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UNIVERSE PRINTSHOP HOLDINGS LIMITED

環球印館控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8448)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.



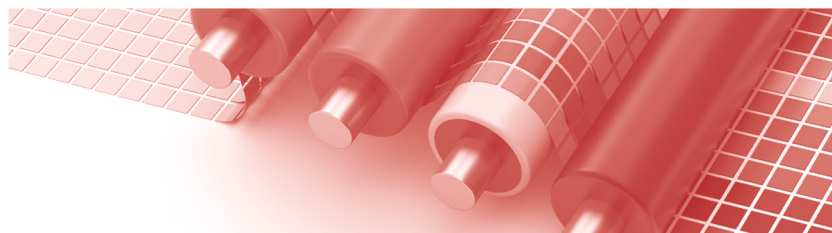

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this interim report (the “Report”), make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the report.

The report, for which the directors (the “Directors”) of Universe Printshop Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Report misleading.





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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Chau Man Keung (*Chairman*)
Mr. Hsu Ching Loi (*Chief Executive Officer*)
Mr. Leung Yuet Cheong
Mr. Wong Man Hin Joe

Independent Non-Executive Directors

Mr. Wan Aaron Chi Keung, *BBS, JP*
Mr. Chan Chun Kit
Dr. Sun Yongjing

AUDIT COMMITTEE

Mr. Chan Chun Kit (*Chairman*)
Dr. Sun Yongjing
Mr. Wan Aaron Chi Keung, *BBS, JP*

REMUNERATION COMMITTEE

Mr. Wan Aaron Chi Keung, *BBS, JP* (*Chairman*)
Mr. Chan Chun Kit
Dr. Sun Yongjing
Mr. Chau Man Keung

NOMINATION COMMITTEE

Dr. Sun Yongjing (*Chairlady*)
Mr. Wan Aaron Chi Keung, *BBS, JP*
Mr. Chan Chun Kit
Mr. Chau Man Keung

RISK MANAGEMENT COMMITTEE

Mr. Chau Man Keung (*Chairman*)
Mr. Wan Aaron Chi Keung, *BBS, JP*
Mr. Chan Chun Kit
Dr. Sun Yongjing
Mr. Hsu Ching Loi

AUTHORISED REPRESENTATIVES (FOR THE PURPOSE OF THE GEM LISTING RULES)

Mr. Chau Man Keung
Mr. So Hang Fung

AUTHORISED REPRESENTATIVE (FOR THE PURPOSE OF THE COMPANIES ORDINANCE)

Mr. Chau Man Keung

COMPANY SECRETARY

Mr. So Hang Fung

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS OF OUR GROUP AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Office F, 12/F
Legend Tower
No. 7 Shing Yip Street
Kwun Tong
Kowloon, Hong Kong

PRINCIPAL BANKER

Bank of China (Hong Kong) Limited

Corporate Information

AUDITOR

BDO Limited
Certified Public Accountants

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54
Hopewell Centre
183 Queen's Road East
Hong Kong

COMPANY'S WEBSITE

<http://www.uprintshop.hk/>

STOCK CODE

8448

Financial Highlights

The revenue of the Company and its subsidiaries (the “Group”) was approximately HK\$57.9 million for the six months ended 30 September 2021 (“1H 2021”), representing an increase from approximately HK\$47.9 million for the six months ended 30 September 2020 (“1H 2020”). The increase in revenue was mainly due to the increase in demand for printing services in offset printing, toner-based digital printing and ink-jet printing segments as a result of the improved market sentiment in 1H 2021 as compared with 1H 2020.

The gross profit of the Group increased from HK\$9.3 million for 1H 2020 to HK\$13.8 million for 1H 2021, which was in tandem with the increase in revenue.

The profit attributable to owners of our Company was approximately HK\$0.06 million in 1H 2021 as compared to the loss of HK\$0.01 million recorded in 1H 2020. Excluding the impact of one-off items in the respective financial period, the net loss was approximately HK\$0.17 million (excluding the impact of a one-off gain on modification of lease for retail shops of approximately HK\$0.23 million) for 1H 2021, as compared to HK\$6.70 million (excluding the impact of a gain on modification of lease for retail shops and machineries of approximately HK\$0.92 million and subsidy income received under the Employment Support Scheme of approximately HK\$5.77 million) for 1H 2020.

The outbreak of the novel coronavirus (“COVID-19”) has led to the implementation of various prevention and control measures which affected the business and market activities of the Group’s customers in 2020 and 2021. Notwithstanding that the number of sales orders in 1H 2021 showed some signs of improvement from the COVID-19 pandemic, it is expected that the ongoing spread of COVID-19 and its variants in many places of the world continue to cast uncertainty over the economic outlook and hence our Group’s financial performance. The Group has taken and will continue to take actions to control costs and drive efficiency to maintain our profitability and competitiveness in the market.

The board of Directors (the “Board”) does not recommend the payment of an interim dividend for the 1H 2021 (1H 2020: nil).

