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SUN HING PRINTING HOLDINGS LIMITED

新興印刷控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1975)

FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2025

The board of directors (the “**Board**”) of Sun Hing Printing Holdings Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 30 June 2025 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the year ended 30 June	
	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
REVENUE	3	218,338	296,242
Cost of sales		(156,746)	(212,512)
Gross profit		61,592	83,730
Other income	3	13,656	16,861
Government grants	3	664	477
Selling and distribution expenses		(5,276)	(5,438)
Administrative expenses		(65,207)	(72,111)
Other operating income, net		554	3,655
Finance cost	5	(7,049)	(7,903)
Impairment of property, plant and equipment	4	(57,730)	(756)
Impairment of right-of-use assets	4	(29,990)	(444)
PROFIT/(LOSS) BEFORE TAX	4	(88,786)	18,071
Income tax credit/(expense)	6	138	(926)
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		(88,648)	17,145
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		HK cents	HK cents
Basic and diluted	8	(18.47)	3.57

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended	
	30 June	
	2025	2024
	HK\$'000	HK\$'000
PROFIT/(LOSS) FOR THE YEAR	<u>(88,648)</u>	<u>17,145</u>
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(2,869)</u>	<u>(1,059)</u>
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	<u>(2,869)</u>	<u>(1,059)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>(91,517)</u>	<u>16,086</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2025	30 June 2024
	<i>Notes</i>	HK\$'000	HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		89,585	158,956
Right-of-use assets		71,453	93,302
Intangible asset		1,137	1,263
Prepayments and deposits		8,999	5,259
		<hr/>	<hr/>
Total non-current assets		171,174	258,780
CURRENT ASSETS			
Inventories		17,930	16,969
Trade receivables	9	40,824	26,000
Prepayments, deposits and other receivables		8,535	13,578
Tax recoverable		151	149
Restricted cash		75	75
Cash and cash equivalents		276,650	316,885
		<hr/>	<hr/>
Total current assets		344,165	373,656
CURRENT LIABILITIES			
Trade payables	10	12,807	9,641
Other payables and accruals		23,799	22,931
Lease liabilities		8,452	8,895
Tax payable		10,829	11,517
		<hr/>	<hr/>
Total current liabilities		55,887	52,984
		<hr/>	<hr/>
NET CURRENT ASSETS		288,278	320,672
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		459,452	579,452
NON-CURRENT LIABILITIES			
Other payables		1,625	1,914
Lease liabilities		86,239	97,389
Deferred tax liabilities		162	406
		<hr/>	<hr/>
Total non-current liabilities		88,026	99,709
		<hr/>	<hr/>
Net assets		371,426	479,743
EQUITY			
Equity attributable to owners of the Company			
Share capital		4,800	4,800
Reserves		366,626	474,943
		<hr/>	<hr/>
Total equity		371,426	479,743
		<hr/>	<hr/>

NOTES TO FINANCIAL STATEMENTS

1.1 CORPORATION AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered address of the Company is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company is located at 4/F., Sze Hing Industrial Building, 35-37 Lee Chung Street, Chai Wan, Hong Kong.

The Company is an investment holding company. The Group is engaged in the manufacture and sale of printing products during the year.

1.2 BASIS OF PREPARATION

The financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in thousands of Hong Kong dollars (“**HK\$’000**”), unless otherwise stated.

1.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRS Accounting Standards for the first time for the current year’s consolidated financial statements.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the “2020 Amendments”)
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the “2022 Amendments”)
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The nature and impact of the revised HKFRS Accounting Standard are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 July 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group has only one reportable operating segment, which is the manufacture and sale of printing products.

Geographical information

(a) Revenue from external customers

	2025 HK\$'000	2024 HK\$'000
Europe	71,413	88,241
Hong Kong	65,425	84,408
Mainland China	50,327	13,870
Asia (except Mainland China and Hong Kong)	12,344	25,358
United States of America (the "USA")	7,643	56,748
Oceania	2,566	13,959
Others	8,620	13,658
Total revenue	<u>218,338</u>	<u>296,242</u>

The revenue information above is based on the location to which the products are shipped.

