HANG SANG (SIU PO) INTERNATIONAL HOLDING COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3626)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2016

The board (the "**Board**") of directors (the "**Director(s)**") of Hang Sang (Siu Po) International Holding Company Limited (the "**Company**") hereby announces the consolidated financial results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 30 June 2016 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2016

	Note	**2016** ***HK$'000***	2015 *HK$'000*
Revenue	*5*	**118,194**	133,097
Cost of sales		**(65,505)**	(76,251)
Gross profit		**52,689**	56,846
Other income	*6*	**1,139**	1,245
Selling expenses		**(8,849)**	(10,856)
Administrative and other operating expenses		**(37,129)**	(14,335)
Profit before income tax	*7*	**7,850**	32,900
Income tax expense	*8*	**(4,692)**	(5,428)
Profit and total comprehensive income for the year		**3,158**	27,472
Earnings per share attributable to equity holders of the Company			
– basic and diluted	*10*	**HK2.20 cents**	HK19.91 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Note	**2016**	2015
		HK$'000	*HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**10,488**	12,051
Current assets			
Inventories		**4,889**	3,271
Trade and other receivables	*11*	**17,261**	14,532
Amount due from a director		**–**	10,123
Cash and cash equivalents		**62,900**	37,819
		85,050	65,745
Current liabilities			
Trade and other payables	*12*	**9,382**	13,349
Amount due to a director		**–**	10,276
Current tax liabilities		**7,060**	3,994
		16,442	27,619
Net current assets		**68,608**	38,126
Total assets less current liabilities		**79,096**	50,177
Non-current liabilities			
Deferred tax liabilities		**1,517**	1,707
Net assets		**77,579**	48,470
EQUITY			
Share capital		**1,840**	–
Reserves		**75,739**	48,470
Total equity		**77,579**	48,470

NOTES

For the year ended 30 June 2016

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 8 October 2015 as an exempted company with limited liability. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is Block C, 5/F, Gee Hing Chang Industrial Building, No. 16 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 18 May 2016 (the "Listing Date").

The parent and ultimate holding company of the Company is HSSP Limited, a company incorporated in the British Virgin Islands (the "BVI"). The Company is an investment holding company. The Group is principally engaged in manufacturing and sale of apparel labels and packaging printing products.

The consolidated financial statements are presented in thousands of Hong Kong dollars ("HK$'000"), which is also the functional currency of the Company and its subsidiaries, unless otherwise stated.

2. REORGANISATION

In preparation for the listing of the Company's shares on the Main Board of the Stock Exchange, the Group underwent a reorganisation (the "Reorganisation") on 13 November 2015. Prior to the incorporation of the Company and completion of a group reorganisation, the Group's business was carried out by Hang Sang (Siu Po) Press Company Limited ("Hang Sang (Siu Po)") and A W Printing & Packaging Limited ("A W Printing") which were under the common control of Mr Fung Man Wai Samson and Mr Fung Man Kam (collectively the "Controlling Shareholders").

Upon completion of the Reorganisation, the Company became the holding company of the companies now comprising the Group. Details of the Reorganisation are set out below:

(i) The Company was incorporated in the Cayman Islands on 8 October 2015 with one fully paid share allotted and issued to as the initial subscriber. On 8 October 2015, such share was transferred to HSSP Limited for HK$0.01 and a further 99 shares were allotted and issued to HSSP Limited at par value.

(ii) On 8 October 2015, Hang Sang (Siu Po) Holding Limited was incorporated in the BVI with limited liability which is authorised to issue up to a maximum of 50,000 shares of HK$0.10 each. On incorporation, 100 shares of Hang Sang (Siu Po) Holding Limited were allotted and issued to the Company. Hang Sang (Siu Po) Holding Limited is wholly-owned by the Company.

(iii) On 13 November 2015, pursuant to the Group's reorganisation agreement, Hang Sang (Siu Po) Holding Limited purchased the entire equity interests in Hang Sang (Siu Po) from the Controlling Shareholders in consideration of the Company allotting and issuing 1,000,000 shares, all credited as fully paid, to HSSP Limited as directed by the Controlling Shareholders.

