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HUNG HING PRINTING GROUP LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 450)

PROFIT WARNING, SUBSCRIPTION OF NEW SHARES, WHITEWASH WAIVER AND RESUMPTION OF TRADING

Financial adviser to Hung Hing Printing Group Limited



BNP PARIBAS
CORPORATE & INVESTMENT BANKING

PROFIT WARNING

The Board announces that the Company is expecting (i) net losses of approximately HK\$38 million resulted from early redemption of the Company's five-year zero coupon convertible bonds by bondholders, and (ii) net fair value losses of approximately HK\$169 million in derivative financial instruments. The Board further announces that the EBITDA for the year ended March 31, 2008 (excluding the losses set out in (i) and (ii) above) was approximately HK\$429 million.

THE SUBSCRIPTION AGREEMENT

The Board further announces that on April 24, 2008, the Company entered into the Subscription Agreement with the Subscriber pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 323,500,445 Subscription Shares at the Subscription Price of HK\$2.70 per Subscription Share.

The Subscription Shares represent approximately 53.8% of the existing issued share capital of the Company and approximately 35.0% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

WHITEWASH WAIVER

Immediately following Completion, the Subscriber, its ultimate beneficial owners (being the Investment Funds as described in the “Information on the Subscriber” section below) and parties acting in concert with any of them will be interested in 323,500,445 Shares, representing approximately 35.0% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares. The Subscriber will make an application to the Executive for the Whitewash Waiver, which if granted, will be subject to, among other things, approval by the Independent Shareholders in respect of the Whitewash Waiver at the EGM by way of poll.

GENERAL

The EGM will be held to consider, if thought fit, pass the resolutions to approve, among other things, (i) the Subscription Agreement and the transactions contemplated thereunder, and (ii) the Whitewash Waiver. The Subscriber, its ultimate beneficial owners and parties acting in concert with any of them do not currently hold any shares in the Company and accordingly will not vote on any of the resolutions. Only Shareholders who do not have a material interest in the transactions will vote on the resolution to approve the Subscription Agreement and the transactions contemplated thereunder at the EGM. Only the Independent Shareholders will vote on the resolution to approve the Whitewash Waiver at the EGM.

Yum Chak Ming, Matthew (as the Managing Director) and Yam Ho Ming, Michael (as an executive Director) have been involved in the negotiations with the Subscriber on behalf of the Company in relation to the Subscription. Accordingly, Yum Chak Ming, Matthew and Yam Ho Ming, Michael and their respective concert parties will abstain from voting on the resolution to approve the Whitewash Waiver at the EGM.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 10:14 a.m. on April 24, 2008 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 May 7, 2008.

Shareholders and investors should exercise caution when dealing in the Shares.

PROFIT WARNING

The Board announces that the Company is expecting (i) net losses of approximately HK\$38 million resulted from early redemption of the Company's five-year zero coupon convertible bonds by bondholders, and (ii) net fair value losses of approximately HK\$169 million in derivative financial instruments. The Board further announces that the EBITDA for the year ended March 31, 2008 (excluding the losses set out in (i) and (ii) above) was approximately HK\$429 million.

Based on the unaudited management accounts, the Board considers the overall operations and financial position of the core businesses of the Company remain sound and intact. It is expected that there will be a decrease in gross profit margin for the year ended March 31, 2008 when compared to the same period of the last financial year due to rising material costs, which the Directors believe is experienced by the paper, printing and packaging industry. Therefore, the information is subject to further adjustments and the Board is not in a position to quantify the extent of the financial impact of the above factors on the Group as at the date of this announcement. Shareholders and investors should read the Company's audited consolidated results for the year ended March 31, 2008 carefully, which is expected to be published around July 2008.

