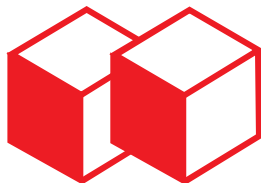


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HUNG HING

HUNG HING PRINTING GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 450)

**(I) DISCLOSABLE AND CONNECTED TRANSACTIONS WITH LEMONDE IN
RELATION TO ACQUISITION OF 10% EQUITY INTERESTS IN
EACH OF THE PACKAGING ENTITIES**

and

**DISPOSAL OF 25% EQUITY INTERESTS IN
EACH OF THE PAPER MILL ENTITIES**

**(II) DISCLOSABLE AND CONNECTED TRANSACTIONS WITH HOMEGRACE IN
RELATION TO ACQUISITION OF 5% EQUITY INTERESTS IN
EACH OF THE PACKAGING ENTITIES**

and

**DISPOSAL OF 5% EQUITY INTERESTS IN
EACH OF THE PAPER MILL ENTITIES**

(III) RESUMPTION OF TRADING

**Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders**



SOMERLEY LIMITED

CONNECTED TRANSACTIONS

The Board is pleased to announce that Hung Hing International, a wholly-owned subsidiary of the Company, has entered into the LeMonde Acquisition Agreements and the Homegrace Acquisition Agreements on 25 June 2009 to acquire 10% and 5% of the equity interests in each of the Packaging Entities for a total consideration of HK\$45,703,241 and HK\$22,851,621 from each of LeMonde and Homegrace, respectively.

The Board also announces that the Company has entered into the LeMonde Disposal Agreements and the Homegrace Disposal Agreements on 25 June 2009 to dispose 25% and 5% of the equity interests in each of the Paper Mill Entities for a total consideration of RMB8,333,333 (approximately HK\$9,469,697) and RMB1,666,667 (approximately HK\$1,893,939) to each of LeMonde and Homegrace, respectively.

As (i) LeMonde is a substantial shareholder holding 10% of the equity interests in each of the Packaging Entities, which are non-wholly owned subsidiaries of the Company, and (ii) Homegrace is wholly owned by the Director, Mr. Sung Chee Keung, and his Associate, both LeMonde and Homegrace are connected persons of the Company under the Listing Rules. Accordingly, each of the LeMonde Transactions and Homegrace Transactions constitutes connected transactions of the Company under Rule 14A of the Listing Rules.

As each of (i) the highest aggregate percentage ratio of the LeMonde Acquisitions and Homegrace Acquisitions and (ii) the highest aggregate percentage ratio of the LeMonde Disposals and Homegrace Disposals exceeds 2.5%, and their respective aggregate consideration is not less than HK\$10,000,000, each of the LeMonde Transactions and Homegrace Transactions is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

In addition, as each of (i) the highest aggregate percentage ratio of the LeMonde Acquisitions and Homegrace Acquisitions and (ii) the highest aggregate percentage ratio of the LeMonde Disposals and Homegrace Disposals is between 2.5% and 25%, each of the LeMonde Transactions and Homegrace Transactions constitutes discloseable transactions for the Company under Rule 14.06(2) of the Listing Rules.

As each of LeMonde and Mr. Sung Chee Keung has a material interest in the LeMonde Transactions and Homegrace Transactions, LeMonde, Mr. Sung Chee Keung and their respective Associates will abstain from voting on each of the proposed ordinary resolutions to approve the LeMonde Transactions and Homegrace Transactions at the EGM. Except for LeMonde, Mr. Sung Chee Keung and their respective Associates, all the other Shareholders are Independent Shareholders who are entitled to vote at the EGM in connection with the proposed ordinary resolutions to approve the LeMonde Transactions and Homegrace Transactions.

An Independent Board Committee, consisting of all of the independent non-executive Directors, has been established to advise the Independent Shareholders, and Somerley Limited has been appointed as Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the LeMonde Transactions and Homegrace Transactions. A circular containing, among other things, further details of the LeMonde Transactions and Homegrace Transactions, a letter of advice from the Independent Board Committee, a letter of advice from the Independent Financial Adviser and a notice of the EGM will be despatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

WARNING: Completion of the LeMonde Transactions and Homegrace Transactions is subject to the fulfillment (or, if applicable, waiver) of a number of conditions precedent and the LeMonde Transactions and Homegrace Transactions may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 26 June 2009 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 7 July 2009.

A. INTRODUCTION TO THE LEMONDE TRANSACTIONS AND HOMEGRACE TRANSACTIONS

On 25 June 2009, Hung Hing International, a wholly owned subsidiary of the Company, entered into the LeMonde Acquisition Agreements and the Homegrace Acquisition Agreements to acquire 10% and 5% of the equity interests in each of the Packaging Entities, namely Zhongshan Packaging, Zhongshan Off-Set Printing and South Gain, from each of LeMonde and Homegrace, respectively.

On the same day, the Company entered into the LeMonde Disposal Agreements and the Homegrace Disposal Agreements to dispose 25% and 5% of the equity interests in each of the Paper Mill Entities, namely Zhongshan Rengo and Zhongshan Ren Hing, to each of LeMonde and Homegrace, respectively.

The Packaging Entities and the Paper Mill Entities are non-wholly owned subsidiaries of the Company.

