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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)**

### **DISCLOSEABLE TRANSACTION CONSTRUCTION AGREEMENT FOR A FACTORY BUILDING IN INDONESIA**

Reference is made to the announcement of the Company dated 18 December 2024 in relation to the acquisition of the Land. As disclosed therein, the Group acquired the Land at a consideration of Rp49,505,893,632 (equivalent to approximately HK\$24,258,000 at that time) for the purpose of developing the Group's new printing production facilities in Indonesia.

The Board is pleased to announce that on 13 February 2026 (after trading hours), PT SHP Tech, an indirect wholly-owned subsidiary of the Company, entered into the Construction Agreement with the Contractor in relation to the construction of the Group's new printing production facilities on the Land at the Construction Price of Rp71,736,999,600 (equivalent to approximately HK\$33,307,023). Pursuant to the terms of the Construction Agreement, the Contractor shall perform all the works under the Construction Agreement including without limitation, design, procurement, construction, installation, testing, commissioning and handover (the "**Works**") in relation to the engineering, procurement, construction, installation, testing and commissioning of a two-storey factory building, a three-storey attached dormitory and supporting equipment rooms with a total floor area of approximately 16,000 sq. m. on the Land, including all related civil, architectural, and mechanical, electrical and plumbing works (the "**Project**").

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Construction Agreement exceed 5% but all are less than 25%, the transaction contemplated under the Construction Agreement constitutes a discloseable transaction for the Company and is therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **INTRODUCTION**

Reference is made to the announcement of the Company dated 18 December 2024 in relation to the acquisition of the Land. As disclosed therein, the Group acquired the Land at a consideration of Rp49,505,893,632 (equivalent to approximately HK\$24,258,000 at that time) for the purpose of developing the Group's new printing production facilities in Indonesia.

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## **THE CONSTRUCTION AGREEMENT**

Major terms of the Construction Agreement are set out below:

- Date : 13 February 2026 (after trading hours)
- Parties : (a) PT SHP Tech Indonesia (i.e. PT SHP Tech); and  
(b) PT Leke Bangun Indonesia (i.e. the Contractor)

The Contractor, PT Leke Bangun Indonesia, is a company incorporated in Indonesia with limited liability. It is principally engaged in construction. The Contractor is owned by Ahnad Juemi as to 95% and Remi Sartika as to 5%.

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

Subject matter : The Contractor shall perform the Works in relation to the Project.

Scope of the Works : The scope of the Works includes, but is not limited to:

- (a) topographical survey and geotechnical investigation;
- (b) full architectural, structural, mechanical, electrical, and plumbing design;
- (c) procurement of all materials, equipment and labour;
- (d) civil works including foundation, structural frame, walls, roofing, floors and staircases;
- (e) architectural finishing including painting, tiling, doors and windows;
- (f) mechanical, electrical and plumbing installation;
- (g) construction of ancillary buildings such as guard posts or pump houses, if applicable;
- (h) testing, commissioning and handover of as-built drawings and operation manuals;
- (i) compliance with all applicable Indonesian laws and regulations, including but not limited to those in connection with health, safety and environment;
- (j) manpower compliance matters, in particular, ensuring that all manpower used have the requisite experience and certification from the various Indonesian authorities, where applicable; and

(k) attending to other obligations in a swift, satisfactory and lawful manner as mandated under prevailing Indonesian laws and regulations.

Completion : The full and final completion of the Project, including official handover, shall be completed within 220 calendar days from 1 March 2026 (i.e. on or before 7 October 2026).

The main factory building shall be completed in accordance with the terms and conditions of the Construction Agreement within 180 calendar days commencing from 1 March 2026 (i.e. on or before 28 August 2026).

Any delay in completion (other than caused by the force majeure events as set out under the Construction Agreement) shall be subject to a penalty of Rp30,000,000 (equivalent to approximately HK\$13,929) per calendar day, subject to a maximum penalty of 5% of the Construction Price.

Warranties : The Contractor warrants that all materials and equipment are lawful under Indonesian law, will be new, of good quality, fit for purpose and free from any defects and the equipment (lawfully owned by the Contractor) used by the Contractor remains the property of the Contractor, unless otherwise specified in the Construction Agreement and/or applicable laws and regulations. The Contractor further warrants that the Works are lawful under applicable Indonesian laws, and will be free from any defects whatsoever, in particular but not limited to design, workmanship and materials.

Defects liability period : The defects liability period shall be 12 months commencing from the date of provisional acceptance by PT SHP Tech. The Contractor shall, at its own cost, rectify any defect or damage occurring during this period in accordance with the terms and conditions of the Construction Agreement.

Construction Price : The Construction Price amounts to Rp71,736,999,600 (equivalent to approximately HK\$33,307,023), which includes all labour, equipment, materials and other costs as may be required for the Contractor to discharge its obligations under the Construction Agreement in accordance with the terms and conditions of the Construction Agreement, and is subject to applicable taxes and statutory deductions or withholdings as required under prevailing Indonesian laws.