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged in providing printing services to customers in Hong Kong. The printing services of the Group included offset printing, ink-jet printing and toner-based digital printing. Other than printing services, the Group also provided other services to customers, which included production of other printing-related products such as pre-ink stamps, plastic name-cards, printed eco-bags and printed plastic folders.

The Group recorded revenue of approximately HK\$57.9 million for 1H 2021, representing an increase of approximately 20.9% as compared to the revenue of approximately HK\$47.9 million for 1H 2020. The profit attributable to owners of our Company was approximately HK\$0.06 million in 1H 2021 as compared to the loss of HK\$0.01 million recorded in 1H 2020. Excluding the impact of one-off items in the respective financial period, the net loss was approximately HK\$0.17 million (excluding the impact of a one-off gain on modification of lease for retail shops of approximately HK\$0.23 million) for 1H 2021, as compared to HK\$6.70 million (excluding the impact of a gain on modification of lease for retail shops and machineries of approximately HK\$0.92 million and subsidy income received under the Employment Support Scheme of approximately HK\$5.77 million) for 1H 2020.

The outbreak of the COVID-19 has led to the implementation of various prevention and control measures which affected the business and market activities of the Group's customers in 2020 and 2021. Notwithstanding that the number of sales orders in 1H 2021 showed some signs of improvement from the COVID-19 pandemic, it is expected that the ongoing spread of COVID-19 and its variants in many places of the world continue to cast uncertainty over the economic outlook and hence our Group's financial performance. The Group has taken and will continue to take actions to control costs and drive efficiency to maintain our profitability and competitiveness in the market.

Looking ahead, there is still a high degree of uncertainty about the pandemic, and the outlook for economic recovery remains uncertain. The Group is exploring market opportunities for horizontal expansion and services diversification. The Group will continue to implement our business plan to enhance the market share, image, recognition and market reputation.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The total revenue of the Group for 1H 2021 increased by HK\$10.0 million or 20.9% to HK\$57.9 million as compared to HK\$47.9 million for 1H 2020. The increase in total revenue was mainly due to the increase in demand for printing services in offset printing, toner-based digital printing and ink-jet printing segments as a result of the improved market sentiment in 1H 2021 as compared with 1H 2020.

Gross profit and gross profit margin

The gross profit of the Group increased from HK\$9.3 million for 1H 2020 to HK\$13.8 million for 1H 2021, which was in tandem with the increase in revenue. The gross profit margin increased from 19.5% to 23.8% mainly due to (i) the decrease in per unit fixed cost as a result of the increase in production volume; and (ii) the decrease in depreciation as a result of the impairment made on property, plant and equipment and right-of-use assets for the financial year 2021 of approximately HK\$11.8 million.

Other income

Other income in 1H 2021 mainly represent scrap sale income amounting to approximately HK\$0.6 million (1H 2020: HK\$0.3 million). The increase was mainly due to the increase in materials price and production activities. Other income in 1H 2020 mainly represent the government subsidies of approximately HK\$5.8 million (1H 2021: nil).

Other gains

Other gains in 1H 2021 mainly represent the gain on derecognition of right-of-use assets and lease liabilities upon lease modification amounting to approximately HK\$0.2 million (1H 2020: HK\$0.9 million).

Selling and administrative expenses

Selling and administrative expenses primarily comprise staff costs (including directors' remuneration), depreciation, legal and professional fee, IT development fee, auditors' remuneration, marketing and entertainment, repair and maintenance, consultancy fee, utilities expenses, bank charges and other miscellaneous administrative expenses. The selling and administrative expenses amounted to HK\$13.8 million in 1H 2021, which represented a decrease of HK\$1.7 million as compared to HK\$15.6 million in 1H 2020. The decrease in selling and administrative expenses was mainly attributable to (i) the decrease in depreciation due to the impairment losses made on the carrying amounts of certain assets of the Group as at the last financial year ended 31 March 2021 and the reduction of the number of right-of-use assets as a result from the reduced number of retail shops; (ii) the decrease in marketing and promotion activities; and (iii) the decrease in legal and professional fee due to reducing dependence on outsourcing work.

Management Discussion and Analysis

Profit/(Loss) for the period attributable to owners of the Company

The profit attributable to owners of our Company was approximately HK\$0.06 million in 1H 2021 as compared to the loss of HK\$0.01 million recorded in 1H 2020. Excluding the impact of one-off items in the respective financial period, the net loss was approximately HK\$0.17 million (excluding the impact of a one-off gain on modification of lease for retail shops of approximately HK\$0.23 million) for 1H 2021, as compared to HK\$6.70 million (excluding the impact of a gain on modification of lease for retail shops and machineries of approximately HK\$0.92 million and subsidy income received under the Employment Support Scheme of approximately HK\$5.77 million) for 1H 2020.

The turnover from net loss to profit was mainly attributable to (i) the increase in the demand of printing services; (ii) the decrease in depreciation due to the impairment made on property, plant and equipment and right-of-use assets for the financial year 2021 of approximately HK\$11.8 million; and (iii) the decrease in selling and administrative expense due to the tightened cost control.