(iv) On 13 November 2015, pursuant to the Group's reorganisation agreement, Hang Sang (Siu Po) Holding Limited purchased the entire equity interests in A W Printing from the Controlling Shareholders in consideration of the Company allotting and issuing 3,000,000 shares, all credited as fully paid, to HSSP Limited as directed by the Controlling Shareholders.

The companies comprising the Group were under the control of the Controlling Shareholders. Accordingly, for the purpose of the preparation of the consolidated financial statements of the Group, the Company has been considered as the holding company of the Group throughout the years ended 30 June 2016 and 2015. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity. The Group was under the control of the Controlling Shareholders prior to and after the Reorganisation.

The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group have been prepared using the principles of merger accounting under Hong Kong Accounting Guideline 5 "Merger Accounting for Common Control Combinations" as if the current group structure had been in existence throughout the years ended 30 June 2016 and 2015, or since their respective dates of incorporation, where it is a shorter period. The consolidated statement of financial position at the end of reporting period have been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure had been in existence at those dates.

3. BASIS OF PREPARATION

The annual consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules").

The significant accounting policies that have been used in the preparation of the consolidated financial statements have been consistently applied to all the years presented unless otherwise stated. The adoption of new and amended HKFRSs and the impacts on the Group's consolidated financial statements, if any, are disclosed in note 4.

The Group has consistently applied, the HKASs, HKFRSs, amendments and the related interpretations, which are effective for the accounting period beginning on 1 July 2015 for both years.

4. ADOPTION OF NEW AND AMENDED HKFRSs

Issued but not yet effective HKFRSs

The Group has not early adopted the following new and revised standards, amendments or interpretations that are relevant and mandatory for the Group's accounting periods on or after 1 July 2016 or later periods, that have been issued but are not yet effective.

HKFRS 9	Financial Instruments[3]
HKFRS 15	Revenue from Contracts with Customers[3]
HKFRS 16	Leases[4]
Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKAS 7	Disclosure Initiative[2]
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle[1]

1 Effective for annual periods beginning on or after 1 January 2016
2 Effective for annual periods beginning on or after 1 January 2017
3 Effective for annual periods beginning on or after 1 January 2018
4 Effective for annual periods beginning on or after 1 January 2019

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. Currently it has been considered that adoption of them is unlikely to have an impact on the Group's results of operations and financial position, except for the following:

HKFRS 15 "Revenue from Contracts with Customers" ("HKFRS 15")

HKFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and HK(IFRIC) – Int 13 "Customer Loyalty Programmes". It also includes guidance on when to capitalise costs of obtaining or fulfilling a contract not otherwise addressed in other standards, and includes expanded disclosure requirements. The impact of the standard is currently being assessed. It is not yet practicable to quantify the effect on the consolidated financial statements.

HKFRS 16 "Leases" ("HKFRS 16")

HKFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17 "Leases" ("HKAS 17"). Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. It replaces HKAS 17 and the related interpretations including HK(IFRIC) – Int 4 "Determining whether an Arrangement contains a Lease". The impact of the standard is currently being assessed. It is not yet practicable to quantify the effect on the consolidated financial statements.

5. REVENUE AND SEGMENT INFORMATION

All of the Group's revenue and operating profit are generated from manufacturing and sale of apparel labels and packaging printing products net of any trade discounts. The chief operating decision-maker has been identified as the Board. The Board regards the Group's business of manufacturing and sales of apparel labels and packaging printing products as a whole to make decision about resources allocation and reviews the overall results of the Group. Accordingly, no business segment analysis information is presented.

The amount of revenue recognised is as follows:

	2016	2015
	HK$'000	*HK$'000*
Sale of apparel labels and packaging printing products	**118,194**	133,097

Geographical information

The following table sets out information about the geographical location of the Group's revenue. The geographical location of revenue is based on the country in which the customer is located.

