HUNG HING PRINTING GROUP LIMITED

(incorporated in Hong Kong with limited liability)

(Stock code: 0450)

INTERIM RESULTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

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 2009 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	For the six months ended 30 September 2009 (Unaudited) HK$'000	2008 (Unaudited) HK$'000
REVENUE	2	**1,502,712**	2,207,706
Cost of sales		**(1,194,068)**	(1,827,248)
Gross profit		**308,644**	380,458
Other income and gains		**12,239**	38,398
Distribution costs		**(34,359)**	(50,194)
Administrative and selling expenses		**(133,862)**	(156,505)
Other expenses		**(1,797)**	(22,446)
Operating profit		**150,865**	189,711
Fair value gain on derivative financial instruments not qualified as hedges, net	3	**123**	103,422
Finance costs	4	**(10,507)**	(43,968)
Share of losses of an associate		**(1,897)**	(213)
PROFIT BEFORE TAX	5	**138,584**	248,952
Tax	6	**(32,244)**	(27,295)
PROFIT FOR THE PERIOD		**106,340**	221,657
ATTRIBUTABLE TO:			
Equity holders of the parent		**100,942**	221,890
Minority interests		**5,398**	(233)
		106,340	221,657
INTERIM DIVIDEND	7	**36,545**	36,971
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	8		
Basic		**HK10.9 cents**	HK29.6 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 September 2009 (Unaudited) HK$'000	2008 (Unaudited) HK$'000
PROFIT FOR THE PERIOD	**106,340**	221,657
OTHER COMPREHENSIVE INCOME		
Fair value gains/(losses) on available-for-sale investments, net of tax	**5,218**	(3,274)
Cash flow hedges taken to reserve, net of tax	**(1,637)**	2,557
Currency translation differences	**6,763**	26,554
Impairment loss on available-for-sale investments recognised in income statement	**510**	-
Available-for-sale investment revaluation reserve released on disposal	**(490)**	-
Cash flow hedges recognised in income statement, net of tax	**1,752**	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**12,116**	25,837
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**118,456**	247,494
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Equity holders of the parent	**111,021**	238,252
Minority interests	**7,435**	9,242
	118,456	247,494

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	30 September 2009 (Unaudited) HK$'000	31 March 2009 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,325,398**	1,362,602
Prepaid land lease payments		**146,264**	147,859
Available-for-sale investments		**14,569**	9,785
Properties under construction		**45,245**	35,994
Interests in an associate		**904**	504
Deferred tax assets		**2,752**	4,348
Total non-current assets		**1,535,132**	1,561,092
CURRENT ASSETS			
Inventories		**536,231**	503,957
Accounts and bills receivable	9	**751,856**	538,295
Prepayments, deposits and other receivables		**38,901**	40,793
Derivative financial instruments		**143**	3,691
Tax recoverable		**3,240**	11,577
Pledged time deposits		**97,575**	115,628
Cash and cash equivalents		**1,179,298**	1,310,268
Total current assets		**2,607,244**	2,524,209

	Note		
CURRENT LIABILITIES			
Accounts and bills payable	10	**237,636**	128,434
Tax payable		**31,327**	23,417
Other payables and accrued liabilities		**142,292**	123,557
Derivative financial instruments		**6,942**	6,858
Interest-bearing bank and other borrowings		**296,624**	337,153
Total current liabilities		**714,821**	619,419
NET CURRENT ASSETS		**1,892,423**	1,904,790
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,427,555**	3,465,882
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**300,925**	335,825
Deferred tax liabilities		**44,615**	39,797
Total non-current liabilities		**345,540**	375,622
Net assets		**3,082,015**	3,090,260
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital		**91,570**	92,428
Reserves		**2,744,336**	2,686,446
Proposed dividend		**36,545**	92,428
		2,872,451	2,871,302
Minority interests		**209,564**	218,958
Total equity		**3,082,015**	3,090,260

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Basis of Preparation and Accounting Policies

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure requirements as set out in Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rule"), and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The condensed consolidated interim financial statements should be read in conjuction with the annual financial statements for the year ended 31 March 2009, which have been prepared in accordance with HKFRSs.

