HUNG HING

HUNG HING PRINTING GROUP LIMITED

(incorporated in Hong Kong with limited liability)

(Stock code: 450)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

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 June 2026 as follows:

CONSOLIDATED INCOME STATEMENT

	Note	**For the six months ended 30 June**	
		2026	2025
		(Unaudited)	(Unaudited)
		HK$'000	HK$'000
Revenue	2	**1,033,740**	935,402
Cost of sales		**(926,011)**	(830,352)
Gross profit		**107,729**	105,050
Other revenue		**20,015**	19,658
Other net gain		**7,996**	16,001
Distribution costs		**(30,969)**	(30,038)
Administrative and selling expenses		**(167,075)**	(159,549)
Operating loss		**(62,304)**	(48,878)
Finance costs	3	**(862)**	(1,617)
Share of profits of associates		**188**	345
Loss before income tax	4	**(62,978)**	(50,150)
Income tax	5	**1,539**	(2,770)
Loss for the period		**(61,439)**	(52,920)
Attributable to:			
Equity shareholders of the Company		**(61,146)**	(48,779)
Non-controlling interests		**(293)**	(4,141)
Loss for the period		**(61,439)**	(52,920)

	Note	HK cents	HK cents
Loss per share attributable to equity shareholders of the Company	6		
Basic		**(6.7)**	(5.4)
Diluted		**(6.7)**	(5.4)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Loss for the period	**(61,439)**	(52,920)
Other comprehensive income for the period (net of tax):		
Item that will not be reclassified to profit or loss		
Change in fair value of equity investments at fair value through other comprehensive income ("FVOCI") (non-recycling)	**(730)**	1,609
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of financial statements of subsidiaries and an associate outside Hong Kong	**35,621**	10,119
Change in fair value of intangible assets	**(200)**	-
Other comprehensive income for the period	**34,691**	11,728
Total comprehensive income for the period	**(26,748)**	(41,192)
Attributable to:		
Equity shareholders of the Company	**(30,449)**	(38,089)
Non-controlling interests	**3,701**	(3,103)
Total comprehensive income for the period	**(26,748)**	(41,192)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Non-current assets			
Property, plant and equipment		**1,378,927**	1,388,465
Intangible assets		**11,315**	12,263
Prepayments for acquisition of non-current assets		**59,236**	26,443
Interest in associates		**12,689**	12,501
Financial investments		**59,286**	58,630
Deferred tax assets		**20,623**	18,517
		1,542,076	1,516,819
Current assets			
Inventories		**393,711**	362,057
Trade and other receivables	8	**647,434**	676,250
Structured bank deposits		**62,047**	152,958
Cash at bank and on hand	9	**486,345**	505,328
		1,589,537	1,696,593
Current liabilities			
Trade and other payables	10	**343,673**	326,192
Bank borrowings		**13,446**	28,416
Lease liabilities		**10,719**	10,462
Income tax payable		**1,790**	4,705
		369,628	369,775
Net current assets		**1,219,909**	1,326,818
Total assets less current liabilities		**2,761,985**	2,843,637
Non-current liabilities			
Lease liabilities		**16,272**	14,460
Deferred income		**5,963**	6,957
Deferred tax liabilities		**29,061**	30,364
		51,296	51,781
Net assets		**2,710,689**	2,791,856
Capital and reserves			
Share capital		**1,652,854**	1,652,854
Reserves		**938,455**	1,023,323
Total equity attributable to equity shareholders of the Company		**2,591,309**	2,676,177
Non-controlling interests		**119,380**	115,679
Total equity		**2,710,689**	2,791,856

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Net cash (outflow)/inflow from:		
Operating activities	**4,302**	(109,157)
Investing activities	**43,259**	(116,455)
Financing activities	**(75,727)**	(108,345)
Net decrease in cash and cash equivalents	**(28,166)**	(333,957)
Cash and cash equivalents at 1 January	**461,041**	717,286
Effect of foreign exchange rate changes	**7,334**	4,277
Cash and cash equivalents at 30 June	**440,209**	387,606

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. Basis of Preparation and Accounting Policies

This interim financial report for the six months ended 30 June 2026 has not been audited and has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements as set out in Appendix D2 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The unaudited condensed consolidated interim financial statements have been prepared under the historical cost convention except that certain financial assets are stated at fair value and which should be read in conjunction with the annual financial statements for the year ended 31 December 2025.

