilities, these two plants are well positioned to capture the growing consumer market in China.

The Consumer Product Packaging business unit reported the following results for the first half of the year:

- Revenue of HK$373 million, down 4% from HK$389 million the previous year
- Profit contribution of HK$4 million, down from HK$10 million last year
- Profit contribution margin of 1% compared with 3% the previous year

Review of Operations

Domestic packaging is a large yet highly fragmented market. While enjoying relatively high growth, the industry has always been characterized by over-investment and severe price competition. The economic slowdown together with the move by some book printers into the packaging business, have further increased competition leading to reduced revenue and margins in the first half of the year.

We are optimistic about the long term growth opportunity in the domestic packaging market. Even though the keen competition will continue, we maintain a positive business outlook for the next few months leading up to the Lunar New Year. We have taken action to enhance our local sales team and have added dust-free manufacturing zones in our Zhongshan and Wuxi plants, which are now BRC (British Retail Consortium) certified, making them much more appealing to packaged food and personal care clients.

Corrugated Box

Hung Hing operates a competitive corrugated box manufacturing business that supplies a wide range of companies, including toy, food and beverage, electronics and household product manufacturers.

Nearly 55% of the corrugated box business is generated from Hong Kong-based exporters, while the remaining 45% comes from customers in China. The business operates a manufacturing facility in Shenzhen and a distribution center in Hong Kong.

The Corrugated Box business reported the following results for the first half of the year:

- Revenue of HK$145 million, down 1% from HK$147 million the previous year
- Profit contribution of HK$17 million, down 16% from HK$20 million last year
- Profit contribution margin of 9%, down from 10% the previous year

Management Discussion and Analysis (Continued)

Review of Operations

The Corrugated Box business benefits from proximity to and operational alignment with the Group's Book and Package Printing business, which provides stable demand equal to about 25% of the business. An overlapping base of customers and market segments also provides sales opportunities for both business units.

The Corrugated Box business was affected by the slowdown in export activities across the Pearl River Delta. In response, we have enhanced sales development efforts in the domestic market, which has helped to partially offset the shortfall in the export sector. Management has also taken initiatives to enhance production processes and factory floor layouts to improve efficiency.

Paper Trading

Hung Hing is one of the largest paper trading operators in Asia outside Japan. The business unit's well managed facility in Shenzhen can store over 60,000 tons of paper and supply a large variety of paper types to customers with short lead times at competitive prices.

The business unit also serves a strategic purpose as an integral part of the Group's supply chain, providing a stable supply of paper at highly competitive prices to the Group's core printing and packaging businesses.

The Paper Trading business reported the following results for the first half of the year:

- Revenue of HK$165 million, down 6% from HK$176 million the previous year
- Profit contribution of HK$12 million, down 45% from HK$21 million last year
- Profit contribution margin of 3%, down from 5% the previous year

Review of Operations

Over 80% of sales by the Paper Trading business are to export manufacturers in south China, with the balance going to the China domestic market. During the half-year under review, revenue was affected by the slowdown in export activity across the Pearl River Delta and our tightened credit management. 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.

Management Discussion and Analysis (Continued)

Associated Companies

Hung Hing has equity interests in two businesses: a 17% stake in Rengo Hung Hing Paper Manufacturing located in Zhongshan, Guangdong Province; and a 40% stake in Graphic Hung Hing Packaging (Shanghai) Co. Ltd. The Group's share of the losses from the two businesses in the six-month period amounted to HK$9.7 million.

The paper manufacturing business operates three production lines at the Zhongshan plant, converting wasted paper into corrugated medium and testliner. The paper is sold to outside converters as well as to Hung Hing corrugated box operators.

Graphic Hung Hing Packaging (Shanghai) Co. Ltd. is a joint venture ("JV") with Graphic Packaging International, a leading provider of packaging solutions in the beverage industry. Based in Shanghai, the JV sells multi-pack beverage packaging cartons to customers throughout China.