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2009, as described in those annual financial statements. Certain comparative amounts have been reclassifed to conform with the current period's presentation.

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

The following new and revised standards and amendments to standards are mandatory for the year ending 31 March 2010. The Group has adopted these revised standards and amendments to standards where considered appropriate and relevant to its operations.

- HKFRS 1 (amendment), 'First-time adoption of Hong Kong Financial Reporting Standards'.
- HKFRS 2 (amendment), 'Share-based payment'.
- HKFRS 7 (amendment), 'Financial instruments: Disclosure', amendment on improving disclosures about financial instruments issued in Mar 2009.
- HKFRS 8, 'Operating segments'.
- HKAS 1 (revised), 'Presentation of financial statements'.
- HKAS 23 (revised), 'Borrowing costs'.
- HKAS 32 (amendment), 'Financial instruments: presentation'.
- HK(IFRIC) 9 (amendment), 'Reassessment of embedded derivatives' and HKAS 39 (amendment), 'Financial instruments: Recognition and measurement'.
- HK(IFRIC) 13, 'Customer loyalty programmes'.
- HK(IFRIC) 15, 'Agreements for the construction of real estate'.
- HK(IFRIC) 16, 'Hedges of a net investment in a foreign operation'.

- HKAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.

  Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

  The Group has elected to present two statements: an income statement and a statement of comprehensive income. The interim financial statements have been prepared under the revised disclosure requirements.

- HKFRS 8, 'Operating segments'. HKFRS 8 replaces HKAS 14, 'Segment reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in changes of reportable segments presented, as the previously reported paper and carton box printing and manufacturing and corrugated carton manufacturing segments have been split into offset printing, corrugated carton and Zhongshan/Wuxi packaging segments. The definition of the reportable segments are set out in note 2 to the financial statements.

  Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the management committee (note 2).

- HKFRS 7 (amendment), 'Financial instruments: disclosures'. The amendment increases the disclosure requirements about fair value measurement and amends the disclosure about liquidity risk. The amendment introduces a three-level hierarchy for fair value measurement disclosures about financial instruments and requires some specific quantitative disclosures for those instruments classified in the lowest level in the hierarchy. These disclosures will help to improve comparability between entities about the effects of fair value measurements. In addition, the amendment clarifies and enhances the existing requirements for the disclosure of liquidity risk primarily requiring a separate liquidity risk analysis for derivative and non-derivative financial liabilities. It also requires a maturity analysis for financial assets where the information is needed to understand the nature and context of liquidity risk. The Group will make additional relevant disclosures in its financial statements ending 31 March 2010.

This interim report has been reviewed by the Company's Audit Committee.

2. Segment Information

The chief operating decision-maker has been identified as the management committee comprising the Managing Director, the Chief Operating Officer and the Company's financial officers. This committee reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The committee considers the business from the location of plant and activity perspective. From these perspective, the Group has identified five reportable segments:

1. Offset printing segment;
2. Corrugated carton segment;
3. Zhongshan/Wuxi packaging segment;
4. Paper trading segment; and
5. Paper manufacturing segment

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

An analysis by business segment is as follows:

For the six months ended 30 September 2009

	SEGMENT REVENUE			SEGMENT RESULT
	Sales to external customers (Unaudited) HK'$000	Inter-segment sales (Unaudited) HK'$000	Total sales (Unaudited) HK'$000	(Unaudited) HK'$000
Offset printing	**681,954**	**88,111**	**770,065**	**98,144**
Corrugated carton	**122,873**	**58,629**	**181,502**	**17,244**
Zhongshan/Wuxi packaging	**322,779**	**5,169**	**327,948**	**23,372**
Paper trading	**192,884**	**178,268**	**371,152**	**24,748**
Paper manufacturing	**182,222**	**31,019**	**213,241**	**(2,920)**
Eliminations	**-**	**(361,196)**	**(361,196)**	**(622)**
	1,502,712	**-**	**1,502,712**	**159,966**
Interest, dividend income and other gains				**6,183**
Corporate and unallocated expenses				**(15,284)**
Operating profit				**150,865**
Fair value gain on derivative financial instruments not qualified as hedges, net				**123**
Finance costs				**(10,507)**
Share of losses of an associate				**(1,897)**
Profit before tax				**138,584**
Tax				**(32,244)**
Profit for the period				**106,340**