The financial information relating to the financial year ended 31 December 2025 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) ("Companies Ordinance") is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2025 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance. The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements.

The HKICPA has issued a number of amendments to Hong Kong Financial Reporting Standards ("HKFRSs") that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group:

- Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures - Amendments to the classification and measurement of financial instruments*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in the interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2. Revenue and Segment Information

The management committee (being the chief operating decision-maker) has determined the operating segments based on the reports reviewed to make strategic decisions and assess performance. The management committee, comprising the executive chairman and other senior management, has determined the operating segments based on these reports. The Group is organised into four business segments:

(a) Book and Package Printing segment;
(b) Consumer Product Packaging segment;
(c) Corrugated Box segment; and
(d) Paper Trading segment.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

Revenue from external customers are after elimination of inter-segment revenue. Inter-segment revenue is charged in accordance with terms determined and agreed mutually by relevant parties.

Management assesses the performance of the operating segments based on a measure of gross profit and other revenue less distribution costs, administrative and selling expenses, and other net gain that are allocated to each segment. Other information provided is measured in a manner consistent with that in the financial statements.

Sales between segments are carried out at an arm's length basis.

Segment results do not include corporate finance costs, other corporate income and expenses and share of result of associates.

The following tables present revenue, results and certain information for the Group's business segments for the six months ended 30 June 2026 and 2025.

	For the six months ended 30 June 2026			
	Segment Revenue			**Segment Results**
	Sales to external customers (Unaudited) HK'$000	**Inter-segment sales (Unaudited) HK'$000**	**Total (Unaudited) HK'$000**	**(Unaudited) HK'$000**
Book and Package Printing	**708,623**	**1,637**	**710,260**	**(52,806)**
Consumer Product Packaging	**171,727**	**4,183**	**175,910**	**(9,001)**
Corrugated Box	**87,832**	**23,231**	**111,063**	**(7,977)**
Paper Trading	**65,558**	**53,098**	**118,656**	**3,012**
Eliminations	-	**(82,149)**	**(82,149)**	**742**
	1,033,740	-	**1,033,740**	**(66,030)**
Corporate and unallocated expenses				**3,726**
Operating loss				**(62,304)**
Finance costs				**(862)**
Share of profits of associates				**188**
Loss before income tax				**(62,978)**
Income tax				**1,539**
Loss for the period				**(61,439)**

	For the six months ended 30 June 2025			
	Segment Revenue			Segment Results
	Sales to external customers (Unaudited) HK'$000	Inter-segment sales (Unaudited) HK'$000	Total (Unaudited) HK'$000	(Unaudited) HK'$000
Book and Package Printing	647,141	1,563	648,704	(22,144)
Consumer Product Packaging	144,523	177	144,700	(17,619)
Corrugated Box	91,818	23,597	115,415	(6,053)
Paper Trading	51,920	138,882	190,802	(3,949)
Eliminations	-	(164,219)	(164,219)	(611)
	935,402	-	935,402	(50,376)
Corporate and unallocated expenses				1,498
Operating loss				(48,878)
Finance costs				(1,617)
Share of profits of associates				345
Loss before income tax				(50,150)
Income tax				(2,770)
Loss for the period				(52,920)

3. Finance Costs

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interest on bank borrowings	**343**	724
Interest on lease liabilities	**519**	893
	862	1,617

4. Loss Before Income Tax

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

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
After charging -		
Depreciation		
- Owned property, plant and equipment	**50,056**	50,800
- Other assets leased for own use	**5,442**	8,868
- Land use rights	**2,080**	2,317
Amortisation of intangible assets	**1,040**	816
Loss on disposal of property, plant and equipment	**1,310**	5,447
Loss allowance of trade and other receivables, net	**3,709**	566
Write-down of inventories, net	**872**	-
Employee benefits expense (including directors' emoluments)	**283,869**	279,431
After crediting -		
Interest income	**4,769**	4,588
Dividend income from financial investments	**277**	402
Government grants	**4,868**	6,757
Reversal of write-down of inventories, net	**-**	4,591
Net foreign exchange gain	**5,757**	6,088
Fair value gain on derivative financial instruments not qualified as hedges	**-**	53
Fair value gain on structured bank deposits	**3,549**	15,307