Details of the LeMonde Transactions and Homegrace Transactions are as follows:

B. THE LEMONDE ACQUISITION AGREEMENTS AND HOMEGRACE ACQUISITION AGREEMENTS

LeMonde Acquisitions

Date: Each dated 25 June 2009

Seller: LeMonde, a substantial shareholder holding 10% of the equity interests in each of Zhongshan Packaging, Zhongshan Off-Set Printing and South Gain

Buyer: Hung Hing International

Homegrace Acquisitions

Each dated 25 June 2009

Homegrace, a company wholly-owned by a Director, Sung Chee Keung, and his Associate, holding 5% of the equity interests in each of Zhongshan Packaging, Zhongshan Off-Set Printing and South Gain

Hung Hing International

The assets to be acquired

Subject to fulfillment (or, if applicable, waiver) of the conditions precedent under each of the LeMonde Acquisition Agreements and the Homegrace Acquisition Agreements, Hung Hing International has agreed to acquire 10% and 5% of the equity interests in each of the Packaging Entities, namely Zhongshan Packaging, Zhongshan Off-Set Printing and South Gain, from each of LeMonde and Homegrace, respectively.

Considerations

With respect to the LeMonde Acquisitions, Hung Hing International will pay an aggregate amount of HK\$45,703,241 (of which HK\$21,746,734 represents the consideration for 10% of the equity interests in Zhongshan Packaging, HK\$6,138,294 represents the consideration for 10% of the equity interests in Zhongshan Off-Set Printing and HK\$17,818,213 represents the consideration for 10% of the equity interests in South Gain) to LeMonde for the LeMonde Acquisitions on the Completion Date.

With respect to the Homegrace Acquisitions, Hung Hing International will pay an aggregate amount of HK\$22,851,621 (of which HK\$10,873,367 represents the consideration for 5% of the equity interests in Zhongshan Packaging, HK\$3,069,147 represents the consideration for 5% of the equity interests in Zhongshan Off-Set Printing and HK\$8,909,107 represents the consideration for 5% of the equity interests in South Gain) to Homegrace for the Homegrace Acquisitions on the Completion Date.

After deducting the consideration payable by each of LeMonde and Homegrace to the Company in relation to the respective LeMonde Disposals and Homegrace Disposals, Hung Hing International will pay the respective outstanding consideration to each of LeMonde and Homegrace in cash out of its internal cash resources.

The considerations for the LeMonde Acquisitions and Homegrace Acquisitions were determined after arm's length negotiation with each of LeMonde and Homegrace, respectively, with reference to, among other things, (i) the profitability of the Packaging Entities in accordance with the Group's published interim results for the six-months ended 30 September 2008, (ii) current market trend and business prospects of the Group's printing and packaging business and (iii) and their potential enhancement to the net book value of the Packaging Entities as of 30 September 2008. Please refer to the section headed "D. Reasons for the LeMonde Transactions and Homegrace Transactions-The Packaging Entities" in this announcement for further elaboration on the considerations for the LeMonde Acquisitions and Homegrace Acquisitions.

Conditions precedent for the LeMonde Acquisitions and Homegrace Acquisitions

Among the Packaging Entities, Zhongshan Packaging and Zhongshan Off-Set Printing are Sino-foreign joint ventures. As a result, approvals from the local ministries of commerce must be obtained for each of the LeMonde Acquisitions and Homegrace Acquisitions relating to these two entities before their respective LeMonde Acquisition Agreement or Homegrace Acquisition Agreement may take effect.

Completion of each of the LeMonde Acquisitions and Homegrace Acquisitions is subject to a number of conditions precedent, including but not limited to the following:

- (a) the PRC Approvals for the respective LeMonde Acquisition Agreement or Homegrace Acquisition Agreement (as the case may be) being obtained within one year from the date of such agreement (except that this condition is not applicable to the LeMonde Acquisition Agreement or Homegrace Acquisition Agreement in relation to South Gain, which is a Hong Kong incorporated company);
- (b) Hung Hing International having obtained all necessary consents, authorizations or approvals (including but not limited to directors' approval and shareholders' approval of Hung Hing International and Independent Shareholders' approval of the Company as required by the Listing Rules) for the purpose of signing, delivering and performing under the respective LeMonde Acquisition Agreement or Homegrace Acquisition Agreement (as the case may be) as required by its constitutional documents, any Applicable Laws or any written agreement, contract or arrangement which Hung Hing International is a party to;
- (c) in respect of any LeMonde Acquisition Agreement, the fulfillment (or, if applicable, waiver) of all conditions precedent of the other two LeMonde Acquisition Agreements; and in respect of any Homegrace Acquisition Agreement, the fulfillment (or, if applicable, waiver) of all conditions precedent of the other two Homegrace Acquisition Agreements; and
- (d) in respect of any LeMonde Acquisition Agreement, the fulfillment (or, if applicable, waiver) of all conditions precedent of the LeMonde Disposal Agreements; and in respect of any Homegrace Acquisition Agreement, the fulfillment (or, if applicable, waiver) of all conditions precedent of the Homegrace Disposal Agreements. This condition precedent shall automatically become ineffective if any of the respective LeMonde Disposal Agreement or Homegrace Disposal Agreement (as the case may be) fails to obtain the necessary PRC Approvals or the Independent Shareholders' approval.