(b) Non-current assets

	2025 HK\$'000	2024 HK\$'000
Mainland China	132,921	247,933
Republic of Indonesia ("Indonesia")	24,949	–
Hong Kong	8,985	7,124
Total non-current assets	<u>166,855</u>	<u>255,057</u>

The non-current asset information above is based on the locations of the assets and excludes non-current deposits.

Information about major customers

Revenue from each of the major customers, which amounted to 10% or more of the total revenue, is set out below:

	2025 HK\$'000	2024 HK\$'000
Customer A	91,720	180,482
Customer B	<u>27,292</u>	<u>34,971</u>

3. REVENUE, OTHER INCOME AND GOVERNMENT GRANTS

An analysis of the Group's revenue, other income and government grants is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue		
<i>Revenue from contracts with customers</i>	<u>218,338</u>	<u>296,242</u>
<u>Revenue from contracts with customers</u>		
<i>Disaggregated revenue information</i>		
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Sale of products transferred at a point in time	<u>218,338</u>	<u>296,242</u>
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other income and government grants		
Interest income	13,530	16,349
Others	<u>126</u>	<u>512</u>
Total other income	13,656	16,861
Government grants (<i>Note</i>)	<u>664</u>	<u>477</u>
Total other income and government grants	<u>14,320</u>	<u>17,338</u>

Note: During the year, government grants have been received for innovative and technology enhancement and stabilisation subsidies in Mainland China and Hong Kong. There are no unfulfilled conditions or contingencies relating to these grants.

4. PROFIT/(LOSS) BEFORE TAX

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

	2025 HK\$'000	2024 HK\$'000
Cost of inventories sold [#]	156,746	212,512
Depreciation of property, plant and equipment	21,321	21,747
Depreciation of right-of-use assets	13,447	14,104
Lease payments not included in the measurement of lease liabilities	3,132	3,159
Auditor's remuneration	1,398	1,464
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages and salaries	54,124	58,943
Pension scheme contributions [^]	6,525	6,862
Total	60,649	65,805
Foreign exchange differences, net*	(2,678)	(3,725)
Loss/(gain) on disposal and write-off of items of property, plant and equipment*	33	(554)
Gain on early termination of a lease*	(19)	–
Write-down of inventories**	25	67
Fair value gain on a financial asset at fair value through profit or loss*	–	(99)
Impairment/(reversal of impairment) of trade receivables* (note 9)	1,984	(151)
Impairment of an intangible asset*	126	874
Impairment of items of property, plant and equipment	57,730	756
Impairment of right-of-use assets	29,990	444

[#] Cost of inventories sold includes employee benefit expenses of HK\$33,674,000 (2024: HK\$39,946,000), depreciation of HK\$25,348,000 (2024: HK\$28,410,000) and write-down of inventories of HK\$25,000 (2024: HK\$67,000), respectively.

* These items are included in "Other operating income, net" on the face of the consolidated statement of profit or loss.

** This item is included in "Cost of sales" on the face of the consolidated statement of profit or loss.

[^] There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

5. FINANCE COST

	2025 HK\$'000	2024 HK\$'000
Interest on lease liabilities	<u>7,049</u>	<u>7,903</u>

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%). No provision for Mainland China corporate income tax has been made as the Group did not generate any assessable profits arising in Mainland China during the year (2024: Nil).

