

# Hung Hing Printing Group Ltd. 2015 Final Results

鴻興印刷集團有限公司  
Hung Hing Printing Group Limited







# Result Highlights – Hung Hing Printing Group Ltd.



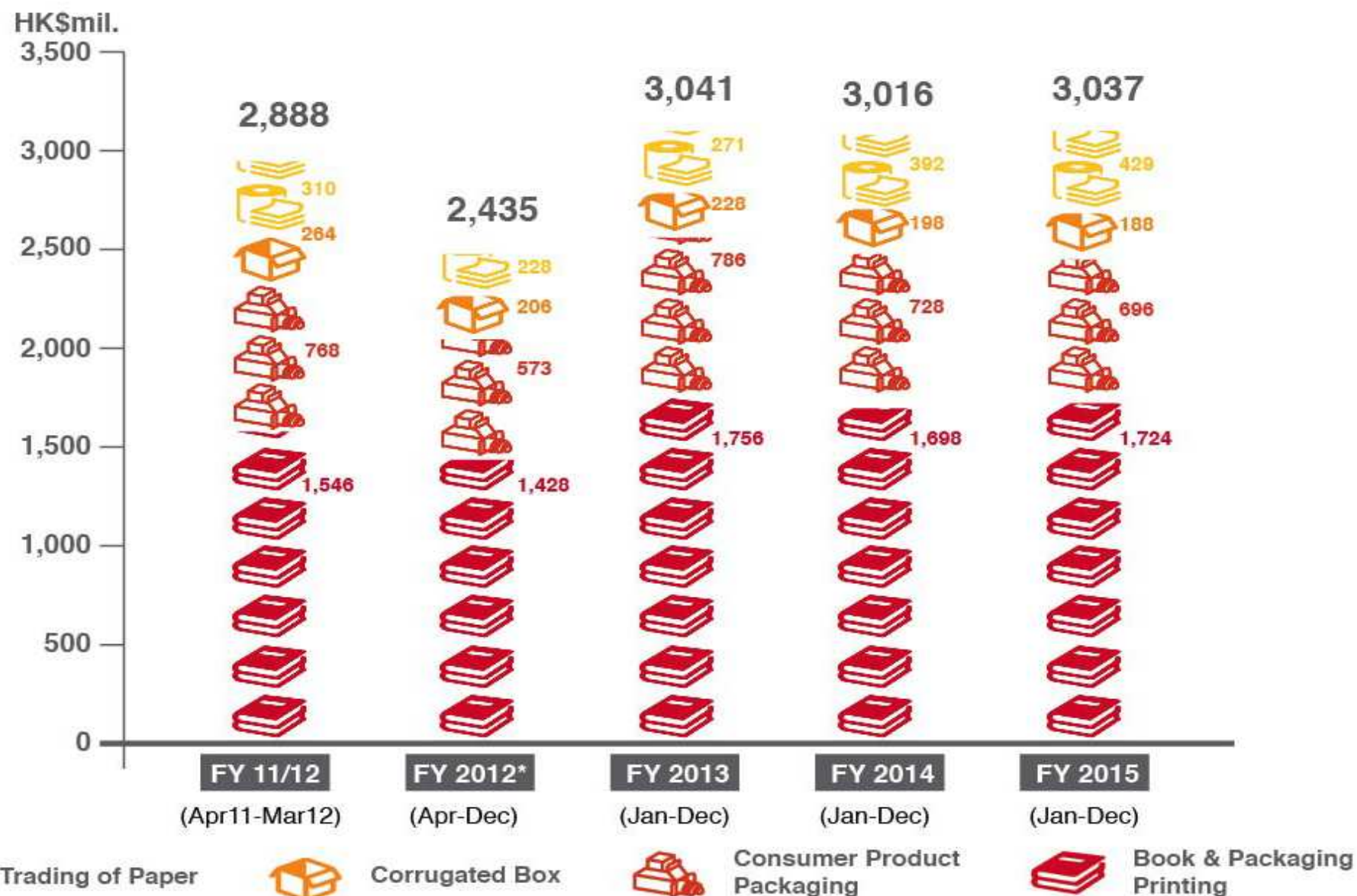
**Proactive management & prudent financial strategies**