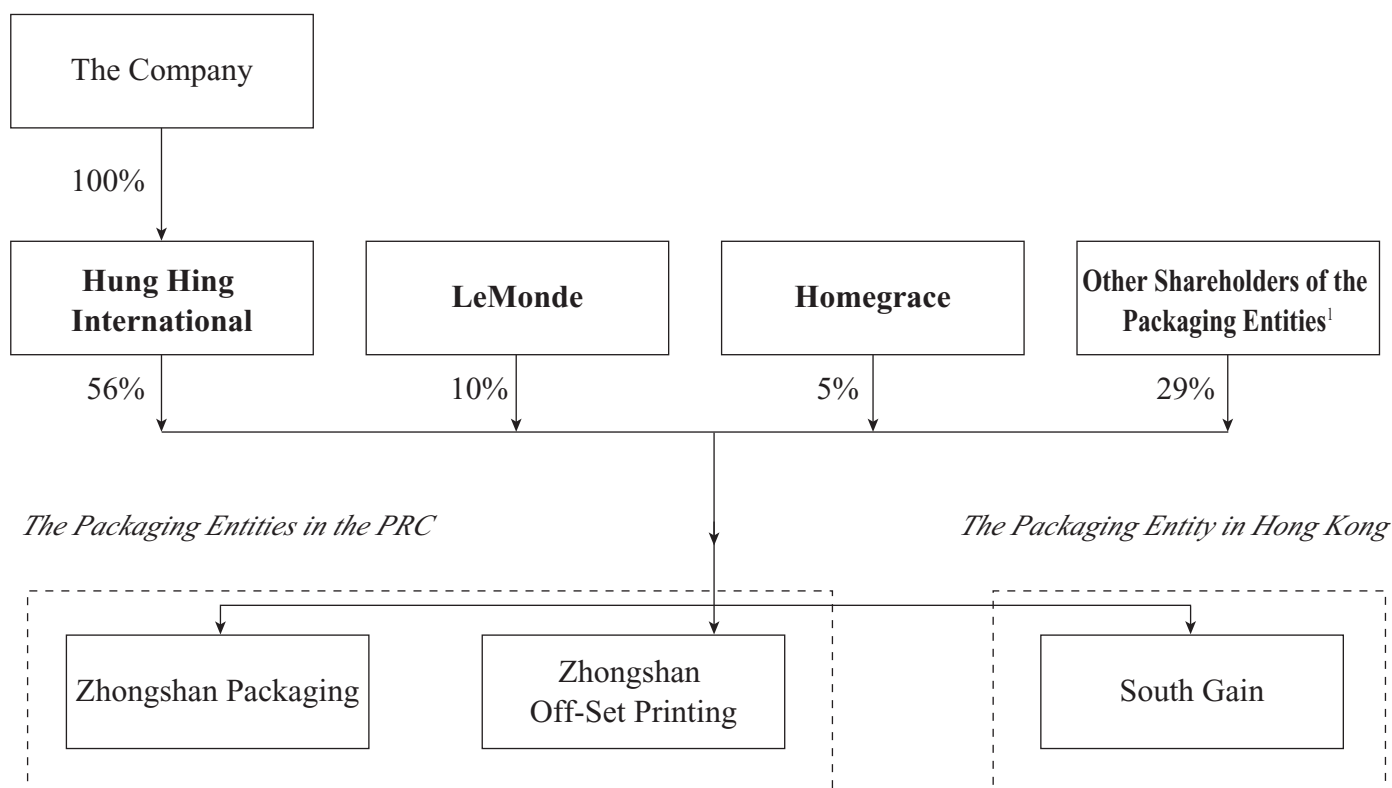
Save for conditions (a) (not applicable for the LeMonde Acquisition Agreement or Homegrace Acquisition Agreement in relation to South Gain) and (b), which are not waivable, all other conditions can be waived by Hung Hing International.

Completions

Subject to the conditions precedent being fulfilled or waived by Hung Hing International (as applicable) in accordance with the respective LeMonde Acquisition Agreement or Homegrace Acquisition Agreement, completions of the LeMonde Acquisitions or Homegrace Acquisitions shall take place on the Completion Date.

Information on the Packaging Entities and their principal businesses

The Packaging Entities are principally engaged in printing and packaging businesses. Specifically, South Gain, a Hong Kong incorporated company, is engaged in printing and manufacturing of paper cartons through its wholly owned subsidiary, Zhongshan South Gain Paper Products Company Limited. Zhongshan Packaging and Zhongshan Off-Set Printing are both Sino-foreign joint venture companies established under the laws of the PRC. As at the date of this announcement and prior to the completion of the LeMonde Acquisitions and Homegrace Acquisitions, the shareholding of each of the Packaging Entities, being non-wholly owned subsidiaries of the Company, is as follows:



¹ Zhang Zia Bian Economic Development Corporation and Kindwish Holdings Ltd and their affiliates.