For the six months ended 30 September 2008

	SEGMENT REVENUE			SEGMENT RESULT
	Sales to external customers (Unaudited) HK'$000	Inter-segment sales (Unaudited) HK'$000	Total sales (Unaudited) HK'$000	(Unaudited) HK'$000
Offset printing	910,754	28,219	938,973	86,475
Corrugated carton	204,386	98,869	303,255	57,364
Zhongshan/Wuxi packaging	423,173	9,909	433,082	40,814
Paper trading	247,632	204,074	451,706	48,616
Paper manufacturing	421,761	87,007	508,768	(36,375)
Eliminations	-	(428,078)	(428,078)	3,686
	2,207,706	-	2,207,706	200,580
Interest, dividend income and other gains				15,397
Corporate and unallocated expenses				(26,266)
Operating profit				189,711
Fair value gain on derivative financial instruments not qualified as hedges, net				103,422
Finance costs				(43,968)
Share of losses of an associate				(213)
Profit before tax				248,952
Tax				(27,295)
Profit for the period				221,657

3. Fair Value Gain On Derivative Financial Instruments Not Qualified As Hedges, Net

The Group has entered into various forward currency contracts and structured forward currency contracts to manage its exchange rate exposures which did not meet the criteria for hedge accounting. The net fair value gain on non-hedging currency derivatives amounting to HK$123,000 were credited to the consolidated income statement during the period (2008: HK$103,422,000) (Note 5).

4. Finance Costs

	For the six months ended 30 September	
	2009 (Unaudited) HK$'000	2008 (Unaudited) HK$'000
Interest on bank loans	**10,507**	43,968
	10,507	43,968

5. Profit Before Tax

The Group's profit before tax is arrived at after charging or crediting the following items:

	For the six months ended 30 September	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
After charging -		
Depreciation	**57,350**	72,054
Recognition of prepaid land lease payments	**2,002**	2,049
Employee benefits expenses (including directors' remuneration)	**278,289**	326,707
Write-down of inventories to net realisable value*	**969**	11,432
Impairment of available-for-sale investments	**422**	-
Fair value loss on structured borrowings, net	**-**	14,741
After crediting -		
Dividend income from available-for-sale investments	**139**	208
Gain on disposal of available-for-sale investments	**240**	-
Bank interest income	**5,580**	14,849
Fair value gains on derivative financial instruments not qualified as hedges, net (Note 3)	**123**	103,422

* The write-down of inventories to net realisable value is included in "Cost of sales" on the face of the consolidated income statement.

6. Tax

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the locations in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	For the six months ended 30 September	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Current - Hong Kong	**13,929**	13,723
- Mainland China	**12,106**	14,851
Deferred tax	**6,209**	(1,279)
Total tax charge for the period	**32,244**	27,295

7. Interim Dividend

	For the six months ended 30 September	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interim dividend of HK4 cents (2008: HK4 cents) per ordinary share	**36,545**	36,971

8. Earnings Per Share Attributable to Equity Holders of the Parent

The calculation of basic earnings per share amount is based on the profit for the period attributable to equity holders of the parent of HK$100,942,000 (2008: HK$221,890,000) and the weighted average of 922,683,160 (2008: 749,272,536) shares in issue during the period.

Diluted earnings per share amounts for the period ended 30 September 2009 and 2008 have not been disclosed as no diluting events existed during the period.

9. Accounts and Bills Receivable

The Group's trading terms with customers are mainly on credit. Invoices are normally payable between 30 to 90 days 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 accounts and bills receivable relate to a number of diversified customers, there is no significant concentration of credit risk. Accounts and bills receivable are non-interest-bearing.