	2025 HK\$'000	2024 HK\$'000
Current – Hong Kong		
Charge for the year	109	878
Overprovision in prior years	(3)	(9)
Current – Mainland China		
Overprovision in prior years	–	(1)
Deferred	<u>(244)</u>	<u>58</u>
Total tax charge/(credit) for the year	<u>(138)</u>	<u>926</u>

7. DIVIDENDS

	2025 HK\$'000	2024 HK\$'000
Interim – HK1.0 cent (2024: HK1.0 cent) per ordinary share	4,800	4,800
Proposed special – HK1.0 cent (2024: Nil) per ordinary share	4,800	–
Proposed final – HK2.5 cents (2024: HK2.5 cents) per ordinary share	<u>12,000</u>	<u>12,000</u>
Total	<u>21,600</u>	<u>16,800</u>

The proposed special dividend and final dividend for the year are subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amount is based on the profit/(loss) for the year attributable to equity holders of the Company, and the weighted average number of ordinary shares of 480,000,000 (2024: 480,000,000) outstanding during the year.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the years ended 30 June 2025 and 2024 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the years ended 30 June 2025 and 2024.

The calculation of basic and diluted earnings/(loss) per share is based on:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Earnings/(loss)		
Profit/(loss) attributable to equity holders of the Company	<u>(88,648)</u>	<u>17,145</u>
	2025 <i>Number of shares</i>	2024 <i>Number of shares</i>
Shares		
Weighted average number of ordinary shares outstanding during the years	<u>480,000,000</u>	<u>480,000,000</u>
	<i>HK cents</i>	<i>HK cents</i>
Earnings/(loss) per share		
Basic and diluted	<u>(18.47)</u>	<u>3.57</u>

9. TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	42,995	26,187
Less: Impairment	<u>(2,171)</u>	<u>(187)</u>
Net carrying amount	<u>40,824</u>	<u>26,000</u>

The Group's trading terms with its customers are mainly on credit. The credit period is generally one month, extending up to four months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a policy to manage its risk. Overdue balances are reviewed regularly by senior management. As at 30 June 2025, the Group had certain concentrations of credit risk as 47% (2024: 46%) of the Group's trade receivables were due from two of the Group's major customers. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 month	23,944	14,092
1 to 2 months	10,614	7,374
2 to 3 months	2,706	4,121
Over 3 months	<u>3,560</u>	<u>413</u>
Total	<u>40,824</u>	<u>26,000</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At beginning of year	187	338
Impairment losses/(reversal of impairment) (<i>note 4</i>)	<u>1,984</u>	<u>(151)</u>
At end of year	<u>2,171</u>	<u>187</u>

10. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 month	7,204	5,071
1 to 2 months	4,594	4,157
2 to 3 months	737	219
Over 3 months	272	194
	<hr/>	<hr/>
Total	<u>12,807</u>	<u>9,641</u>

The trade payables are non-interest-bearing and are normally settled within three months.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATION

The Group is a one-stop printing service provider. Our printing services can be broadly categorised into (i) packaging printing services which cover, among others, corrugated boxes, gift boxes, card boxes and product boxes; (ii) paper gift set printing services which cover, among others, gift sets containing gift boxes, cards, booklets and hardback books; (iii) card printing services which cover, among others, colour cards, insert cards, warranty cards and plain cards; (iv) smart package printing services which cover, among others, Radio-frequency Identification (“**RFID**”) labels and Real QR code; and (v) other printing services which cover, among others, stickers, colour papers, yupo papers and red packets.

During the year of 2024/2025, the Group operated against a persistently challenging macroeconomic backdrop and subdued demand conditions in the Hong Kong printing industry. Geopolitical tensions—including the Russo-Ukrainian conflict and the Israel-Palestine conflict—together with ongoing China–United States trade frictions, elevated inflation and concerns over slowing global growth, continued to weigh on customer sentiment, order visibility and lead times. Shifts in local consumer behaviour further complicated demand planning and product mix. In response, the Group implemented measures to mitigate risk, diversify exposure and protect profitability. We will complete a strategic investment in ESG Print Limited to address growing demand for ESG-related disclosure materials and sustainability-aligned print solutions. We also advanced the planning of a manufacturing hub in Indonesia to enhance cost competitiveness, strengthen supply chain resilience and broaden access to new customer segments. In parallel, we reinforced operational discipline through tighter cost controls, optimisation of procurement and production scheduling, and a continued focus on service quality to preserve margins and customer satisfaction. These actions supported the preservation of shareholder value during the year and positioned the Group for durable, long-term growth.