contribute to the growth



	2015 HK\$ million	2014 HK\$ million
Group revenue increased 0.7% 	3,037	3,016 (restated)
Operating profit increased 75% 	72	41
Profit before income tax increased 106% 	65	32
Profit attributable to shareholders increased 383% 	38	8
Net cash <b>continues to be robust</b> 	539	563
Earnings per share <b>significantly increased</b>	HK4.2 cents	HK0.9 cents
Proposed final dividend 	HK2.5 cents	HK2 cents
Total dividend for the year, <b>up 33%</b>	HK4 cents	HK3 cents

# Sales Revenue (External Customers)

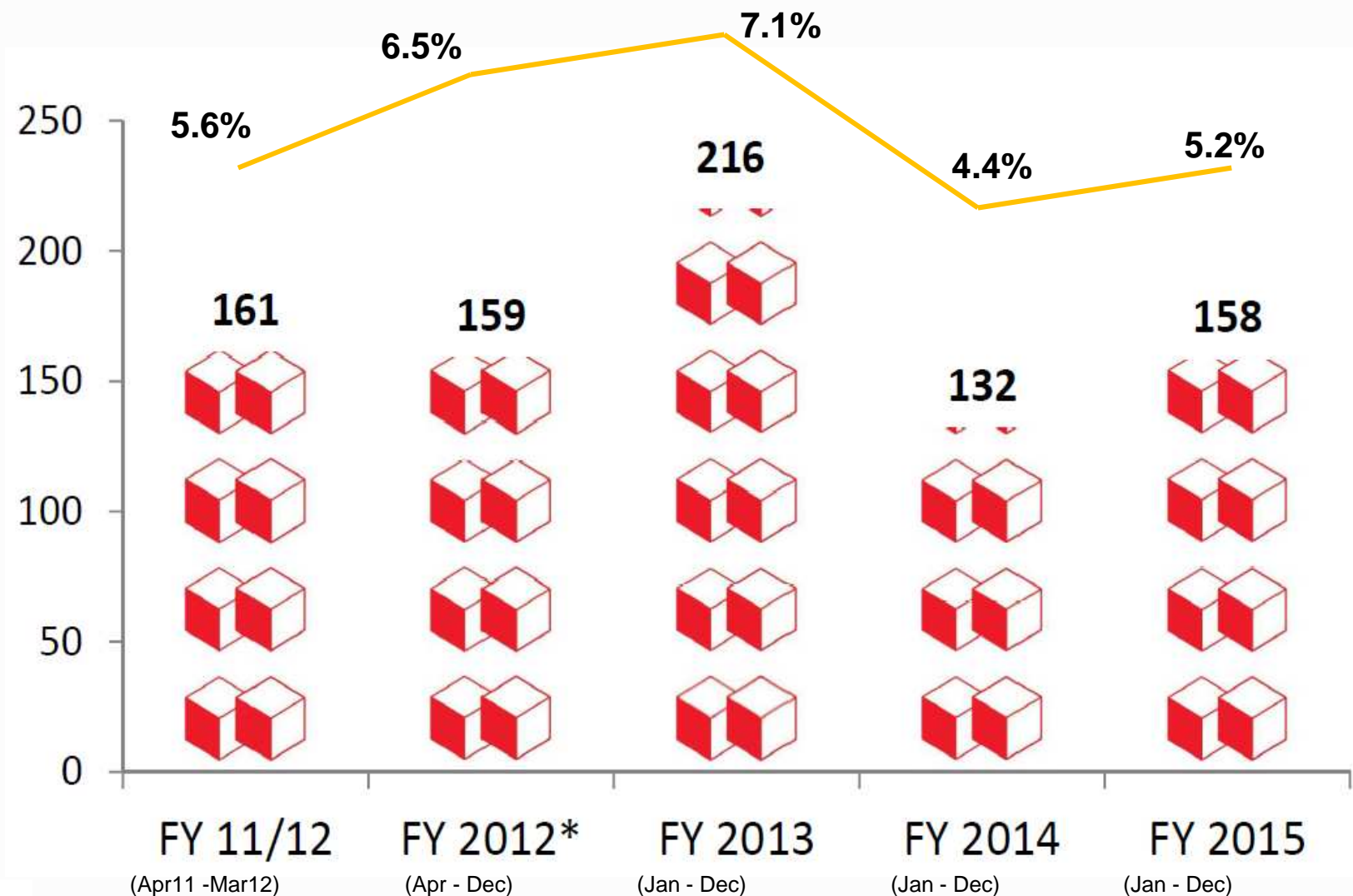


\* Nine months' results for financial year FY2012 due to change of year end from 31-Mar to 31-Dec.



# EBITDA

## EBITDA (HK\$ million / % of Sales)



\* Nine months' results for financial year FY2012 due to change of year end from 31-Mar to 31-Dec.