The information contained in this section (the “**Financial Information**”) is regarded as a profit forecast for the purposes of the Takeovers Code and the Listing Rules therefore has to be reported on by the financial adviser and reporting accountants of the Company in accordance with Rule 10 of the Takeovers Code and Rule 14.62 of the Listing Rules. The Financial Information is only based on the best estimation by the Company's management with the information available up to the date of this announcement (including, but not limited to, the unaudited management accounts of the Company and mark to market valuations from financial institutions), and is not based on any figures or information audited or reviewed by the Company's auditors. Accordingly, the financial adviser and the reporting accountants are not in a position to report on the Financial Information as required under Rule 10 of the Takeovers Code and Rule 14.62 of the Listing Rules as at the date of this announcement. The Financial Information is disclosed pursuant to Rule 13.09(1) of the Listing Rules. The Board is of the view that the Financial Information has been derived after due and careful enquiry with the information available up to the date of this announcement.

The Company has undertaken that reports from the financial adviser and the reporting accountants on the Financial Information will be included in the circular to be sent to the Shareholders in respect of the Subscription Agreement and the Whitewash Waiver. If the financial adviser and the reporting accountants are not able to issue an unqualified report on the Financial Information, detailed information on the reasons for such will also be included in the abovementioned circular. **Attention is drawn to the fact that the Financial Information has not been reported on in accordance with the Takeovers Code and the Listing Rules and therefore should not be relied upon as a forecast of any future profitability of the Group. Shareholders and investors should exercise caution when interpreting the Financial Information.**

THE SUBSCRIPTION AGREEMENT

Parties

Issuer: 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

Subscriber: ASIA PACKAGING COMPANY LIMITED, a company incorporated in the Cayman Islands with limited liability

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner are Independent Third Parties.

As at the date of this announcement, the Subscriber, its ultimate beneficial owners and parties acting in concert with any of them: (i) do not hold any securities in the Company; and (ii) are not acting in concert with any of the Shareholders, the Directors and their respective Associates.

Pursuant to the Subscription Agreement, the Subscriber agreed to subscribe in cash and the Company agreed to allot and issue 323,500,445 Subscription Shares at the Subscription Price of HK\$2.70 per Subscription Share, subject to the terms and conditions of the Subscription Agreement.

Number of Subscription Shares

Pursuant to the Subscription Agreement, 323,500,445 Subscription Shares will be allotted and issued to the Subscriber. The Subscription Shares represent approximately 53.8% of the existing issued share capital of the Company and approximately 35.0% of the issued share capital of the Company as enlarged by the allotment and issue of such Subscription Shares.

Subscription Price

The Subscription Price of HK\$2.70 per Subscription Share represents:

- (i) a premium of approximately 11.57% to the closing price of HK\$2.42 per Share as quoted on the Stock Exchange on April 23, 2008, being the trading day immediately prior to the date of entering into of the Subscription Agreement;
- (ii) a premium of approximately 9.76% to the closing price of HK\$2.46 per Share as quoted on the Stock Exchange on April 24, 2008, being the last trading day immediately prior to the entering into of the Subscription Agreement;
- (iii) a premium of approximately 10.47% to the average closing price of approximately HK\$2.44 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the entering into of the Subscription Agreement;

- (iv) a premium of approximately 9.00% to the average closing price of approximately HK\$2.48 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the entering into of the Subscription Agreement;
- (v) a discount of approximately 26.09% to the unaudited consolidated net asset value attributable to the Shareholders per Share of approximately HK\$3.65 per Share as at September 30, 2007, being the date of the latest interim results, without taking into account the Subscription; and
- (vi) a discount of approximately 18.44% to the unaudited consolidated net asset value attributable to the Shareholders per Share of approximately HK\$3.31 per Share as at September 30, 2007, being the date of the latest interim results, had the Subscription Shares been allotted and issued on September 30, 2007.

The net aggregate proceeds from the Subscription, after deduction of relevant expenses (including but not limited to legal expenses and disbursements), is estimated to be approximately HK\$865.0 million. The net price per Subscription Share is approximately HK\$2.67.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the recent trading performance of the Shares after taking into consideration various factors, including but not limited to the latest financial position and business prospects of the Company, the Board (excluding the non-executive Directors and independent non-executive Directors) consider that taking into account the Financial Information, the Subscription Price and the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Ranking of the Subscription Shares

The Subscription Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Subscription Shares, including the right to receive all future dividends and distributions which may be declared, made or paid by the Company on or after the date of allotment and issue of the Subscription Shares.