The Group’s revenue decreased by approximately 26.3% to approximately HK\$218.3 million for the year ended 30 June 2025, compared to last year. The decrease in revenue was affected by the drop in contribution from card and paper gift set printing services, as a result of customers’ concerns about global economic slowdown and widespread inflation all over the world. Customers took conservative consumption approach to reduce spending on printing and promotional products. Thus, it led to a drop in sale orders received from both overseas and local customers.

The gross profit dropped by approximately 26.4% from approximately HK\$83.7 million for the year ended 30 June 2024 to approximately HK\$61.6 million for the year ended 30 June 2025, as a result of drop in revenue.

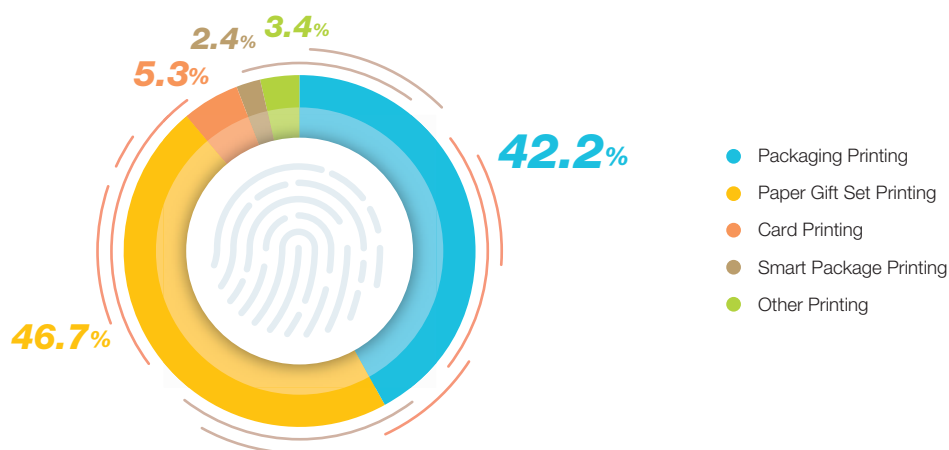
Our gross profit margin remained relatively stable at approximately 28.2% and approximately 28.3% for the years ended 30 June 2025 and 30 June 2024 respectively. The Group recorded a net loss of approximately HK\$88.6 million for the year ended 30 June 2025 when compared with the profit recorded by the Group of approximately HK\$17.1 million for the year ended 30 June 2024. The reason for turnaround from profit to loss for the year was mainly because of provision of impairment losses of property, plant and equipment and right-of-use assets of approximately HK\$87.7 million in the current year, based on impairment assessment performed by management in accordance with appropriate accounting principles. The net profit margin decreased from net profit margin of approximately 5.8% for the year ended 30 June 2024 to net loss margin of approximately 40.6% for the year ended 30 June 2025.

Basic loss per share for the year ended 30 June 2025 was HK18.47 cents, compared to basic earnings per share of HK3.57 cents for the year ended 30 June 2024.