Liquidity and Capital Resources

The Group continues to maintain a strong financial position. As of 30 September 2012, the Group had net cash on hand (total cash net of bank borrowings) of HK$134 million.

During this period, the Group invested HK$28 million in machinery and equipment, primarily to enhance production efficiency. A new printing press was ordered for the Heshan plant and is expected to be installed by the end of 2012.

Most of the Group's cash is held in Renminbi since the Group's operating expenses are mainly incurred in this currency. Surplus cash placed in Renminbi deposits enabled the Group to earn higher interest income of HK$6.5 million for the period under review, which was 47% higher than same period last year.

As of 30 September 2012, the Group had total cash on hand, including pledged time deposits, of HK$562 million. Of the cash on hand, 72% was held in Renminbi, 16% in Hong Kong Dollars, 9% in U.S. Dollars, and 3% in Euros and Pounds Sterling.

During the period, the Group repaid bank loans of HK$123 million. As of 30 September 2012, the Group's total bank borrowings were HK$428 million. According to the loan repayment schedules with banks, HK$151 million was repayable within one year, HK$141 million was repayable in one to two years, and HK$136 million was repayable in two to five years.

Of the Group's total bank borrowings, as at 30 September 2012, 93% was in Hong Kong Dollars, 4% in U. S. Dollars and 3% in Renminbi. Of this, 90% was owed to banks in Hong Kong with interest rates at HIBOR or the bank's cost of funds plus an agreed percentage mark-up. The remaining 10% was owed to banks in the PRC at interest rates linked to the People's Bank of China (PBOC) base rate or the bank's cost of funds plus an agreed percentage mark-up.

The Group's gearing ratio comparing bank borrowings to total equity was 15% (2011: 22%).

Management Discussion and Analysis (Continued)

Our People

People are our most valuable asset and the Group is fortunate to have a highly skilled and dedicated workforce. We offer competitive remuneration and equal opportunities to all our employees, and have put a special emphasis on both internal and external training to enable our people to be the best they can be.

In our factories, all employees receive orientation training to ensure they know their rights, our occupational health and safety policies, and the factory regulations. A dedicated team provides a wide range of training to all levels of staff, aimed at improving productivity, management skills, technical competency and occupational health and safety.

Significant occupational health and safety improvements have been made with the total incident rate for the reporting period improving to 0.27 from 0.38 the year before – this number equates to 0.27 incidents per year for a company of 100 employees.

The Group continues to manage the workforce cautiously to optimize headcount in a largely seasonal operating environment. As of 30 September 2012, the Group employed 12,449 staff, with 357 based in Hong Kong and 12,092 in China.

Environmental Sustainability

The Group's environmental protection efforts have changed from a project basis to a continuous improvement model with the establishment of environmental improvement teams in our factories. The teams hold regular meetings to discuss green ideas suggested by employees at every level of the organization. This process not only produces many more potential environmental initiatives, but also raises employee awareness of environmental protection.

One suggestion to replace 840 old taps in our Heshan factory's dormitory area with new water-saving models has helped to save approximately 250,000 liters of water per year.

Other environmental improvement projects include:

- Changing air-conditioner compressors to inverter types, saving 38,000KWH of electricity per year

- Using heat pump hot water equipment in dormitories, instead of electric heaters, to supplement the solar heating panels, saving 60,000KWH of electricity per year

The Group has also started, where appropriate, to change exhaust fans on the factory floors from high speed, high power models to low speed, high air-flow types; which consume 70% less energy per unit, while generating greater air flow to reduce interior temperatures and improve air quality.

Management Discussion and Analysis (Continued)

To reduce the emission of VOCs, the Group is using alcohol-free dampening solutions for most of our printing presses, resulting in reductions in VOC (Isopropanol) emissions over 15,000kg per month.