	30 September	31 March
	2009	2009
	(Unaudited)	(Audited)
	HK$'000	HK$'000
Accounts receivable	**758,898**	544,071
Impairment	**(33,106)**	(33,271)
	725,792	510,800
Bills receivable	**26,064**	27,495
	751,856	538,295

An aged analysis of accounts receivable at the balance sheet date, based on invoice date and net of provision, is as follows:

	30 September 2009 (Unaudited) HK$'000	31 March 2009 (Audited) HK$'000
Within 30 days	**291,444**	173,894
31 to 60 days	**219,026**	134,462
61 to 90 days	**115,255**	79,328
Over 90 days	**100,067**	123,116
	725,792	510,800

10. Accounts and Bills Payable

	30 September 2009 (Unaudited) HK$'000	31 March 2009 (Audited) HK$'000
Accounts payable	**181,789**	107,842
Bills payable	**55,847**	20,592
	237,636	128,434

An aged analysis of accounts and bills payable as at the balance sheet date, based on invoice date, is as follows :

	30 September 2009 (Unaudited) HK$'000	31 March 2009 (Audited) HK$'000
Within 30 days	**117,536**	68,819
31 to 60 days	**45,253**	27,171
61 to 90 days	**10,660**	2,045
Over 90 days	**8,340**	9,807
	181,789	107,842

The accounts payable are non-interest-bearing and are normally settled on 30-day terms.

MANAGEMENT DISCUSSION AND ANALYSIS

The economic downturn that began toward the end of 2008 affected businesses around the world. For the six months ending 30 September 2009 the Group saw reduced revenue across all business units.

During the period under review, some of the Group's geographic markets were affected more than others. Exports from China were down, impacting many of our customers, which in turn reduced sales for the offset printing and corrugated carton business units.

In view of this situation, the Group moved proactively to reduce costs and improve inventory control, which helped improve gross profit margins. Distribution costs as well as administrative and selling, and other expenses were all lower than the same period last year. Hung Hing's largest business unit, offset printing, achieved a 13% increase in operating profit due in part to these actions.

Initiatives employed by the Group included headcount rightsizing in all facilities, relocating labor-intensive production to lower-cost locations, securing improved costs and terms of procurement, reducing waste, and improving workflow, which led to increased efficiency.

During the period under review, the Group saw revenues decline by 32%. Operating profit decreased by 21% (in smaller proportion), reflecting our effort in reducing costs. Profit for the period decreased by 52%, which was mainly caused by the exceptional item on fair value gain of HK$103 million recognized from the termination of the Group's derivative financial instruments during the last period under review.

Profit attributable to equity holders of the parent dropped 55% to HK$101 million. Earnings per share decreased 63% to HK10.9 cents.

Hung Hing's balance sheet remains strong with a net cash position of HK$679 million as of 30 September 2009. Backed by the Group's solid financial position, the Board of Directors has declared an interim dividend of HK4 cents per share.

Business Units Report

Hung Hing operates across five main business units, by plant location and activity: offset printing; corrugated carton; Zhongshan/ Wuxi packaging; paper trading; and paper manufacturing.

Offset Printing

The Group's largest business unit produces folding boxes and packaging for toys, consumer products, packaged food, and consumer electronics. It also produces books and is one of the largest manufacturers of children's novelty books in the world. Operations are located in Hong Kong, Shenzhen and Heshan.

During the period the unit saw revenue decrease by 25% while operating profit increase by 13%. The decline in revenue is attributed to slower demand in overseas markets. Sales were impacted by the weaker pound sterling and Euro as well as the economic uncertainty that prevailed in the first half. Domestic sales in China were affected by reduced demand amidst a challenging business environment, which posed some price competition and ultimately impacted revenue.

During this period Hung Hing streamlined its operations, reducing headcount at the Shenzhen plant mostly through natural attrition. The Group also saved costs by optimizing warehousing space, carefully managing inventory, reducing overhead expenses and improving cost efficiency through enhanced production processes.

During the last quarter of 2008 paper prices came down from historic highs, and the Group took the opportunity to build paper supply positions for the summer season. This helped improve margins, demonstrating the Group's ability to adapt and operate with good results in changing conditions.

The Heshan plant has now been in operation for over two years and has become an efficient part of the Group's operations. The plant currently employs around 1,800 workers.