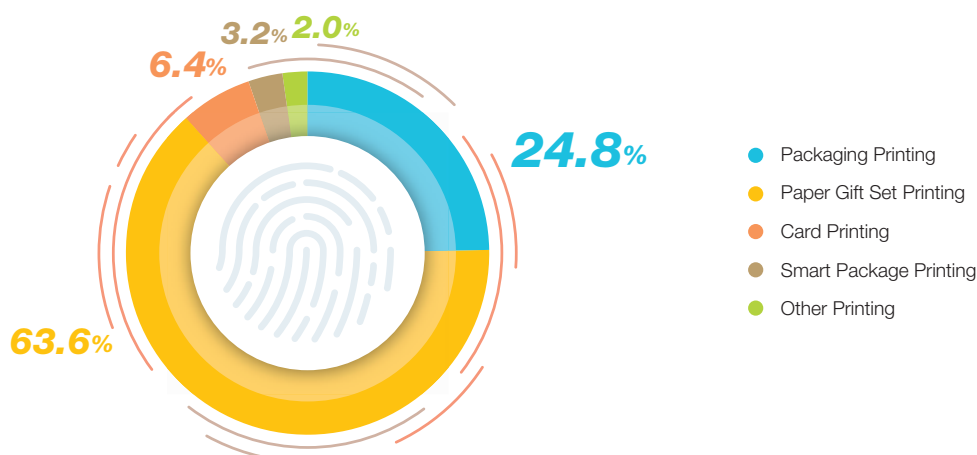
BUSINESS UNIT OVERVIEW

The Group comprises five key business units (2024: five).

Revenue contribution for the year ended 30 June 2025



Revenue contribution for the year ended 30 June 2024



Packaging printing

Packaging printing services cover, among others, corrugated boxes, gift boxes, card boxes and product boxes. For the year ended 30 June 2025, revenue from packaging printing increased by approximately 25.8% to approximately HK\$92.2 million as compared to approximately HK\$73.3 million for the year ended 30 June 2024. The growth in revenue from packaging printing was primarily due to the Group introduced some advanced packaging techniques to our customers, leading to increase in demand from customers for packaging printing products accordingly.

Paper gift set printing

Paper gift set printing services cover, among others, gift sets containing gift boxes, cards, booklets and hardback books. For the year ended 30 June 2025, revenue from paper gift set printing reduced by approximately 45.9% to approximately HK\$102.0 million as compared to approximately HK\$188.4 million for the year ended 30 June 2024. The drop in revenue from paper gift set printing was primarily because the customers took conservative consumption approach under concerns on slowing global economic growth and high inflation. It led to reduction of the customer sentiment, therefore, our customers tightened their spendings on promotional and marketing products and even postponed some new and potential projects of paper gift set printing. To such a degree, the Group's sales orders received from those overseas and local customers reduced accordingly.

Card printing

Card printing services cover, among others, colour cards, insert cards, warranty cards and plain cards. For the year ended 30 June 2025, revenue from card printing decreased by approximately 39.5% to approximately HK\$11.5 million as compared to 2024. The decrease in revenue from card printing was primarily due to customers not rolling out any promotion campaigns in the current year.

Smart package printing

Smart package printing services cover, among others, RFID labels and Real QR code, in order to provide value-added services to our existing and potential customers. For the year ended 30 June 2025, revenue from smart package printing dropped by approximately 45.3% to approximately HK\$5.2 million as compared to 2024. The decline in revenue from smart packaging printing was attributable to more conservative consumption approach taken by the customers under concerns of slowing global economic growth and high inflation. Fewer retail customers were willing to consume on marketing and promotional products in Europe, USA and Hong Kong, leading to reduction of customers' orders in smart package printing products.

Other printing

For the year ended 30 June 2025, revenue from other printing increased by approximately 23.3% to approximately HK\$7.4 million as compared to 2024. The increase in revenue generated from other printing was primarily due to some customers rolling out new projects of puzzles and labels, and thus, there was an increase in revenue generated from other printing.

OUTLOOK

Due to geopolitical tensions, the ongoing Russo-Ukrainian war and the Israel-Palestine conflict, the outbreak of the China-United States trade war, and concerns about a slowing global economy and high inflation, the Group concluded that the year of 2024/2025 was filled with challenges.