	2016	2015
	HK$'000	*HK$'000*
Hong Kong (place of domicile)	**30,544**	37,945
South Korea	**23,893**	23,762
Taiwan	**13,115**	15,484
Vietnam	**12,878**	11,804
United States	**9,646**	10,552
China	**7,060**	9,220
India	**4,106**	4,988
Indonesia	**4,581**	5,551
Sri Lanka	**3,307**	3,824
Others	**9,064**	9,967
	118,194	133,097

All property, plant and equipment of the Group ("specified non-current assets") are physically located in Hong Kong.

There is no single external customer contributed more than 10% revenue to the Group's revenue for the years ended 30 June 2016 and 2015.

6. OTHER INCOME

	2016	2015
	HK$'000	*HK$'000*
Interest income	**44**	2
Commission income	**975**	1,171
Others	**120**	72
	1,139	1,245

7. PROFIT BEFORE INCOME TAX

The Group's profit before income tax is arrived at after charging/(crediting):

	2016	2015
	HK$'000	*HK$'000*
(a) Staff costs (including directors' remuneration)		
Salaries, allowances and other benefits	**26,157**	23,328
Contributions to defined contribution retirement plans	**1,024**	954
	27,181	24,282
(b) Other items		
Auditors' remuneration	**691**	70
Cost of inventories	**65,505**	76,251
Depreciation	**2,168**	2,732
Net exchange (gain)/loss	**(2)**	49
Marketing services fee	**7,560**	9,591
Impairment loss on trade and other receivables	**166**	–
Listing expenses	**19,949**	–
Operating lease charges:		
– plant and machinery	**485**	345
– premises	**7,072**	7,012

8. INCOME TAX EXPENSE

	2016	2015
	HK$'000	*HK$'000*
Current tax-Hong Kong Profits Tax		
– Provision for the year	**4,908**	5,775
– Over-provision in respect of prior year	**(26)**	–
	4,882	5,775
Deferred tax	**(190)**	(347)
Total income tax expense	**4,692**	5,428

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

Hong Kong Profits Tax has been provided at the rate of 16.5% for the year ended 30 June 2016 (2015: 16.5%) on the estimated assessable profits for the year.

9. DIVIDENDS

	2016	2015
	HK$'000	*HK$'000*
Final dividends proposed after the end of the reporting period	**–**	30,000

The Board does not recommend the payment of a final dividend for the year ended 30 June 2016.

Final dividends of HK$180 per share totalling HK$18,000,000 were declared to the shareholders of Hang Sang (Siu Po) and HK$40 per share totalling HK$12,000,000 were declared to the shareholders of A W Printing respectively for the year ended 30 June 2015. The final dividends for the year ended 30 June 2015 were proposed after 30 June 2015 and have not been recognised as a liability at 30 June 2015.

10. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the profit attributable to equity owners of the Company of HK$3,158,000 (2015: HK$27,472,000) and the weighted average of 143,545,000 ordinary shares (2015: 138,000,000 shares adjusting for the shares in issue during the year, as if the Reorganisation and capitalisation issue as set out in note 2 had been effective since 1 July 2014) calculated as follows:

	2016	2015
	Number of shares	
Deemed shares issued before share offer	**138,000,000**	138,000,000
Effect of shares issued upon share offer	**5,545,000**	–
Weight average number of ordinary shares at 30 June	**143,545,000**	138,000,000

Diluted earnings per share for the years ended 30 June 2016 and 2015 equate the basic earnings per share as the Group had no potential dilutive ordinary shares in issue during the years ended 30 June 2016 and 2015.

11. TRADE AND OTHER RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Trade receivables	**11,522**	11,261
Less: allowance for doubtful debts	**(712)**	(546)
	10,810	10,715
Deposits, prepayments and other receivables		
Deposits	**4,045**	2,052
Prepayments	**689**	172
Other receivables	**1,717**	1,593
	6,451	3,817
	17,261	14,532

The Group's credit terms of granted to customers generally ranged from 0 to 2 months. The Group usually reaches an agreement on the term of each payment with the customer by taking into account of factors such as, among other things, the credit history of the customer, its liquidity position and the Group's working capital needs, which varies on a case-by-case basis that requires the judgement and experience of the management.