Mandate to issue the Subscription Shares

The Subscription Shares will be allotted and issued pursuant to a specific mandate proposed to be sought from the Shareholders at the EGM.

Conditions of the Subscription

The Subscription is conditional upon the following conditions precedent being fulfilled on or before the Long Stop Date or being waived by the Subscriber in writing in accordance with the Subscription Agreement after prior consultation with the Company:

- (i) the passing of the following resolutions at the EGM:
 - (a) by the Shareholders (being such Shareholders as are allowed to vote under the Listing Rules and the Takeovers Code or permitted by the Stock Exchange to vote) in relation to the Subscription Agreement and the transactions contemplated thereunder:
 - the increase of the authorized share capital of the Company to HK\$120,000,000 comprising 1,200,000,000 Shares;
 - the issue and allotment of 323,500,445 Subscription Shares constituting approximately 35.0% of the enlarged share capital of the Company;
 - the Subscription and the transactions contemplated under the Subscription Agreement;
 - the appointment of the Subscriber's four nominees to the Board with effect from Completion or, if the Subscriber has waived the conditions of obtaining the Shareholders' approval for the Whitewash Waiver and the granting of the Whitewash Waiver by the Executive and/or is otherwise required to make an offer as a result of the Subscription, with effect from the posting of the offer document in relation to the mandatory general offer required to be made as a result of the Subscription; and
 - (b) by the Independent Shareholders in relation to the Whitewash Waiver by way of poll;
- (ii) the granting of the Whitewash Waiver by the Executive;
- (iii) the resignation of three Directors on the Board (being Directors other than the independent non-executive Directors), with effect from Completion or, if the Subscriber has waived the conditions of obtaining the Shareholders' approval for the Whitewash Waiver and the granting of the Whitewash Waiver by the Executive and/or is otherwise required to make a mandatory general offer as a result of the Subscription, with effect from the later of the first closing date of the mandatory general offer required to be made as a result of the Subscription, or such offer being declared unconditional (or otherwise with the consent of the Executive);
- (iv) the listing of and permission to deal in all the Subscription Shares being granted by the Listing Committee of the Stock Exchange and such listing and permission not subsequently being revoked prior to the Completion Date;

- (v) the Company Warranties being true, complete and accurate as at the date of the Subscription Agreement and remaining so as at the Completion Date as if made on that date;
- (vi) save as otherwise disclosed to the Subscriber in the disclosure letter, there not having been any Material Adverse Change and the Company having operated its business in the ordinary course of business since the date of the Interim Results;
- (vii) the zero coupon guaranteed convertible bonds due 2011 issued by Greatest Joy Investments Limited having been redeemed in full; and
- (viii) the Subscriber providing evidence to the Company one Business Day prior to Completion that it has adequate funding to satisfy its payment obligations under the Subscription Agreement.

At any time on or before the Long Stop Date, the Subscriber may waive, in whole or in part, the above conditions (i) to (vii), to the extent permitted by law, by notice to the Company. In the event the Subscriber waives the satisfaction of conditions (i)(b) and (ii) and elects to proceed with the Subscription, the Subscriber will comply with all the relevant requirements under the Takeovers Code, including but not limited to the making of a general offer and further announcement. The current issued share capital of the Subscriber is 100 ordinary shares of US\$0.01 each. If and when the Subscriber was required to make a general offer, if such offer was to include a non-cash alternative, further details will be provided by the Subscriber at the appropriate time. The Subscriber does not have any other outstanding options, derivatives, warrants and other securities convertible into shares or any other derivatives of the Subscriber as at the date of this announcement.

If the above conditions (i) to (vii) are not fulfilled to the reasonable satisfaction of the Subscriber or waived in writing by it on or before the Long Stop Date, the Subscription Agreement shall automatically terminate with immediate effect.

Completion of the Subscription

Completion of the Subscription will take place at 3 p.m. on the fifth Business Day following the satisfaction or waiver of the last condition (to the extent such conditions are capable of being fulfilled before such date) or such other date as the parties may agree, subject to the conditions precedent having been fulfilled to the reasonable satisfaction of the Subscriber or waived in accordance with the Subscription Agreement.