The net book value of Zhongshan Packaging and Zhongshan Off-Set Printing as of 31 December 2008² was approximately RMB218 million (approximately HK\$246 million) and RMB56 million (approximately HK\$64 million), respectively, and the net book value of South Gain as of 31 March 2008³ and 30 September 2008⁴ was approximately HK\$142 million and HK\$170 million, respectively. The table below summarizes the operating results of the Packaging Entities for the two financial years immediately preceding the LeMonde Acquisitions and Homegrace Acquisitions (and for the six months ended 30 September 2008 in respect of South Gain):

	<i>For the Packaging Entities in the PRC</i>			
	From 1 January 2007 to 31 December 2007² (HK\$'000)		From 1 January 2008 to 31 December 2008² (HK\$'000)	
	Zhongshan Packaging	Zhongshan Off-Set Printing	Zhongshan Packaging	Zhongshan Off-Set Printing
Turnover	382,209	9,528	354,454	6,015
Profit before taxation	18,695	5,141	13,003	318
Profit after taxation	15,975	3,722	6,651	159

	<i>For the Packaging Entities in Hong Kong (i.e. South Gain)</i>		
	From 1 April 2006 to 31 March 2007³ (HK\$'000)	From 1 April 2007 to 31 March 2008³ (HK\$'000)	From 1 April 2008 to 30 September 2008⁴ (HK\$'000)
Turnover	85,964	131,325	139,058
Profit/(Loss) before taxation	(4,832)	9,093	23,903
Profit/(Loss) after taxation	(4,832)	8,730	23,621

² Based on the Company's unaudited management accounts. Such figures were derived by adjusting the respective PRC audited accounts in accordance with the Group's accounting policies and converting into Hong Kong dollar amounts for consistent disclosure purposes.

³ Based on the audited accounts for the relevant financial year.

⁴ Based on unaudited management accounts.

C. LEMONDE DISPOSAL AGREEMENTS AND HOMEGRACE DISPOSAL AGREEMENTS

LeMonde Disposals

Homegrace Disposals

Date: Each dated 25 June 2009

Each dated 25 June 2009

Seller: The Company

The Company

Buyer: LeMonde

Homegrace

The assets to be disposed

Subject to fulfillment (or, if applicable, waiver) of the conditions precedent under each of the LeMonde Disposal Agreements and Homegrace Disposal Agreements, the Company has agreed to dispose 25% and 5% of the equity interests in each of the Paper Mill Entities, namely Zhongshan Rengo and Zhongshan Ren Hing, to each of LeMonde and Homegrace, respectively.

Both Zhongshan Rengo and Zhongshan Ren Hing are Sino-foreign joint ventures, and their respective Articles of Association provide that all existing shareholders enjoy certain rights of first refusal, pursuant to which any existing shareholder has the right to acquire any equity interests which another existing shareholder intends to dispose of, on terms and conditions no less favourable than those in relation to such disposal. The LeMonde Disposal Agreements and the Homegrace Disposal Agreements are entered into on the basis that the Company has obtained waivers from the other existing shareholders of each of Zhongshan Rengo and Zhongshan Ren Hing in relation to their rights of first refusal.

Considerations

With respect to the LeMonde Disposals, LeMonde will pay an aggregate amount of RMB8,333,333 (approximately HK\$9,469,697) (of which RMB4,166,666 (approximately HK\$4,734,848) represents the consideration for 25% of the equity interests in Zhongshan Rengo and RMB4,166,667 (approximately HK\$4,734,849) represents the consideration for 25% of the equity interests in Zhongshan Ren Hing) to the Company for the LeMonde Disposals on the Completion Date.

With respect to the Homegrace Disposals, Homegrace will pay an aggregate amount of RMB1,666,667 (approximately HK\$1,893,939) (of which RMB833,333 (approximately HK\$946,969) represents the consideration for 5% of the equity interests in Zhongshan Rengo and RMB833,334 (approximately HK\$946,970) represents the consideration for 5% of the equity interests in Zhongshan Ren Hing) to the Company for the Homegrace Disposals on the Completion Date.

The respective consideration for the LeMonde Disposals and Homegrace Disposals will be set off in full from the respective consideration payable by Hung Hing International to each of LeMonde and Homegrace for the LeMonde Acquisitions and Homegrace Acquisitions, respectively.

The considerations for the LeMonde Disposals and Homegrace Disposals were determined after arm's length negotiation with each of LeMonde and Homegrace, respectively, with reference to, among other things, (i) the profitability of the Paper Mill Entities in accordance with the Group's published interim results for the six-months ended 30 September 2008, (ii) current market trend and business prospect of the Group's paper manufacturing business, and (iii) their potential impact to the net book value of the Paper Mill Entities as of 30 September 2008. Please refer to the section headed "D. Reasons for the LeMonde Transactions and Homegrace Transactions-The Paper Mill Entities" in this announcement for further elaboration on the considerations for the LeMonde Disposals and Homegrace Disposals.

Conditions precedent for the LeMonde Disposals and Homegrace Disposals

The Paper Mill Entities are Sino-foreign joint ventures. As a result, approvals from the local ministries of commerce must be obtained in respect of each of the LeMonde Disposals or Homegrace Disposals before their respective LeMonde Disposal Agreement and Homegrace Disposal Agreement may take effect.

