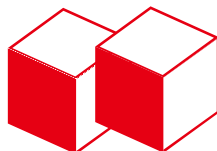


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**HUNG HING**

## **HUNG HING PRINTING GROUP LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 0450)**

### **ADOPTION OF RESTRICTED SHARE AWARD SCHEME**

The Board today resolved to adopt the restricted share award scheme as an incentive to attract, motivate and retain employees, executives and officers of the Group, whose contributions are or will be beneficial to the continual operation, development and long-term growth of the Group, pursuant to which existing Shares will be purchased by the Trustee from the market out of cash contributed by the Company and be held in trust for the relevant Selected Eligible Participants until such Shares are vested with the relevant Selected Eligible Participants in accordance with the provisions of the Scheme. The Board will implement the Scheme in accordance with the terms of the Scheme Rules including providing necessary funds to the Trustee for purchase of Shares up to 2% of the issued share capital of the Company as at the Adoption Date.

### **ADOPTION OF RESTRICTED SHARE AWARD SCHEME**

The Board today resolved to adopt the Scheme, pursuant to which existing Shares will be purchased by the Trustee from the market out of cash contributed by the Company and be held in trust for the relevant Selected Eligible Participants until such Shares are vested with the relevant Selected Eligible Participants in accordance with the Scheme Rules. The adoption of the Scheme shall become effective on the Effective Date.

The Board will implement the Scheme in accordance with the terms of the Scheme Rules including to provide necessary funds to the Trustee for purchase of Shares up to 2% of the issued share capital of the Company as at the Adoption Date. For the avoidance of doubt, no new Share will be granted under the Scheme.

### **Listing Rules Implication**

The Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company.

Pursuant to the Scheme, existing Shares will be purchased by the Trustee and be held in trust for the relevant Selected Eligible Participants. Selected Eligible Participants cover full-time or part-time employees, executives or officers of the Company or any of its Subsidiaries or any Directors. Accordingly, if the Board selects a Director as a Selected Eligible Participant, the grant of the Restricted Shares to such Director may constitute a connected transaction. However, given the grant of Restricted Shares to a Director will form part of the remuneration of the relevant Director under his service arrangement with the Company, such grant of Restricted Shares are exempted from all the reporting, announcement and independent shareholders' approval requirements under rule 14A.31(6) of the Listing Rules.

A summary of the Scheme Rules is set out below at the end of this announcement.

## **REASONS FOR THE ADOPTION OF THE SCHEME**

The Directors strongly believe that the future success of the Company is closely tied to the commitment and efforts of the employees of the Group. The Board proposes the Scheme to increase the degree to which the employee's interests are directly tied to the financial performance of the Company and the fortunes of Shareholders. The Restricted Shares to be awarded will be calculated and awarded on the basis of specific pre-defined criteria that directly link to Shareholders' return. The awards under the Scheme, if made, would have the incidental effect of allowing the Trustee to purchase the Shares at any time at its sole discretion.

## **SUMMARY OF THE SCHEME RULES**

### **Purposes and Objectives**

The purpose of the Scheme is to recognise and acknowledge the contributions which the Selected Eligible Participants had made or may make to the Group, to help the Group in attracting, motivating and retaining employees, executives and officers of the Group and to provide the Selected Eligible Participants a personal stake in the Company.

### **Administration**

The Scheme shall be subject to the administration of the Board in accordance with the Scheme Rules.

### **Maximum Limit**

The Board shall not make any further award of Restricted Shares which will result in the aggregate number of Restricted Shares awarded by the Board throughout the duration of the Scheme to be in excess of 2% of the issued share capital of the Company as at the Adoption Date. The maximum number of Restricted Shares which may be awarded to a Selected Eligible Participant under the Scheme shall not exceed 0.25% of the issued share capital of the Company as at the Adoption Date.