5. Income Tax

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Current tax		
- Hong Kong Profits Tax	**(2)**	172
- People's Republic of China ("PRC") Income Tax	**12**	(595)
- Vietnam Income Tax	**1,863**	1,336
Total current tax	**1,873**	913
Deferred tax	**(3,412)**	1,857
Income tax	**(1,539)**	2,770

The provision for Hong Kong Profits Tax is calculated at 16.5% (2025: 16.5%) of the estimated assessable profits for the period.

Hung Hing Printing (China) Company Limited ("HHCN"), an indirect wholly owned subsidiary of the Company, was certified as a High-New Technology Enterprise in 2023. The effective PRC Corporate Income Tax ("CIT") for 2025 and 2026 was subject to a reduced tax rate of 15%. For PRC entities other than HHCN, PRC Income Tax represents CIT calculated at 25% (2025: 25%) and PRC withholding tax at the applicable rates. Pursuant to the income tax rules and regulations, provision for PRC withholding tax is calculated based on 10% and 5% (2025: 5%) of the dividend income from financial investment and subsidiaries in the PRC respectively.

The Provision for corporate income tax ("CIT") in Vietnam is calculated at 17% of the estimated taxable profits for the period. HH Dream Printing Company Limited and HHD (Thai Ha) Company Limited, subsidiaries of the Company incorporated in Vietnam, are entitled to a preferential tax treatment of CIT exemption for the first two years starting from which profit is generated and 50% income tax reduction for the next four years.

6. Loss Per Share

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company of HK$61,146,000 (2025: HK$48,779,000) and the weighted average number of ordinary shares in issue during the period excluding ordinary shares purchased by the Company under the Share Award Scheme.

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Loss attributable to equity shareholders of the Company (HK$'000)	**(61,146)**	(48,779)
Weighted average number of ordinary shares in issue ('000)	**907,865**	907,865
Weighted average number of own held shares for Share Award Scheme ('000)	**(258)**	(573)
Weighted average number of ordinary shares in issue for calculation of basic loss per share ('000)	**907,607**	907,292
Basic loss per share (HK cents per share)	**(6.7)**	(5.4)

(b) Diluted loss per share

For the period ended 30 June 2026 and 2025, the diluted and basic loss per share were the same as the ordinary shares repurchased for the Share Award Scheme are anti-diluted to the loss per share.

7. Dividend

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interim dividend of HK1 cent (2025: HK3 cents) per ordinary share	**9,079**	27,236

8. Trade and Other Receivables

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Trade receivable	**522,553**	559,302
Less: Loss allowance	**(10,775)**	(7,129)
	511,778	552,173
Trade receivable due from related parties	**313**	310
Total trade receivable, net	**512,091**	552,483
Bills receivable	**1,480**	3,838
Prepayment, deposits and other receivables	**133,113**	119,929
Amount due from an associate	**750**	-
	647,434	676,250

The aging analysis of total trade receivable at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
1 - 30 days	**251,544**	250,521
31 - 60 days	**110,326**	146,965
61 - 90 days	**91,142**	63,637
Over 90 days	**59,079**	91,360
	512,091	552,483

Trade receivable are normally due within 30 and 90 days from the date of billing.

9. Cash and Cash Equivalents

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Cash at banks and on hand	**486,345**	505,328
Less: time deposits with original maturity over three months	**(46,136)**	(44,287)
Cash and cash equivalents in consolidation statement of cash flows	**440,209**	461,041

10. Trade and Other Payables

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Trade payables	**166,993**	148,162
Bills payables	**9,470**	7,699
Deferred income current portion	**4,338**	4,330
Other payable and accrued liabilities	**162,872**	166,001
	343,673	326,192

The aging analysis of total trade payables at the end of the reporting period, based on invoice date, is as follows :

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
1 - 30 days	**130,719**	110,451
31 - 60 days	**22,068**	24,559
61 - 90 days	**5,420**	5,241
Over 90 days	**8,786**	7,911
	166,993	148,162

MANAGEMENT DISCUSSION AND ANALYSIS

Results and dividends

During the six months ended 30 June 2026 (the "period under review"), the global macroeconomic environment remained highly complex, volatile and uncertain. These challenging headwinds reflect a broader industry-wide reality facing the printing and manufacturing sector, rather than an isolated vulnerability. In response, the Group has refocused its efforts by deepening market analysis, proactively capturing emerging opportunities and pursuing structural breakthroughs to fortify its long-term competitiveness.