As at 30 June 2016, the ageing analysis of trade receivables, based on the invoice date, net of allowance for doubtful debts is as follows:

	2016	2015
	HK$'000	*HK$'000*
Within 3 months	**9,000**	8,573
Over 3 months but within 6 months	**1,137**	1,671
Over 6 months but within 1 year	**602**	335
Over 1 year	**71**	136
	10,810	10,715

Impairment losses of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

The movement in the allowance for doubtful debts during the year, including both specific and collective loss components, is as follow:

	2016	2015
	HK$'000	*HK$'000*
At 1 July	**546**	546
Impairment loss recognised	**166**	–
At 30 June	**712**	546

12. TRADE AND OTHER PAYABLES

	2016	2015
	HK$'000	*HK$'000*
Trade payables	**4,269**	6,408
Marketing services fee payables	**1,523**	3,648
Receipt in advance	**261**	759
Accruals and other payables	**3,329**	2,534
	9,382	13,349

As at 30 June 2016, the ageing analysis of trade payables, based on the invoice date, are as follows:

	2016	2015
	HK$'000	*HK$'000*
Within 3 months	**4,266**	5,920
Over 3 months but within 6 months	**3**	488
	4,269	6,408

13. COMMITMENTS

(a) Capital commitments outstanding of the Group as at 30 June 2016 not provided for were as follows:

	2016	2015
	HK$'000	*HK$'000*
Contracted for:		
Property, plant and equipment	**7,332**	–

In June 2016, the Group has signed a purchase agreement for plant and machinery amounted to EUR1,073,000 (equivalent to approximately HK$9,227,000) and a deposit of EUR215,000 (equivalent to approximately HK$1,895,000) was paid upon signing the agreement.

(b) As at 30 June 2016 the total future minimum lease payments payable by the Group under those non-cancellable operating leases were as follows:

	2016	2015
	HK$'000	*HK$'000*
Within 1 year	**7,443**	6,958
After 1 year but within 5 years	**7,396**	903
	14,839	7,861

The Group leases a number of properties, and items of plant and machinery under operating lease arrangements which run for an initial period of 1 to 5 years (2015: 1 to 5 years), with an option to renew the lease and renegotiate the terms at the expiry date or at dates as mutually agreed between the Group and respective lessors. None of the leases include contingent rentals.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

On 18 May 2016, the Group completed its initial public offering ("IPO") with its shares successfully listed on the Main Board of the Stock Exchange. The IPO has not only enabled the management team to focus on the development of the apparel labels and packaging printing business, but also provided investors with a clearer and more independent view on the operation and financial position of the business.

For the year ended 30 June 2016, the Group recorded revenue of approximately HK$118.2 million, representing a decrease of approximately 11.2% as compared with that for the year ended 30 June 2015. Gross profit margin was approximately 44.6% for the year ended 30 June 2016 which was approximately 1.9 percent point higher than that for the year ended 30 June 2015. Profit attributable to equity holders for the year ended 30 June 2016 before taking into account the listing expenses relating to the share offer was approximately HK$23.1 million. After taking into account the aforesaid listing expenses, the Group's profit attributable to equity holders for the year ended 30 June 2016 was approximately HK$3.2 million.

The Group is one of the approved suppliers by the garment brand companies. The Group was able to obtain approvals from garment brand companies on designs and specifications of products as required by customers.

The Group will continue to strengthen its market position and increase the market share by making use of the following competitive strengths:

- established and maintained long-standing working relationships with the garment brand companies; and

- strong management team with in-depth knowledge in the industry fostering a supportive work place culture.