Undertakings by the Company

Pursuant to the Subscription Agreement, the Company has agreed to give, among others, certain undertakings as set out below:

- (i) From the date of the Subscription Agreement up until the Completion Date, the Company shall not declare, pay or make a dividend or distribution.
- (ii) From Completion, for so long as the Subscriber continues to hold not less than 33% of the Shares or is the Shareholder holding the largest percentage of the Shares, the Subscriber shall be entitled to nominate four persons to the Board to act as Directors and shall be entitled to appoint the chairman of the Board. The Company shall use all reasonable endeavours to procure that such nominees are appointed to the Board. The number of Directors on the Board at Completion shall be increased to ten. Any other change to the size of the Board shall be determined by the nomination committee as described below. If the Subscriber holds less than 33% of the Shares and is no longer the Shareholder holding the largest percentage of Shares, the number of Directors the Subscriber has a right to nominate shall be reduced proportionally.
- (iii) For so long as the Subscriber continues to hold not less than 33% of the Shares or is the Shareholder holding the largest percentage of the Shares and if the Subscriber so elects, the Subscriber shall be entitled from time to time to nominate directors to the boards of the Subsidiaries up to such number constituting a simple majority of the directors of each such board and the Company shall procure that such nominees are appointed as directors on the boards of the Subsidiaries.
- (iv) At Completion, the Company shall procure that one nominee of the Subscriber is appointed as a member on each of the audit committee and remuneration committee of the Company and shall ensure that, for so long as the Subscriber continues to hold not less than 33% of the Shares or is the Shareholder holding the largest percentage of the Shares, a nominee of the Subscriber shall be continue to be appointed to such committees.
- (v) After Completion, to improve corporate governance and follow best practices, the Company shall establish a nomination committee.

For the avoidance of any doubt, none of the above paragraphs (ii), (iii) and (iv) above shall prevent the members of the Board from being able to fulfill their fiduciary duties imposed on them under the Applicable Laws and the Listing Rules at all times.

The Directors considers that the undertakings set out in the Subscription Agreement are in the best interest of the Company and the Shareholders on a whole.

Whitewash Waiver

On Completion, the Subscriber, its ultimate beneficial owners and parties acting in concert with any of them will in aggregate hold 323,500,445 Shares, representing approximately 35.0% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares. The Subscriber would incur an obligation pursuant to Rule 26 of the Takeovers Code to make a mandatory general offer to the Shareholders to acquire all the Shares other than those held by the Subscriber and its ultimate beneficial owners.

The Subscriber will make an application to the Executive for the Whitewash Waiver and such grant will be subject to, among other things, (i) approval of the Independent Shareholders in respect of the Whitewash Waiver at the EGM where voting on the relevant resolution shall be decided by way of poll, and (ii) the Subscriber, its ultimate beneficial owners and their respective concert parties not having acquired any voting rights in the Company in the six-month period prior to the date of this announcement but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to the Subscription, and (iii) the Subscriber, its ultimate beneficial owners and parties acting in concert with any of them not having made any acquisitions or disposals of the voting rights in the Company between the date of this announcement and Completion.

Only the Independent Shareholders will vote in the resolution to approve the Whitewash Waiver at the EGM. Yum Chak Ming, Matthew (as the Managing director) and Yam Ho Ming, Michael (as an executive Director) have been involved in the negotiations with the Subscriber on behalf of the Company in relation to the Subscription. Accordingly, Yum Chak Ming, Matthew and Yam Ho Ming, Michael and their respective concert parties will abstain from voting on the resolution to approve the Whitewash Waiver at the EGM.

Options, derivatives, warrants and other securities convertible into the Shares

Save for the zero coupon guaranteed convertible bonds described in the section headed “Conditions of the Subscription”, the Company does not have any other outstanding options, derivatives, warrants and other securities convertible into the Shares or any other derivatives of the Company as at the date of this announcement.