# Segment Revenue & Profit Contribution %



## Book & Packaging Printing (BPP)



## Consumer Product Packaging (CPP)



## Corrugated Box



## Trading of Paper

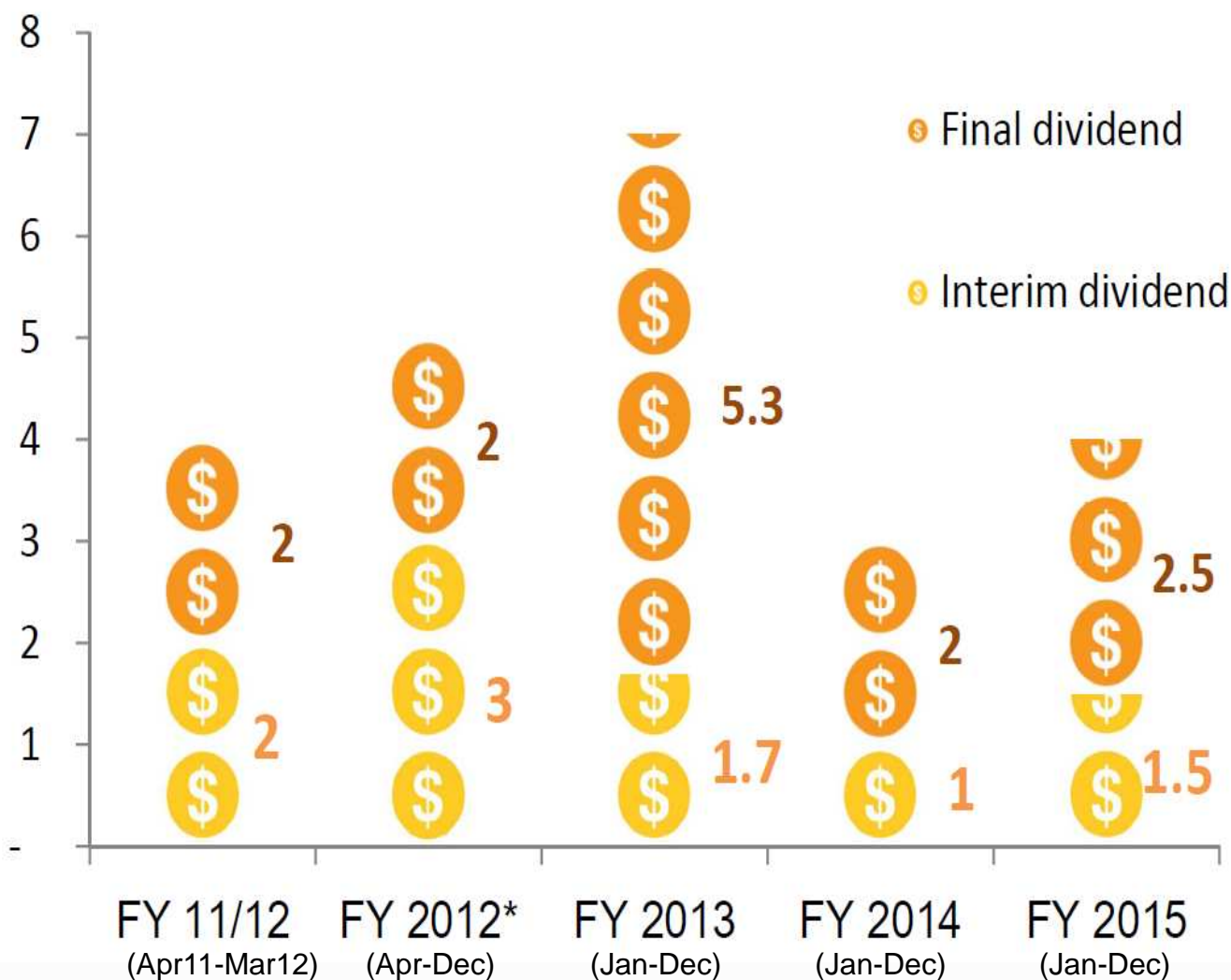


■ External Revenue

■ Intersegment Revenue

○—○ Segment profit contribution (%)

# Proposed HK¢ 2.5 as final dividends



## Commentary

- 2015 Dividends
 

Interim (paid)	1.5 cent
Final (proposed)	2.5 cents
<b>Total 2015</b>	<b>4 cents</b>
- Dividend yield: 3.8 %
- Payout ratio: 95 %

\* Nine months' results for financial year FY2012 due to change of year end from 31-Mar to 31-Dec.

# Appendices

鴻興印刷集團有限公司  
Hung Hing Printing Group Limited



# ECO Factory

In year 2015, we consumed over 68,500 Tons FSC and PEFC paper, and recycled over 618 tons of plastic and metal wastes. We also hold a number of environmental related certificates



## FSC

**Forest Stewardship Council - Chain of Custody** to ensure paper originates from well-managed Forest since 2007



## PEFC

**Programme for the Endorsement of Forest Certification Schemes - Chain of Custody** provides link between paper products and sustainably managed forest.



## Hong Kong – Guangdong Cleaner Production Partner

We have participated the program for more than 5 years and awarded different types of medals in these years.



## China Environmental Labelling

Our materials, manufacturing processes and products comply with China environmental requirement.



## ISO14001

International Standard in environmental management system to minimize the environmental impact and look for continuous improvement. Certified since 2003



# Workspace And Products Safety

Our factories have accredited different ethical standards. Raw Materials and products comply with international safety standards.



## Caring Company

We participated in Caring Company program since 2006