Completion of each of the LeMonde Disposals and Homegrace Disposals is subject to a number of conditions precedent, including but not limited to the following:

- (a) the PRC Approvals for the respective LeMonde Disposal Agreement or Homegrace Disposal Agreement (as the case may be) being obtained within one year from the date of such agreement;
- (b) the Company having obtained all necessary consents, authorizations or approvals (including but not limited to directors' approval and Independent Shareholders' approval of the Company as required by the Listing Rules) for the purpose of signing, delivering and performing under the respective LeMonde Disposal Agreement or Homegrace Disposal Agreement (as the case may be) as required by its constitutional documents, any Applicable Laws or any written agreement, contract or arrangement which the Company is a party to; and
- (c) in respect of any LeMonde Disposal Agreement, a loan agreement being entered into among LeMonde (as lender), and Zhongshan Rengo and Zhongshan Ren Hing (as borrowers), and registered with the applicable PRC authorities, for the provision of a loan of RMB12,500,000 to each of Zhongshan Rengo and Zhongshan Ren Hing for a period of two years; and in respect of any Homegrace Disposal Agreement, a loan agreement being entered into among Homegrace (as lender), and Zhongshan Rengo and Zhongshan Ren Hing (as borrowers), and registered with the applicable PRC authorities, for the provision of a loan of RMB2,500,000 to each of Zhongshan Rengo and Zhongshan Ren Hing for a period of two years. The interest rates for such loans will be subject to further negotiation among the respective parties with reference to prevailing interest rates of comparable loans offered to the Paper Mill Entities by banks in the PRC.

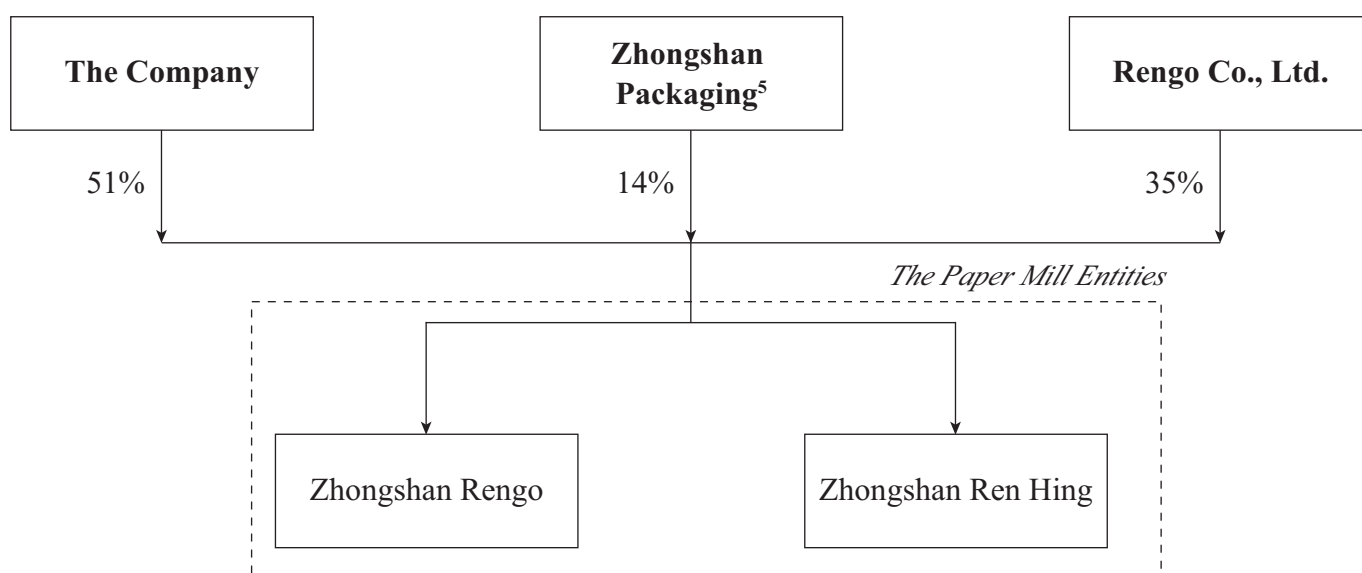
Save for conditions (a) and (b), which are not waivable, all other conditions can be waived by the Company.

Completions

Subject to the conditions precedent being fulfilled or waived by the Company (as applicable) in accordance with the respective LeMonde Disposal Agreement or Homegrace Disposal Agreement, completions of the LeMonde Disposal Agreements or Homegrace Disposal Agreements shall take place on the Completion Date.

Information on the Paper Mill Entities and their principal businesses

Both Paper Mill Entities are Sino-foreign joint venture companies established under the laws of the PRC, and are principally engaged in paper manufacturing. As at the date of this announcement and prior to the completion of the LeMonde Disposals and Homegrace Disposals, the shareholding of each of the Paper Mill Entities, being non-wholly owned subsidiaries of the Company, is as follows:



Upon completion of the LeMonde Disposals and Homegrace Disposals, the Company will have a direct interest in 21%, and through Zhongshan Packaging, an indirect interest in 9.94%⁶ of the equity interests in each of the Paper Mill Entities. Accordingly, the Paper Mill Entities will cease to be subsidiaries of the Company.

⁵ The shareholding structure of Zhongshan Packaging is illustrated under the section headed “B. The LeMonde Acquisition Agreements and the Homegrace Acquisition Agreements - Information on the Packaging Entities and their principal businesses” in this announcement

⁶ Upon completion of each of the LeMonde Acquisitions and Homegrace Acquisitions.