As we enter the year of 2025/2026, the operating environment is expected to remain uncertain amid persistent geopolitical risks, ongoing trade tensions, and inflationary pressures. Notwithstanding these conditions, the Group will concentrate on initiatives within its control to strengthen competitiveness and pursue selective growth. We will continue to invest in advanced printing technologies and automation to enhance quality, turnaround times, and unit economics, while expanding our smart packaging and sustainable product offerings to meet evolving customer requirements and differentiate our services. We will maintain our evaluation of Indonesia as a second manufacturing hub with the objectives of diversifying production, improving supply chain robustness, and serving additional markets at competitive cost. Concurrently, we will deepen engagement with key customers to anticipate their needs, provide value-added services, and apply disciplined pricing to balance competitiveness and profitability. We will also uphold stringent cost management, including ongoing efficiency programmes, optimised raw-material sourcing and energy-efficiency initiatives. Supported by an experienced management team, strong customer relationships and a consistent focus on operational excellence, the Group considers itself well positioned to navigate near-term challenges and deliver sustainable growth in the year of 2025/2026.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately 26.3% to approximately HK\$218.3 million for the year ended 30 June 2025, compared to approximately HK\$296.2 million for the year ended 30 June 2024. The drop in revenue was primarily due to the decline in contribution from card and paper gift set printing services because of customers' concern about slowing global economic growth and high inflation all over the world. Customers took more conservative consumption approach and reduced their sales orders on marketing and promotion products, leading to less sales orders from those overseas and local customers.

Gross profit and gross profit margin

Gross profit deteriorated by approximately 26.4% from approximately HK\$83.7 million for the year ended 30 June 2024 to approximately HK\$61.6 million for the year ended 30 June 2025, as a result of drop in revenue.

Our gross profit margin remained relatively stable at approximately 28.2% and approximately 28.3% for the years ended 30 June 2025 and 30 June 2024 respectively.

Selling and distribution expenses

Selling and distribution expenses remained relatively stable at approximately HK\$5.3 million and approximately HK\$5.4 million for the years ended 30 June 2025 and 2024, respectively, which mainly included salaries of salespeople and freight charges.

Administrative expenses

Administrative expenses dropped from approximately HK\$72.1 million for the year ended 30 June 2024 to approximately HK\$65.2 million for the year ended 30 June 2025, because of deterioration of the group's overall result and more stringent cost control policy rolled out in the current year.

Other operating income, net

The Group recorded other operating income of approximately HK\$0.6 million and HK\$3.7 million for the years ended 30 June 2025 and 2024. The Group recorded lower other operating income mainly because the Group has recognised impairment loss of trade receivables of approximately HK\$2.0 million for the year ended 30 June 2025, while there was reversal of impairment of trade receivables of approximately HK\$0.2 million in last year.

Impairment losses of property, plant and equipment and right-of-use assets

The Group recorded impairment losses of property, plant and equipment and right-of-use assets of approximately HK\$87.7 million and approximately HK\$1.2 million for the years ended 30 June 2025 and 2024. The increase in the impairment losses recognised was mainly due to worsened operating performance of the Group during the current year, and management performed impairment assessment in accordance with appropriate accounting principles.

Other income and government grants

Other income and government grants were approximately HK\$17.3 million for the year ended 30 June 2024 and decreased to approximately HK\$14.3 million for the year ended 30 June 2025. The drop in the other income and government grants was attributed to the Group maintained less time deposit balances during the current year.

Finance cost

Finance cost was approximately HK\$7.0 million and approximately HK\$7.9 million for the years ended 30 June 2025 and 2024 respectively. The Group recorded lower finance costs in the current year mainly because of the continuous repayment of lease liabilities during the current year.

Income tax credit/(expense)

The Group recorded income tax credit of approximately HK\$0.1 million for the year ended 30 June 2025, and the Group recorded income tax expense of approximately HK\$0.9 million for the year ended 30 June 2024. The turnaround of income tax expense in the last year to income tax credit in the current year was mainly due to decrease in Hong Kong profits tax charge as a result of decrease in assessable profits arising in Hong Kong.

Liquidity and capital resources

Our net assets amounted to approximately HK\$371.4 million and approximately HK\$479.7 million as at 30 June 2025 and 30 June 2024 respectively. The decrease in net assets was primarily due to impairment losses on property, plant and equipment and right-of-use assets of approximately HK\$87.7 million during the current year.