Corrugated Carton

This business unit produces corrugated cartons for toys, food & beverage, electrical appliances and household products, around two-thirds of which is geared toward Hong Kong-based customers and one-third to the China domestic market. It runs distribution operations in Hong Kong and a manufacturing plant in Shenzhen.

During the period under review, the unit saw revenue decline by 40% and operating profit decrease by 70%. Export-oriented customers were affected by the financial crisis, which impacted the corrugated carton business unit's sales.

Headcount was reduced at the Shenzhen plant, and cost management and improvements in efficiency will remain core to the business unit's focus moving forward. In addition, management is working to diversify the market segments into which the business unit sells, with a focus on high-end customers operating in sectors such as electronics and food & beverage as well as increasing sales in the China domestic market.

Zhongshan/ Wuxi Packaging

The Zhongshan and Wuxi plants are engaged in colour box packaging and corrugated carton packaging for the domestic market as well as some other printed paper products, both for the domestic and export markets.

During the period under review, revenue and operating profit for the unit were down 24% and 43% respectively. Business was impacted by lower prices to domestic customers. However, management was able to secure new business in a number of new segments and managed paper costs in the early part of 2009 to offset the lower pricing environment demanded by key customers.

Both Zhongshan and Wuxi are positioned to further expand the Group's China sales, in particular the growing paper packaging markets - a strategy that is expected in part to mitigate the impact of seasonality currently being experienced and improve overall operating efficiencies. In June 2009 the Group entered into agreements to increase its equity interests in the three companies comprising the Zhongshan printing and packaging business, further strengthening the Group's position as a leading print and packaging supplier.

Paper Trading

Hung Hing's paper trading business unit is involved in sourcing paper for outside printers as well as the Group's manufacturing units. For the period under review, the unit was impacted by the decline in paper prices and lower demand brought about by the recession. In addition, demand for higher-quality paper from customers such as book printers decreased, while demand for lower-end paper from industrial manufacturers increased.

In view of the challenging economic situation, the paper trading unit was selective and cautious in managing credit risk. While this step was prudent, it impacted margins during the period, and revenue for the unit dropped 22%. Operating profit declined by 49%.

During the period the Group established a new trading subsidiary in China with approval to trade locally, greatly expanding the potential business in the China domestic market for paper.

Paper Manufacturing

The paper manufacturing unit comprises a joint venture business that manufactures corrugated medium and testliner used in the manufacture of corrugated cartons. The paper is sold to outside converters as well as the Group's corrugated carton operations.

During the period under review the unit was impacted by lower paper prices as a result of oversupply and slow demand. This led the Group to shut down one of the unit's three production lines at Zhongshan. Revenue ultimately declined by 57% along with lower production volumes, resulting in operating losses of HK$3 million for the period.

In June 2009, the Group announced that it had entered into agreements to reduce its stake in the Zhongshan paper manufacturing plant from 59% to 31%. Upon obtaining approval from the local authority in China and completing the transaction, this business unit will no longer be consolidated and instead become an associated investment.

Associate

The Group's new joint venture, Graphic Hung Hing Packaging (Shanghai) Co. Ltd., continued to expand sales in the growing market for multi-pack beverage packaging in China. While the Group shared its initial losses of HK$2 million during the period, the Group believes there is significant potential once the consumer pattern of purchasing beverages in multi-packs is established in line with other similar markets.

Environmental achievements

Conserving the environment and operating a sustainable business are important parts of the Group's business practices. The offset printing unit sources from legal, well-managed forests in line with the Group's Chain of Custody (CoC) certifications from the Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification Schemes (PEFC). Hung Hing also supports and participates in the Hong Kong and Guangdong governments' Cleaner Production Partnership Programme.

Liquidity and Capital Resources

During the period under review, Hung Hing recorded positive cash inflow from operating activities of HK$79 million compared to HK$130 million as of 30 September 2008. The Group continued to maintain a prudent approach to its working capital management, in particular regarding credit control and accounts receivable collection. This reduced trade working capital, comprising inventories, accounts and bills receivable, accounts and bills payable, which as of 30 September 2009 was HK$1,050 million, down 36% from the last period.

Capital expenditure for the period amounted to HK$29 million and was invested mainly in productivity improvements for the Group's plants in China.