The net book value of the Zhongshan Rengo and Zhongshan Ren Hing as of 31 December 2008⁷ was approximately RMB240 million (approximately HK\$271 million) and RMB151 million (approximately HK\$171 million), respectively. The table below summarizes the operating results of the Paper Mill Entities for the two financial years immediately preceding the LeMonde Disposals and Homegrace Disposals:

	<i>The Paper Mill Entities</i>			
	From 1 January 2007 to 31 December 2007 ⁷ (HK\$'000)		From 1 January 2008 to 31 December 2008 ⁷ (HK\$'000)	
	Zhongshan Rengo	Zhongshan Ren Hing	Zhongshan Rengo	Zhongshan Ren Hing
Turnover	442,213	506,431	497,075	429,613
Profit/(Loss) before taxation	5,456	30,193	(55,601)	(39,906)
Profit/(Loss) after taxation	2,515	28,250	(53,020)	(38,371)

D. REASONS FOR THE LEMONDE TRANSACTIONS AND HOMEGRACE TRANSACTIONS

The Packaging Entities

During the past years, the Packaging Entities have made significant inroad into the PRC domestic market. Despite the economic downturn in the financial year ended 31 March 2009, the Packaging Entities have delivered sound financial performances with double-digit growth in operating profit. The total consideration for acquiring 15% of the Packaging Entities at HK\$68.6 million is, on a proportional basis, in close approximation of their net book value as of March 2009. Accordingly, the Directors are of the opinion that the LeMonde Acquisitions and Homegrace Acquisitions are fairly priced for a well-established business with good track record and growth potential. The LeMonde Acquisitions and Homegrace Acquisitions are also in line with the Group's strategic intent to increase its investment in the domestic packaging business.

⁷ Based on the Company's unaudited management accounts. Such figures were derived by adjusting the respective PRC audited accounts in accordance with the Group's accounting policies and converting into Hong Kong dollar amounts for consistent disclosure purposes.

The Paper Mill Entities

Based on the latest unaudited management accounts⁸, the net book value of the Paper Mill Entities before impairment provisions is approximately HK\$352 million. For the twelve months ended 31 March 2009, the Paper Mill Entities suffered an operating loss of approximately HK\$142 million at business segment level, which can be attributed to the reduced demand for packaging paper in the Pearl River Delta, the intensified competition within the industry, and the volatility of commodity waste-paper prices, a key raw material to paper manufacturing.

With the significant loss, the Group's management conducted a review over its business prospects and competitive positioning and the Board concluded that a provision of HK\$288 million would be required to cover the impairment in value of its plant and equipment. This would reduce the net book value of the Paper Mill Entities to approximately HK\$64 million as of 31 March 2009. The total consideration for disposing 30% of the Paper Mill Entities, which carries a net book value of approximately HK\$19 million, at approximately HK\$11 million results in a deficit of approximately HK\$8 million against their aggregated net book value.

Despite there are positive signals that the recycled packaging paper market may have bottomed, the Directors believe that the recycled paper manufacturing business in the Pearl River Delta will continue to be highly competitive and at times, volatile. To reduce such volatility impact and to allow the Group's management to focus on its core printing and packaging business, the Board believes that it is in the best interests of the Group to reduce its shareholding in the Paper Mill Entities to the 30% range. This is further incentivized by the respective commitment from LeMonde and Homegrace to provide shareholders' loans totaling RMB30 million helping the Paper Mill Entities to weather through the economic recession.

The Directors (excluding the independent non-executive Directors) believe that the terms of the LeMonde Transactions and Homegrace Transactions are fair and reasonable based on normal commercial terms and also in the interests of the Company and the Shareholders. Our increased shareholding in the profitable and growing Packaging Entities, coupled with the de-consolidation of the volatile Paper Mill Entities will put more stability and growth momentum to the Group's profitability.

⁸ The Company is in process of finalizing the annual results for the financial year ended 31 March 2009. The information contained in this announcement in relation to the twelve months ended 31 March 2009 is only the preliminary assessment by the Company based on the management accounts of the Group for the year ended 31 March 2009, which has not been confirmed nor audited by the Company's independent auditors. Audited annual results of the Group for the financial year ended 31 March 2009 will be announced as soon as practicable and the related annual report is expected to be published thereafter. Shareholders and potential investors are advised to read carefully the Company's announcement of the Group's annual results which is expected to be published in July 2009.

E. INFORMATION ON THE PARTIES TO THE LEMONDE TRANSACTIONS AND HOMEGRACE TRANSACTIONS

The Company

The Company and its subsidiaries are principally engaged in integrated and technologically-advanced operations in printing and manufacturing of paper and carton boxes, manufacturing of paper, manufacturing of corrugated cartons, and trading of paper.

Hung Hing International

Hung Hing International is a wholly owned subsidiary of the Company incorporated under the laws of the British Virgin Islands. It is an investment holding subsidiary of the Company with no substantive business operations.

LeMonde

LeMonde is an investment holding company incorporated under the laws of the British Virgin Islands with no substantive business operations. It currently owns 10% in each of the Packaging Entities.