Highest and lowest share price

The highest and lowest closing price of the Shares as quoted on the Stock Exchange during the six-month period preceding the date of this announcement was HK\$4.05 recorded on October 23, 2007 and HK\$2.42 recorded on April 23, 2008, respectively.

Subscriber's dealing and interest in the Company's securities

Save for the entering into of the Subscription Agreement, none of the Subscriber, its ultimate beneficial owners and parties acting in concert with any of them has dealt in the Shares, outstanding options, derivatives, warrants or other securities convertible or exchangeable into the Shares during the period commencing on the date falling six months prior to the date of this announcement. As at the date of this announcement, the Subscriber, its ultimate beneficial owners and parties acting in concert with any of them do not hold any Shares or securities of the Company.

Information on the Subscriber

The Subscriber is a company incorporated in the Cayman Islands on April 10, 2008 with limited liability. Its principal business is investment holding and to date, it has not conducted any business. The Subscriber is ultimately owned by the Investment Funds which are advised by CVC. The Investment Funds are widely held among a large number of investors comprising pension funds, financial institutions, university endowment funds, funds of funds and private individuals. The Investment Funds have a total of approximately US\$4.1 billion under management and were established in July and September 2007, respectively. The funds have so far acquired a 65% interest in Stella Group Limited, an integrated travel and hospitality group in Australia, New Zealand and the United Kingdom, and announced the pending acquisition of an interest in Magnum Corporation Berhad, a licensed 4-digit number forecast betting company in Malaysia.

CVC is one of the leading private equity firms in Asia. It has been one of the most active private equity investors in the region, and has completed 30 major acquisitions, covering Greater China, Southeast Asia, Korea, Japan and Australia.

CVC has made a number of investments in the printing, paper and packaging sector including GS Paper and Packaging (Malaysia's largest paper and corrugated box manufacturer) and Asia Printers (a children's book printing and financial printing group in Hong Kong). Other pertinent global investments in the printing, paper and packaging sector by CVC group include Smurfit Kappa (one of the world's largest manufacturers of containerboard, corrugated containers, folding cartons and paper bags) and Flint group (an integrated supplier of printing ink in Germany).

Future intention of the Subscriber

The Subscriber intends that following Completion, the Group will continue its existing principal business in the ordinary course. The Subscriber would assist the Group to further develop its business by, including but not limited to, providing professional management experience and strengthening its financial reporting practices. The Subscriber has no intention to make major changes to the existing employment arrangements of the Group, save for a nomination of four new Directors and the proposed recruitment of some professional managers to supplement the existing management in certain areas, which would be announced as and when appropriate and in compliance with the relevant rules and regulations.

The Subscriber does not intend to re-deploy or dispose of any of the assets of the Group other than in the ordinary course of business. With regard to the acquisition by the Group of further assets, this may be a possibility in the future. Any acquisition or disposal of the assets or business of the Group, if any, will be in compliance with the Listing Rules and the Takeovers Code (if applicable). Pursuant to the Listing Rules, the Stock Exchange has the discretion to require the Company to issue a circular to the Shareholders where any acquisition or disposal by the Company is proposed, irrespective of the size of such acquisition or disposal and in particular, when such proposed transactions represent a departure from the principal activities of the Company. The Stock Exchange also has the power pursuant to the Listing Rules to aggregate a series of acquisition or disposal and any such acquisition or disposal may, in any event, result in the Company being treated as if it were a new applicant for listing and subject to the requirements for new applicants as set out in the Listing Rules. The Group will continue to seek new business opportunities to improve the Group's profitability and prospects, and may diversify into other businesses should suitable opportunities arise.

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR THE SUBSCRIPTION

The Group is principally engaged in the printing and manufacturing of paper and carton boxes, the manufacturing of paper, the manufacturing of corrugated cartons and the trading of paper.

The Directors consider that the Subscription will benefit the Company's long-term development and broaden the Company's equity base and is intended to further to improve the corporate governance of the Group through the appointment of new professional and experienced Directors. It will also strengthen its financial position and enhance its existing business operations and will further enable it to make investments in new acquisitions or business ventures when suitable opportunities arise in the future.