The Construction Price is derived from the agreed project budget of RMB29,398,000 and based on the exchange rate of 1 RMB to 2440.20 Rp on 10 February 2026. The parties agree to a currency fluctuation tolerance of three percent (3%). If the exchange rate between RMB and Rp at the time of payment fluctuates by 3% or less compared to the exchange rate as of 10 February 2026 (i.e. RMB1: Rp2440.20), no adjustment shall be made. However, in the event that such fluctuation exceeds 3%, the payment shall be re-adjusted to reflect the prevailing exchange rate at the time of actual payment, and any resulting gains or losses from that adjustment shall be for the sole account and responsibility of PT SHP Tech.

The Construction Price was determined after arm's length negotiations between the parties with reference to the prevailing market rates for comparable works in the region.

The Construction Price shall be funded by the Group's internal resources.

Payment terms:

: (a) *Advance payment (10%):*

an advance payment equal to 10% of the Construction Price (the “**Advance Payment**”) shall be payable to the Contractor in two tranches as follows:

- (i) part of the Advance Payment in the amount of Rp1,000,000,000 (the “**Deposit**”) shall be payable within seven (7) working days after PT SHP Tech confirms and approves the feasibility report submitted by the Contractor; and
- (ii) the remaining balance of the Advance Payment shall be payable within seven (7) working days following the signing of the Construction Agreement, subject to the Contractor providing a bank performance guarantee in favour of PT SHP Tech for no less than 10% of the Construction Price, issued by a reputable bank approved by PT SHP Tech;

(b) *Initial progress payment (10%):*

an initial progress payment equal to 10% of the Construction Price shall be payable within seven (7) working days after the construction commences, as determined by PT SHP Tech;

(c) *Remaining progress payments (up to 95%):*

the remaining progress payments shall be made monthly based on verified progress, with maximum cumulative progress payments (including the Advance Payment) not exceeding 95% of the Construction Price;

(d) *Final payment (if any):*

the balance of 95% of the Construction Price (less all cumulative payments previously made by PT SHP Tech) shall be payable after provisional acceptance by PT SHP Tech in accordance with the terms and conditions of the Construction Agreement; and

(e) *Retention money (5%):*

5% of the Construction Price shall be retained by PT SHP Tech as a guarantee against defects, which will be released only after the 12-month defects liability period upon issuance of a final acceptance certificate by PT SHP Tech, provided that the Contractor is not in breach of any of its obligations under the Construction Agreement.

Subject to there being no breach of obligations by the Contractor, either under the Construction Agreement or applicable Indonesian laws and regulations, if PT SHP Tech is late to make payment to the Contractor in accordance with the terms of the Construction Agreement, for the work that is completed by the Contractor in accordance with the terms and conditions of the Construction Agreement, then the PT SHP Tech may be subject to a penalty of Rp30,000,000 (equivalent to approximately HK\$13,929) per calendar day of delay with a maximum penalty of no more than 5% of the Construction Price.

Termination

: PT SHP Tech may terminate the Construction Agreement with 14 days' prior written notice, or immediately (as the case may be), if the Contractor:

- (i) abandons the Works or demonstrates an intention not to continue performing its obligations under the Construction Agreement;
- (ii) fails to proceed with the Works in accordance with the Construction Agreement;

- (iii) subcontracts the Works (in whole or in part) without prior written consent of PT SHP Tech;
- (iv) becomes bankrupt or insolvent, enters liquidation, is placed under administration, or becomes subject to any similar proceeding under applicable laws; or
- (v) breaches any of its obligations under the Construction Agreement and/or prevailing Indonesian laws and regulations.

Unless such termination becomes effective in accordance with the above, PT SHP Tech shall not assign or subcontract the Works to any third party as a replacement for the Contractor, unless such assignment or subcontracting is required under prevailing Indonesian laws and regulations.

The Contractor may terminate the Construction Agreement for cause in the event of a material breach by PT SHP Tech, subject to a 60 working days cure period, provided that the Contractor has first delivered a written notice to PT SHP Tech specifying the breach in reasonable detail and requiring PT SHP Tech to remedy such breach within the said cure period.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION AGREEMENT**

The entering into of the Construction Agreement is a natural continuation and integral part of the Group's strategic expansion into Indonesia after it acquired the Land in December 2024 for purposes of establishing new printing production facilities in Indonesia.

### **Strategic Expansion and Diversification**

The Group is a comprehensive one-stop printing service provider offering a wide range of printing solutions. With established manufacturing capabilities in the PRC, the Group has been planning to expand and diversify its production facilities to Indonesia to adapt to shifting market conditions and economic trends in the region. The construction of the factory building on the Land previously acquired represents the materialisation of this strategic initiative.