Homegrace

Homegrace is an investment holding company incorporated under the laws of Hong Kong with no substantive business operations. It currently owns 5% in each of the Packaging Entities.

F. LISTING RULES IMPLICATIONS

There was a change in control (as defined in the Takeovers Code) in the Company in July 2008 when Asia Packaging (together with its ultimate beneficial owners and parties acting in concert with any of them, and collectively, “**CVC Group**”) became interested in approximately 35% of the voting rights of the Company at general meetings. Asia Packaging is ultimately owned by various investment funds which are advised by CVC Asia Pacific Ltd. CVC Group currently holds approximately 36.8% of the issued share capital of the Company and Asia Packaging remains as a controlling shareholder of the Company at all times since July 2008. There has been no acquisition of assets by the Group from CVC Group after such change of control. As the LeMonde Disposals and Homegrace Disposals would involve a disposal of the Group’s existing business in paper manufacturing within 24 months after there has been a change of control to Asia Packaging, the LeMonde Disposals and Homegrace Disposals might raise issues under Rule 14.92 of the Listing Rules.

On the basis that (i) the Directors are of the view that the LeMonde Disposals and Homegrace Disposals are in the best interests of the Company and its Shareholders as described in the section headed “D. Reasons for the LeMonde Transactions and Homegrace Transactions” above, and (ii) after the change in control of the Company to the CVC Group, (a) the Group has not acquired any assets from the CVC Group, and (b) all the assets that the Group acquired thereafter were acquired from third parties independent of and not connected with the CVC Group, the Company has made a waiver application of Rule 14.92 of the Listing Rules.

As (i) LeMonde is a substantial shareholder holding 10% of the equity interests in each of the Packaging Entities, which are non-wholly owned subsidiaries of the Company, and (ii) Homegrace is wholly owned by the Director, Mr. Sung Chee Keung, and his Associate, both LeMonde and Homegrace are connected persons of the Company under the Listing Rules. Accordingly, each of the LeMonde Transactions and Homegrace Transactions constitutes connected transactions of the Company under Rule 14A of the Listing Rules.

As each of the LeMonde Acquisitions and each of the Homegrace Acquisitions are entered into (i) on the same date, (ii) with the same assets being acquired and (iii) on similar terms and conditions, the LeMonde Acquisitions and Homegrace Acquisitions are to be aggregated pursuant to Rule 14.22 and Rule 14A.25 of the Listing Rules.

Similarly, as each of the LeMonde Disposals and each of the Homegrace Disposals are entered into (i) on the same date, (ii) with the same assets being disposed of and (iii) on similar terms and conditions, the LeMonde Disposals and Homegrace Disposals are to be aggregated pursuant to Rule 14.22 and Rule 14A.25 of the Listing Rules.

As each of (i) the highest aggregate percentage ratio of the LeMonde Acquisitions and Homegrace Acquisitions and (ii) the highest aggregate percentage ratio of the LeMonde Disposals and Homegrace Disposals exceeds 2.5%, and their respective aggregate consideration is not less than HK\$10,000,000, each of the LeMonde Transactions and Homegrace Transactions is subject to the reporting, announcement and independent shareholders’ approval requirements under the Listing Rules.

In addition, as each of (i) the highest aggregate percentage ratio of the LeMonde Acquisitions and Homegrace Acquisitions and (ii) the highest aggregate percentage ratio of the LeMonde Disposals and Homegrace Disposals is between 2.5% and 25%, each of the LeMonde Transactions and Homegrace Transactions constitutes discloseable transactions for the Company under Rule 14.06(2) of the Listing Rules.

As each of LeMonde and Mr. Sung Chee Keung has a material interest in the LeMonde Transactions and Homegrace Transactions, LeMonde, Mr. Sung Chee Keung and their respective Associates will abstain from voting on each of the proposed ordinary resolutions to approve the LeMonde Transactions and Homegrace Transactions at the EGM. Except for LeMonde, Mr. Sung Chee Keung and their respective Associates, all the other Shareholders are Independent Shareholders who are entitled to vote at the EGM in connection with the proposed ordinary resolutions to approve the LeMonde Transactions and Homegrace Transactions.

G. DESPATCH OF CIRCULAR AND NOTICE OF EGM

An Independent Board Committee, consisting of all of the independent non-executive Directors, has been established to advise the Independent Shareholders, and Somerley Limited has been appointed as Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the LeMonde Transactions and Homegrace Transactions.

A circular containing, among other things, further details of the LeMonde Transactions and Homegrace Transactions, a letter of advice from the Independent Board Committee, a letter of advice from the Independent Financial Adviser and a notice of the EGM will be despatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

H. RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 26 June 2009 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 7 July 2009.

I. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Applicable Laws”	with respect to any person, any laws, rules, regulations, guidelines, directives, treaties, judgments, decrees, orders or notices of any relevant government, administrative or regulatory body or court tribunal, arbitrator or governmental agency or authority or department that is applicable to such person
“Asia Packaging”	“Asia Packaging Company Limited, a company incorporated in the Cayman Islands with limited liability
“Associates”	has the meaning ascribed there to in the Listing Rules
“Board”	the board of Directors from time to time
“Business Day”	a day other than a Saturday, Sunday or public holiday in Hong Kong
“Company”	Hung Hing Printing Group Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Stock Exchange
“Completion Date”	in respect of each of the LeMonde Acquisition Agreements, the Homegrace Acquisition Agreements, the LeMonde Disposal Agreements and the Homegrace Disposal Agreements, the third Business Day following the day on which the conditions precedent for the such agreement are fulfilled (or, if applicable, waived)
“CVC Group”	Asia Packaging, together with its associates, ultimate beneficial owners and parties acting in concert with any of them
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held to approve the LeMonde Transactions and Homegrace Transactions. The details of the EGM will be announced as soon as practicable
“Group”	the Company and its subsidiaries
“Homegrace”	Homegrace Consultants Limited is an investment holding company incorporated under the laws of Hong Kong
“Homegrace Acquisitions”	the acquisition of the Packaging Entities by the Hung Hing International pursuant to the Homegrace Acquisition Agreements

“Homegrace Acquisition Agreements”	the three acquisition agreements in relation to the acquisition of 5% of the equity interests in each of Zhongshan Packaging, Zhongshan Off-Set Printing and South Gain, all of which are entered into between Hung Hing International and Homegrace on 25 June 2009
“Homegrace Disposals”	the disposal of the Paper Mill Entities by the Company pursuant to the Homegrace Disposal Agreements
“Homegrace Disposal Agreements”	the two disposal agreements in relation to the disposal of 5% of the equity interests in each of Zhongshan Rengo and Zhongshan Ren Hing, both of which are entered into between the Company and Homegrace on 25 June 2009
“Homegrace Transactions”	the Homegrace Acquisitions and Homegrace Disposals
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hung Hing International”	Hung Hing International Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“Independent Board Committee”	the independent committee of the Board consisting of all the independent non-executive Directors
“Independent Financial Adviser”	Somerley Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the LeMonde Transactions and Homegrace Transactions
“Independent Shareholders”	Shareholders other than LeMonde and Mr. Sung Chee Keung and their respective Associates
“LeMonde”	LeMonde Inc., an investment holding company incorporated in the British Virgin Islands, holding 10% of the equity interests in each of the Packaging Entities
“LeMonde Acquisitions”	the acquisition of the Packaging Entities by Hung Hing International pursuant to the LeMonde Acquisition Agreements
“LeMonde Acquisition Agreements”	the three acquisition agreements in relation to the acquisition of 10% of the equity interests in each of Zhongshan Packaging, Zhongshan Off-Set Printing and South Gain, all of which are entered into between Hung Hing International and LeMonde on 25 June 2009

“LeMonde Disposals”	the disposal of the Paper Mill Entities by the Company pursuant to the LeMonde Disposal Agreements
“LeMonde Disposal Agreements”	the two disposal agreements in relation to the disposal of 25% of the equity interests in each of Zhongshan Rengo and Zhongshan Ren Hing, both of which are entered into between the Company and LeMonde on 25 June 2009
“LeMonde Transactions”	the LeMonde Acquisitions and the LeMonde Disposals
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Packaging Entities”	Zhongshan Packaging, Zhongshan Off-Set Printing and South Gain
“Paper Mill Entities”	Zhongshan Rengo and Zhongshan Ren Hing
“PRC”	the People’s Republic of China
“PRC Approvals”	the approvals, consents and authorizations from all relevant regulatory authorities in the PRC (including but not limited to the Ministry of Commerce or its local counterpart) in respect of the transfer of equity interests pursuant to each of the LeMonde Acquisition Agreements and the Homegrace Acquisition Agreements (except for the LeMonde Acquisition Agreement or Homegrace Acquisition Agreement in relation to South Gain) and each of the LeMonde Disposal Agreements and the Homegrace Disposal Agreements
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder”	a person entered in the register of members of the Company as the holder from time to time of Shares
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“South Gain”	South Gain Enterprises Limited, a company incorporated in Hong Kong with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Zhongshan Off-Set Printing”	Zhongshan Hung Hing Off-Set Printing Company Limited, a Sino-foreign joint venture company established under the laws of the PRC
“Zhongshan Packaging”	Zhongshan Hung Hing Printing & Packaging Company Limited, a Sino-foreign joint venture company established under the laws of the PRC

“Zhongshan Ren Hing”	Zhongshan Ren Hing Paper Manufacturing Company Limited, a Sino-foreign joint venture company established under the laws of the PRC
“Zhongshan Rengo”	Zhongshan Rengo Hung Hing Paper Manufacturing Company Limited, a Sino-foreign joint venture company established under the laws of the PRC
“%”	per cent.

WARNING: Completion of the LeMonde Transactions and Homegrace Transactions is subject to the fulfillment (or, if applicable, waiver) of a number of conditions precedent and the LeMonde Transactions and Homegrace Transactions may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

By order of the Board
Yum Chak Ming, Matthew
Managing Director

Hong Kong, 6 July 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. David Murray Lonie, Mr. Ho Chi Kit, and Mr. Lam Tsz-Wang, Alvin as non-executive directors; Mr. Yip Yu Bun, Mr. Yap, Alfred Donald and Mr. Luk Koon Hoo as independent non-executive directors.

In this announcement, RMB has been translated into HK\$ at the rate, close to the date of the LeMonde Disposal Agreements and the Homegrace Disposal Agreements, of HK\$1 = RMB0.88 for reference only.