Geopolitical turbulence, particularly heightened tensions in the Middle East, continued to disrupt vital maritime routes along the Strait of Hormuz. These ongoing vulnerabilities have created profound bottlenecks, shipping delays and operational instability across global export supply chains. Concurrently, recurring tariff fluctuations over the past year have erected unpredictable trade barriers, compounding the operational burden on export-oriented manufacturers.

Adding to a prevailing industry-wide downturn, profit margins faced simultaneous pressure from raw material inflation and fluctuations in the Renminbi (RMB). China recorded its slowest growth in the second quarter of this year since the fourth quarter of 2022. This broader economic adjustment, alongside ongoing international trade friction, has been exacerbated by certain US and multinational clients trying to diversify their supply chains to reduce regional concentration risk with a potential trade-off with stability and efficiency.

Customer purchasing behaviours have shifted towards conservatism, to watch out against abrupt trade policy shifts and tariff liabilities, multinational clients have increasingly controlled order volumes and deferred commitments through phased procurements strategies at the cost of sacrificing economies of scale.

Amid intensifying market competition, pricing concessions and selectively absorbed rising operational and input costs during the period under review became widespread across the industry to preserve long-standing key client partnerships. However, this strategy that significantly compressed gross profit margins endangered the sustainability of the industry.

To safeguard the financial health and align operational realities with the macroeconomic climate, vital and disciplined pricing adjustments by industry players would be anticipated as passive cost absorption is no longer viable.

As a result, for the six-month period ended 30 June 2026, the Group recorded a loss attributable to equity shareholders of the Company of approximately HK$61 million, compared with a loss of HK$49 million recorded in the same period of last year.

The Group continued to maintain a robust total deposit and cash position of approximately HK$548 million (including structured deposits), giving us the resources to weather adversities, drive future growth and pursue our ongoing policy of rewarding shareholders to the utmost. The Board of Directors has announced an interim dividend of HK1 cent (2025: HK3 cents). It is payable on 16 October 2026 to shareholders whose names appear in the Register of Members of the Company on 24 September 2026.

Steering through uncertainty with resilience

To steer through the headwinds, Hung Hing proactively executed strategic structural improvements across our geographic hubs. We continuously deepened market analysis to seize opportunities and pursue breakthroughs to strengthen our core competitiveness.

Recognising the demand for an alternative production base outside China, we accelerated our strategic infrastructure investments in Southeast Asia. Our second production facility in Vietnam is fully operational and continuously scaling up its capacity, positioning us to successfully capture diverted international order volumes.

To further enhance our operational efficiency and capability to provide advanced printing solutions to clients, we continued our capital deployment across different business segments. At our Tai Po headquarters, a brand-new digital press line is currently being installed and configured, which will quickly expand our agile, short-run printing capabilities. We also replaced the corrugated production line at Guangdong Lianhe with a state-of-the-art machine, structurally improving quality and cost efficiency.

Within the Chinese mainland footprint, we successfully implemented a series of business consolidations. Notably, the streamlined integrations within our corrugated business at the Shenzhen, Shunde and Zhongshan sites have yielded measurable efficiency gains and synergy. Hung Hing stands highly optimised and ready to serve the domestic market the moment the market demand recovers.

Our deliberate efforts to diversify our revenue mix beyond traditional printing over the past few years have provided vital structural balance during this cyclical downturn.

STEM PLUS, our subsidiary dedicated to educational events, delivered highly encouraging results during the first half of 2026. Building on years of momentum, the team expanded its reach by engaging Southeast Asian education authorities to support the Hong Kong Government's "Study in Hong Kong" branding initiative. In collaboration with Education Bureau officials, STEM PLUS led a delegation to Bangkok, Malaysia and Indonesia to promote Hong Kong's advantageous educational framework.