Our green sourcing continues to increase the amount of recycled paper and paper from sustainable sources that we purchase. Over the reporting period, more than 45% of our paper came from post-consumer waste, and the ratio of certified sustainably sourced paper (Forest Stewardship Council – FSC or Programme for the Endorsement of Forest Certification – PEFC) increased to 23% from 9% in the same period last year.

Prospects

Looking forward, it is unlikely that global macro uncertainties will be resolved in the short term, and current industry trends are likely to continue to present a range of opportunities and challenges for the Group.

We believe that e-books will gradually expand the total publishing market. Through BelugaBloo, we are well positioned to work with our publishing clients to provide on-line interactive book experiences for toddlers and children. And while some categories of printed book may decline as a result of the gradual move to electronic formats, demand for two of our strongest categories – coffee table and children's novelty books – is expected to hold up well. The Group should also continue to benefit from the ongoing industry consolidation and our diversification into new geographic markets.

In the meantime, the Group is working to grow both our product and service offerings. Leveraging our large pool of skilled manual workers, we are expanding into the point-of-purchase shelf business, initially only for the export market. We are also adding creative and design capabilities to enrich the services we can offer to international and domestic packaging customers.

The Group is also exploring opportunities in China's cosmetics packaging and print-book market, particularly children's novelty books, which will leverage our expertise and reputation built up over many years servicing overseas publishers and luxury product manufacturers.

Overall, our strong balance sheet, long-standing reputation, high levels of expertise and competitive offerings will continue to reassure current customers and attract new business. Our ongoing focus on cost and process efficiency will maintain a strong foundation for the Group, which remains well placed to consolidate existing business and grasp new opportunities in both export markets and domestic China.

Information Provided in accordance with the Listing Rules

CHANGE OF FINANCIAL YEAR END DATE

On 16 April 2012, the directors announced that the financial year end date of the Company has been changed from 31 March to 31 December.

INTERIM DIVIDEND

The directors have resolved to pay an interim dividend of HK 3 cents (30 September 2011: HK 2 cents) per share. The interim dividend will be paid on 27 December 2012 to shareholders whose names appear on the Register of Members of the Company on 14 December 2012.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 12 December 2012 to 14 December 2012, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Tengis Limited of 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 11 December 2012.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's securities during the period.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 September 2012, the interests of the directors in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long positions in ordinary shares of the Company:

	Number of shares held, capacity and nature of interest					
Name of directors	**Directly beneficially owned**	**Through spouse or minor children**	**Through controlled corporation**	**Share award scheme**	**Total**	**Percentage of the Company's issued share capital**
Yum Chak Ming, Matthew	14,140,161	–	–	1,010,869	15,151,030	1.67
Sung Chee Keung	1,054,326	60,000	–	368,738	1,483,064	0.16
Yap, Alfred Donald	27,504	–	–	–	27,504	–

Save as disclosed above, as at 30 September 2012, none of the directors had registered an interest or short position in the shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Information Provided in accordance with the Listing Rules (Continued)

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Pursuant to the Restricted Share Award Scheme, the executive directors are eligible participants of the Restricted Share Award Scheme, details of which are set out in note 25 to the financial information.

Save as disclosed above, at no time during the period were rights to acquire benefits by means of the acquisition of shares in of the Company granted to any director or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 September 2012, the following interest of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions:

Name	Note	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
C.H. Yam International Limited*	(a)	Directly beneficially owned and through controlled corporation	290,834,379	32.03
C.H. Yam Holding Limited	(a)	Through controlled corporation	199,263,190	21.95
Hung Tai Industrial Company Limited	(a)	Directly beneficially owned	199,263,190	21.95
Rengo Co., Ltd.		Directly beneficially owned	271,552,000	29.91
CVC Capital Partners SICAV-FIS S.A	(b)	Through controlled corporation	69,024,445	7.60
CVC Capital Partners 2012 Limited	(b)	Through controlled corporation	69,024,445	7.60
CVC MMXII Limited	(b)	Through controlled corporation	69,024,445	7.60
CVC Portfolio Holdings Limited	(b)	Through controlled corporation	69,024,445	7.60
CVC Group Holdings L.P.	(b)	Through controlled corporation	69,024,445	7.60
CVC Capital Partners Finance Limited	(b)	Through controlled corporation	69,024,445	7.60
CVC Capital Partners Advisory Company Limited	(b)	Through controlled corporation	69,024,445	7.60