The Group derives its working capital mainly from cash and cash equivalents and net cash generated from operating activities. The directors expects that the Group will rely on the internally generated funds and unutilised net proceeds from the listing of the shares of the Company on the Stock Exchange on 16 November 2017, in the absence of unforeseen circumstances.

As at 30 June 2025, our cash and cash equivalents amounted to approximately HK\$276.7 million (30 June 2024: approximately HK\$317.0 million); and our net current assets were approximately HK\$288.3 million (30 June 2024: approximately HK\$320.7 million). The current ratio, being current assets over current liabilities, was approximately 6.2 and approximately 7.1 as at 30 June 2025 and 30 June 2024.

As at 30 June 2025, the Group had approximately HK\$276.7 million total cash and cash equivalents, of which approximately HK\$0.1 million was restricted cash and denominated in Renminbi. For the remaining balance of approximately HK\$276.6 million, approximately HK\$8.0 million was denominated in Hong Kong Dollars, approximately HK\$263.6 million was denominated in US Dollars, approximately HK\$3.6 million was denominated in Renminbi and approximately HK\$1.4 million was denominated in Indonesian Rupiah. The Group's cash in US Dollars, Renminbi and Indonesian Rupiah were held to support its core operational needs and construction of Indonesian factory in the foreseeable future. In addition, the Group had approximately HK\$263.2 million of fixed time deposits with maturity within 12 months. For the fixed time deposits, approximately HK\$3.5 million was denominated in Hong Kong Dollars and approximately HK\$259.7 million was denominated in US Dollars.

As at 30 June 2025 and 30 June 2024, the Group did not have any interest-bearing bank borrowings, and thus the computation of the gearing ratios were not applicable as at 30 June 2025 and 30 June 2024.

During the year, the Group recorded approximately HK\$35.1 million in capital expenditure, which was mostly deployed for automation, equipment upgrades, leasehold improvements, and the acquisition of a parcel of land in Indonesia.

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

The Group did not have any material contingent liabilities and did not pledge any assets as at 30 June 2025 and 30 June 2024.

OUR EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, we had 587 employees in Hong Kong and Mainland China. During the peak season, namely from June to September for each year, in order to maximise our production capacity, we employ more employees for production, who are principally responsible for certain post-press processes and packaging which have to be done manually and cannot otherwise be achieved by automatic machines.

Our direct labour cost, including salaries, bonuses and other employee's benefits, amounted to approximately HK\$22.8 million and approximately HK\$27.2 million for the years ended 30 June 2025 and 2024, respectively. Remuneration packages are generally structured by reference to market terms and individual qualifications. Salaries and wages are normally reviewed annually based on performance appraisals and other relevant factors.

DIVIDEND

The Directors recommend a special dividend of HK1.0 cent per share for the celebration of the Group's 50th anniversary, and a final dividend of HK2.5 cents per share in cash to be distributed from the share premium account. The proposed special dividend and final dividend are subject to shareholders' approval at the forthcoming annual general meeting of the Company. These, together with an interim dividend of HK1.0 cent (2024: HK1.0 cent) per share paid in March 2025, will make a total dividend of HK4.5 cents (2024: HK3.5 cents) per share for the current year. The proposed special dividend and final dividend are expected to be distributed on Monday, 22 December 2025 to shareholders whose names appear on the Register of Members of the Company on Thursday, 4 December 2025.

ANNUAL GENERAL MEETING

The 2025 Annual General Meeting will be held on Thursday, 27 November 2025 and the Notice of the 2025 Annual General Meeting will be published and dispatched to the Company's shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 24 November 2025 to Thursday, 27 November 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting of the Company, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m., on Friday, 21 November 2025. The record date for the attending and voting at the meeting is Thursday, 27 November 2025.

The Register of Members of the Company will be closed from Wednesday, 3 December 2025 to Thursday, 4 December 2025, both days inclusive, during which period no transfer of shares will be registered. The record date for the purpose of determining the eligibility of the proposed special dividend and final dividend is Thursday, 4 December 2025. In order to qualify for the proposed special dividend and final dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m., on Tuesday, 2 December 2025.