Furthermore, STEM PLUS successfully hosted its flagship events, including the 3rd (Greater Bay Area) Hong Kong Through-Train Education Expo and the 2nd GBA High School 5-on-5 Basketball Invitational – Reunification Cup (Hong Kong Leg). Special mention goes to Active Minds Limited (AML), its subsidiary that specialises in the distribution of children's books and educational toys. The team recorded its best performance yet at this year's Hong Kong Book Fair through optimising booth design, streamlining the checkout process and implementing a "Best Price Promised" strategy.

The occupancy rate of its Hokming Hall dormitory service has seen a steady rise. Riding on the "Study in Hong Kong" branding initiative, Hokming Hall was launched with a mission to provide dedicated dormitory infrastructure tailored for non-local secondary students. It provides a high supervisory standard and premium living environment designed specifically for minors, giving parents peace of mind.

Yum Me Play expanded its scope to invest in cultural IP projects such as Hong Kong Comic Con, the global iconic event held for the first time in the city this year. The three-day event was a massive success, drawing more than 100,000 visitors. By investing in Hong Kong Comic Con, we gained access to a fast-growing market that aligns perfectly with Hung Hing's core capability, as pop culture fans value physical products they can touch and collect. This creates a direct pipeline of new business for our factories, including the printing of comic books, trading cards and exclusive event souvenirs. While our investment helped boost the visibility of the local creative industry, it also unlocked opportunities of strategic commercial partnerships for other Hung Hing business units.

Yum Me Print, the self-service photo and document printing solution provider for event organisers and brand owners, has been expanding its consumer touchpoints at high-traffic locations such as the Mass Transit Railway (MTR) network. Yum Me Print print stations have been set up in major stations along different MTR lines to provide convenient and price-competitive printing services to busy commuters.

Business performance

During the first half of 2026, US-China trade relations, geopolitics and Chinese consumer sentiment remained key determinants of our operating environment. Book and Package Printing (BPP), our largest segment, achieved respectable growth compared with the same period last year, with revenue increased from HK$647 million in 1H 2025 to HK$709 million. Intensified market competition and irrational pricing pressures further eroded our gross profit margin. To enhance operational efficiency and preserve core production capabilities for future demand recovery, BPP proactively implemented restructuring measures, including headcount optimisation and stringent control over fixed costs. A loss of HK$52.8 million was recorded for the period. Management remains committed to product and service quality, operational streamlining and strategic positioning to capitalise on any upturn in market demand while navigating the challenging competitive landscape.

Following the successful integration of two production facilities last year, which generated synergies, additional income streams and enhanced operational efficiency, Consumer Product Packaging (CPP) continued to strengthen its domestic sales performance. Supported by stepped-up marketing efforts to expand the customer base, domestic sales recorded 18.8% growth to HK$171.7 million compared with the same period last year. In addition, CPP benefited from enhanced facility utilisation, an improved gross profit margin and sustained cost savings arising from the prior year's restructuring initiatives. As a result, its loss was further narrowed from HK$17.6 million in 1H 2025 to HK$9 million this period.

In the first half of 2026, corrugated paper prices showed an upward trend; meanwhile, the industry is prone to price wars during periods of subdued market demand. Corrugated Box (CB) continued to face challenges, with revenue decreased by 4.3% to HK$87.8 million and a segment loss of HK$8.0 million in 1H 2026 (1H 2025: HK$6.0 million).

Paper Trading (PT) delivered strong performance during the period. Revenue increased by 26.3% to HK$65.6 million in 1H 2026 (1H 2025: HK$51.9 million), driven by higher export sales and successful new business development initiatives. Benefiting from the restructuring initiatives implemented last year, PT achieved a turnaround from a loss of HK$3.9 million in 1H 2025 to a profit of HK$3.0 million this period. This improvement was primarily attributable to enhanced gross profit margins and effective cost rationalisation measures.