During the period the Group made net loan repayments of HK$75 million. Total bank borrowings as of 30 September 2009 were HK$598 million, of which HK$297 million were repayable within one year and HK$301 million repayable within two to four years. Of the Group's total bank borrowings, 79% was in Hong Kong dollars, 20% in Renminbi and 1% in US dollars. The gearing ratio as based on total bank borrowings divided by total equity was 19% as compared to 34% last period. With a significantly lower level of bank borrowings and interest rate compared to same period last year, interest expenses dropped by 76% to HK$11 million.

As of 30 September 2009, the Group had cash on hand of HK$1,277 million, including pledged time deposits placed by its China subsidiaries. Of the total cash on hand, 63% was held in Hong Kong dollars, 29% in Renminbi and 8% in US dollars. Net cash on hand (net of total bank borrowings) was HK$679 million.

To better utilize cash on hand and to enhance shareholder value, the Group repurchased 9,552,000 shares at a total cost of HK$19.7 million during the period.

Contingent Liabilities and Pledge of Assets

As at 30 September 2009, guarantees amounting to HK$1,387 million were given to banks by the Company for banking and trading facilities granted to the Group's subsidiaries and an associate.

Certain buildings, plant and machinery, prepaid land lease payments and time deposits of the Group with a total carrying value of HK$255 million as at 30 September 2009 have been pledged to secure banking facilities granted to the Group.

Employees

As of 30 September 2009, the Group employed a total of 12,480 people in Hong Kong and China, with 355 based in Hong Kong and 12,125 in the Mainland. During the period under review, the Group continued to provide its employees with a competitive remuneration package, career development opportunities and training to help staff grow and enhance their skills. Workplace safety training continues to be an area of intense focus for the Group.

Prospects

Although the Group has already seen promising signs in the market, recovery is likely to be gradual and sporadic. The Group believes it will benefit from the trend of industry consolidation, which is expected to continue. Hung Hing management is working to build stronger delivery capability for our customers while continuing to optimize and streamline the Group's business operations. Initiatives that are currently underway include significant equipment investments aimed at quality and efficiency improvement, process streamlining and order management system enhancements.

These and other efforts will help Hung Hing by improving the quality of earnings in the near term and positioning the Group to benefit from the economic recovery and the growth potential of the China domestic packaging market.

INTERIM DIVIDEND

The directors have resolved to pay an interim dividend of HK4 cents (2008 : HK4 cents) per share. The interim dividend will be paid on 20 January 2010 to shareholders whose names appear on the Register of Members of the Company on 8 January 2010.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 6 January 2010 to 8 January 2010, 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 5 January 2010.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the period ended 30 September 2009, the Company repurchased a total of 9,552,000 shares on The Stock Exchange of Hong Kong Limited at an aggregate consideration of approximately HK$19,736,000 (including expenses).

Particulars of the repurchased shares are as follows:

Month	Number of ordinary shares of HK$0.10 each	Price per share Highest	Price per share Lowest	Aggregate consideration paid (including expenses)
		HK$	HK$	HK$'000
July 2009	2,208,000	2.05	1.95	4,446
August 2009	4,152,000	2.37	1.86	8,735
September 2009	3,192,000	2.20	1.98	6,555
	9,552,000			19,736

Out of 9,552,000 shares repurchased, 8,582,000 shares were cancelled during the period while the remaining 970,000 shares were cancelled subsequent to the period ended 30 September 2009.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's securities during the period ended 30 September 2009.

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 under Code Provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. However, the non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election in accordance with the Company's articles of association.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed 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 Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises three independent non-executive directors and a non-executive director of the Company.

The audit committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters in connection with the preparation of the unaudited financial consolidated accounts of the Company for the period ended 30 September 2009.

By Order of the Board
Peter Martin Springford
Chairman

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 as executive directors; Mr. Peter Martin Springford, Mr. Ho Chi Kit, Mr. Lam Tsz Wang, Alvin and Miss Mak Lok Qun, Denise as non-executive directors; Mr. Yap, Alfred Donald, Mr. Luk Koon Hoo and Mr. Lo Chi Hong as independent non-executive directors.