Inventories

The inventory balance of the Group consisted of (i) raw materials, such as paper, zinc printing plates and ink, (ii) work-in progress, (iii) finished goods and (iv) consumables stores, which mainly represented parts for the repair and maintenance of offset printing press. The inventory balance of the Group increased to HK\$4.5 million as at 30 September 2021 from HK\$2.7 million as at 31 March 2021, which was in tandem with the increase in demand for our printing services.

The trade and other receivables, prepayments and deposits

The trade and other receivables, prepayments and deposits of the Group increased from HK\$8.8 million as at 31 March 2021 to HK\$10.1 million as at 30 September 2021 which was primarily due to the increase in trade receivables. The trade receivables (net of allowance for doubtful debts) of the Group increased from HK\$6.6 million as at 31 March 2021 to HK\$7.8 million as at 30 September 2021, which was in tandem with the increase in revenue.

Trade and other payables

The trade and other payables of the Group increased from HK\$14.9 million as at 31 March 2021 to HK\$18.9 million as at 30 September 2021. The increase was mainly due to the increase in production activities as a result of the increase in the demand of printing services.

Management Discussion and Analysis

Contract liabilities

The significant increase in contract liabilities from HK\$2.0 million as at 31 March 2021 to HK\$3.4 million as at 30 September 2021, was mainly due to the advances received from customers. The Group puts effort to request upfront deposits from customers to mitigate the credit risks.

Lease liabilities

The lease liabilities of the Group decreased from HK\$13.3 million as at 31 March 2021 to HK\$11.4 million as at 30 September 2021. The decrease in lease liabilities was a result of repayment of rentals during 1H 2021.

Liquidity, financial resources and capital structure

As at 30 September 2021, the Group had net current assets of HK\$12.7 million (31 March 2021: HK\$10.8 million). The Group's current ratio is 1.46 (31 March 2021: 1.43).

Total lease liabilities for the Group amounted to HK\$11.4 million as at 30 September 2021 (31 March 2021: HK\$13.3 million). The gearing ratio as at 30 September 2021 was 0.47 (31 March 2021: 0.55) which is calculated on the basis of the Group's total lease liabilities over the total equity. As at 30 September 2021, lease liabilities in the amounts of HK\$5.3 million was due within one year, while the amounts of HK\$6.1 million was due after one year. There was no change in the capital structure of the Group for 1H 2021.

EMPLOYEES AND EMOLUMENT POLICIES

As at 30 September 2021, the Group employed 105 (30 September 2020: 125) full time employees in Hong Kong. The staff costs of the Group, including directors' emoluments, employees' salaries, retirement benefits schemes contributions and other benefits amounted to HK\$14.2 million (1H 2020: HK\$14.1 million). Employees are remunerated in accordance with individual's responsibility and performance, also taking into account the prevailing market rates to ensure competitiveness. Other fringe benefits such as retirement benefits and discretionary bonus are offered to all employees. Training is also provided on a continuing basis to our existing employees on areas such as operation of our machinery, work safety, fire safety and quality control.

Management Discussion and Analysis

DIVIDENDS

The Board does not recommend the payment of an interim dividend for 1H 2021 (1H 2020: nil).

CAPITAL COMMITMENTS

As at 30 September 2021, the Group had capital commitments of HK\$0.2 million for acquisition of a printing related machine and accounting software. As at 31 March 2021, the Group had capital commitments of HK\$0.1 million for acquisition of accounting software.

SIGNIFICANT INVESTMENTS

There was no significant investments held as at 30 September 2021.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisition or disposal of associates, joint ventures or subsidiaries during 1H 2021.

FOREIGN CURRENCY EXPOSURE

Since the Group's business activities are solely operated in Hong Kong and mainly denominated in Hong Kong dollars, the Directors consider that the Group's risk in foreign exchange is insignificant.

KEY RISKS AND UNCERTAINTIES

The Directors are aware that the Group is exposed to various types of risks, including operational risks, market risks, liquidity risks, credit risks and regulatory risks. The following highlights some of the risks which are considered material by our Directors:

The outbreak of Novel Coronavirus

The outbreak of COVID-19 has impact on the global business environment since the beginning of 2020. COVID-19 has resulted in material impacts to the Group mainly from significant decrease in sales orders during the year. Management expects that the financial performance of the Group in 2022 might still be affected to a certain extent, which will depend on the new development concerning the global severity of and actions taken to contain the COVID-19 outbreaks that are highly uncertain.

Management Discussion and Analysis

The business is subject to fluctuation of purchase costs for raw materials and staff costs

The profitability of the Group depends on the control of cost of production and ability to anticipate and respond to fluctuations in purchase costs of raw materials. The availability and costs of our principal raw materials may change due to factors beyond our control such as policies of the government, economic conditions and market competition. In addition, as the labour costs in Hong Kong continue to increase in recent years, the salary level of employees has generally increased as well. The operation and financial performances may be adversely affected if there is any significant increase in staff costs.