Liquidity and Capital Resources

We maintained our prudent cash management approach, carefully managing a healthy financial position in light of uncertain business conditions. As of 30 June 2026, the Group had total cash on hand of HK$548 million if all deposits are included, and net cash on hand (total cash net of bank borrowings, including all deposits) of HK$535 million to support working capital requirements, capital expenditure, investment needs and rewarding our shareholders.

A portfolio of USD/RMB structured deposits was managed to provide hedging for RMB requirements and, at the same time, to fund the Group's working capital requirements in mainland China at more favourable exchange rates.

About 74% of total cash, including structured deposits, was held in RMB. The remainder was held primarily in US dollars. Cash not earmarked for immediate use was placed in time deposits to match projected cash outflows and to maximise interest income.

Interest income during the period of HK$4.8 million, together with the fair value gain on all deposits of HK$3.5 million, represented a decrease in deposit yields of HK$11.6 million compared with the same period last year, driven by changes in the market conditions.

Our solid financial standing continued to provide us with an edge in accessing debt finance if needed. As of 30 June 2026, the Group continued to pay down bank borrowings to HK$13 million and reduced the gearing ratio to 0.5% (2025: 1.6%) in light of the unfavourable interest rate environment. Total interest costs were minimised by 52.6% to HK$0.3 million, compared with HK$0.7 million in the same period last year. All of the Group's total bank borrowings represent term loans with banks at fixed interest rates in US dollars. Based on the existing loan repayment schedules with banks, the remaining HK$13 million is repayable within one year.

During the period under review, the Group spent over HK$57 million on capital projects and committed an additional HK$23 million to expand and upgrade existing capacities. The funding was also used to acquire new equipment and technology to support initiatives in our core businesses, including the upgrade of existing PRC facilities and the expansion of production bases in Vietnam.

Environmental Sustainability

In the first half of 2026, the Group continued to advance its ESG strategy by promoting green and low-carbon operations, improving resource efficiency, expanding renewable energy use, strengthening sustainable sourcing and accelerating intelligent manufacturing.

Several factories introduced robotic arms as pilot automated stacking systems in carton printing workshops. These initiatives enhance efficiency and workplace safety by reducing manual handling and the risk of work-related injuries. As automation and AI-driven production continue to reshape manufacturing, the Group will progressively deploy smart equipment to support more efficient smart factories.

Energy efficiency remained a key focus amid fluctuations in international oil prices. HH Dream Vietnam completed a 1,000 kWp solar photovoltaic installation in May, expected to generate around 800,000 kWh of clean electricity and reduce carbon emissions by approximately 520 tonnes (t) annually. The Zhongshan factory also committed to adding 1,000 kWp of solar capacity. During the period, the Group's total installed solar capacity reached 11,824 kWp (1H 2025: 9,806 kWp), while cumulative solar power generation increased by 18.18% to 5,287,006 kWh from 4,473,720 kWh in the first half year.

Total production output reached 62,213 t in 1H 2026 (1H 2025: 56,995 t). On a product-intensity basis, carbon emissions intensity decreased by 5% from 0.21 to 0.20 tCO_2e/t, while water usage intensity fell by 26% from 3.72 to 2.75 m^3/t. Electricity consumption intensity changed from 0.42 to 0.43 MWh/t.

The Group maintained a strong production waste recycling rate of 97% (1H 2025: 96%). Recyclable waste included 15,245 t (1H 2025: 14,294 t) of wastepaper, 97 t (1H 2025: 136 t) of plastic and 52 t (1H 2025: 191 t) of metal, while non-recyclable waste decreased to 455 t from 531 t in 1H 2025.

In sustainable sourcing, over 94% (1H 2025: 96%) of paper used was either certified under recognised forestry schemes or contained high recycled content. This included 35,914 t (1H 2025: 23,727 t) of FSC ™-certified paper, 11 t (1H 2025: 28 t) of PEFC-certified paper and 28,978 t (1H 2025: 40,992 t) of high-recycled-content paper, reaffirming our commitment to environmental responsibility and ethical procurement.

Our People and Social Responsibility

As of 30 June 2026, the Group employed 5,460 people (1H 2025: 4,918) across all operating locations. We aim to be an employer of choice by fostering a workplace grounded in diversity, equity and inclusion, supported by fair compensation, clear career pathways and continuous learning opportunities.