## **Restrictions**

No instructions and no payments to purchase Shares shall be given to the Trustee when any Director of the Company is in possession of unpublished price sensitive information in relation to the Company or where dealings by Directors of the Company are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

## **Operation**

Pursuant to the Scheme Rules, the Board may, from time to time, at its sole discretion select any employee(s), executive(s) or officer(s) of the Group Company after taking into various factors as they deem appropriate for participation in the Scheme as a Selected Eligible Participant and determines the number of Restricted Shares to be awarded to such Selected Eligible Participant. The Trustee may, at any time at its sole discretion, purchase from market such number of Shares and hold the same upon trust for the purpose of the Scheme. The Board shall cause to pay the Trustee the purchase price and the related expenses from the Company's resources for the Shares to be purchased by the Trustee. The Trustee shall hold such Shares until they are vested in accordance with the Scheme Rules and the Trust Deed. For the avoidance of doubt, all Shares purchased as aforesaid shall only be used for allocation to the Selected Eligible Participant(s) in accordance with the Scheme Rules.

The Selected Eligible Participant is entitled to receive income or distribution, such as dividend derived from the Restricted Shares allocated to him, prior to being vested with such Restricted Shares, but is not entitled to exercise any other rights attaching to such Restricted Shares, including the right to sell, transfer or vote at the Company's general meeting. When the Selected Eligible Participant has satisfied all vesting conditions specified in the Scheme Rules and by the Board at the time of making the award and become entitled to the Shares forming the subject of the award, the Trustee shall cause the relevant vested Shares to be transferred to such Selected Eligible Participant at no cost.

## **Vesting and Forfeiture**

Unless otherwise determined by the Board at its sole discretion, Restricted Shares being held by the Trustee upon the trust pursuant to the Scheme and which are referable to a Selected Eligible Participant shall not vest with the Selected Eligible Participant in the event that:

- the Selected Eligible Participant fails to remain as a Director or an employee, executive or officer of the Group Company (except for cases where such failure arises from normal retirement, death or disability of the relevant Selected Eligible Participant) on the date which the Restricted Shares are supposed to be vested with him; or
- the Selected Eligible Participant(s) fails to return duly executed transfer documents for vesting with the relevant Restricted Shares within the stipulated period.

Unless otherwise determined by the Board at its sole discretion, any entitlements to Restricted Shares shall be automatically forfeited when a Selected Eligible Participant fails to (i) remain as an employee of any Group Company (except for case where such failure arises from normal retirement, death or disability of the relevant Selected Eligible Participant) or (ii) to return

duly executed transfer documents within the stipulated period. Under such circumstances, the relevant Restricted Shares awarded shall not vest with the relevant Selected Eligible Participant but shall be held by the Trustee for the purposes of the Scheme.

If there occurs an event where a the Selected Eligible Participant fails to remain as an employee of any Group Company as a result of his normal retirement, death or disability, such Selected Eligible Participant's or his Personal Representatives' entitlement to the Restricted Shares already granted to him shall not lapse as a result of the occurrence of such event. The Selected Eligible Participant shall be entitled to further grants of Restricted Shares as determined by the Board at the end of the financial year in which such event occurred. The Selected Eligible Participant shall be entitled to be vested with all Restricted Shares granted to him (including those Restricted Shares granted to him prior to and after the occurrence of such event) within a period after the end of such financial year as specified in the Scheme Rules.

If there occurs a change in control (including a change in control as specified in The Codes on Takeovers and Mergers and Share Repurchases from time to time) of the Company, the Board shall, immediately upon such change of control being declared unconditional, determine the number of Restricted Shares to be offered to the Selected Eligible Participants taking into account the likely Shares performance for that financial year. The Selected Eligible Participant shall also be entitled to be vested with all Restricted Shares granted to him (including those Restricted Shares granted to him prior to and after the occurrence of such event) within a period after such change in control being declared unconditional as specified in the Scheme Rules.

If there occurs an event of a notice of meeting being given shareholders and/or creditors to consider any compromise, arrangement, amalgamation, reconstruction or voluntary winding-up of the Company, the Selected Eligible Participant shall be entitled to be vested with all Restricted Shares granted to him prior to the occurrence of such event within a period after the dispatch of such notice of meeting as specified in the Scheme Rules.