Rely on sub-contractors who are printing service providers and their failure to meet our requirements may materially and adversely affect our business and reputation

The Group sub-contracts certain production procedures and printing services to sub-contractors who are printing service providers. It cannot be assured that the management can monitor the performance of the sub-contractors as directly and effectively as monitoring the staff members of the Group. In case the sub-contractors fail to meet the deadlines or required standards, the business and reputation of the Group may be adversely affected.

In addition, if the sub-contractors are in breach of any laws, rules or regulations in matters such as health and safety, environment and employment, they may be subject to prosecution and unable to perform the work of the Group. The Group may then have to locate and appoint another sub-contractor for replacement at additional cost, which lowers the profit margin of the Group.

Possible shortage in supply of our raw materials

To deliver printing services with fast turnaround time and meet the expectation of customers, the Group has to be able to procure raw materials in a timely manner. The Group did not enter into any long-term contract with the suppliers. There is no assurance that the Group will continue to be able to secure a stable supply of raw materials at competitive prices in a timely manner or at all. Failure to do so will cause disruption in production or delayed delivery, thereby adversely affecting the Group's business, results of operation and reputation.

CHARGE ON ASSETS

As at 30 September 2021 and 31 March 2021, certain right-of-use assets (previously presented as property, plant and equipment) of the Group with a carrying value of HK\$2.5 million and HK\$2.8 million respectively, were held under leases.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 September 2021.

Management Discussion and Analysis

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The following is a comparison of the Group's business plan as set out in the prospectus of the Company dated 13 March 2018 (the "Prospectus"), with actual business progress up to 30 September 2021.

Business plan as set in the Prospectus	Progress up to 30 September 2021
Purchase of a five-colour offset press	<p>As disclosed in the announcement of the Company dated 18 October 2018 (the "First Change in UOP Announcement"), the Group entered into the purchase agreement for the acquisition of a six-colour offset press. For the detailed reasons for the change in use of proceeds, please refer to the First Change in UOP Announcement.</p> <p>The set up of the six-colour offset press was completed in May 2019.</p>
Purchase of a hybrid printer	<p>As disclosed in the announcement of the Company dated 23 March 2020 (the "Second Change in UOP Announcement"), the Board resolved to reallocate the proceed for other purpose. For the detailed reasons for the change in use of proceeds, please refer to the Second Change in UOP Announcement.</p>
Expansion of our store network	<p>As disclosed in the Second Change in UOP Announcement, the Board resolved to reallocate the proceed for other purpose. For the detailed reasons for the change in use of proceeds, please refer to the Second Change in UOP Announcement.</p>
Lease of four digital printers	<p>As disclosed in the Second Change in UOP Announcement, the Group entered into a finance lease agreement for the lease of four digital printers at a total lease payment of HK\$5.0 million.</p> <p>The set up of the digital printers was completed in June 2020.</p>
Purchase of printing related machines	<p>As at 30 September 2021, the Group acquired printing related machines from an independent third party of approximately HK\$2.0 million.</p>
Upgrade information technology systems	<p>The set up of the Company's website and mobile application was completed in March 2020.</p>

Management Discussion and Analysis

USE OF PROCEEDS

On 28 March 2018, the Company's shares were listed on GEM and 225,000,000 new shares of HK\$0.01 each were issued at HK\$0.23 (the "Share Offer"). The net proceeds from the Share Offer was HK\$24.0 million after payment of transaction cost and listing expenses. As disclosed in the First Change in UOP Announcement, the Board resolved to reallocate the use of the Share Offer net proceeds for acquiring a six-colour offset press to replace of one of the Group's existing four-colour offset press (the "First Change in UOP").

Details of the revised allocation of the First Change in UOP Announcement up to 22 March 2020 are set out as follows:

	Planned use of the net proceeds as announced on 18 October 2018 (adjusted according to the actual net proceeds received) HK\$ million (approximately)	Utilized net proceeds up to 22 March 2020 HK\$ million (approximately)	Unutilized net proceeds up to 22 March 2020 HK\$ million (approximately)
Purchase of a six-colour offset press	10.7	10.7	—
Purchase of a hybrid printer	10.5	—	10.5
Expansion of our store network	1.9	—	1.9
Upgrade information technology systems	0.9	0.9	—
Total	24.0	11.6	12.4

As disclosed in the Second Change in UOP Announcement, the Board resolved to have a second change with respect to the use of net proceeds (the "Second Change in UOP"). Details of the Second Change in UOP up to 30 September 2021 are set out as follows:

	Planned use of the net proceeds as announced on 23 March 2020 (adjusted according to the actual net proceeds received) HK\$ million (approximately)	Utilized net proceeds up to 30 September 2021 HK\$ million (approximately)	Unutilized net proceeds up to 30 September 2021 HK\$ million (approximately)	Expected timeline of full utilisation of the balance
Purchase of a six-colour offset press	10.7	10.7	—	—
Lease of four digital printers	5.0	1.5	3.5	End of 2025
Purchase of printing related machines	5.0	2.0	3.0	End of 2022
Working capital	2.4	2.4	—	—
Upgrade information technology systems	0.9	0.9	—	—
Total	24.0	17.5	6.5	—

Management Discussion and Analysis

As disclosed in the Second Change in UOP Announcement, the Group entered into a finance lease agreement with an independent third party, being the manufacturer of printer and copier, for the lease of four new digital printers at the total lease payment of HK\$5,040,000, of which HK\$5.0 million will be funded by the net proceeds, for a lease term of 60 months. For details, please refer to the Second Change in UOP Announcement. Total lease payment of HK\$1.5 million has been paid out of the net proceeds up to 30 September 2021.