## ICTI-Care

International Council of Toy Industries– Care program, an ethical standard adopted by toy industries worldwide



## GSV

Global Security Verification, a supply chain security practice standard that meets requirement for export goods to United States



## EN71

European toy safety standard



## CNAS

We have China National Accreditation Service certified laboratory to perform chemical tests on our materials to ensure compliance with safety standards



## REACH

Raw materials comply with REACH and no chemicals in SVHC List (Substances of Very High Concern)



## Rohs

European regulation on Restriction Of Hazardous Substances in electrical and electronic equipment.



## ASTMF963

US toy safety standard



# Quality And Standards

Our factories have achieved various quality and hygienic workspace standards



## GMI

Graphic Measures International Ltd, an approach adopted by some large retailing companies to monitor and measure the quality performance of packaging suppliers.



## PSA

Printing Standards Audit certification is a rigorous, objective process for assessing a printer's color control ability to operate a standards-compliant workflow.



## BRC

British Retail Consortium, a standard to ensure workplace hygiene and process is suitable to produce indirect food contact items.



## ISO9001

International Standard in Quality Management System for continuous quality improvement through the implementation of Plan-DO-Check-Act cycle.



# BELUGA

print + digital

## 2015 Annual Presentation

# Publishing and Education



Interactive story books



# Publishing and Education

**STAGES**  
learning materials

link4fun



Link4Fun brings technology into the learning field by integrating iPad apps with books and cards. With a turn of a page or a tap of a card, your child's imagination comes to life while learning fundamental words.