The gross proceeds of the Subscription is approximately HK\$873.45 million. The net aggregate proceeds of the Subscription is approximately HK\$865.0 million, of which approximately 58% will be used for the reduction of bank debt and the balance of approximately 42% will be used (as and when appropriate) for (i) the termination of certain derivative contracts as determined by a special committee of the Board to be formed after Completion, and (ii) the expansion of the Group's business.

The Board (excluding the non-executive Directors and independent non-executive Directors) consider that taking into account the Financial Information, the Subscription Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Subscriber and that the terms of the Subscription Agreement are fair and reasonable so far as the interests of the Company and the Shareholders as a whole are concerned.

CHANGES IN SHAREHOLDING STRUCTURE

The changes in the shareholding structure of the Company as a result of the Subscription are as follows:

Name	Capacity and nature of interest	As at the date of this announcement and immediately before the Completion		Immediately after the Completion	
		Number of Shares held	% ⁽²⁾	Number of Shares held	% ⁽²⁾
Yam Cheong Hung and entities owned or controlled by him and his family and parties in concert with any of them ⁽¹⁾	Directly beneficially owned and through controlled corporation and his spouse	303,596,452	50.53	303,596,452	32.85
Subscriber, its ultimate beneficial owners and parties acting in concert with any of them	Directly beneficially owned	—	—	323,500,445	35.00
Commonwealth Bank of Australia ⁽³⁾	Through controlled corporation	54,244,491	9.03	54,244,491	5.87
Capital Research and Management Company ⁽³⁾	Directly beneficially owned	46,223,000	7.69	46,223,000	5.00
Aberdeen Asset Management PLC ⁽³⁾	Through controlled corporation	30,112,000	5.01	30,112,000	3.26
Franklin Templeton Investments Corp. ⁽³⁾	Through controlled corporation	30,857,747	5.14	30,857,747	3.34
General public ⁽³⁾		<u>135,746,839</u>	<u>22.60</u>	<u>135,746,839</u>	<u>14.68</u>
TOTAL		<u>600,780,529</u>	<u>100.00</u>	<u>924,280,974</u>	<u>100.00</u>

Notes:

- (1) The entities owned or controlled by Yam Cheong Hung and his family are C.H. Yam International Limited, C.H. Yam Holding Limited and Hung Tai Industrial Company Limited. C.H. Yam International Limited is a company owned by Yam Cheong Hung and his family. C.H. Yam International Limited in turn owns Hung Tai Industrial Company Limited as to 96.6% through its wholly-owned subsidiary, C.H. Yam Holding Limited. Further, under the SFO, Yam Cheong Hung is deemed to be interested in the 1,650,207 shares (0.27% of the Company's issued share capital) owned by his spouse.
- (2) Percentage of the Company's issued share capital
- (3) The total percentage of shareholding held by public shareholders are approximately (i) 49.47% (as at the date of this announcement and immediately before the Completion, and (ii) 32.15% (immediately after the Completion).

PROPOSED INCREASE IN AUTHORIZED SHARE CAPITAL

As at the date of this announcement, the authorized share capital of the Company is HK\$80,000,000 divided into 800,000,000 Shares, of which 600,780,529 Shares have been issued and fully paid or credited as fully paid. In order to fulfill the first bullet point of condition precedent (i)(a) referred to in the section headed "Conditions of the Subscription" above, and to provide the Group with flexibility in future expansion and growth by means of issuing new Shares and fund raising activities as the Directors may consider appropriate from time to time, the Directors propose to increase the authorized share capital of the Company to HK\$120,000,000 divided into 1,200,000,000 Shares by the creation of an additional 400,000,000 unissued Shares. The increase in the authorized share capital of the Company is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM, and save for the Subscription Shares, the Company currently has no intention to issue any part of the proposed increase in its authorized share capital.