Also as disclosed in the Second Change in UOP Announcement, the Company was in negotiation to purchase approximately HK\$2.0 million of printing related machines from an independent third party supplier; the purchases were subsequently concluded in April and July 2020. Management will periodically assess the needs to replace or acquire additional production machinery and equipment according to the Group's business strategy and operational requirement. It is currently expected that the remaining HK\$3.0 million net proceeds will be fully utilised for purchase of printing related machines by the end of year 2022.

After the reporting period and up to the date of this report, the Company purchased a printing related machine amounting to HK\$1.2 million.

The remaining unused net proceeds as at 30 September 2021 were placed as bank balances with licensed banks in Hong Kong and will be applied according to the intended usage stated in the Prospectus.

The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group's business and the industry.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 September 2021, save for as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, the First Change in UOP Announcement and the Second Change in UOP Announcement, the Group did not have any plans for material investments and capital assets.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in elsewhere, the Board is not aware of any events after the reporting period that requires disclosure.

Other Information

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATE CORPORATIONS

As at 30 September 2021, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange: (a) pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein (the "Register"); or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange were as follows:

Long position in Shares as at 30 September 2021

Name of Director	Capacity	Number of shares held/ interested	Percentage of the issued share capital of the Company (approximate)
Mr. Chau Man Keung	Beneficial Owner	280,400,000	31.16%
Mr. Hsu Ching Loi	Beneficial Owner	110,500,000	12.28%
Mr. Leung Yuet Cheong	Beneficial Owner	66,460,000	7.38%
Mr. Wong Man Hin Joe	Beneficial Owner	30,380,000	3.38%

Save as disclosed above and so far as is known to the Directors, immediate following the Listing, none of the Directors nor chief executive of the Company had or was deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by directors as referred to in Rules 5.46 of the GEM Listing Rules.

Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware of, as at 30 September 2021, the following persons/entities other than a Director or the chief executive of the Company had interests or short positions in the shares and underlying shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the issued voting shares of the Company:

Long position in Shares as at 30 September 2021

Name of Shareholders	Capacity	Number of shares held/ interested	Percentage of the issued share capital of the Company (approximate)
Ms. Siu Man Yam (Note 1)	Interest of spouse	280,400,000	31.16%
Ms. Ng Lai Nga (Note 2)	Interest of spouse	110,500,000	12.28%
Ms. Mok Chun Ngor (Note 3)	Interest of spouse	66,460,000	7.38%

Notes:

1. Ms. Siu is the spouse of Mr. Chau Man Keung, an executive Director. By virtue of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time ("SFO"), Ms. Siu is deemed to be interested in all the Shares in which Mr. Chau is interested or deemed to be interested under the SFO.
2. Ms. Ng Lai Nga is the spouse of Mr. Hsu Ching Loi, an executive Director. By virtue of the SFO, Ms. Ng Lai Nga is deemed to be interested in all the Shares in which Mr. Hsu is interested or deemed to be interested under the SFO.
3. Ms. Mok is the spouse of Mr. Leung Yuet Cheong, an executive Director. By virtue of the SFO, Ms. Mok is deemed to be interested in all the Shares in which Mr. Leung is interested or deemed to be interested under the SFO.

Save as disclosed above and so far as is known to the Directors, immediate following the Listing, the Directors were not aware of any other persons who had or deemed or taken to have any interests or short positions in the shares or underlying shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the issued voting shares of the Company.

Other Information

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) on 26 February 2018 and no options have been granted, exercised, lapsed or cancelled since then and up to the date of this report.

The Share Option Scheme shall be valid and effective for a period of 10 years from the adoption date, after which no further options may be issued. A summary of the principal terms of the Share Option scheme is set out in Appendix IV to the Prospectus.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance in emphasising a quality board of directors, sound internal control, transparency and accountability with a view to safeguard the interests of all the Shareholders. The Board has adopted the principles and the code provisions of Corporate Governance Code (the “CG Code”) contained in Appendix 15 to the GEM Listing Rules. During the six months ended 30 September 2021, the Company has complied with all the code provisions of the CG Code as set out in Appendix 15 to the GEM Listing Rules.

CODE OF CONDUCT FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings concerning securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “Model Code”) as its own code governing securities transactions of the Directors. Having made specific enquiry of all the Directors, all of them confirmed that they had fully complied with the required standard of dealings as set out in the Model Code during the six months ended 30 September 2021.