OUTLOOK

Although the Group was affected by fierce industry competition and high cost of production, the Group has still achieved a growth in gross profit margin. For the coming years, Hong Kong, Asia and United States markets are still the Group's major market, which is expected to remain stable. Nevertheless, the Group will continue to strive for diversifying its business, strengthening the development of products with higher profit margin, obtaining engagements from new customers and market, enhancing the production processes, reinforcing internal controls and implementing stringent control over the cost in order to achieve stable profit growth of the Group. Meanwhile, the Group will look for new business opportunities from time to time to strengthen its market position and implement the future plan of business strategy stated in the Company's prospectus dated 30 April 2016 (the "Prospectus").

Under the leadership of the Board, the management of the Group has formed a broad consensus in response to the key improvement areas in the existing business operation and market expansion in order to further enhance the Group's overall competitiveness.

FINANCIAL REVIEW

Revenue

Our Group generated revenue mainly from the sale of apparel labels and packaging printing products. It decreased by approximately HK$14.9 million or 11.2% from approximately HK$133.1 million for the year ended 30 June 2015 to approximately HK$118.2 million for the year ended 30 June 2016. Such decrease was primarily due to the decrease of average monthly orders as the customers became more cautious on placing orders.

Cost of sales

Total cost of sales of our Group decreased by approximately 14.2% from approximately HK$76.3 million for the year ended 30 June 2015 to approximately HK$65.5 million for the year ended 30 June 2016 mainly because of the decrease in raw materials consumed. Raw materials consumed decreased by approximately HK$10.3 million to approximately HK$30.0 million mainly due to the decrease in purchases of raw materials from subcontractors and the decrease in average purchase price of paper as a result of the increase in purchasing paper with lower prices in general. Subcontracting service fee increased by approximately HK$0.6 million to approximately HK$6.2 million because more production works were performed by subcontractors. Direct labour cost increased by approximately HK$1.1 million to approximately HK$17.5 million mainly due to salary increment.

Gross profits and gross profit margins

The gross profits of our Group were approximately HK$56.8 million and HK$52.7 million, respectively, representing gross profit margins of approximately 42.7% and 44.6%, respectively, for the years ended 30 June 2015 and 2016. Our gross profit margin further increased for the year ended 30 June 2016 compared to the year ended 30 June 2015 mainly because the decrease in our revenue is slightly higher than our decrease in cost of sales for the year.

Other income

Other income primarily comprises commission income derived from the Group's referrals of businesses to a company which is also a customer of our Group in Sri Lanka and interest income.

Selling expenses

Selling and distribution expenses primarily consist of freight charges, transportation and marketing service fee. Selling and distribution expenses represent approximately 7.5% and 8.2% of the revenue for the years ended 30 June 2016 and 2015, respectively.

Administrative expenses

Administrative expenses primarily comprise salaries, office rental and utilities, depreciation, listing expenses and other miscellaneous administrative expenses. Administrative expenses represent approximately 31.4% and 10.8% of the total revenue for the years ended 30 June 2016 and 2015, respectively. The increase in administrative expenses was primarily due to the listing expenses of approximately HK$19.9 million and donation of HK$1 million for using the auspicious stock code.

Listing expenses represent professional fees, printing fee and underwriting commission and fees, other direct expenses incurred in connection with the listing. Listing expenses borne by the Company are approximately HK$26.6 million, of which approximately HK$6.7 million is directly attributable to the issue of new shares to the public and accounted for as a deduction from equity and the remaining amount of approximately HK$19.9 million is accounted for in the consolidated statement of profit or loss and other comprehensive income.

Profit and total comprehensive income

Profit significantly decreased by approximately HK$24.3 million or 88.4%, from approximately HK$27.5 million for the year ended 30 June 2015 to approximately HK$3.2 million for the year ended 30 June 2016. Net profit margin also significantly decreased from approximately 20.6% for the year ended 30 June 2015 to approximately 2.7% for the year ended 30 June 2016. The decreases in net profit and net profit margin primarily reflected listing expenses of approximately HK$19.9 million incurred during the year.