USE OF PROCEEDS

Net proceeds from the initial public offering were HK\$124.0 million after deducting all the direct costs associated with the Listing.

Up to the date of this announcement, the Group had used approximately HK\$80.6 million for equipment upgrades on the improvement of the production process, approximately HK\$31.0 million for relocation of a factory in Shenzhen ("**Shenzhen Factory**"), approximately HK\$8.3 million for general working capital and approximately HK\$2.1 million for the upgrade of enterprise resources planning ("**ERP**") system. During the year, the net proceeds, have been used for the purpose consistent with the section headed "Future Plan and Use of Proceeds" as set out in the prospectus of the Company dated 2 November 2017 (the "**Prospectus**").

Details of the allocation of the net proceeds, and the utilisation of the net proceeds up to the date of this announcement are set out below:

Intended application of the net proceeds	Percentage of total proceeds	Planned applications	Actual usage up to the date of this announcement	Amount unutilised	Amount utilised	Unutilised net proceeds up to the date of this announcement
				as of 30 June 2024	during the year ended 30 June 2025	
	%	HK\$ in million	HK\$ in million	HK\$ in million	HK\$ in million	HK\$ in million
Purchase four presses by stages	65.0	80.6	80.6	–	–	–
Relocation of Shenzhen Factory	25.0	31.0	31.0	–	–	–
Upgrade ERP system (<i>note 1</i>)	3.3	4.1	2.1	2.2	0.2	2.0
General working capital	6.7	8.3	8.3	–	–	–
Total	100.0	124.0	122.0	2.2	0.2	2.0

Note 1: We expect to fully utilise the relevant proceeds as or before 30 June 2026.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's securities throughout the year ended 30 June 2025 and up to the date of this announcement.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions as set out in the Code of Corporate Governance (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The Company has complied with all the applicable code provisions in the CG Code throughout the year ended 30 June 2025 and up to the date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to 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 confirmed that they have complied with the required standard of dealings as set out in the Model Code, throughout the year ended 30 June 2025. Up to the date of this announcement, there was no event of non-compliance.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme on 9 October 2017 (the “**Scheme**”). No share option has been granted since the adoption of the Scheme and there was no share option outstanding as at 30 June 2025.

AUDIT COMMITTEE

The audit committee of the Company comprises three independent non-executive directors namely Dr. Chu Po Kuen Louis, Mr. Wong Kam Fai and Mr. Wu Chun Sing. The audit committee of the Company has reviewed the final results for the year ended 30 June 2025 and the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group’s results for year ended 30 June 2025 have been agreed by the Group’s auditor, Ernst & Young, to the amounts set out in the Group’s draft consolidated financial statements for the year ended 30 June 2025. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The Company's annual results announcement for the year ended 30 June 2025 is published on the website of Hong Kong Exchange and Clearing Limited at **www.hkexnews.hk** and the Company's website at **www.sunhingprinting.com**. The annual report of the Company for the year ended 30 June 2025, containing information required by the Listing Rules, will be dispatched to shareholders of the Company and published on the above websites in due course.

APPRECIATION

The Board of the Company would like to express its sincere appreciation to the shareholders, business partners and staff for their continuous support to the Group.

By Order of the Board
Sun Hing Printing Holdings Limited
Mr. CHAN Peter Tit Sang
Chairman and Executive Director

Hong Kong, 26 September 2025

As at the date of this announcement, the Board comprises Mr. Chan Peter Tit Sang, Mr. Chan Kenneth Chi Kin, Mr. Chan Chi Ming and Mr. Chan Chun Sang Desmond as executive directors; Ms. Cheung Mei Yee Lorna as non-executive director; Dr. Chu Po Kuen Louis, Mr. Wong Kam Fai, and Mr. Wu Chun Sing as independent non-executive directors.