Pursuant to Rule 5.66 of the Model Code, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he would be prohibited from dealing by the Model Code as if he were a Director.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 September 2021.

COMPETING BUSINESS

For the six months ended 30 September 2021, none of the Directors, controlling shareholder or their respective close associates (as defined in the GEM Listing Rules) has any interests in a business that competes or is likely to compete either directly or indirectly with the business of the Group.

Other Information

AUDIT COMMITTEE AND REVIEW OF UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Company established an audit committee (“Audit Committee”) with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph C.3 of the CG Code as set out in Appendix 15 to the GEM Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely Mr. Chan Chun Kit (“Mr. Chan”), Dr. Sun Yongjing and Mr. Wan Aaron Chi Keung, BBS, JP. Mr. Chan is the chairman of the Audit Committee. The primary duties of the Audit Committee include reviewing and supervising the Group’s financial reporting system, monitoring the internal control procedures and risk management, reviewing the Group’s financial information and the relationship with the external auditor of the Company, ensuring compliance with the relevant laws and regulations. In addition, the Audit Committee is responsible for the initial establishment and the maintenance of a framework of internal controls and ethical standards for the Group’s management.

The unaudited condensed consolidated financial statements have not been audited. The Audit Committee has reviewed with the management of the Group the unaudited condensed consolidated financial statements, the interim report, the accounting principles and policies adopted by the Group, and other financial reporting matters. The Audit Committee is satisfied that the unaudited condensed consolidated financial statements complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board of
Universe Printshop Holdings Limited
Chau Man Keung
Chairman and Executive Director

Hong Kong, 12 November 2021

As at the date of this report, the executive Directors are Mr. Chau Man Keung, Mr. Hsu Ching Loi, Mr. Wong Man Hin Joe and Mr. Leung Yuet Cheong and the independent non-executive Directors are Mr. Wan Aaron Chi Keung, BBS, JP, Mr. Chan Chun Kit and Dr. Sun Yongjing.

Interim Results

The Board of the Company is pleased to present the unaudited condensed consolidated results of the Group for the six months ended 30 September 2021 together with the unaudited comparative figures for the corresponding periods in 2020 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2021

	Note	Unaudited Six months ended 30 September 2021 HK\$	2020 HK\$
Revenue	3	57,864,213	47,866,431
Cost of sales		(44,097,874)	(38,519,800)
Gross profit		13,766,339	9,346,631
Other income		592,803	6,200,030
Other gains		229,156	919,477
Selling and administrative expenses		(13,833,205)	(15,576,775)
Profit from operations		755,093	889,363
Finance costs		(402,136)	(455,681)
Profit before taxation		352,957	433,682
Income tax expense	4	(297,103)	(443,628)
Profit/(Loss) and total comprehensive income for the period attributable to owners of the Company		55,854	(9,946)
		HK cents	HK cents
Earnings/(Loss) per share			
Basic and diluted	5	0.01	(0.00)

Unaudited Condensed Consolidated Statement of Financial Position

As at 30 September 2021

	Note	Unaudited 30 September 2021 HK\$	Audited 31 March 2021 HK\$
ASSETS AND LIABILITIES			
Non-current asset			
Property, plant and equipment	7	8,094,717	8,862,198
Right-of-use assets		7,422,370	7,379,343
Intangible assets		78,706	120,771
Deposits paid		1,652,732	1,673,436
Deferred tax assets		487,050	804,220
		17,735,575	18,839,968
Current assets			
Inventories		4,480,324	2,680,541
Trade and other receivables, prepayments and deposits	8	10,141,305	8,812,267
Prepaid tax		809,209	661,963
Cash and cash equivalents		25,054,447	23,645,769
		40,485,285	35,800,540
Current liabilities			
Trade and other payables	9	18,915,077	14,911,848
Contract liabilities		3,414,061	2,037,522
Lease liabilities		5,311,945	7,859,263
Provision for reinstatement cost		140,000	150,000
		27,781,083	24,958,633
Net current assets		12,704,202	10,841,907
Total assets less current liabilities		30,439,777	29,681,875

Unaudited Condensed Consolidated Statement of Financial Position

As at 30 September 2021

	Note	Unaudited 30 September 2021 HK\$	Audited 31 March 2021 HK\$
Non-current liabilities			
Lease liabilities		6,115,138	5,413,024
Deferred tax liabilities		31	97
		6,115,169	5,413,121
Net assets			
		24,324,608	24,268,754
CAPITAL AND RESERVES			
Share capital	10	9,000,000	9,000,000
Reserves		15,324,608	15,268,754
Total equity		24,324,608	24,268,754