Information Provided in accordance with the Listing Rules (Continued)

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES (CONTINUED)

Name	Note	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
CVC Capital Partners Asia III Limited	(b)	Through controlled corporation	69,024,445	7.60
CVC Capital Partners Asia Pacific III L.P.	(b)	Through controlled corporation	69,024,445	7.60
Asia Packaging Group Holdings Limited	(b)	Through controlled corporation	69,024,445	7.60
Asia Packaging Holdings Limited	(b)	Through controlled corporation	69,024,445	7.60
Asia Packaging Company Limited	(b)	Directly beneficially owned	69,024,445	7.60
Aberdeen Asset Management PLC		Through controlled corporation	64,272,000	7.08

* C.H. Yam International Limited, established by the founder of the Company, was held by Mr. Yum Chak Ming, Matthew, Mr. Yam Hon Ming, Tommy and other immediate family members of the founder as at 30 September 2012. None of such interests renders C.H. Yam International Limited a controlled corporation (as defined in SFO) of any of Mr. Yum Chak Ming, Matthew, Mr. Yam Hon Ming, Tommy or any other members of the family.

Note:

(a) C.H. Yam International Limited owns Hung Tai Industrial Company Limited as to 100% through its wholly-owned subsidiary, C.H. Yam Holding Limited.

There is a duplication of interests of 199,263,190 shares in the Company among C.H. Yam International Limited, C.H. Yam Holding Limited and Hung Tai Industrial Company Limited.

(b) There is a duplication of interests of 69,024,445 shares in the Company among CVC Capital Partners SICAV-FIS S.A, CVC Capital Partners 2012 Limited, CVC MMXII Limited, CVC Portfolio Holdings Limited, CVC Group Holdings L.P., CVC Capital Partners Finance Limited, CVC Capital Partners Advisory Company Limited, CVC Capital Partners Asia III Limited, CVC Capital Partners Asia Pacific III L.P., Asia Packaging Group Holdings Limited, Asia Packaging Holdings Limited and Asia Packaging Company Limited.

Save as disclosed above, as at 30 September 2012, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests in shares and underlying shares" above, had registered an interest and short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

Information Provided in accordance with the Listing Rules (Continued)

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors, the Company has complied with the code provisions listed in the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules throughout the accounting period covered by the interim results, with the exception that:

1. Code Provision A.2.1 provides that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Currently the roles of chairman and chief executive officer have been undertaken by Mr. Yum Chak Ming, Matthew. The Board is of the opinion that it is appropriate and in the best interests of the Company that Mr. Yum should hold these offices. The Board believes that it is able effectively to monitor and assess management in a manner that properly protects the interests of shareholders.

2. Code Provision A.4.1 provides that non-executive directors should be appointed for a specific term, subject to re-election. The non-executive directors of the Company are not appointed for a specific term. However under the Articles of Association of the Company, one-third of the directors who have served longest on the Board shall retire from office by rotation every year at the annual general meeting. All directors of the Company retire by rotation at least once every three years and hence the terms of appointment of the non-executive directors are limited accordingly.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Lister Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the Company's directors, the directors have complied with the required standard set out in the Model Code, throughout the accounting period covered by the interim results.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the interim results for the six months ended 30 September 2012 and the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters. The audit committee comprises of three independent non-executive directors and a non-executive director of the Company.

By Order of the Board
Hung Hing Printing Group Limited
Yum Chak Ming, Matthew
Executive Chairman

Hong Kong, 20 November 2012