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)

UPDATE ON USE OF PROCEEDS AND SUPPLEMENTAL ANNOUNCEMENT TO ANNUAL REPORT

Reference is made to (i) the prospectus of Sun Hing Printing Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 2 November 2017 (the "**Prospectus**"), which contained the proposed use of net proceeds (the "**Net Proceeds**") raised from the share offer of the Company and (ii) the annual report of the Company for the year ended 30 June 2019 published by the Company on 29 October 2019 (the "**Annual Report 2018/2019**") in respect of the utilisation of the Net Proceeds as at 30 June 2019.

The board (the "**Board**") of directors (the "**Directors**") of the Company would like to provide an update to the use of the Net Proceeds as supplemental information to the Annual Report 2018/2019.

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

As at 30 June 2019, the Group had utilised approximately HK$33.3 million of the Net Proceeds for the purpose consistent with the section headed "Future Plans and Use of Proceeds" as set out in the Prospectus.

As at the date of this announcement, the Group utilised approximately HK$50.3 million of the Net Proceeds and the unutilised Net Proceeds amounted to approximately HK$73.7 million (the "**Unutilised Net Proceeds**"). Having considered the recent business environment and development of the Group, the Board resolved to revise the schedule of the use of the Unutilised Net Proceeds.

Details of the use of the Net Proceeds and the expected timeline for the intended use of the Unutilised Net Proceeds are as follows:

Intended application of the net proceeds	**Percentage of total proceeds**	**Planned applications**	**Actual usage up to 30 June 2019**	**Actual usage up to the date of this announcement**	**Unutilised amount as at the date of this announcement**	**Expected timeline for utilising the Unutilised Net Proceeds**
	%	*HK$ in million*	*HK$ in million*	*HK$ in million*	*HK$ in million*	
Purchase four presses by stages *(Note 1)*	65.0	80.6	24.8	41.8	**38.8**	Expected to be fully utilised on or before 31 December 2022
Relocate Shenzhen Factory *(Note 2)*	25.0	31.0	–	–	**31.0**	Expected to be fully utilised on or before 31 March 2022
Upgrade enterprise resources planning ("ERP") system *(Note 3)*	3.3	4.1	0.2	0.2	**3.9**	Expected to be fully utilised on or before 31 December 2022
General working capital	6.7	8.3	8.3	8.3	**–**	N/A
Total	100.0	124.0	33.3	50.3	**73.7**	

Note 1: The Group has delayed the plan of relocation of the Shenzhen Factory as stated in Note 2 below, and hence we have also deferred the progress of purchasing Four Presses by stages. We have kept searching for upgrade of our machines in the market and utilised the relevant proceeds from the initial public offering of approximately HK$41.8 million up to the date of this announcement for purchase of press and related machines to improve the overall production efficiency. As we are undergoing the relocation plan to the new factory, we expect to fully utilise the relevant proceeds on or before 31 December 2022.

Note 2: With reference to the "Voluntary Announcement — Business Updates" dated 6 September 2019, the Group has entered into a Cooperation Framework Agreement to develop and construct a factory, office building, staff dormitory and utilities (the "**New Properties**") on a piece of self-owned industrial land by an independent third party located in Huizhou City. To the best knowledge of the Directors, it is expected the practical completion of the New Properties will be in August 2021. The existing tenancy agreement of the Shenzhen factory will be expired in March 2022. Hence, we expect to fully utilise the relevant proceeds on or before 31 March 2022.

Note 3: As we cannot locate the service provider with the relevant experience in printing industry, we have delayed the progress of updating our ERP system. We have already utilised HK$0.2 million to an independent third party consultant to evaluate our existing ERP system, and we are searching for the suitable service provider. Therefore, we expect to fully utilise the relevant proceeds on or before 31 December 2022 after we have been relocated to our new factory.

As at the date of this announcement, there has not been any material change to the plan as to the use of the Net Proceeds and considered that the revised expected timeline for Unutilised Net Proceeds will not have any material adverse impact on the operations of the Group. The Board confirms that the above supplemental information does not affect other information contained in the Annual Report 2018/2019.

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

Hong Kong, 11 August 2020

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, Mr. Ng Sze Yuen Terry, Dr. Chu Po Kuen Louis and Mr. Ho Yuk Chi as independent non-executive directors.