During the period, we delivered 90,700 (1H 2025: 84,873) training hours across 37,638 (1H 2025: 34,131) attendances, representing an average of 2.41 (1H 2025: 2.49) hours per participant. This reflects our continued investment in workforce capability and professional development at all levels.

The Group also held its annual blood donation activity, reinforcing our commitment to community well-being, shared responsibility and social belonging.

Looking ahead, we remain committed to embedding ESG principles into our core operations and stakeholder engagement, ensuring that our growth creates lasting value for both the environment and the communities we operate.

Outlook

As the geopolitical situation continues into the second half, the challenges facing the industry are likely to persist. The pressures of market consolidation within the printing and packaging sectors is expected to intensify. While this creates intense short-term rivalry, it will ultimately reshape the industry, resulting in a more balanced setting in the long run.

Despite the uncertainty, the Group is well positioned to arise stronger.

The installation and calibration of the new digital printing press is progressing as scheduled. When this new capability becomes operational by the end of 2026, we will be ready to serve a broader target market, especially demand from clients requesting shorter runs.

In terms of operational efficiency, our corrugated production will soon conclude its consolidation, while a state-of-the-art production line is being installed at Guangdong Lianhe to bring its efficiency to a new level. At Shenzhen, a project aimed at improving logistics efficiency and preparing the site for broader automation is under way. Foundation work is in progress to deploy an Autonomous Mobile Robot (AMR) for automation pilot at the warehouse. These initiatives form part of our ongoing efforts to further enhance the logistics efficiency of our operations.

Our diversified businesses each have their own plans to drive growth. AML will continue to deploy growth capital into our brick-and-mortar retail footprint. The team continues to expand, with new store openings expected to launch progressively over the second half of the year and into early next year. Yum Me Print will complete the installation of its print stations across the MTR network in the coming months. Yum Me Play has committed to investing in Hong Kong Comic Con 2027, which is set to be an even larger-scale event.

Looking ahead, the Group will continue to prioritise selective investment in high-potential growth areas, operational excellence and cost management. With strengthened production bases across China and Southeast Asia, an expanding portfolio of diversified businesses, and a robust financial position, we remain confident in our ability to navigate through the prevailing headwinds and deliver sustainable value for our shareholders over the longer term.

Last but not least, we would like to take this opportunity to thank our dedicated colleagues for their contribution and hard work.

INTERIM DIVIDEND

The directors have resolved to pay an interim dividend of HK1 cent (2025: HK3 cents) per share. The interim dividend will be paid on 16 October 2026 to shareholders whose names appear on the Register of Members of the Company on 24 September 2026.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 21 September 2026 to 24 September 2026, 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 Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on 18 September 2026.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's shares during the period.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied with the code provisions listed in the Corporate Governance Code (the "CG Code") as set out in Appendix C1 of the Listing Rules throughout the accounting period covered by the interim results, with the exception that:

Code Provision C 2.1 provides that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The roles of the chief executive officer have been undertaken by Mr. Yum Chak Ming, Matthew, the Executive Chairman of the Company. The Board is of the opinion that it is appropriate and in the best interests of the Company that Mr. Yum should hold these offices. The Board believes that it is effective to monitor and assess business performance in a manner that properly protects the interests of shareholders.

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 C3 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 audit committee of the Company has reviewed the interim results for the six months ended 30 June 2026 and the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters. The audit committee comprises three independent non-executive directors and a non-executive director of the Company.

By Order of the Board
Hung Hing Printing Group Limited
Yum Chak Ming, Matthew
Executive Chairman

Hong Kong, 26 August 2026

As at the date of this announcement, the Board comprises Mr. Yum Chak Ming, Matthew and Mr. Yum Christopher Carson, who are executive directors; Mr. Hirofumi Hori, Mr. Hitoshi Shibasaki, Ms. Aki Tsuge and Mr. Yam Hon Ming, Tommy (Mr. Yum Nicholas Kevin as his alternate), who are non-executive directors; Mr. Luk Koon Hoo, Mr. Tan Chuen Yan, Paul and Mr. Lee Danny Lap, who are independent non-executive directors.