Indonesia, as one of Southeast Asia's largest economies, presents a dynamic market characterised by a growing middle class and increasing consumer demand. With a population exceeding 270 million people, the potential for market expansion is substantial. By constructing printing production facilities there, the Group can effectively tap into this burgeoning consumer base and meet local demand for high-quality printing services, broaden its customer base, and strengthen its regional competitiveness. This not only diversifies the Group's geographic portfolio but also enhances its competitiveness in a region showing strong economic potential.

### **Supply Chain Resilience and Risk Mitigation**

Positioned strategically in Southeast Asia, Indonesia serves as a key hub for trade networks. By expanding into this region, the Group can enhance its supply chain efficiency, allowing faster sourcing of materials and delivery of products across Asian markets. Such advantages can shorten turnaround times for customers, improve satisfaction levels, and solidify the Group's standing in the industry.

In light of ongoing global supply chain challenges, including those from geopolitical issues and past disruptions like the COVID-19 pandemic, it is imperative for companies to diversify their production locations to mitigate risk. By building production facilities in Indonesia, the Group reduces reliance on its primary location and gains flexibility in sourcing, promoting stability and consistent output amid potential disruptions.

### **Cost Optimisation and Competitiveness**

Additionally, with escalating production expenses in the PRC due to higher wages and operating costs, Indonesia provides cost-effective alternatives, such as lower labour and overhead expenses. This shift will help streamline the Group's expenses, boost profitability, and maintain attractive pricing for services in local and regional markets. In fact, the Land is located at an industrial park in Central Java of Indonesia with the status of special economic zone which enjoys various fiscal benefits such as exemption of value added tax and import duty, and certain tax allowance, and is only around 25 kilometers from the Tanjung Emas Seaport, all of which will have a positive impact on the Group's future financial position and operating results.

In view of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Construction Agreement and the transaction contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Construction Agreement exceed 5% but all are less than 25%, the transaction contemplated under the Construction Agreement constitutes a discloseable transaction for the Company and is therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

|                          |  |
|--------------------------|--|
| “associate(s)”           | shall have the meaning ascribed to it under the Listing Rules  |
| “Board”                  | the board of Directors   |
| “Company”                | Sun Hing Printing Holdings Limited (新興印刷控股有限公司), a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 1975) |
| “Construction Agreement” | the engineering, procurement and construction contract dated 13 February 2026 entered into between PT SHP Tech and the Contractor in relation to the Project   |
| “Construction Price”     | the sum of Rp71,736,999,600 (equivalent to approximately HK\$33,307,023), being the total construction price payable by PT SHP Tech to the Contractor under the Construction Agreement                   |
| “Contractor”             | PT Leke Bangun Indonesia, a company incorporated in Indonesia with limited liability   |

|                                |   |
|--------------------------------|---|
| “Director(s)”                  | the director(s) of the Company  |
| “Group”                        | the Company and its subsidiaries  |
| “HK\$”                         | Hong Kong dollar, the lawful currency of Hong Kong  |
| “Hong Kong”                    | the Hong Kong Special Administrative Region of the PRC  |
| “Independent Third Party(ies)” | a third party or third parties independent of and not connected with (within the meaning of the Listing Rules) any directors, chief executives, substantial shareholders of the Company, its subsidiaries or any of their respective associates |
| “Land”                         | Jl. Tanjung Anom Raya No 2, Kawasan Industri Kendal, Indonesia  |
| “Listing Rules”                | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “PRC”                          | the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan   |
| “PT SHP Tech”                  | PT SHP Tech Indonesia, a company incorporated in Indonesia with limited liability and a wholly-owned subsidiary of the Company  |
| “Rp”                           | Rupiah, the lawful currency of Indonesia  |
| “Share(s)”                     | share(s) of HK\$0.01 each in the share capital of the Company   |
| “Shareholder(s)”               | the holder(s) of the Share(s)   |
| “sq. m.”                       | square metre  |

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

*For the purpose of illustration only and unless otherwise stated, conversion of HK\$ into Rp in this announcement is based on the exchange rate of HK\$1 to approximately Rp2,153.81 for the Construction Agreement. Such conversion should not be construed as a representation that any amounts have been, could have been, or may be, exchanged at this or any other rate.*

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

Hong Kong, 13 February 2026

*As at the date of this announcement, the Board comprises eight members, of which Mr. CHAN Peter Tit Sang, Mr. CHAN Kenneth Chi Kin, Mr. CHAN Chi Ming and Mr. CHAN Chun Sang Desmond are the executive Directors; Ms. CHEUNG Mei Yee Lorna is the non-executive Director and Dr. CHU Po Kuen Louis, Mr. WONG Kam Fai and Mr. WU Chun Sing are the independent non-executive Directors.*