Profit and total comprehensive income (excluding listing expenses)

If excluding the listing expenses, profit decreased by approximately HK$4.4 million or 16.0%, from approximately HK$27.5 million for the year ended 30 June 2015 to approximately HK$23.1 million for the year ended 30 June 2016. Net profit margin also decreased from approximately 20.6% for the year ended 30 June 2015 to approximately 19.5% for the year ended 30 June 2016. The decrease in our net profit and net profit margin (excluding listing expenses) is primarily attributable to the increase in staff costs by approximately HK$2.9 million from approximately HK$24.3 million for the year ended 30 June 2015 to approximately HK$27.2 million for the year ended 30 June 2016. Such increase was primarily due to the increase of headcount and salary increment in order to cope with our business growth.

Liquidity and financial information

As at 30 June 2016, the total amount of cash and cash equivalents of the Group was approximately HK$62.9 million, representing an increase of approximately HK$25.1 million as compared with that as at 30 June 2015. The increase mainly arose from the net proceeds of the IPO. There was no bank and other borrowings as at 30 June 2015 and 2016.

As at 30 June 2016, the current ratio (current assets/current liabilities) was 5.17 times (2015: 2.38 times) and the quick ratio ((current assets – inventories)/current liabilities)) was 4.88 times (2015: 2.26 times).

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Capital structure

The shares of the Company were first listed on the Stock Exchange on 18 May 2016. There has been no change in the capital structure of the Company since that date. The capital of the Company comprises ordinary shares and other reserves.

Share option

A share option scheme was adopted on 26 April 2016, whereby the Board may, at its absolute discretion, grant options to any eligible participants including directors and employees of the Group to subscribe for shares in the Company. Details of the share option scheme were set out in the Prospectus.

Commitments

The contractual commitments of the Group were primarily related to the leases of its office premises and warehouses and purchase of machinery. The Group's operating lease commitments amounted to approximately HK$14.8 million as at 30 June 2016 (2015: approximately HK$7.9 million). As at 30 June 2016, the Group has capital commitments of approximately HK$7.3 million (as at 30 June 2015: HK$Nil).

Pledge of assets

As at 30 June 2016, the Group had not pledged any assets (2015: HK$Nil).

Exposure to foreign exchange risk

The Group carries out certain of its transactions in USD and certain of its bank balances are denominated in USD. As HK$ is pegged to USD, the management does not expect any significant movements in the USD/HK$ exchange rate and considers the Group is not exposed to significant currency risk.

The Group does not hedge its foreign currency risks with USD as the rate of exchange between HK$ and USD is controlled within a tight range. Permanent changes in foreign exchange rates would have an impact on consolidated financial statements.

Material contingent liabilities

The Group is not aware of any material contingent liabilities as at 30 June 2016.

Use of proceeds

The Company's shares have been listed on the Main Board of the Stock Exchange since 18 May 2016. The receipts of proceeds, net of listing expenses (including underwriting fee), including both recognised in the consolidated statement of profit or loss and other comprehensive income and deducted from the share premium (the "Net Proceeds") from the Company's listing were approximately HK$36,100,000. In accordance with the proposed applications set out in the section headed "Net Proceeds from the Share Offer" of the announcement of offer price and allotment results dated 17 May 2016 (the "Allotment Results"), the Net Proceeds were applied by the Group from the Listing Date up to 30 June 2016 as follows:

Use of Net Proceeds	Planned use of proceeds as stated in the Allotment Results	Actual use of proceeds from the date of listing up to 30 June 2016	Unused Amount
	HK$ million	*HK$ million*	*HK$ million*
Acquisition of one set of six-colour offset printing machine	15.6	1.9	13.7
Expansion of sales and marketing team	4.2	–	4.2
Research and development of the know-how of the application of heat transfer technology	8.8	–	8.8
Upgrade of ERP system	3.0	–	3.0
Expansion and/or upgrade of production facilities or development of potential projects through acquisition or cooperation	3.8	–	3.8
Working capital and general corporate purpose	0.7	–	0.7
Total	36.1	1.9	34.2

The unutilised amounts of the Net Proceeds will be applied in the manner consistent with that mentioned in the Allotment Results. The Directors are not aware of any material change to the planned use of Net Proceeds as at the date of this announcement.