GENERAL

The EGM will be held to consider, and if thought fit, pass the resolutions to approve, among other things, (i) the Subscription Agreement and the transactions contemplated thereunder, and (ii) the Whitewash Waiver. The Subscriber, its ultimate beneficial owners and parties acting in concert with any of them do not currently hold any shares in the Company and accordingly will not vote on any of the resolutions. Only Shareholders who do not have a material interest in the transactions will vote on the resolution to approve the Subscription Agreement and the transactions contemplated thereunder at the EGM. Only the Independent Shareholders will vote in the resolution to approve the Whitewash Waiver at the EGM. Yum Chak Ming, Matthew (as the Managing director) and Yam Ho Ming, Michael (as an executive Director) have been involved in the negotiations with the Subscriber on behalf of the Company in relation to the Subscription. Accordingly, Yum Chak Ming, Matthew and Yam Ho Ming, Michael and their respective concert parties will abstain from voting on the resolution to approve the Whitewash Waiver at the EGM.

The Directors and the Subscriber confirm that so far as they are aware there are no (i) arrangements (whether by way of option, indemnity or otherwise) in relation to the Shares and which might be material to the Subscription Agreement and/or the Whitewash Waiver, and (ii) agreements or arrangements to which the Subscriber is party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Subscription Agreement (other than those listed in the section headed “Conditions of the Subscription”) and/or the Whitewash Waiver.

An independent board committee comprising all the non-executive Directors will be formed to consider the terms of the Subscription Agreement and the Whitewash Waiver and an independent financial adviser will be appointed in due course to advise the independent board committee and the Independent Shareholders in these regards. A further announcement will be made once the independent financial adviser has been appointed.

The Company will dispatch a circular containing further details of the Subscription Agreement, the Whitewash Waiver, the recommendation from the independent board committee to the Shareholders, the recommendation from the independent financial adviser to the independent board committee and the Independent Shareholders, reports from the financial adviser and the reporting accountants on the Financial Information in accordance with Rule 10 of the Takeovers Code and Rule 14.62 of the Listing Rules, and a notice convening the EGM. Pursuant to the requirements under Rule 8.2 of the Takeovers Code, the circular must be issued to Shareholders within 21 days of the date of this announcement.

FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD

No fund raising activity has been carried out by the Company in the twelve months immediately prior to the date of this announcement.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 10:14 a.m. on April 24, 2008 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 May 7, 2008.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to this term under the Takeovers Code
“Applicable Laws”	with respect to any person, any laws, rules, regulations, guidelines, directives, treaties, judgments, decrees, orders or notices of any Authority that is applicable to such person
“Approvals”	all approvals, licences, consents, registrations, permits and authorizations from any Authority and any third party
“Associates”	has the meaning ascribed there to in the Listing Rules
“Authority”	any relevant government, administrative or regulatory body or court tribunal, arbitrator or governmental agency or authority or department
“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
“Company Warranty”	the warranties given by the Company pursuant to the Subscription Agreement
“Completion”	completion of the Subscription
“Completion Date”	the fifth Business Day following the satisfaction or waiver of the last condition precedent (to the extent such conditions precedent are capable of being fulfilled before the Completion Date) or such other date as the parties may agree
“CVC”	CVC Asia Pacific Ltd., a company incorporated in Hong Kong
“Directors”	the directors of the Company
“EBITDA”	earnings before interest, taxes, depreciation and amortization