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2021

	Share capital HK\$	Share premium HK\$	Capital reserve HK\$	Accumulated losses HK\$	Total HK\$
At 1 April 2020 (audited)	9,000,000	29,644,379	20,077,867	(21,917,176)	36,805,070
Loss and total comprehensive income for the period	-	-	-	(9,946)	(9,946)
At 30 September 2020 (unaudited)	9,000,000	29,644,379	20,077,867	(21,927,122)	36,795,124
At 1 April 2021 (audited)	9,000,000	29,644,379	20,077,867	(34,453,492)	24,268,754
Profit and total comprehensive income for the period	-	-	-	55,854	55,854
At 30 September 2021 (unaudited)	9,000,000	29,644,379	20,077,867	(34,397,638)	24,324,608

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2021

	Unaudited Six months ended 30 September	
	2021	2020
	HK\$	HK\$
Operating activities		
Cash generated from operations	5,995,555	5,077,998
Tax paid	(147,246)	–
Net cash generated from operating activities	5,848,309	5,077,998
Investing activities		
Payment for the purchase of property, plant and equipment	–	(3,356,940)
Payment for the purchases of intangible assets	–	(25,800)
Proceeds from the sales of property, plant and equipment	–	4,800
Interest received	16,488	135,972
Net cash generated/(used in) from investing activities	16,488	(3,241,968)
Financing activities		
Payment of lease liabilities	(4,053,983)	(4,403,108)
Interest paid	(402,136)	(455,681)
Net cash used in financing activities	(4,456,119)	(4,858,789)
Net increase/(decrease) in cash and cash equivalents	1,408,678	(3,022,759)
Cash and cash equivalents at the beginning of the period	23,645,769	31,271,913
Cash and cash equivalents at the end of the period	25,054,447	28,249,154

Notes to the Unaudited Condensed Consolidated Financial Statements

1 GENERAL INFORMATION

The Company is a public limited company incorporated in the Cayman Islands on 27 April 2017 as an exempted company and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 28 March 2018. The Company was incorporated in the Cayman Islands under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is Office F, 12/F Legend Tower, No. 7 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong. Its controlling shareholder is Mr. Chau Man Keung, who is also an executive director of the Company.

The Company acts as an investment holding company. The subsidiaries of the Company (together, the “Group”) are principally engaged in the provision of general printing services and trading of printing products.

The unaudited condensed consolidated financial information of the Group for the six months ended 30 September 2021 which has not been audited but has been reviewed by the audit committee of the Company. The unaudited condensed consolidated financial information was approved for issue by the Board of directors on 12 November 2021.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basic of preparation and presentation

The unaudited condensed consolidated financial statements for the six months ended 30 September 2021 have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules and the applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which is a collective term including all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The unaudited condensed consolidated financial statements should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2021.

The accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements are same as those applied in the preparation of the Group’s annual financial statements for the year ended 31 March 2021 (the “2021 Annual Financial Statements”), except for the new and revised HKFRSs and interpretations issued by HKICPA that are first effective for the current accounting period of the Company. There has been no significant change to the accounting policy applied in these unaudited condensed consolidated financial statements for the period presented as a result of adoption of these amendments.

The unaudited condensed consolidated financial statements have been prepared under the historical cost basis.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company.

Notes to the Unaudited Condensed Consolidated Financial Statements

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the provision of general printing services and trading of printing products. The amount of each significant category of revenue is as follows:

	Unaudited Six months ended 30 September	
	2021	2020
	HK\$	HK\$
Revenue from contracts with customers within the scope of HKFRS 15		
Timing of revenue recognition – At a point in time		
– Offset printing	42,791,275	36,102,456
– Toner-based digital printing	4,210,253	3,347,688
– Ink-jet printing	8,464,491	6,636,775
– Other services	2,398,194	1,779,512
	<hr/>	<hr/>
	57,864,213	47,866,431

The Group's customer base is diversified with no customer with whom transactions have exceeded 10% of the Group's revenue.

(b) Segment reporting

Segment information represents those information reported to the Group's senior executive management who are the chief operating decision makers for the purposes of resources allocation and assessment of performance. The Group is managed based on the financial information of the Group as a whole as reported under HKFRS. Such information does not contain profit or loss information of particular product or service line or geographical area. The Group's senior executive management allocate resources and assess performance of the Group on an aggregated basis based on such information. Therefore, the Group's senior executive management have determined that starting from the current period, the Group has only one single reportable segment which is provision of printing services and trading of printing products.

The Group's revenue is solely derived from external customers based in Hong Kong, which is the location at which products are delivered, and the Group's non-current assets excluding deferred tax assets are located in Hong Kong.

Notes to the Unaudited Condensed Consolidated Financial Statements

4 INCOME TAX EXPENSE

	Unaudited Six months ended 30 September	
	2021	2020
	HK\$	HK\$
Current tax		
Provision for Hong Kong Profits Tax for the period	–	–
Over-provision in respect of prior years	(20,002)	–
Deferred tax		
Charged to profit or loss	317,105	443,628
	<hr/>	<hr/>
	297,103	443,628

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

The provision for Hong Kong Profits Tax is calculated at 16.5% (2020: 16.5%) of the estimated assessable profits for the period.