The unused Net Proceeds have been placed as bank deposits with a licensed bank in Hong Kong as at the date of this announcement.

EMPLOYEES AND EMOLUMENT POLICIES

As at 30 June 2016, the Group had 101 full time management, administrative and operation staff in Hong Kong (as at 30 June 2015: 103).

The Group provides competitive remuneration packages with attractive discretionary bonus to employees. The Group regularly reviews its remuneration packages in light of the overall development of the Group as well as the market conditions. In addition, the Group has adopted a share option scheme for eligible employees (including directors) to provide incentives to those with outstanding performance and contribution to the Group.

CORPORATE GOVERNANCE

The Board considers that good corporate governance of the Company is crucial to safeguard the interests of the shareholders of the Company and to enhance the performance of the Group. The Board and management of the Company are committed to enhancing corporate governance standard, in compliance with all relevant provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "Code") as stated in Appendix 14 to the Listing Rules. The Company has, from the Listing Date to 30 June 2016, complied with the relevant provisions of the Code ("Code Provisions"), save for the deviations disclosed below.

Code provision A.2.1 of the Code provides that the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual. The Company does not at present separate the roles of the chairman and chief executive officer. Mr Fung Man Wai Samson is the chairman and chief executive officer of the Company. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board further believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by the current Board which comprises experienced and high calibre individuals with sufficient number thereof being independent non-executive directors.

The Board will continue to review and further improve the Company's corporate governance practices and standards, so as to ensure that its business activities and decision-making processes are regulated in a proper and prudent manner.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") on 26 April 2016 with written terms of reference in compliance with the Code, and which currently comprises three independent non-executive Directors, namely Dr. LOKE Yu, Ms. FUNG Po Yee and Ms. SUNG Ting Yee. It is principally responsible for reviewing the accounting principles and practices adopted by the Group, as well as discussing and reviewing with the management the internal control, systems of risk management, auditing and financial reporting matters of the Group. The audit committee has reviewed the annual results of the Group for the year ended 30 June 2016.

SCOPE OF WORK OF THE AUDITORS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 June 2016 as set out in this announcement have been agreed by the Group's auditors, Grant Thornton

Hong Kong Limited (the "Auditors"), based on the amounts set out in the Group's consolidated financial statements for the year ended 30 June 2016. The work performed by the Auditors in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Auditors on this preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, neither the Company, nor any of its subsidiaries had purchased, sold, or redeemed any of the Company's listed securities.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float from the Listing Date to 30 June 2016.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 30 June 2016.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the shareholders entitled to attend and vote at the 2016 annual general meeting of the Company, the register of members of the Company will be closed from Wednesday, 30 November 2016 to Friday, 2 December 2016, both days inclusive, during which period no transfer of shares will be registered. All transfers of shares accompanied by the relevant certificates must be lodged with the Company's transfer office and share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shop 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 29 November 2016.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement will be published on the website of the Stock Exchange at www.hkex.com.hk and the Company's website at www.hangsangpress.com. The 2016 Annual Report will be despatched to the shareholders and published on the aforesaid websites in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere thanks to our loyal shareholders, suppliers and customers for their continuous support to the Group. I would also like to extend my gratitude and appreciation to our management and all staff for their hard work and dedication throughout the year.

By order of the Board
Hang Sang (Siu Po) International Holding Company Limited
Fung Man Wai Samson
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 7 September 2016

As at the date of this announcement, the executive Directors of the Company are Mr Fung Man Wai Samson, Mr Fung Man Kam and Mr Fung Kar Chue Alexander, and the independent non-executive Directors of the Company are Dr Loke Yu, Ms Fung Po Yee and Ms Sung Ting Yee.