### **Voting Rights**

The Trustee shall not exercise the voting rights in respect of any Shares held pursuant to the Scheme and the Trust Deed (including but not limited to the Restricted Shares awarded pursuant to this Scheme).

### **Duration and Termination**

The Scheme shall become effective from the Effective Date and shall continue to be in full force and effect for a term expiring on the 30 June 2012 unless sooner terminated as determined by the Board. The remuneration committee of the Board shall review the value and efficacy of the Scheme and the Board shall, taking into account any recommendation of its remuneration committee, determine as to whether or not to renew the Scheme upon the expiry of its initial term.

The termination of the Scheme shall not affect any rights of the Selected Eligible Participant subsisting thereunder. The Scheme Rules shall in all other respects remain in full force and effect to the extent necessary to give effect to the vesting of the Restricted Shares granted prior to the termination. The Restricted Shares granted prior thereto but not yet vested (excluding those already lapsed or forfeited pursuant to the provisions herein) shall continue to be held by the Trustee in accordance with the terms of the Trust Deed and may be vested in accordance with this Scheme.

## **Definition**

Unless otherwise defined, the following expressions in this announcement have the following meanings:

“Adoption Date”	21 December 2009, being the date on which the Board adopted the Scheme
“Board”	the board of Directors of the Company, such committee or sub-committee or person(s) delegated with the power and authority by the board of Directors of the Company to administer the Scheme
“Company”	Hung Hing Printing Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code : 450)
“Director”	directors of the Company or any of its Subsidiaries including non-executive directors and independent non-executive directors
“Effective Date”	the date on which the Trust Deed is executed by the Company pursuant to this Scheme, but no later than six weeks from the day on which this Scheme was adopted and approved by the Board
“Group”	the Company and its Subsidiaries
“Group Company”	the Company or any company which is its subsidiary
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Restricted Shares”	the restricted Shares that may be granted under the Scheme and has the meaning ascribed to such term in the Scheme Rules

“Scheme”	the restricted share award scheme of the Company adopted by the Board whereby awards of Shares may be made to Selected Eligible Participants (such Shares being purchased by the Trustee) pursuant to the Trust Deed and the Scheme Rules
“Scheme Rules”	the rules relating to the Scheme adopted by the Board
“Selected Eligible Participant(s)”	any Director, full-time or part-time employee, executive or officer of the Company or any of its Subsidiaries who shall receive offer(s) of Restricted Shares as designated by the Board in accordance with the Scheme Rules, but excluding any Director or employee, executives or officer of the Company or any of its Subsidiaries who is resident in a place where the vesting of any Restricted Share in such Director, employee, executive or officer pursuant to the terms of this Scheme is not permitted under the laws and regulations of such place or where in the view of the Board or the Trustee (as the case may be) compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such Director, employee, executive or officer
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Subsidiary(ies)”	Subsidiary(ies) of the Company from time to time within the meaning of the Companies Ordinance (Cap.32 of the Laws of Hong Kong)
“Trust Deed”	the trust deed to be entered into between the Company as settlor and a trustee, which deed establishes the Scheme
“Trustee”	the trustee acting in accordance with the provisions of the Trust Deed for the purpose of the Scheme (which is independent and not connected with the Company)

By order of the Board  
**Tung Yu Biu**  
*Company Secretary*

Hong Kong, 21 December 2009

*As at the date of this announcement, the Board comprises Mr. Yum Chak Ming, Matthew, Mr. Yam Ho Ming, Michael and Mr. Sung Chee Keung, who are executive directors; Mr. Peter Martin Springford, Mr. Ho Chi Kit, Mr. Alvin Tsz-Wang Lam and Miss Mak Lok Qun, Denise, who are non-executive directors; Mr. Yap, Alfred Donald, Mr. Luk Koon Hoo and Mr. Lo Chi Hong, who are independent non-executive directors.*