5 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/loss per share

The calculation of basic earnings/loss per share was based on the profit attributable to ordinary equity shareholders of the Company of HK\$55,854 (30 September 2020: loss of HK\$9,946) and the weighted average of 900,000,000 ordinary shares (30 September 2020: 900,000,000 ordinary shares) in issue during the period.

The weighted average number of ordinary shares in issue during the six months ended 30 September 2021 and 2020 have been retrospectively adjusted for the effect of the capitalisation issue pursuant to the Reorganisation as stated in the Prospectus.

(b) Diluted earnings/(loss) per share

The diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share as the Group did not have dilutive potential ordinary shares for both periods.

Notes to the Unaudited Condensed Consolidated Financial Statements

6 DIVIDEND

The board does not recommend the payment of dividend of the six months ended 30 September 2021 (30 September 2020: nil).

7 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2021, the Group did not acquire any property, plant and equipment (30 September 2020: HK\$3,356,940).

8 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	Unaudited At 30 September 2021 HK\$	Audited At 31 March 2021 HK\$
Trade receivables	8,596,194	7,426,297
Less: Impairment loss allowance	(799,872)	(798,488)
	7,796,322	6,627,809
Other receivables, prepayments and deposits	2,344,983	2,184,458
	10,141,305	8,812,267

Ageing analysis

At 30 September 2021 and 31 March 2021, the ageing analysis of trade receivables, based on invoice date and net of allowance for doubtful debts, is as follows:

	Unaudited At 30 September 2021 HK\$	Audited At 31 March 2021 HK\$
Within 1 month	3,521,011	3,988,042
1 to 2 months	2,366,155	970,995
2 to 3 months	712,575	551,235
Over 3 months	1,196,581	1,117,537
	7,796,322	6,627,809

Trade receivables are normally due within 30 to 90 days from invoice date.

Notes to the Unaudited Condensed Consolidated Financial Statements

9 TRADE AND OTHER PAYABLES

	Unaudited At 30 September 2021 HK\$	Audited At 31 March 2021 HK\$
Trade payables	14,583,255	10,110,373
Other payables and accruals	3,396,159	4,116,263
Provision for long service payments	935,663	685,212
	18,915,077	14,911,848

At 30 September 2021 and 31 March 2021, the ageing analysis of trade payables based on the invoice date is as follows:

	Unaudited At 30 September 2021 HK\$	Audited At 31 March 2021 HK\$
Within 1 month	7,848,182	5,647,280
1 to 2 months	3,897,109	3,420,782
2 to 3 months	1,460,155	1,028,297
Over 3 months	1,377,809	14,014
	14,583,255	10,110,373

10 SHARE CAPITAL

	Par value HK\$	Number of shares	Amount HK\$
Authorised:			
At 31 March 2021 and 30 September 2021	0.01	2,000,000,000	20,000,000
Issued and fully paid:			
At 31 March 2021 and 30 September 2021	0.01	900,000,000	9,000,000

Notes to the Unaudited Condensed Consolidated Financial Statements

11 MATERIAL RELATED PARTY TRANSACTIONS

In addition to transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions.

(a) Key management personnel remuneration

All members of key management personnel are the directors of the Group and their remuneration is as follows:

	Unaudited Six months ended 30 September	
	2021	2020
	HK\$	HK\$
Directors' fee	216,000	208,800
Salaries, allowances and benefits in kind	1,686,000	1,629,800
Discretionary bonuses	–	–
Retirement scheme contributions	36,000	36,000
	1,938,000	1,874,600

(b) Transactions with related parties

	2021	2020
	HK\$	HK\$
Rental expenses paid/payable to the following related companies which are controlled by the same controlling shareholder		
– Universe Printing Company Limited	1,352,276	1,548,000
– Universe Samfine Limited	228,000	228,000
Salaries and retirement scheme contribution paid to:		
– Ms. NG Lai Nga, spouse of a director	150,000	140,500
– Ms. SIU Man Yam, spouse of a director	48,000	46,400

(c) Balance with related party

As at 30 September 2021 and 31 March 2021, the Group had the following balance with related party:

	Unaudited At 30 September 2021 HK\$	Audited At 31 March 2021 HK\$
Rental in advance to the following related company which is controlled by the same controlling shareholder		
– Universe Printing Company Limited	1,217,048	–

This announcement, for which the directors (the “**Directors**”) of Universe Printshop Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

By order of the Board of
Universe Printshop Holdings Limited
Chau Man Keung
Chairman and Executive Director

Hong Kong, 12 November 2021

As at the date of this announcement, the executive Directors are Mr. Chau Man Keung, Mr. Hsu Ching Loi, Mr. Wong Man Hin Joe and Mr. Leung Yuet Cheong and the independent non-executive Directors are Mr. Wan Aaron Chi Keung, BBS, JP, Mr. Chan Chun Kit and Dr. Sun Yongjing.

This announcement will remain on the website of the GEM at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting. This announcement will also be published and remains on the website of the Company at www.uprintshop.hk.