“EGM”	the extraordinary general meeting to be held to pass the following resolutions:
	<p>(a) by the Shareholders (being such Shareholders as are allowed to vote under the Listing Rules and the Takeovers Code or permitted by the Stock Exchange to vote) in relation to the Subscription Agreement and the transactions contemplated thereunder:</p> <ul style="list-style-type: none"> • the increase of the authorized share capital of the Company to HK\$120,000,000 comprising 1,200,000,000 Shares; • the issue and allotment of 323,500,445 Subscription Shares constituting approximately 35.0% of the enlarged share capital of the Company; • the Subscription and the transactions contemplated under the Subscription Agreement; • the appointment of the Subscriber’s four nominees to the Board with effect from Completion or, if the Subscriber has waived the conditions of obtaining the Shareholders’ approval for the Whitewash Waiver and the granting of the Whitewash Waiver by the Executive and/or is otherwise required to make an offer as a result of the Subscription, with effect from the posting of the offer document in relation to the mandatory general offer required to be made as a result of the Subscription; and <p>(b) by the Independent Shareholders in relation to the Whitewash Waiver</p>
“Executive”	the executive director of the Corporate Finance Division of the SFC, or any delegate of the executive director
“Group”	the Company and each Subsidiary
“Group Company”	the Company or a Subsidiary
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Shareholders”	Shareholders other than the Subscriber, Yum Chak Ming, Matthew, Yam Ho Ming, Michael and parties acting in concert with any of them and those who are not interested or involved in the Subscription and the Whitewash Waiver
“Independent Third Party(ies)”	third party(ies) independent of the Company and connected persons (as defined in the Listing Rules) of the Company
“Interim Results”	the unaudited consolidated results of the Group for the 6 months ended September 30, 2007
“Investment Funds”	CVC Capital Partners Asia Pacific III L.P. and CVC Capital Partners Asia Pacific III Parallel Fund-A, L.P. which ultimately own 88% and 12%, respectively, of the Subscriber
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	August 29, 2008, or any other date as agreed between the Company and the Subscriber
“Managing Director”	managing director of the Company
“Material Adverse Change”	any event, circumstances, effect, occurrence or state of affairs or any combination thereof which has, or is reasonably likely to have, a Material Adverse Effect
“Material Adverse Effect”	<p>a material adverse effect on:</p> <ul style="list-style-type: none"> (i) the business, operations, property, condition (financial or otherwise) or prospects of the Company which could reasonably be expected to impair the ability of the Company or the Subscriber to perform its obligations under the Subscription Agreement or any of them; or (ii) the legality, validity or enforceability of the Subscription Agreement or any of them or the rights or remedies of the Subscriber under the Subscription Agreement or any of them
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Asia Packaging Company Limited, the subscriber to the Subscription Agreement
“Subscription”	the subscription for the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated April 24, 2008 and entered into among the Company and the Subscriber
“Subscription Price”	the subscription price of HK\$2.70 per Subscription Share
“Subscription Shares”	an aggregate of 323,500,445 Shares to be subscribed by the Subscriber pursuant to the Subscription Agreement
“Subsidiary”	a subsidiary of the Company as set out in the Subscription Agreement
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Whitewash Waiver”	a waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code from the obligation (which would otherwise arise as a result of Completion) to make a mandatory general offer for the existing issued securities of the Company, other than the Shares held by the Subscriber, its ultimate beneficial owners and their respective concert parties
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

Shareholders and investors are advised to exercise caution when dealing in the Shares.

By order of the Board

Yum Chak Ming, Matthew
Managing Director

Hong Kong, May 6, 2008

As at the date of this announcement, the Directors comprise Mr. Yam Cheong Hung, Mr. Yum Chak Ming, Matthew, Mr. Yam Ho Ming, Michael and Mr. Yam Hon Ming, Tommy, who are executive Directors; Dr. Chu Shu Ho, David and Miss Yum Pui Ming, Anna, who are non-executive Directors; Mr. Yip Yu Bun, Mr. Wong Siu Ping and Mr. Yap, Alfred Donald who are independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than that relating to the Subscriber and CVC, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Subscriber), have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

At the date of this announcement, the directors of the Subscriber and the directors of Asia Packaging Group Holdings Limited (the ultimate holding company of the Subscriber which is directly owned by the Investment Funds) are Roy Kuan, Alvin Tsz-Wang Lam and Ho Chi Kit.

The directors of the Subscriber and the directors of Asia Packaging Group Holdings Limited (the ultimate holding company of the Subscriber which is directly owned by the Investment Funds) jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than that relating to the Group, and confirm, having made all reasonable enquiries, that to the best of their knowledge, their opinions expressed in this announcement, have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 of Rule 22 of the Takeovers Code:

“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligations of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbroker and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

In accordance with Rule 3.8 of the Takeovers Code, any associates (as defined in the Takeovers Code) of the Company and of the Subscriber are hereby reminded to disclose their dealings in the securities of the Company pursuant to the requirements of the Takeovers Code.