# Publishing and Education



451 Interactive Publishing redraws the boundaries of what comic book storytelling can be. By combining Touchcode technology with the visionary talents of the comic industry's leading artists we have created a first of its kind interactive experience. By creating characters and worlds so large they break through the confines of the panel and page we are captivating and engaging readers with a fresh and entirely unique experience.

# Marketing and Promotion



Premium Malt Campaign in 10 major cities in Japan



# Marketing and Promotion



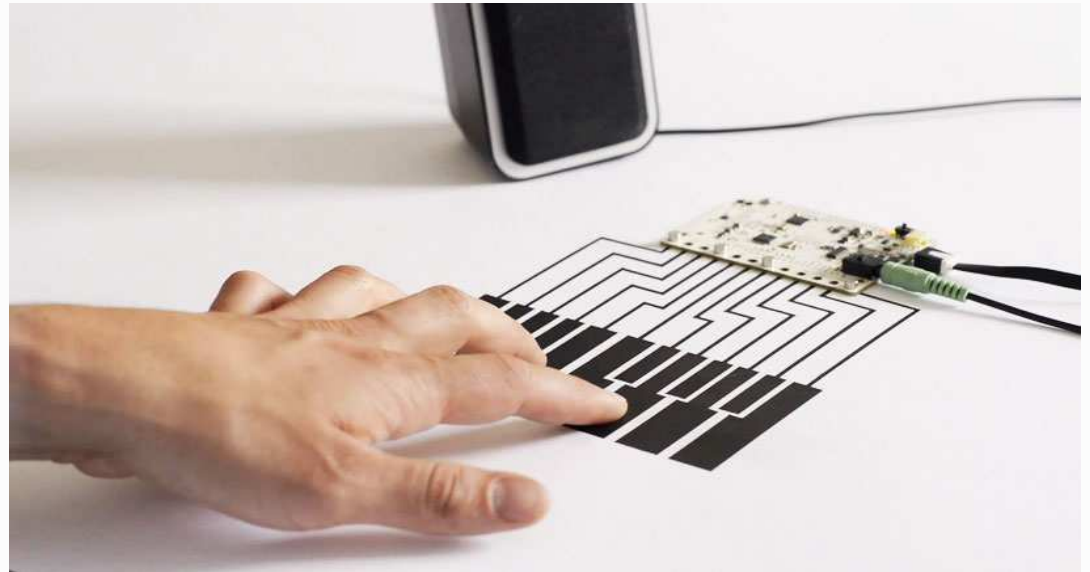
Boxing Day Lucky Draw promotion with Touchcode



# New Developments



3D AR Colouring



Bluetooth + Conductive ink circuit

# Appendix: Four Complementary Hung Hing Business Segments

					
	Book & Package Printing	Consumer Product Packaging	Corrugated Box	Paper Trading	
Market position	<ul style="list-style-type: none"><li>■ Leader globally</li></ul>	<ul style="list-style-type: none"><li>■ Major player in China</li></ul>	<ul style="list-style-type: none"><li>■ Major player in South China</li></ul>	<ul style="list-style-type: none"><li>■ Major player in South China</li></ul>	
% 2015 revenue	<ul style="list-style-type: none"><li>■ 57% (HK\$1,724mil.)</li></ul>	<ul style="list-style-type: none"><li>■ 23% (HK\$696mil.)</li></ul>	<ul style="list-style-type: none"><li>■ 6% (HK\$188mil.)</li></ul>	<ul style="list-style-type: none"><li>■ 14% (HK\$429mil.)</li></ul>	
Key products	<ul style="list-style-type: none"><li>■ Conventional &amp; Children's books</li><li>■ Toys Packaging</li><li>■ Luxury Packaging</li></ul> <div></div>	<ul style="list-style-type: none"><li>■ Personal care products</li><li>■ Packaged food</li><li>■ Consumer goods &amp; electronics</li></ul> <div></div>	<ul style="list-style-type: none"><li>■ Primarily for export and transportation purposes</li></ul> <div></div>	<ul style="list-style-type: none"><li>■ High quality papers sourced from Europe, Americas, Southeast Asia and China.</li></ul> <div></div>	
Key facilities	<ul style="list-style-type: none"><li>■ Three production facilities in Shenzhen, Heshan, and Hong Kong</li><li>■ Total capacity of ~850 million impressions</li></ul>	<ul style="list-style-type: none"><li>■ Two production facilities in Zhongshan and Wuxi , both equipped with dust-free manufacturing zone and BRC (British Retail Consortium) certified.</li></ul>	<ul style="list-style-type: none"><li>■ Main production facility in Shenzhen</li><li>■ Additional facility in Zhongshan included under Consumer Product Packaging</li></ul>	<ul style="list-style-type: none"><li>■ Two warehouses in Shenzhen and Hong Kong, with total storage capacity of ~80,000 tons</li></ul>	

# Appendix: Hung Hing established multi-locations infrastructure

## Zhongshan



- Printing and manufacturing of folding cartons, litho lam and corrugated containers
- Awarded certifications of ISO9001, ISO14001, BRC, etc.
- Production area: 130,000 m<sup>2</sup>
- Production capacity: 222 million impressions

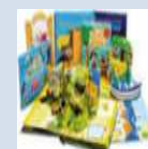
## Wuxi

- Printing & mfg. of folding cartons, litho lam and corrugated containers
- Awarded certifications of ISO9001, ISO14001, BRC, etc.
- Production area: 50,000 m<sup>2</sup>
- Production capacity: 147 million impressions



## Shenzhen

- Printing & mfg. of folding carton, children's & conventional books, litho lam, corrugated containers
- Paper Trading: warehouse of 36,600m<sup>2</sup> and storage capability of 60,000 tons
- Awarded certifications of ISO9001, ISO14001, ICTI-COBP, etc.
- Production area: 175,000 m<sup>2</sup>
- Production capacity: 638 million impressions



## Hong Kong

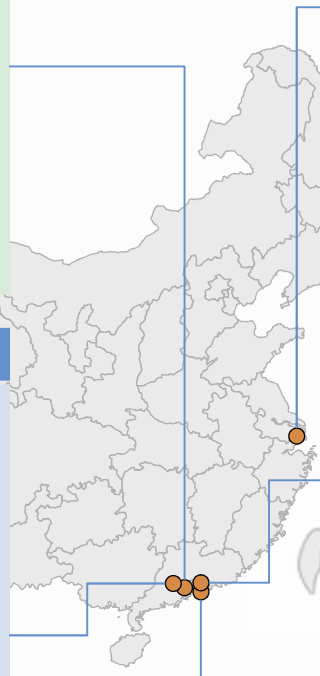
- Corporate headquarters
- Printing of conventional books
- Paper Trading: warehouse of 11,560 m<sup>2</sup> and storage capability of 20,000 tons



## Heshan



- Printing children's and conventional books
- ~330,000 m<sup>2</sup> of land available for further expansion, enough to double current operations
- Awarded certifications of ISO9001, ISO14001, ICTI-COBP, BRC, etc.
- Production area: 110,000 m<sup>2</sup>
- Production capacity: 213 million impressions



# Disclaimer

The presentation is prepared by Hung Hing Printing Group Limited (the “Company”) and is solely for the purpose of corporate communication and general reference only. The presentation is not intended as an offer to sell, or to solicit an offer to buy or to form any basis of investment decision for any class of securities of the Company in any jurisdiction. All such information should not be used or relied on without professional advice. The presentation is a brief summary in nature and does not purport to be a complete description of the Company, its business, its current or historical operating results or its future business prospects.

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**Note:**

The financial year end of Hung Hing Printing Group Limited (HHPG) has been changed from 31 March to 31 December since 2012.



# Thank you

## *A Leading Printer in Asia*

*With unrivalled market leadership, well-balanced portfolio and sustained growth for over six decades, Hung Hing is in an excellent position to take advantage of growing opportunities as our industry continues to build momentum.*